



ISSN 1180-5218

Legislative Assembly
of Ontario

First Session, 40th Parliament

Assemblée législative
de l'Ontario

Première session, 40^e législature

Official Report of Debates (Hansard)

Monday 2 April 2012

Journal des débats (Hansard)

Lundi 2 avril 2012

**Standing Committee on
General Government**

Attracting Investment
and Creating Jobs Act, 2012

**Comité permanent des
affaires gouvernementales**

Loi de 2012 visant
à attirer les investissements
et à créer des emplois

Chair: David Oraziotti
Clerk: Sylwia Przedziecki

Président : David Oraziotti
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Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
GENERAL GOVERNMENT**

**COMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES**

Monday 2 April 2012

Lundi 2 avril 2012

The committee met at 1402 in room 228.

**ATTRACTING INVESTMENT
AND CREATING JOBS ACT, 2012
LOI DE 2012 VISANT
À ATTIRER LES INVESTISSEMENTS
ET À CRÉER DES EMPLOIS**

Consideration of the following bill:

Bill 11, An Act respecting the continuation and establishment of development funds in order to promote regional economic development in eastern and southwestern Ontario / Projet de loi 11, Loi concernant la prorogation et la création de fonds de développement pour promouvoir le développement économique régional dans l'Est et le Sud-Ouest de l'Ontario.

The Chair (Mr. David Oraziotti): Good afternoon, everyone. Welcome to the Standing Committee on General Government. We're here today to consider Bill 11, An Act respecting the continuation and establishment of development funds in order to promote regional economic development in eastern and southwestern Ontario.

**STATEMENT BY THE MINISTER
AND RESPONSES**

The Chair (Mr. David Oraziotti): Folks, as you know, the minister is here today to give a presentation. That will be 15 minutes in length. Caucuses have five minutes per caucus to ask questions of the minister. Subsequent presentations are 15 minutes: 10 minutes for the presenters, and members will have five minutes to ask questions as a group. We'll go in rotation. Any time that's not used by the presenter will be divided among members of caucus to ask questions.

I'll call on the Honourable Brad Duguid to make his presentation to committee.

Hon. Brad Duguid: Thank you very much, Mr. Chair.

The Chair (Mr. David Oraziotti): Good afternoon, Minister.

Hon. Brad Duguid: It's great to be here. It's great to be back at a committee again. I understand I have about 15 minutes. I don't know if I'll take the full 15, but we'll see how it goes. You just never know.

I want to begin by thanking the committee for inviting me to join you today. I welcome the opportunity to talk a

little about the role and the importance of Bill 11: why it's so important for southwestern Ontario, eastern Ontario and, frankly, all of Ontario.

The global recession has impacted most jurisdictions around the world, including Ontario, and it's clear that, frankly, our world economy has changed for good. We can no longer look south and rely on a strong US-based economy. South of the border, the economy appears to be coming back, but it's coming back slower than we would have liked. So I don't think we can look to the US now for the strength that they used to be able to provide—that, frankly, Ontario's economy relied a lot on in recent years.

Building and growing our economy now relies a lot on productivity, innovation and our exports to the US but around the entire world today.

To help ensure that all of Ontario's regions have the tools they need to succeed, we're proposing Bill 11, the Attracting Investment and Creating Jobs Act.

This act will, if passed, enhance Ontario's economic competitiveness and opportunities for Ontarians to find high-quality jobs.

We know the global recession hit some regions of our province a little bit harder than others, and there's a need for financial assistance and incentives to promote regional economic development.

In a nutshell, Bill 11 is designed to help southwestern and eastern Ontario attract and retain investment, create and retain jobs, and promote innovation, collaboration and cluster development.

We know that regional economic development programs work. Just look at the eastern Ontario development fund—and some of you around this table have had some experience with that fund. Since the fund was launched in 2008, it has supported over 100 projects. These are projects in more than a dozen different sectors and reflect the diversity of the eastern Ontario economy. Many of the successful projects have been with smaller firms employing between 10 and 50 employees.

This fund has leveraged over \$488 million in private sector investment. It's an 8-to-1 leverage rate. That's pretty impressive for economic development funds. By "leverage rate," I mean for every public sector dollar invested, it's accruing an \$8 private sector investment, which is pretty good. It's helped to create or retain 11,900 jobs across eastern Ontario.

The program is doing more than just creating jobs. It's also building talent and human capital across eastern

Ontario. The majority of the funds we have helped have been in advanced manufacturing projects across a number of diverse subsectors.

Targeted sectors include manufacturing, processing, tourism, business services, cultural industries, and technology and green technologies.

As many of you know, KPMG has conducted a review of the eastern Ontario development fund and found that the fund has been successful in creating jobs in eastern Ontario communities and increasing the competitiveness of companies in the region. Copies of that study are included, I believe, in the binders that the MPPs from all parties have.

More importantly, I think it's critical that the committee be aware of the support that this bill has received from across eastern and southwestern Ontario.

I want to read a little testimonial from the Eastern Ontario Wardens' Caucus about the eastern Ontario development fund. I'm quoting here, and this is what it says: "There is no question from our perspective that over the past four years the fund has helped many businesses in the region expand their capabilities, grow their markets and increase their workforces, all of which have helped eastern Ontario's economy weather very difficult fiscal times."

So when the Southwest Economic Alliance, supported by the Western Ontario Wardens' Caucus, South Central Ontario Region and the Southwestern Ontario Marketing Alliance, called on the government of Ontario to create a southwestern Ontario economic development fund, we listened. Southwestern Ontario, in our view, deserves similar support to what we've been able to provide to eastern Ontario.

Consultations for this fund were held across southwestern Ontario from London and Kitchener to Owen Sound to Windsor to St. Thomas to St. Catharines and Guelph. Over 215 individuals attended the consultations and an additional 32 written submissions have been received.

I just want to share with you just a little bit about what we've heard, much of it in the media, coming from local leaders and editorials and whatnot throughout southwestern Ontario. I'm going to share a couple of quotes with you.

This one comes from—it's referring to the official opposition's decision to date not to support this particular bill. It comes from Steve Arnold, Lambton county warden. This is what he says: "Don't poke someone in the eye and then ask them to do something for you. You don't do that sort of thing."

Mr. Chair, I want to also share with you a quote from John Kastner, the editor—

Mr. Steve Clark: Point of order.

Hon. Brad Duguid: I hope that's not coming from my time, Mr. Chair.

The Chair (Mr. David Orazietti): Excuse me. Just one minute, Minister.

Mr. Steve Clark: I don't see what point—you know, we asked the minister to come and address some order

paper questions, and he's doing it. I don't see any purpose in taking shots at the official opposition. We asked him here—I asked him here in good faith, and I just think he's a bit out of order with his attacks.

The Chair (Mr. David Orazietti): Okay. Point noted. The minister is here to make a presentation on Bill 11, the merit of that bill, the importance of that bill to the region. I'd ask him to continue with points along that line. If you—

Hon. Brad Duguid: Sure. Mr. Chair, I'll—

The Chair (Mr. David Orazietti): We'll entertain questions after, so there'll be an opportunity for an exchange. But at this point, I'd appreciate focus on the bill.

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Hon. Brad Duguid: Sure, Mr. Chair. I appreciate that.

I think it's important, though, that we listen to the people in southwestern Ontario and eastern Ontario and how they feel about this bill. I think it's very relevant as I come before the committee today, and I look forward to receiving questions from the opposition, where I'll be happy to respond to details of the bill. I think it's very relevant to the committee to know what we're hearing and what I, as minister, have heard from the people of southwestern Ontario and eastern Ontario. They're our priority here. The people of southwestern Ontario and the people of eastern Ontario are our priority, and I think their views matter.

That's why I think it's relevant to be able to quote John Kastner, editor of the Stratford Beacon Herald. This is what they had to say: "What happened last week was a couple of bad days for politics in general and this riding in particular. And the whole notion of 'I will go to Queen's Park and fight for this riding' rings a bit hollow now."

Mr. Chair, I think that's relevant. I think that it's very important that all members of the committee listen very carefully to some of those voices that are being heard.

I want to raise a quote from Randy Hope, the mayor from Chatham-Kent. He's been to these committees many times to make deputations, and this is what he said, as quoted in the St. Thomas Times-Journal: "A political party that thinks they understand business certainly doesn't if they voted against (the bill)." I think that's important, Mr. Chair. I think it's important to hear from the leaders of southwestern Ontario.

How about Joe Fontana, the mayor of London, in the St. Thomas Times-Journal, who had this to say: "Sometimes, you've got to decide not what should be the party line but what would be good for the towns and cities in your (riding)... From time to time you have to stand for your constituents and communities ... that's why people elect you."

Mr. Chair, I can go on and on here. The deputy mayor of Goderich, John Grace, said: "It is the wrong time to be playing politics, the wrong time to hold this up. The last thing we need here is another stall tactic."

I raise that quote, Mr. Chair, because I think it's really important that members of committee on all sides of the House recognize that local mayors want us to move

forward with this initiative, move forward with this bill on a timely basis.

I'll move away from quotes for the time being, Mr. Chair, and just share with you some of the headlines that we've seen in local papers across southwestern Ontario—I believe mainly in southwestern Ontario—because a lot of us here read the *Star* and the *Sun* and the *Globe*, and we don't always get to see some of the headlines and what some of the other papers are saying.

Here's what the Stratford Beacon Herald had to say on March 14 in their headline: "For Our MPP, Boss's Orders Trump Needs of Riding." Here's what the *St. Thomas Times-Journal* had to say: "Tory MPPs Miff Local Mayors." Here's what the *Belleville Intelligencer* had to say: "Milligan Toed Party Line on EODF." And here's what the *London Free Press* had to say: "Tory MPPs Stall \$80M Jobs Fund."

I could go on and on about the headlines—and I recognize, when I raise these issues, that my friends on the opposition side probably don't like it when I raise these headlines, but I think it's relevant. I really do. I think it's relevant what people in southwestern Ontario think about what we're doing here. I think it's relevant what they think about those who would oppose the initiatives that we're bringing forward, in good faith, to create jobs in southwestern Ontario and eastern Ontario. I don't mean to be provocative with these quotes; I really don't.

Laughter.

Hon. Brad Duguid: My friend Rosario laughs when I say that, but I'm not making them up, Mr. Chair. They're real, and I can assure you that there are many more where they came from.

The fact is, though, that this bill does not have to be political. Creating jobs in eastern Ontario and southwestern Ontario does not need to be a partisan matter. The NDP appear to get it. They recognize that the eastern Ontario development fund works in eastern Ontario. It created jobs and attracted investment there. They recognize that southwestern Ontario was hit hard during the global recession, and the southwestern Ontario development fund is much needed. The funny thing is, Mr. Chair, they have less seats in those communities than my friends in the PC Party have, who have so far expressed pretty blunt opposition to jobs in eastern Ontario and southwestern Ontario.

Now, I know, Mr. Chair, that it's easy for members to say that you shouldn't toe party lines and things like that; I know we're subject here to working within our caucuses. So I ask all members on all sides of the committee: Listen carefully to the depositions you hear today. Take a good, strong look at this bill and what's behind it and the initiatives behind it. My hope for the committee and all members on all sides is that we put jobs ahead of politics here, that we find a way to work together to promote jobs in eastern Ontario, southwestern Ontario.

This fund has been a proven winner in eastern Ontario, as I mentioned; 11,700 jobs created in the three years it has been there. That's significant. It's something that our

local leaders are welcoming in eastern Ontario and southwestern Ontario. It's something I think we can show to the people of this province, that when we work together we can get things done. If we work together in support of this bill, I think it's going to be good news to the people in eastern Ontario and good news to the people in southwestern Ontario.

I look forward to receiving your questions. I'm joined by Mahmood Nanji, who is my assistant deputy minister. If there are detailed questions that you have, Mahmood would be more than happy to share details on that.

Mr. Chair, with that, I ask the committee to listen carefully to the depositions and certainly welcome any questions they may have.

The Chair (Mr. David Oraziotti): Okay. Thank you, Minister. We're going to go in rotation here. The Conservative caucus is first. You have five minutes to ask your questions. Mr. Clark, go ahead.

Mr. Steve Clark: Thanks, Chair. Minister, I'm a bit disappointed. I looked over to the clerk to make sure that you got my request before you appeared today. I tried to be extremely fair and reasonable and I, in the four questions that I asked that you address, certainly didn't take any time during that period to be political. I didn't read any headlines. I didn't provide any quotes.

I wanted, for the committee's perspective, to have answers to four order paper questions that Mr. McNaughton tabled, which, by our convention, wouldn't be available to us until April 16. That is the day, as committee members know, that we're doing clause-by-clause. Although the minister did indicate some of the numbers regarding the consultations—he did provide us with the executive summary of the KPMG study—there are some questions that arise from these order paper questions that I had hoped that you would have chosen to table in detail as opposed to make the presentation that you did.

Are you prepared today to provide some of that detail for the committee as part of our deliberations?

Hon. Brad Duguid: Thank you for that question, and I thank you for the order paper questions. I have responded to them. You're quite right; we had a fair amount of time left to respond—I think it was April 16 or somewhere thereabouts would have been the deadline—but you had wanted them responded to before today. I'm happy—I have them here with me, the responses as well. I assume they've been submitted in through the proper channels. If not today, they're on their way. I have them here for you and I'm happy to share them with you.

Mr. Steve Clark: There are other written submissions, Chair, through you to the minister. There are a number of depositions today who have indicated that they would like the ministry to reconsider the boundaries, or in southwestern Ontario's case, the proposed boundaries. I know that in the meeting that our eastern Ontario caucus had with you and a number of the Liberal members on February 23, you gave us the indication that there are two options: Either the bill is voted for in favour or it's not.

So I guess just leading up to these presentations today, has there been any indication or any movement from the ministry on changing the boundaries of any of these programs as per the written or, in the case of a number of them, their oral submissions today?

Hon. Brad Duguid: I regret that in our previous conversation about this, you got the impression that somehow or another we're closed-minded about that. We're not—

Mr. Steve Clark: Well, it was pretty direct. You gave us really two options, so that's why I just wondered if there was a change of heart.

Hon. Brad Duguid: I think part of the reason for committees to be here is to listen. Certainly, this government has listened very closely to the voices in southwestern Ontario and eastern Ontario, which is why this bill is before you.

I think from our perspective the bill doesn't define the boundary. There's no definition of the boundary, as I recall, in the bill. That's something I expect would be of much interest to many communities that are in and around those areas.

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So we're open-minded to the submissions that are made today to committee. We'll obviously want to take into consideration what we've heard in eastern Ontario and southwestern Ontario. Certainly, if opposition members have suggestions, we're open to them.

Mr. Steve Clark: Thank you.

The Chair (Mr. David Oraziotti): Mr. Marchese—oh, sorry.

Mr. Todd Smith: Sorry. Do we have some time left?

The Chair (Mr. David Oraziotti): You've got a brief minute.

Mr. Todd Smith: Okay. I'm just curious, Minister, as we're talking about the eastern Ontario development fund now, if you could explain where the money, since 2008, has gone, and to which particular ridings? I believe the breakdown at that time over the last three years was 60% Liberal ridings and 40% Conservative ridings. Any idea of the breakdown on how that money was distributed?

Hon. Brad Duguid: One of the order paper questions—it may have been Mr. Clark that asked the order paper question—was for a breakdown of all of the ridings, all of the grants that have gone out. We've provided that to you. I can tell you that the process for allocating these grants has always been done through a staff process. The only role that the minister plays is signing off the grant once it comes up to him from committee. I can assure you that all applicants that have applied and qualified for funding—all have received funding. All applicants that have applied and qualified for funding have received funding.

I think something that's interesting as well—and I've got a little bit more information I can give you on this.

The Chair (Mr. David Oraziotti): Briefly, Minister. We need to move on.

Hon. Brad Duguid: Are we out of time?

The Chair (Mr. David Oraziotti): Yeah.

Hon. Brad Duguid: Well, the vast majority of—in fact, I think it's something like 98% of grants have been successful. There's a great deal of accountability that goes into the process, but I can assure you that it's not—I think you're insinuating somehow that maybe there's some kind of politics that go into this—

Mr. Todd Smith: Well, the stats don't lie. There's 81% of the funds that have gone into eastern Ontario have gone to Liberal-held ridings.

Hon. Brad Duguid: Well, what I'm saying to you is that it's gone through the process and been approved, as it should. A lot of the grants have gone—Peterborough has been very aggressive at pursuing this funding—

Mr. Todd Smith: They've been very fortunate, too, since the election. As one of the only remaining Liberal ridings in eastern Ontario, they've received five grants since the election. That's just a coincidence, though?

Hon. Brad Duguid: As has Kingston. I can tell you that there's not one applicant that's applied for funding under this program that qualified for it that did not receive funding.

The Chair (Mr. David Oraziotti): Okay. I'm going to need to stop you there, Minister. It's been a long minute, and I need to move on.

Hon. Brad Duguid: I think that alone suggests that your line of questioning is incorrect.

Mr. Todd Smith: It's a fair question—

The Chair (Mr. David Oraziotti): Okay, guys. Thanks. We're moving on.

NDP caucus: Mr. Marchese, go ahead.

Mr. Rosario Marchese: Minister, I've got four or five questions, and we really want to avoid a long debate on the answers to the questions so that I can ask all of them to you. Some of them you already heard in the debate at Queen's Park in the assembly.

The first one is: The grants have been the only form of assistance that have been given in the past. Have you considered or are you considering providing loans or loan guarantees as well?

Hon. Brad Duguid: The consultations in southwestern Ontario—there appears to be an appetite, in southwestern Ontario, in particular, for a different approach that involves some form of loans. So in answer to your question, to keep it brief, yes, we're considering that.

Mr. Rosario Marchese: Okay. The other issue we've raised with your staff and in the debate has to do with job guarantees. Minnesota has something interesting. I want to read it to you quickly and see what your feedback is on that.

Minnesota's clawback law is a good example of best practice in this area. The law requires that subsidy recipients sign formal subsidy agreements, which must include clawback language enabling the state to recapture all or part of a subsidy, with interest, if a company does not fulfill the terms of the contract. In Minnesota, all subsidy contracts must contain minimum requirements for wage standards, and subsidy recipients must commit to wage and job goals. Companies that fail to meet their commitments are barred from receiving further subsidies

in the state for five years or until they have repaid what they owe. What do you make of that?

Hon. Brad Duguid: All of the funds that we have have clawback processes in place, accountability processes in place. I guess you can call them job guarantees, but it's really accountability measures, and it often is based on how much investment comes forward, because the money flows over a period of time, usually.

Mr. Rosario Marchese: Yes, yes.

Hon. Brad Duguid: So, to keep it brief, if there are ways we can look at what we're doing, if there are ways we can improve it, we're happy to consider that.

Mr. Rosario Marchese: Right. So perhaps you might ask your staff to look at what they've done in Minnesota.

Hon. Brad Duguid: I'd be more than happy to do that.

Mr. Rosario Marchese: Okay.

The other question has to do with offsets. Most of the money that you're providing for this program comes from offsets, and most of it comes from the strategic jobs investment fund, which, as it says in the ministry documentation, is aimed at innovative companies that make anchor investments in Ontario that support cluster development and leading-edge initiatives that build long-term prosperity and global competitiveness.

We happen to agree with that language.

So you're taking much of that money—I don't know whether it's the \$20 million or \$18 million or \$15 million. Maybe you can tell me how much you're taking from that particular fund, or any other fund, for that matter, to fund this western development fund.

Hon. Brad Duguid: Sure. It is public information. I don't have it with me right now—

Mr. Rosario Marchese: Does he have it?

Hon. Brad Duguid: I can certainly get that for you. Mr. Nanji might have it with him today. We can get that for you fairly quickly.

Mr. Rosario Marchese: Well, if he's got it, I'll ask you another question while he finds it. How about that?

Hon. Brad Duguid: Let me just respond to that this way: The strategic jobs and investment fund—the portion is the lending portion. It is a good fund and we didn't make that decision lightly. It's a question of priorities.

Mr. Rosario Marchese: I believe that. I'm interested to know how much.

The last question that I have, while the assistant deputy comes to sit here and give me the answer—if you don't mind. The final question has to do with the independence of this board. The heritage fund in the north is independent. We believe this fund should have an independent board to avoid any mention of politics involved. Don't you think it's a good idea?

Hon. Brad Duguid: Again, when it comes to the administration and structure of the fund, that's something we work very hard to—

Mr. Rosario Marchese: I appreciate that.

Hon. Brad Duguid: —in terms of consulting with southwestern Ontario. So would we be open to the idea—

Mr. Rosario Marchese: Of independence.

Hon. Brad Duguid: We're open to different ideas and we're certainly willing to consider best practices.

Mr. Rosario Marchese: Very good.

Hon. Brad Duguid: But I think it's really important that we consider what we receive, the information we receive, through the consultation process, number one. What do the people of southwestern Ontario and eastern Ontario—what's their preference? I think that's relevant.

Mr. Rosario Marchese: Well, then, I'll ask them.

Hon. Brad Duguid: And the second thing that I think is really important here is—

Mr. Rosario Marchese: How much time do I have, Chair?

The Chair (Mr. David Oraziotti): You're pretty much there.

Mr. Rosario Marchese: Could I get that answer, please? Hold on, Minister.

Hon. Brad Duguid: The second thing I'd just say—

Mr. Rosario Marchese: No, no, Minister, we don't have time. Could I get that answer?

Hon. Brad Duguid: The second thing I would just say is cost. I think cost is important as well.

Mr. Rosario Marchese: I appreciate that.

Hon. Brad Duguid: Because for every dollar you spend on administration, you're taking away from—

Mr. Rosario Marchese: We're running out of time.

The Chair (Mr. David Oraziotti): Okay.

Mr. Rosario Marchese: Assistant minister, do you have a quick answer?

The Chair (Mr. David Oraziotti): Just state your name for the purposes of Hansard and you can answer the question briefly.

Mr. Rosario Marchese: Thank you.

Mr. Mahmood Nanji: It's Mahmood Nanji. I'm the assistant deputy minister at the Ministry of Economic Development and Innovation.

So just to let you know, we've identified over \$60 million as potential offsets for the two programs.

Mr. Rosario Marchese: Sixty million?

Mr. Mahmood Nanji: Over \$60 million. And those come from primarily two sources, as you identified: the strategic jobs investment fund and also the Ontario research fund.

Mr. Rosario Marchese: The health research innovation—that fund?

Mr. Mahmood Nanji: It's the Ontario research fund, the ORF.

Mr. Rosario Marchese: Right.

Mr. Mahmood Nanji: Okay. This does not mean that the strategic jobs investment fund is being shut down. What we've done is we've simply reallocated some of the funds that are—

Mr. Rosario Marchese: How much is some?

Mr. Mahmood Nanji: What we've done is, there's a loan provision in there and we've taken the funds that were available in the loan for the purposes of using it—

Mr. Rosario Marchese: How much is that?

Mr. Mahmood Nanji: I don't have the exact numbers but it probably would be about half of that.

Mr. Rosario Marchese: What's half? What is that number?

Mr. Mahmood Nanji: About \$30 million or so.

Mr. Rosario Marchese: Okay. Thank you. Thank you both.

Hon. Brad Duguid: We'll get you all those numbers.

Mr. Rosario Marchese: That would be helpful. Thanks so much.

The Chair (Mr. David Oraziotti): Thank you. Okay, we're moving on to the Liberal caucus. Ms. Cansfield, go ahead.

Mrs. Donna H. Cansfield: Thank you very much, Mr. Chair.

Minister, I think there are a couple of questions that might be some help, because there's been some discussion, and some of the figures did not get into Hansard, I think, that are important.

I think you identified the number of applicants that were successful. How many applicants were there overall? I mean, there is a success rate. How many were not successful? How much money was leveraged? How far does it go across the different sectors? You referred, and I think it's really good reading, to the KPMG report in the back that speaks to the effectiveness and efficiency of this fund. So I just thought maybe, for the record, it would be helpful.

While you're looking for that information, my other question had to do with being able to look at the provision of accountability—I think that's really important in transparency—and how we in fact put in that clawback provision.

1430

I think one of the things that I believe—and I may stand to be corrected, but the transparency and monitoring is over the lifespan of the project so that it's not just, you get the money a year and then you're cut loose; it's actually over the lifespan of the project. That's referred to in the KPMG report as well, as one of the huge benefits to the sustainability of the projects that have been funded. I wouldn't want to lose sight of that when we're looking at the other fund.

I wondered if you had that information, Minister?

Hon. Brad Duguid: Sure. We've got a number of things we can share with the committee. In all, since the program was launched in 2008, 114 projects have been approved; 19 projects have been denied funding. That may help in terms of the number of projects that have been out there.

The bulk of projects go through a process and they do get positively approved, but they're very scrupulous about ensuring that they're projects that qualify. That's why you've got such an effective leverage rate of 8 to 1. That's why the success rate of these projects—98% success rate; that's pretty good. Out of the 2%—and it's actually only two projects that have failed out of the 114 or so; one of them didn't even receive funding in the first place.

So it's important that we have accountability. It's important that we have a very scrupulous accountability and

assessment process. This isn't a fund that just sort of gives out money willy-nilly; it's a fund that really focuses on trying to get return and private sector leverage for the funds.

In eastern Ontario, and I mentioned this but it's really important, \$488 million of private sector funding was leveraged; for every \$1 invested, \$8 of private sector funding was received. That's impressive. When you look at economic development funds around the world, not just here in Ontario, that's a pretty good leverage rate all in all.

Mrs. Donna H. Cansfield: Thank you.

The Chair (Mr. David Oraziotti): Okay, thank you very much. Thank you for your presentation, Minister. That's time for today.

We move on with the next presenter. Any material that may be distributed or left, if it's given to the clerk, we can have copies made so that all members of the committee have access to the information; that would be helpful. Thank you very much.

Hon. Brad Duguid: Great. Thank you, Chair.

TRILLIUM ENERGY ALLIANCE

The Chair (Mr. David Oraziotti): Okay, our next presentation is the Trillium Energy Alliance. Good afternoon, Mr. Mole.

Mr. Jeff Mole: Good afternoon, Mr. Chair.

The Chair (Mr. David Oraziotti): Welcome to the Standing Committee on General Government. You have 10 minutes for your presentation. Any time that you don't use will be divided among members to ask questions. Just state your name and you can start when you're ready.

Mr. Jeff Mole: My name is Jeff Mole, and I am one of five founding directors of Trillium Energy Alliance.

Our organization mobilizes Ontario communities and financial investments to create jobs and economic development in the clean energy sector. We're innovators in the development of clean energy through a social enterprise corporate structure. We recognize the need to provide a greater public benefit in the open electricity market, and have created a better way of developing clean energy projects. We call it "the" alternative energy model.

I've spent the better part of six years developing the model, consulting with government and industry experts, and bringing the idea to market. I've made significant personal sacrifices developing this model, and as a result was nominated for a community power leader award in 2011.

Our approach reduces the social friction associated with wind, solar and water power projects by providing economic benefit to local communities. Communities can make money by generating electricity and selling it to the provincial power authority through the feed-in tariff program. Our model ensures that any surplus revenue will then be donated to the education, health, environment and other initiatives, such as jobs and economic development.

Bill 11 is intended to promote regional economic development in eastern and southwestern Ontario. I'm here today to ask that this bill specifically allocate \$875,000 to fund our project to start up 35 non-profit energy co-ops in each region within the area covered by the bill. This funding would boost our ability to engage more community members and opportunities. This allocation is necessary because the program currently excludes clean energy development. Trillium Energy Alliance will use these funds to mobilize communities through a network of local energy co-operatives.

On page 15 of the feed-in tariff review completed in 2012, it was noted: "Active participation of communities is important to the continued success of the FIT program," and that renewable energy projects provide positive financial returns for a community "as well as additional local benefits." The report also notes, "However, most local community and aboriginal projects require more time to mobilize."

Taxpayer dollars can go further and provide a wider range of social, economic and environmental benefits when development investments are made to build capacity and mobilize communities instead of relying on absentee corporations. With billions of dollars in new investments required in the coming years, a stimulus that provides the greatest return for the taxpayer is essential.

The FIT review clearly states that, "Renewable energy projects with local or aboriginal community partnerships create economic opportunities and jobs for the community. Anticipated results include positive financial returns for the community, as well as additional local benefits, such as new manufacturing facilities and direct and indirect jobs that support projects." That's out of the FIT review.

Ontario is rich in opportunities to develop renewable energy projects. Our model enables these opportunities to move forward in a way that benefits all Ontarians, especially those in the impacted community, while providing transparent project assessment. Our model works within existing policies and processes to ensure projects are appropriate for communities and that public opinions are respected. There will likely be some hurdles along the way; however, we and our community partners submit that there is a strong case for supporting a model that enables communities to work together with government to help ensure that renewable energy projects are developed in a responsible manner.

The government of Ontario can help clear away the financial hurdles that stand in the way of this worthwhile initiative. To be clear, we are not asking for a subsidy. The electricity market will sustain this initiative. What we propose is a sound business case for community investment. This investment helps Ontarians get better value from our electricity procurement programs and ultimately makes these programs more sustainable.

The year 2012 is the UN International Year of Co-operatives. This declaration by the UN recognizes that co-operative enterprises are significant contributors to our economy. We think that the co-operative enterprise

model is the right way to enable non-commercial electricity generation.

A co-op is an enterprise run by a group of people who develop a business that meets their needs and provides member benefits. We are using this model to help Ontario communities develop renewable energy opportunities in a way that meets the need to empower local citizens and provide local control and local benefit from electricity opportunities.

Traditionally, local electricity generation was conducted by municipal corporations. While we support this model, not all municipalities are prepared to take on the financial and political challenges inherent in assessing all local opportunities. Our business model facilitates an orderly assessment process that enables municipal involvement through development of transparent and accountable reporting and engagement methods. Upon completion of the assessment of local opportunities, local municipalities are invited to become project partners. This allows some of the financial benefits to flow directly back to the municipality, which helps to reduce taxes and improve services while creating local economic activity and jobs.

We have a dedicated team with considerable experience in the development of community power projects across Ontario. We helped found one of Ontario's first renewable energy co-operatives. Our experience ranges from development of water power projects in Almonte and Bancroft to commercial wind and solar partnerships. We coordinate the development of community projects by local, non-commercial entities. These projects produce cash flow, which is provided by the energy consumers of Ontario. This revenue is then used to service the debt incurred in the project development and all associated operating costs. Our business model clearly states that surplus revenues must be used to enhance the well-being of the community. The province also benefits because surplus revenues are used to help create jobs and help build sustainable communities while reducing social friction.

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Our research has concluded that the original intent of the Green Energy Act was to ensure equal opportunity for participation of the community power sector in recognition of the additional social and economic benefits that these opportunities provided to Ontario communities and the people of Ontario as a whole.

However, it is quite clear that enabling policies so far have not been implemented to ensure community participation. I hope that the committee members agree that it makes good sense to work together to enable development of a strong local electricity generation sector. Implementation of the measures presented here today will undoubtedly pave the way for the creation of jobs and economic activity across Ontario.

I welcome the opportunity to answer your questions and share how we plan to work with Ontarians to facilitate local electricity generation.

Thank you for your time.

The Chair (Mr. David Oraziotti): Thank you very much, Mr. Mole, for your presentation. We'll start with the NDP caucus. Mr. Marchese, go ahead.

Mr. Rosario Marchese: Hello, Jeff. It sounds like it's a project that you want to submit to the western development fund, obviously, because we're not the funding agency for this.

Mr. Jeff Mole: Correct.

Mr. Rosario Marchese: I appreciate your raising this issue with us. Are you going to have this opportunity to do that? Or are you saying you won't?

Mr. Jeff Mole: That depends on how the plan is rolled out, because the way it is currently in eastern Ontario, renewable energy is not allowed to apply for funding. I think the assumption is that the FIT program is lucrative enough and corporations should not need to apply for funding. However, that's not what we're talking about. We're talking about start-up capital for local non-profit corporations. These are corporations that don't have shareholders and therefore do not have funding from any other source other than the government. However, what would happen is that these programs, these corporations will generate revenue and will become self-sufficient, but they need the start-up capital and currently that's not available in the program.

Mr. Rosario Marchese: Can I ask you, Jeff—currently, the eastern Ontario fund has been primarily aimed at individual private sector companies.

Mr. Jeff Mole: Correct.

Mr. Rosario Marchese: Do you agree that this fund should be opened up to others like non-profits or municipalities—

Mr. Jeff Mole: Non-profits—in this case, we're talking about social enterprises. They're corporations. They're incorporated under, in this case, the Co-operative Corporations Act. The only difference between them and a private corporation is that they don't have any shareholders. They operate like a business. They look for efficiencies. The members of the public are the members of the co-op—those that choose to buy a membership for a nominal fee can be part of the co-op, and therefore it's a fully democratic process.

The Chair (Mr. David Oraziotti): Thank you very much. Moving on to the Liberal caucus: Ms. Cansfield, go ahead.

Mrs. Donna H. Cansfield: Thank you very much, Chair. I have a couple of questions.

You're right: In the fund, there's not a provision for energy initiatives, primarily because there are other mechanisms whereby you can access dollars. But interestingly enough, within this fund, there are criteria. The criteria currently sits at \$500,000 in capital investment that must come from whomever is applying in addition to the creation of 10 jobs. Now, the eastern wardens' caucus is suggesting some modifications to that, but are you suggesting that that provision be eliminated?

Mr. Jeff Mole: I'm actually here just to ask for an exemption from some of those rather arduous rules that you'll put in place, because this is in the interest of the

government that this proceeds. The government has clearly stated that they want clean energy projects to go ahead. I think the government would agree that it would be nice if the social friction would tone it down a bit. I think that we can do that through this project, but there are some hurdles within this bill that make it impossible for us to participate. But I think this would help go a long way. And as I said, there will be an economic return. The minister sat here—it was 8 to 1. I bet you in a social enterprise, you'll probably see a 20-to-1 return. That's a significant return, and therefore I think it's worthy of giving our organization an exemption.

I'm not saying to open it up as a free-for-all for every corporate developer that wants to do a green energy project. I'm saying that this can be strategically funded through this bill.

The Chair (Mr. David Oraziotti): Okay. Thank you. Mr. Clark?

Mr. Steve Clark: Thanks very much for your presentation. You make some very interesting points.

I know in my own riding, during my by-election back in 2010, there was an announcement, perhaps premature, that we were going to have a manufacturing plant for solar panels. By the time they applied, the government had changed the rules, so we didn't get it, although I know that the northern fund provided it, because I believe in the Chair's riding, they had a grant that helped get a solar panel plant there.

So I appreciate it. It certainly was effected in my riding, and that change—I know the minister obviously didn't mention that in his speech, but I know they have made modifications in the past that have stopped developments in eastern Ontario, so perhaps they'll consider your suggestion.

Mr. Jeff Mole: Well, if I might comment on your point, the development of renewable energy was supposed to create jobs in the manufacturing sector. If you can get more projects out of the ground with less social friction and get them moving forward faster, those manufacturing jobs will come faster. We can, through this social enterprising network, create as many jobs as are being proposed within the Green Energy Act and the feed-in tariff. We'll create those jobs; it's just that we'll get better value for the province for every dollar that they're spending in this program.

The Chair (Mr. David Oraziotti): Thank you. We appreciate your passion. Thanks for coming in today. That's time for your presentation.

INVEST OTTAWA

The Chair (Mr. David Oraziotti): Our next presentation: Invest Ottawa. Good afternoon, gentlemen. Welcome to the Standing Committee on General Government.

Mr. Bruce Lazenby: Good afternoon. Thank you.

The Chair (Mr. David Oraziotti): You've got 10 minutes for your presentation. Any time you don't use

will be divided among members. If you can start by stating your name, go ahead.

Mr. Bruce Lazenby: You guys have had a long day. I'm going to try to keep this less than 10 minutes and just make a few simple points.

My name is Bruce Lazenby. I am from Ottawa. You may be familiar with the predecessor organization called OCRI, the Ottawa Centre for Regional Innovation—at least that was the most recent incarnation of that term. OCRI over the last number of years sort of lost its path and became a little bit unclear. So I was brought in to try to create some clarity around what was happening in Ottawa, particularly from a knowledge-based-industries growth point of view.

On February 21, we launched Invest Ottawa officially. I think I got the job because I speak four languages: I speak English, French, business and government. I spent 20 years in government, and I spent 20 years in the high-tech sector. So I know what's possible within the realm of government, I know what's possible within the realm of business, and I think I'm pretty good at trying to find ways to connect together. That's the reason I'm here today, because I think the eastern Ontario economic development fund is a powerful fund. I think it can do a lot of good, and frankly, we need the help in Ottawa.

If I were to describe the ecosystem in Ottawa, if you think about export—and I grew up in London, Ontario, and I've spent time in Toronto. In my 20 years in the navy, I actually changed addresses 33 times, and I had a chance to work pretty much across the province and across the country. When I look at different regions, I understand that they have different strengths and weaknesses. From an export point of view, we don't export auto parts. We don't export oil and gas, electricity, gold, food processing—none of that stuff. The only thing that we export from Ottawa is the results of knowledge-based businesses. We have about 2,000 of those, the vast majority tiny. The loss of Nortel was a big blow to our region.

We've been dealt a second hit now by the federal government in its downsizing—4,800 job cuts in Ottawa alone. We're going to be assuming the largest job cuts of any city in the country. So we're finding ourselves sort of on the cusp.

The good news is we've got a new organization; we got its act together. In fact, to be clear on that, within the economic development business—and after my five months on the job, I'm sure you know better than I do, but the one thing I do understand is that there's a number of arms and elements here. One of the key parts is entrepreneurship. How do we create more entrepreneurs? How do we create more businesses? That's part of the Invest Ottawa mandate. Within that, we also have the mandate for knowledge-based businesses and technologies. Here we have, for the first time ever in Ottawa, an acceleration centre. We've been lagging behind some of our counterparts in Ontario; Kitchener-Waterloo, Toronto and others being good examples. MaRS just down the street is obviously a classic example of that. We are just starting to make that happen now.

In addition to that, we have the business retention and expansion responsibility. We just hired a 30-year veteran from EDC who's extraordinarily plugged in to running that organization. And foreign direct investment—we have been working hard with China, Brazil, India and others, and we're now at the point where we think we can actually make stuff happen.

In addition to that, we've got the film, television and digital media responsibilities within Ottawa. We do about \$25 million in film and TV annually. We think we can grow that to \$200 million over the next three years, and we've got a clear plan to do that.

The bottom line is we've got all the pieces in place, and in fact, we're the only city in Canada where all of those pieces are neatly plugged into one organization.

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The good news, as I tell my folks, is that we've got the structure right; the bad news is, if you screw it up, it's all on us. So we're certainly feeling the pressure to try and make this thing happen.

In the middle of all of this is a dearth of cash. We have got hundreds and hundreds of companies that will not succeed because they can't get \$5,000, \$10,000, \$50,000, \$75,000, that little bit which is going to tip them over into the next phase.

We've got 113,000 post-secondary students in our city, most of whom were not born there and a lot of whom will leave and go back to their home country or their home province if we don't offer them something on the ground. So we want to have more internships. We want to have more connectivity and help them understand how they can grow businesses—113,000 students. Very, very powerful.

We also have a competitor that no other city in Ontario faces, and that competitor is right across the river in Gatineau. Ironically—and, believe me, I didn't set this up—the Ottawa Business Journal, this morning, in their weekly publication, has this, and it says, "Why the Ottawa Entrepreneur Crossed the River." The reason is because Gatineau has programs that we can't offer in Ottawa. We lose probably a company a week to Gatineau. That's jobs; that's tax dollars; that's everything. One of the reasons is, they have got more programs over there than you can shake a stick at, and we have virtually nothing to offer them back.

I know, sometimes, when you look at Ottawa as a city, you think that we're well taken care of by the federal government, and that we get lots of grants and loans from the feds. The truth is, we don't. If we look at the distribution of federal development money, we are dramatically under-represented in the money that they've handed out over the last little while.

We know that some other parts of Ontario have been hurting. We know the auto parts manufacturers were hurt. We know manufacturing has been hurt. We know other areas have been hurt. Frankly, Ottawa is on the cusp. I think, over the next couple of years, we're either going to kick it over in a positive way or we're going to get beat up by foreign competition or even domestic

competition and put ourselves in a tough spot. So we really believe that the economic development fund of eastern Ontario is something that could make a big difference in Ottawa.

We understand that you probably have a fear about us sucking it all up. That's not going to happen. There are processes in place. We've reviewed that. We know that there is oversight to be had and we know that there are systems in place to make sure that whatever allocations are done are fair. But we need help, and frankly, we think and we hope that you agree that it's our turn. Thank you.

The Chair (Mr. David Oraziotti): Thank you very much. We'll start with the Liberal caucus first. Question? Mr. Naqvi, go ahead.

Mr. Yasir Naqvi: Thank you, Chair. Thank you, Bruce, for coming today and talking about the need for the eastern Ontario development fund as it relates to Ottawa. Do you have an analysis on how rural Ottawa has benefited thus far from the eastern Ontario development fund over the last four years in terms of high-tech companies or other related businesses that Invest Ottawa works with?

Mr. Bruce Lazenby: We are aware that there have been some companies which have moved out of Ottawa into the edges of Ottawa and even into places like Picton, but moving one company, pulling it up from its roots in Ottawa and moving it to Picton, is not sustainable in the long term. They went there for a grant. They're going to come back again at some point and cause a fair bit of disruption. But it does give you an idea of how desperate some of these companies are for money.

We know that in the west end of town there are some companies taking advantage of this, but the current boundary is so far west that it's really outside of that core area where those 2,000 companies try and survive.

The Chair (Mr. David Oraziotti): Thank you. Mr. Clark, go ahead.

Mr. Steve Clark: Thanks very much, Chair. Bruce, thanks very much for your presentation. I know we've had a chat off-line about your concerns about the fund.

One thing you did mention in your address that I just wanted to clarify was federal support. I know there is a federal program that many people in eastern Ontario get confused because the provincial one is called the eastern Ontario development fund and the federal one is called the eastern Ontario development program. Are any parts of the city of Ottawa eligible to receive the federal program? Because I know that that's one that was administered by some of the—I think in my riding it's the Community Futures Development Corp. that does the oversight as a transfer from FedDev to that corporation. Do you receive any of that FedDev money?

Mr. Bruce Lazenby: Blair?

Mr. Blair Patacairk: We, as an organization, do not; some of our companies are eligible. But going back to Bruce's point, I think the issue we have is: With the programs in place and the processes in place, trying to get to money and working at the speed of government isn't working at the speed of industry. So we fall short,

often, with our companies, despite the fact that they could get this money.

EODF is just outside the limits of—it's sort of the outer boundaries of Kanata. So to answer your question, yes. Do they get it often? No. It's simply because industry is moving at warp speed and government tends to be a little slower.

Mr. Steve Clark: But you don't have an agreement? You don't have a formal agreement with FedDev—

Mr. Blair Patacairk: No.

Mr. Steve Clark: Okay. So your recommendation, just to make sure I understand it, is that the entire boundaries of the city of Ottawa be included in the eastern Ontario portion. Is that correct?

Mr. Blair Patacairk: That's correct, yes.

I should also talk about another fund that we're putting together, where we would like to lever this. I did receive the message about leverage. We are in the process of creating a new \$25-million seed fund. We've been very happily successful in recruiting a former successful venture capitalist out of Silicon Valley, San Jose, to move to Ottawa. He and I are discussing the final details right now. Our plan is to put together a \$25-million seed fund that we'll manage there. That's going to take a while to put together, but the ability to lever this fund with private sector money is going to be huge. We think the combination of the two could be very powerful.

The Chair (Mr. David Oraziotti): Thank you. Just before we move on, sir, can you state your name for the purposes of Hansard?

Mr. Blair Patacairk: Blair Patacairk, and I work with Bruce at Invest Ottawa.

The Chair (Mr. David Oraziotti): Okay, thank you. NDP caucus: Mr. Marchese, go ahead.

Mr. Rosario Marchese: So, Bruce, he asked a question that I was not clear about. You've been able to access—or at least parts of Ottawa or parts of the area have been able to access some of the eastern development funds, but not that whole region: Is that what I understood you to say?

Mr. Bruce Lazenby: Yeah, just the rural portion of it. I think from—

Mr. Rosario Marchese: Has been able to access it?

Mr. Bruce Lazenby: Yeah. So of the 2,000 companies, I'd say probably about 100 of them are geographically eligible.

Mr. Rosario Marchese: And the others are not?

Mr. Bruce Lazenby: And the others are not. That's right. So what we're—

Mr. Rosario Marchese: And, again, the reason for that is because?

Mr. Bruce Lazenby: It's the boundaries, it's the geography. Originally, when the line was drawn, it was drawn to exclude those companies. We're hoping to have the line—

Mr. Rosario Marchese: And can I ask you a question? Were you able to access money under the old program, the strategic jobs investment fund?

Mr. Bruce Lazenby: That was before my time—

Mr. Rosario Marchese: Do you still, or were you able to before and not able to now?

Mr. Blair Patacairk: We still are able to do that, yes, and we've had some limited success with the program. Again, we're talking timelines and processes. It takes an awful long time for some of these companies to get through the process, and by the time they get to eight or nine months or a year down the road, then they sort of abandon ship because they don't have the resources and time. So part of this is a process issue. We need to get our incentive programs going a little quicker. I think that's shared by all levels of government. It's bureaucratic versus industry speed. But we've had some success. We've had, not personally through our non-profit—but some of our companies on behalf of them have gone after the funding.

Mr. Rosario Marchese: So part of the problem of accessing money through the strategic jobs and investment fund—because you could still apply there—is process in terms of timeline, how fast they're able to deliver the money. So partly, it is a problem of government in terms of long processes, and part of it is your inability in terms of process to be able to do this in a timely way. Is that it?

Mr. Blair Patacairk: Well, what I'm saying is, the industry tends to work at a pretty quick speed, at warp speed. Trying to get through any kind of incentive program—whether it's federal, provincial or even city—tends to take a little longer. What I'm saying is, some of these programs—and I'm not picking on that one in particular, just in general some of the programs—take a little bit longer cycle to get through.

Bringing it back to the point of what Bruce was saying about Quebec, if I were to use that example: If I walked in behind Quebec and said, "Here's some of our programs federally, provincially, and we want to get some money on the table," and you took somebody from Quebec and had the contract put in front of them, they could literally sign a contract tomorrow in Quebec and say, "Here's your money," and walk away. It doesn't matter how fast we are in Ontario, or federally, for that matter; the processes just take a little longer. At the speed at which industry moves around the world right now, we just need to—

Mr. Rosario Marchese: So do we know why Quebec is able to have a faster turnaround and why Ontario can't do it?

Mr. Bruce Lazenby: I think it's just a question of how they decide to put the funds together. The EODF has a good reputation with business for being a responsive fund, and some of the other programs are known to be much more labour-intensive, to the point that companies just don't bother. Again, having been a technology guy and run my own company and written payroll on my line of credit—with or without my wife's knowledge at the time—I know that you just don't have time to chase everything if you think it's going to take a long time. This fund has got a good reputation. It makes a difference. We can lever it into many more companies and into many more private sector dollars.

The Chair (Mr. David Oraziotti): Thank you very much for your questions, and thank you for your presentation today. That's the time. We appreciate it.

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SOUTHWEST ECONOMIC ALLIANCE

The Chair (Mr. David Oraziotti): The next presentation is the Southwest Economic Alliance. Good afternoon, gentlemen. Welcome to the Standing Committee on General Government.

Mr. Dan Mathieson: Good afternoon, Mr. Chair. I'm Dan Mathieson, the mayor of the city of Stratford and chair of the Southwest Economic Alliance. Joining me on my left is Mr. Harry Joosten, the corporate secretary of Libro Financial Group. On my right is the president of the Southwest Economic Alliance, Serge Lavoie.

I know you've all been circulated a very brief presentation. We'll walk you through it and be happy to answer your questions.

First, to familiarize yourself with the Southwest Economic Alliance, we are 15 counties, upper-tier. We are 100 municipalities in total, and 2.4 million residents inhabit our region. We have an urban and rural mix of 50-50. Our unemployment rate is as low as 4.7% in some sections and in some communities, to a high of 10.7% in others.

Our identified key sectors, through our own research and that of the government and other organizations, are agriculture, food processing, culture, tourism, recreation, green technology, advanced manufacturing—primarily in automotive—transportation logistics and, of course, information and communications technology.

The southwestern Ontario value proposition that we believe is, because of our strong economic heritage, the region has important attributes in place, such as a very strong talent pool, a superior network of colleges and universities—we have great innovation and research capabilities spread throughout not only the private sector, but also the public institutions. We have advanced manufacturing capacity. We have excellent access to markets, and an affordable and comfortable quality of life that is well appreciated by our residents and new people to the area.

The Southwest Economic Alliance was formed in 2006. It was an early response to declines in manufacturing and agriculture, that took place at a conference in Stratford of over 400 people, bringing together academia, the private sector, the public sector and all levels of government. This has been designed as an alliance of all those sectors, as well: municipalities, senior government, private sector industries, academic institutions—colleges, universities and, of course, the research divisions—and non-governmental organizations.

Our role is to show leadership and transform the regional economy through co-operation, prescribing the triple-helix model of coming together.

We were early advocates for programs such as FedDev, and we made presentations to the federal gov-

ernment on it. We've made numerous presentations to the government and opposition members with regard to the southwestern Ontario development fund and the opportunity that it provides for our communities. Our philosophy is to leverage contributions from all sectors of the economy and align them to growth opportunities to the region. The southwestern Ontario development fund is a critical tool to spur investment in the small to medium enterprise level.

I'll just note by saying early on, many of the ideas we had with regard to accountability and leverage and, of course, a loan program, are things that we see in this bill and, we think, need to be in the bill.

I'll now turn it over to Mr. Lavoie to take us forward.

Mr. Serge Lavoie: Thank you. I'll state very clearly that we believe the primary focus of the fund needs to be direct and measurable job creation. We say this unequivocally because we've been hit hard by the manufacturing slowdown. There are a lot of unengaged workers in our area, and we believe that a grassroots approach to building small business is a way—some way—to re-engage these workers in the short to medium term.

We feel that given the relatively modest size of the fund—\$20 million a year—and the pent-up demand for it, quite frankly, there's a real need to focus on business start-ups, expansion and retention in the SME sector specifically. We want to do it that way because it's the best way to distribute the benefits of the fund and of that kind of business creation across every part of our region—and that would be rural, small urban and urban. As Mayor Mathieson said, we are a 50-50 urban-rural split.

We believe very strongly that this fund should include loans. We suggest that the loan portion should be as high as 80%. There's a role for grants, but we want to see businesses put some skin in the game, so to speak, and we want to offer the maximum leverage possible to the \$20 million that's been made available.

We think that the grants need to be fairly limited in their size—the \$25,000 to \$50,000 range—again, to ensure that we are leveraging those dollars into small urban and rural areas. We do not—and we underscore this—see a role for the fund in municipal infrastructure of any sort. Again, focus on small business.

We feel strongly that the loans and grants have to be evaluated based on the number of jobs that would be created and that the payout should come when the jobs have been created—again, maximum accountability to the fund.

The relatively low number of jobs we're suggesting as a threshold, as few as three jobs to qualify for the fund, indicates that we believe that the fund has to be distributed across the region to all parts of it, large and small, and that it has to be targeted at SMEs.

The private sector leverage is a unique aspect that I think we've added to the debate over the last few months. Again, we want to leverage the fund as much as possible; 8 to 1 in eastern Ontario was good. We'd prefer to see 20 to 1 or better. So we believe that there's a role for the

commercial lending sector to be involved, which means that their money gets added to the mix and is invested with business. We believe that that approach would achieve leverage of at least 20 to 1.

The commercial lending feature is probably the single most important mechanism that we can think of to immediately create direct jobs and to make sure that the funds out of the southwestern Ontario development fund go to the created jobs, not to speculative investment in machinery or what have you. There's always a role for that, but in this case, given the need, we believe that we've got to target on jobs created.

We do have some more information on that, so I will pass that on to my associate and partner Harry Joosten from Libro Financial Group, based in London.

Mr. Harry Joosten: Just for reference, Libro Financial Group is a credit union with 15 branches, from Chatham-Kent all the way up to Wingham and into the KW area.

On page 8, as Serge already said, the whole idea behind this is to leverage all the capital and liquidity that is already out there in the commercial lending sector. We ask and would expect that individual entrepreneurs, enterprises of whatever form, come up with ideas to either expand their existing business or create new businesses. That will be creating the jobs. They put together the business plan, and they go to a participating commercial lender, be it a credit union, a bank or any other qualified lender, and go through all the normal credit assessment procedures. The expertise is there. The resources are there. So that's the main part: Leverage what's already out there in the private sector.

The fund then would be used to reward direct and proven job creation. So at the end of one year, you have payroll records at the beginning of the year, and at the end of the year, you know how many jobs were actually created that would qualify for a job-creation credit. Then there could also be smaller credits in the second year and third year so that those are not just short-term jobs but sustainable jobs. The money is only released after the jobs have actually been created.

Then depending on the size of the loan and the number of jobs created, the entrepreneur or the enterprise could then use those funds for whatever was their best purpose: helping to pay off the loan, investing in training, reinvesting back in the business. Let the private sector do what it does best.

The other key component of this is that we suggest that there be local advisory councils, be they consortia or collaborations of local municipalities, economic development corporations or community futures corporations. They would establish an advisory council or panel. Once the credit worthiness has been assessed, they would be charged with allocating who gets participation in the fund, letting that happen in each whatever self-defined locality it is. They know the area best. They know the needs, they know the opportunities. Let them make those kinds of decisions. That would also ensure that you get some kind of regional diversity, a fair urban-rural split

and also, with local decision-making, avoid some of the politics.

Lastly, the process, just to summarize, would be businesses come up with a plan, they apply for credit with a participating commercial lender, and the loan is approved based on normal processes and criteria. The regional advisory councils would then get the application, not making a credit decision but making an allocation as to best fit with local needs and resources. Then you'd have a final sign-off, a formal legal sign-off, at the ministry level. At the end of the first year, businesses submit their records. They get the grant if it goes into second and third years. And that's really our proposal. Dan?

1510

Mr. Dan Mathieson: So as you can see, we've put a lot of thought into this over time. We've tried to mirror the eastern Ontario development fund, which was very successful, and the heritage fund in the north.

We believe our region, while we've stood on our own for many years, now needs a hand up, not a hand out, and we believe that the loan program helps not only stimulate economic activity but creates long-term sustainable jobs, and we believe that is really the purpose of what is contemplated by the government, and we'd ask all members of the Legislature to consider such.

The Chair (Mr. David Orazietti): Thank you very much for your presentation. The Conservative caucus is up first, so Mr. Clark, go ahead.

Mr. Steve Clark: Thanks very much for your presentation. I appreciate the level of detail. Certainly your presentation is significantly more detailed than the government's bill that they've presented, so I do appreciate all the time that you've given in preparing it.

Now, one of the questions I'd like to ask is this: You've been very specific in the percentage of loan versus grant, the fact that you're promoting not only small grants, but also no infrastructure initiatives, which I find interesting. I know the non-profit component and municipal component of the grant in eastern Ontario was very rarely used, and I think the most recent time it was used was in Cornwall with Target and a rather large infrastructure development. So the split between loans and grants, some of the recommendations—is that based on feedback you have received from your partners within your consortium?

Mr. Dan Mathieson: I'll take that one. Yes, very much so. We find that a lot of the businesses within our region believe that if they could leverage out the opportunity, they're willing to make investments. They believe they have the capability to generate what is needed product in the new market, and they'd like to see it spread out as far and as vast as possible across various sectors.

We also have to marry off the fact that we are a 50-50 split. We have lions and giants such as Windsor and London sitting in the region, paralleled with communities such as Chatham-Kent and St. Thomas, and then, even smaller, down into Goderich. So we want to balance it

out—and we think by giving entrepreneurs across the whole sector an opportunity to leverage job creation would be its best use.

Frankly, if I could also, when we look at infrastructure programs, FCM and AMO do a great job of advocating for them. Let's not get this muddied in that water.

Mr. Steve Clark: No, and I appreciate that. Just one other question, Chair, if I might.

The Chair (Mr. David Orazietti): Very briefly.

Mr. Steve Clark: The comment about the committee—I know that federally in eastern Ontario, the EODP, the federal program, is run by Community Futures Development Corp.'s very specific agreement that they signed between the feds and the province. So you would have no objection if there was an alternative delivery model where a board would sign an agreement, much like they do in the east on the federal side?

Mr. Serge Lavoie: No, not at all. In fact, what we're trying to do here is to put some decision-making or at least advisory capacity into our subregions to really build on the cluster effect.

Mr. Steve Clark: And accountability.

Mr. Serge Lavoie: Accountability, for sure.

Mr. Steve Clark: Absolutely.

Mr. Serge Lavoie: But the cluster effect, as well. We have so many different things going on in the southwest, it's not one type of economy, and so if Huron-Goderich has a particular approach that it wants to use, give them some input into that.

The Chair (Mr. David Orazietti): Thank you for your input on that. Now we need to move on.

Mr. Marchese, have you got a question?

Mr. Rosario Marchese: Some quick questions, because I liked the presentation. Have you had discussions with other ministries' officials and/or ministers' assistants, by any chance?

Mr. Dan Mathieson: If I could, we have been unrelenting in our approach, not only to OMAFRA but MEDT, to ministers across the region, and we have had lots of discussion with them, have made our points known. We have advocated just as hard to members of the opposition as we have to the government. Mr. Joosten took it upon himself to get out and start meeting with MPPs on our behalf.

Mr. Rosario Marchese: My question is, were they sympathetic to these arguments?

Mr. Dan Mathieson: They gave us a very good hearing of it and listened to much of what we said. Some of these items are in the bill, and I heard the minister use some of them today.

Mr. Rosario Marchese: Okay. Well, we're not sure, but we are thinking of making some amendments to this bill, and I support a lot of what you said, because it's in line with our thinking. So where there are amendments to be made in line with that, we're going to certainly move them.

Mr. Dan Mathieson: Thank you.

The Chair (Mr. David Orazietti): Mrs. Cansfield.

Mrs. Donna H. Cansfield: Thank you very much. Hi, Dan; it's nice to see you. It was an excellent presentation.

I have a question for you, because I think it was raised by Mr. Clark as well, and it's the whole issue around the not-for-profit groups, and it certainly is a very significant business in our communities. I wonder if you could elaborate just a little bit more on what you think and how you think we could encourage more participation.

Mr. Serge Lavoie: Why we didn't advocate 100% loans is that there are going to be instances where excellent co-operative projects will be available to communities or some regions through the NGO sector, and we wanted to give some leeway in there. So 20%, 25%—\$4 million to \$5 million a year—would be, I think, a really good use of that money to target those kinds of co-operative projects. We're a co-operative ourselves, and we know that lots of co-operatives, all sorts of NGOs, come up with good things, especially around immigrant retention and recruitment and some of the other issues. So we're certainly not advocating 100% into loans. We want some of that reserved for good ideas in the NGO sector.

Mr. Harry Joosten: Just a follow-up on that: There would be nothing to prevent, even if they're a not-for-profit organization, for applying for one of the loans, if they had a business plan for a project or program or enterprise that showed it could sustain itself and repay the loan. We do lots of lending to non-profits as it is now.

Mrs. Donna H. Cansfield: Thank you. I would be interested in pursuing that conversation with you as well, if we could touch base. Thanks.

The Chair (Mr. David Oraziotti): Thank you very much for your presentation today. It's time.

DISTRICT OF MUSKOKA

The Chair (Mr. David Oraziotti): Next presentation: District of Muskoka. Good afternoon, folks. Welcome to the Standing Committee on General Government. As you've been hearing the format of the presentations, you've got 10 minutes. So whoever is speaking, please state your name and you can proceed when you're ready. Thanks.

Mr. Graydon Smith: Thank you very much. Graydon Smith, mayor of the town of Bracebridge. Also with me today is Scott Aitchison, deputy mayor of the town of Huntsville, and Alice Murphy, mayor of the township of Muskoka Lakes.

First of all, Mr. Chair and members of the committee, I'd like to say how much we appreciate the opportunity to appear before you today to discuss the southwestern Ontario development fund and its subsequent boundary map.

Currently in the consultation paper produced by the ministry, the Muskoka region is omitted. If the boundary outlined in the paper is used to establish the fund, the impact on Muskoka could be catastrophic, as it would be the only region in Ontario that would not have access to development-type funds like those currently available

through the eastern Ontario development fund and the northern Ontario heritage fund.

It should be noted that for a short period of time, Muskoka was included in northern Ontario. However, in 2004, the provincial government removed Muskoka from the designated northern Ontario region. In addition, Muskoka sits within the Parry Sound–Muskoka electoral riding at both the provincial and federal level. Within the provincial sphere, Muskoka is part of the riding considered south-central Ontario, while at the federal level, Muskoka is considered in northern Ontario.

Our area is oriented towards the south. We are served by the government through the Ontario Ministry of Agriculture, Food and Rural Affairs, through their central Ontario office; the Ministry of Economic Development and Innovation, through their central Ontario office; the Ministry of Tourism, Culture and Sport, through central Ontario, through offices in Bracebridge and Huntsville; and the Ministry of Municipal Affairs and Housing, of course, here in Toronto. Therefore, we submit that if a southwestern Ontario development fund is established, the benefited areas of southern Ontario should also include Muskoka.

The communities and businesses of Muskoka are in great need of assistance; make no mistake about that. Muskoka has a permanent population of over 60,000 people, and in addition, the area has the potential for an additional 75,000 seasonal residents who utilize their summer homes located throughout the district.

Since the early 2000s, the area has suffered significant job losses in the manufacturing sector. Most buildings that once housed hundreds of employees are vacant, underutilized or have been torn down. I have included a summary in the presentation of major companies and jobs that have been lost, and I'll quickly run through some of those numbers: 160, 400, 30, 500-plus jobs gone, 50, 130, 300, recently 90, 63. The total starts to get very grim and the count adds up quickly. I rhymed off over 1,700 job losses since the early 2000s in the last 10 seconds.

Of course, those aren't the only casualties. There are spinoff effects of those job losses that affect the community in a very negative way, and the impacts range from additional loss of employment through those spinoff jobs to declining corporate sponsorships, to underutilized buildings and lands.

The downturn in the economy worldwide has further impacted our community in recent years as we have seen additional slowdowns in our construction sector as fewer seasonal residential projects are being undertaken, and we've seen slow growth in residential areas. The construction sector, a leading, surviving part of our economy, is slowing down, and tourism is slowing down as well.

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Each of the communities in Muskoka faces localized issues that impact the ability of the area to create and sustain jobs. Over the past two years, Gravenhurst has been dealing with the impact of two fires in their down-

town that have resulted in the loss of buildings as well as businesses and related employment opportunities. The community is undertaking a significant downtown revitalization effort that is primarily hoped to restore the confidence of the business community.

The Muskoka economy is dependent upon the tourism industry, and this industry is seasonal, with great influxes of visitors during the months of July and August. This means that the majority of businesses in the region must make their yearly revenues within an eight- to 10-week period. Although many initiatives are in place to increase the level of visitation to the area, the sheer magnitude of the seasonal economy results in a number of issues, including affordable housing, lower wage rates, lower annual incomes and unemployment.

Many of our smaller communities, such as Bala and Baysville, have numerous businesses that operate only during the summer months. The indicators for the region demonstrate the inequity of income levels in the district resulting from the dependence on tourism, even prior to the loss of a significant number of manufacturing jobs between 2002 and 2012. I note our 7.5 % unemployment rate, an Ontario Works caseload that has increased 90% over the last four years and now includes 960 families, a lower-than-average income in Muskoka, and a median family income 12% under the provincial average.

The reality is, times are very tough in Muskoka, as times are tough throughout the province, but for some reason we continue to be painted as Ontario's playground, where everything is okay and it will continue to be okay, and it is not okay. We cannot be a hole in an economic development doughnut. We cannot be the only ones left out of the game. We need that same footing that all areas may well, if this bill passes, have. We're working hard to turn the tide on our own, but that becomes impossible in the absence of that level playing field.

I want to reiterate that we're not all millionaires in Muskoka. There are a lot of hard-working families, and we service a distinct number of different communities within Muskoka. I represent all those communities today, from townships to towns, from employment areas to tourist areas. I'm here with my fellow mayor and deputy mayor representing the other mayors who could not be with us because we're all very concerned about the boundary of this potential development fund.

Citizens are struggling to make ends meet. As I've talked about, unemployment grows, Ontario Works caseloads grow, the median income is not what it could be or should be, and we cannot survive solely on tourism. We need the opportunity to attract manufacturing back to Muskoka—that which we lost.

The traditional model of tourism is changing; therefore, what we have left is under threat. I talked about the construction industry. It's not what it once was. The tourism industry is not what it once was. There is trouble recapitalizing those properties that have aged over time, and the challenges from other tourism markets continue to put pressure on the Muskoka tourism market.

People like to think we're special in Muskoka. We certainly love Muskoka and we believe we've got a beautiful part of Ontario to call our own. But at the end of the day, to reiterate, we struggle with the same problems that every community in Ontario struggles with. We need jobs for our citizens, we need sustainable opportunities and we need a Muskoka that is strong and will help all of Ontario be stronger.

We thank you for the opportunity to speak today. I'm not sure if we have any time left, Mr. Chair, but Deputy Mayor Aitchison may have some comments that he wishes to add to my presentation.

Mr. Scott Aitchison: My name is Scott Aitchison. I'm the deputy mayor of Huntsville. I don't need to add much to that very eloquent presentation by my colleague here. I guess the only thing that I would like to add, really, is that, the facts being the facts, Muskoka does struggle more than I think most people realize. I guess the important thing from my perspective is that the economic vibrancy and vitality of Muskoka is good for other regions of the province, as well as the importance of the economic vitality of Simcoe is good for Muskoka. The economic vitality of the GTA and this Golden Horseshoe region as the engine of the province: That's good for all Ontario. What's good for Muskoka is also good for Ontario, and our message is: Please don't leave us out.

The Chair (Mr. David Oraziotti): Thank you very much for your—would you like to make a comment?

Ms. Alice Murphy: Sorry, if I might as well: We have been rated the number one tourist destination in the world, and yet we're branded by the mystique of Muskoka. It's believed to be this incredible playground of the wealthy, and absolutely, there is that element. For the permanent residents of Muskoka, it's a hardscrabble, tough, tough life where incomes are well below provincial averages.

I just want to speak about education for a moment. In our Gravenhurst High School, which is a catchment area for a large part of Muskoka, my understanding is that only 11% of the kids who attend the high school there graduate in their first crack and go on to the university.

My daughter goes to a high school where 99%—she doesn't go to high school in Muskoka—of her graduating class goes on to the university of their choice. We are a have-not society being hidden under a have, and we're going to be islanded. We will literally be the only place in Ontario that does not have access to this fund, and it's almost incomprehensible to our permanent residents. So we'd really ask for your consideration.

The Chair (Mr. David Oraziotti): Okay. Thank you for your presentation. We've heard all the comments. We're probably a little longer on the deputation side here, so if I can ask members to keep their questions brief, that would be great, thank you. Mr. Marchese.

Mr. Rosario Marchese: Thank you for the presentation. Clearly, there are a lot of millionaires who own cottages, and they probably come from Toronto. But it's also clear that a lot of people live there who are not millionaires, and that's obvious.

You raise a good point. We all have a political problem, particularly the current government, which has introduced this fund that shuts you out in a way. That creates a problem for us all. Have you had discussions with the government about that? If you create an eastern fund and a western, and there's a northern heritage fund, and you don't belong anywhere, it does create a problem. Have you discussed that with them, and what do they say?

Mr. Graydon Smith: I have not had any opportunity for direct discussion, but certainly the views of all the communities in Muskoka have been represented by a letter to the minister with regard to comment on this bill. That's why we're here today, to underscore that point.

Mr. Rosario Marchese: No response, obviously, to your letters?

Mr. Graydon Smith: Not to this point, no.

Mr. Rosario Marchese: Good points. I appreciate it very much.

The Chair (Mr. David Oraziotti): Mr. Delaney, go ahead.

Mr. Bob Delaney: Clearly, with the calibre of some of the people who choose to live in Muskoka, I'm sure you've had a chance to brainstorm what type of investment or business would represent your road to the future, if you will. What are the three or four things that you've landed on in your consultations?

Mr. Graydon Smith: Well, I think certainly going forward—by the way, thank you for the question—we are very fortunate to have a number of great brains in Muskoka to turn to and talk about our future.

Education certainly has been a priority—and the development of a post-secondary education market, which is occurring in Huntsville and Bracebridge currently. We know that some of the existing markets are going to be our future going forward. The construction market isn't going to go away because we do have a lot of available property in Muskoka that can still be developed. We're also seeing tourism still obviously being a major player as we go forward in the future.

But it's that manufacturing component. It's the losing what we once had, and those were high-paying jobs and jobs that made a difference in the community. They can't be replaced by a seasonal service job; they need to be replaced by something that is equivalent or better.

Of course we're going to continue those discussions going forward about being the best we can be, but that still doesn't mean that we don't need to be part of a development fund just because we have some good brains to sit around and think about some possible ideas for the future. All those ideas will need to be funded. Again I reiterate, if the areas around us are able to provide the funds that Muskoka is not, we're always going to be at a disadvantage.

Mr. Bob Delaney: Just quickly, then, you mentioned manufacturing. Have you settled on a number of specific classes or types of things to manufacture?

Mr. Graydon Smith: I think within the strategic plans of each the communities, you would find specific

items. Again, I'm here representing six mayors from Muskoka and the district chair today. There are three, of course, primary urban communities and three township communities within Muskoka. We certainly all work together the best we can to find the synergies in the ideas that we have, and each community has its own distinct ideas as well.

I don't want to comment on all of the ideas that have come up from every community, but going forward, there are identified synergies, as I said, and ideas that I think will carry us.

Mayor Murphy may have a comment on that as well.

The Chair (Mr. David Oraziotti): Okay.

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Ms. Alice Murphy: I'm not so good with the button.

You know, the biggest challenge we have in Muskoka is that it's a very seasonal economy. So our objective is to take that seasonality out of it and make it sustainable four seasons.

I just want to comment. We all hear about global warming, but this year we didn't have a snowmobile season. There was not enough ice and the season was simply not long enough. Our economy is also highly dependent on the maintenance of our environment. We can't be a tourist attraction if we downgrade our environment in any manner. So it's a very delicate balance, where we need sustainable four-season jobs, and the path in terms of incorporating a creative economy is really what we're looking for. But we need assistance. Thank you.

The Chair (Mr. David Oraziotti): Thank you. Mr. Clark.

Mr. Steve Clark: Just very quickly, Chair—I know we're over time.

You talk about great minds in your area. I think we've had three great minds present to us today from the municipal side. I know you have two great minds, federally and provincially, with Norm Miller and Tony Clement who represent you.

You mentioned earlier in your address that, federally, you're in the north. So the Muskoka CFDC: Does that cover all your municipalities? The Muskoka Community Futures Development Corp.

Mr. Graydon Smith: Yes, it does. Mr. Brushey, the executive director, wished to be here today and sends his regrets because he's under the weather. It does cover—

Mr. Steve Clark: So they're the ones who would be your representatives federally. They would administer some of those federal programs as well.

Mr. Graydon Smith: They are funded by FedNor, but of course FedNor does distribute funds via other means than dealing with them directly. So they are able to assist business in certain areas. But I would say that in many cases, they're a lender to the atypical or to those that can't find financing in the current marketplace but that may have a great idea, and we're very thankful for that. But they have a relatively small pool of money to do that funding with and a relatively limited mandate. Part of it is the funding and part of it is: Why would you consider

excluding Muskoka exclusively if everyone else is to be covered? If that's the way that this proceeds, I think there is some very real justification that needs to be explained to the people of Muskoka.

The Chair (Mr. David Oraziotti): Thank you for your time and your presentation.

Mr. Graydon Smith: Thank you.

ERIE MEAT PRODUCTS

The Chair (Mr. David Oraziotti): Our next presentation: Erie Meat Products. Good afternoon, and welcome to the Standing Committee on General Government. As you know, you have 10 minutes for your presentation. Any time you don't use will be divided among members of the committee. You can start by stating your name and proceed when you're ready.

Ms. Bernia Wheaton: Thank you, Mr. Chair. My name is Bernia Wheaton, and I'm the director of business development at Erie Meat Products.

Erie Meat Products is 100% Canadian—in fact, Ontario-owned. For the last 35 years, we've been a food processor of poultry, beef and pork products. We've supplied our institutional, our food service and our retail customers throughout North America.

I actually joined Erie Meats about 10 months ago, but prior to that served as the economic development officer for the county of Perth. As you know, Perth county is in the heart of southwestern Ontario. Perth county's economic development office was actually created in 2008—and it was partially funded by an Ontario-based economic development program—to address the needs that business raised in dealing with business retention and business expansions. We're very familiar with the success of economic development programs in Ontario.

Shortly after our office was created in 2008, Campbell's Soup announced that they would be shuttering their plant in Listowel and we would be losing 500 jobs. As you can imagine, in a community of 6,500 people, 500 jobs was devastating. I know that many of you have experienced such loss in your own communities. Our unemployment rate went from 4.3% to 7.8%. We were left with a federally approved food-grade 300,000-square-foot food processing facility that was vacant. It's a monster of a facility, but it certainly had tremendous potential for the right buyer.

We had a number of people express an interest, but it was Erie Meat Products that saw both a short-term and a long-term potential for that facility. In the short term, they were very interested in the 80,000-square-foot freezers that would allow them to expand out of their Mississauga operations and prepare for global exports of their upcoming products. But operating as a cold storage or warehouse facility would be limited job creation, so as an economic development officer I felt like we had to find a way to expedite them into food processing at that facility.

In December 2009, the deal closed. Erie Meats became the owner of the facility and at the time there were

four full-time equivalent jobs: the guards in the guard shack. We worked with them to develop a plan to put together a program of how we could bring them back into full food production at that facility, which is what the facility was originally built for 48 years ago. We applied to the rural economic development fund administered through OMAFRA. We presented a plan to recommission that facility that had been shuttered by Campbell's Soup.

In March 2010, Ontario invested \$3 million in Erie Meats to expedite production and create jobs. Has Ontario seen a return on that investment? Let's take a look at the numbers.

Erie Meats used that \$3 million and parlayed it into a \$15-million investment. You've talked about leveraging funds; I think that's an excellent example of leveraging a program. That \$3 million went into renovations, went into recommissioning that facility, it went into electrical jobs, mechanical jobs, millwrighting jobs, metal fabricating jobs, the purchase of equipment and installation—all of those high-value, high-paying jobs. Much of those funds went directly into our community in the short term.

We launched into production in October 2010 with a state-of-the-art wiener production facility. Today, we have approximately 250 full-time equivalent jobs in that facility and we're on our way towards 500, which is our three- to five-year growth plan. It turns out you can't just have 500 people march into a plant on the first day; you have to hire them on line by line.

Since that initial wiener production facility, two other production lines have gone in and the wiener production line has just added a second shift since March break.

Two hundred and fifty jobs means \$6.3 million in annual labour income at a very conservative 20% income tax rate. That translates to \$1.2 million in income tax payable. That allows people to buy cars, buy houses, buy bikes and backpacks for their kids. The spinoff multiplier effect in our community is noticeable.

Two hundred and fifty people working means that we've saved \$5 million in EI payments, if those people were to have been on assistance.

Three million dollars has led to an increase of \$34 million in exports, as Erie Meats now produces product that goes to 15 emerging nations around the world. Erie Meats is currently shipping three million pounds of food a week out of that facility in rural southwestern Ontario.

Two years later, Perth county's unemployment rate in 4.7%, while many of our communities are sporting unemployment rates of 7%, 8%, 9%, 10%, 11%. We believe there is a direct correlation between this \$3-million investment, the creation of jobs and the lowest unemployment rate in Ontario.

We believe that Bill 11 will attract investment. Bill 11 will create jobs. Bill 11 is the tool that every economic development officer needs in their tool kit as they're addressing the needs of businesses that are looking to retain jobs and expand jobs in their community.

Erie Meats is the story, it's an example of how economic development programs work. It's how they bring

the hope of a job to a community that was devastated and I know that the other communities that are dealing with that in southwestern Ontario can benefit from these types of programs. A job is what the constituents throughout southwestern Ontario want and need.

That's our story.

The Chair (Mr. David Oraziotti): We're going to start with the Liberal caucus. Ms. Cansfield or Mrs. Piruzza?

Interjections.

The Chair (Mr. David Oraziotti): Ms. Piruzza, go ahead.

Mrs. Teresa Piruzza: Thanks for your presentation. As you said, it's certainly a success story. Good for you and the area for the investment and what it's resulted in.

I guess one question I would ask is, how important was that \$3-million investment in terms of your actual development and the business plan? If that wasn't there—and I know you're kind of having to guess at that if that wasn't available—

Ms. Bernia Wheaton: I know exactly. I remember the conversation specifically with the management. I was the EDO at the time, sitting down with the management of Erie Meats and saying, "If we could find investment, how quickly could you move into production as opposed to at a much later future date?" It was the catalyst, it was the tipping point, that had us sit down and write that plan and recommitment that shuttered facility.

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Mrs. Teresa Piruzza: Okay, thank you. I appreciate your comments too, in terms of the tool like this in their tool box that economic development officers need as well. It's evident that you've lived it and you've seen it successful. Perfect. Thank you.

The Chair (Mr. David Oraziotti): Thank you.

Mrs. Donna H. Cansfield: If I may, again, I'd like to thank you for your presentation. I think what you've tried to present is a balanced approach to that—in fact, investment does accomplish the goals that have been set out and that it is a catalyst to job creation, and I appreciate that. I just wanted to let you know I'm a self-confessed hot dog person, so good for you.

Ms. Bernia Wheaton: It was my protein of choice when I was pregnant.

The Chair (Mr. David Oraziotti): We need to move on. Mr. Clark, go ahead.

Mr. Steve Clark: Thanks for your presentation. It was a refreshing success story, showing what you can do with a decommissioned plant. In fact, my constituency is very similar. We had a plant in Brockville that at one point had 1,000 employees. The plant closed. The person who purchased the building—a great entrepreneur—in his case, he did it all with his own money, but he managed to sever the building and have some public sector-private sector. So there are lots of success stories.

I know that in your presentation you talked about a \$3-million investment by OMAFRA under the RED program. Typically, the way the eastern Ontario development program existed to date, its maximum was \$1.5

million. You heard the presentation earlier that talked about changing the criteria to make it more loan-based. I think they used 80% being loan, in contrast to a grant. Any feeling on that? I know you received significantly more money than our program, but I'd like to hear your thoughts.

Ms. Bernia Wheaton: The \$3 million in our case was desperate measures for desperate times, and it was certainly the investment that our community needed to make this project happen. There was actually also a \$3-million FedDev loan that was part of this spend and so leveraged funding loans. I do believe that there is tremendous merit in a blended mixture of loans and grant, and I would go as far as to say that it should be a graduated scale, depending on job creation.

Mr. Steve Clark: Yeah, and I know that in the east there's no stacking right now. We've got the eastern Ontario program and fund, and there's sort of a mixture, because one is done by the ministry and the other is done by a more community-based board. So you found the fact that you could stack was pretty crucial to your program, wouldn't you say?

Ms. Bernia Wheaton: It was administratively challenging, but it was crucial.

Mr. Steve Clark: Thank you.

The Chair (Mr. David Oraziotti): Mr. Marchese.

Mr. Rosario Marchese: Thank you, Bernia, for the presentation as well.

Steve made reference to the Southwest Economic Alliance. I agree with the blended formula as well. They strongly agreed on loans as well, particularly that grants—and I suspect he might have said "loans" as well—should be limited to lower levels of funding so that you could generate more and help more people. So I'm assuming that you agree with that too: a blend of lower loans or big grants and small grants—I'm assuming you agree with that. Right?

Ms. Bernia Wheaton: I believe that there should be a direct correlation to job creation. When you look at this formula, the job creation was the equivalent of \$15,000 per person—that's not even a year's wage—from the granting portion. So I believe that there needs to be some sort of formula put in place that measures the value of a job and its immediate return.

Mr. Rosario Marchese: They did say that the money from the fund is released only when jobs are proven to have been created. Do you agree with that?

Ms. Bernia Wheaton: I believe that in some sectors, that might work. In the food sector and certainly with this type of build, it was 10 months from concept to the first hot dog running off the line. It certainly would have been a long process before we would have seen any funding, and yet we would have found a way to make it work. I think the hope of funding is always more valuable than a lack of funding.

Mr. Rosario Marchese: Thank you.

The Chair (Mr. David Oraziotti): Thank you very much for your presentation. It's time.

Ms. Bernia Wheaton: My pleasure.

WINDSORESSEX ECONOMIC
DEVELOPMENT CORP.

The Chair (Mr. David Oraziotti): Folks, our next presenter is on teleconference: the WindsorEssex Economic Development Corp. I believe Ron is on the phone with us. Hello, Ron, are you there?

Mr. Ron Gaudet: Yes, I am. Can you folks hear me?

The Chair (Mr. David Oraziotti): Can we raise the volume a bit?

Mr. Ron Gaudet: Hello? I'm here. Can you hear me okay?

The Chair (Mr. David Oraziotti): Ron, you're here with the Standing Committee on General Government. We thank you for your time today. You've got 10 minutes for your presentation. We're listening, so if you want to start by stating your name for the purposes of Hansard, you can start, and then we'll divide some time up for members' questions.

Ron, can you hear me?

Mr. Ron Gaudet: Hello?

The Chair (Mr. David Oraziotti): Ron, you've got 10 minutes for your presentation. Go ahead and start.

Mr. Ron Gaudet: Okay. Thank you very much, Mr. Chairman. My name is Ron Gaudet from the Windsor-Essex Economic Development Corp. I'll be brief. I won't take my full 10 minutes, but I do want to thank you for the opportunity.

Economic development and community development are a complex and wildly misunderstood discipline. It is viewed in many ways and assessed in many ways, yet in its simplest form it's about creating and maintaining jobs and building community and regional capacity, i.e., HR development, infrastructure development and that type of thing.

The region that I represent, I think you all know, has gone through a considerable period of difficulty, as much of Ontario and Canada has, probably this area more than most others, given its reliance on the auto sector and the industries that permeate out of that. If we look at two short years ago, where we had an unemployment rate of over 15%, where we had a loss of many of our companies and where we had an out-migration of many of our educated workforce, that presented a number of challenges. Since that time, we've been very, very intent on working with a regional strategy from the standpoint of: How do we move this region forward?

The economic corporation is focused on five pillars: small business and entrepreneurship, business retention and expansion in the region, bringing in new investment to the region, and something that we here call community capacity-building—that has to do with: how do we ensure that we have the HR training and infrastructure to support that, how do we have the infrastructure that supports industry growing in the region? Finally, the fifth pillar is marketing the region—on an indigenous level, giving people a sense of what it's like to live and work in this region, and then take that message to a broader audience.

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As well as those five pillars, in our five-year regional road map, we're focused on moving nine sectors of the economy forward. These are sectors that we, as a region, have inherent strength in at this time, so we're not kind of looking for that next wonder drug, if you will, but we're looking at building on our inherent strengths.

We're also looking at building on 10 regional objectives. The number one objective that we've been focused on for the last year is that of a broad-based, collaborative effort as it relates to community and economic development. So we're very, very intentional about trying to move our region forward. We've had some wins on all of those efforts in the last year, creating 500 small businesses, maintaining over 6,000 jobs in our region and adding an additional 1,800 jobs in terms of investment, but it's an ongoing challenge. We need to be tenacious about moving this region forward.

So in that vein, while there could be a fairly significant debate about whether government incentive is a way to go and a way to continue, I think, given the reality of the world today, given the reality of the economy we're in and given the reality of the diversity that we have in Canada—out east, having ACOA and other provincial agencies that really focus on this kind of support; out west, having the Western Diversification Program and provincial programs—it's incumbent upon this region to have programming that can support a collaborative, collective approach on economic development.

We are trying to work as a region—Windsor and Essex—in a collaborative effort, but we're also mindful of the fact that we're part of a larger regional economy. If we draw that a little bit further, we can talk about southwestern Ontario, we can talk about southern Ontario, and on a global context, we can talk about Ontario as a province. While we're trying to move things forward within our region, we also see a need to have a more broad-based view, if you will, in terms of economic development. So we would welcome and encourage government to have money set aside that's earmarked to support regional development efforts.

I personally would like to have the caveat in there that it needs to be regional in scope, that it needs to promote co-operation, that it needs to bring academia, industry, communities and organizations, such as ours, together. I think that that should be part of the criterion, but that's a personal preference more than anything.

I do agree with the last speaker that there should be some funds earmarked at supporting private sector initiatives. My only concern in that would be one around the amount of funds that we're talking about. It's going to be difficult to be all things to all people, but I think that what is being proposed for southwestern Ontario is a very good start.

With that, I'll turn it over to questions and/or comments.

The Chair (Mr. David Oraziotti): Okay, thank you very much for your presentation, Ron.

We're going to start with the Conservative caucus on rotation here. Mr. Clark, go ahead.

Mr. Steve Clark: Absolutely. Thanks, Chair. Thanks for your presentation, Ron.

There were a number of folks this afternoon who made a presentation and talked about different models for delivery. As you know, the eastern program operated for the last four years, but there have been some recommendations today to sort of change the split to make it more loan-based. A presenter also even said that it shouldn't contain infrastructure improvements. Do you have any opinion on the makeup of the program specifically?

Mr. Ron Gaudet: I don't think that I would disagree with that. I do think that a portion of the program—I don't pretend to have the magic number—should be allocated towards loans for the private sector, whether they be low-interest or interest-free or forgivable after a period of time if the jobs are created. I do think there's some merit in that, and there's a lot of precedents around that if you look at other parts of Canada.

I would agree that in terms of physical infrastructure—I hope I don't make any enemies here—but in terms of physical regional infrastructure, I just think that unless you're talking hundreds of millions of dollars, which I don't think you are, the dollars that are allocated have to be very strategically placed, and they should be dollars that leverage other activities. I think there are other programs to address infrastructure needs in the region.

The Chair (Mr. David Oraziotti): Okay, thank you, Ron.

Mr. Marchese, the NDP caucus.

Mr. Rosario Marchese: Hello, Ron. You did say that you would want to open it up, or at least have the criteria opened up so that there are different alliances that come together, because the eastern fund was aimed mostly at private sector companies. But based on your comment, I'm assuming you would like to open it up so that municipalities would be eligible, and non-profits and universities, presumably, as well. Is that the case?

Mr. Ron Gaudet: Well, I think that specifically to my point—and I'm a come-from-awayer; I've been on the east coast for most of my career, moved to southern Ontario a few years back to sort of take on this challenge of evolving the economy. Quite frankly, while this region is blessed with an amazing basket of opportunities—whether we're talking human resource skills or whether we're talking industry knowledge, skills and infrastructure—there's probably historical rationale here, but there is not the level of co-operation historically that needs to happen to really move sector development forward. I'm simply stating that I think a criterion that embraces collaboration—and I don't think there should be a free-for-all on who can apply, but perhaps a regional body like an economic development corporation and/or a regional group if they are to make requests, where they can demonstrate that they've reached out to academia, to either colleges or universities, that they've reached out to industries. What that does is it ensures that your dollars are again leveraged at the community level.

Mr. Rosario Marchese: Thank you, Ron.

The Chair (Mr. David Oraziotti): Thank you very much, Ron.

Liberal caucus: Ms. Piruzza, do you have a question for Ron?

Mrs. Teresa Piruzza: Hi, Ron. It's Teresa. How are you?

Mr. Ron Gaudet: Good, thank you.

Mrs. Teresa Piruzza: Good. We're straining to hear you, so this is just for the committee members here, just to let everyone know what a great job you do in economic development in Windsor as well. I know a couple of weeks ago, you did your report on the year in terms of what's been happening in Windsor-Essex—certainly, leveraging a number of the investments that took place in the Windsor-Essex area and really keeping your finger on what's going on in terms of the southwest region as well. Of course, we had our consultation locally as well with respect to this bill and this fund.

Now, just to some of your comments, Ron: In terms of the fund itself, in terms of working as a region, collaborating and bringing academia in, would that be kind of the front end of the investment? Some of the comments have been really to tie or not to make the investment until the jobs have been created, which may, I think, create a timing issue for some investments. Just with your experience in terms of investments, how would you see it coming forward in terms of, if this fund were available and you were marketing the fund, what would be the best way in terms of suggesting or indicating that this was available?

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Mr. Ron Gaudet: Thank you, Teresa, and thank you for your comment.

I don't pretend to have all the answers on this. I would like to see a portion of the program earmarked for advancing well-thought-out regional strategies. In this region, we do have a five-year road map. We're one year into that. We've created a lot of synergy and a lot of traction, and I think we have jobs that more than validate the rationale for the strategy.

It would be nice to have a pool of funds so that we could leverage the good work that has been done. That's what I mean by bringing in stakeholders.

In the criteria, however this gets administered, I think another check mark should go towards collaborative effort. Let's say that you score 70 out of 100; I think a check mark and another 10 points if it's regional in focus, and another 10 points if it's collaborative and not just for one organization, but can either move its sector forward or elements of a regional strategy.

Again, I know I'm being a little vague here, but my fear, quite frankly, is the dollars that are being talked about. If we fragment it too much and it's a whole lot of trying to address all the needs, I think that it'll be a challenge in five years from now to really see where the dollars have paid off. That's why I like the idea of leveraging and partnership and regional.

The Chair (Mr. David Oraziotti): Thank you, Ron. I appreciate your comments. Thanks for your presentation. That's the time we have for it today. Keep up the good work.

REGIONAL MUNICIPALITY OF DURHAM

The Chair (Mr. David Oraziotti): Okay, folks, we're going to move on to our next presentation: the regional municipality of Durham, if you'd like to come forward. Good afternoon, gentlemen. Welcome to the Standing Committee on General Government. As you're aware, you have 10 minutes for your presentation. Any time that you don't use will be divided among members of the various caucuses to ask questions of your presentation. Just state your name for the purposes of our recording Hansard, and you can begin when you're ready.

Mr. John Henry: Good afternoon, Mr. Chairman. Before I begin, I'd like to point out to the committee that I'll be sharing my time with Gary Strange, president of the Ajax-Pickering Board of Trade, and Dan Miles, vice-president of the Whitby Chamber of Commerce. We also have Kathy Weiss, director of economic development and tourism for Durham region, and Kathy McKay, executive director of the Ajax board of trade.

My name is John Henry, and I'm the mayor of the city of Oshawa and a member of Durham region council. I'd like to thank the committee for the opportunity to speak about the Attracting Investment and Creating Jobs Act, 2012.

Our goal here today is to seek fair treatment for the people of Durham region. If this bill passes as written, our region will not be eligible for any of these economic development dollars.

In Ontario today, we have the eastern Ontario development fund, which stops at the eastern border of Durham region. We have the northern Ontario development fund, which benefits the people in the northern communities. The southwestern Ontario development fund, as proposed, would stop at the western border of the GTA, but would include municipalities such as Barrie and Burlington.

This is not only a matter of fairness, but it severely disadvantages Durham region during these difficult economic times. If this bill is passed as written, the majority of the province will have access to funding which Premier McGuinty says will bring new opportunities and jobs to those specific regions.

I firmly believe the government of Ontario should be taking a broader approach to economic development. As the manufacturing heartland of Canada, communities in every corner of the province have been impacted by the global economic downturn, and Durham region was no exception. As many of you know, at one time, the automotive industry was the largest employer in Durham region, with GM alone employing more than 20,000 people. Today, a fraction of those jobs exist in the Durham region. GM is downsized and the spinoff jobs have disappeared.

On a positive note, we've made tremendous strides to diversify the regional economy. The University of Ontario Institute of Technology, Durham College and Trent University are growing and attracting more students, faculty and staff. Academia is now the city of Oshawa's fastest growing industry.

Lakeridge Health is increasing its capacity and expertise with attracting top-notch doctors, nurses, staff and support staff.

We need to look beyond our borders to try to attract new investments and more jobs. We need to grow our economy even further for the benefit of the region, the province and the country. The challenge for us is that the common objective is that of every community across Ontario. My municipality colleagues are also seeking new investment and more jobs.

The critical difference is that they will have access to economic development dollars, and Durham region won't. Again, this puts Durham region at a significant disadvantage. It's simply not fair. We're not asking you to increase the \$80-million southwestern Ontario development fund. We are asking that we be eligible to access it.

I encourage the committee to propose an amendment to the bill to include Durham region in either the southwestern Ontario development fund or the eastern Ontario development fund. I thank you for your attention.

Now I will call on Gary Strange to make a few comments.

Mr. Gary Strange: Thank you, Mayor Henry. Ladies and gentlemen of the committee, I appreciate the opportunity to speak with you today.

The mission of the Ajax-Pickering Board of Trade is straightforward: to encourage and foster free enterprise and economic development, to support good government and create and maintain a positive business climate in the community. I can assure you, the mission of boards of trade and chambers of commerce is similar in communities right across this province. These organizations are actively working to attract investment, create jobs and grow their local economies.

Clearly, the various regions across Ontario compete to attract investment, and they will use any and all tools at their disposal to gain an advantage, such as their skilled workforce, local research and education facilities and entertainment attractions. We can live with that. However, when one region gains an unfair advantage through the use of provincial economic development dollars, we cannot support that.

Business organizations across Durham region applaud the government for establishing these various economic development funds. Providing economic stimulus in this uncertain global economic climate is prudent, but the bill, as written, omits Durham region and will lead, we believe, to unintended negative consequences for our regional economy.

Durham region is obviously a part of the greater Toronto area, but our needs and realities differ from those of metro Toronto. We do not have the largest finan-

cial district in Canada and all of the economic benefits that go with it. We do not have Canada's largest international airport and all of the economic benefits that go with that. We do not have the 407 highway and the economic benefits that go with that—at least not yet, but we're being patient.

When introducing the bill, Premier Dalton McGuinty pointed out that "The fragile global economy has created uncertain times for families in southwestern Ontario." The economic downturn has also had an impact for us in Durham region. Our unemployment rate is currently 8.3%. Compare that to southwestern Ontario's average of 7.5%, Kitchener-Waterloo's unemployment rate of 7.1% and St. Catharines' unemployment rate of 8.1%.

As Mayor Henry mentioned, we have made tremendous strides to diversify our regional economy, but with the introduction of the southwestern Ontario development fund as proposed, we fear that progress could be reversed. The existence of grants or repayable loans in some regions will likely lead to the enticement of companies to move away from Durham region, should the decision need to be made about whether to reinvest locally or relocate. The availability of such financial incentives could tip the balance of where a particular company decides to set up shop. In our view, Durham region ought to have the ability to compete on its merits, and businesses should choose where to operate based on the best business case rather than a result of government financial incentives or enticements.

I encourage this committee to propose an amendment to the bill to include Durham region in either the southwestern Ontario development fund or the eastern Ontario development fund. Thank you for your attention.

Now I will call on Dan Miles to make a few comments.

Mr. Dan Miles: Thanks, Gary. I want to thank the committee for the opportunity to be here today.

Let me start off by saying that members of the Whitby Chamber of Commerce applaud the government's commitment to increasing economic development funding in order to strengthen the provincial economy, create jobs and make Ontario more competitive. However, excluding Durham region from this funding is not only unfair, we believe it severely disadvantages businesses throughout our region.

Again, as Premier McGuinty stated in November, "The fragile...economy has created uncertain times for families in southwestern Ontario." But it also has created uncertain times for some families and businesses in Durham region. We are not an island that is removed from the current economic global situation. There are families and businesses struggling in Whitby, Ajax, Pickering, Oshawa, Clarington and throughout the region.

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As Mayor Henry pointed out, we are diversifying the economy in Durham region. Some areas are not as bad off as others, but that's clearly the case right across southwestern Ontario. Take Waterloo region, for ex-

ample. Here you will find the most prosperous and successful economy in the province. It is one of Canada's fastest-growing communities, with a growth rate of nearly twice the national average. And yet this region is eligible for this economic development funding.

If you look closely, you will notice that Durham region has its share of challenges. As was pointed out, the region has experienced a significant manufacturing contraction in the automotive, packaging, steel, plastics and furniture sectors. With the downturn in the automotive sector, the region has suffered a number of job losses, with parts manufacturers such as Johnson Controls, Lear Corp. and Automodular downsizing.

In summary, Durham region is seeking employment and investment growth in a very competitive environment, just like every other sector across the province. While the region has core strengths and much to be proud of, it also has a number of challenges which hamper its ability to reach its full potential.

We strongly believe that Durham region will be put at a serious disadvantage if this bill passes as written. We will be competing for investment and jobs against communities across Ontario that will have access to additional provincial economic development funding, and that's not fair.

Like my colleagues, I encourage this committee to propose an amendment to the bill to include Durham region in either the southwestern Ontario development fund or the eastern Ontario development fund.

We've provided copies of letters and resolutions from regional council, chambers of commerce and boards of trade across Durham region, and we sincerely hope you understand and consider our request to create a level playing field. Thank you.

The Chair (Mr. David Oraziotti): Folks, we've got a number of questions. We're in rotation here, so we're going to the NDP caucus. I'd just ask you to keep your questions brief, and also your answers as brief as possible, so we can get everybody's questions in. Mr. Marchese, go ahead.

Mr. Rosario Marchese: Thank you for your presentation. Clearly, your exclusion is not defensible. You make a good case. The district of Muskoka, represented by various folks, makes a similar case. It's hard to defend the exclusion; you're quite right.

One of my criticisms of the bill is that this program has been created through offsets, meaning they've taken the money from the strategic jobs and investment fund, which everyone had access to. In that respect, nobody was excluded. But when you take money from another fund and create an eastern and western, then all of a sudden you guys are shut out and Muskoka is shut out. It doesn't make any sense.

I just wanted to tell you that I'll be supporting any amendment that brings you in. Thank you.

Mr. Gary Strange: Thank you.

Mr. Dan Miles: Thank you.

The Chair (Mr. David Oraziotti): To the Liberal caucus. Ms. MacCharles, go ahead.

Ms. Tracy MacCharles: Thank you, Chair, and thank you all, Dan, Gary and John, for attending today. Thank you for highlighting some of the challenges that we are facing in Durham region, whether it's manufacturing or otherwise. You've covered part of my question, because I think it is important for the committee to hear those challenges.

The second part of my question is about when Durham is part of the GTA and when it's not. I think for purposes of this exercise Durham is included in the GTA. I'm just wondering if you have some general comments on that, for the purposes of this fund. I think I know what your answer is but I wouldn't mind hearing it directly. Thank you.

Mr. John Henry: Thank you for the question. You know, Durham is a big part of the economic engine of the province of Ontario. If you look at the region in its entirety, agriculture is a huge part of the Durham region economy. Our ability to move goods, people and services is essential to the economy of all of Ontario.

One of the problems that I have as mayor: I don't want to compete with any other municipality in Canada. We have to compete with China, Brazil, Germany and all those other places. Only when we work together as one group can we advance the economic prosperity for the entire province. It's about fairness and about not having to compete with the city of Toronto. It's about competing collectively, together, as an economic node on the world stage. What we're asking for is that we be given the same tools as every other municipality that's involved and that we're put on a fair playing field.

I'll reference this and then I'll stop: The Conference Board of Canada talks about Oshawa and Durham region as the third-fastest-growing economy in the country. That's from their document in 2011. We rank right behind Regina and St. John's. All we're asking is give us the tools that we need, and we can turn the eastern gateway into the GTA into that economic engine that will help to drive the province.

The Chair (Mr. David Oraziotti): Thank you.

Ms. Tracy MacCharles: Did Gary want to add to that? It looked like he wanted to.

Mr. Gary Strange: Just briefly. As you know, our needs are different. It was our understanding that the GTA was to be totally excluded by all of these funds, yet Burlington, which many of us consider part of the GTA, is part of the funds. So I agree, Tracy. The line is blurry. We're just saying we want the playing field levelled to allow our region the ability to continue to compete and diversify our local economy.

The Chair (Mr. David Oraziotti): Thank you. Mr. Ouellette?

Mr. Jerry J. Ouellette: Thank you very much for your presentation. Just to continue on with that, I take it from the presentation that I heard that you'd be supportive of having an amendment brought forward that would allow all communities, such as the region of Durham, access to the funds. But on top of that, it's more than just access to the funds; it's the ability to prioritize where you feel it is necessary. So local boards having the control

and the ability to control those funds would be in the best interests of the community and the region. Would it not? I think that's what you're looking for.

Mr. Dan Miles: Well, I would suggest that local municipalities probably know what's best for their municipality with respect to economic development dollars and the strategy that they're implementing at the local level. I think you're absolutely right. However, we're not here, I don't think, to discuss how the dollars flow or the particular mechanics of the fund itself. All we're interested in is having the ability to compete against the other municipalities to have access to that funding.

Mr. Jerry J. Ouellette: I know my colleague Mr. O'Toole has some questions if there's any time.

Mr. John O'Toole: Thank you very much, Mayor Henry, Gary and Dan for your comments. I know Christine Elliott is here as well and Laurie Scott, all members representing the Durham region. We feel your resolutions have been reasonable—and as was said earlier, the 407 and other things that are part of the infrastructure that Ontario needs. But Durham more specifically has been treated unfairly. I encourage the resolution.

As Mr. Marchese said, the strategic jobs and investment fund was a fund that everyone could apply to where will and need was there. I certainly supported that. Ontario needs an economic development plan, and that's kind of why. They're picking winners and losers here.

I commend you for coming today, and I certainly would be supportive of working together, as you suggested, Mayor.

If you have one last thing to do, what is it you want all five members, including Mr. Dickson, to do on behalf of representing Durham? Are we in the GTA or are we out of the GTA?

Mr. John Henry: Thank you very much. I personally believe that we're actually neglected, that when you look at Durham, it's not really thought of very much. Part of that is—and I'll bring up the issue of the 407—moving goods and services around Toronto. It's not the 407. It should be called what it is; it should be called the Toronto bypass. It's about getting those things that we need across the province.

Mr. John O'Toole: Major cities like Ottawa are excluded in the east, but major cities like Windsor are excluded in the west, as is Kitchener-Waterloo. There's somewhat deliberate unfairness in this, and I want to be very open about that. I'm not happy about being treated less equally than the rest of Ontario.

Mr. John Henry: I agree.

The Chair (Mr. David Oraziotti): Thanks for your comments. They're noted. There weren't a lot of questions in there, but your comments are on the record.

Thank you, folks. That's time for your presentation. We appreciate you coming in today.

GREATER NIAGARA
CHAMBER OF COMMERCE

The Chair (Mr. David Oraziotti): Okay, moving along, our next presentation is the Greater Niagara

Chamber of Commerce. Good afternoon. Welcome to the Standing Committee on General Government.

Mr. Kithio Mwanzia: Thank you.

The Chair (Mr. David Orazietti): You have 10 minutes for your presentation. Any time you don't use will be divided among members for questions. You can start by stating your name, and when you're ready to proceed, go ahead.

Mr. Kithio Mwanzia: Thank you. Good afternoon, Chair and members of the Standing Committee on General Government. My name is Kithio Mwanzia, and I'm the director of policy and government relations for the Greater Niagara Chamber of Commerce.

As a little bit of background, the organization, the Greater Niagara Chamber of Commerce, has a membership of 1,300 members with a representative employee base of approximately 30,000 people. It is one of the largest chambers in Ontario.

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As I am sure members of the committee are well aware, Niagara's economy has been in transition for the better part of the decade. With this has come record unemployment, as high as 9% in some years. With this, businesses in Niagara have certainly seen their fair share of challenges associated with the economic transition. However, in the midst of this, the private sector has been resilient.

This is an important time to focus on leveraging opportunities and making strategic investments that can catapult these businesses to the next level; i.e., hiring new employees, making their operations more efficient and increasing productivity.

The government of Ontario has taken a number of steps to respond to the global economic crisis and the subsequent recession. Niagara's close relationship with the economies of the greater Toronto area through western New York has meant that it has had to deal with the economic transition in a similarly dynamic and aggressive fashion.

To address the issues facing Niagara, the chamber has taken a leadership role in creating the prosperity council and authored the Paths to Prosperity report. The report outlines Niagara's opportunities over the next 20 to 30 years, with several midpoint benchmarks, and sets the foundation for growth and prosperity within a transitioning North American economy.

As a business organization, we are encouraged to see the vision of the government by announcing the Attracting Investment and Creating Jobs Act. If passed, it will create the \$20-million fund, as has been discussed. The southwestern Ontario development fund aims to provide support for areas that are facing economic challenges, and certainly, as I've just elaborated on, Niagara falls within that category.

We were encouraged to see local-level consultations conducted. This provided a valuable opportunity for the business community to provide both mechanisms and metrics to ensure sound policy design. One of the reasons the fund for eastern Ontario has been so successful is

because of the extensive consultations with stakeholders from across the region.

The existing development funds have leveraged approximately \$8.6 billion in business investment, creating 12,000 new jobs in Ontario. The business community in Niagara looks forward to being part of this positive momentum to rebuild the Ontario economy.

Southwestern Ontario, as you know, has had a long history and concentration of manufacturing jobs and opportunities. This region, and Niagara specifically, has endured a significant number of plant closures and layoffs. Specifically in Niagara, the downward trend has greatly impacted the local economy. Since the beginning of the 20th century, manufacturing in Niagara has been an economic driver and at its peak employed tens of thousands of workers and provided Niagara with a robust economy.

Currently, manufacturing accounts for approximately 14% of the Niagara economy, down from 29% over the past two decades. This dramatic loss of manufacturing jobs in Niagara has had a tremendous impact on the overall local economy. In fact, Niagara's overall employment growth has been less than 1% since 2000. This average places Niagara near the bottom of the province in statistics related to full-time employment rates and employment income levels in the province.

Businesses in Niagara have, however, worked diligently to face the challenges that have confronted the region. While Niagara has often been situated in the bottom third of most socioeconomic rankings in Canada as a result of the economic transition, the work that has been done by stakeholders and leaders in the community has positioned the region to handle today's economic challenges.

The ability for Niagara to weather the challenges it faces has been supported by ongoing infrastructure transformation as part of Ontario's plan for prosperity. This includes the extension of the QEW highway, making for easier access to the United States market; investments in the health care complex; investments in a new convention centre, fostering all-year-round tourism; investments in both Brock University and Niagara College in terms of biosciences and health sciences; and, of course, the Marilyn I. Walker School of Fine and Performing Arts.

As a region engulfed by a perfect economic storm, the transformation of Niagara's infrastructure serves as an important component in creating avenues for new prosperity despite all the challenges. And as I outlined, they are many.

Niagara has been able to grow a number of businesses in the region. In particular, SME—small and medium enterprise—has seen the biggest growth. From 2001 to 2007, there was a 17.4% increase in business counts in the Niagara region. In 2007, there were more than 25,000 businesses in Niagara, which represented a 17% increase from 2001, when there were 21,935 businesses in Niagara.

Perhaps the most encouraging sign concerns near-term prospects for the overall economy. The Conference

Board of Canada predicts that there will be modest economic growth over the next three years in Niagara. Slightly more than 20% of businesses surveyed by the Conference Board of Canada believe general economic conditions will improve in the next six months.

These numbers are a considerable improvement from previous years—and the region has borne the brunt of the economic downturn. It also demonstrates that, given the right support, the business community in Niagara can leverage support provided, maximize its potential and do its part for the Ontario economy.

The ability for businesses in Niagara to weather the storm comes in part from some of the existing initiatives that have happened at the provincial level. The commitment to the reduction of red tape and the streamlining of the tax system have been welcome innovations in terms of policy and process that the business community has been able to effectively leverage.

The government's role is to create an environment conducive to investment and business development by means of intelligent regulation and innovative initiatives.

The private sector continues to play an important role in establishing the framework for Niagara's economic future. The business community will be hosting an economic summit in May 2012 focusing specifically on leveraging opportunities, economic growth and fostering growth for small and medium-sized enterprise. The summit will be the starting point to chart the economic future of the region as we begin to come out of the economic transition.

Throughout the economic transition, the private sector has been an active participant in recalibrating the economic framework. The business community took a leadership role, as I mentioned, on the prosperity council that authored the Paths to Prosperity document, which we are still working on in our five-point benchmark process. It has been involved in developing the economic growth strategy and the labour market plan. Each strategy was developed through private sector leadership. This collective consensus between both public and private sector leaders in Niagara about how to move the region forward demonstrates a community co-operation that could be enhanced by the southwestern Ontario development fund.

Therefore, in conclusion, we submit the following in terms of recommendations and would welcome your questions:

- certainly, the establishment of the southwestern Ontario development fund as a key component to fostering that economic growth and prosperity which we have talked about and advancing the local level plans that have been developed;

- the inclusion of businesses in Niagara to be eligible for financial support through the southwestern Ontario development fund—so more on the boundary issue side of things;

- ensure that the southwestern Ontario development fund provides a direct financial support to small and medium-sized enterprise in all industries; and

- the implementation of a seamless, metrics-based and user-friendly application process for funding as well.

We do want to ensure that the same scrutiny associated with the eastern development fund in tracking how these resources are being committed is applied to the southwestern Ontario development fund. Certainly, we value a metrics-based system.

I do submit those in terms of remarks and recommendations, and I would gladly take any questions.

The Chair (Mr. David Orazietti): Thank you very much for your presentation. First up is the Liberal caucus. Ms. Cansfield, go ahead.

Mrs. Donna H. Cansfield: Thank you very much for your presentation. It was very thorough. I also appreciate the fact that you identified those areas where there had been investment and how that investment could be leveraged. I look forward to hearing some of the other questions.

I guess my question to you is, do you have any thoughts about the process and implementation? It's a limited-amount-of-money fund, so I presume that most of the money you want to be able to put into the projects, so administration can be absolutely kept at a minimal amount of money and you're not siphoning anything off. Have you got any thoughts about that?

Mr. Kithio Mwanzia: Certainly, we expressed during the community consultations about that specific issue related to administration. Our commentary on that was that there is an existing administration infrastructure vis-à-vis the eastern Ontario fund that certainly can be augmented in certain ways to accommodate the southwestern Ontario development piece. You have experts on the government side that have an understanding of that interface between SMEs and government funding, understanding the type of timelines that SMEs face and that lengthy approval processes are undesirable for a number of reasons. Our view was that, rather than developing an entirely new infrastructure of administration, there could be some augmenting to the existing infrastructure on the eastern Ontario side that could accommodate the southwestern Ontario piece.

Mrs. Donna H. Cansfield: Thank you.

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The Chair (Mr. David Orazietti): Thank you. Mr. Clark, go ahead.

Mr. Steve Clark: Thank you very much for your presentation. Good luck at your summit in May.

One of the complaints with the existing fund, because I'm from the east, is the fact—and the minister alluded that it's more coincidental—that there is an inequity between the ridings. Some ridings seem to have performed much better than others.

I don't totally agree; I think we all have very competent economic development officers and chambers of commerce, so I'm not particularly sure that washes with me; that one is more aggressive than the other. I think they're all fairly aggressive, to some degree.

Any ideas on how to change that, how to make the program more equitable or more fair across the southwest as opposed to the way that the eastern program has presented itself?

Mr. Kithio Mwanzia: I can't speak specifically to the eastern piece, but from a southwestern Ontario perspective and looking at the Hamilton-Niagara area specifically but focusing on the Niagara piece, there's a lot of local-level strategy that has included the business community. So in terms of ensuring there is equity, as you mentioned, there is certainly that local-level strategy that has to interface with the opportunities that become available as a result of this fund.

Mr. Steve Clark: Any comment on loans versus grants? I know that some of our presenters talked about changing, perhaps, the mix that the program provides.

Mr. Kithio Mwanzia: The thought would be to have a combination of both. Given the—

Mr. Steve Clark: Any idea of the percentage? I know some have thrown out—

Mr. Kithio Mwanzia: One might consider a 50-50 split, something that would be quite fair, but looking quite specifically at how those businesses are progressing. What is a loan today could very easily be augmented to be a grant tomorrow because, in the time between yesterday and today, there have been 20-plus jobs created as a result of process change and commercialization of research. So there would be a need to see some flexibility on that particular component. That's getting into some real specifics on the fund, but there would be a need to see some flexibility in that area because, as businesses begin to perform, perhaps there should be some change to that formula.

The Chair (Mr. David Oraziotti): We need to move on. Thank you. Mr. Marchese, a question?

Mr. Rosario Marchese: I do have a question. The northern heritage fund is run independent of the minister. There is no ministerial control. This fund has ministerial control, and we think that's a problem. So we called for an independent board just as we see in the northern heritage fund. What do you think?

Mr. Kithio Mwanzia: Again, I do want to make reference to the comment I made before about the eastern Ontario development fund. That is not an independent piece analogous to the northern fund. They've been able to work closely with SMEs.

The politics and debate of independent-versus-not-independent are removed from the realities for which businesses want to see this fund established and want to begin accessing the fund, creating jobs, making their operations more efficient. To sort of waver on the independent-versus-not-independent piece, the business community is sort of removed from that component of the debate, as it is really looking to see more of the establishment and a rollout of the opportunities and dollars.

Mr. Rosario Marchese: I understand what you're saying. I'm talking about the politics of not having independence and you're talking about, you're removed from the independence issue altogether.

My point is that if the minister has control of it, we believe that even if there is no interference, there's a perception of interference. That's what I'm saying. If you've got an independent board, they're able to make a

case for themselves as a community, as a region, a business case, but make it independently without having to have any controls by the minister. That's the case I'm making. Do you follow what I'm saying?

Mr. Kithio Mwanzia: I see what you're saying. I guess my response would be that from my part, from a chamber of commerce representative of the business community perspective, that isn't necessarily something that we would have commentary on.

Mr. Rosario Marchese: Gotcha.

Mr. Kithio Mwanzia: It's more looking to see it established, and the sooner the better, including Niagara, and about it having strong metrics and application processes.

Mr. Rosario Marchese: Very good. Gotcha. Thank you, Kithio.

The Chair (Mr. David Oraziotti): Thanks. We appreciate it. That's the time for your presentation. Thanks for coming in today.

MR. ALEX FRANKLIN

The Chair (Mr. David Oraziotti): Okay, folks. One further presentation: Alex Franklin.

Mr. Franklin, welcome to the Standing Committee on General Government. You've been patiently waiting to make your presentation. As you know, you've got 10 minutes, so if you can just start by stating your name for the purposes of our recording Hansard and start when you like.

Mr. Alex Franklin: It's been an interesting discussion. For Hansard: Alex Franklin.

Mr. Chairman, ladies and gentlemen, eastern and southwestern Ontario need capital investment to replace the capital lost from firms moving to the USA.

London is the centre of southwestern Ontario—2.5 million. Ottawa is the centre of eastern Ontario—1.6 million. Kingston has the advantage of Queen's University and being close to the USA.

Many profitable companies have left London for America. Pawn shops are a feature of downtown London. The recent riot tarnished London's international business image.

Important attractions of London are the University of Western Ontario medical school and hospitals and the Ivey business school. Another advantage is that the cost of a professional house in London is half the cost of one in Toronto. London is also the home of the Canadian Medical Hall of Fame.

Kingston has Queen's University medical school and hospitals, together with the internationally famous yacht club, which was host of the 1976 sailing Olympics and has a 43-year history of the yearly Olympic regatta. Kingston is blighted by its reputation as a prison city; the jails could be moved to Ontario north. The superb river-side position of maximum-security Kingston Penitentiary beside the yacht club could be refitted as a hotel or a private hospital. Kingston is also home of the Canadian Museum of Health Care.

Private medicine is rapidly developing in Ontario. Private equity supports public teaching hospitals through colossal tax-deductible donations from important donors, such as the Campbell, Eaton and Weston families, the Lebovic Brothers, Peter Munk, Sir Li Ka-shing and Joseph Tanenbaum.

There are two well-known private hospitals in Ontario: Guelph Homewood psychiatric hospital and Thornhill Shouldice hernia hospital. Both attract international clients, helping Ontario's balance of payments.

Many private clinics function under the legal fiction of so-called wellness clinics, charging about \$3,500 a year.

Medisys Health Group in Montreal, Toronto, Calgary and Vancouver was founded in 1987 and, since 2002, is traded on the Toronto Stock Exchange.

The Cleveland Clinic Canada has 30,000 square feet in Brookfield Place, home of the Hockey Hall of Fame. The administrator is the son of late Liberal Senator Danson. The clinic can provide immediate connection with the Cleveland Clinic and can arrange emergency transportation to the Ohio hospital. Mr. Galen Weston pays for his executives to attend the clinic.

In 2005, Montreal GP—Paris-trained—Dr. Jacques Chaoulli won a historic victory in Canada's Supreme Court. Quebec, although losing the Chaoulli case, has since made money and produced employment by allowing private clinics and hospitals to attract Canadian and international clients; for example, the two Montreal RocklandMD medical and day surgery hospitals.

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Private hospitals would help Ontario's economy and free hospital beds for the less financially fortunate. Costs can be covered by private medical insurance companies such as Bupa International health insurance, which covers 190 countries. The provincial budget would benefit by lower OHIP costs.

In conclusion, private Ontario hospitals in the areas involved in Bill 11 would keep private medical money in Ontario, which would pay for jobs in the province.

Thank you.

The Chair (Mr. David Oraziotti): Thank you very much, Mr. Franklin, for your presentation. We are going to start with the Conservative caucus. Mr. Clark.

Mr. Steve Clark: Thanks, Mr. Franklin. I appreciate hearing your presentation. You've certainly brought a little different perspective to the bill this afternoon. The existing eastern Ontario program looked after a more manufacturing-based system, although there were some public sector projects added to it. I know that one municipality received money for infrastructure, others for some other small projects. Do you see this suggestion as something that you feel should be incorporated into the collaborative section of the bill?

Mr. Alex Franklin: Mr. Clark, I certainly agree that collaboration is an excellent idea.

Mr. Steve Clark: Thank you, sir.

The Chair (Mr. David Oraziotti): Thank you very much.

Mr. Rosario Marchese: I have no questions, David. Thank you.

The Chair (Mr. David Oraziotti): Thank you, Mr. Marchese. Ms. Cansfield, go ahead.

Mrs. Donna H. Cansfield: Thank you very much for taking the time to make the presentation. You actually do bring a very different perspective to the bill.

Although there has been a great deal of emphasis put on manufacturing, what you've identified is the issue of health and wellness as being substantive to the economy of this province.

You have two suggestions that I gather—and you may correct me, sir, if I'm wrong. One is that you're saying private health care of some description in health and wellness—this fund could be used to leverage some of that small business. Is that the suggestion? Or are you just saying that if in fact we had the opportunity for private health care of some kind, it would free up some dollars to go into small and medium-sized business? I'm not sure which perspective—

Mr. Alex Franklin: Ma'am, I would suggest that private equity could provide the money without government contribution.

Mrs. Donna H. Cansfield: A man after my own heart.

Mr. Alex Franklin: Thank you, madam.

Mrs. Donna H. Cansfield: Thank you very much.

The Chair (Mr. David Oraziotti): Thank you very much, Mr. Franklin, for your presentation, and thanks for coming in today.

Mr. Alex Franklin: Thank you, sir.

COMMITTEE BUSINESS

The Chair (Mr. David Oraziotti): So folks, just to follow up from a call that was held last week on committee business with respect to Bill 8, An Act respecting Ontario One Call Ltd.: As we are now completed all of the deputations for Bill 11 with regard to the southwest economic development fund, it's been requested that we move on to Bill 8. The original discussion was to instruct the clerk to fill deputations on a first-come, first-served basis. What you have in front of you is a list of those individuals who had requested to make a presentation to the committee. You also have a list of all of the requests that have been provided to the clerk's office, of which there are 48.

Mr. Steve Clark: Wow.

Mr. Rosario Marchese: How many?

The Chair (Mr. David Oraziotti): It's 48. You should have that list in front of you. I know that Ms. Scott and Mr. Coteau were on the call on Friday as subcommittee members. Ms. Scott, do you want to open the discussion on this?

Ms. Laurie Scott: Sure. When we had our first subcommittee meeting, we did agree to a first-come, first-served basis for both the committees, Bill 8 and Bill 11, not expecting that Bill 8 would have such an overwhelming response. Thus, when we did the first-come,

first-served, we kind of lost the ability—which happens sometimes—to look at all the applicants to appear before committee and then make selections as per party so that there was a broad array of sides heard. When we saw that there was an overwhelming response, we initially asked that because we didn't fill Bill 11 up, maybe we could add a day on to Bill 8. The concern was, we have AMO, the Association of Municipalities of Ontario, but we did have some other municipalities that applied and didn't get on. There was a US presenter that wanted to come because they have this, of course, throughout the US.

There was some question I had—because we did first-come, first-served—that maybe, at the committee's will, they would consider doing an extra day. That was most of the discussion that occurred on Friday's subcommittee—if it would just be possible.

Mr. Rosario Marchese: Mr. Chair, if I can recommend—

The Chair (Mr. David Oraziotti): Mr. Marchese, go ahead.

Mr. Rosario Marchese: That we were going to use the other day for Bill 11—that's the point—and that we could use the additional day that we had set aside for Bill 11 for Bill 8. Can I suggest that we do that? Because there are 48, we can do first-come, first-served, so whoever is available to come Wednesday could, and so we go through the list and however many deputants we could fit into that day, we could do that. Can I propose that?

The Chair (Mr. David Oraziotti): Mr. Coteau, go ahead.

Mr. Michael Coteau: Thank you, Mr. Chair. I'd like to suggest that we stick to the original plan, as agreed to at the subcommittee. There's a timing issue here, and there was an agreement made at the last subcommittee to allocate two days, and I would propose that we stick to that original plan that we agreed to.

Mr. Rosario Marchese: So, David, could I move that we use—today is what? April 2. We were going to have a meeting on April 4 for Bill 11. Can I move that we use April 4 as a day that we allocate for Bill 8, and that we would use that day on a first-come, first-served, that we would go through the list and whoever is available, we would invite to come and depute on Bill 8? I move that.

The Chair (Mr. David Oraziotti): Mr. Marchese moves that we extend the Bill 8 hearings for what is regularly scheduled committee business time on Wednesday, April 4, on a first-come, first-served basis for the balance of the list. So that's on the floor right now, and Ms. Scott has a comment on that.

I don't know. Clerk, do you want to comment on the logistics of first-come, first-served for the balance of the list or let Ms. Scott—

Ms. Laurie Scott: The problem is that Sylwia, the clerk, would have to go to 25, 26, 27, right? We're missing some key advisers who would have a more fulsome contribution.

Mr. Rosario Marchese: We can't control that.

Ms. Laurie Scott: But we can't control that. I don't want to make it complicated. So we could phone the

remainder of the people to see who could come on Wednesday. I would second Mr. Marchese's motion.

There is also April 25 in between, but—

The Chair (Mr. David Oraziotti): I think there are two issues here: One is whether or not the committee is going to reach agreement that we are going to use Wednesday to hear additional presentations, so that's something that we'll have to vote on. Secondly, if we do use Wednesday for deputations, how would you like those individuals selected?

I understand from the clerk that we do not necessarily have to go on a first-come, first-served basis; we could select from the list. That's the committee's prerogative to do that.

Mr. Rosario Marchese: Each party could select a group of people. I would be okay with that. I could amend my motion to say: I move that we use April 4 as a date for applications on Bill 8 and that each party select a number of deputants to come and speak.

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The Chair (Mr. David Oraziotti): We could do that if the committee sees fit.

Mr. Michael Coteau: I'd like to comment—

The Chair (Mr. David Oraziotti): Ms. Campbell, go ahead, and we'll come back to Mr. Coteau.

Ms. Sarah Campbell: I agree with allowing more time for different deputants to make comments. I just think that two days' notice isn't really adequate, given some of the distances that some people and organizations will be making. Notably, there are a number from northwestern Ontario.

The Chair (Mr. David Oraziotti): I understand your concern. This is part of the challenge of trying to accommodate people with the—we had anticipated perhaps spending the next committee day on this bill that we were on today, Bill 11. It is short notice. There was an attempt to try to sort that out on Friday, and we're here continuing the discussion.

Mr. Coteau, a comment?

Mr. Michael Coteau: I'll bring up the points I made on Friday again: that the subcommittee did agree to two days for each bill. I thought originally that that was generous. I've asked different members about the process in the past, and I've been told that private members' bills usually get one day for deputations; now we're moving into three days. I don't want to stress that point too much, but I think the strongest point that I can make is that there was an agreement made, we were specific about the dates, and not only are we going back and changing that at this point but I also believe, because of the timing of the change, it wouldn't be in the best interests of all of us. So I'd just like to stress my point and—

Mr. Rosario Marchese: You're speaking against the motion, is what you're saying.

Mr. Michael Coteau: Absolutely.

Mr. Rosario Marchese: I got you.

The Chair (Mr. David Oraziotti): Further comment on the motion? Ms. Scott, go ahead.

Ms. Laurie Scott: I understand it's a private member's bill. It's just that three parties did sponsor the bill, and there are a lot of applicants. It's just a well-rounding of appearances for a tri-party-sponsored private member's bill.

The Chair (Mr. David Oraziotti): Ms. Cansfield?

Mrs. Donna H. Cansfield: I just want to ask a question, and it's just a process issue.

It goes till 5:45. Can you go later?

The Chair (Mr. David Oraziotti): You would need a decision from the House to sit past 6 o'clock on Wednesday. The regularly scheduled time for committee is 4 to 6 o'clock.

Mrs. Donna H. Cansfield: That was just an option.

Mr. Rosario Marchese: It's better to sit during the time that we've got during a session rather than moving the time up.

Mrs. Donna H. Cansfield: You could go to 7 and put in another five or six people.

The Chair (Mr. David Oraziotti): You need some further discussion. Mr. Delaney has his hand up here.

Mr. Rosario Marchese: We are dealing with the motion, however.

Mr. Bob Delaney: Just one other comment to add: I looked through the list of deputants, many of which have, in my experience, not come before the Legislature before.

Sometimes when you let people know that, in fact, MPPs can read and that a written submission carries precisely the same weight as an in-person appearance, it motivates people to say, "I don't necessarily have to be there to say it in person; I can actually send you a brief." If you can accept a suggestion to point out the quandary to the prospective deputants and ask which ones feel that they could submit a written brief as opposed to an in-person appearance, that problem may resolve itself.

The Chair (Mr. David Oraziotti): The clerk has indicated that all of the folks have been given an option to be able to submit written information. So your point is well noted, Mr. Delaney.

I guess I would just ask, unless there's some further comment to be made on the motion at this point, if we could perhaps divide the two items so that we have a vote first on whether or not we're meeting on Wednesday and then perhaps we can reach agreement in terms of what the process is going to be. So your motion perhaps could ask if you want to meet on Wednesday. Let's see if we can reach that agreement first. Once we do that, or if we do that, then we can determine how we're going to select the committee members.

So Mr. Marchese's motion is to meet—

Mr. Rosario Marchese: Okay. I can separate the two motions.

I move that we meet April 4 to allow more deputants to come and speak on Bill 8.

The Chair (Mr. David Oraziotti): Is there any further comment on that?

Mr. Rosario Marchese: I think they spoke already.

The Chair (Mr. David Oraziotti): All those in favour?

Mr. Rosario Marchese: On a recorded vote.

Ayes

Campbell, Clark, Marchese, Scott, Smith.

Nays

Cansfield, Couteau, Delaney.

The Chair (Mr. David Oraziotti): Okay. So we're going to meet on Wednesday. Any preference in terms of how the selection for the balance of this list is carried out? Mr. Marchese.

Mr. Rosario Marchese: My personal view is that we should start and simply call people based on the list that we've got. I'm assuming there's a list in terms of how people called us. Is that correct, or no?

The Chair (Mr. David Oraziotti): Yes. You have it. To take note, there are eight—

Mr. Rosario Marchese: And if that is true, we should just call through the list. That's the way I would have done it. But if Laurie believes that you want to have a different process in order to allow certain people to come, then the fairer way to do it is to allow each party to call different people.

The Chair (Mr. David Oraziotti): There are eight—so there would be eight spaces, if we maintain the same deputation time, at 15 minutes.

Mr. Rosario Marchese: Eight spaces, so that means—

The Chair (Mr. David Oraziotti): Unless the committee wanted to change—

Mr. Rosario Marchese: It can't be three, three, three, obviously, so it's got to be—if they don't mind, we can have three, the Tories can have three and the Liberals two, since they don't want to have any anyway.

The Chair (Mr. David Oraziotti): Mr. Coteau.

Mr. Michael Coteau: I'm going to suggest that we follow the original plan, as suggested by Mr. Marchese: the first-come, first-served basis, and we just continue down the list. The reason I suggest that is because the original two days, we followed that process, and now we'd enter into a new process for the third day. So I'd suggest that we continue with the original list and go down that pecking order.

Mr. Rosario Marchese: Laurie, I don't mind that. I think it's a fair way to allow the list to progress. That's what I originally recommended, so I'm okay with that.

Ms. Laurie Scott: Okay. I mean, I appreciate the fact that we're doing another day, so I'm not going to die on this hill. But we were just trying to get to a more rounded group of applicants, mainly single municipalities—

Mr. Rosario Marchese: But we can't help that, so I'm okay.

Ms. Laurie Scott: But it's okay. I will second Mr. Marchese's motion.

The Chair (Mr. David Oraziotti): There's probably a good chance to get a little further down the list of eight anyway, because those first eight will probably not all be able to—

Ms. Laurie Scott: Yes, I agree. Yes, it might just work good anyway.

The Chair (Mr. David Oraziotti): I mean, they may, but—

Mr. Rosario Marchese: Mr. Chair, do you need a motion or can we just allow the clerk to call through the list and have the—

The Chair (Mr. David Oraziotti): Yes, I think we can just move—

Mr. Rosario Marchese: Okay.

The Chair (Mr. David Oraziotti): We've got agreement on that?

Mr. Rosario Marchese: Yes.

Ms. Laurie Scott: Yes.

The Chair (Mr. David Oraziotti): Okay. So first-come, first-served, down the list, fill out the eight positions. We'll meet this Wednesday.

Mr. Steve Clark: Forward together.

The Chair (Mr. David Oraziotti): All right. Thank you, Mr. Clark.

Ms. Cansfield?

Mrs. Donna H. Cansfield: I think that Ms. Campbell made a comment that's legitimate. If someone's coming from the north, they're at the top of this list, they can't get here, they're not going to fall off the list; they're going to get on another day. I think that's important to recognize. Is that correct?

Mr. Rosario Marchese: Obviously, whoever is on the list already is going to come for the other days.

The Chair (Mr. David Oraziotti): We can also do teleconference as well. If they want to be included, we can do teleconference or they can be heard—

Mrs. Donna H. Cansfield: That's fine, if they can do that option. I'm just trying to be fair to everybody.

The Chair (Mr. David Oraziotti): Okay.

Mrs. Donna H. Cansfield: Great.

The Chair (Mr. David Oraziotti): Thank you very much. No further business? The committee is adjourned.

The committee adjourned at 1658.

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