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Friday 30 January 2015

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Vendredi 30 janvier 2015

**Standing Committee on
Finance and Economic Affairs**

Pre-budget consultations

**Comité permanent des finances
et des affaires économiques**

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS**

**COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES**

Friday 30 January 2015

Vendredi 30 janvier 2015

The committee met at 0900 in room 151.

PRE-BUDGET CONSULTATIONS

The Chair (Ms. Soo Wong): I'm going to call the Standing Committee on Finance and Economic Affairs to order. Good morning.

**ONTARIO RESTAURANT HOTEL AND
MOTEL ASSOCIATION**

The Chair (Ms. Soo Wong): I believe the first presenter is the Ontario Restaurant Hotel and Motel Association. Good morning; welcome. Mr. Elenis, right?

Mr. Tony Elenis: Right.

The Chair (Ms. Soo Wong): Good morning. Mr. Elenis, just to give you some housekeeping items, you have 10 minutes for your presentation this morning, followed by five minutes of questioning. This round of questioning will be coming from the official opposition party.

You may begin any time. Please identify yourself as well as your position with the Ontario Restaurant Hotel and Motel Association. Thank you.

Mr. Tony Elenis: Good morning, everyone. My name is Tony Elenis. I am president and CEO of the Ontario Restaurant Hotel and Motel Association, also known as ORHMA. Thank you for the opportunity to speak to you today.

ORHMA is Canada's largest provincial non-profit industry association that represents the interests of Ontario's hospitality sectors.

I will be focusing my speech this morning on one subject. ORHMA has heard from its membership, and we are concerned about the impact that the implementation of the Ontario Retirement Pension Plan will have on our industry. It's not about revenue growth in the foodservice industry anymore; it's about the pressures on the expense lines.

Recently, we were asked: What is a normal profit margin for this industry? Let's analyze the trends, comparisons and key expense drivers to determine if Ontario is at par.

Recent years brought significant increases to specific cost categories that just happened to be the highest foodservice expenditures. As we all know, food commodities have skyrocketed, and with this category mak-

ing up an average of 35% of total expenses, it has been a challenge.

The cost from utilities continues to escalate, hammering foodservice operators in an industry that ranks first in the highest energy-intense category. Conservation programs do help, but incentives applied to demand peak times are useless, as the industry operates at full throttle during the breakfast and dinner periods.

Then there is the minimum wage impact. Let me make this clear, this is not about raising the minimum wage or not. It's about the state of affairs in the industry.

You will see some graphs in your package; at the end, they are clipped to my speech notes. If you turn to exhibit 1 it shows the highest proportion of all minimum wage earners, at 39%, work in the hospitality industry. That's a huge weight.

Exhibit 2, the next graph, compares CPI increases to the recent minimum wage increases: four-year increases at 50% while CPI went up only 15.4%. Please make no mistake about it, the last recession, being hit with the strain of minimum wage increases, has changed this industry for a long, long time.

Let's now view the industry's performance: exhibit 3 on the next graph. The industry in 1990 performed at a 9.6% profit margin and dropped by 56% to 4.2% in 2013. Those are national averages.

The next slide, exhibit 4, illustrates Ontario's margins against the national average. Every single province—no matter how big or small; whether they are in the east or the west—performs at a higher profit margin than Ontario. The graph also shows the variance between Ontario and the national average widened from only 0.4% in 2001—the gap is increasing—to 1.4% in 2013. That's the latest data we have.

Consumer confidence and disposable income stimulate the economy more than many initiatives including governments issuing bonds. This simple economic case can be applied to the foodservice industry. Support for profit growth, not challenges, in this industry will result in investment, capital improvements and job growth benefiting the overall economy, including government revenues.

Exhibit 5 shows the correlation of the impact of foodservice margins to Ontario's youth unemployment. While operators have introduced every trick in the book to be sustained at those low margins we've seen, the impact of curtailing new hires with extreme cutbacks to

part-time employment is there. I hear that on the street every day. Historically, foodservice and the accommodation industry, along with retail, has been the highest recruiter of youth.

ORHMA's Ontario pension conclusions: A 1.9% increase to an industry operating at 33% labour costs is a significant new cost to absorb. There will be further restraining of hiring younger workers, and while the government aims for the well-being of Ontarians there will be unintentional consequences to employee benefits. Our members have told us that this will lead to trimming health benefit plans, such as prescription drug and dental plans, as these are typically managed and accounted under one profit and loss-statement department line.

Please do not get us wrong, a pension plan is good for society and it brings benefits later on. Our concern is that the hospitality industry has not recovered and we cannot afford this plan. A survey taken among our membership—and we have over 11,000 units across Ontario—overwhelmingly, in the 90% range, illustrates the huge concerns and fears. Many are living paycheque to paycheque to make ends meet. We call for improved dialogue with the federal government to achieve a win-win solution.

ORHMA's full budget submission on other important issues in the tourism and hospitality industries will be sent to the committee next week, but I'm now open to any questions about the industry. Thank you for your consideration.

The Chair (Ms. Soo Wong): Thank you very much. Before I turn the microphone to the opposition party for the questioning, I just want to remind you that all written submissions for the 2015 pre-budget consultations must be in by 5 p.m. today; okay? That's been public knowledge, so I just want to let you know.

Mr. Arnott or Mr. Fedeli? Mr. Fedeli, you may begin the questioning.

Mr. Victor Fedeli: Thank you very much. Welcome back, Tony. It's always a pleasure to hear from you.

This is very disturbing, when you hear that there is a higher profit margin amongst your industry in every single other province outside of Ontario. You talked about the fact that we have the skyrocketing energy rates, the highest payroll taxes in Canada, and red tape. Do you have any illustrations, whether anecdotally or factually, that talk about investment in this sector in Ontario versus other provinces, or around North America? Is there anything you can tell us about where people are investing their money in this sector?

0910

Mr. Tony Elenis: Thank you for the question. I have talked to operators who have built very superb venues in Ontario and in the GTA area for some time. Some of the names, which I'm not going to mention today, are well known out there. They would welcome a meeting with government to talk about how they are now investing in Florida and pouring a lot of money into some very fancy, superb venues and establishments because there is no return of investment in Ontario. It's a struggling way of

operating today and regulatory barriers have a lot to do with it. But at the end of the day, it's all about money to the bottom line.

Mr. Victor Fedeli: So without a healthy or fair ROI, return on investment, these owners are heading south. We heard that from the agricultural sector as well the other day. A massive greenhouse complex that I have visited here in southwestern Ontario has the capital to double the size, which they've done, except they doubled the size by crossing the border into the States because of skyrocketing hydro rates and red tape.

Mr. Tony Elenis: Right.

Mr. Victor Fedeli: With these thin margins, what do you feel the ultimate effect of the Ontario pension tax will be?

Mr. Tony Elenis: A disaster—it will be a disaster. The industry is struggling right now. They've been struggling, and as I mentioned in my speech, 2007, 2008 and 2009 have hit the industry like nothing else in the past, in our generation. The industry will not have the dollars to reinvest back into their operation to attract customers. At the end of the day, the customer sees it.

It will be slimmer and slimmer and it all impacts hiring. You've seen the graph with the youth. The contribution from an industry that has the potential to contribute like no one else is not there for the overall economy and the overall GDP of Ontario.

Keep in mind, when we talk about the hospitality industry, our product is people. We hire more people. We need people. At a 33% labour cost, it's about people servicing people. This is an industry that, if supported, can hire many, many who are out there and unemployed and support itself as well as government.

Mr. Victor Fedeli: Tony, what's the total number of people who work in your sector? Would you have a guesstimate? Or do you know a number?

Mr. Tony Elenis: Three hundred thousand to 400,000 people is the number, right across.

Mr. Victor Fedeli: I ask that because when the government first looked at this new tax they asked their own Ministry of Finance to give an impact assessment. The ministry said that for every \$2 billion that you take out of business you will lose 18,000 jobs in Ontario. I guess I am starting to see which sector those particular jobs are going to be coming out of.

You call it unintended consequences. I think we've heard that over and over and over. I call it the law of unintended consequences. For every action there's an equal and opposite reaction. We heard that through Ontario Northland, when they wanted to have a fire sale of it, but the law of unintended consequences has shown them how much money it would cost to actually do it, rather than save.

What do you feel the final unintended consequence of this will be?

Mr. Tony Elenis: It will set back Ontario, going backwards, and at the end of the day will contribute to the deficit. At the end of the day, instead of improving

the deficit, it's going to escalate it. Bottom line, that's the measurement out there.

If I can illustrate with an analogy here, if I earn income out there and I want a Ferrari—I would love a Ferrari, but I cannot afford it, so I'll continue to drive the car I'm driving today.

The Chair (Ms. Soo Wong): Mr. Elenis, thank you very much for your presentation and your written submission.

INCOME SECURITY ADVOCACY CENTRE

The Chair (Ms. Soo Wong): The next presenter is the Ontario Income Security Advocacy Centre. I believe the Clerk is coming around with the presentation. Thank you.

I believe you are Mary Marrone.

Ms. Mary Marrone: That's right.

The Chair (Ms. Soo Wong): As you heard, you have 10 minutes for your presentation followed by five minutes of questioning from the members of the committee; this round of questions will be from the third party. You may begin any time. Please identify yourself and your position with your organization for the purposes of Hansard.

Ms. Mary Marrone: Good morning. Thank you for the opportunity to speak today. My name is Mary Marrone. I'm the director of legal services at the Income Security Advocacy Centre.

The submissions that you have in front of you contain a number of recommendations. I'm only going to focus on two areas that are in the submission. What I want to talk about this morning is social assistance reform. I'm speaking to you about it because for the last two years, reforms to social assistance have been made through the budgets.

The two areas that I want to speak on: The first is a measure that can have an immediate impact on the reduction of child poverty and, secondly, I want to talk about some of the trends that are happening around ODSP, the income support program for low-income people with disabilities.

On the first issue, on reducing child poverty, our recommendation is actually a long-standing one, much like some of the excellent changes that were brought in in budget 2013. This is one of a long list where I believe there is broad consensus and would go a long way to provide immediate relief to families with children, and that is how social assistance treats child support payments. Right now, any child support payment is deducted dollar for dollar from the parent who receives it, if they're on social assistance. We believe when parents pay child support their children should receive some benefit. Parents should be encouraged to meet their child support obligations by seeing their children derive some benefit from those payments. Children's lives could be improved by allowing these families to keep a portion of those payments.

We're recommending that child support be treated the same as earnings, which would mean the first \$200

would be exempt and then 50% of anything above the \$200. With that new incentive to seek child support, the coercive element can be eliminated. Let parents decide when and how to seek support for their children. Let parents decide whether to reach an amicable settlement, as family law policy encourages them to do, or whether they need to use the more expensive Family Court system. It'll be better for families and may reduce the cost of Family Court proceedings.

Now I want to move on to the Ontario Disability Support Program. The last two budgets have seen a trend that we find disturbing. One of government's stated objectives is to support people with disabilities into employment. We think that's a great objective. People with disabilities want access to the labour market, but the labour market isn't always welcoming and sometimes, because of the nature of the disability, full-time work might not be a realistic possibility. This means that people who rely on ODSP often have a lifelong need. Even if they enter the labour market, the earnings might not be enough to support themselves and their families; part-time or casual work might be the only option.

ODSP must be available, it must be adequate to meet the long-term needs even beyond food and shelter and it must provide supports into employment and reduce the risk of working in order to encourage people into working. That means it needs to be available when people need it.

Recent budget measures have done the opposite. Most changes to ODSP have been in the form of benefit cuts, freezing of benefits or measures that add bureaucratic barriers to continuing support. There are three that I want to talk about because they can still be reversed.

The first was an announcement in budget 2014 of the consolidation of the employment supports. What that really meant was the elimination or the phasing-out of the Work-Related Benefit.

0920

Currently, ODSP recipients get \$100 a month in any month where they report earnings. It's a benefit that's simple to administer, can be counted on by recipients and supports the very real cost of engaging in the labour market, whether it's transportation, clothes or any other expenses. That benefit is being eliminated and replaced with a benefit to encourage work search and career development. We support better supports for people who aren't currently working. But why would you introduce such a measure at the expense of those who are already making efforts and who might already be at their personal maximum capacity? There's still time to reverse this decision; the phase-out is to begin in April.

The second issue is what we call the red-circling of family members. Since budget 2013, increases to ODSP have only gone to the person with the disability; family members who are inside the same benefit unit, inside that same benefit cheque, have been frozen. There has been no stated rationale for this policy. The Lankin-Sheikh report, the review of social assistance a few years ago, said it was unfair for family members of persons with

disabilities to receive higher rates than people on Ontario Works. There's no research to support the assumption that family members were not affected by living with a person with a disability. In fact, it's more expensive to raise children when you have a disability, whether it's transportation costs when you take your kids to school or recreation activities, special-format books when you want to read to your children or the cost of your housing.

The ministry must have a consistent policy. Either continue to recognize that people live in families and that the benefit unit is the family and increase everyone at the same rate, or if you're going to treat a person with a disability differently, start to explore treating them entirely as a separate benefit unit and don't look to their spouse for support. At the moment, the income of the entire family unit is what's used to determine eligibility, and social assistance rules apply to any earnings from a spouse.

The third and final point I want to talk about was also part of last year's budget. It didn't appear in the budget papers, but we learned afterwards that \$5 million was allocated ostensibly to get rid of the backlog of medical reviews in ODSP. This is a bit of a complex issue, but essentially, medical reviews are an integral part of a program that provides benefits to people whose disabilities might improve over time. It's very important that there be a review process. We have no issue with that.

The legislative requirement is to assign a review date at the time somebody gets on to ODSP where they have a condition that might improve. Then at the time of the review, you check to see if there's any improvement. The difficulty is, the ministry has never designed a proper review process. They simply make the person reapply as if it were a new application. It's wrong in law, it's confusing to people on the program, and it's confusing to doctors who have to complete the form. It's the most expensive process you can choose to conduct a review. It overburdens the health care sector. It overburdens the community sector, which provides support to people who can't navigate the complex application process on their own, and the community clinic system, which we are a part of. Clinics are already overburdened with disability appeal work. We're already correcting the problems caused by a flawed application process, and many other legal services have already been pushed out, at the expense of helping to fix some of these problems. What that extra \$5 million means is, there's a plan to dramatically increase the number of medical reviews, starting in April. There will be 1,900 applications sent out per month, beginning in April. This represents a 50% increase in the capacity of the Disability Adjudication Unit and a 50% increase in the number of adjudications. That workload is going to spin out to the community sector, to the health sector and to the legal services sector.

We're not asking you for money to help respond to this new process. We're asking you to tell the ministry to use their resources differently, that they should be doing the front-end work to find out what information they actually need to conduct a review. We should be talking about the critical need to fix the current flawed applica-

tion and adjudication process. We should not be compounding the problem by making clients repeat that process. It's actually putting some of the most vulnerable clients at risk of losing their benefits.

Thank you.

The Chair (Ms. Soo Wong): Thank you very much for your presentation.

Ms. Fife, do you want to begin the questioning?

Ms. Catherine Fife: Thanks very much, Mary. You've raised some of the issues that we've actually heard for the last two weeks through the finance committee.

I do want to give you an opportunity to just expand a little bit more on how this government is pulling back the Work-Related Benefit from ODSP—because that was never the intent. When we fought to get the \$200 of additional funding that those on ODSP can work for and keep, it wasn't supposed to be replaced by a reduction of a hundred dollars a month. Can you please expand on that and let the committee know what that reduction in the Work-Related Benefit will mean for those on ODSP?

Ms. Mary Marrone: Sure. In budget 2013—that's when that new exemption came in, the extra \$200, and the rationale at the time was to give people more money. It's an incentive to work, to be able to keep that initial money. Particularly if you're on ODSP, that might be all you earn. It was only a year later, when the Work-Related Benefit was cut, that that rationale was applied retrospectively. There was no indication at the time that the earnings exemption came in that the Work-Related Benefit would be reduced. The two are actually unrelated. It's really difficult for people on ODSP, who were extremely happy to see that new earnings exemption the year before, to have it taken away.

We can be clearer in the next little while. What we're in the middle of is, we're doing a survey of people on ODSP, and we're asking them what it's going to mean to them. We've already gotten over 300 surveys. We'll be collecting that information. We're already looking at them, and some people are saying that they won't be able to keep going to work, because it's paying their transportation costs. It's actually undermining their ability to go out to work.

There are some people with pretty severe disabilities who still want to be part of the world and who still want to be in the workforce. They might only be able to work a couple of days a week or even a couple of days a month, and taking away that benefit means they can't do that anymore. It's part of being in society. It's more than just the earnings for them. It's going to take that away.

Ms. Catherine Fife: We heard that it was an issue of not being isolated all the time and having an opportunity to get to a place where you're interacting with other people. We heard loud and clear that the life of someone who lives on ODSP is sometimes incredibly lonely and isolating.

The medical review process: You described it as a flawed process. We agree with you. The \$5 million to address the backlog—how could this process be im-

proved? I agree with you that it's going to add a whole host of new pressures on the community workers who have been living through the nightmare of SAMS, and ODSP as well. Can you comment on how you think this government should use these resources differently?

Ms. Mary Marrone: I think there are short-term solutions and long-term solutions. We know that because medical reviews were not done for a long time, they weren't always assigned with the greatest of care. So I think they need to start by just looking inside the file to see whether they have a lot of medical information already inside their files. The file itself might tell them that the original review date was completely unrealistic. So they can start by doing a file review of every person who comes up for a review, rather than the first step being just putting an application form in the mail.

The other concern is that many people who are facing review dates were helped in their initial application form by agencies that work with people who are living on the street, people who are extremely vulnerable and not capable of navigating the application process on their own. Many of those people were assigned review dates. They're going to be receiving a form in the mail and figuring out how to respond on their own. They have 90 days to do it, and if they don't, they lose their benefits.

The long-term solution is to tailor a process that actually asks the doctor the right questions. That needs to be done in consultation with the medical profession—to ask the right questions and not just send out a form where people are starting all over again.

Ms. Catherine Fife: It's actually causing a lot of fear in the community. That's what I'm hearing in my MPP office in Waterloo.

Any last comments on SAMS, the Social Assistance Management System, and any recommendations to this government about the rollout? Get it on the record.

Ms. Mary Marrone: We're hearing that it's an increasing problem. One of the real concerns that we've heard about for a while now is that people who have applied for ODSP and have had to go through the appeals process—those files have been sitting since November. None of those people have been moved from OW on to ODSP, because apparently SAMS doesn't have the functionality to do that yet, and it's being fixed. So my only recommendation is to fix it. Beyond that, I don't have the expertise.

Ms. Catherine Fife: Thanks very much, Mary.

The Chair (Ms. Soo Wong): Thank you very much for your presentation, and thank you for your written submission.

0930

RETAIL COUNCIL OF CANADA

The Chair (Ms. Soo Wong): The next group coming before us is the Retail Council of Canada, Mr. Gary Rygus. Good morning. Welcome. As you heard, you have 10 minutes for your presentation, followed by five

minutes of questioning. This round of questions will be coming from the government side.

You may begin anytime. When you begin, please identify yourself and your position with the Retail Council of Canada for the purposes of Hansard. Thank you.

Mr. Gary Rygus: Thank you. Good morning. My name is Gary Rygus. I am the director of government relations for the Retail Council of Canada. On behalf of RCC's members operating across the province of Ontario, thank you for the opportunity to appear before the committee today.

The Retail Council of Canada has been the voice of retail since 1963, and we have members who operate more than 45,000 storefronts nationally, 17,000 of which are in Ontario. We represent an industry that touches the daily lives of most people in the province. Our members represent all retail formats: department, grocery, specialty, discount, independent stores and online merchants. While we do represent large mass-merchandising retailers, a significant number of our members are in fact small, independent merchants.

As an employer, retail is number one in Ontario with more than 825,000 jobs, generating over \$165 billion in sales. Retailers invested over \$3 billion in capital expenditure in 2014, which is down from \$3.5 billion in 2013. Going forward in 2015, we expect to match the \$3-billion number.

According to Stats Canada, Ontario sales were up 4.7% for 2014 as compared to 2.3% in 2013. Ontario continues to be in the middle third of provinces sales growth-wise, along with New Brunswick and Manitoba. Going forward, retailers expect to generate sale increases in the range of 3% for 2015.

The average wage for full-time front-line retail staff in Ontario, according to Stats Canada, is about \$16.65 per hour. It's about \$13 per hour for part-time workers.

Having said all of that, I must caution the committee that storm clouds are on the horizon as consumer debt remains at an all-time high level, and this continues to have an impact on disposable income and discretionary purchasing going forward. According to recent surveys, Canadians remain cautious when it comes to opening up their wallets. This will create challenges going forward for retailers.

The global financial crunch continues to make it tough to forecast future sales, especially with slowly recovering economies in many countries. Faced with these challenging circumstances and a turbulent economy, the government must focus on improving the conditions for economic development. The government must foster a positive job-creating environment. In fact, the government says that this is their number one priority.

Members of the Retail Council of Canada are concerned about the implications of the Ontario Retirement Pension Plan, especially as defined in the recent consultation document. Retailers understand the need for all Ontarians to build an adequate nest egg for retirement. The level of retirees' incomes affects the overall econ-

omy and of course determines people's abilities to buy goods from our members. The challenge will be to balance the importance of long-term pension income adequacy against the nearer-term impact on growth, jobs and investment.

There is a limit to the payroll contributions that retail businesses in this province can be expected to pay without there being a significant economic impact. We have a substantial Employer Health Tax, the second-highest WSIB rates in Canada, and now, we are looking at a new provincial retirement pension plan. The government must look at the cumulative impact of these payroll costs to ensure they do not diminish our capacity to hire more Ontarians and to make key investments.

In a recent survey about the introduction of the ORPP, retailers expressed concerns about the significant cost that this program will impose on merchants. This is especially troubling for small and mid-sized retailers who have nothing in place.

At \$3,500, the low-contribution threshold will limit the hiring of seasonal, part-time and first-time employees. We question why this number, in place since 1996, has not been adjusted to reflect current realities.

With retail sales growing slowly in Ontario for many categories, retailers will have no way to recoup these costs except by increasing prices or by decreasing staff or new hires.

RCC has significant concerns about the definition of comparable plans. Many retail employees have the ability to participate in defined contribution plans, and a few even have the opportunity to participate in defined benefit plans that are significantly more generous than a 1.9% match by employer contributions. In some cases, the employer makes both sides of the contribution. If ORPP proceeds as defined in the consultation document, employers may reduce their pension offerings in Ontario, and this may spread across Canada. RCC is not sure this is what the government had in mind when it put forward this policy initiative.

RCC and its members understand the government has received a majority mandate on a platform which included implementation of the ORPP. That said, the retail industry maintains that the implementation details of the new pension plan will be critical to the well-being of the retail sector.

From a transparency perspective, it is important to know the cost to government for implementing this initiative as defined in the December consultation paper, as we believe that there will be a significant amount of funding required. The important question is, how will the identified revenue gap—yes, we believe there will be a revenue gap—be funded going forward?

On the HST front, unwinding the restricted input tax credits under the HST would be an indicator to business that Ontario is mindful of supporting business activity and reducing costs. However, more needs to be done. The government needs to find additional ways to reduce taxes and cost, changes that support job creation.

As support to smaller business, especially in view of the ORPP introduction, RCC continues to recommend raising the EHT exemption threshold to \$1 million. At its current level, Ontario is uncompetitive with other provinces that have similar payroll-type taxes. We acknowledge the recent change to \$450,000, but this is too small a change to provide a significant impact on the job creation front. In fact, to further support hiring of full-time staff, the government should consider providing a one-year EHT holiday for employers.

RCC supports the efforts of WSIB management to eliminate the unfunded liability, currently at \$10 billion. The 0% increase for 2015 premiums will not add further costs to make Ontario less competitive on the job creation front. The WSIB must maintain its laser focus on managing the WSIB revenue stream and not become complacent in its efforts.

On the environment front, RCC recommends that the government work with other provinces to harmonize product stewardship programs. The previous Bill 91 did not improve the level of waste diversion in Ontario; it only created additional cost and administrative burdens for retailers. Retailers look forward to working with the government to create legislation that positively increases diversion in Ontario while not adding to the administrative burden.

RCC also supports fast-tracking the Open for Business initiative. Change the way government creates legislation. Adopt a business-lens focus to creating legislation by asking the question, "Does this legislation add economic value to the province?" Quantify the changes. Contain sunset provisions for that legislation. Adopting this approach will require a significant adjustment in government policy development. Now is the time to establish a positive environment that facilitates business to create jobs.

On behalf of RCC, I thank you for your time. And with just under 11 months until Christmas, RCC asks that you please remember to shop each and every day at your local retailer. It is never too early to start. The jobs you support will be of family, friends and neighbours. The Ontario economy and retailers will thank you.

The Chair (Ms. Soo Wong): Thank you very much. Before I turn it over to the government side for questioning, if you have any written submission, please submit it to the Clerk by 5 p.m. I understand from the Clerk that you haven't sent us anything, so I just wanted to make sure you have an opportunity—until 5 p.m. today.

Mr. Gary Rygus: It will be there.

The Chair (Ms. Soo Wong): Ms. Lalonde, do you want to begin the questioning this morning?

Mrs. Marie-France Lalonde: Good morning.

Mr. Gary Rygus: Good morning.

Mrs. Marie-France Lalonde: First of all, I want to commend you for all the hard work that you have been doing. As a person who buys very local, at my local Sobeys, which is locally owned, I appreciate all the hard work that you have put into the effort of maintaining that

ability for people to buy local and also creating a fostering approach with your members.

I hear your concern with the ORPP, but my understanding is that there was a meeting last August with the minister. Am I correct?

Mr. Gary Rygus: You'd have to refresh my memory. I don't recall last August off the top—

Mrs. Marie-France Lalonde: My understanding from these notes is that on August 26 you would have met—or someone from the ministry met with the RCC to discuss some of the concerns.

Mr. Gary Rygus: Okay.

Mrs. Marie-France Lalonde: You don't remember?

Mr. Gary Rygus: Off the top of my head, it doesn't ring a bell. Sorry.

0940

Mrs. Marie-France Lalonde: That's fine. That's fine.

Mr. Gary Rygus: I have lots of meetings with government officials.

Mrs. Marie-France Lalonde: Okay. I just wanted to follow up because, as you're very much aware, there are about three million Ontarians in the province who do not have access to a private pension plan at this point. This is the ORPP's intent, really—to help Ontarians save as they get older. How do you feel with that?

Mr. Gary Rygus: Well, I think we understand that it's a delicate balance between saving for your retirement and surviving day to day to be able to do that retirement. That's why we're suggesting to government that in their consultation document released December 17, they've been very restrictive in what defines a comparable plan, for example; because there are many retailers that offer retirement-type plans, whether it's defined contribution, group RRSPs, DPSPs and the list goes on, but under the definitions of the consultation paper, they are not deemed to be comparable.

What you're basically doing is discounting the efforts that employers are doing already. In fact, there are some retail employers, large ones, that offer defined benefits. They make payments on the employer and employee side, and those are negotiated through collective bargaining agreements. Those are going to have to be unraveled somehow. I understand that.

As far as the small business, when I talk to small business, they say, "Gary, this is going to cost me \$20,000 to \$30,000 a year. How are you going to get that back for me?" Because businesses are struggling today to survive, and so they're looking for offsets. As mentioned earlier, they're looking for the EHT threshold to be increased to \$1 million. They're also looking for a half-point reduction in the CIT rate as well. They're looking to minimize the hit because the alternative is they have to reduce staffing costs, labour costs or a percentage of sales, and if the sales aren't there to support, they're going to reduce the number of people who are working in the retail environment.

Mrs. Marie-France Lalonde: I was a business owner before entering into politics. Certainly, when this govern-

ment reduced the corporate tax, for me that was a real benefit, and I believe, for your industry, it would have felt the same, where that low tax on corporations really made an impact in my overall NOI at the end of the year.

Mr. Gary Rygus: It has. Also, the lower dollar has helped us as far as getting consumers to stay at home, because cross-border shopping in previous years was a big issue. The flip side of that is goods are becoming more expensive to buy because of the low Canadian dollar. So it all depends on which side of the coin you're looking at.

Mrs. Marie-France Lalonde: Well, we can continue having this discussion, but if I look at myself, if I'm able to save more right now, I know that my spending down the road—I'll be able to spend and continue shopping a little bit more as I'm aging. So I do believe that we have to hear what your membership is saying, but we also have to look at the ability of the people of Ontario to be able to continue contributing to the economy as they will be aging without a pension plan, for instance.

Mr. Gary Rygus: I would agree. I think the ORPP was defined to help the middle-income folks. I think that the low-income threshold of \$3,500 is not middle income; I think that a LICO threshold of \$21,359 would be more of an economic reality indicator today. I think that low-income people, when they retire, are reasonably well-looked after as far as the pillars of government offerings—that roughly 80% of their income will be replaced. It's the people in the middle-income group who are struggling to put away for their retirement years.

The Chair (Ms. Soo Wong): Mr. Rygus, thank you very much for your presentation. If you want to submit anything, please do so by 5 p.m. today. Thank you.

ODSP ACTION COALITION

The Chair (Ms. Soo Wong): The next presenter is the ODSP Action Coalition. I believe Louise Bark is presenting. Good morning. I think staff is getting you ready and set up.

Ms. Louise Bark: Can that be heard on? Yes? Okay. All right.

The Chair (Ms. Soo Wong): Good morning, Louise.

Ms. Louise Bark: Good morning. How are you today?

The Chair (Ms. Soo Wong): Very well, thank you. As you probably heard, you have 10 minutes for presentation, followed by five minutes of questioning. This round of questions will be coming from the official opposition party.

You may begin anytime. As you begin your presentation, please identify yourself as well as your position with the ODSP Action Coalition for the purpose of the Hansard. Thank you.

Ms. Louise Bark: Thank you, Madam Chair. My name is Louise Bark. I recently moved to Toronto from Kingston, and I am a representative of the ODSP Action Coalition. I serve in the position of co-secretary.

First of all, I'd like to thank the pre-budget standing committee for accepting this submission from our coalition. I'll be speaking on behalf of the coalition, and to better illustrate some of our positions, I'm going to weave in a bit of lived experience of mine, and other stories, so that you better understand it.

The ODSP coalition is a network of disability service providers, community agencies, community legal clinics and recipients of the Ontario Disability Support Program, otherwise known as ODSP. Our mandate is to advocate for improvements to the income and employment supports available to people who are disabled and must rely on support from ODSP.

I'm a person who has been disabled all my life. Despite trying to get a job for most of my life, for the most part I have been unsuccessful at seeking and retaining work, mainly because of barriers to my disability.

I first started receiving the family benefits allowance, the precursor to ODSP, in 1988, and as such, I'm uniquely positioned to clearly name the coalition's requests and then illustrate some of the reasons why we're asking for this. Sharing some of my stories should help illustrate this.

The ODSP Action Coalition has two main requests for this budget. One is to provide an immediate significant increase to ODSP income support, and the second is to reverse the cut that is being proposed for the Work-Related Benefit, at least until there have been adequate levels of income support achieved.

I'll explain the reason for wanting the increase.

The ODSP Action Coalition is asking, on behalf of the recipients, for the budget to provide a significant increase to ODSP benefits because people can no longer afford the real costs of paying for nutritious food, shelter, transportation, basic needs and day-to-day costs, including those that are related to being disabled.

We actually have an adequacy paper on this, and now that you've asked for us to mail in submissions, you'll get a copy of that. It will illustrate this better.

A significant increase was recommended by the social assistance review, but it was never implemented. Instead, the few raises that were given to people on ODSP have been actually less than the size of the raises given to people on Ontario Works, especially if there's more than one person in the benefit unit. People with disabilities should not be expected to live on less money so that the rates for people on Ontario Works can get the much-needed increase. That was also recommended in the social assistance review.

As an individual, I see fewer and fewer options for me to be able to make up the difference of that lost purchasing power so that I can remain healthy and survive.

To share some lived experience, in 1988, when I first started receiving government assistance, I could afford to buy enough food to eat a healthy and balanced diet, buy a bus pass, get a subsidized membership at the YMCA so I could get exercise and socialization, buy suitable clothing for casual wear, work wear, and even warmth, buy

housewares, furniture—second-hand—and other household essentials, and even get a haircut, have a telephone and, believe it or not, cable TV.

Now I must rely on frozen Meals on Wheels dinners, which are actually good. I need it for accessibility. Thankfully, they're subsidized. I'm thankful for the community pools I found in Toronto. These don't exist in all other communities. Exercise is a really variable option, depending on where you live.

The clothing I buy now, I make it suitable for business casual. I can't just go get track pants anymore, because I just can't afford both, so I try to get something that sits in the middle and will at least open doors to many opportunities I want to take part in.

I cut my own hair with Sunbeam clippers all summer long. I found out, when I moved to Toronto, that a haircut is 40 bucks. In Kingston, it's 15. ODSP does not help us pay for that type of thing. I thankfully averted another buzzcut by going back to Kingston for a medical appointment.

In Toronto, I have free Internet with my land line, using Primus. That didn't exist in Kingston; it was double the cost.

These points of comparison are to illustrate that for each disabled person in different parts of the province, this province-wide program is not meeting their needs.

I do without a TV, which is actually quite fine by me, but it allows me the number one priority, which is a Metropass. Since I moved to Toronto, I've moved into an area that's gentrified, and I've realized that I must buy the bus pass, the Metropass. It swallows up 20% of my monthly \$619 living allowance from ODSP.

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The Metropass is the priority because—I'll just give you a few examples. If I want to buy eggs, it's \$1.30 more around the corner at the store versus if I go to No Frills, if I take a bus there. It's the same with milk. Milk is \$2.80 more around the corner from me than at No Frills. The fruits and vegetables near me are all organic—way more than I can afford. So that's just a bit of an illustration.

With the community pool, I get exercise, so I've actually cost the health care system a lot less. Because I have arthritic conditions, I was taking pain medications. I have torn rotator cuffs, which is also extremely painful. There's a balancing act here: Increasing the rates will allow me, and people in other communities where there's no free swimming pool, to get exercise and have less pain.

Bus fares in different cities cost a lot. In Kingston, I paid \$225 a month for my specialized transit. It's different here. They had subsidized fares for the conventional transit. It didn't apply to the specialized transit. AODA states equality of fares for cash fare only. After that, there are differences, and that's why the costs are so different.

The Work-Related Benefit—that's this one that is proposed to be cut—is a \$100 work incentive. The advantage of that fund for me, speaking from lived experience—and, it turns out, from at least 300 responses

we've had to a survey that our coalition created, we have discovered that people were using that Work-Related Benefit to pay for disability-related added expenses. In my case, it was my access bus. I paid \$567 for my access bus for the duration of my eight-month contract while working, and I only get \$250 from ODSP to cover my work costs. Needless to say, that \$100 incentive was very useful, so I could afford to continue to go to work.

Other people have stated that they use it to buy suitable clothing for the workplace or to buy meals out. When I was working full-time in a call centre, we did have places where we went out with our co-workers and we bought meals. I could afford it there, because I was fully off ODSP and I was pretty well on an equal playing field with my co-workers when I was in the job. So it really was not a hardship to me to go buy a meal.

But when I was working part-time, I was teaching adults how to create radio programming. It was very embarrassing to have to take a sandwich to my lunch and buy a coffee so I could sit with them while they bought the restaurant meal. Some of them would offer me a meal, and that was kind of nice, but it's also a little bit weird when you're the teacher and you're the one being paid and they're buying your meal.

These are all different things that show where adequacy fits in. It also shows the really strong importance of the Work-Related Benefit.

Since I moved to Toronto—I was talking to my caseworker. My understanding is, to get the Work-Related Benefit under the new proposed plans, it's going to be far easier to be enrolled in employment supports. I said, "Fine. I want to get a job anyway. I'm having a hard time affording to live on ODSP." So she gave me the package that lists 21 service providers in the city of Toronto that will help you find a job. I've looked it over, and I'd say that out of the entire list, there are only three or four people that I can actually go to, that would be suitable for my type of disability, my skill set, my intelligence, or functionality, education—there's a big mixed pot of what you need for a job. I'm going to follow up on those. I haven't got there yet.

But none of the jobs I've received in the past have been through employment support—not a one. I got the jobs on my own. I got my full-time job on my own. I think it comes to sensitivity, and the adequacy of AODA, the accessibility act, and how people interpret that and what people consider levels the playing field under what should be covered by the Human Rights Code.

I therefore say that it's unrealistic and problematic to suggest that people with disabilities are only capable of doing the entry-level jobs that are named on that list. If I'm going to get the new Work-Related Benefit—it sounds like that's the only way to go, and I'm struggling with that. That isn't out yet, so there may be changes. I'm hoping that will happen as a result of feedback given in there.

I'm going to close by giving a quote from the Ontarians with Disabilities Act, 2001. That act was created by the Conservatives, and the quote is in the preamble. It

says, "The Ontario Disability Support Program Act, 1997 provides a separate income and employment support program for eligible persons with disabilities. It removes persons with disabilities from the welfare system and provided them with assistance that recognizes their unique needs."

I see that's gone backwards. We are now back under the umbrella of social assistance. I find it extremely hard to accept that, as much as I've been looking for work all my life, as have most other people with disabilities, we're not able to get the work we need and want. Therefore, I find that Ontario has failed miserably in living up to the act and the promises that were made to people who are disabled. The disabled, for reasons they can't control, are unable to work. To even get on ODSP, there's a pretty stringent test and a bunch of medicals that have to be done. That in itself should say that we're not able to work. Our adequacy needs to come up so we can survive and remain healthy.

The Chair (Ms. Soo Wong): Ms. Bark, can you wrap up your presentation?

Ms. Louise Bark: I'm just at the end of it.

The Chair (Ms. Soo Wong): Okay.

Ms. Louise Bark: I reiterate again that the ODSP Action Coalition and me are asking for a substantial raise to the ODSP rate, as was specified in the social assistance review, as well as reality, and a reversal to the plan to cut the Work-Related Benefit. Thank you.

The Chair (Ms. Soo Wong): Thank you very much. Mr. Arnott, can you begin the questioning?

Mr. Ted Arnott: Thank you, Madam Chair. Thank you, Louise, for coming in today and for your presentation. It was very, very interesting. What you gave the committee members and all of us who are observing this process was a better understanding of what it's like to struggle day to day with the costs of living. You said, going back to 1988, that your purchasing power has diminished over those years and that it seems harder every few years just to make ends meet. Thank you very much for explaining the actual intricacies of it.

You recommend that there be an immediate, significant increase to ODSP. What specific increase do you think would be fair in this provincial budget?

Ms. Louise Bark: There have been different amounts stated. I cannot even remember the source for each one, but in the social assistance review there was a recommendation, and if I recall correctly, it was \$100. I might be muddying that with some other lobbying efforts that have been made.

If I were to look at that \$100 and just think to myself, "Boy, would that ever make a difference," I think that's a reasonable request. The other way to flip that a little bit is you can look at the cost of providing that extra \$100, but then you could look at the benefits of providing that \$100, because we've got people who are able to buy healthier food, you might reduce some of the chances for diabetes; there's a high risk of that right now, an explosion, actually, amongst the disabled. You've got people with other poverty issues, so it's a balancing act.

Mr. Ted Arnott: You said that the increase to the Ontario Disability Support Program in recent years has been less than the increase to Ontario Works.

Ms. Louise Bark: Yes.

Mr. Ted Arnott: How is that fair?

Ms. Louise Bark: I'm not really sure. What I know happened is that when they gave a raise to welfare, they gave an automatic \$30 on one of the cheques, and then, after that, they gave a 1% increase a couple of times now.

With people on ODSP, if you have a benefit unit—you might have a wife, spouse, child—the 1% was only given to the individual who was disabled instead of to the benefit unit, which was always done in the past. The other people in that benefit unit don't always have the opportunity to make up for that shortfall, so it's kind of hard to understand why there's that difference, but that's what it's at right now.

Mr. Ted Arnott: You said that the cost of a Metro-pass—which is absolutely essential to your ability to get around, to do your shopping, to go to medical appointments, to look for a job or if you had a job—is 20% of your living allowance.

Ms. Louise Bark: Correct.

Mr. Ted Arnott: That is staggering.

Ms. Louise Bark: Yes, it is staggering. It is very staggering, and it was even worse in Kingston, where I had to buy my Access Bus fare—36% of my living allowance. I would not survive if it wasn't for the fact that I happen to be lucky with a father who gives me the \$500 allowed as extra support to a person who is disabled, all above board and legal with ODSP. But so many people on ODSP do not have that opportunity, and I'm here to speak for them.

Mr. Ted Arnott: Mr. Fedeli has a question, so I'll turn it over to him.

Mr. Victor Fedeli: Tell me a little more about the cut to the Work-Related Benefit, please.

Ms. Louise Bark: My understanding is they are planning to create efficiencies by rolling various—right now, under ODSP, there is a \$100 work-related incentive. It's an incentive to work; it's to encourage people to go and get a job. There's also \$250 that you can get towards some of your costs of starting to work, so if you have anything related to work and you can provide proof of that, you might get the \$250 to cover clothing that's needed for work, if there are any tools of the trade that are needed or transportation to get to that job. I believe there's a third one, which I'm blanking on right at the moment. But the three of them are going to be rolled into one. There have been two proposed amounts recommended. I believe it's \$1,800 for people on ODSP and \$1,200 for people on Ontario Works. My understanding is that it's to be a one-time-only benefit within the year, and then after that you're expected to find ways to make up the money on your own through working.

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I would love to work. I've spent all my life doing that. When I was 17 years old, I was applying for welfare. Three jobs a day, five days a week was mandatory, and I

have that habit to this day. I still apply. I'm kind of worn out now. Emotionally I wear down when I don't get an interview. But the desire to work is still there, and I can't make it up.

The Chair (Ms. Soo Wong): Ms. Bark, thank you very much for your presentation. If you have any written submission, please submit it by 5 o'clock this afternoon.

Interjection.

The Chair (Ms. Soo Wong): Yes, Ms. Lalonde.

Mrs. Marie-France Lalonde: Excuse me, Ms. Chair, can I just make a point of order on our last presenter, Mr. Gary Rygus, regarding a conversation we had after and him acknowledging the fact that he—

The Chair (Ms. Soo Wong): Just to be on record: Because the presenter is not here, it's not a point of order; it's a point of information for the committee.

Mrs. Marie-France Lalonde: Okay, a point of information for the committee: Gary Rygus believed that I was referring to Minister Sousa instead of Minister Hunter. They had numerous conversations, actually, regarding the ORPP, a lot of exchanges and actually allowed her to meet with their group.

The Chair (Ms. Soo Wong): Okay, so it's a point of information from Ms. Lalonde with regard to the record.

ASSOCIATION OF FAMILY HEALTH
TEAMS OF ONTARIO

ASSOCIATION OF ONTARIO HEALTH
CENTRES

NURSE PRACTITIONERS' ASSOCIATION
OF ONTARIO

The Chair (Ms. Soo Wong): The next presenter is the Association of Family Health Teams of Ontario: Ms. Angie Heydon. Good morning. You know the drill; you've been here this morning. It's 10 minutes for a presentation and five minutes for questioning from the committee members. This round of questioning will be coming from the third party. You may begin any time. Please identify yourself and your position with the Association of Family Health Teams of Ontario. Thank you.

Ms. Angie Heydon: Thank you very much for this opportunity. I'm Angie Heydon. I am the executive director of the Association of Family Health Teams of Ontario. I'm here actually speaking on behalf of three associations: my own, the Association of Ontario Health Centres and the Nurse Practitioners' Association of Ontario.

I had prepared a little slide presentation. I was told that that might be advisable, but it's okay; I don't need to do that. I'll just speak.

Following from the previous speaker, she presented a very compelling story of what it's like to live with challenges to health in our society. I was tying that to the really important job that you've got facing you. As a society, there are so many demands and so many needs, and we've got economic realities that we're dealing with

as well. The importance of thinking about things in a very holistic way is absolutely critical to everything. I know that everyone in the room understands that completely. I'm not saying anything new.

If you don't mind, I'm going to use this just to help me along a little bit.

I'm here to speak about ensuring access to team-based primary care. I just want to speak a little bit about the difference that team-based primary care can make and what it is.

You see individuals like the previous speaker who are living with some very serious conditions in their life. We know that in Ontario, we've got an aging population, and as people age, they develop more and more conditions that make it more challenging for their health. Primary care is that first-contact continuous care throughout a person's lifespan. The intention of primary care is to keep people as healthy as possible through that entire lifespan. It's help to manage conditions—or avoid them in the first place—as you have to live with them and, when issues do come up, to coordinate that care so that you can live as well as possible. Again, the previous speaker spoke to the importance of the ability to find exercise, transportation, housing. All of these things are so critically important to health and well-being.

In our primary care system, if you visualize it—I had a little picture here to show to visualize—you have the person at the centre, and the objective is to keep them healthy and productive throughout that lifespan. We have a primary care system that really wraps around that individual as they go through their life experiences and as they experience various conditions, illnesses, accidents, whatever. The objective—again, keeping them as healthy as possible—is to reduce the impact on other parts of the health system, the other ones that are more expensive. We all hear about the pressures on emergency rooms and the expense of that, long-term-care facilities, home care, hospital care etc. I think that part is very, very simple.

We have so much research evidence done on various jurisdictions in the world that have shown the investment in primary care is very strongly associated with better health outcomes for the population, better equity across health in that population and also lower costs to the health care system.

Bringing us back to Ontario here, we have some primary care teams, and the whole benefit of the teams—I think most people in the room know a little bit about these teams—is that they bring together not only the family physician, but other kinds of professionals, like dietitians, social workers, nurse practitioners, pharmacists and so on. You know if you are living with a condition you've been diagnosed with, such as diabetes, that one of the most important things is counselling from a dietitian to be able to better manage that diabetes, to reduce that impact—and perhaps with a social worker, because all of a sudden, you have to get test strips and all these other kinds of things. Maybe if you are a person who doesn't have the financial ability, you need help in finding ways to get support for those things.

Teams make all that kind of difference, and on top of that better access to the skills that people need to help them stay healthy, it's the way the team functions. In Ontario, we have our family health teams, community health centres, aboriginal health access centres and nurse practitioner-led clinics. These organizations are all working in developing what are known as quality improvement plans. They have accountability agreements with government as well. Their focus is not only on their individual patients, but also, how do we improve care in the community so that we can have that sustained ability in the system to, again, keep people as healthy as possible.

By the numbers: I had a lovely little map that kind of showed the scattering across the province, but right now, we have about a quarter, 25% of Ontario's population, that has access to this kind of care. So why am I here? Our government put out that vision statement: that Ontario will be the healthiest place in North America to grow up and to grow old, and to be on a sustainable path, with every dollar used in the most appropriate way. I don't think there's anyone in this province who could argue with that as a very laudable vision statement.

As part of that, there is a primary care guarantee that every person in Ontario should be attached to a primary care provider. Within that, there was a recognition that one of the challenges here is the need to improve recruitment and retention of community-based primary care teams. That's the issue that I'm bringing forward here right now and that's the issue that you see outlined in the two-page brief that I just handed out.

First off, there's only 25% of the population that can access. We recognize the challenges of funding to expand access, but the other problem is that for the capacity we have, we have a huge challenge of recruiting and attracting health professionals and the other kinds of professionals who are needed to provide that care because of the challenges within the health system itself. Primary care to date in Ontario has not been valued the way other parts—the hospital sector, the community care access centres, the public health units—have been valued.

People who are working within primary care are taking salary cuts of anywhere between 5% and 30% to work in primary care. They are giving up their pension plan. Everywhere else in the health care sector, people are members of the Healthcare of Ontario Pension Plan. So people who are coming to work in primary care are doing that because of their commitment to the absolute fundamental value of it, but the challenge is that it's hard for people to stay in the system when they're getting offers that are substantially more than what they can earn in the primary care world.

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We're seeing vacancies that run from anywhere up to 19% in some of our different employment categories in there. We're seeing this team-based primary care system working at a capacity that's probably about 7% to 10% below what the full capacity, if we could fill all of those

positions, would be, and it means that people aren't getting the care that they need.

As our three associations came together jointly to do a review of what the competitive marketplace looks like in Ontario, we have—in our sector, funding is at 2006 levels of funding. People have not seen any kinds of increases in that period of time. It's non-unionized, for the most part. I think there's only about 10% that are in any kind of unionized environment. Once again, the challenge is, can we—we've developed a proposed solution for this. Government committed a 5% per year increase for community care. Primary care is a fundamental component of community care, but it's not included in that 5%. Our proposal is that if that 5% were extended—

The Chair (Ms. Soo Wong): Ms. Heydon, can you wrap up your presentation, please?

Ms. Angie Heydon: Thank you very much. If the 5% were extended to primary care over the next four years, we could close the gap and be able to help make more of those shifts happen to get care out of hospitals and back into the community, back into primary care to support and ultimately, as the evidence shows, to give much greater value to the health care dollar that this province spends. Thank you.

The Chair (Ms. Soo Wong): Okay. Ms. Fife, do you want to begin the questioning? Thank you.

Ms. Catherine Fife: Thank you very much for the presentation on behalf of these three associations. This has been an ongoing theme, actually, across the province—the pressure on the hospitals that are running at 114% capacity on flat-line budgets, which is compromising quality of care, obviously; and the state of community-based primary care. The two issues are very much connected because, as you point out, there's a cost-effectiveness of team-based primary care.

Your financial ask, though, is really—I mean, if you're being funded at 2006 funding levels, and you say here that you're looking for \$36 million in the first year and \$28.6 million per year for the next three years, that would close the care gap?

Ms. Angie Heydon: That would mean in four years from now, it would bring compensation to what is competitive as of 2012.

Ms. Catherine Fife: For 2012? Okay. So not even 2015 levels.

You have this in your presentation—the poaching of primary care nurse practitioners by CCACs: Can you give us some indication of how prevalent this practice is?

Ms. Angie Heydon: And that is a deliberately chosen strong word. The challenge is that in primary care, salary levels are set right now by the Ministry of Health, and the Ministry of Health directly funds family health teams, nurse practitioner-led clinics and the aboriginal health access centres. The CCACs are funded through—sorry, I don't want to get too bogged down in the different ways that funding takes place. CCACs are funded through the local health integration networks, and there is that gap.

Through the local health integration networks, new initiatives being created that involve nurse practitioners,

such as palliative care in the community, rapid response nursing and so on, again, because of how our health care system has evolved in a piecemeal fashion—the salary structures in CCACs are competitive with hospitals and so on—it means it's about a 30% gap, and so in making those offers—

Ms. Catherine Fife: So that makes it really impossible for primary health teams to compete with that.

Ms. Angie Heydon: Exactly.

Ms. Catherine Fife: CCACs recognize how important nurse practitioners are and the value and the cost-effectiveness of hiring that level of skill, and yet you do have a very serious issue around training and retention of nurse practitioners as well; right?

Ms. Angie Heydon: That's absolutely correct because one of the things that the compensation issue has done is put a chill on nurses going into nurse practitioner training. To become a nurse practitioner, you are a nurse first and typically work for about 16 years and then you go back to school for two or three years of additional training. Many nurse practitioners have told us that once they come out of that training into a nurse practitioner role in primary care they are earning less than what they did as a registered nurse in a hospital.

Ms. Catherine Fife: That's disturbing because this government has said, in writing, anyway, that they recognize how important nurse practitioners are to the overall health and well-being of the system.

One thing on the aboriginal health access centres, which we heard both in Fort Frances and in Sudbury, is that those centres are not funded for IT support. They are actually using patient service funding to meet the requirements of the ministry to address their data information and IT. Can you comment on that? Do you receive any money for IT support?

Ms. Angie Heydon: Aboriginal health access centres are members of my collaborating association, the Association of Ontario Health Centres. I'm not as fully versed in that detail. I know the human resource issues, but I'm sorry, I don't know about the IT issues.

Ms. Catherine Fife: Okay. Well, this is interesting. Basically, what we've heard is that there's a walking contradiction here in that the government says that they truly understand how access to team-based primary care needs to be strengthened and encouraged in the province of Ontario, and yet the funding has not kept pace—

The Chair (Ms. Soo Wong): Ms. Fife, I'm sorry.

Ms. Catherine Fife: Thank you.

The Chair (Ms. Soo Wong): This ends the presentation this morning. Thank you very much.

HOME CARE ONTARIO

The Chair (Ms. Soo Wong): The next presenter is Home Care Ontario, Susan VanderBent. Thank you. I believe the Clerk has some handouts for us this morning. Good morning; welcome. As you know, you have 10 minutes for your presentation followed by five minutes of questioning. This round of questioning will be coming

from the government side. When you begin, please identify yourself as well as your position with Home Care Ontario. Thank you.

Ms. Sue VanderBent: Thank you. My name is Sue VanderBent and I'm the CEO of Home Care Ontario, a provincial association representing 40 direct-service providers delivering home care in the province. My members employ thousands of nurses, personal support workers and therapists. In fact, they are really the unsung heroes of the health care system, responsible for delivering 700,000 Ontarians a year with home care. These organizations and their staff provide rapid, responsive, mobile clinical care 24/7, 365 days a year. Staff travel to the clients in all kinds of weather and road conditions. We bring people home from the hospital; we take them to appointments; we heal wounds; we support them in their everyday lives.

We are in some ways more similar to FedEx than we are to the rest of the institutional health care sector. Sometimes that helps people kind of visualize: On a snowy day, or like last night, there's a home care worker outside bringing that care home.

We know Ontarians love home care and they've told us they want more nights at home—we want to give them more nights at home—and my association is here today to offer some suggestions. I have a formal brief, but I just, in fact, wanted to talk to you today about some of the highlights.

First, I would like to say that Home Care Ontario thanks the government for the three-year investment in home and community care in 2013, and the funding to increase PSW wages announced in 2014.

We know government and society recognize the importance of shifting the funding and care to the community, but it's a hard job and I certainly understand that. However, we think there are things that we can do to achieve efficiencies, to educate, to continue sustained investment and to make that palatable for society.

As you know, publicly funded home care represents about 4.8% of the total proportional health spend in Ontario, and this small sector provides about 38 million hours of care to Ontarians. Additionally, we estimate that people are purchasing an additional 20 million hours of care annually. So the need is therefore great and growing for more home care.

1020

Clearly, Ontario needs to continue sustained investment in service delivery in the home. In Ontario, home care costs about \$48 a day. Home care costs the government considerably less than the cost of hospital or long-term care. Care for a terminally ill person at home is estimated to cost 10 times less than providing care in an acute hospital.

However, on the front line of home care, service provider organizations have been harshly impacted by cost containment strategies, and their staff have in fact borne part of the impact. We had a recent fee-for-service market assessment, which we have posted, in 2013, and it does say that SPOs, or service providers, are struggling to

serve patients at existing rates such that there is insufficient financial capacity to invest, to build and to be incented. The report states that home care has the lowest compensation rates in all of health care, and this disparity creates significant recruitment and retention issues, which is part of what our last speaker talked about.

We think one of the ways to improve is to look at harmonizing the literally hundreds of different rates that we have, established by the province in the old RFP process which has now been discontinued. But the funding inequities live on, and we need to harmonize those rates so that we can look at better compensation for our staff and help people live at home.

We know that our government has spent some time looking at palliative care. We want to reduce the numbers of people dying in the hospital by 10%, which is an excellent goal. Far too many people are dying in the hospital. Rather, they would prefer to spend their last days at home. We need multi-year funding specifically for that patient population to enable them to be at home.

Research has told us what we intuitively know: that family caregivers are the backbone of the health care system. I would hazard a guess that every single one of you has a story. Most people have a story about caregiving. Many MPPs tell me that this is what they hear the most from their constituents at the door. Because of this, we do acknowledge what the government has done in terms of passing Bill 21. But more needs to be done, and family caregivers, we believe, need to receive financial relief through tax benefits if they are purchasing care on their own from companies that provide care and good staff support.

Further efficiencies in home care can be found by adopting new models of funding services. We have been working with the CCACs to develop a way that is different than the old fee-for-service market model, moving to one that actually follows the Excellent Care for All Act and sets performance expectations and that shifts clinical care to the front line, where it really needs to be, so that our doctors and our hospitals can talk directly to the service provider that is dealing in the home with the patient. From a service point of view, we think this could reduce some inefficiencies and move our CCACs into this important system-navigation role which is going to be so critical as we see greater numbers of elderly moving into our system.

A key recommendation is to appoint an assistant deputy minister responsible for home care. We think this would be a very, very important acknowledgement of the profound shift in health care to the home. The appointment of an ADM would be a great way to recognize this shift.

Finally, Home Care Ontario urges government to truly embrace the fact that, given all the health care and all the public health, we will all live to be a good old age. I think we all will in this room. That being said, preparation is necessary. People need to understand just how long they may live and what kinds of services they may need. All of us need to have an honest conversation in terms of

assessing what our needs are and where the limits are, because there are limits in every system, and this is no exception. We're encouraging a full understanding of an assessment so that families can make good decisions.

In conclusion, there is no question that more Ontarians are choosing to live at home. They want more nights at home through all stages of illness, recuperation, as they age and at end of life. There's a need to strongly invest in the home care sector in order to increase the amount of care available. We believe that significant progress can be made on these three critical fronts: continued investment, capturing efficiencies and educating Ontarians.

Thank you very much for your time this morning. I'd be happy to take any questions.

The Chair (Ms. Soo Wong): Thank you very much.

Mr. Baker, do you want to begin the questioning?

Mr. Yvan Baker: Thanks very much, Madam Chair. I think MPP McGarry will also have a question at the end.

Thank you very much for coming in.

Ms. Sue VanderBent: You're welcome.

Mr. Yvan Baker: I represent a riding called Etobicoke Centre, and we have one of the highest percentages of seniors in the province. One of the things that I recall very distinctly, and that has stuck with me, in knocking on doors and in talking with constituents now, was how often the issue of community care, and home care specifically, was raised. It was raised not just by seniors or people who might be recipients of the care that your members provide, but it would be people of middle age. It would be that sandwich generation; it would be those folks in the community who are helping to care for their parents.

The work that you provide is tremendously important, and I thank you and your members for that. As a result of that, this is one of the reasons why—I'm not the only one here, certainly, in this caucus, but I'm one of the folks who has been advocating for continued investments in community care, because I think it's so important, not just because it allows for the kind of care that those folks that you talked about need and want, but because it enhances the quality of life of the people who are caring for those folks—for the families—and as you said, because it can be, depending on the situation, a more cost-effective way of caring for patients as well.

With that in mind, I was hoping you could talk a little bit about—you mentioned in your submission here the three-year investment in home and community care in 2013. I'm wondering if you could just talk about what the impact of that investment has been.

Ms. Sue VanderBent: Certainly, it has helped us to serve more people, and that has been the goal of government: We want to increase the numbers of people that we're serving. With that, we are serving more people, with more money, but it doesn't go very, very far when we're looking at trying to serve more people. I think that's a laudable goal, because we do want to serve as many people as possible. However, more money to serve more people is a bit of a wash.

The PSW stabilization strategy has been hugely important. We've lobbied for this for quite some time. It's critical that we get these salaries up and that these important workers get recognized. That has been very helpful. We are looking forward to seeing that increase recruitment and retention so we keep our PSWs. Some of the information that I have is that most of our staff, or my members, have a work tenure of three to five years. We want to see that improve even further.

The money is very, very welcome, and it does improve the situation.

Mr. Yvan Baker: Great. For the sake of my constituents and the other constituents who are watching at home—you talked about the wage increase and how it can improve retention—can you just talk about how that improves care at the front line? How does that impact care for our constituents?

Ms. Sue VanderBent: Certainly, a happier staff person, or a person who feels better recompensed, will have a better quality of working life. But as I said at the beginning, home care is an area where you have to really like the autonomy and you have to like the work of it. You do have a lot of autonomy, and you do have a great personal relationship with people. I think there are lots of people—nurses, personal support workers, therapists—who enjoy that type of work. I think you have an expert here, with Ms. McGarry, who will tell you that.

Quality of life and quality of work life increase when people feel that they are recompensed properly for what they are doing, and we are working toward that \$16-an-hour minimum, which will help us. It doesn't get us to parity. We know that there's a long way to parity with other parts of the system. That's something that I think is a work in progress, and we have to work with government to do that.

1030

The Chair (Ms. Soo Wong): I see that Mrs. McGarry has a question for you for the last minute.

Mrs. Kathryn McGarry: It's nice to see you again.

What is needed to shift patients in end-of-life care from hospital to home, in your opinion?

Ms. Sue VanderBent: It's nice to see you.

I used to be a palliative care worker at St. Joe's in Hamilton for many years. I think one of the things is to absolutely have supports that people and families can feel comforted with and able to access. We all know that when people are dying, things can happen, and the thing that we do the most is panic, and we end up going to the ER. People have to know who to call, what the plan is and what they can do when things happen that are going a little bit differently than they expected. It's that key relationship that they have with the nurse in the home, the personal support worker and the team. The last thing we want is—

The Chair (Ms. Soo Wong): Thank you very much for your presentation and your written submission.

Ms. Sue VanderBent: Thank you.

CO-OPERATIVE HOUSING FEDERATION
OF CANADA, ONTARIO REGION

The Chair (Ms. Soo Wong): The next presenters are the Co-operative Housing Federation of Canada, Ontario Region. Good morning, Nicole. Welcome back. I think we have an annual ritual of seeing you here at the House.

Ms. Nicole Waldron: I'm just going to get a couple of residents in here.

The Chair (Ms. Soo Wong): That's good. Okay. Good morning, Aaron.

Ms. Nicole Waldron: Aaron has a little injury.

The Chair (Ms. Soo Wong): I was going to say that he looks like a little something happened.

Good morning. As you heard earlier, you have 10 minutes for your presentation, followed by five minutes of questioning from the committee. This round of questioning will be coming from the official opposition party. You may begin any time. Please identify yourself and your position for the purposes of Hansard. Thank you.

Ms. Nicole Waldron: Good morning, everyone. As previously mentioned, my name is Nicole Waldron. I am the president of the Ontario council of the Co-operative Housing Federation of Canada. We represent 555 non-profit housing co-ops, home to some 125,000 people, located in 97 out of the 107 provincial ridings.

I am very pleased to be here this morning to present our suggestions for the 2015 provincial budget. Harvey Cooper, our managing director, whom most of you all know, unfortunately is unable to be here with us this morning, and he sends his regrets. In his place is Aaron Denhartog, our government relations program manager, who'll be happy to answer any questions you may have after I am done presenting.

Ontario is facing a staggering and growing shortage of affordable housing. The over 165,000 households currently languishing on the municipal waiting lists across the province are the front-line victims of the market's inability to solve the affordable housing crisis. While about 1,500 affordable housing units have been created annually through the Canada-Ontario affordable housing program—and now its successor, the investment in affordable housing over the last 12 years—the amount of investment is quite modest when compared to the affordable housing supply programs in existence from the end of World War II to the mid-1990s.

We recognize that the province has set clear priorities of stimulating the economy, creating jobs, building infrastructure and bringing the budget into balance by 2017-18. In light of this, we offer five low-cost or even no-cost initiatives that Queen's Park can take, which we encourage all parties to support, to create new affordable housing and to ensure that the existing housing stock is preserved as a long-term public asset.

First, we are asking the provincial government to replace the expiring federal housing assistance for low-income households. Today, nearly 200,000 vulnerable Canadian households, almost half living in Ontario,

depend on federal rent-geared-to-income—RGI—housing assistance to pay their rent. Of these households at risk, just over 7,000 live in federally funded housing co-ops in Ontario.

Federal assistance is delivered through operating agreements with co-ops and other housing providers developed under federal housing programs in the 1970s and 1980s. When these agreements end, so does the RGI subsidy. The funding necessary in Ontario to maintain these existing RGI affordable homes is quite modest. The cost of the overall social housing portfolio averages about \$15 million annually over the next few years as agreements expire. The cost of the co-op share of this portfolio is estimated at only \$1 million.

There is currently no commitment from the federal government to extend RGI assistance. Some of these agreements have already expired, and we are quickly approaching 2020, at which point a large majority of the contracts will have ended. This is a critical issue for federal co-ops. Vulnerable households have few other affordable housing options, and they will not be able to afford to stay in their co-op homes without assistance. The federal government has been largely silent on this issue.

There are billions of federal dollars that will become available over the next quarter-century as these operating agreements expire. The Ontario government has a clear interest in ensuring that existing affordable housing continues to be available. Together with other provinces, Ontario should negotiate with Ottawa for the reinvestment of expiring federal assistance and a long-term cost-shared plan for affordable housing that includes rent supplement funding.

A key part of this solution is to ensure that households now receiving RGI assistance continue to qualify and can remain in their homes. If we allow the current agreements to end, these vulnerable residents will not only face eviction but are most likely to be added to the 165,000 households on wait-lists for affordable housing units in the province. My friends, this can increase our homelessness problem.

Second, we encourage the province to enact inclusionary zoning legislation. The province, under its planning authority, can mandate a municipal zoning approval process that requires developers to make a percentage of housing units in new developments available at below-market rents. In return, the developer would receive a density bonus, allowing more units than would ordinarily be permitted under zoning restrictions. The below-market housing created would be affordable to many low- and modest-income households that cannot afford the steep rents charged in most recent condominium developments.

Previously, MPP Cheri DiNovo has brought forward bills with this intent, and MPP Peter Milczyn's current private member's bill, Bill 39, the Planning Statute Law Amendment Act, is yet another legislative effort to usher in this effective affordable housing tool. The government should give serious consideration to expediting and enacting such legislation.

Inclusionary zoning has proven an effective tool in a number of jurisdictions, particularly in the US, where it has been used in a number of states and municipalities. In many cases, thousands of affordable housing units have been brought on stream without incurring public expenditure.

Third, we are asking for government lands and surplus school properties to be made available for affordable housing. A major part of the capital costs for affordable housing would be removed if the land were available at a nominal charge or through very favourable long-term leases. This would reduce the capital grant required from government and bring down the required economic rents. It will also lower the subsidy required to bridge the gap between economic rent and an RGI rent level.

Fourth, we ask that all three parties continue to work towards preserving the existing stock of affordable housing. The long-term viability of much of Ontario's social housing stock is at risk. As economist Don Drummond noted in his 2012 report on the reform of Ontario's public services, "Much of Ontario's social housing was constructed over 30 years ago" and is in need of repair and rehabilitation.

"The province also has an ongoing obligation to help ensure the safety and sustainability of municipal infrastructure."

Drummond includes social housing as a key component of that municipal infrastructure, which he characterizes as "crumbling."

Finally, we are asking the government to build more co-op housing. For many years, CHF Canada has raised concerns with the province about the barriers to development of co-ops and other community-based non-profits under federal-provincial AHP and IAH programs.

Historically, almost a quarter of social housing developed in Ontario was co-op housing. Under current programs, that share has dropped to less than 4%. We don't believe this is the policy intent of the government of Ontario. We know that MPPs from all three parties have spoken about the benefits of the co-op housing model and have universally agreed that co-op housing is cost-effective and builds healthy communities.

We urge the government to examine the barriers that have blocked the development of housing co-ops under recent supply programs and take steps to address them.

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Another measure that we have recommended previously to achieve more co-op housing development would be for the government to set aside a certain number of units specifically for development of co-ops. The province has used this type of approach when they set up a reserved stream for development of affordable housing on brownfield sites a few years ago.

The co-operative housing sector is anxious to work with all MPPs of all parties to follow through on these practical suggestions and to partner with government to find other creative ways to ensure that every Ontarian has a decent, affordable place to call home. We believe every

Ontarian has the right to affordable housing, for housing is a right and not a privilege.

I would like to thank the committee for their time. As mentioned, Aaron would be happy to take any of your questions.

The Chair (Ms. Soo Wong): Thank you very much. Mr. Fedeli, do you want to begin the questioning?

Mr. Victor Fedeli: Thank you very much. I'm sorry Harvey wasn't here today. Aaron, it looks like you won the battle with Harvey, took him out and got here today.

Mr. Aaron Denhartog: Yes, that's one way to put it.

Mr. Victor Fedeli: I appreciate your comments on the Affordable Housing Program, the AHP. When I served as mayor of the city of North Bay, we actually invested—and we were the only community in Ontario—municipal dollars to build 118 AHP units with our partners, the province and the feds. But it wasn't going to happen without the municipal contribution; there just wasn't enough money in the program. So I appreciate your efforts and the efforts of the co-op housing units in the city of North Bay as well.

You talked about surplus schools as a possible location for affordable housing. Have you done any kind of studies with respect to retrofitting these older buildings?

Mr. Aaron Denhartog: Not in terms of retrofitting. The problem right now is that under the Education Act, if a school closes, the priority is not given to affordable housing; it's given to local and municipal governments or boards or directed towards programs that benefit children in some way. So that's one of the changes we'd like to see: in just one of the subsections if we could just include co-ops and affordable housing under that list of priorities.

I'm sure we all saw the report from the TDSB yesterday about the risk of one in five schools closing. Obviously that's not good news, but if that is the case, we're hoping that some of that land could be used, or at least prioritized, for some affordable housing.

The Chair (Ms. Soo Wong): Mr. Arnott.

Mr. Ted Arnott: Thank you very much for your presentation.

Ms. Nicole Waldron: You're welcome.

Mr. Ted Arnott: It's appreciated. I'm looking at your first recommendation: "Replace expiring federal housing assistance for low-income households." I think there's some misunderstanding about co-op housing that's important to clear up. A significant number of your units in a typical co-op are market rent, and that serves to subsidize some of the lower-income people who pay a percentage of their income. Is that not correct?

Mr. Aaron Denhartog: No. The way it works is, when the co-ops were originally built, the mortgage was through CMHC, and so typically about 80% of the members paid market rent. The other 20% have their rent subsidized through the federal government, so it's not the members who are subsidizing the other 20%. That subsidy is through the federal government, directly through CMHC, and those contracts are ending. So as the mortgages end, the buildings have been paid for; they have

been financed. It is the subsidies that we are at risk of losing.

What we're saying is, in terms of repairing the buildings and doing capital repairs, we can take care of the buildings. The buildings are fine. But what we're losing is those subsidies for our most vulnerable members. These are single-parent households, elderly, disabled. People who are our members who have lived and helped build up their communities for the last 10 or 20 years live day to day with the fear that they are going to be economically evicted.

Mr. Ted Arnott: So if these agreements are not renewed by the federal government, and they are not picked by the province, then what does the management of the co-op do? Increase the rents of—

Mr. Aaron Denhartog: We're just kind of reaching the period where these agreements are ending. What a few co-ops have done is, because they are democratically governed, the members have voted to pick up the subsidy, like your earlier suggestion. That's what they have done. But what happens is, then their capital reserve is negatively affected.

I think it speaks volumes about the co-op membership that it's something they are willing to do to pick up the slack and support their more vulnerable members, but these are going to be thousands and thousands of units that are going to be lost, and it's just unsustainable to ask these co-ops to do this long-term.

Mr. Ted Arnott: Are the agreements typically 25 years or 30 years in duration?

Mr. Aaron Denhartog: I'm not 100% sure.

Ms. Nicole Waldron: They are between 25 and 30 years, and because they are ending now—as Aaron just said, once the subsidies end and the co-ops can't continue to sustain those who are in subsidized units, they have to raise the rents, because it has to be paid, and these individuals won't be able to afford it. As one senior said to me the other day, "I can barely feed myself, and I'm going to be homeless." So it's very emotional, because even as I sit and I listen to them, I have nothing to tell them.

Mr. Ted Arnott: To "enact inclusionary zoning legislation": Would you explain again what you mean by that?

Mr. Aaron Denhartog: The way it works, and I'm sure the member from Etobicoke–Lakeshore would be happy to give you a briefing afterwards, is that typically, under a new development—say it was over 100 units—you would set a threshold. A certain number of those units would be set aside for affordable housing, and you could set that as a certain percentage below the market rate, and those who qualify would be a certain percentage below the median income.

The Chair (Ms. Soo Wong): All right. Thank you very much, Nicole and Aaron. Thank you for your presentation and your written submission as well.

Aaron, take care of yourself.

ONTARIO REAL ESTATE ASSOCIATION

The Chair (Ms. Soo Wong): The next group before us is the Ontario Real Estate Association. I believe Mr. Tom Lebour and Matthew Thornton are here today to join us.

Good morning. Welcome, gentlemen. As you heard earlier, you have 10 minutes for your presentation, followed by five minutes of questioning, and this round of questioning will be coming from Ms. Fife of the official third party. You may begin any time. Please identify yourself and your position with the Ontario Real Estate Association for the purposes of Hansard. Thank you.

Mr. Tom Lebour: Thank you very much. Good morning, everyone. My name is Tom Lebour. I'm a broker with Royal LePage Real Estate Services in Mississauga and current chair of the government relations committee at the Ontario Real Estate Association. Joining me today is Matthew Thornton, OREA's director of government relations. We would like to thank this committee for the opportunity to present our recommendations for the 2015 Ontario budget.

By way of background, the Ontario Real Estate Association is one of the province's largest professional associations, with over 60,000 realtor members in 40 real estate boards throughout the province. As you can see from our pre-budget submission, OREA has made five recommendations for inclusion in the 2015 Ontario budget. For the purpose of this presentation, however, we will focus on two realtor priority issues.

Before we get to OREA's recommendations, I would first like to provide the committee with an overview of the real estate market and some brief comments about the importance of the housing industry to Ontario's economy.

Now, 2014 was a good year for the housing market in Ontario. Dollar volume, unit sales and average price all saw healthy increases from 2013 to 2014. In 2014, Ontario realtors transacted 206,000 residential properties, up 3.7% over the last year, with the overwhelming majority of local markets seeing year-over-year increases. These sales were valued at \$80 billion, up from \$79 billion in 2013. The average price of a residential home in Ontario increased from \$402,000 in 2013 to \$430,000 in 2014, up 7% year over year. While the increase in average prices has reduced affordability in some markets, low interest rates and strong demand should continue to support a stable provincial housing market in 2015. According to the Canadian Real Estate Association, Ontario will see moderate gains of 1% to 2% in average price, unit sales and dollar volumes in 2015. This bodes well for both home buyers and sellers as we head towards the spring market.

But how important is this activity to Ontario's economy? Research has shown that each resale home transaction in our province triggers consumer spending that has broad economic impacts. More specifically, each transaction generates \$53,000 in additional consumer spending on everything from professional services to ap-

pliances and home renovations. In 2014, this consumer spending generated over \$10.9 billion in economic activity and supported the creation of 77,000 jobs. These jobs include both direct and indirect jobs in the manufacturing, construction and financial service sectors.

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In short, Ontario's housing market supports a large portion of the province's economic output and thousands of jobs annually. We urge this committee to be conscious of these important benefits as it considers recommendations for the 2015 Ontario budget.

On now to OREA's recommendations, which focus on two key themes. First, we are advocating that real estate professionals in Ontario be treated fairly when it comes to forming professional corporations. As many of you know, Ontario realtors are prevented by the Real Estate and Business Brokers Act from incorporating their businesses through a personal real estate corporation. While the barriers to forming PRECs are real, the rationale for why Ontario realtors continue to be treated unfairly is not.

When REBBA was drafted in the early 2000s, the government mandated that a real estate brokerage could only pay fees to a registered or licensed entity under the act. Since REBBA does not consider PRECs as a class of licence, it effectively precludes a salesperson from operating their business through a professional corporation. This structure was implemented as a method to prevent unlicensed persons from trading in real estate, not to stop PRECs.

Since then, the government has moved to permit a number of professions in Ontario to form professional corporations. Namely, chartered accountants, architects, social workers and veterinarians have all been granted the ability to form professional corporations under the Business Corporations Act. More recently in 2008, the province gave mortgage brokers, a profession very similar to real estate, the ability to incorporate. But what about other provinces? Starting in 2008, the BC, Nova Scotia, Quebec, Manitoba and Alberta provincial governments all moved to permit PRECs.

While fairness continues to be the most compelling reason in support of PRECs, this proposal also involves a modest economic benefit and will cost the provincial treasury no lost revenue. According to our research, PRECs would not only more than pay for themselves through the collection of additional sales tax revenue, they would also create up to 80 new jobs per year and pump \$25 million into Ontario's broader economy. In short, making the move to permit personal real estate corporations would be a revenue-neutral policy change for the government that would also include a modest economic benefit.

Finally, like other professional corporations, PRECs will in no way hamper consumer protection. Instead, real estate salespeople who form personal corporations will continue to be subject to all professional and ethical obligations under the Real Estate and Business Brokers Act.

OREA's second recommendation for the 2015 Ontario budget focuses on an issue that's near and dear to millions of Ontarians: protecting the dream of home ownership. More specifically, we are recommending that the government of Ontario protect affordable home ownership for future generations and oppose the spread of the municipal land transfer tax.

By way of background, in 2006 the government of Ontario passed legislation giving the city of Toronto powers to raise additional revenues. Subsequently in 2008, Toronto introduced a municipal land transfer tax. Unfortunately, we know municipalities across Ontario are eager to acquire the same revenue-generating powers as Toronto. We also note that the province is preparing to conduct a review of the Municipal Act. As such, OREA is very concerned that an MLTT is being considered as a potential new revenue tool for municipalities.

As you know, the municipal land transfer tax is applied to purchases on all properties in the city of Toronto over and above the existing provincial land transfer tax. Last year, the MLTT added \$7,000 to the average-priced Toronto home. Altogether, local homebuyers will pay \$15,000 in land transfer taxes to the province and the city on an average-priced home.

Ontario realtors oppose this tax for many reasons, but today we'll focus on two.

First, the tax is fundamentally unfair. A municipal land transfer tax forces a small segment of taxpayers to fund municipal services enjoyed by everyone. Each year, a small percentage of Ontario homeowners will move for different reasons: a young family with a baby on the way who needs more space; aging seniors who need to change their lifestyle; or, heaven forbid, a family breakup. It is unfair and wrong to expect these people to shoulder so much more of a burden in taxes for no additional services.

Second, this tax is bad for the housing market and, by virtue, bad for jobs and the economy. For example, in 2012, a C.D. Howe Institute study found that the MLTT in Toronto has caused a 16% annual reduction in resale home transactions since it was introduced. Building on C.D. Howe, a 2014 Altus Group report found that an estimated 38,000 resale transactions were lost in Toronto between 2008 and 2013 thanks to the MLTT. Perhaps most disturbing, the study found that the tax caused a loss of \$2.3 billion in economic activity and a loss of nearly 15,000 jobs.

Altus Group also conducted research into what the impact of an MLTT would mean if it were to spread to other municipalities, including London, Hamilton, Mississauga, Ottawa and Thunder Bay. The results show a significant reduction in home sales in each of the five markets—

The Chair (Ms. Soo Wong): Mr. Lebour, can you wrap up your presentation, please?

Mr. Tom Lebour: Yes. In conclusion, we are here on behalf of Ontario realtors today to remind this committee that home ownership is and will always be the dream of the middle class. It is an institution that is vital not only

to our economy, but also to our social fabric. Let's continue to support affordable access to home ownership for the present and future generations. Let's support the Canadian dream here in Ontario.

Thank you, and we are happy to take your questions.

The Chair (Ms. Soo Wong): Thank you. Ms. Fife, do you want to begin the questioning?

Ms. Catherine Fife: Thanks very much, Tom and Matthew, for coming in. We've heard throughout the province, actually, how important home ownership is, and we've learned a lot more about the barriers to home ownership, depending on where you are in the province of Ontario. The issue of the municipal land transfer tax: Municipalities are desperate for revenue. This government is desperate for revenue. What indication do you have that the government will move forward with enabling municipalities to have this tax?

Mr. Matthew Thornton: There's been no direct indication or overt indication. We know that the act is up for review, and certainly a lot of the large urban mayors are pushing behind the scenes for more revenue tools. The MLTT is an attractive one because here in the city of Toronto, it is generating a lot of revenue. So that's our concern.

There have certainly been no indications either way, but we're being proactive in engaging—

Ms. Catherine Fife: So you're red-flagging it.

Mr. Matthew Thornton: Yes, absolutely. Yes.

Ms. Catherine Fife: The resistance to the personal real estate corporations—you make a strong case for this. As you say, mortgage brokers have already been allowed to go down this road. What is the resistance to enabling this legislation?

Mr. Matthew Thornton: Although our research goes into quite a bit of detail about how the proposal is revenue-neutral, there are some concerns inside the Ministry of Finance around the potential for lost revenue, although we would certainly suggest that it is a break-even proposition for the province. We continue to work on it, we continue to have those discussions with folks inside government, but it's moving a little bit more slowly than we would like.

Ms. Catherine Fife: Well, you did bring forward some research from KPMG in 2002 that said that there could be some costs—but that depends on the market as well, I anticipate.

Mr. Matthew Thornton: It does. There are certainly some costs in terms of the change, but our research has shown that once you make the change, the additional business that a corporation would do would generate more sales tax revenue. That lost corporate tax revenue would be regained through additional sales tax revenue to the province.

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Ms. Catherine Fife: Sure. You didn't get a chance to address the issue of marijuana growops because you ran out of time. It was just an issue on the news last night; I was watching. Did you want to expand on the need for a registry?

Mr. Matthew Thornton: Absolutely, yes. I think that one of the concerns that our members have when they're helping people to buy homes is that there's no reliable way for a homebuyer to know whether or not the property they're looking at purchasing was a former marijuana grow operation.

MGOs can have a lot of health and safety issues associated with them. Mould is probably the most common one. Certainly, that can impact people with asthma and that kind of thing. What we're suggesting is that the province create a registry, through the land title system, that would allow a homebuyer to see if the property they were purchasing was a former marijuana grow operation. That would involve some coordination between law enforcement and municipalities to register those work orders on title, but it would provide a really effective way for buyers to know that the property they were purchasing was a former MGO and to make an informed decision.

Ms. Catherine Fife: Yes, and it's a consumer protection issue.

Mr. Matthew Thornton: Absolutely.

Ms. Catherine Fife: But it could be a deterrent as well, because if we're tracking it, then people know that they can't just open a growop wherever.

Mr. Matthew Thornton: Absolutely, yes.

Ms. Catherine Fife: Of course we're supportive of that, and that just makes sense.

You've raised the issue of the deficit/debt reduction. This is a huge issue for you. Do you want to talk about consumer confidence in the province of Ontario as it relates to the financial state of the province of Ontario?

Mr. Matthew Thornton: Certainly. I think we can talk about it from the perspective of the housing market. Obviously, deficits and debt can have an impact on interest rates, and certainly that's our concern from a homebuyer's perspective. I think the province has made a commitment to balance the budget in 2017-18, and our recommendation is just to stick to that timeline.

Ms. Catherine Fife: Do you think that they're going to hit that target?

Mr. Matthew Thornton: We're very hopeful that they do, yes.

Ms. Catherine Fife: You're cautiously optimistic?

Mr. Matthew Thornton: Cautiously optimistic, yes.

Ms. Catherine Fife: Well, that's something.

Brownfield development: You didn't really get to this. This is absolutely a growing issue, especially with Places to Grow and the way planning acts are not aligned municipally to the provincial legislation—

The Chair (Ms. Soo Wong): Okay, Ms. Fife, we're done.

Thank you very much, gentlemen. Thank you for your presentation and your written submission.

COMMUNITY LIVING ONTARIO

The Chair (Ms. Soo Wong): The next group before us is Community Living Ontario, and I believe it is Mr. Chris Beesley and Mr. Gordon Kyle. Good morning.

Mr. Chris Beesley: Good morning, everyone. So far so good. All right. I'm Chris Beesley, and I'm chief executive officer at Community Living Ontario. Presenting with me today, to my left, is Gordon Kyle, our director of policy.

For over 60 years, Community Living Ontario has worked on behalf of people who have an intellectual disability, and their families. Our goal is a community where all people live in a state of dignity, share in all elements of community life and have the opportunity to participate effectively. We're pleased to have this opportunity to share with the standing committee some of the ways that government policy and funding might contribute positively to this outcome.

Over the past several years, we've spoken to members of Parliament, including the members of the standing committee, about the alarming wait-list for support in the developmental services sector. Close to 10,000 people have been waiting for daily living supports, and more than 12,000 have been waiting for supports they need to live in a home of their choosing.

In this past year, government listened and announced significant new investments in developmental services over the next few years. We thank the government for this important commitment. It's estimated that the promised investment will completely eliminate the wait-lists for daily living supports provided through Special Services at Home and Passport funding.

The new money will begin to address the huge need for residential support as well, reducing the wait-list by about 1,400 people.

It's a pleasure to appear before the standing committee for the first time in many years and be able to say that we're not looking for additional new investments in supports and services in the near future.

Interjection.

Mr. Chris Beesley: I know, right?

However, we do of course want to ensure that the funds that have been promised do flow as planned, something we are confident that the government is committed to do. We also want to ensure that the new funding is used effectively.

In response to urgent need for support, the government is rolling out the promised new funding quickly, which we applaud. But care must be taken, however, to ensure that service providers and families receiving direct funding do not, in their haste, initiate models of support that are congregated and segregate people from the community just because they're familiar to us and therefore may be quick to set up. We must always focus on the needs of the person who is seeking support first, and plan accordingly, even if this takes more time.

We must also pay attention to the long-term sustainability of the developmental support system. We recog-

nize that the unmet need that will continue to exist after the full implementation of current investments will not be addressed by funding increases alone. We must ensure that people are able to take full advantage of all the supports their community offers beyond those provided through developmental services.

The good news is that enhancing access to broad community supports for people who have an intellectual disability is not only fiscally beneficial, it is essential to our overall goal of supporting people to live lives fully included in their community.

Community Living Ontario and many others in the sector have called on the government to work with the community to develop a long-term plan for the sector. The recommendations of the Select Committee on Developmental Services and the work that is already under way to implement those recommendations will contribute positively to such a long-term plan. In particular, we applaud the efforts under way to improve cross-ministerial co-operation. Additionally, we applaud progressive initiatives such as the MCSS housing task force that is exploring innovative ways of developing affordable and accessible housing, and encourage similar initiatives related to issues such as employment and education.

For many people, their family represents the most important support they have in their lives. We must find ways to support families to carry out the natural support roles they are able to play while not creating unreasonable expectations about what that role might entail. Where necessary, we must provide support to families so they can carry on that support that they are able and willing to provide.

On another subject, Community Living Ontario is concerned about the manner in which changes are being made to the Ontario Disability Support Program—or ODSP—employment benefits. The government is eliminating the \$100-a-month benefit that people currently get if they are employed. That benefit will be replaced with a new annual benefit designed to offset identified employment expenses. Unlike the current monthly benefit, however, the annual benefit will not be automatic, but will be provided where certain allowable costs are claimed.

Community Living Ontario recognizes that the current benefit is not effectively achieving its objective of encouraging people to seek employment and we support the revision of the policy. We are concerned, however, about how the transition to the new policy is being implemented. Given how close to the financial edge people on ODSP find themselves, a cutback of \$100 a month for those currently receiving the benefit could be very difficult, representing a reduction of about 10% to someone who is already living with an income that is 35% below the poverty line.

We recommend that the government step back from this policy change and consider how it can transition to a new mechanism for encouraging and supporting people to seek employment that does not result in the sudden

loss of a benefit that many have come to rely on. Of course, the shock of this change would not be so profound if people were already receiving an appropriate amount of funding to ensure a reasonable standard of living, so we repeat a recommendation we have made in the past: that a mechanism be introduced for fairly determining what a person needs to sustain a reasonable quality of life and that ODSP benefits be adjusted to comply with that assessment.

Additionally, where a person chooses to seek employment, there should be no reduction in the ODSP benefits a person receives until after the person has achieved an income, including benefits and wages, that is greater than the established poverty line.

Finally, we would like to comment on the recent Provincial Auditor's report on the developmental services sector. While the report accurately outlines many of the challenges faced by the sector, we do not agree with some of the analysis and conclusions contained in the report.

The report fails at times to account for the principles of individualization and inclusion that underlie the most progressive work that is done in our sector. For example, in criticizing the time it takes to match a person to a vacant spot in a residential setting, the auditor points to the long-term-care practice through which a person has one day to decide whether to accept a placement offer and then five days to move in. The report fails to acknowledge that a placement in a long-term-care facility is focused on the specific aim of providing access to particular health care needs, usually near the end of one's life. The decision for a person seeking support within developmental services, by contrast, is one of finding usually a long-term home, which may include a decision to share that home with other people who may not be familiar to that person. These are complex decisions and typically cannot be made as quickly as a decision to access health supports.

We thank the standing committee for this opportunity to share a few of our concerns and ideas and we commit ourselves to continue working with all members of Parliament to explore solutions to the challenges we face.

We have provided you with a brief outlining this presentation, including a summary of the recommendations that we have made today.

Thank you very much for your time, and we invite questions at this time.

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The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much for your presentation. Ms. Wong has questions.

Ms. Soo Wong: Thank you very much, Chris, for being here this morning, and also to Gordon for being here.

As you know, I'm the parliamentary assistant to Minister Jaczek for the Ministry of Community and Social Services. I just want to give you an update, because you mentioned a couple of pieces in your presentation this morning.

There have been numerous conversations, just so you know for your sector, about the collaboration between multiple ministries. Significant work has been under play. You know we just passed a budget in July this year, and a number of rollouts are already happening.

You can be assured that this minister and this ministry are committed to all the recommendations as identified by the select committee. My colleague Marie-France and I already have had some conversations dealing with employment and the education piece. You can be rest assured that we are committed to all the recommendations.

I want to go back to your last comment, Chris, with respect to the Auditor General's report. Have you shared your concerns and your issues with the auditor with regard to her report?

Mr. Chris Beesley: I don't think we've communicated directly with the auditor at this point, but that is certainly our intention. Obviously, the recommendations have been made, so we just want to highlight them both here and with Minister Jaczek around those concerns.

Ms. Soo Wong: Okay, that's very important, because although this committee is public and the Hansard will make sure the information gets across, it's also important for your association to share your concerns with the auditor directly.

Mr. Chris Beesley: Sure.

Ms. Soo Wong: I also want to ask you, with regard to the rollout that we had in the 2014 budget, the \$810 million, how is that helping your sector in terms of individuals, getting directly to those who have been affected by the funding? Can you share that with the committee?

Mr. Chris Beesley: I think at this point, the official number is 7,900 individuals have received individualized funding as a result of the last budget, which is great. As we mentioned in our presentation, funding alone isn't the solution. It's a big part of it, so we thank you for that, but it's how that funding is utilized. The choices that are available for community supports have to be real ones that are practical solutions that provide real quality supports for getting into the community and participating, as opposed to perhaps some programs that are in place and so are easy to access but may not be the most appropriate, certainly for purposes of future planning and innovation going forward.

Ms. Soo Wong: You mentioned in your presentation the housing task force. You know that the minister is heavily involved with that discussion right now.

Mr. Chris Beesley: Right.

Ms. Soo Wong: What do you think some of the next steps should be for funding the housing options for individuals with developmental disabilities? We just heard this morning from the co-op housing folks. Is your sector working collaboratively with different housing groups out there with regard to these concerns?

Mr. Chris Beesley: Absolutely, and I think it's an issue of, again, not doing the same thing over and over

and expecting a different result. That's the definition of insanity; right? We don't want to go down that road.

For instance, in the situation of a group home, if there are four people living in a home and one space becomes vacant, it's not just a matter of filling the vacancy. It's about giving us permission to close the back door and say, "Okay, now it's going to be a three-person group home," because now we're going to have that one space look like something else. Maybe it's supported independent living; maybe it's creating something through a co-op housing initiative, like what was referenced earlier this morning. It's allowing the flexibility to create something that will better serve the individual rather than filling a bed.

Ms. Soo Wong: Okay. In the 2014 budget, you heard the government's announcement in terms of investing in the front-line workers, which is very important. We heard it time and time again—because, as you know, I was on the select committee. How will this investment support your sector's needs as well as support the front line, the 117 local community associations' members?

Mr. Chris Beesley: Do you want to take this one? I've been doing all the talking, but I'm happy to keep speaking.

Mr. Gordon Kyle: Sure. The investment in support for front-line workers is really critical to this sector. We are a sector that has had great inequity between developmental services and other services with similar qualifications for staff, so we've had, over the years, a lot of turnover in our sector as people are drawn away to other jobs that pay more appropriately. We've taken quite a few steps in recent years, and 2014 is just one additional step that has been very helpful, just to ensure that this sector is competitive with others.

Ms. Soo Wong: I'm hearing that you're in support of it. Thank you.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much for your visit today. If you do have additional written materials, please provide them to the Clerk before 5 today.

ONTARIO ASSOCIATION OF CHILDREN'S AID SOCIETIES

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witnesses are from the Ontario Association of Children's Aid Societies. If you could state your name and your position for the official record. You have 10 minutes to present, and the questions will be from the official opposition.

Ms. Mary Ballantyne: Thank you. My name is Mary Ballantyne, and I am the executive director of the Ontario Association of Children's Aid Societies. We have Andrew Snowball with us here, who has got materials to be passed around. Thank you very much for making this opportunity.

The Ontario Association of Children's Aid Societies is the voice of child welfare in Ontario, representing 44 of the 46 children's aid societies, as well as the six pre-

mandated aboriginal agencies in Ontario. We are dedicated to providing leadership in the achievement of excellence in the protection of children and the promotion of their well-being within their families and communities.

The children's aid societies in Ontario have the exclusive mandate, defined by the Child and Family Services Act, to provide care for children who have been or are at risk of abuse and neglect. The child welfare legislation and supporting regulations, directives and standards are highly prescribed and specific, with detailed requirements about how the protection of children should occur. All children's aid societies are required to respond to all of the referrals that come to them and determine eligibility for those referrals based on a prescribed tool.

Just a little bit of information about children's aid societies: Most of the work that is done is working with families to support children within their own home. About 90% of our work is done there. Mental health, substance abuse and family violence are the most common reasons that families come to the attention of children's aid societies.

While the overall number of referrals has declined slightly over the last five years, the number of families who are requiring longer ongoing services has increased. Currently, we're working with just under 48,000 families in the province. The overall number of children in care has declined from about 26,000 to 23,000 over the last few years as children's aid societies are working very hard to help families maintain children within their own home.

Children's aid societies are very aware of the fiscal environment in Ontario. Many of them have engaged in a number of different strategies to try to continue to provide the services required within a fixed and very tight envelope. They've engaged in amalgamations and are looking at moving forward with several shared services and other strategies to maintain costs. They are increasingly concerned, though, about the cumulative impact of a new funding model that came into place two years ago, where there is a fixed envelope. Actually, that envelope hasn't increased in the past couple of years.

With the new model, over half of the children's aid societies received a reduction in funding based on socio-economic and demographic factors within that fixed envelope. The concern, of course, is that there is not an indication that that envelope will increase in coming years. Some are quite concerned about their ability to provide services on an ongoing basis.

This year in particular, there are further anticipated fiscal pressures in addition to the usual cost of increased costs in running a business. A number of concerns have also been raised about the safety of the workers going into homes of several families—also the recommendations coming out of the Jeffrey Baldwin inquest and the implementation of those recommendations, as well as the implementation of the new Child Protection Information Network in all children's aid societies.

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Even though the CASs have been able to maintain a reasonable level of service over the last few years, with the new funding model—and there's no plan to review that model for the next five years—some children's aid societies are at risk of not being able to fulfill their mandate.

That leads to our recommendations. One of the key recommendations, then, is around the funding model and that there be a review of that model in a couple of key areas. One of the areas is for the agencies that, according to the model, were to receive significant increases in funding, but there was a 2% cap put on the model, so they're not able to receive those increases, and they have increasing demand in their communities that they're increasingly having difficulty meeting.

The second group that needs to be addressed within the model are northern communities where there are small child populations spread across vast geography. Given that much of the funding comes based on child population, it is difficult to provide a similar level of service for children in the north given the geography and the number of services there, so there's a request that the model be reviewed with the impact on children and communities in the north.

The third area is for aboriginal children's aid societies. Many of these children's aid societies are just being developed and being mandated, and their ability to have the infrastructure in place to provide services within the new model is quite compromised. While there have been a number of one-time fixes that have been put in place there, it makes it very difficult for them to plan and build the services necessary to provide for aboriginal children and families through those new agencies.

In addition to the requests around looking at the funding model and the impact on those agencies, we also have some recommendations around policy changes that will require some investment to ensure that all children and youth in the province have the best chance of success.

The first is in the area of providing protection services for children who are 16 and 17. At this point, our legislation only provides protection services up to the age of 16, and 16- and 17-year-olds are not afforded that same level of service, something that we would be looking to hopefully change within the legislation, but there would also be financial supports required there.

The second area would be in the areas of permanency and adoption. There have been good efforts made and good investments over the last few years in that, but there are further requirements or further needs for older children and for children with exceptional needs to be adopted. Right now, if you are adopted as an older youth, you lose all of the assistance that you would get if you remained as a child in care: help with post-secondary education and that kind of thing. It's very difficult for adoptive parents to take on the care of an older youth when they lose all of those supports. The hope would be that those could continue.

The third recommendation would be that there be continued investment in the broader safety net for children in mental health, violence and substance abuse so that the families that we are working with can continue to get the help that they need, because the help in those areas will, of course, enhance the family's ability to protect their children.

In conclusion, our asks include the sustainability of the children's aid society, looking at the new model to ensure that it is covering the needs of children across the province, supports for children and youth who currently aren't as well-supported as they should be and continued investment in the broader safety net for children and families. Thank you very much.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much, Ms. Ballantyne. We have questions for you from Mr. Arnott.

Mr. Ted Arnott: Thank you very much, Mr. Chair. Thank you for your presentation.

Ms. Mary Ballantyne: You're welcome.

Mr. Ted Arnott: I think that your group has traditionally made a presentation to the Standing Committee on Finance and Economic Affairs each year in advance of the budget, and I think it's important that you continue to do that, to update us on the situation, because your mandate is so vitally important to protect children in the province of Ontario. We appreciate the work that you do.

Ms. Mary Ballantyne: Thank you.

Mr. Ted Arnott: The issue of providing protection for 16- and 17-year-olds is something that's been talked about for years now. Has there been any study to quantify what that would cost, to quantify how many 16- and 17-year-olds we're talking about who are currently lacking protection, but in need? Has there been any study that gives us—

Ms. Mary Ballantyne: There have been studies of what information would be available. The problem is that because the mandate doesn't cover that, we don't know how many there are because they're not able to come, and any that do come know that the services aren't there. So it is a difficult thing to quantify. If we felt that there was going to be a move in that direction, we could probably start to estimate some of those costs. In many ways, I don't think they would be significant, but for those children who do need it, it is a very big issue.

It's hard to quantify. Could we begin to, if we felt there was a real move in that direction? Yes.

Mr. Ted Arnott: Okay. My other question concerns the aboriginal children's aid societies. You highlighted their specific needs.

Ms. Mary Ballantyne: Yes.

Mr. Ted Arnott: You indicated that in many cases, they don't have adequate funding, and they need specific and multi-year start-up support, not one-off, one-time fixes.

Ms. Mary Ballantyne: Right.

Mr. Ted Arnott: Could you explain a little bit more about some of the situations that have arisen that you're aware of, that this committee needs to better understand?

Ms. Mary Ballantyne: Yes. There are currently seven mandated children's aid societies in Ontario. Those children's aid societies—as recently as two years ago one of them started, and none of them is more than about 20 years old, so they haven't had the benefit of the last 100-plus years that all children's aid societies have had to be able to acquire some of the capital that you need to be able to run these organizations. So they don't have that.

The funding over the last several years, and any of the funding that they get to start as children's aid societies, is only for service delivery. There is not funding there even for administration, let alone capital and those kinds of things. It puts them at a significant disadvantage to be able to do things like ensure that they have good human resource practices, quality assurance practices, data management practices and the like.

Then, of course, the funding that goes into them for services is based on the same model as for all children's aid societies—and the issues for aboriginal children and communities, many, many studies have shown to be much more significant, requiring more of an investment. For those agencies, they really do struggle to provide the services that need to be provided and then have the infrastructure to build good, robust organizations to ensure that those services are the best they can be.

Mr. Ted Arnott: Thank you.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Fedeli in the remaining minute.

Mr. Victor Fedeli: Thank you very much. You touched very briefly on the Jeffrey Baldwin inquest that you mentioned. Of course, for the committee, Jeffrey Baldwin and his siblings were placed in the custody of their grandparents, both of whom had previously been convicted of child abuse. The subsequent coroner's inquest revealed that there wasn't an adequate provincial database to track the information on both the children and the family. They recommended that it be installed by 2016. Can you give us an update on that?

Ms. Mary Ballantyne: The Child Protection Information Network, CPIN, is currently in place in three agencies across the province. In two more agencies, the plan would be that it will be installed fairly soon. Of those agencies, that does cover a large footprint of the cases in Ontario, because they are some of the larger agencies that are there.

The issue with putting in place a huge information network like this on a province-wide basis is we want to make sure that we get it right, because the system can't go down for three or four hours or the caseworkers don't have access to that critical information that they need to ensure children are doing well. There is a very measured approach to moving it forward, and we believe that that measured approach is really important so that we have the best success of making this work.

The Chair (Ms. Soo Wong): Thank you very much for your presentation and your written submission.

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ONTARIO PHARMACISTS ASSOCIATION

The Chair (Ms. Soo Wong): Our next presenter is the Ontario Pharmacists Association. I believe it's Dennis Darby, chief executive officer, and Deb Saltmarche. Thank you very much for being here. As you probably heard, you have 10 minutes for your presentation followed by five minutes of questioning. This round of questions will be coming from the third party. You may begin any time. Please identify yourself and your position with the Ontario Pharmacists Association for the purposes of Hansard. Thank you.

Ms. Deb Saltmarche: Thank you. Good morning to the Chair and to members of the committee. My name is Deb Saltmarche, and I am the chair of the board of the Ontario Pharmacists Association. I'm here today with Dennis Darby, the CEO of our association. We thank you for this opportunity to address the committee.

The Ontario Pharmacists Association is the voice of more than 14,500 pharmacy professionals in Ontario. We represent over 8,200 pharmacists, pharmacy technicians and pharmacy student members. They include staff pharmacists working in retail pharmacies, pharmacists who are independent owners of their own stores, hospital pharmacists and those pharmacists who work in non-clinical settings.

Pharmacists are ready and able to do more for Ontario patients. We are pleased that this government is committed to expanding our professional scope of practice. This commitment is written out in the Premier's mandate letter to Minister Hoskins, and further laid out in the minister's mandate letter to Parliamentary Assistant Fraser.

Scope of practice encompasses many health care professions and many things, and we realize that you cannot do everything all at once, so we have narrowed our requests to three priorities that could be acted on in the short term, and that require only regulatory changes, not legislative ones, and modest funding allocations. These priorities were selected because they will allow us to quickly leverage the existing network of community pharmacies and pharmacists. They are natural extensions of existing and very successful programs here in Ontario, and they have proven successful in other jurisdictions in Canada and also in international jurisdictions. Not only would their fiscal cost be minimal, they would produce immediate savings in the health care system and lead to better quality of life for Ontarians.

Priority number one: Let's build on the success of the pharmacy-based flu shot program by expanding the number and type of immunizations and vaccinations that pharmacists can administer. As you're aware, Ontario patients have been able to receive their flu shot from a pharmacist for the last three flu seasons. In fact, some members of the committee may have received their flu shot from a pharmacy. In our first season, we administered close to a quarter of a million flu shots, and about

three quarters of a million flu shots in our second season. That's about 25% of all flu shots according to the Auditor General's report. We hope that very soon we will be able to announce that pharmacists have administered one million flu shots in this, our third season. Clearly, the public has embraced and accepted this type of safe, convenient and cost-effective care from pharmacists, especially as the service is government-funded and approved.

In Ontario, we now have a province-wide network of close to 7,000 pharmacists who are trained and qualified to provide vaccinations, so we can do more. A pharmacist trained to provide a flu shot can also provide other routine injections—it's exactly the same training. We can leverage this training to provide patients with more accessible and convenient immunizations beyond flu, and patients who go to a pharmacist for their flu shot because it's convenient could also receive other vaccinations from a pharmacist.

As you're aware, many patients actually go to the doctor to get a prescription, purchase a vaccine at a pharmacy only to have to return to their family physician to have it administered. Expanding pharmacists' authority to include vaccines that address public health threats, such as pertussis, HPV and measles, will help ensure that overall immunization rates are increased. There are also a number of unfunded vaccines, such as for travel and shingles, which we could deliver at the convenience of the patient, and at no cost to the government. All we need to make this a reality is a simple regulatory revision to the list of vaccines that a pharmacist can administer.

Secondly, we would like to see Ontario enable pharmacists to treat patients for common, self-limiting ailments—what is often referred to as a minor-ailments program. How many people have found themselves spending the night, or their Sunday, in a walk-in clinic or in an emergency room, waiting to be seen for a minor condition because their doctor's office is closed and they have no alternative?

In other provinces, including Alberta, Saskatchewan, PEI and New Brunswick, patients can go to a pharmacy, where a pharmacist can assess and treat minor ailments like poison ivy, athlete's foot and pink eye. Pharmacists have the knowledge and expertise to make the right assessment and dispense the proper treatment. They use the same algorithms as physicians do.

According to Health Quality Ontario, more than half of Ontarians surveyed are not able to see their primary care provider on the same day or the next day when they are sick, and over half have difficulty accessing primary care on an evening or weekend. A pharmacy-based common ailments program would alleviate pressure on the system. It would divert non-critical patients away from doctors' offices and hospitals. It would create capacity and make the health care system more efficient. Fewer people would spend the night in emergency or have to take the day off work to go to a doctor's appointment.

We recommend building on the success of approaches in other provinces. All we need is the regulatory authority to prescribe the proper treatment and to have a discussion around modest funding.

The third priority that we could address in the short to medium term is to expand our successful smoking cessation program to all Ontarians who smoke and want to quit. Today, the Ontario public drug plan funds pharmacist-delivered smoking cessation services for Ontario Drug Benefit Program recipients. The program includes up to seven counselling sessions and drug therapy when appropriate. Our quit rates are on par with physician-delivered services. But while patients must make an appointment to see their physician, pharmacists don't always require an appointment for a consultation. The convenience we offer is a significant advantage in this program.

What bothers pharmacists and patients alike is that there is no similar program for people who are not on the drug program, and only 24% of the 1.66 million Ontarians who smoke can access the full extent of a pharmacist's care, as they are not covered under the current program.

We don't need to debate the fact that helping all smokers who want to quit is good public policy and would lead to significant savings elsewhere in the system, including reduced cancer treatment and other hospital costs. We would like to see access to this program expanded so that all Ontarians who smoke and want to quit can access pharmacists' services. We recommend expanding the pharmacy-based program and compensation as exists today to all Ontarians who want to quit smoking.

Our approach—these three initial priorities—is reasonable, is supported by evidence, and has been fully costed by Accenture, our economics consultants, who are global leaders in health economics, advising government and industry.

Ontario could realize \$72 million in savings over five years by acting on these priorities. Accenture estimated the net savings to the health system over five years of expanding pharmacists' ability to deliver vaccine and immunizations at \$500,000, of a common-ailment treatment program allowing pharmacists to address nine common ailments at \$12.3 million, and of expanding access to pharmacist-delivered smoking cessation programs to all Ontarians who smoke at \$60 million or more.

As you put forward this committee's recommendations to the Minister of Finance, we encourage you to include modest funding allocations to enable pharmacists to offer more services to Ontario patients by way of expanded scope of practice.

I'll now turn the microphone over to Dennis, who will conclude our presentation.

Mr. Dennis Darby: Thank you, Deb.

Members of the committee, as Deb just shared with you, the Ontario Pharmacists Association retained Accenture to advise us on the costs of our proposals and the offsets and savings that could be expected within our

health care system. In the packages before you, we include a document summarizing the highlights of Accenture's findings, along with an overview of program availability—that includes in other provinces—and some fact sheets.

These programs have been seen to be safe and proven to be safe and effective elsewhere in Canada. They have been embraced by Canadian patients and by patients elsewhere in the world.

The legislation is in place; we're not asking for a change there. Our members are ready and able to provide these services. The current government signalled its commitment to expanded scope in the 2014 election platform and in the two mandate letters that Deb referred to.

I'd just like to repeat what Deb said earlier: We are very appreciative of this intent, and now we would like to move forward. To move forward, we need the regulatory approval and some modest funding.

We thank you for the opportunity to speak and we welcome any questions you have. Thank you.

The Chair (Ms. Soo Wong): Thank you very much. Ms. Fife, do you want to begin the questioning?

1140

Ms. Catherine Fife: Thank you very much for coming in today, Deb and Dennis. Your recommendations—these are not new recommendations; you've come before, and in some cases they've been listened to.

I did want to just take this opportunity to ask you about the Auditor General's report as it pertained to immunization, because you're looking to expand your scope of practice around that, but the Auditor General's report said that the \$250-million annual immunization program is not as efficient as it could be, with 21,000 instances last year where the Ministry of Health paid physicians and pharmacists for administering the flu shot to the same person. A new vaccination registry, Panorama, is costing \$160 million, which means it's \$85 million over budget. Still, the government does not know what happened to 20% of the flu vaccine doses it purchased last year.

This was a huge concern for us because it causes people to question the credibility of the immunization program, which isn't in anyone's best interest. Could you comment on the Auditor General's findings around immunization?

Mr. Dennis Darby: Sure. Yes, we did look at the Auditor General's report. A couple of things: The flu vaccine distribution program in Ontario right now is a bit of a mix. As you said, there are doctors that do it through their practices; pharmacists do it through pharmacies; public health units; schools; churches, and what have you. The problem right now is that, today, there is no central database, and we're hopeful that there is.

In the case that you've mentioned, where there was a duplicate, right now the good news I can tell you on behalf of pharmacies is that pharmacy-administered vaccines are caught live and caught as it happens. In fact, the government could say right now how many pharma-

cists have delivered the flu shot because it's done on an electronic system. The other groups aren't, yet. We're hopeful that, once they get on an electronic system like pharmacy is, they're going to have better tracking so that way there isn't a repeat of a mistakenly administered vaccine.

In terms of our suggestion on other vaccines beyond the flu, many of those, as Deb mentioned, are not part of the publicly funded or publicly stockpiled vaccines, but for those that are, we want to use the same system we have now for the flu shot, which allows real-time tracking. We're hopeful that at least we can do our part to prevent mistakes.

Ms. Catherine Fife: Okay. So you don't know where those 21,000 flu immunizations went as well. Right now the system is not equipped to track exactly where it is.

Mr. Dennis Darby: No, we may have GPS but we don't have it on every single dose because sometimes there are multiple doses in a vial that either a doctor or a pharmacist may use. There might be 10 doses in a vial and some of those may not have been accounted for. We have encouraged the government to take a look at the system that they've implemented for us and use it for everybody.

Ms. Catherine Fife: Is that the Panorama program that—

Mr. Dennis Darby: I don't know in great detail what that's a part of. The whole idea is to get a better handle on all our vaccines.

Ms. Catherine Fife: Okay. And obviously we share the concern. That needs to happen.

Mr. Dennis Darby: Yes.

Ms. Catherine Fife: The issue of Ontarians going to their pharmacy, acquiring an immunization, and then trying to wait for a doctor—there are 900,000 Ontarians who don't have a family doctor. There's no doubt that pharmacists are filling a gap around immunization, but they need access to that prescription and that referral, which you obviously point out.

Smoking cessation: huge issue. This is something that's actually going to be an ongoing issue, I think, in the province of Ontario. Do you want to talk about it a little bit more around the value for dollar, around prevention and intervention versus—because the economic case is there.

Mr. Dennis Darby: I can begin. Where the system is now is that people on the public drug program have access to a pharmacist's intervention for smoking cessation, and as Deb said, our success rates are on par with other practitioners. Clearly, we're only getting some of the smokers. We look at the economics—it's not lifetime economics. The economics are positive in terms of the treatment that happens in any five-year period. So that's the first part of it.

Ms. Catherine Fife: Okay. Deb?

Ms. Deb Saltmarche: I think that, to add onto that, it's very frustrating as a pharmacist to have, say, five patients come into your store and you can help one to quit smoking because that's funded, but you don't have

the resources to help the others. It's just not an equitable system at the moment.

Ms. Catherine Fife: Sure. So that's why your recommendation—

Ms. Deb Saltmarche: Yes.

Ms. Catherine Fife: Okay; that's very good. Please stay in touch with us, though, around the immunization because the Auditor General has made some recommendations and it's important that we get this right and that pharmacists are a key part of that process.

Ms. Deb Saltmarche: Thank you. And just to reiterate, we have the technology systems to feed into that system. We're just waiting for the system to evolve.

Ms. Catherine Fife: And I hope that it happens.

The Chair (Ms. Soo Wong): Thank you very much, Ms. Saltmarche and Mr. Darby, for being here and for your written submission.

I've got a couple of housekeeping items before we recess for lunch. The Clerk just informed me that the United Counties of Prescott and Russell submitted five white papers, totalling 228 pages. I wanted a consensus and to be collaborative with all three parties. Because we only have five copies, what is the will of the committee? Ms. Fife first.

Ms. Catherine Fife: I don't think that all of us need all of those copies. If it's available electronically, that's actually what I would prefer to get, because then I can search issues. So I don't want those 200 pages.

The Chair (Ms. Soo Wong): I'm going to ask the Clerk. Is this electronically available?

The Clerk of the Committee (Mr. Katch Koch): I will find out. If it's available electronically, I can simply forward it on to each committee member. If not, would one copy per caucus be sufficient?

The Chair (Ms. Soo Wong): Mr. Fedeli.

Mr. Victor Fedeli: While I trust that no one from northern Ontario is watching, I will say, let's have a lot less paper. I would prefer it electronically if it's available. If not, our caucus will take one copy.

Yes, we cut trees and make paper.

The Chair (Ms. Soo Wong): Am I hearing a consensus from all the members here that we will have one copy per caucus, and otherwise, the Clerk will send it to us electronically? Okay.

I am going to recess the committee until 1 p.m. this afternoon. I hope to see you guys shortly. Thank you.

The committee recessed from 1146 to 1300.

CANADA'S NATIONAL BREWERS

The Chair (Ms. Soo Wong): I'm going to resume the Standing Committee on Finance and Economic Affairs. The first presenter is Canada's National Brewers. Good afternoon, Emma Breen, vice-president; and Doug Mander. Welcome. As you know, you will have 10 minutes for your presentation followed by five minutes of questioning. This round of questions will be coming from the government side. You may begin any time. Please identify yourselves and the positions you hold at

Canada's National Brewers for the purpose of Hansard. Thank you.

Ms. Emma Breen: Thank you very much, committee members, for your time this afternoon. We know you've had a long week of travel and of hearings, so we very much appreciate it.

My name is Emma Breen. I work with Canada's National Brewers. With me today is Doug Mander, who's also with Canada's National Brewers.

I'd like to start, if I may, by sharing a few basic facts about the Beer Store. We often find folks are unaware of these.

(1) Any brewer can sell their beer at the Beer Store. Unlike other retail models where a brewer has to be accepted or approved to sell their product in the store, the Beer Store takes everyone. Brewers can list as many products as they want, and they can sell through any store that they want.

(2) Each brewer sets their own price. The Beer Store sets no prices whatsoever. As you may know, the government has what's called a uniform price law. This requires that the sale of alcohol be the same at every location in every part of the province. This is intended to ensure that people in northern and rural communities don't bear the brunt of higher distribution costs. One of the many benefits of our current system is that we're able to do this. Because of this, people often mistake that it's the Beer Store setting price, when in fact, it's each individual brewer. Brewers can set and change their selling price as they see fit. It creates a competitive environment in our stores, and it contributes to delivering the lowest average price of any other retail system in the country.

(3) The Beer Store employs 7,000 people in communities across Ontario. These are well-paid private sector jobs. Beer Store owners are responsible for all the pension costs and any and all liabilities. In addition, there are thousands of jobs across the province making up the brewing industry supply chain. This includes bottling, packaging and the agri-food sector, to name just a few.

(4) Beer Store owners are responsible for all of the capital costs associated with the 448 stores across the province. This includes a recent \$30-million investment in building new and renovating existing stores. The Beer Store also operates a world-class recycling system that saves Ontario municipalities \$40 million each year by diverting waste from the Blue Box system.

(5) Selection and choice: More than 105 brewers sell at the Beer Store, offering over 490 different brands of beer, with craft brewers making up 24% of those brands. In fact, small brewers are the fastest-growing segment at the Beer Store. Their sales are up 67% over the past five years. Just to note: The trend for larger brewers is that sales are down. Craft brewers are growing at the Beer Store in a declining market.

(6) The Beer Store generates over \$1 billion annually in revenue for the provincial and federal governments; 44% of every dollar spent at the Beer Store goes directly to government. Despite a high tax rate, Ontario beer drinkers pay among the lowest prices in Canada. Govern-

ment and consumers benefit from the Beer Store's efficiencies.

As you may know, the Beer Store was formed in 1927. Since that time, ownership configuration has changed many times with global consolidation in the beer industry, which resulted in the current ownership structure by Molson, Labatt and Sleeman. It's true the head offices of these brewers are no longer based in Ontario. But the jobs are here: 90% of the beer they sell is brewed here at breweries in Creemore, Guelph, Toronto and London, representing over 2,600 jobs in the province of Ontario.

However, we recognized that foreign ownership had become a lightning rod. We also recognized that the marketplace has changed and continues to change—in particular, the growth of small brewer representation in our stores. To this end, we made a decision to open up the ownership model to bring in more players that truly represent all Ontario brewers.

Ontario brewers have been asked to become ownership partners, to have a seat at the decision-making table where they currently have none. While these brewers sell about 10% of the system's beer volume, they would have 20% of the board director positions. In addition, new owner-brewers will also have a voice on an executive committee where they also currently have none. New owners will have access to all the financial and reporting information, details on day-to-day operations, more inclusion and greater transparency. Under the new system, small Ontario brewers will pay less for their listings than large Ontario brewers, including Labatt, Molson and Sleeman.

We also recognized that while there has been tremendous growth in the craft brewer sector, many of these brewers are small. They're new. They need additional support to access the Ontario retail channel. To lend this support, we've offered small breweries the opportunity to list two products at five Beer Store locations in their community for free. They can list those same products at any other store exempt from listing fees. As well, we've offered the ability to replace a product with a seasonal brew twice a year at no charge.

We believe this will result in a Beer Store system that better reflects the Ontario perspective, that offers an even better selection of local craft brewery products and changes to better meet the needs of all brewers and of Ontario consumers while still preserving the positive aspects of our retail alcohol system because the current system does deliver value to the government and to consumers. It's a highly efficient retail and distribution system. In fact, in Ontario, the Beer Store has the lowest retail and distribution costs of any other system in Canada. It keeps prices low, it's open to all brewers, it employs thousands of Ontarians, and it sends significant revenues to government each year.

We understand that the government is considering changes to the retail alcohol system in Ontario, of which we at the Beer Store are part. In that regard, we have worked and will continue to work collaboratively with

the asset council as it completes its work and brings forward recommendations to government.

What we respectfully ask of committee members as you deliberate and of the government as it finalizes its budget is to please account for the findings of the asset council and to please consider the facts about how the Beer Store operates. We recognize that there has been much discussion and debate about the Beer Store generally in recent months. We've paid attention to it. We believe that the changes we've announced will create a more inclusive and representative ownership structure, a more transparent and accessible Beer Store that continues to offer a highly efficient, low-cost retail system that benefits all brewers, a system that enables government to set a high tax rate and derive significant revenue—

The Chair (Ms. Soo Wong): Ms. Breen, could you wrap up your presentation so the government side can ask you some questions?

Ms. Emma Breen: —and a system that delivers competitive prices for Ontario consumers. Thank you.

1310

The Chair (Ms. Soo Wong): Ms. Hoggarth, do you want to begin the questioning?

Ms. Ann Hoggarth: Thank you very much, Emma and Doug, for your presentation. We had a little chat before I sat down. Of course, I'm from Barrie, and we were very fortunate to have Molson as one of our main employers for many years. We were very devastated when Molson left Barrie.

Nowadays we have Flying Monkeys in downtown Barrie, and they are expanding both facilities and markets around the world. That's very exciting for Barrie. They did give me a bottle of chocolate stout that I took home. As yet, I haven't found anyone who would even try it. However, I thought my grandchildren would think that was pretty good—my grandchildren are 23 and 20, so I wasn't giving it to underage children. Nobody seemed to want to try chocolate beer. I love chocolate, but not beer.

I just wanted to say that it's great—all of the financial points that you've made about the recycling, we appreciate that. That makes such a difference. It is true that small brewers' sales are going up. The trend is now—and of course, Creemore is not far from Barrie either.

Do you believe the current beer retail system is best for Ontarians?

Ms. Emma Breen: I absolutely do. I think there's tremendous value in the system as it currently operates. It's incredibly efficient, which delivers the lowest retail and distribution costs. Because of that, that allows all brewers, large and small, to set competitive prices, making their businesses economic. It allows the government to have a high tax rate and derive significant revenue from the operations, and it still delivers the lowest average price of beer for Ontario consumers.

But that being said, I think it can be better. We really feel that the changes that we announced earlier this month will create the opportunity for meaningful change at the Beer Store. It's not all going to happen overnight

and it's not going to fix every issue right away. It's a process. The listing change announcement, for example, is effective immediately. We have had a very, very positive response from small brewers. We expect to see more selling through our system and more local products on our shelves in coming weeks.

The \$30-million investment that we're making in our stores—the self-serve format: We're working our way across the province. We've got 448 of them. Customers tell us they appreciate the new shopping experience. Small brewers like it because they can better showcase their products. You can see their beers out. They want to see all the stores done. As I said, we're committed to that process. In fact, we opened a new store this morning in Shelburne. MPP Sylvia Jones was kind enough to take the time to come out, as all MPPs have been out in their communities as we make our way through.

Just to close: On the ownership side, that is also an ongoing process. We've had a significant response. We're engaged actively in discussions with a number of brewers. Non-disclosure agreements have been signed. Obviously, due diligence has to be undertaken and it takes a bit of time, but our next board meeting is in May and we're very hopeful that we'll have the opportunity to reconstitute our board at that time with a new ownership structure, with more players bringing an Ontario perspective to decision-making about the operations of the Beer Store going forward.

Ms. Ann Hoggarth: I'm very glad to hear that.

Not that I believe all polls, but I saw a poll yesterday, I think, and people were asked, "Do you think the Beer Store should be a monopoly?" I know that historically you've done a lot of interaction with governments, and we appreciate that. You have to have the players in on the discussion. I know that we are now waiting for Ed Clark's recommendations, and we all await what's going to happen. I'd like to thank you so much for being here and enlightening us about the Beer Stores. Thank you.

Ms. Emma Breen: Thank you very much.

The Chair (Ms. Soo Wong): Thank you very much for being here. I understand you have submitted your written submissions.

Ms. Emma Breen: The submissions have been made, yes.

The Chair (Ms. Soo Wong): So just for the committee members, it was sent in one of our packages. Thank you very much.

ONTARIO HOSPITAL ASSOCIATION

The Chair (Ms. Soo Wong): Our next group of presenters are from the Ontario Hospital Association, Pierre Noel, chair, and Anthony Dale, chief executive officer. Gentlemen, welcome.

As you heard earlier, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official opposition party. You may begin any time. When you begin, please identify yourself, as well as your

position with the OHA for the purposes of Hansard. Thank you.

Mr. Pierre Noel: Good afternoon. My name is Pierre Noel, and I'm the chair of the board of directors of the Ontario Hospital Association and the president and CEO of the Pembroke Regional Hospital. I'm joined today by Anthony Dale, the president and CEO of our association.

I'd like to thank you for this opportunity to present on behalf of the OHA. As you know, the association represents Ontario's 149 public hospitals in the province. The mission of the OHA is to create a high-performing health care system to better serve patients, and it's a pleasure to present to this committee today.

At the OHA, we believe that the health system transformation under way in Ontario is a significant step forward towards improved patient care. At the same time, after three years without any funding increases for inflation, hospitals are now facing some very challenging budget decisions to contain costs and meet the ever-increasing service needs of patients.

Over the past three years, hospitals have shown tremendous leadership in making their operations more efficient. Hospitals have absorbed significant additional costs, particularly those that are compensation-related, while growing patient volumes each and every year. With the help of their partners, wait times have gone down and Ontarians are getting the care they need faster. Ontario hospitals are the most efficient in Canada. They routinely operate at 90% capacity or higher, and Ontario's system already has the fewest beds per 1,000 amongst all of Canada's provinces.

We are proud of this accomplishment, but as hospitals continue with their planning for 2015-16 and beyond, more and more organizations face increasingly significant challenges. Difficult decisions lie ahead for a large number of Ontario's hospitals. For that reason, the OHA recommends that government provide hospitals with the tools to ensure that every dollar spent on health care is utilized most effectively.

Mr. Anthony Dale: Thanks, Pierre. For a number of years, the OHA has been calling for a comprehensive, evidence-based capacity plan for health services. This plan would use demographics and research to forecast and benchmark the number and different types of beds or services needed to meet the needs of different populations across the province. Simply put, Ontario requires serious health services capacity planning in order to continue delivering high-quality care to the people of this province. We need a plan, a road map, if you will, to guide significant, targeted investments in health services throughout the system.

Some 13% of Ontario's hospital beds continue to be filled by alternate-level-of-care patients. These patients have received the care they need in hospital, but they can't be discharged in a timely manner because there is no other level of appropriate care available to them.

We must do better for the people of Ontario. In the future, we need to know the right number of beds to have in hospitals and long-term-care homes. We need to know

the number of assisted living spaces required, home care hours needed, primary care and mental health services available. A comprehensive capacity plan would not only help decide where care should be provided, but also how it should be funded.

With health system transformation taking place in Ontario, health system funding reform, or HSFR, can be another tool used to drive change. Strengthening HSFR is a core priority for the OHA. Since its inception three years ago, funding reform has spurred changes across hospitals. Significant increases in volumes and improvements in quality have been achieved. Hospitals have demonstrated their capacity for innovation and have emerged as leaders within the system. However, after three years of experience, now is the natural time to review progress and identify ways to strengthen and improve this important mandate.

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From the perspective of the OHA, there are several key implementation issues with HSFR that should be addressed.

Hospitals need their funding information well in advance of the fiscal year and in alignment with their business cycles. This will provide greater certainty and enable better planning. HSFR-related funding and funding provided outside of it should also be better coordinated.

It's time to examine the technical underpinnings of the new formula, and to examine it closely, to see if it is having unintended consequences. We also need to ask ourselves if there are policy gaps, particularly regarding access, that should be addressed.

Broadly speaking, government should continue to pursue the development of new funding models to drive system integration and improve patient experience, particularly as certain types of care shift from the hospital into the community. The government has increased funding to the home and community care sector by about 5% annually over the past several years, and that amount has helped the sector deal with the inflationary pressure it is under. The OHA strongly supports the government's investment in this sector, and we recommend further evidence-based investments in home and community care.

As hospitals continue to come under enormous pressure—and I assure you that the pressure is extremely significant—it's essential that the province have a plan to aggressively invest in home and community services, long-term care, assisted living and other vital areas, so that patients can be discharged quickly and safely from hospitals and receive the most appropriate level of care.

As transformation accelerates and Ontario's health system evolves, there are still some barriers to integration and affordability that could be addressed. To enable the modernization of health services delivery, the OHA recommends that the Public Sector Labour Relations Transition Act, or PSLRTA, be reformed. We must find a balance that respects the importance of ensuring a good, fair wage for health care professionals while also

allowing for the affordable, timely integration of health services among hospitals, and between hospitals and other providers.

Another significant matter is labour and employment arbitration. The OHA has a history of conducting fair and responsible bargaining that is affordable for employers and respectful of its employees. Ontario hospitals value our employees and believe that it's imperative that they be compensated fairly. We've embraced the collective bargaining process as the right way to meet the objectives of both parties, and we've been successful with the majority of our partners.

However, when a voluntary agreement cannot be achieved, the truth of the matter is that arbitration boards have granted awards that do not take the current fiscal constraints into account, forcing hospitals to be stretched beyond their financial means. Further, and very importantly, these awards have strayed significantly from other freely negotiated contracts with the very same types of employees.

Arbitrators must take into direct account the hospital's ability to pay and ensure that awards reflect the current fiscal environment in Ontario. Otherwise, into the future, hospitals may be required to divert funds from front-line care.

Now I'll just ask Pierre to speak about our final recommendation.

Mr. Pierre Noel: Thanks, Anthony.

In this environment of fiscal constraint, hospitals are also being faced with having to continuously delay upgrades to our IT systems in order to maintain high-quality patient care. Hospitals are committed to helping the government create a high-performing health care system. Ontario hospitals are looking to share experiences, resources and infrastructure. However, many of the priority areas for health system improvement are dependent on a robust IT system, and existing systems are no longer meeting the demands.

Point-of-service IT systems that are interoperable and support communication from a hospital to a doctor's office and beyond will have measurable outcomes that will enhance patient care, such as prevention of adverse drug events and enhanced privacy protection.

Hospitals have not received dedicated funding for IT enhancements and, in a zero-growth funding environment, they have inadequate resources to modernize. Hospitals need to work with their partners—the government of Ontario, Canada Health Infoway, LHINs and the private sector—to identify strategies to procuring IT infrastructure. Otherwise, it will remain exceedingly difficult for hospitals to share information across the care continuum.

To conclude, we believe that the recommendations we have outlined today are essential to improving patient care in today's extremely challenging fiscal environment.

Thank you for your time today. We look forward to answering any questions about our recommendations that you may have.

The Chair (Ms. Soo Wong): Thank you, Mr. Noel. I believe this round of questioning is from the opposition. Mr. Arnott?

Mr. Ted Arnott: Thank you, Madam Chair, and thank you, Pierre and Anthony, for your presentation. It's good to see both of you again and see you in these new responsibilities. I want to compliment you on the work that you're doing.

In your brief, it says, "Ontario Hospitals: A Track Record of Leadership and Innovation," and you could add the word "success" to that. You have done an extraordinary job, and we appreciate everything that our hospitals do in the province of Ontario.

You referenced the issue of alternate-level-of-care patients. You said that a couple of years ago, 18% of the beds were filled with ALC patients and now it's down to 13%. What do we need to do specifically to reduce that number to a more acceptable level?

Mr. Anthony Dale: ALC is an illustration of what happens when the system isn't connected and working well together. It's really proving that we don't have the capacity that we need elsewhere.

When the ALC number was as high as 18% or even 20%—it varies across different communities in the province—the characteristics of those patients were often that they were frail elderly, they had complex chronic conditions. What we know today, three or four years later, now that the numbers have been reduced, is that they are actually starting to present with additional even more important complexities, particularly around cognitive behavioural and mental health patient concerns. That means that our long-term-care facilities, our community sector partners, don't yet have the skills and capacities to care for patients with that kind of frail need.

Perhaps, Pierre, you could comment based on your own community.

Mr. Pierre Noel: Discharging patients from hospital is often not an easy or a simple exercise. One has to take very keen account of the dynamics of the situation and make sure that patient is safe upon transfer.

We've seen some inroads. Part of that gain in the decrease in percentage of ALC was as a result of a home-first policy in the community care access centre. Those types of investments can really make a difference.

The capacity planning in general is really what's required in our province. We haven't had that type of road map exercise in recent memory, where we scope out the number of hospital beds, the number of long-term-care beds, CCAC capacity and capacity in the broader community and make sure we've got the right pieces of the puzzle in order to smoothly care for patients.

When that continuum is not well thought out, or appropriately configured and funded, we see problems like ALC develop in the system. So capacity planning and really understanding what resources we need to have in place is critical to our system going forward.

Mr. Ted Arnott: Reform of the Public Sector Labour Relations Transition Act, or you call it—

Mr. Anthony Dale: PSLRTA.

Mr. Ted Arnott: PSLRTA. What exactly are you asking the government to do, in terms of amendments to that act?

Mr. Anthony Dale: I think that there are a variety of options available, but what I would say is that when PSLRTA was first created in the mid-1990s, it was intended to facilitate the merger and consolidation of larger corporations—hospitals, municipalities and so on. Over the last 20 years, through the Labour Relations Board and other decisions and findings, the scope of PSLRTA has expanded to include smaller-scale service transfers.

What we're saying is that in a situation where we're trying to build up capacity elsewhere in the system and reduce our reliance on hospitals—if you're moving services from a hospital to, say, a community clinic, you're moving your employees into a long-term-care facility or you're establishing a new partnership with a community provider—we're not so sure that that legislation should apply in those specific instances, because what you end up doing, in effect, is transferring the hospital sector's collective agreement along with it. We're very proud of how well hospital workers are paid, but of course they are the highest-paid workers in Ontario's health care system. So that, we think, is something that should be very carefully evaluated and probably more sharply defined.

Mr. Ted Arnott: So in keeping with government's current agenda of greater integration, we need to look at amendments to facilitate that and make it easier.

1330

Yesterday at the Georgetown Hospital, the Halton Hills Health Link was announced. I couldn't be there because I was here on the standing committee, but it sounded very impressive, the number of health partners that they have brought together. So I think that's obviously a positive development for our community. The announcement was made at the hospital, so that was good news.

Mr. Anthony Dale: All across the province are all sorts of local innovations coming together through health links or other pre-existing partnerships, and in the very near future the ministry is poised to announce a series of pilots that will invite submissions from hospitals and their partners to re-examine the way they are delivering care for patients who have had a short stay in hospital and to deal with their home and community service needs as they're discharged. That's a great example of innovation in integration, but we won't be able to achieve the benefits we properly should without the kind of changes that we've recommended.

The Chair (Ms. Soo Wong): Gentlemen, thank you very much for your presentation and your written submission.

CANADIAN FUELS ASSOCIATION

The Chair (Ms. Soo Wong): The next group coming before us is the Canadian Fuels Association. I believe it's Faith Goodman and Eric Bristow.

Mr. Eric Bristow: Faith is not with us today.

The Chair (Ms. Soo Wong): All right, Mr. Bristow. As you heard earlier, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will be coming from the third party. You may begin any time. Please identify yourself as well as your position with the Canadian Fuels Association for the purposes of Hansard. Thank you.

Mr. Eric Bristow: Certainly. I do have a handout. The presentation I'm making should be coming around.

Madam Chair, standing committee members, my name is Eric Bristow. I'm the director of government and stakeholder relations in Ontario for the Canadian Fuels Association. I'm very pleased to be here today to talk about the refining industry, its economic contribution to Ontario and our budget priorities.

The Canadian Fuels Association represents the industry that supplies 95% of Canada's transportation fuels. Simply put, we fuel the Ontario economy. Petroleum fuels account for 42% of the energy that Ontarians consume every day, and our members produce and distribute nearly all of the fuels that power transportation of people and goods.

Fuel refining is a core component of Ontario's manufacturing and processing industry. In addition to the various fuel products that most people are familiar with, we also produce feedstocks for other industries for further value-added manufacturing, such as in the petrochemical industry. We own and operate an extensive infrastructure of transportation assets, distribution terminals and retail sites to provide Ontarians with the right fuel at the right place at the right time.

The other thing that is significant: Our refineries are an economic pillar in southwestern Ontario. Ontario is home to a third of Canada's refineries, employing 5,700 highly skilled workers who earn wages, on average, about 50% higher than the Canadian manufacturing average. Ontario refineries contribute \$1.4 billion in direct GDP and another \$4 billion in indirect GDP.

Our fuels and refineries are cleaner than ever before, and we are continuously improving. We have reduced sulphur content by 85% in gasoline and by 98% in diesel since 2000. This has resulted in vehicle emissions reductions of key smog precursors by 75% to 95%, and we are on track to further reduce sulphur in gasoline by 97% beginning in 2017.

In addition to the improvement in fuel quality, since 2002 we've reduced refinery air emissions, ranging from 45% to 67%, including sulphur dioxide, nitrogen oxide and benzene. From our perspective, cleaner fuels and cleaner refineries means cleaner air for Ontarians. In Sarnia, the Ministry of the Environment and Climate Change reports that total emissions of key contaminants such as nitrogen oxides and sulphur dioxides are down 50% in the past 10 years.

We are also a leader in addressing climate change. Since 1990, greenhouse gas emissions from Ontario refineries are down 30%. The overall Ontario manufacturing industry more broadly is down 26%. It's worth

noting that these GHG reductions have occurred in the absence of regulations.

We strongly encourage conservation and the efficient use of our products.

At the same time, our industry is facing intense competitive pressures. Ontario refiners compete in a fuels market that is global. North American and European refineries are experiencing long-term declining demand, in some cases resulting in refinery closures. From our perspective, policies that are developed need to be outcome oriented—what is the outcome that's needed?—and provide the flexibility for how to best achieve that outcome. This is in line with requirements in key competing jurisdictions.

We urge government to approach policy development in a staged, paced and cohesive manner which includes meaningful consultations with all industry. Canadian Fuels supports the Energy East pipeline because it provides eastern Canadian refiners with an opportunity for an additional source of crude oil. The Ontario fuels market is served from refineries in Ontario, Quebec and beyond.

Crude oil cost, needless to say, is a critical component of refining economics. Greater choice in crude supply will assist eastern Canadian refineries in remaining competitive in this trade-exposed manufacturing industry.

The Ontario government can also support our industry by working in cooperation with other governments to avoid a regulatory patchwork approach and reduce the cumulative impacts of regulation. Like other manufacturers in the province, as we speak, we are currently working on about a dozen provincial and federal environmental policies that are either being implemented or developed, all at the same time.

Canadian Fuels then asks that governments understand and consider the cumulative impacts of federal and Ontario regulatory initiatives so that it doesn't erode Ontario's refining viability. In some cases, the Ontario and federal governments have regulated or are regulating or are working towards regulating the same item in different ways. This adds to the regulatory cost burden.

We support the Ontario-Quebec joint initiatives on energy, environment and climate change, and the economy. We applaud the governments' plan to study the competitiveness of the petroleum refining industry.

Canadian Fuels also supports the Ontario-Quebec initiative to exchange electricity capacity and make power more affordable and reliable in each province. However, we strongly encourage Ontario to seek ways to reduce the all-in industrial electricity cost to a level that is competitive with key competing North American jurisdictions.

In conclusion, we are a pillar manufacturer in the province, providing over 40% of Ontario's energy needs and nearly all of the province's transportation fuels. We have significantly improved our environmental performance for our facilities and the fuels we produce, and we will continue to do so.

We are facing global competitiveness challenges not unlike other manufacturing sectors. So we need govern-

ments to think about policies in a staged, paced and cohesive manner to keep supporting Ontario's jobs, economy and manufacturing sector. We also urge meaningful consultation with industry on key issues before the government announces or encodes new policies or changes to policies or tax measures in this upcoming budget.

I thank you for your attention and would be pleased to take questions.

The Chair (Ms. Soo Wong): Thank you very much. Ms. Fife.

Ms. Catherine Fife: Thank you very much, Eric. You've made a compelling economic case. I wanted to give you an opportunity to address some of your concluding comments. You say that you want governments to think about policies in a staged, paced and cohesive manner. Do you want to give us an example of when that hasn't happened and perhaps unintended consequences of not moving ahead with a more strategic rollout of a policy or legislation?

Mr. Eric Bristow: Well, as we speak, the government of Ontario is obviously working on a greenhouse gas policy and proposals. Other provinces have worked on it. At the same time, our sector has been working with the federal government on this. We would like the federal and provincial governments to be working together in terms of a more cohesive approach, because there are different approaches taken across Canada.

Another example: The federal government regulates and legislates toxic substances through the Chemicals Management Plan. It's actually an internationally recognized approach. Be that as it may, Ontario moved forward with its own Toxics Reduction Act. That, to us, was a missed opportunity for the province and the federal government to align and have a cohesive, integrated approach, as opposed to two levels of government regulating on the same thing. Those are a couple of examples.

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Ms. Catherine Fife: Sure. You also mentioned that your industry would like meaningful consultation, right? It makes sense to do the consultation first before policies and legislation roll out, and then you try to undo some of the fallout, if you will. So you're looking for meaningful consultation with industry on key issues.

Would you like to talk about some of those key issues? The federal-provincial alignment is one, but there is a lot coming down the pipeline in this budget.

Mr. Eric Bristow: Yes. Certainly the proposals around climate change are definitely one that the government is working on right now, and we've certainly been speaking with the provincial government about that and providing input.

Our members operate across Canada, and some of our members operate globally. We have extensive experience in working with various approaches to pricing and managing carbon across the world, globally. We can bring that kind of experience to the table to help shape an appropriate policy that makes sense for Ontario and helps achieve the outcomes, but also recognizes the potential concerns and risks. Obviously, Ontario industry, our

sector, is concerned about the competitiveness impacts. Ontario is moving forward with a policy, and other key competing jurisdictions, which tend to maybe be price-setting jurisdictions, aren't engaged. What does that do to Ontario refining industry competitiveness? We want to make sure that's clearly understood and is considered as part of this.

Ms. Catherine Fife: So we actually don't know what's officially going to be coming down the pipeline. The only thing that we've seen was via Twitter.

Mr. Eric Bristow: Yes. We don't either. We've been giving some input, and obviously we look to be fully engaged in it, because we believe that we have some expertise and knowledge that we can bring to the table to help.

Ms. Catherine Fife: Okay. I guess my question is, has the Minister of the Environment and Climate Change reached out to you thus far?

Mr. Eric Bristow: We have met with the minister, and we have provided the minister with some of our thoughts and input, because we are aware that the government is working on a policy paper to put out, so we wanted to provide some input in advance of that for them to consider. So we have met with the minister on that.

Ms. Catherine Fife: Would this be a good opportunity for you to weigh in on cap-and-trade versus carbon pricing or carbon taxing?

Mr. Eric Bristow: We can work with either model. We have experience in other jurisdictions with either model. I think the important thing, whether it's cap-and-trade or a carbon tax, is that the government has thought through the impacts and implications of the model that's being put forward. For example, if it's cap-and-trade, what does it mean for the competitiveness of industry? How does it impact industry competitiveness? If it's a carbon tax, what does that do for the consumers? How do these different mechanisms help achieve the outcome, and what is the expected outcome to be achieved? What does it do for consumers? If a consumer is paying an additional tax on fuel products, they don't have that money in their pocket for something else. What are the impacts of that?

Those are the kinds of things—

The Chair (Ms. Soo Wong): Mr. Bristow, I'm sorry. Your presentation is up. Thank you for your written submission.

ONTARIO CONFEDERATION OF UNIVERSITY FACULTY ASSOCIATIONS

The Chair (Ms. Soo Wong): The next presenter is the Ontario Federation of University Faculty Associations. I believe Ms. Kate Lawson, the president, and Mark Rosenfeld, the executive director, are here today.

Welcome. As you've probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning from the committee members. This round of questioning will be coming from the government side.

You may begin any time. Please begin by identifying yourselves and your positions with the Ontario Confederation of University Faculty Associations for the purposes of Hansard. Thank you.

Ms. Kate Lawson: Good afternoon. Thank you very much. My name is Kate Lawson. I'm the president of the Ontario Confederation of University Faculty Associations and an associate professor at the University of Waterloo. With me here is Mark Rosenfeld, who is the executive director of OCUFA. Thank you very much for the opportunity to speak with you today. OCUFA is the provincial voice for 17,000 faculty and academic librarians at 28 member associations across Ontario.

In Ontario, we have a lot to be proud of when it comes to our universities. Our universities are world-class centres of research and teaching. Through innovative research, universities improve lives and build whole new sectors of our economy. Universities also enrich our cultural lives, while helping us to understand what it means to live in a democratic society.

But I want to suggest that we cannot take the success of our universities for granted. Strong public universities require consistent, long-term funding from government. A commitment must be made to provide stable funding that protects high-quality learning and keeps tuition fees affordable while preserving the independent and free-thinking nature of our institutions. We must also commit to ensuring that academic jobs are good jobs, and that those who work in universities can be confident in a secure retirement.

Our submission to you today lays out a road map for what we believe is a strong and thriving higher education sector. We recommend four major areas: (1) sustainable increases in public funding for universities; (2) hiring adequate numbers of full-time professors to promote high-quality student learning; (3) improving working conditions for the thousands of bright academics who are stuck in low-paid and precarious employment; and (4) ensuring good retirement for all workers in the university sector.

Let me run briefly through these four areas: number one, funding. At the moment, universities face an uncertain future, and they continue to be seriously underfunded by government. The government of Ontario has invested in universities before. In 2005, the Reaching Higher plan did lead to historic increases in funding, but its bold vision has not been sustained over the past decade. We must begin to invest again so we don't lose what we have achieved.

Ontario universities currently receive the lowest level of per-student funding in all of Canada. Ontario has been at the back of the national pack for over a decade, and we are falling further behind. In 2012-13, Ontario's per-student operating grants were 34% behind the average in the rest of Canada—just over \$8,000 per student, compared to \$12,500 per student in the rest of the country.

Even if you combine operating grants from government with net tuition fees, despite having, in fact, the highest tuition fees in Canada, Ontario still has the lowest

level of per-student funding in the country at just over \$16,000 per student compared to \$17,500 per student on average in the rest of Canada.

This means that our universities are trying to provide the high-quality learning experience our students deserve with fewer per-student dollars than universities in other provinces. Bringing per-student funding to Ontario universities in line with the average of the rest of the country would require cumulative investment of \$3.56 billion from 2015 to 2020.

Now, OCUFA recognizes that the province continues to face a period of financial constraint and that investment of this magnitude is unlikely in the short term. But we must not let short-term fiscal challenges justify continuing underinvestment in our future. Any reinvestment now that increases per-student funding is important and will help to ensure that Ontario universities don't fall further behind.

At an absolute minimum, we would argue, government must maintain investment at the current level. With anticipated enrolment and adjusting for inflation, this would require an additional \$165 million in 2015-16. That's over and above the \$3.49 billion allocated in 2014-15. Until more substantial investments can be made, maintaining the current level of investment in higher education would allow our institutions to hold their ground.

Number two, good jobs in the university sector: In addition to adequate public funding, good jobs are also at the centre of a thriving university sector. High-quality education relies on faculty who have the time and resources to mentor and support their students, but, unfortunately, our university sector is moving in the opposite direction. Over the past decade, the hiring of full-time faculty has failed to keep pace with enrolment increases. Between 2000 and 2012, full-time student enrolment increased by 68%, while, at the same time, full-time faculty employment increased by 31%—so 68% more students; 31% more full-time faculty.

As a result of this imbalance, Ontario has the highest student-faculty ratio in Canada. In 2010, there were 28 students for every full-time faculty member compared to 23 to 1 in the rest of Canada. Last year, in fact, it increased to 29 to 1 in Ontario. This means that students in Ontario are learning in larger classes, with fewer course options, and having fewer opportunities to have meaningful interaction with their professors.

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The problem is getting worse. Indeed, many departments are not replacing professors upon retirement, and instead, they are hiring more and more part-time and contract faculty. Between 2000 and 2012, the number of courses taught by contract faculty increased by 90%. The proportion of faculty working on temporary contracts has also increased. In 1999, only 10% of full-time professors were temporary. In 2010, that number was now 17%.

These growing numbers of contract faculty face common challenges, including job insecurity, low pay and lack of access to benefits and pensions. Because of these

working conditions and a lack of institutional resources, they are often also unable to achieve their full potential as both teachers and researchers.

If the rise in precarious work in Ontario universities is not addressed, the quality of education will suffer—and the number of bright academics who are graduating into, in effect, casualized labour.

While it's true that decisions about hiring are made by individual institutions, there is much the provincial government can do to take a leadership role by improving working conditions and protecting the quality of learning in Ontario universities.

First, there are opportunities to improve minimum standards while legislating equal pay and access to benefits for part-time workers under the Employment Standards Act. In addition to benefiting contract faculty, they would of course benefit the growing number of precarious workers across the whole economy.

Second, government must take into account the disproportionate impact that underfunding has on precarious workers, and explore ways that their policies can better support jobs in the university sector.

Thirdly, it is crucial that the government fund universities at a level that is sufficient to support the hiring of more full-time faculty.

OCUFA estimates that to bring Ontario's student-faculty ratio in line with the average in the rest of Canada, 8,500 full-time professors would need to be hired between now and 2020, or about 1,400 professors per year. Hiring at this level would cost an additional \$157 million per year. Supporting this level of investment would facilitate greater student-faculty interaction and enhance learning for all students.

Thirdly, pensions: OCUFA's third priority is to improve pensions and retirement security for workers in the university sector. Research conducted in 2013-14 by OCUFA, with financial support from the Ministry of Training, Colleges and Universities, assessed the sustainability of current pension plans. It established that there is no sector-wide sustainability problem, although there are a few pockets of concern. To address these concerns, one option that OCUFA is actively exploring with other university sector stakeholders is establishing a multi-employer, jointly sponsored pension plan, or JSPP, for our sector.

The Ministry of Finance is currently developing a regulatory regime that will govern the transition of single-employer pension plans to new and existing jointly sponsored pension plans. Earlier this month, draft regulations were released for consultation, and OCUFA will continue to work with the Ministry of Finance to address the varied and complex issues that must be considered when establishing this regulatory framework.

OCUFA also actively supports the establishment of the Ontario Retirement Pension Plan, which will contribute to securing adequate retirement income for all Ontarians, including university faculty. Indeed, contract and part-time faculty, in particular, stand to gain from the Ontario Retirement Pension Plan, because such faculty

often do not have access to workplace pensions, or when they do, the benefit is inadequate to provide a secure retirement.

While the ORPP aims to mirror the Canada Pension Plan, it does risk falling short on one key design feature—that is, government has indicated that those already participating in a pension plan would not be enrolled in the ORPP. By leaving out Ontarians who have access to a target benefit or a defined benefit workplace pension plan, the ORPP—

The Chair (Ms. Soo Wong): Ms. Lawson, can you wrap up your presentation, please? Thank you.

Ms. Kate Lawson: Thank you.

In conclusion, let me be clear that universities face an uncertain future; they continue to be seriously underfunded; they are facing a profound shift towards temporary and part-time workers; and much remains to ensure that workers in our sector have access to pension plans. Thank you very much.

The Chair (Ms. Soo Wong): Thank you very much. Mr. Baker, can you begin the questioning?

Mr. Yvan Baker: Thank you both for coming in today. I have to say that I appreciate the important work that the faculty you represent do every day, I think, in doing some of the things you mentioned in your preamble, but also in preparing our young people for the world beyond.

I had the privilege, over the last four years, of being a part-time faculty member at York University. It's one of the most rewarding things that I've ever done, for some of the reasons you stated, but also because I realized the important role that we all play—I'll say "we," if I may—in helping those young people be prepared for that after they graduate, because we are often the last touch point before they enter the labour market.

Ms. Kate Lawson: Absolutely.

Mr. Yvan Baker: I wanted to address a couple of quick points that you raised and then ask a couple of questions, if I could. First of all, you spoke to university funding. I know that if we think about going back to 2005 and the Reaching Higher plan, the government has continued to increase funding towards universities. I think that it reflects an appreciation of the important role that universities play. I know it's sometimes difficult. I have a management consulting background, too, so I've spent time looking at that over the years, and sometimes it's difficult to compare data, depending on when the data was collected and over what time period you're looking, but certainly I know that university funding has risen about 29% per student since about 2002-03. I appreciate the feedback you've given us. I'll certainly take that back; it's helpful.

I take your point on pensions. Again, I know that you're working closely with the ministry on a plan for that. I know there's more technical work to be done but I appreciate that feedback. We'll take that back as well.

I was hoping to ask you: I know that the ministry is looking at the funding formula review. I was curious to

know what your thoughts are on that, what you're hearing from your faculty on that.

Ms. Kate Lawson: I think there's a good deal of anxiety and uncertainty about what a funding formula review would look like. The current regime has been in place longer than the institutional memory of most of my colleagues.

There has been envelope funding over the years that has specifically targeted this area or that area, for often very good reasons. We really want to ensure that all of these discussions on potential changes to the funding formula involve broad consultation with faculty, with students and with all stakeholders. Indeed the public, I think, has a great interest in this as well. We'd want to make sure that those changes were the result of broad consultation.

Mr. Yvan Baker: I think about my experience, and one of the things is that sometimes students come to me and come and ask for career advice. They say, "How can I succeed? Do you have any advice on how to find a job, or are there people you can introduce me to?" Is there anything we can do as faculty, or as government, more broadly, to help make sure that we're giving university students who graduate the best possible outcomes—supporting them and achieving the best possible outcomes—when they do graduate?

Ms. Kate Lawson: I appreciate the fact that you have been a professor and I think therefore you have, like me, been privileged to meet these incredibly bright young people with lots of ambitions, ideas, drive, and who are incredibly hard-working.

I would argue that one of the best ways of supporting them, in fact, is that in those four years in which we are privileged to work with them, they actually have opportunities for meaningful interaction with faculty. Students in classes of 400—or 1,000, God help them, sometimes: Those classes can be very anonymous. Students can feel very disconnected from the institution, from their learning. I know I work very hard and my colleagues work very hard, and the best we can, to try to establish personal relationships. As you say, that student who comes by your office hours and says, "I'm thinking about doing this; do you have any suggestions?" or, "How can I get on that track to employment?" or, "What courses would you suggest? I want to do this"—it's often those personal conversations, I think, that make all the difference for many, many students.

Mr. Yvan Baker: That's helpful.

The Chair (Ms. Soo Wong): Thank you very much for your presentation, Ms. Lawson, and your written submission as well.

CANADIAN AUTOMOBILE ASSOCIATION

The Chair (Ms. Soo Wong): The next presenter is the Canadian Automobile Association, CAA: Elliott Silverstein. Good afternoon. As you heard, you will have 10 minutes for your presentation followed by five minutes of questioning. This round of questioning is from

the official opposition party. You may begin any time. Please identify yourself as well as your position with the CAA for the purposes of Hansard. Thank you.

Mr. Elliott Silverstein: Thank you. Madam Chair and members of the standing committee, thank you for the opportunity to speak to you today. My name is Elliott Silverstein. I'm manager of government relations at CAA South Central Ontario.

The CAA is a national not-for-profit auto club and has been advocating for our members since 1903. Today, CAA serves nearly six million members through nine clubs across Canada. CAA South Central Ontario is the largest club in the federation, and collectively among the three clubs in Ontario, we service over 2.3 million members across the province. CAA's membership numbers highlight that no organization is more in touch with motorists.

1400

Advocacy is the origin of our existence. One of our first orders of business was about a century ago advocating for an increased speed limit from eight to 10 miles per hour in Toronto. Since then, our efforts have progressed. We were an integral part of advocating for school safety, the building of the Trans-Canada Highway, pushing for mandatory seat belt use and, more recently, working on impaired driving initiatives and gas taxes.

Today, CAA continues to advocate on behalf of its members and the motoring public at both the provincial and municipal levels of government. Our work focuses today on transportation infrastructure, mobility, traffic safety, consumer protection and the environment. We focus on these issues that affect our members and the motoring public and do our best to help people understand these issues.

It's important to note that our members are not just motorists. Our members are cyclists. They use public transportation systems. They understand the importance of an integrated transportation system, regardless of the mode of travel they choose.

Today's presentation—I'll be brief—will focus on a couple of areas of importance to CAA. Specifically, I'm going to talk about Bill 15, the regulation of the towing industry and the next steps, as well as dedicated funding for infrastructure.

CAA was supportive of the government's efforts to lower auto insurance rates on average by 15% for Ontario motorists. Following the provincial election, the auto insurance legislation and a previous bill regulating the towing industry were merged together as Bill 15. That received royal assent in November, yet there are many factors that have yet to be defined and will soon be addressed via regulations.

While the government will be convening discussions shortly with the towing industry and its stakeholders regarding these regulations, it's important to highlight today some of the risks as these conversations commence, most notably that the cost for consumers and consumer protection and safety could be impacted if regulations are not reflective of today's environment.

Through Bill 15, the towing industry's exemption from the commercial vehicle operator registration, or CVOR for short, has been removed. In essence, tow truck operators could be subject to the same conditions and requirements as long-haul truck drivers, even though the type undertaken by tow truck drivers is vastly different.

Under CVOR, tow truck drivers would be subject to the same hours of service as commercial truck drivers. The risk in doing so is that tow trucks are often completing a service call and, depending on their location in the province, may not have another call for several hours.

Requiring tow trucks to be compliant with commercial trucking models is not recognizing the various business models between the two, and it could have a significant impact for both the industry and consumers. For example, it could result in fewer tow trucks being available on the road to provide service, which, in turn, has the potential to have motorists waiting longer for service following a vehicle breakdown or collision and could also potentially delay the clearance time from the roadside.

Each example mentioned could have a financial impact not only to those directly affected, but to the general population, particularly as we hear time and again how gridlock costs the greater Toronto and Hamilton area up to \$11 billion annually.

Currently in Ontario, there are less than two dozen municipalities that have towing bylaws in effect. As the regulations from Bill 15 take effect, there are questions surrounding how the regulation of the towing industry will be administered. Will it take the form of a provincial licence with potentially some form of municipal involvement or compliance? Or will each of Ontario's 444 municipalities have the ability to establish various bylaws around requirements, costs and other processes?

The latter model is of great concern to CAA, as it would require tow operators who provide service in multiple areas, multiple jurisdictions and multiple municipalities to comply with varying and inconsistent regulations. But, moreover, it provides an inconsistent structure for motorists who simply want to get to safety and not worry about the cost structure and how it's broken down on one side of the road versus another.

If regulations are not instituted in a manner that is equitable to both consumers and the industry, a fully municipal model could result in great costs for the towing companies, costs that ultimately would be passed back down to motorists and contradict the efforts to reduce costs for motorists through auto insurance reforms.

We are pleased to be part of the upcoming discussions. We're looking for a commitment from the government that they will ensure a fair and equitable system for towing, established via regulations.

In last year's budget, the government introduced Moving Ontario Forward, a dedicated funding plan to expand Ontario's transportation network. CAA has long called for dedicated and sustainable funding to help address transportation infrastructure needs, including roads, bridges, highways and transit projects. At the time, \$29 billion was committed over a 10-year span for

infrastructure, and the funds were divided between the GTHA and the remainder of the province.

Some of the methods in which the funds would be collected included allocating 7.5 cents of existing gas tax and allocating the HST charge on gas and diesel sales. These efforts were significant, and in the current economic climate we see gasoline prices sharply lower in comparison to one year ago. Prior to today's presentation, I reviewed data from CAA's gas price monitor and found that the current provincial average per litre is 88 cents. In comparison, one year ago the average price in the province was \$1.26. Over the past 12 months, we saw last June the highest price on average in Ontario: \$1.41. This data shows us that there has been a 38-cent reduction on average per litre since this time last year.

With the funding formula reliant on the collection of HST to provide dedicated funding over the next 10 years, we're seeing up to three cents per litre being collected in HST at the pumps based on the current retail prices. While it is likely that gas prices will rise and possibly return to the previous levels over time, there is a current shortfall in the HST being collected compared to various points over the past 12 months.

Our recommendation on this subject is simple. The commitments made in last year's budget provided the foundation for numerous improvements to Ontario's transportation infrastructure network. While market conditions have lowered gas prices, it's imperative that the government maintain its commitment to this dedicated fund as originally projected, regardless of the reduction in HST collection.

Thank you for your time today. I welcome any questions you may have.

The Chair (Ms. Soo Wong): Thank you very much. Mr. Fedeli, you can begin.

Mr. Victor Fedeli: Thank you very much and welcome, Mr. Silverstein. Full disclosure: I am a CAA long-time member and have always enjoyed the privileges of belonging to that auto club. It's been very, very useful, and I highly recommend it to people for their safety in their travels throughout Ontario and Canada.

Mr. Elliott Silverstein: Thank you.

Mr. Victor Fedeli: I'm not going to spend a lot of time on Bill 15. You articulated it very well. Our party, the PC Party, brought a tremendous amount of amendments to Bill 15 specifically on the towing side, and we were turned down unanimously, every single one of them, even one that was pretty much grammar—a comma—and that got voted down as well. It pretty much tells the mindset of what we were dealing with on that. It was going to be rammed through no matter what.

You spoke about numerous methods in the past budget to devote money towards infrastructure, so let me suggest to you—because we have so much time, to be quite honest—don't get your hopes up with the methods.

I'm going to specifically talk about the Trillium Trust. In the Trillium Trust, it is the intent, at least the stated intent, of the government to sell assets and put those funds into a Trillium Trust to use for infrastructure, to

take care of members and the rest of the people in Ontario who drive on the roads. I've read the bill from top to bottom and there is one sentence that's particularly disturbing that you need to know about, because it basically states that none of the money may ever, ever, ever make it into the Trillium Trust. The one sentence states that when a significant asset is sold—and the magic word here is “portion”—a portion of the sale—and the next magic word is “may”—may go into the Trillium Trust. So when an asset like the LCBO head office, used as one of the for instances—when an asset like that is sold, the comment now that was passed is that a “portion” of the proceeds “may” go into the Trillium Trust.

I brought two amendments forward: that the word “portion” be changed to “all” and that the word “may” be changed to “must,” so that all proceeds must be put into the Trillium Trust, because that's a philosophy I believe in. They both, individually, got turned down. They were voted down by the government. Now we have a motion that says a portion “may” go.

I brought a third amendment—a pretty simple one, actually, that you would think, if you were going to be open and transparent, you would accept. It says that when a major asset is sold, the Auditor General will have 90 days to come to the Legislature and tell us what was sold, how much did you get for it and where did the money go. Pretty simple, you would think. That too got turned down, voted down by the government, in a complete move to keep any records of any sale and any apportioning of any money removed from our opportunity—so I say to you, don't get your hopes up that there will be additional funds. This money is going to be put into general revenue, to be used exclusively to bring the deficit down. Sadly, by doing that, you're basically burning the furniture to heat the house.

1410

Ms. Catherine Fife: That's my line.

Mr. Victor Fedeli: It's a line we've shared. If you look at my record as mayor, Catherine, you're going to find that.

The Chair (Ms. Soo Wong): Mr. Fedeli, what's the question for the presenter? You only have two more minutes.

Mr. Victor Fedeli: When you don't have infrastructure funds that are guaranteed, how do you build infrastructure?

Mr. Elliott Silverstein: Certainly part of the work that we've undertaken over the past number of years is working with the government. We've worked with a number of stakeholders to really try to find solutions to the challenge of how to build infrastructure. There have been some great reports and great task forces. There was the task force that spoke around the time of the Big Move and talked about ways to fund that.

Certainly we have the plans in place right now, which we want to make sure are kept. I think that part of the solution is also to make sure that anything that does come down the road in the future is not burdening any particu-

lar aspect, so that it wouldn't be too onerous on consumers or too onerous business, but to find a healthy mix, so that if there is going to be any need down the road, it is something that is shared accordingly, but not necessarily too invasive on one side versus another.

The Chair (Ms. Soo Wong): Okay, Mr. Silverstein, your time is up. Thank you for your presentation. If you have any written submission, please submit it by 5 p.m. today.

ONTARIO ASSOCIATION OF CARDIOLOGISTS

The Chair (Ms. Soo Wong): The next presenter is the Ontario Association of Cardiologists. We have two people coming up. Good afternoon. I see that there are some handouts; I think the Clerk is going to come around to assist with the distribution. Dr. Swan, welcome. You have 10 minutes for your presentation followed by five minutes of questioning. This round of questions will be coming from the third party. You may begin any time. Please identify yourself and your position with the cardiologists' association for the purposes of Hansard. Thank you.

Dr. James Swan: Thank you very much, Madam Chair. On behalf of the Ontario Association of Cardiologists, I'm here today to discuss some of the thoughts that we have on the upcoming budget. To let you know: I'm a clinical cardiologist who has been practising in Ontario for over 38 years, so I'm an old cardiologist.

I'm here speaking on behalf of the Ontario Association of Cardiologists. We are a voluntary professional organization representing Ontario cardiologists. Our board and members work each day with the provincial government, the Ontario Medical Association and the Ministry of Health to maintain, improve and protect the quality of cardiac care that residents enjoy in this province today. The OAC exists independently of the OMA to ensure that the voice of cardiology is heard loud and clear regarding issues that affect the care of cardiac patients in Ontario.

While all cardiologists in Ontario are mandated by government to be members of the OMA, the OMA does not provide its section on cardiology with the financial resources or the infrastructure to allow it to act as an effective advocate for cardiac patients in this province. The OAC fills this gap. Without its ongoing advocacy program, the continued high standard of cardiac care that you enjoy in Ontario would be at serious risk.

Our membership, as you know, is quite diverse: It comprises community cardiologists and entire academic health science centres in cardiology. We represent more than half of the cardiologists who are registered in the province of Ontario. I'm here today to share with you our priorities and some recommendations that we think are important for you to consider as you're moving forward on your budget so that we are protecting the cardiac patients in this province.

The first is to address the impacts associated with the January 2015 unilateral government cuts to physicians, especially as they affect cardiologists. These massive cuts that were announced on January 13 begin to take effect for cardiologists this weekend on February 1, and a 3.15% cut in fees across the board goes into effect. And this is no April Fool's joke: On April 1, the elimination of the chronic disease assessment code E078—and pay particular attention to this—kicks in and further cuts to fees paid to doctors using this code go into effect.

At the same time that things are happening there, my government here in Ontario is underfunding the expected 2.75% growth in costs associated with delivery of medical care in our province. Medical care includes cardiology and cardiac care. For those of you in the room, never forget that time is muscle. When we lose time, we lose muscle, and patients die.

The other thing the government has forgotten is the influx of new people who come into Ontario. There's a tremendous burden of cardiac disease in the people who are moving into this province. Be aware of it. There's at least 140,000 new people coming into this province from all over, and many of them are bringing a tremendous burden of cardiac disease, which we have to deal with.

The government's elimination on April 1 of chronic disease assessment code E078, which cardiologists use when treating our most complex patients, the congestive heart failure patient, is a very, very serious action. The care of this patient is extremely difficult. It requires a significant investment in time, significant expertise in the cardiac problems associated with that patient, and tremendous effort to keep that patient alive and out of hospital. Ontario, if you go ahead and do this, you're picking on the most vulnerable cardiac patients, and their care is going to be seriously jeopardized unless there's a change in this regulation before it comes into effect.

For more than a year, the Ontario Association of Cardiologists has been concerned about the cardiac care for the heart failure patient. We've been told by government that this is the most expensive patient. So we got together the experts—and I tell you that in the Ontario Association of Cardiologists, we have the experts; we have the best in the world. You can read the papers they've published. They're respected throughout the world. These are the people who have contributed to what I'm telling you today. What we have done is we have worked on a heart failure project, and that heart failure project is designed to improve the care in Ontario.

The problem with the E078 code is that you think it may not be properly defined. We found out about this on January 13. We called together the Ontario Congestive Heart Failure Working Group, again made up of the ladies and gentlemen across our province who deliver this care not only in the university, but in the community setting. We have language that we think we can share with you that would more than cover off how the congestive heart failure patient needs to be treated by whatever specialist he's going to, because you have to remember, it's not just the cardiologist who treats these patients.

Nephrologists, internal medicine people, others treat this patient. But please do not ignore this patient.

The other thing we've been doing with our experts is that we developed a pilot project because government asked us to try and come up with something that would work. Our experts put together a pilot project, and this pilot would be rolled out in two communities, in Ottawa and in Peterborough. The project is very well laid out. If you look at the costs—it seems that's what you're interested in; you're the budget committee, you want to know about money. If we have an uncomplicated patient and we keep that patient out of hospital, we save \$12,000. We have the data to provide to you, should you want. We're happy to share it with you. The complicated patient is going to cost you a minimum of \$42,000. Keeping the patient out of the hospital, improving the quality of their care is our goal, and this is what we, as cardiologists, strive to do each day. Also, it's going to improve the quality of life of our patients, prolong their life and make them happier, and what's better than that?

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What we would like you as a government to consider is that the cost of this project is \$3 million for those two centres. Spend the money; you'll clearly see that the benefits are there. Then, once the pilot—and you believe in the pilot, and it will only take a few months for the data to come forward. This pilot can be put anywhere in Ontario. It's not designed to displace programs that are in place; it's designed to complement them or put it in a place where it hasn't happened before.

The next thing that we want to do—and this is something we presented to you back in 2012. You'll remember the Liberal passed some unilateral regulations about the definition of "self-referral." That would have put out of business the non-invasive cardiac labs—whether they lie in the university or in a community, 80% of them would have been gone. We came to you then with a solution. There was a paper that some of us were authors of, and it was called the Standards for Provision of Echocardiography in Ontario. It showed that if you put those standards in place and you followed appropriateness guidelines—ICES independently analysed our paper and said that we could save at least \$44 million.

We went to the government—I'm talking "we" the Ontario Association of Cardiologists, without the support of the Ontario Medical Association. We said to government, "We care about our patients. We want to make sure that this network that we have in place in Ontario doesn't deteriorate. But most of all, we don't want to see patients die." Now, I'm sitting in this chair and, unfortunately, I've seen patients die on the waiting list. I promise you it's not a pleasant sight.

The government agreed with us. They liked our standards. They liked the work that we had done. They saw that the research was peer-reviewed. They said, "We'll change the definition of 'self-referral' to 'appropriateness guidelines.'"

The problem we've had, since they've changed it and we've tried to implement this program, is that it has been

going extremely slowly. So what we would like you to do as a government and as a committee is encourage them to implement these standards. Following the standards, we should have appropriateness guidelines for the testing. You've all heard about "choosing wisely" and "appropriateness." These are the things that we, as clinical cardiologists, believe in, and other physicians outside of cardiology believe in them as well. We think that if you follow that course, you can save significant amounts of money, help pay down your deficit and also improve and protect the care that we deliver each day.

The types of technology are very sophisticated in cardiology today. We have echocardiography, stress tests, ECGs, holter monitoring, MRI, PET scanning and CT angio. If you follow what we're suggesting here—

The Chair (Ms. Soo Wong): Dr. Swan, could you wrap up your presentation?

Dr. James Swan: Okay, I'll just close. The last thing is we, as cardiologists, think that if we work with you in a co-operative way, we can do more together than we can apart. We're here to offer our co-operation to work with government and this committee to make the things we've talked about today reality and to protect the cardiac patient.

The Chair (Ms. Soo Wong): Thank you. Ms. Fife, do you want to begin the questioning?

Ms. Catherine Fife: Thank you very much. Good to see you again. I sort of associate you with the by-election in Kitchener–Waterloo because that's where I first met you, in a Tim Hortons.

Dr. James Swan: That's right.

Ms. Catherine Fife: And you were talking about many of these issues then.

Dr. James Swan: Yes.

Ms. Catherine Fife: But I want to focus on the situation right now that we are in in the province, taking all your recommendations into account. The contract that the government has imposed on doctors eliminates the 50% premium payment on fees charged by cardiologists, amongst other specialists. The government says that these higher payments are no longer relevant, and language can be very powerful. What was the purpose of the premium in the first place? What does this mean to you when those premiums are—

Dr. James Swan: Well, the premium—when you see a patient in the office or you see a patient in a clinic there's a professional fee. That fee is designed to cover the overhead to deliver that particular service.

Ms. Catherine Fife: That's right.

Dr. James Swan: So when you have to deliver a very complex service, it takes time, effort and support. If we lose that 50% premium, then we can't provide that service in the outpatient environment. That's the risk.

The other risk is that these patients are very, very tenuous patients. They require very careful monitoring. This, to us, is very, very upsetting, and it means that the network that we currently have in place, whether it's in a hospital or in a community setting—we will not be able to deliver that service indefinitely. You'll get it for a little

while, but then we won't have the money to do it. The patients are going to suffer, and I'll tell you, these patients are brittle.

Ms. Catherine Fife: Yes. Well, you made the point about muscle. When you lose muscle, you lose that potential.

The government also says, James, that they're going to work to develop a savings methodology that results in a higher proportion of savings from higher-paid specialties. This was recently in the news, I think just last week. Has your organization been consulted on this savings methodology, considering that cardiologists are among the higher-paid specialties? I want you to go on the record on this, please.

Dr. James Swan: We haven't been consulted formally.

Ms. Catherine Fife: You haven't been?

Dr. James Swan: No.

Ms. Catherine Fife: In the past, you've raised concerns with this committee—this is your third time appearing before this finance committee in the last three years—about the way the health links program was rolled out and the fact that cardiologists weren't involved at the beginning. The government says they're expanding the health links program. Have your concerns been addressed around the gaps in service and the disconnects in the health links program?

Dr. James Swan: That's what the congestive heart failure pilot was designed to do, because we felt that we'd been left out. We actually went to the government and told them we'd been left out. We asked how we could work together, and over the last year we have worked together with the experts. We presented it and gave it back to the Ministry of Health about 10 days before the regulations came forward in January.

The word that I have, the preliminary feedback, is that they thought that the proposal was extremely sophisticated and had a lot of merit. They said they would like to explore it further with us, so I think that's a positive reaction.

Ms. Catherine Fife: Sure. And I remember you talking to me, because at the time it was Minister of Health, Deb Matthews.

Dr. James Swan: Yes.

Ms. Catherine Fife: I remember the numbers that you presented. It was a savings of \$44 million around the self-referral piece. It makes sense. We've already invested all this money in these patients. For them to get to this point in their patient-centred care and for us to drop the ball—

Dr. James Swan: No, no. We're committed to implementing the standards. There are only a few echo labs in the province that we've been able to do it at so far. The cardiologists—and I can speak for not only the members of the OAC, but there are other cardiologists—all want to see those standards in place. We all want to see the appropriateness guidelines.

The problem is that we haven't had the resources on the government side to move that forward. One of the

things that we've asked here is to please put those resources in place, please move that forward. There are tremendous savings there. I'm sure there are more savings there that we need, that could cover off this E078 code, but we have to work together. If we don't work together, this cardiac care system is going to fall apart.

Ms. Catherine Fife: That's right. It seems to me that you've come to the table with this proposal and that, based on the pilot, it makes sense. Just for clarification, though: Does this year's imposed contract remove additional funding for ECGs?

Dr. James Swan: It's across the board, everything we do. It's 3.15% across the board.

The other thing I would really encourage the members of this committee to do is to go to the website ontarioheartdoctors.ca and look at two items there. Look at A Day in the Life and look at Winona's story; they clearly outline how we treat patients across this province and how we improve and save their lives. I think, when you look there, you'll see why we're so concerned with what has come our way in the last few days. We are going to speak out publicly and protect our patients. We'll do the best we can.

Ms. Catherine Fife: Thank you very much, James, for coming in.

The Chair (Ms. Soo Wong): Thank you, Dr. Swan, for your presentation and your written submission.

ONTARIO TRIAL LAWYERS ASSOCIATION

The Chair (Ms. Soo Wong): The next presenter is the Ontario Trial Lawyers Association. I believe Steve Rastin, the president, and John Karapita are before us. Good afternoon, gentlemen.

Mr. Steve Rastin: Good afternoon.

The Chair (Ms. Soo Wong): Are there handouts? Is there a handout coming around?

Mr. Steve Rastin: Yes.

The Chair (Ms. Soo Wong): Okay. The Clerk will circulate that.

Mr. Steve Rastin: Mr. Karapita is circulating the handouts as we speak.

The Chair (Ms. Soo Wong): Thank you. As you heard, you will be given 10 minutes for your presentation followed by five minutes of questioning, and this round of questions will be coming from the government side. You may begin any time. Please identify yourselves and your positions with the Ontario Trial Lawyers Association for the purposes of Hansard. Thank you.

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Mr. Steve Rastin: Thank you, Ms. Wong. My name is Steve Rastin. I am currently the president of the Ontario Trial Lawyers Association. With me to my left today is my friend and director of government relations at OTLA, John Karapita. On behalf of our 1,600 members and the tens of thousands of accident victims we represent, I want to thank you for allowing us to be here today. I hope to be less than 10 minutes to allow for some more questions and so on.

I have appeared in front of this committee and other groups previously, and I thank you for the privilege of doing that. I've learned a lot. This is probably the last time I'm going to have the privilege of appearing in front of you. One of the things I wanted to convey is how privileged I am and how much I've learned about the parliamentary system in sitting and appearing in front of you.

I think people are cynical today. I'm going to tell you something that I've learned, and what I've learned is that I think politicians of all three parties want to do the right thing. I think that's why you get into government. I think there are philosophical differences, and I hear people tell you that you do the wrong thing every day. I believe that you want to do the right thing. This process has restored my faith in government, even in the face of Bill 15 and things like that, which we have considered to be monumental losses and steps back. But the process itself is a good one.

We think the problem is that you need the right information to make the right decisions and that you get conflicting information from everywhere and you do not always get reliable input. We think it is important that you hear the stories and you hear where people are coming from. So I want to tell you, just for a moment, about my story and why you should listen to me.

Like a lot of politicians, I'm a volunteer. This is an unpaid position for me—

Ms. Catherine Fife: Steve, just a moment. Madam Chair?

The Chair (Ms. Soo Wong): Yes?

Ms. Catherine Fife: I think that we should have a quorum.

The Chair (Ms. Soo Wong): Oh, right. Okay.

Ms. Catherine Fife: Because I want people to hear what you have to say.

The Chair (Ms. Soo Wong): Okay. I'm going to have to—is there a quorum, Mr. Clerk?

The Clerk of the Committee (Mr. Katch Koch): No, there isn't a quorum.

The Chair (Ms. Soo Wong): I'm going to have to recess the committee, so you just have to hang tight for a minute. I'm going to have to get a quorum call before we begin your presentation. We're going to recess for 10 minutes and come back.

The committee awaited a quorum.

The Chair (Ms. Soo Wong): I'm going to resume the committee. We have a quorum.

Sorry about that, Mr. Rastin. You may begin again.

Mr. Steve Rastin: Should I start from scratch?

The Chair (Ms. Soo Wong): Absolutely.

Interjection.

The Chair (Ms. Soo Wong): According to the Clerk, no. Whatever the time we start—okay. All right. So you may begin.

Mr. Steve Rastin: I'm sorry. So am I starting from scratch or should I keep going?

The Chair (Ms. Soo Wong): No. Just continue where you stopped off.

Mr. Steve Rastin: Good. I appreciate that. I don't know whether I could do it again.

So, as I was saying, I want to tell you about my story. As I said, I'm a volunteer. Everything I do is as a volunteer. I come from a history of volunteerism. I served as a volunteer on my hospital board for seven years. I was president of my hospital board for four. I have been in my Rotary Club for 20 years and president of it. I have been on the police services board. I volunteer at cancer care clinics. I sponsor school trips to Holland with the veterans. I buy 500 bike helmets every year for underprivileged youth. I do these things because I care about the community and I care about what's happening.

I view my role here today as a volunteer speaking on behalf of the public interest. Will I tell you that there is another interest, a financial interest, in what we talk about? Sure. But my primary role is to speak in the public interest.

I want to make three key points to you.

Number one, when it comes to the question of auto insurance, you are relying on data that is not reliable, that is not good data. I'm specifically going to refer to the KPMG report, the transparency and accountability report that you're taking a look at.

KPMG is too closely allied with big insurance for you to listen to them as you make your choices. Two years ago, KPMG sat in this chair, right here where John Karapita is sitting, beside Barb Taylor, one of the executives at the Insurance Bureau of Canada. The author of the KPMG report, Mr. Cheng, was introduced as "their expert" for the IBC. I'm going to ask you: How can somebody sit here and be introduced as a big insurance expert in 2013 and then turn around a year and a half later and write a neutral report overseeing the insurance industry on behalf of government? I can tell you that a lawyer wouldn't take that job. I can tell you that even if he says it's not a conflict of interest under his own guidelines, you should view it as a conflict of interest. Surely in the province of Ontario there are experts you can find that are not so closely aligned with one particular interest group that they cannot be said to be dispassionate that you can look to to get your information from.

The second point I want to make with respect to auto insurance is this: Big insurance has already won this fight and the consumer has already lost. Let's take a look at what has already happened. Let's take a look at the sad reality. In 2010, benefits for most citizens of this province were cut by 97% by legislative changes that we were making. When Bill 15 was passed, the reality is that everybody listened to us but at the end of the day, the Legislature did what the big insurance interests wanted and only what the big insurance interest wanted.

A year and a half ago you passed changes to the definition of "incurred expense." You know what those changes mean? That if an individual is catastrophically injured in a car accident and his wife stays home to change his diapers and care for him and feed him through a feeding tube, her services to him today are worth

nothing, because the rules were changed and that was taken away.

Just after Christmas this year, in January, you changed the insurance provisions and you decreased insurance coverage for accident victims for prejudgment interest by 80%. That's money that is going into the pockets of big insurance companies.

I say to you again that big insurance has already won. They've won on every change that has been going on for 20 years, and they sit here and they continue to ask for more cuts.

In hindsight, I will say this to you: The 15% cut in premiums—which we thought was a good thing at the time, like everybody else—is the worst thing to happen to the auto consumer in the history of auto legislation. Do you know why? Because the insurance industry has used that 15% stick to get you to cut, cut, cut.

Right now, they tell you that they're not making money, but let me ask you this question: Why does just about every insurance company in North America sell auto in Ontario? If this was such a terrible product, how come there are not two or three companies? There are 50 or 60. In fact, Warren Buffett announced this week—I don't know if people saw that—that the Canadian insurance market is so lucrative and positive that Warren Buffett is moving into Canadian insurance.

Further, Co-operators insurance has already announced in a circular—and it's in the materials that we've sent you with our newsletter—that they've already achieved a 16% cut in coverage. They all sell the same product; this isn't like BlackBerrys and iPhones. Every insurance company sells the same product. It's mandated by legislation. So if Co-operators is already at 16%, why did we need to change the laws last year and why do we need to change the laws more?

Let me say this in conclusion: Last year I talked about pop and chips. I think a lot of people aren't here from last year, but I'm going to say what I said before. It used to be that you went to the store and you bought a two-four of pop for five bucks and a big, giant bag of chips for 99 cents. Twenty years later, for five bucks, you get four pops or six pops, and for 99 cents you get a tiny, little bag. That's what auto insurance is like. The surface looks the same but the product is now a shadow of where it was. With the cuts that have been made recently, auto insurance is down to the point that you're getting three chips and a sip of pop. There is nothing left in the product, but the government of Ontario makes people buy it.

It's also important to remember that auto insurance was a trade-off. In 1990, when auto insurance was introduced, 95% of people in Ontario lost their right to sue for pain and suffering. Ninety-nine—or sorry, 95; I don't want to overstate—90% to 95% lost their ability to sue in tort. The trade-off was this generous system of accident benefits. What has happened since then is cut, cut, cut, shrink, shrink, shrink in the system.

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Let me ask you: Where's the trade-off today? We still have 95% of people who gave up the right to sue, but the insurance industry is saying, "But we can't make money on no-fault." Well, you know what? They're making you solve their problem. They wanted government to bring in no-fault. It was their idea. They pushed it. Now, they've introduced a system and they say, "Legislature, please help us make money on the product that we forced you to introduce." It's not our fault, it's not your fault and it's not the consumers' fault if they can't make it work.

KPMG says in its report that there should be a group out there to speak for all Ontarians, not just those who are in accidents. Let me tell you that that group already exists, and that group is you. You are the elected legislators for the citizens of this province. It's up to you to stand up for consumers, and I believe that—getting back to what I said before, and I know it sounded hokey—you want to do the right thing. But you can't listen to data from people who are attached to big insurance at the hip. I beg you, take a look at what's already been cut. Take a look at what's out there.

I'm going to tell you this honestly. If you gave me my choice of whether I would purchase accident benefit insurance today, I wouldn't. I wouldn't purchase it for my family, I wouldn't purchase it for me. There's no value left to the product, except for the 500 or 600 people who are catastrophically injured. There's value for them. For everybody else, there's no value left in the product. Yet, they want to cut it more; yet, they make everybody buy it.

So I'm asking you, let's work together for the public. Don't be fooled, don't be bullied, because we hear that there are threats being made. Let's stand up together for Ontarians and prevent further cuts. Thank you.

The Chair (Ms. Soo Wong): Thank you very much. Ms. McGarry, do you want to begin the questioning?

Mrs. Kathryn McGarry: Thank you very much. I really appreciate a lot of the community work that you do. I'm a former nurse, an emerg nurse, so the idea of putting out a number of helmets per year will most likely prevent some of those head injuries that cost us all as a society.

Mr. Steve Rastin: Absolutely.

Mrs. Kathryn McGarry: We certainly have a fellow Rotarian here at the table in MPP Lalonde. So thank you very much for your presentation.

I really wanted to go back to your comments regarding KPMG. Just so that you're aware, the government did put out an RFP at the time. We did get three requests from consult groups. All three of them had done work with IBC beforehand.

I also really wanted to ask you what your suggestions would be to the government on how we could reduce auto insurance on behalf of Ontario's approximately nine million drivers.

Mr. Steve Rastin: Let me make two comments about that. Number one, the product should already be reduced. I commend Co-operators. We believe that insurance

companies should be profitable. Co-operators already hit the 15%. They're at 16% according to their own newsletter. So in terms of reducing the product, there are already enough savings in there to reduce the product.

Whether further cuts are necessary or not—and here's the other problem: There are costs in there that we could control. For instance, the insurance industry's own data says that they spend 70 or 80 cents assessing people for every dollar that they pay out in benefits. We could cut the administration cost, we could cut the assessment cost, we could cut the overhead cost on that side of the system.

There is a government-mandated profitability level for insurance companies, but you don't ask them to run their businesses smart. I would love to have a deal where you said, "Steve, you're guaranteed an 11% return on investment, no matter how bad you run your company, no matter how bad you take your cases on." That's the deal that auto has. Maybe we ought to say, "You ought to run your businesses properly, and if you take a loss, that's fine," because most of them are making money.

If we look at where money is being improperly spent, if we look at how much money is being spent to fight cases instead of pay cases—and if the insurance industry thinks fraud is as bad as it is, why doesn't it take a run at fraud? Because we support that. If there are bad tow truck companies out there or bad rehab clinics out there or bad things, let's work together to root the fraud out of the system, not punish the taxpayers for other people's fraud.

Mrs. Kathryn McGarry: Thank you. As you know, the Honourable J. Douglas Cunningham conducted a review of the dispute resolution system and recommended several reforms. On your website, it states that he recommended a number of sensitive reforms. Could you inform the committee here which of Justice Cunningham's reforms the OTLA was referring to?

Mr. Steve Rastin: Sensitive? I don't have the benefit of the website in front of me. I can tell you I've talked to Justice Cunningham a number of times and sat on a committee with him. We support many, many of the reforms in his report, and we said that under the Bill 15 things, we think a lot of the things that he was talking about were good ideas in terms of streamlining the system and simplifying it.

We had two concerns with his report. One is taking away the right to sue and moving the matter over to the LAT. There are actually going to be more court cases now, not less. Under the old system, I would take a tort case and an accident benefits case, and I would link them together and I would have one court proceeding. I would call the experts once. I would settle the cases together, because the two cases are joined together like your fingers. You can't settle one without the other one.

Under the new system that has been imposed under Bill 15, we're going to have to have a LAT case, when the LAT ever gets going and running, and we're going to have a separate court case. That's going to be twice as many disputes, twice as much money, experts testifying twice, and twice as much bureaucracy.

The other change that was made with Bill 15 by Justice Cunningham, and that we disagree with, is cutting the insurance rate to 1.3% for accident victims. Insurance companies make 4% or 5% on their money; that's a question of fact. There's no debate about that; it's in their data, right? But it's not their money. The money that's sitting in the bank that they're making money on is the accident victims'. They're making money on your money when they don't settle with you. If they don't settle with you for 10 years instead of five, they make twice as much money. Under the old system, it was a wash because they basically had to give you about as much as they were making. Under the new system, they get to keep the difference.

Other than that, we support Justice Cunningham's report, and we support all the recommendations that he made.

The Chair (Ms. Soo Wong): Thank you very much, gentlemen, for your presentation and your written submission.

CANADIAN BEVERAGE ASSOCIATION

The Chair (Ms. Soo Wong): The next group coming before us is the Canadian Beverage Association. I believe it's Jim Goetz.

Good afternoon. Thank you. As you heard earlier, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official opposition party.

You may begin any time. Please identify yourself and your position for the purpose of Hansard. Thank you.

Mr. Jim Goetz: Great. My name is Jim Goetz, and I'm president of the Canadian Beverage Association. I'm happy to appear in front of the committee again. It's a little bit warmer than my last year's appearance, which was in North Bay—a balmy minus 35, I believe it was, that day.

Mr. Victor Fedeli: It was beautiful there.

Mr. Jim Goetz: Yes, and my car nearly didn't start, either, for me to get home. Thank you. Thank you, Chair.

Let me begin by expressing my gratitude for the invitation to appear today. My name is Jim Goetz, and I'm president of the Canadian Beverage Association, representing the non-dairy, non-alcoholic beverage sector.

Our industry makes a substantial and ongoing contribution to the economic life of Ontario. Our member companies provide direct employment for some 7,700 Ontarians and indirect employment to over 18,000 more through jobs related to our industry, such as transportation, production, distribution, construction and the retail sector. I should add that the vast majority of these jobs are unionized, with good benefits and solid pensions.

Ontario is also our industry's largest Canadian centre for manufacturing, distribution and sales. In total, we have more than 60 facilities province-wide, generating \$2.9 billion of added value to the Ontario economy. I want to underscore this fact, because at a time when Ontario is working hard to renew its competitive position

as a manufacturer, our industry remains a reliable partner.

For example, our industry's manufacturing activities are responsible for 55% of our economic activity in Ontario. For every dollar of production in the beverage industry, 85 cents is retained in the Ontario economy. That is 7% higher than the manufacturing average in the province.

That's not nearly the whole picture of our economic contribution. Our members are one of the largest blocks of consumers and customers of corn products, creating vital demand for Ontario's corn farmers and processors. They are also the country's largest buyers of packaged aluminium—much of it coming from Whitby, Ontario—and highly recyclable PET plastic.

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Finally, our members oversee extensive vehicle fleets that create demand for steel, manufacturing parts and, of course, vehicle production and assembly here in Canada. We're proud of these contributions, but we are also aware that our industry is continuing to face greater challenges. We appreciate the government's support of the food and beverage sector through the recently announced Food and Beverage Growth Fund, and strongly support Premier Wynne's goal to double the sector's growth rate and create 120,000 new jobs in Ontario by 2020.

Recognizing the Premier's goal, we fear that future policies and legislation from the government, if not developed through consultation with industry, would add substantial costs to our members, making it difficult to continue our current course, let alone to reach these targets. Specifically, our concerns are in the form of a proposed carbon-pricing strategy, future waste reduction legislation and a provincial pension plan.

We are also aware that, as an industry, we bear important responsibilities. I want to assure each member of this committee that we take these obligations very seriously, especially when it comes to offering consumers a healthy balance of beverage choices and reducing the environmental footprint of our industry. I want to emphasize that we recognize that we must be a part of the shared effort, and we're very committed to doing our part. At the Canadian Beverage Association, we're more than prepared to keep working in partnership with the government of Ontario in pursuit of these goals, from industry-led initiatives such as our Clear on Calories labelling to our proposed industry stewardship plan to increase recycling in Ontario.

Moving forward, the Canadian Beverage Association and our members have announced that we are looking at ways to adopt a goal announced by the American Beverage Association and its partner the Alliance for a Healthier Generation to reduce beverage calories in the American diet. As this is a major undertaking with many implementation complexities, we are taking the time to examine the best way to bring this important program to Canada.

On that note, I bring my remarks to a close, and I want to thank you for the opportunity to appear. I look forward to your questions. Thank you.

The Chair (Ms. Soo Wong): Thank you very much. Mr. Fedeli, do you have a question?

Mr. Victor Fedeli: Thank you very much, Mr. Goetz, for being here. It's good to see you. It has been a year.

Mr. Jim Goetz: A full year.

Mr. Victor Fedeli: A full year. You mentioned the pension tax and the carbon tax. You've got a couple minutes if you'd like to—

Mrs. Kathryn McGarry: Point of order, Chair.

The Chair (Ms. Soo Wong): Sorry, Mr. Fedeli; there's a point of order. Mrs. McGarry.

Mrs. Kathryn McGarry: Yes. It's the Ontario Retirement Pension Plan. It's not a pension tax.

Mr. Victor Fedeli: Well, look, we're not going to debate it here, and that's not a point of order.

You mentioned the pension tax and you mentioned the carbon tax. Can you take some time and elaborate on your thoughts on those?

Mr. Jim Goetz: Certainly. I mentioned those three initiatives from the perspective of the food and beverage sector. Specifically, I think it's important, when governments are rolling out new initiatives or thinking about new initiatives, that the cumulative effect of certain initiatives is measured on specific industries, not just, say, manufacturing as a whole or "private business" as a whole.

I raised those three specifically because, in the beverage industry, we already pay fees for recycling in the province, which is obviously our obligation. If those fees were to increase in combination with an industry, like food and beverage, that is highly reliant on transportation, those costs would increase again.

Then thirdly, with the pension plan, it's making sure that those definitions around what adequate pensions need to be provided, specifically in our industry, where pensions generally are provided. We are just asking that there be a consultation when initiatives are being rolled out, that there be some coordination about the cumulative cost to different sectors, specifically in this one, the food and beverage sector—again, held up against the goal of creating new employment—that being a sector of growth which has been identified by the province.

Mr. Victor Fedeli: On the pension tax, which concern do you have? Is it the fact that it's going to be exclusively for those who have a defined benefit versus a defined contribution? Is that the concern with that tax?

Mr. Jim Goetz: That would be one of the concerns, but I think that, again, as an industry, we are open to working—

Interjections.

Mr. Victor Fedeli: Excuse me. Chair, I can't hear him. Could you start over please?

Mr. Jim Goetz: That would be a concern. It's something I would like to continue to discuss with the government.

We are also concerned about what the definition of an acceptable plan would be and we look forward to sitting down with the government and having open conversations about that to make sure that that definition is fair and adequate for those companies that are already providing good benefits to their employees.

Mr. Victor Fedeli: Is it a concern of yours that the word "acceptable" may have a different meaning than what you feel would be acceptable?

Mr. Jim Goetz: I think there needs to be a significant conversation about that before a plan is to be rolled forward.

Mr. Victor Fedeli: On the carbon tax, you talk about the fact that you're already doing recycling. Is your contention that you feel you are already paying towards that? Is that your issue?

Mr. Jim Goetz: I look at those separately. The Blue Box system, for example, in Ontario is set up as a shared model right now between municipalities and industry. We're looking forward to the review, and that has been going on for quite some time now, to roll out changes to the Waste Diversion Act. Our members are—we know our obligations, that we have to pay into those recycling fees.

I think the potential of a carbon plan is, again, something where conversation needs to be kept very open and broad with industry, particularly on food and beverage because we rely heavily on transporting our products around this big province. There could be significant costs there at a time when the province is looking to increase employment in the sector.

Mr. Victor Fedeli: We've heard from many, many, many companies who have sat in that very same chair in this city and the other six cities we've done. We've heard about the significant costs that it could—either of these or both of these taxes. A lot of them talk about the fact that we would become less competitive because the Americans just across Lake Ontario here and, in some places, across the rivers, would not have that. Is that a feeling that you share?

Mr. Jim Goetz: The positive thing about the beverage industry in Canada is that—first, there's a bit of a misconception that a lot of our products are simply produced in the United States and shipped across the border. That, I think I've explained today, is not the case, and a lot of people don't know that. Those are investments in Canada, in Ontario, that our member companies have made, and we want to maintain that competitiveness.

Again, I think what we would request is that as proposals go forward, there is a collective look at additional costs, particularly among sectors that it may affect more than others.

Just looking, again, particularly with food and beverage, where transportation is—

The Chair (Ms. Soo Wong): Okay, Mr. Goetz. Thank you very much for your presentation. If there's any written submission, please submit it by 5 p.m. this afternoon. Thank you.

TORONTO FINANCIAL DISTRICT
BUSINESS IMPROVEMENT AREA
TORONTO ASSOCIATION OF BUSINESS
IMPROVEMENT AREAS

The Chair (Ms. Soo Wong): The next group coming before us is the Toronto Financial District Business Improvement Area and the Toronto Association of Business Improvement Areas. I believe we have three presenters: Mr. Grant Humes, the chief executive officer for the Toronto Financial District Business Improvement Area; Mr. John Kiru, the chief executive officer of the Toronto Association of Business Improvement Areas; and Mr. Lionel Miskin, the vice-president of Toronto Association of Business Improvement Areas.

Gentlemen, you have 10 minutes for your presentation, followed by five minutes of questions. This round of questioning will be going to the third party. Please identify yourselves for the purposes of Hansard. Thank you. You may begin at any time.

Mr. John Kiru: Thank you, Madam Chair and members. My name is John Kiru. I'm the executive director of the Toronto Association of BIAs. With me here today is Lionel Miskin, who will be carrying the brunt of the presentation, and Mr. Grant Humes, who will tie the submission together.

TABIA is the umbrella organization of Toronto's 81 BIAs, which are currently found in 30 of the city's 44 wards. Across the province, there are some 328 BIAs. Collectively, Toronto's 81 BIAs are a powerful voice for business. They represent over 35,000 businesses, 17,000 properties, \$46 billion in assessed value, and account for half of all commercial and industrial property taxes collected in the city of Toronto—\$1.3 billion worth of tax value, of which over \$600 million comes to the province in the form of the BET. They represent 23% of all property taxes collected in the city of Toronto and employ over 470,000 people or 35% of Toronto's total employment. That is the organization the three of us represent.

1500

I will let Lionel carry on, in terms of the report that we had commissioned.

Mr. Lionel Miskin: Chair, I'm Lionel Miskin. I'm vice-president of TABIA. My submissions today are based on a report commissioned by TABIA. The report is a result of a study made by Adam Found of Trent University and Peter Tomlinson of the University of Toronto, both of whom are recognized experts in the property tax field. You have copies of the report, which have been filed with the committee.

I ask you to imagine that someone proposed an income tax where people in the same income bracket paid wildly different rates of tax. How would that go down? Imagine that someone proposed a property tax where people with the same value assessment paid different rates of tax? How would that go down?

Well, you don't have to imagine that second scenario. It's a reality right here in Ontario. Two properties, side

by side, with directly competing businesses, one well established and one new, will pay different rates of property tax.

In some locations, as in the GTA, a third property of the same assessment with a directly competing business will pay a rate different from the first two. I'm talking, of course, about the provincial property tax, still inaptly named the business education tax, or, if you prefer the acronym, the BET.

We're not talking about minor variations. If you look at appendix 1 of the report, you will see all of the 2014 rates, and you will see that the Waterloo region paid at a rate of 1.46% on its commercial property and 1.56% on its industrial property, whereas the district of Muskoka, at the other end of the scale, enjoyed rates of 0.65% and 0.79% respectively. These variations translate into thousands of dollars annually, all on the basis of equal assessment valuations.

To add to the anomalies, there is no correlation between the BET rates in a school board's district and revenue available to the board. A highly taxed municipality, such as Waterloo, might find that some of its BET is being used in a low-tax municipality, such as Muskoka. It's no wonder that studies by experts in the property tax field describe the tax as, and I'm quoting from the report, "arguably the most inequitable provincial tax in Canada."

The education levy on residential properties is uniform right across the province. The provincial property tax discriminates against and among businesses. Although the government's own municipal property tax policy says that business rates preferably should not exceed residential rates by more than a tenth, the reality is that the average BET rate is almost six times its residential education rate.

In July 1997, an advisory panel appointed by the government recommended a uniform education tax rate on all businesses—common sense, it would seem. In its 2008 budget, the government summarized the objectives of the BET reduction program, and I quote from the government's document:

"The BET reductions are key elements in the government's overall strategy to enhance Ontario's investment climate.

"This initiative will also reduce the wide variation in BET rates across the province. The variation in rates distorts efficient business location decisions, placing many regions of the province at a disadvantage and harming the provincial economy." Harming the provincial economy.

So one might ask, why do we still have these anomalies? Do Ontario governments not consider business all that important or is business looked upon as a cash cow? In a province where business is leaving; where government has to pay out huge sums to entice new business to the province; where, in 2015, the nation is facing unprecedented economic issues, it might be worthwhile to consider methods of smoothing the problems facing business. It costs a lot less to retain the businesses that you have than it does to entice new businesses to come to

the province. The city of Toronto is learning that lesson and has taken steps to remedy the situation. Will the province learn the lesson before we lose more businesses and before we lose out on further business investment?

What is particularly disturbing is that the report shows that the BET reduction program touted in the 2007 budget document, for commencement in 2008, could have run its course and done much to level the playing field with an input from government of \$300 million. That would have delayed elimination of the deficit by only one month, possibly less. That does not seem like a high price to pay for equity. Although that would not have brought a totally uniform rate, it would have been a good start.

The Ontario government, quite rightly, relies on a key economic variable known as the capital marginal effective tax rate or, if you prefer the acronym, the METR. It relies on that variable to evaluate its competitive position, or you might say uncompetitive position, but it omits the BET from the METR estimates. We don't know why. If the BET were included in METR estimates, a more accurate picture of Ontario's competitive position relative to other provinces might become apparent. That competitive position might well motivate the government to step up the pace of BET reductions. We say that it's well past time that the government seriously addressed and rectify these anomalies and inequities.

Thank you for hearing me. Mr. Humes will carry on a bit.

Mr. Grant Humes: Thank you, Lionel. It's certainly been long recognized that moving to a uniform BET rate province-wide is good tax policy. As Lionel pointed out, BET is not included in the marginal effective tax rate calculations. This omission certainly creates a distorted picture of Ontario's competitive position relative to other provinces and other cities.

I'd also like to point out that there's an economic impact to BET and equity that we try to point out in our submission. I think it's important to highlight it, particularly in light of the recent weeks' constant headlines about job losses that have hit pretty close to home.

TABIA's report, the report that we submitted, shows that \$300 million could be unlocked in Toronto and other major cities in the province for job creation. Our report authors, using the quantified value of tax cuts as determined by Jack Mintz for the 2012 budget, suggests that you would see 18,000 jobs could be expected to be created based on this money being available back in the economy via investment by business. That calculation is footnoted in our submission.

To circle back to the substance of our recommendations on page 1 of submission: First, honouring the commitment from 2007 to move to the targeted ceiling rate is not only good policy but will provide a positive economic stimulus. Second, the Ontario government should continue to implement business education tax cuts to a uniform province-wide rate as previously committed. Thank you.

The Chair (Ms. Soo Wong): Ms. Fife, do you want to begin the questioning?

Ms. Catherine Fife: Thank you very much for the presentation. It's really interesting. Have you come before this legislative committee before around the BET cut? Not specifically this.

Mr. John Kiru: No, not specifically the committee. We did meet with the Minister of Finance about a year ago when we first initiated the report.

Ms. Catherine Fife: Now that you have this data that shows that what's at stake is only 3.74 weeks around deficit reduction—this is new information. Have you taken this to the Minister of Finance?

Mr. John Kiru: It was initially initiated as a part of the initial report. That would have been part of the body. I think over the last year and with some of the gaps that have shifted around that period has been reduced from just over a month to just under a month.

Ms. Catherine Fife: Okay. I think it's fair to say that the people of Waterloo would find it really surprising that they're subsidizing Muskoka on this issue. I think that we may not agree on all taxes between my party and your association, but it clearly doesn't make a lot of sense for such inequity to exist across the province. As you make the point out, this province these days is exporting a number of jobs. We're going to have to find some common ground on holding jobs and growing jobs in the province of Ontario.

1510

My question for you: Would TABIA support an increase in BET rates in certain areas in order to achieve equalization sooner? I mean, it's a big question, but—

Mr. Lionel Miskin: Our position has not been to shift the burden from us to the lower-tax jurisdictions, but the object is to create equity. A contribution of \$300 million by the province would enable that without having to raise taxes in the lower-tax jurisdictions.

Ideally, we get to a level where everybody is paying the uniform tax. That's the ideal. But we haven't even gotten to the first step yet, which is—

Ms. Catherine Fife: I think I asked the question within the context that you may be waiting a long time, because I think there is some speculation, if I could use that word, as to whether or not this government is going to be able to address the deficit by their targets.

This would be a good opportunity, actually, for you to talk about that target. Based on the economic impact that you're seeing and the financial impact of small- and medium-size businesses across the province, do you think it's reasonable, based on spending and waste, given the auditor's report, that this government will meet their 2017-18 targets on deficit reduction?

Mr. Lionel Miskin: One of the things that I keep telling anyone who will listen—

Ms. Catherine Fife: Well, we're listening.

Mr. Lionel Miskin: —is that sometimes, less is more. What I mean by that is sometimes, if you tax less, you actually get more revenue because you've encouraged more business activity. Sometimes the reverse is true,

that the higher you raise taxes, the less revenue you get from it. If you want an extreme example, you can take a look at what happened in Europe, in Sweden, when the income tax levels for very-high-income earners went to something like 90% or 95%, and all the high-income earners said, “Goodbye, we’re moving out of this jurisdiction.” So the government got 95% of nothing as opposed to maybe 50% of millions and millions of dollars. The same thing happened in England, and you saw the Beatles, a classic example, moving out of England.

Well, the same thing happens everywhere, and it happens in Ontario, but because it’s not so extreme you don’t see it; it’s a gradual process. New businesses coming into Ontario do this kind of analysis: “What are we going to be paying? Where do we locate? Should we locate in Muskoka or should we locate in Waterloo?” “Well, we can’t locate in Muskoka; the facilities that we need aren’t there. We’ve got to be in Waterloo.” “Yes, but look at the tax we’re going to have to pay.”

So those are concerns I think the government should really consider when it decides how we’re going to deal with this BET.

Mr. John Kiru: The closest example of that, most recently, is quite frankly the Halton rate differential, which is just over 40% between that and Toronto, and the Milton development that occurred there in terms of the power centres and everything else that comes through there. Chief officers of any corporation would love to live in Toronto and open their business in Toronto, until the chief financial officer comes in with the sharp pencils and shows them the discrepancy between locating within Toronto or some of the other urban centres, as are outlined in the report, versus just in the periphery. When 66 feet makes a significant enough difference—north of Steeles and south of Steeles—to the point of just under 20% in your business education tax component, that is a compelling reason to not locate in that area. So all we’re asking is for fairness.

Ms. Catherine Fife: I keep thinking of this delegation in Ottawa. He just said the tax regime should promote equality. So you’re on the same page as him.

The Chair (Ms. Soo Wong): Thank you very much, gentlemen, for your presentation and your written submission.

ONTARIO ASSOCIATION OF OPTOMETRISTS

The Chair (Ms. Soo Wong): The next group before us is the Ontario Association of Optometrists. I believe the Clerk has a presentation from Dr. Farooq Khan. I believe he’s a past president of the OAO. Doctor, welcome.

Dr. Farooq Khan: Thank you.

The Chair (Ms. Soo Wong): I’m just going to give you some housekeeping stuff. You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will be coming from the

government side. Before you begin, please identify yourself as well as your colleague for the purpose of the Hansard. Thank you. You may begin anytime.

Dr. Farooq Khan: Thank you, Chair Wong. Good afternoon and thank you for this opportunity to present to the Standing Committee on Finance and Economic Affairs. I’m Dr. Farooq Khan, the immediate past president of the Ontario Association of Optometrists, as well as a practising optometrist in Whitby. With me today is Dr. Angela Yoon, who is a practising optometrist in Toronto and policy consultant at the Ontario Association of Optometrists.

The Ontario Association of Optometrists, the OAO, is the leading professional organization representing optometrists in this province, with nearly 1,600 doctors of optometry working in every part of Ontario. We are dedicated to helping our members provide the highest standard of eye health and vision care for Ontarians while driving the profession of optometry forward with government, our professional college and the public.

The Ontario Association of Optometrists works to increase awareness and understanding of the role that doctors of optometry play in ensuring the health of our patients, as well as serve as the designated representative of optometry with government. We also oversee Ontario’s Eye See...Eye Learn program, an innovative partnership with the Liberal government, Ontario optometrists and private sector partners.

Eye See...Eye Learn provides comprehensive eye exams by local doctors of optometry to junior kindergarten students in participating school regions. The eye exams are funded by the provincial health insurance when you have your children’s health card. This means that there is no out-of-pocket cost for the eye exam. If the child requires a pair of glasses, they will receive a complimentary pair donated by Nikon Lenswear and OGI frames and the participating optometrist.

The OAO recognizes the important link between eye health and learning, and recommends comprehensive eye examinations for all children entering kindergarten. It is estimated that nearly 80% of learning comes directly through a form of vision.

We are pleased to tell you that the expansion of the program continues into eastern Ontario, just this week, and further, Eye See...Eye Learn will be province-wide on July 1, making the program available to over 120,000 junior kindergarten students in Ontario.

The Eye See...Eye Learn program represents an important example of how the OAO is committed to working on behalf of Ontario patients and with the government to help bring effective solutions to real problems. It is an important example, and it is just beginning to scratch the surface with respect to the greater role that optometry can play in delivering eye health and vision care.

I’ll speak to some of those opportunities in just a moment, but first a little background: Ontario doctors of optometry provide a number of eye health services to Ontarians. OHIP covers optometry services for children,

seniors and those who are granted eligibility for annual eye exams because they have been diagnosed with a specific disease, such as diabetes, cataract, retinal disease and other conditions. I would also like for the committee to know that optometry has only had two nominal funding fee-for-service agreements since 1989. Consequently, in Ontario, our fees are the lowest in the country by a large margin, and they are about half the rate at which our ophthalmological colleagues get to perform essentially the same service. In fact, the differences between optometry services and the equivalent provided by physicians will often mean the optometrist will have to do more for about half the cost.

Further, a study from a few years ago concluded that it cost an optometrist significantly more to deliver a comprehensive eye exam than the fee paid by OHIP. Yet, optometrists, committed to patients, have continued to provide eye examinations for those eligible for public coverage, often at a loss. However, I must admit that, with each passing year, this is getting harder and harder for our members to continue.

We recognize that Ontario is facing a significant fiscal challenge, one that requires it to contain growth in health care spending. I believe that the public knows that too. I don't believe the public would welcome any attempt to balance the budget by lowering spending in the short term in a way that results in poorer patient care, longer wait times and a sicker population.

Instead, the public—our patients—are expecting the government to continually improve the way it invests health care resources on their behalf, to apply creativity, ingenuity and hard work for the sake of bringing solutions to the very real challenges we face in health care. This means, in many areas of health care, a need for innovation in how we deliver services and who is delivering those services, with an eye on ensuring how we can achieve maximum value for every dollar spent.

We think that there are significant opportunities to do this in eye health through targeted investments that ensure that patients are truly getting the right care by the right provider at the right time. The Ontario Association of Optometrists is committed to working with government to improve eye health and vision care, and to do so on a cost-effective basis.

We believe that Ontario optometrists should be seen as part of the solution. We also have the training, skills and expertise to diagnose and treat many eye health and vision problems. We are accessible and available in virtually every Ontario community, large and small, and we have a cost-effective option to offer. We believe optometrists can be the primary eye care provider in Ontario. We are on the front line of eye health and vision care and gatekeepers to specialists for complex care. What we are not, though, is being used fully to our ability, and it's a shame, particularly in light of the very real need that exists. Ontario is facing a significant care gap in eye health and vision care, which is already impacting patient outcomes and health system perform-

ance. The gap will only get wider as the population continues to grow and gets older.

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Let me give you just a few examples of how the care gap is widening.

The Canadian National Institute for the Blind and the Canadian Ophthalmological Society estimated that the total direct cost of vision loss in Ontario is \$3.9 billion and the indirect cost representing an additional \$3.2 billion.

In 2013-14, there were some 80,000 emergency visits for uncomplicated eye conditions that could have been easily treated by an optometrist. These avoidable emergency room visits are estimated to be costing the system more than \$10.8 million a year, and this is before you include the fees paid to the physicians providing the service.

People with diabetes are also at a significant risk for eye complications, including vision loss due to diabetic retinopathy, yet nearly half of the 1.2 million Ontarians with diabetes do not receive an annual eye exam. This is a real tragedy, as a great deal can be done if these issues are identified early enough.

Some 25% of Ontario children have problems with their vision, yet 86% of children under six did not receive a comprehensive eye examination in 2013, so really just a small percentage of children have gotten an exam.

It currently costs Ontario \$1.2 billion a year to treat wet age-related macular degeneration. With better access to primary eye health care, it is possible to significantly reduce the number of people requiring costly treatments for this serious eye disease.

By the age of 65, approximately one in three Ontarians will have some form of eye disease; while one in nine people will develop irreversible vision loss by 65. Visual impairment has been shown to double the risk of falls and quadruple the risk of hip fractures. As well, people with vision loss are admitted to long-term-care homes typically three years earlier than those without vision loss.

So as you can see, there is a significant care gap out there in the community, a care gap that is contributing to avoidable vision loss and higher overall health costs and social costs. Our work has led us to conclude that Ontario can't expect to meet the needs of future patients unless they take action today to improve the way that eye health is delivered, with a commitment to quality, access and cost-effectiveness.

Last year, the Ontario Association of Optometrists undertook a major research and consultative process on the future of eye health and vision care in Ontario. The result of that work is a white paper which we will be releasing in just a few short months. We argue that change is needed to better access high-quality eye care services for Ontarians and to ensure that this is being done on a cost-effective basis, taking full advantage of the full range of providers currently engaged in eye health.

The white paper will contain comprehensive recommendations to address that care gap cost-effectively, with strategic investments intended to strengthen optometrists as the primary eye care provider for Ontarians. By embracing a more strategic vision for deploying Ontario optometrists in eye health, one which places optometrists as the primary eye care provider, Ontario could deliver those services more quickly and at a lower cost to the system.

We must find a new way to deliver eye care in Ontario so that people are getting the care they need, when they need it. We have been working hard to find solutions; solutions that recognize the need to address the care gap within Ontario's difficult fiscal framework. While those solutions do require targeted investments in optometric services, they will be shown to be cost-effective by shifting care, when appropriate, from higher-cost providers and hospital care, as well as proactively reducing preventable vision loss.

We look forward to the opportunity to share with the members of this committee, and indeed all members of the Legislature, our findings and recommendations for change. In the interim, as you consider the upcoming budget, we would like you to keep in mind the importance of optometric services to the eye health of Ontarians today, as well as the opportunity to enhance those services by placing optometry as the primary care provider as a means to address the growing care gap that faces us in the future.

Again, thank you for the opportunity to present today. We'd be pleased to address any questions you might have.

The Chair (Ms. Soo Wong): Thank you very much, Dr. Khan. I'm going to turn to Mr. Milczyn to ask you some questions.

Dr. Farooq Khan: Sure. Thank you.

Mr. Peter Z. Milczyn: Thank you. Good afternoon, Dr. Khan.

Dr. Farooq Khan: Good afternoon.

Mr. Peter Z. Milczyn: Thank you for an excellent presentation, with a lot of information in it. I'm just wondering if perhaps it's one of those areas where there's not enough discussion. We discuss other aspects of the health care system a great deal, and it leads me to thinking that there might not be enough information out there, even among the general public, about the services that are in fact covered by the government now.

You touched upon one really good program, Eye See...Eye Learn, which is a partnership between the province and your profession targeting very young children. Is that program well advertised? Do people really know about it? My daughter is in kindergarten, and, through the schools, I have not heard about it.

Dr. Farooq Khan: That's always the challenge: There are these wonderful programs, and getting the word out there so that people know they are available. We market it mostly through the schools themselves. That's the way that it has been rolling out. The program has been in existence for a number of years now. We're getting better

uptake, but it's always a challenge to make Ontarians aware of these programs, for sure.

Mr. Peter Z. Milczyn: So we have the Eye See...Eye Learn program, and occasional eye exams for children and young people are covered by OHIP. I'm wondering whether it's a similar situation that parents don't actually know enough that this service is covered by OHIP and it's something that should be done on a regular basis. Is your profession doing some kind of education program? Could the government assist maybe with some kind of education program to better inform Ontarians about the optometry services that are actually covered and available to everybody?

Dr. Farooq Khan: That would certainly be helpful, to have a partnership with the government to get the word out there to Ontarians of what eye care services are provided by optometrists. We continue, as an association, to put funding aside for advertising, but it's always hard to reach people and get that message out, and very costly. But we'd definitely be open to working with government to get the word out about the important services that optometrists provide Ontarians—because it's hard to shift patterns, right? A lot of people who have a red eye or have a problem will go immediately to their physician without thinking, "I can go to my optometrist," or they'll end up going to the emergency when they can go to their optometrist for the same care.

Mr. Peter Z. Milczyn: I know you've participated in the Eye Health Council of Ontario. From that, there are recommendations that have gone on to the ministry about improving access to services, streamlining how eye care is delivered in the province. Are you hopeful about what the ministry's response might be to that?

Dr. Farooq Khan: Absolutely. I mean, EHCO has been wonderful in terms of ophthalmology and optometry working together with other health care providers to make them aware of guidelines, of care for patients with diabetes, with macular degeneration, for example, and a more streamlined use of resources. Again, the hard thing is getting the word out there to physicians and other health care providers to change their habits and patterns of referral.

Mr. Peter Z. Milczyn: And your profession's scope of practice has also been expanded, so you have received the right to prescribe medications. Again, I'm wondering, is that really well known in the public?

Dr. Farooq Khan: No, I don't think so at all. In 2011, we were, as you mentioned, granted the opportunity to prescribed therapeutics to the population in Ontario here, and it's a wonderful thing. But, again, I don't think many people know that those services are available.

Mr. Peter Z. Milczyn: So notwithstanding the general financial pressures that the health care system is under and the challenges the government has, we do have great programs. We just need to educate the public better about what is available to them. Could the public health units throughout the province assist with that?

Dr. Farooq Khan: Yes, it's certainly something we could look into, working with them. That's one part.

There are certainly good programs available, and we need to let Ontarians know what services are provided by optometrists.

The other thing is just changing habits. Instead of patients bouncing from a physician's office or an urgent care office and then being referred to a high-care-cost provider like an ophthalmologist, really, if you do the one stop at an optometrist, the majority of things can be taken care of there. So we're trying to shift patterns, instead of people going directly to an emergency department with a simple case that could be addressed by an optometrist.

The Chair (Ms. Soo Wong): Dr. Khan, thank you very much for your presentation and your written submission.

Dr. Farooq Khan: Thank you. I appreciate that.

PROSTATE CANCER CANADA

The Chair (Ms. Soo Wong): The next presenter is Prostate Cancer Canada and Rocco Rossi. Mr. Rossi, welcome. The Clerk has handouts for everybody. It's good to see you again, Rocco.

Mr. Rocco Rossi: A great pleasure, Madam Chair. C'est un très grand plaisir, comme toujours.

The Chair (Ms. Soo Wong): Yes. You know you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official opposition party, and you may begin any time. For Hansard purposes, can you please identify yourself for the committee? Thank you.

1530

Mr. Rocco Rossi: Certainly. My name is Rocco Rossi, and I'm president and CEO of Prostate Cancer Canada. Again, thank you, Madam Chair and committee members, for giving us this opportunity to present to you. You have the written submission available to you and we also have a highlight chart, so I'm not going to read through either. I'm just going to focus on a couple of key points and then open it to questions.

I'm going to start with an observation, which is that just a few weeks ago, one of Ontario's brightest lights, Dr. Laurence Klotz, of Sunnybrook hospital, was inducted into the Order of Canada, the highest award that this country gives to its citizens. He was given this award primarily on the basis, as the award says, of the work that he has done in active surveillance.

Dr. Klotz has been a global leader in pointing out how best to triage prostate cancer patients, starting with PSA testing—and understanding that PSA testing is not a perfect test. It can lead to false positives, and it doesn't distinguish definitively, even with biopsy, between low-risk and high-risk prostate cancer tumours. Therefore, the better part of science in clinical practice is to watch, in many cases, and to test on an ongoing basis, but to not put a man through surgery or radiation or hormone replacement if it's not necessary.

In fact, because of Dr. Klotz's work, Canada is the world-leading jurisdiction. Over half of the men diagnosed with prostate cancer in Canada are currently on

active surveillance. It's very different in the US, where fewer than 12% go on to active surveillance. The system essentially goes from testing to treatment, and it's both a huge cost to the system and an incredible tragedy for the men who are put through treatment unnecessarily.

Eight out of 10 provinces, understanding that we now have an effective triaging system that uses this information appropriately, pay for PSA testing for all men, asymptomatic and symptomatic. Ontario and BC are the last two jurisdictions in Canada that only pay for symptomatic men. Basically, you have to already have prostate cancer or have extensive symptoms—and sadly, they only happen very late in the disease—before the province will pay for a test that men are now required, in this province and in British Columbia, to fork over \$30 for, or up to \$50 in some cases, to get this test. We think that's both unfair and short-sighted.

We recognize that there's a national task force that has recently come out and said, "You know what? We shouldn't do PSA testing at all. It causes more harm than good because of this overtreatment issue." Unfortunately, this panel only looked at the US data and had no one on the panel who was a urologist or an expert in prostate cancer. They had some family physicians, and they had a group of statisticians and epidemiologists, who didn't have the benefit—and chose not to, for fear of prejudicing themselves—of talking to actual prostate cancer specialists, who would have told them that Canada is not the US, and that thanks to Dr. Klotz and others, we do have a very sophisticated triaging method which ensures that we're not overtreating men.

Can we get better? Absolutely. But let's understand something: 4,000 men will still die of prostate cancer in this country this year, 1,500 of them in Ontario alone. That compares to 5,000 women in Canada who will tragically die of breast cancer, some 1,750 here in Ontario. The age distribution of those two cohorts is virtually the same, yet we fully pay in this province for mammograms, a test that also has false positives but that people understand still gives key information that, used appropriately, saves lives.

Unfortunately, we men are our own worst enemies. Women are so much smarter than we are. Guys, when it comes to health—

Ms. Ann Hoggarth: We agree.

The Chair (Ms. Soo Wong): No comment.

Mr. Rocco Rossi: I'd be quoted on that every day, and it makes my wife very happy to hear it. But men, when it comes to their health, don't want to talk about health, do not want to go to the doctor, and when it comes to health below the waist, if we ain't bragging, we ain't talking about it. So guys are dying and suffering unnecessarily, and unfortunately the decision on the part of the Ontario government not to pay for PSA testing is a further reinforcement of this because it's not even the 30 bucks. Let's be clear: to government, the wholesale cost of that would probably be about \$10. It's not the 30 bucks; it's the psychological message you send to men. When you say, "It's not covered by OHIP," it tells a guy,

“That means the test is optional, so as a guy, I’m going to do what guys do, which is not be tested, and I can tell my wife, my spouse, ‘Don’t worry, honey; OHIP doesn’t pay for it; it’s not important.’” And men die because of this.

Only 20 years ago—pre-PSA—the mortality rates for prostate cancer in North America were 40% higher than today. So while the tragedy of 4,000 deaths this year is horrendous, if we had the same mortality rate as just 20 years ago, 6,500 men would die in Canada of prostate cancer—2,500 additional dads, brothers, sons, husbands, friends, colleagues would die unnecessarily. So I believe it’s well past time for Ontario, which has been a leader in the research with respect to prostate cancer in this country, to send a very strong message: “Yes, we’re working on better tests, but we are not going to aid the stupidity of men in avoiding testing. We’re going to pay for PSA testing.”

We at Prostate Cancer Canada are not calling for universal screening of all men every year, because we understand the clinical reality and we also understand the fiscal realities faced by the government. What clinical practice and research show us is that men should have a baseline test at age 40, and, based on that result and other risk factors—whether it’s in your family; whether you’re from Afro-Caribbean heritage, which makes you at greater risk than Caucasians—then with the doctor you can determine how often that needs to be repeated. In many of the cases it only would need to be repeated every five years. But if you have a high PSA test at age 40, it’s an independent risk factor and it really suggests the need to monitor that patient.

Early detection has saved 40% of people previously dying from prostate cancer. We need to reduce that number to zero, and we can with this initiative. Thank you very much.

The Chair (Ms. Soo Wong): Thank you very much. Mr. Fedeli, you want to begin the questioning?

Mr. Victor Fedeli: Welcome, Rocco. It’s nice to see you again today.

Mr. Rocco Rossi: It’s a pleasure, sir.

Mr. Victor Fedeli: This one brochure that you have: I would highly recommend you leave the Clerk 107 of them, for every MPP. It’s just a great synopsis. To repeat some of the things you said leads to my question: It’s the most common type of cancer found in men today; 4,000 men are going to die each year; it’s a simple blood test; one in eight Canadian men will be diagnosed with prostate cancer. Ontario is already paying for other cancer testing, including breast cancer and colorectal. It leads me to my question: If you do a baseline test at 40 and from there you can make a judgement with your physician on where to go from there, what do you estimate the cost to be on an annual basis, Rocco? Do you have a number?

Mr. Rocco Rossi: Look: If you were to do every single man at age 40, and let’s assume the \$30 price, which is not what government would be paying, you’re talking about \$2.5 million. Clearly, you’re already testing some. Not every man will come. Despite our best efforts,

it’s not going to happen. And you actually will end up doing smart screening in a better way than any other province because you’re not going to do it on a universal basis; you’re going to say, “We’re going to pay baseline and then have this discussion.” So we’re talking well sub-\$5 million or sub-\$6 million, all-in.

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Just as a comparison, for those 1,500 Ontario men who died last year of prostate cancer, for one year of androgen deprivation therapy, which is typical late-stage metastatic cancer treatment in Ontario, just the drugs alone are \$20,000—just the drugs. When you go all-in, plus the cost to the family and the cost to the economy, it’s enormous.

We’re talking about single-digit millions to both save lives and, I think, save significant dollars to the health care system in the long term.

Mr. Victor Fedeli: Rocco, would you recommend that every man 40 years and over today go and get this, whether it costs them or not?

Mr. Rocco Rossi: One hundred per cent, if they’ve not had it. It’s best if done in conjunction with the physical test. Unfortunately, that freaks out guys even more, when you start talking about the finger in the bum, the digital rectal exam. They’re the three words most likely to put a man into the fetal position, which is fortunate, because it’s a very good position to have the test run.

Mr. Victor Fedeli: It’s the glove snap, for me.

Mr. Rocco Rossi: Yes, it’s the glove snap.

Together, that’s the most powerful combination. But at the very least, a simple blood test—it’s the same blood as when you draw it for cholesterol tests etc. It’s a matter of ticking off a box by the doctor. Done in conjunction with other blood testing, again, that price can be driven down significantly.

Mr. Victor Fedeli: I go for a physical every year or so, and you get the sheet with all the boxes that the doctor ticks off. What you’re saying is that right now they’re not ticking that box off? Because I don’t remember ever having to pay anything anywhere.

Mr. Rocco Rossi: Yes. In Ontario, if you are “asymptomatic,” the doctor technically shouldn’t be ticking the box for a PSA test. If you are symptomatic, they will, but again, you’re now late down the chute and the benefits of early detection are largely lost at that stage. All it takes is, as in eight of the other provinces, to ask that the doctor do that.

Again, it does not have to be every year, but it gives a baseline, because it’s not simply the one score which is indicative for the doctor. It’s really a trend line over time. If a man does come to the doctor and he’s 55 and has a PSA test at that point, a score of 2 will mean a certain thing to the doctor, but if the doctor knew that at age 40 it was 2 or 1.8, it would be very different than if he knew that at age 40 the score was 0.2. In an information age, a decision to not provide key information that can save lives just confounds us tremendously.

Mr. Victor Fedeli: In the meantime, while we wait, your advice is to go and get it done?

Mr. Rocco Rossi: Absolutely. Go and get it done. We're encouraging every single man to do that. In fact, we very often have, and will continue to have, free clinics in hopes of the government one day deciding that this isn't something that should be paid for by charity; it's something that should be paid for by the taxpayer.

The Chair (Ms. Soo Wong): Thank you, Mr. Rossi, for your presentation and your written submission.

Mr. Rocco Rossi: Thank you very much.

ENBRIDGE GAS DISTRIBUTION INC.

The Chair (Ms. Soo Wong): The next presenter is Enbridge Gas Distribution Inc. I believe it's Jamie Milner, vice-president of market development and customer care. I think there's a handout, and the Clerk will pick it up.

Mr. Milner, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will be coming from the third party. You may begin at any time. Please identify yourself and your position with Enbridge for the purposes of Hansard. Thank you.

Mr. Jamie Milner: Thank you, Madam Chair. My name is Jamie Milner and I'm the vice-president of market development and customer care at Enbridge. It's a pleasure and an honour to be here.

First of all, we know that not everybody has an opportunity to speak directly to you, so I'm going to take care to focus my remarks. Enbridge's priorities have remained consistent over quite a few years, and our conversations that we've had with the government and other stakeholders have been largely characterized in the long-term energy plan. However, today, I'm going to focus just on one of the priorities, and that is that we think the government should move quickly on expanding access to natural gas.

The expansion of natural gas is a significant opportunity for the province and is of benefit to all Ontarians. Increased access to natural gas will provide more Ontarians with reliable, abundant, affordable and flexible energy, which will unlock significant economic value and thrust the province forward as a place for new industry investment and development. I'm going to really get into why that is in a minute.

But I'd really like to thank the government for their recognition of the need to expand natural gas infrastructure. In the past year, we have been pleased to hear that the government supports this opportunity and acknowledge that Ontarians deserve a more affordable cost of living, and access to natural gas will provide the much-needed economic stimulus for small businesses and families, as well as the agricultural, industrial and commercial sectors.

How can natural gas continue to help Ontario overcome the economic and environmental challenges it faces? Well, natural gas is clean, affordable and a reliable energy option.

Natural gas is clean. It's cleaner than traditional coal-fired electricity or home heating oil. As a transportation fuel, it's cleaner than diesel or gasoline, and especially in the heat of summer, natural gas is a clean alternative that helps to reduce smog.

Natural gas is also affordable. Many of us in this room already enjoy those benefits and are paying much less to heat their homes than rural residents. As a transportation fuel, it's 28% to 40% less expensive than traditional fuels, such as diesel and gasoline, and it's beneficial in reducing GHGs and other emissions as well. When you look at large trucks, there is no other alternative. There's no electric alternative to reducing those GHGs.

And natural gas is reliable. Unlike the electricity system—and most of us will remember the ice storm last year—natural gas outages are very rare. In fact, in Ontario, the gas system has never experienced a major outage.

We're not alone in our desire to unlock the benefits that I've mentioned. Many jurisdictions have already realized the value of natural gas. Many have moved forward to revitalize their local economies. Natural gas has been cited as a driver of Ontario's economic growth and competitiveness. Really, what has changed is the abundance and the affordability of the fuel. That's really where it is positioned to attract new investments and to help local economies.

The reality is this: Ontario has suffered from high energy costs. From 2004 to 2011, Canada lost more than 300,000 manufacturing jobs, with Ontario accounting for two thirds of these losses. Access to natural gas can help reverse this trend.

Due to the lack of infrastructure, only a very small percentage of rural communities have natural gas, meaning thousands of rural families and businesses rely on more expensive options, such as oil, propane or electricity for energy.

What does having natural gas mean to these smaller, rural communities? It means improved competitiveness. It means more jobs. These communities are struggling due to lack of employment and high energy costs impacting the quality of life and impeding and limiting local contributions back into the community.

Providing affordable energy not only helps families save money, but municipalities will be able to leverage their new natural gas service to attract those jobs and attract investment. Combined with Union Gas, we believe that if we reach 40,000 to 50,000 new customers, approximately \$80 million in annual energy savings could be put back into the local Ontario economy as a result of natural gas expansion.

Natural gas is a stable fuel source. One of the key benefits to increased expansion and utilization of natural gas is that North American natural gas prices are among the lowest in the world and, it's expected that with the current supply and reserves, will remain lower than any other alternative energy source well beyond 2025.

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Unfortunately, small communities are unable to pay the full cost for the natural gas infrastructure. Without financial support and the removal of the regulatory constraints, these Ontarians are not able to take advantage of the benefits.

It's not that they haven't asked. Many towns and municipalities in the province have expressed interest in finding ways to connect their communities to natural gas. Just recently, Mayor Michael Donohue of the township of Admaston/Bromley voiced his desire for Enbridge to expand its pipeline to his township. Admaston/Bromley has a large agriculture industry, and access to natural gas is essential for this sector to remain competitive in the global marketplace.

Fernand Dicaire, mayor of the township of Alfred and Plantagenet, has on many occasions contacted Enbridge. He has been actively requesting further extensions to Enbridge's natural gas pipeline to service the village of Lefavre and an extension to the village of Curran. There are many private commercial and agricultural businesses, a seniors' home, a community hall, a public works garage, a library and many private residences that would benefit from natural gas in Lefavre, as would any of these other communities.

A major water treatment plant services the communities of Lefavre, Alfred, Plantagenet and the village of St. Isidore in the Nation Municipality. They have recently retrofitted the heating system from electricity to propane in anticipation of natural gas coming with the expectation they will be able to reduce their heating costs.

Simply put, communities with access can leverage their natural gas advantage. This is a significant benefit that helps them to lure other industry to their towns and their communities.

These are just a couple of examples. There are over 40 communities with populations of 500 or more that could benefit from new natural gas infrastructure. We've included a number of additional requests as part of the addendum to my speaking notes. You'll see there's a number of towns and communities that have requested expansion of natural gas.

The province, municipalities and First Nations will all benefit from expanding access to natural gas, but I'll let the numbers speak for themselves. First, natural gas is not only more affordable, but the capital investment to expand the pipeline is lower than other alternatives.

Statistics Canada reports that total household spending on natural gas has declined from just under \$8 billion in 2008 to just under \$6 billion in 2012. That is reflective of the lower costs for gas, and it's good news for Canadians. Then contrast this against electricity spending, which has increased significantly since 2008. Canadians were spending \$15.5 billion in 2008, and in 2012, that has almost doubled to a staggering \$22.3 billion.

With natural gas, homeowners would save about 60% on their energy bill. That's about \$1,700 each year for the average person in their energy costs. Mid-sized commer-

cial businesses would see about \$15,000 in annual savings.

New business development that can come from natural gas will create jobs, benefiting local communities, contractors and suppliers. Approximately \$80 million in annual energy savings will be reinvested into local economies with the connection of those 40,000 to 50,000 customers.

Lastly, increasing electricity costs makes Ontario less competitive with our neighbours. Many of Ontario's competing jurisdictions south of the border are already utilizing natural gas and have programs to revitalize their manufacturing sectors. Those are states like Michigan, Ohio, Pennsylvania and New York.

While the province has significant natural gas infrastructure through both Enbridge and Union Gas, we are asking the government to support expansion to these underserved towns and villages through some of the means the Premier has referenced during the past year: the provision of a two-year \$200-million natural gas access loan, as well as through a natural gas economic development grant. We are looking forward to working with you to examine options on how to meet the energy needs of these communities.

Thank you.

The Chair (Ms. Soo Wong): Okay. Thank you, Mr. Milner. Ms. Fife, do you want to ask a question?

Ms. Catherine Fife: Thank you very much, Jamie, for coming and for sharing the numbers. That's the important part about this as well. With every year, the call for expanding natural gas infrastructure grows stronger, I think.

We did have some assurance last year from this government that infrastructure for natural gas would be forthcoming, and just yesterday, the Ontario Federation of Agriculture came in. They were very kind. They said, "We really appreciate the words from last year, but we have not seen any action on it." I want you to talk about that, please.

Mr. Jamie Milner: First of all, we're very encouraged that the government is listening, but we would also like to see the next step taken.

Ms. Catherine Fife: Yes. So this ask that you are putting on the table here is \$200 million for infrastructure. What was last year's? Do you remember?

Mr. Jamie Milner: First of all, the \$200 million is a loan that we're asking for.

Ms. Catherine Fife: It's a loan. Yes. That's important.

Mr. Jamie Milner: That was the ask, and that's what is before the government today.

Ms. Catherine Fife: So that was last year's ask as well?

Mr. Jamie Milner: Yes.

Ms. Catherine Fife: So it's a listening loan; it's a listening loan for right now.

I was talking to a farmer on the weekend. His energy bills are off the charts. In fact, it's becoming more and more difficult to be sustainable. On that one file, because the farmers are becoming huge advocates for natural gas,

you estimate that natural gas home owners would save about 60% on their bills. Do you have any sense about what it would mean for the agri-food business?

Mr. Jamie Milner: It's the same ratio.

Ms. Catherine Fife: The same ratio.

Mr. Jamie Milner: It's 60% of their energy bills, and it's not only in heating, but it's in process and transportation.

Ms. Catherine Fife: Okay. Aside from the \$200-million loan and the goodwill, you are also asking for the removal of some regulatory constraints. Do you want to talk about that a little bit?

Mr. Jamie Milner: Just briefly: The regulatory constraints don't allow us to supply gas to areas that are unfeasible, and there is a very small amount that's allowed for cross-subsidization as long as the whole portfolio is positive. We're just asking for the Ontario Energy Board, or the government to direct them to help relax those restrictions to allow us to use the portfolio that we have.

Ms. Catherine Fife: So you're asking a lot for the Ontario Energy Board to relax, but I understand what you mean. You want some flexibility for these regulatory constraints to be lifted a little bit so that you can put the infrastructure in place.

Mr. Jamie Milner: Yes.

Ms. Catherine Fife: It was a very good presentation. I hope that you're not here again next year asking for the same things because I think that you've made a strong case. Thank you very much for coming in here today.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Milner, and thank you for your written submission as well.

INTERIOR SYSTEMS CONTRACTORS ASSOCIATION OF ONTARIO

The Chair (Ms. Soo Wong): The next presenter is the Interior Systems Contractors Association of Ontario, Mr. Koller. Welcome. As you heard, you have 10 minutes for your presentation followed by five minutes of questioning, and this round is coming from the government side. Please identify yourself and your position with your association for the purposes of Hansard. Thank you.

Mr. Jeff Koller: Thank you, Madam Chair, and members of the committee. My name is Jeff Koller. I'm the government relations coordinator with the Interior Systems Contractors Association of Ontario, but I think it's fair to say that I'm here representing the urgent needs of a large segment of the construction industry.

Thank you for the opportunity to address you today on something that we consider to be of critical importance to the construction industry, which is the issue of prompt payment. What does that mean? It means getting paid for work that you've done within 30 days of doing it, so a month after construction work is completed. That's what prompt payment envisions.

Right now, you have a situation where contractors are doing work, and they're not getting paid for months

afterwards. Ninety to 120 days has become common. The problem is growing, and it's becoming almost epidemic.

The construction industry is widely acknowledged as one of the primary drivers of economic growth: 434,000 Ontarians earn their living from the construction industry. That represents about 6.4% of the workforce in Ontario. Yet all too often, construction contractors are made to wait unreasonable times to get paid for work that they have done. They still have their own obligations to pay their employees, remit income tax deductions to the government, pay Workplace Safety Insurance Board premiums, employer health tax premiums and health and welfare benefit plan contributions.

As an example of how bad the situation is, our association, which is one of many, many construction employer associations in the province, has a member contractor. We asked them approximately a year ago how big their accounts receivable was. This was a residential contractor. That contractor replied \$7.6 million, of which \$6 million was more than 128 days past due. That's a lot of money for any company, any size.

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I would invite all of you to ask yourselves what would happen if you didn't pay for your utility bills or your TV or telephone bills for four months or longer. You'd probably get cut off.

This is unfair, and it creates a serious imbalance that undermines the liquidity of employers and their ability to help drive the economic growth of our province. All of the financial risk is transferred from owner-developers, those who stand to profit and gain the most from a development, to those who can least afford it and stand to gain the least from construction, those being the contractors.

I'd like you to imagine a pyramid. At the top of a pyramid you have owner-developers, who control the money for a project. Below them are general contractors, who then further hire out the trade contractors and subcontractors who do the work. As that pyramid widens toward the base, those are the people who aren't getting paid for months at a time.

Construction is a little bit unique in how people working in the industry get paid. The existing inequity imperils employment and apprenticeship growth and inhibits the ability of small and medium-sized family-owned businesses to invest in machinery and equipment, as well as bid on additional work and grow their business, which in turn means fewer jobs are created and slower economic growth for the province.

Furthermore, there is absolutely no penalty for a developer who chooses not to pay his bills on time. The contractor who stops work in protest is more likely to be held liable for breach of contract.

It's a common misconception that the EllisDons or the PCLs of the world with the big signs, the big construction projects and 300 people on the construction site—the misconception is that they're all direct employees of that large general contractor. In actual fact, a relatively small percentage is probably direct employees in most cases.

You'll have your site superintendent, and all then all the various trade and subcontractors below who are actually doing the work, such as plumbing, electrical, finishing work and masonry. All of those contractors are the ones who aren't getting paid for the work that they've done.

Another myth that became apparent the previous spring, when a private member's bill sponsored by Stephen Del Duca made it as far as committee hearings, was that prompt payment will actually raise the cost of public sector construction work. There were various municipalities and school boards that brought that forth and perpetuated that myth.

The reality is that delinquent payment drives up those costs for two reasons. Contractors (a) have to build the risk of delinquent payment into the bids that they submit for work, and (b) as cash flow is stretched ever more thinly, the pool of qualified bidders shrinks. You've got a lot of qualified contractors who are unable to bid for new work because all of their cash flow is tied up in existing projects.

I'd like to talk for a moment about other jurisdictions. We essentially stand alone in the civilized world in not having prompt payment legislation in place. The US federal government and 49 US states have prompt payment legislation for public sector work, and 31 US states have it in place for private sector work. The United Kingdom, Ireland, all the countries in the European Union have prompt payment legislation—and New Zealand and Australia. Some have had it for 10 or 20 years or more.

This government, in the spring of 2014, set aside consideration of the aforementioned private member's bill, Bill 69, which was entitled prompt payment for the construction industry, in favour of an independent review of the Construction Lien Act. That is entirely an inappropriate means to correct the imbalance that exists in construction today.

First, the lien act is an entirely different thing than prompt payment. It addresses non-payment as opposed to delinquent payment. What we are asking for is far simpler: to require the purchasers of construction to pay their bills within 30 days of that work being finished.

Second, there have been many attempts to reform the Construction Lien Act almost since its inception, and there has been no meaningful reform of the Construction Lien Act ever.

Third, the original announcement promised results by the end of 2014 and, as of today, there has been no chair of the review named, there have been no parameters or guidelines that have been established, and there has been no decision or determination of who would be allowed to provide expert testimony or provide input to that review.

In 2010-11, the Ontario Labour Relations Board dealt with 952 construction industry grievances, and that number rose to 968 in 2011-12. Approximately 40% of those grievances are related to delinquent payments and, if I can quote from their annual report, related to an "alleged failure by employers to make required contributions to health and welfare, pension and vacation funds ... and

alleged violation of the subcontracting and hiring arrangements." That was page 16 of the OLRB annual report for 2010-11.

The budget for the Labour Relations Board in 2010-11 was \$12,638,900. In 2011-12, that rose to \$13,458,600. Imagine those taxpayer costs being substantially reduced, or eliminated altogether, if we had prompt payment legislation in place.

I'd ask you to consider that it costs nearly \$200,000 annually in legal fees and court filing costs for one benefit and pension trust fund to chase down delinquent payments by contractors, and it's not even really the contractors' fault, because they're not getting paid. Now multiply that by a dozen or a hundred different pension trust funds across the province, and you see some of the costs that are incurred by the industry.

We therefore implore the provincial government to demonstrate leadership by committing itself to passing legislation that would require all purchasers of construction to pay for completed construction work within 30 days. This would include the provincial government itself, municipalities and school boards, and private sector purchasers of construction. On projects of longer duration, you have something called progress payments, which would be required every 30 days. It helps keep the cash flow going for those who are doing the work, so that they can pay their employees.

The spirit and intent of such legislation would not be to allow frivolous work stoppages, but it would give contractors the flexibility and freedom to make business decisions about stopping work on a project when they're not being paid, without being liable for breach of contract. No respectable contractor would ever stop working, so long as he or she is being paid for the work they do, nor should any legislation condone or endorse demobilization for frivolous reasons. All it would do is empower a contractor, as I said, to make a business decision.

Ladies and gentlemen, this is common sense. It is the morally right thing to do, and it is absolutely imperative for the construction industry and the good of the economy. We implore the members of this committee to consider this carefully and make an appropriate recommendation to the government. Your committee is considering ways to improve the economy, and we believe that this would go a long way toward ensuring that existing jobs are preserved, new jobs are created and investment in apprenticeship training is made. Ultimately, this government would receive more tax revenue, because more people would be able to pay their taxes.

Thank you.

The Chair (Ms. Soo Wong): Thank you very much.

Mr. Milczyn, do you want to begin the questioning?

Mr. Peter Z. Milczyn: Thank you, Mr. Koller, for your presentation on a very important issue. I appreciate you bringing this to our attention today.

I wasn't at the Legislature when Minister Del Duca, then-MPP Del Duca, brought forward his private member's bill, so I'm not sure how that was working its way through. But certainly from my time at the city of Toron-

to, I am aware of the municipal arguments against prompt payment. To an extent, it went like this: In some cases, it can take the ability away from the owner of the property, the building, or whatever, to have that dialogue about work that's not being done properly, and that it might impede the ability to resolve disputes about quality of work and timeliness and so on. What would be your response to those concerns?

Mr. Jeff Koller: Very simply, sir, I think you're talking about deficiencies in work, and holdbacks that would be reserved for that. If the work isn't done to satisfaction, you don't certify it as being complete and you don't pay.

Mr. Peter Z. Milczyn: But that's the nub of many a dispute between a contractor and an owner.

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Mr. Jeff Koller: What prompt payment envisions is, work that has been certified as being complete, you get paid for it. It's that simple. It's the project owner that certifies it or they delegate or designate someone to certify it as being complete.

Mr. Peter Z. Milczyn: Okay. Your presentation is that the public sector is just as bad or just as good as the private sector is in terms of paying their construction progress payments on time.

Mr. Jeff Koller: Yes. At committee hearings, the committee heard that various different representatives of municipalities and school boards say, "Well, this isn't a problem that we encounter; we pay our bills promptly." I can tell you that the entire industry essentially would disagree with that statement.

Mr. Peter Z. Milczyn: I would concur with you on that. So your contention is that in terms of certainly the public sector, prompt payment legislation would have no impact on overall construction costs and might actually have some modest savings?

Mr. Jeff Koller: Yes. It would be beneficial if legislation provided that contractors got paid for work that they've done within 30 days. They wouldn't have to build that risk of delinquent payment into their bids, so that would lower the cost of public sector construction work. Also, you'd have a larger pool of qualified bidders because you'd have contractors that don't have all their cash flow tied up in one project who are anticipating not being paid for four months and therefore they're able to bid on other work. You increase the pool of bidders and generally—you know, it's a market reaction—it tends to drive down the overall bidding.

Mr. Peter Z. Milczyn: The government's initiative to look at the Construction Lien Act—was that prompted by issues other than just the prompt payment debate or were there other aspects of the Construction Lien Act that have prompted the government to say, "We want to review it"?

Mr. Jeff Koller: There was a review done of the Construction Lien Act a few years ago after considerable efforts and lobbying by the industry. That review produced virtually negligible results in terms of meaningful reform. It's a complex piece of legislation that probably

cannot be easily reformed. It would probably take years to do it properly. In the meantime, the issue of delinquent payment is threatening the solvency of a lot of small and medium-sized, family-owned construction contractors, which probably make up more than about 80% of the industry.

The Chair (Ms. Soo Wong): Okay, Mr. Koller. Thank you very much for your presentation and your written submission.

Mr. Jeff Koller: Thank you very much.

ONTARIO CAREGIVER COALITION

The Chair (Ms. Soo Wong): The next presenter is the Ontario Caregiver Coalition: Ms. Kathlene Willing.

Ladies, thank you and welcome. Good afternoon. As you heard earlier, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will be coming from the official opposition party. You may begin any time. When you begin, please identify yourselves as well as your position on the Ontario Caregiver Coalition for the purpose of Hansard.

Ms. Kathlene Willing: Thank you, Madam Chair and members of the committee.

Ms. Lisa Levin: I just wanted to introduce myself. I'm Lisa Levin. I'm the chair of the Ontario Caregiver Coalition. Kathlene is a caregiver.

Ms. Kathlene Willing: My name is Kathlene Willing and I'm a member of the Ontario Caregiver Coalition. I'm one of those caregivers who wanted very badly to take care of their husband at home, to provide the loving care he needed as he descended into dementia.

I felt I was handling the situation very well with some help from the CCAC, but by year 6, he was wandering and that amped up the stress level. Then, in year 7, I got hit with a stress bomb. I had a bout of vertigo, and the stress was just too much. I had no idea how I was going to cope with that, so I was forced to put him into long-term care and live without him at home.

I'm here on behalf of the coalition to ask the Standing Committee on Finance and Economic Affairs to consider supporting the crucial role that unpaid caregivers play in the long-term sustainability of our health care system, because their ability to continue in this role over time is directly related to the level of support they receive that meets their individual needs.

As the provincial advocacy body for unpaid caregivers, the OCC urges the committee to recognize that some of the changes made to the way our health system operates place added strain on unpaid caregivers. Without recognition of this and increased support to mitigate the strain, caregivers will move from being the backbone of our health system to the patients of it. I escaped being a patient.

It is well known now that the cost of health care in Ontario is growing at an alarming rate. We've been told that without a change in how health services are funded and delivered, health spending will consume more than

half of the provincial budget. To stem this, the focus in health care has been to increase efficiencies and reduce wait times by focusing on shifting care into the community and reducing the number of ALC days. With the rise of chronic conditions, this is a smart move. Our health system needs to transform to one that better supports people with chronic conditions. It is of benefit to the patient, to the care provider and to the acute sector to not have people waiting in the wrong place because another level of care is not available. The problem we've forgotten about is one person: the caregiver.

The shift to providing more complex care in the community and reducing the length of stay in hospital has depended upon the ability of unpaid caregivers to devote more of their time to caregiving. This system transformation is happening on the backs of caregivers, and we are not ensuring that they're properly supported to take on this extremely challenging role. We just assume they're going to be there. But what happens when they can't take it anymore? What happens when the stress of caregiving leads to illness and they become the patients? Then, what do we do?

The act of caregiving can be both rewarding and distressing. As a caregiver, you want to do what is best for the person you are caring for, but navigating our complex health system while trying to learn how to provide care for yourself is exhausting and stressful. If you're employed, have children, or some other role that demands your time, the process of caregiving is daunting. Without enough help, many caregivers aren't able to continue and as a result are forced, like me, to turn to long-term care. However, wait-lists are high, and as they wait, more and more caregivers are burning out. As a caregiver, the scarcity of services available to help and the lack of control you have over acquiring services leave you feeling lost and alone. And then, this just adds to the stress.

CCACs provide what they can with the funding they get through the LHINs, but there are two trends that are concerning. First of all, there is a lack of consistency in assessing services for lower-needs clients through their local CCACs. Clients who would have previously been eligible for services are no longer eligible as CCACs now provide care primarily for higher-needs clients. Increases in home care funding have not kept pace with the real need of people who are being sent home quicker and sicker.

Secondly, services are not available to support the full range of caregivers. For example, caregivers of seniors are receiving more recognition through funding than caregivers of people with other conditions, such as mental illness. Taking lessons learned from other jurisdictions in Canada, the use of a caregiver assessment and the implementation of caregiver benefits have proven useful in reducing the burden of care and showing value for money for governments.

For example, the implementation of a \$400-a-month caregiver benefit for low-income caregivers has reduced the likelihood of long-term-care placements by 56% and

saved the Nova Scotia government approximately \$44 million since its implementation in 2009.

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The funding available for lower-needs clients and for the full spectrum of caregivers varies widely because funding formulae have not kept pace with population growth in some regions of the province. As a result, many clients are falling through the cracks and caregivers are bearing the burden. Funding across LHINs must be equitable and based on population growth in order to address the regional variation.

As part of the funding increase for the home and community care sector, we believe that development and implementation of a self- and/or family-directed respite care program would (1) increase the flexibility of services available to the full spectrum of unpaid caregivers, (2) ensure that people with lower care needs can still access care, and (3) increase the level of control that caregivers have over which services are delivered when, where, and how.

We urge the committee to follow up on commitments that were made in the 2014 budget to study the various models of self- and/or family-directed respite care and to begin implementing such a model on top of what is currently available through the CCACs.

Great work is already under way in Ontario in the following three areas: reducing preventable emergency department visits, reducing ALC days, and reducing wait times for long-term care. In order to achieve long-term success on these priorities, support for unpaid caregivers is crucial. By providing care in the home, caregivers make a major contribution to Ontario's health care system by saving the system millions of dollars. However, with more support, caregivers can help our health system remain viable and help keep people at home where they want to be.

We know that the health system cannot continue on its current path. As the provincial advocacy body for unpaid caregivers, we look forward to working with you as we move toward a health system that values the support provided by unpaid caregivers. OCC would be pleased to meet with members of the committee to discuss our concerns and recommendations for change. Thank you.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. Mr. Arnott, do you want to begin the questioning?

Mr. Ted Arnott: Thank you very much, Madam Chair, and thank you for your presentation. It was excellent.

We're nearing the completion of two weeks of public hearings. Most of us have been involved in the committee for a few days. I thought your presentation really stands out for the effective presentation of your ideas, and I want to thank you very much for that.

Ms. Kathlene Willing: Thank you very much.

Mr. Ted Arnott: What would we do without our caregivers? What would happen to the province of Ontario's health care system? It would just be absolutely swamped, and it couldn't withstand the demands.

Ms. Kathlene Willing: Yes, exactly.

Mr. Ted Arnott: We have to acknowledge that and express our appreciation to your members. I think it's an appropriate thing that you've done to speak out in support of what you're doing. It looks like Nova Scotia is leading the way in terms of the tax credit, and you've given us information about how much money has actually been saved as a result of taking that step.

Are there any other provinces that are doing a tax credit along those lines?

Ms. Lisa Levin: Manitoba has a non-refundable tax credit, and the benefit of that is that individuals who do not work can still obtain a tax credit. Often, caregivers have to give up working to care for their loved ones. I can get you statistics on that, if you want, in terms of savings. I don't have that with me now.

Those are the two leaders in Canada.

Mr. Ted Arnott: The whole idea of the local health integration networks was to allow a local decision-making body to allocate health care resources to meet specific local needs. But as you point out, that has led to inconsistency in terms of service levels across the province.

Which LHIN is doing the best job of supporting caregivers in the province?

Ms. Lisa Levin: Actually, the point we were making was not so much about the LHINs' performance, but that when the LHINs were originally allocated their dollars, it seems that it was not based on current population projections, because it seems that the LHINs with high-growth areas, like Central West and Central, have less per capita dollars than other LHINs.

Toronto has done some great work with caregiving through the Toronto CCAC, for example. But the concern that we have is that some LHINs just don't have enough money, so lower-needs individuals, mostly seniors and disabled adults, in many LHINs, including Central LHIN—there's no support for them at all unless people pay privately.

Mr. Ted Arnott: You mentioned the 2014 provincial budget. Of course, what happened was, the provincial government presented a budget knowing that it was most likely going to be a pre-election budget. There were a lot of commitments made in it. Some of them, almost a year later, have not been followed through on just yet. We had the provincial election, and the government then presented an identical budget.

What exactly did they promise in terms of caregivers in the 2014 budget? What would you expect—

Ms. Lisa Levin: They talked about this self-directed respite care, and I know that's something that, in recent Ministry of Health slides I've seen, seems to be on the radar. There are models of that in parts of Ontario already, just little projects.

There's an agency called Wesway in Thunder Bay. If you look at Special Services at Home for, I believe, developmentally disabled children, they have that type of funding. We're asking that this be an option that's avail-

able, particularly in rural areas, where an additional issue is a lack of service. That's one thing.

I had the opportunity to meet with Minister Matthews and brief her, with Dr. Samir Sinha, and we talked about the Nova Scotia model.

We also talked about the importance of assessing family caregivers, which is done in certain provinces, because that way certain decisions that are made might be more cost-effective and family-centred. I'll give you a quick example: If you're in an urban area, and there's a day centre for seniors, that costs around \$30 a day for the client. Some LHINs are able to fund that completely as well. Having a personal support worker through a CCAC contract is around \$31 an hour. So if you're a caregiver and you get four hours of a personal supporter a day and you need respite, for example, that will cost \$120, whereas someone can be gone the whole day at a day centre for \$30. If they see a caregiver approaching burn-out, and if there are more options available—we're not necessarily saying it would cost the system more money; it would just be much more effective.

Mr. Ted Arnott: Okay. Thank you again.

The Chair (Ms. Soo Wong): Thank you for your presentation and your written submission.

ADDICTIONS AND MENTAL HEALTH ONTARIO

The Chair (Ms. Soo Wong): Is Addictions and Mental Health Ontario here? Okay, thank you. Welcome.

Ms. Gail Czukar: Unfortunately, I don't have enough copies of my presentation.

The Chair (Ms. Soo Wong): That's okay. The Clerk will circulate that, Ms. Czukar.

As you heard earlier, you have 10 minutes for your presentation followed by five minutes of questioning from the committee members. This round is the third party. You may begin any time. Please identify yourself for the purpose of Hansard. Thank you.

Ms. Gail Czukar: My name is Gail Czukar, and I am the CEO of Addictions and Mental Health Ontario. Thank you very much for giving us time to address you today about the needs of people with addiction and mental illness in the province of Ontario.

Our organization consists of about 250 organizations across the province that provide community-based mental health and addiction services as well as hospitals and other organizations that provide community-based services.

We are very pleased that the government announced, on November 25, that they will provide 1,000 new units of supportive housing across the province and appoint a provincial mental health and addictions council to oversee the implementation of the remainder of the 10-year strategy, or at least for the next three years. We also want to congratulate the government on increasing its spending on community mental health and addictions from 1.31% to 1.41% of Ministry of Health and Long-Term Care spending from 2011-12 to 2013-14. These are very im-

portant increases for people with addictions and mental illnesses, and their families.

However, we do need more support and action to support people in the community. Wait-lists continue for intensive case management, for assertive community treatment and especially for supportive housing. So continued and accelerated investments are necessary. Even though we do have those increases over the three years, from 2011-12 to 2013-14, this year, a lot of the community budgets were impaired at the LHIN level by using the community allocation to pay for the increase for personal support workers. While that's a very worthwhile endeavour as well, it did cut back on what was to have been available for some of the community services.

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I'm just going to very briefly talk about the three main areas in my presentation and then allow for questions. I'd prefer to have more of a dialogue. We do call on the government to increase the capacity in the core basket of services. That includes maintaining the support that's already there. I was at a summit on addiction pathways in the Toronto Central LHIN yesterday where, sitting at a table that was addressing the funding system, someone said that the problem with the consistent freezes in this sector over the last 10 years is that you have a house and you don't get any money to maintain it, but you can get money to build a new kitchen. If you don't do the foundational and maintenance work, then you lose capacity.

Today at our board meeting, one of our addiction provider members said she had calculated that the result of the cumulative effect of the freezes and very small cost-of-living increases over the last 10 years has been a 28% shrinkage in capacity. That's why the wait-lists continue to be there.

We would like to see the capacity increased. We would like to see government policies ensuring that they are integrated, and there aren't unintended negative consequences for one kind of policy on another. The inter-ministerial approach to the strategy is very encouraging to see—that the ADMs are meeting across government and that action on mental health and addictions is in 14 of the mandate letters for the ministers. This is very encouraging for us to see.

We are also very supportive of cross-sectoral collaboration in primary care, because that's another essential area for meeting the needs of individuals. I've been at Addictions and Mental Health Ontario now for about four months, and prior to that, I was the executive director of a family health team for two and a half years, so I have direct experience of what can happen in the primary care area as well. So that's very important.

Affordable housing: I'm sure you have heard from people in other parts of the province about the need for affordable housing and supportive housing. That's an ongoing need. We have some numbers here about what it costs to keep people with community supports and what it costs to keep them in hospital and in jails. I'm sure you'll get different numbers on those from different people, but there's no doubt that keeping people in sup-

ported housing in the community is a great investment in terms of future health, as well as their ability to maintain their own housing, their own employment and treatment.

Looking forward to years 4 to 10 of the strategy, we would like to see increasing support rather than less support for people who are working. The proposed changes to ODSP that are going to eliminate certain employment-related benefits in favour of others are going to be a loss for people who are trying to work and could have the result of putting more people into poverty, which is not the result, I'm sure, that's intended, but it could have that result. People who are trying to work part of the time but need that ODSP support should have all the support they can to try to get working and keep working.

I think that's where I'm going to leave it so that I allow enough time for questions and dialogue. Thank you.

The Chair (Ms. Soo Wong): Thank you very much. Ms. Fife, do you want to begin the questioning?

Ms. Catherine Fife: Thank you very much. Gail, this has been at every stop—and you're the last one for me, anyway. Mental health is a growing issue. You applaud the government for going from 1.3% to 1.4%, yet later on down in your information, you point to, in effect, a 28% shrinkage in capacity over the past 10 years.

But you're not just calling for more money, though; you want money to be spent differently, more effectively, more efficiently. If you had the golden wand here, what would you do to make the biggest difference?

Ms. Gail Czukar: Overall, in the system there is a need for the funding for mental health and addiction across the board to match the burden of disease more closely. There seems to always be an assumption that in addiction and mental health, there's kind of a border around that, and we're supposed to say, "Put more money from the hospitals to the community."

This area has never been adequately funded. I was questioned by a reporter the other day doing a series on mental health and addiction: "Wouldn't it be great to fund a certain kind of care, and isn't this all because of de-institutionalization and people in the community not getting support?" The fact is, whether people are in hospital or in the community, this area has never been funded in accordance with the need. The one in five number that we hear, the 3% number for seriously mentally ill people: If you do the math on the population of Ontario, you'll see that the overall funding, which is about 4% to 5% of the budget, doesn't begin to match that kind of need.

If I had a wand, I would say, "Put more money into mental health and addictions services overall," and I would say, "Balance that in favour of the community, where community providers are supporting people and keeping them in the community, keeping them at home." People go to hospital. They need effective treatment when they're in hospital and they need it quickly, so we don't want waiting lists there either, or waiting times. But we definitely want more support in the community.

Ms. Catherine Fife: It's really interesting because CMHA Middlesex made the same case. They tracked 10 individuals in the community. If those 10 individuals received supportive housing and counselling for a year, it would cost \$900,000 versus \$4 million in the emergency room. So I think that's how we have to start thinking about where these dollars are going.

It's interesting that you mentioned that you were at a LHIN event yesterday or the day before, because in Kitchener-Waterloo, KW Counselling Services does some amazing work. But they've highlighted a lack of data that the LHIN has not connected for walk-ins for males who need counselling. They tell the story of this pickup truck that came into the parking lot and four construction workers got out and they all waited for one poor guy to walk into the centre. But that sort of option needs to be there. You need to map the data to know who you're serving. Can you talk a little bit about that?

Ms. Gail Czukar: That's a very good point. We are working in partnership with CMHA Ontario to develop a quality improvement plan for community mental health and addictions. We have fairly good data on hospitals and on medical services in this area, but not in the community. Without that data, it becomes invisible in many areas.

If we only can measure whether people are in hospital or getting out of hospital—so ALC is a very popular measure. We need housing because of the ALC beds. If we do that, and we prioritize people coming out of hospital for that reason, then what about all those people who are currently on the waiting list—9,000 in Toronto—for supportive housing? So we need data to measure not just volumes and services but quality of care as well.

We are working towards that. We are coming forward to the ministry, who has been very receptive to us making a proposal for that. But with the diversity of services in the community, which is necessary to meet the many diverse needs that are in the community, it becomes a real challenge to have a standardized data collection system. So we do need support to develop that and catch up.

The Chair (Ms. Soo Wong): Thank you very much for your presentation and your written submission.

COLLEGES ONTARIO

The Chair (Ms. Soo Wong): Our final presenter for the day, folks, is Colleges Ontario: Linda Franklin, president and CEO of Colleges Ontario. Welcome, Linda, as always.

Ms. Linda Franklin: Thanks very much.

The Chair (Ms. Soo Wong): I believe there's a hand-out for all of us. Linda, you know the drill: 10 minutes for presentation and five minutes for questions. This round is coming from the government side. Thank you.

Ms. Linda Franklin: Thanks very much. I know I have the distinction of being the last presenter, on the last day, on Friday afternoon. I tried to get the Humber jazz

band to come with me, but they were unavailable, so I will just try to be incredibly animated through this.

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Madam Chair and committee members, thanks for the opportunity to run through our budget submission with you today. You all have a hard copy of our submission and the speaking notes for today.

In the mandate letters for the ministers, the Premier said, "Growing the economy and helping to create good jobs are fundamental to building more opportunity and security, now and in the future. That critical priority is supported by strategic investments in the talent and skills of our people—from childhood to retirement."

Through these strategic investments, colleges, we think, can help the province with two critical issues: youth employment and lifting more people out of poverty. Those two things together help with a robust economy.

Given the state of the economy and the high level of youth unemployment right now, colleges have identified a need to better support today's diversity of learners and their success.

Just before I speak to you about some of our particular initiatives, I'd like to provide you with some perspective on our students. Our colleges serve the full spectrum of students, particularly from groups that have traditionally been under-represented in post-secondary education.

If you're following my notes on page 3, the first chart illustrates, for example, that as many aboriginal and non-aboriginal students have attained diplomas, college education or trades certificates. In fact, the aboriginal population, which is very under-represented in post-secondary generally, is represented to about the level of their share of the population at colleges, so it's a real success story there.

We have many other success stories with disadvantaged groups and people from low incomes, so helping the disadvantaged is a top priority for us. We are the solution to helping most at-risk and under-represented populations in the province. More than half of our applicants come from households where the family income is less than \$60,000 a year.

Our tuition is affordable and our campuses are located throughout the province, which is critical, because when we survey our students, we find that, for the most part, college students would not choose to chase the program of their choice across the province. If they can't find the program they want at their local college, they choose another program at their local college. In the absence of a college, many of these young people's choice wouldn't be a different form of post-secondary education; it would be no post-secondary education.

We're not the colleges we were 50 years ago. I certainly remember when the college system was set up. Oh, dear God, that's dating me. We were considered vocational schools for students who were struggling, last-resort opportunities for children to get an education. We are not that anymore. Today we offer apprenticeships, diplomas and four-year degrees in applied disciplines that

are highly challenging, highly technical, and we turn out students who are filling the workplace with really well-qualified employees.

The OECD, last year, put out a report that found that more adult Canadians have a post-secondary education than any other country in the developed world. That was because of our college system.

While we recognize the need to serve at-risk students, we also recognize that the province has budget challenges.

Last year, Deloitte did a report for us that found that colleges invest more than \$100 million each year in at-risk student supports, more than the government gives us to support these students. These are important societal investments that we are glad to make, and they are important to make because that same report found that those students increased their grad rate by 35% when they have this help.

On to some of our recommendations: We are recommending funding for pilot projects to utilize academic and other supports for students at risk of dropping out. We know the government doesn't have much money, so we'd like to do some of these pilots now so that, in a few years, when there is more money to invest, we will know where the best use of your dollars will be.

More than 83% of college graduates find employment after graduation, but we can do better. Prior to the recession, that figure was well over 90%.

We're also suggesting a new \$10-million special-purpose grant, the graduation transition to the workplace grant, to allow our colleges to do more work with graduating students who don't have parents with their own networks, don't have a way to access employment opportunities and so need the help of dedicated counsellors and professors who know them and are willing to help put them in touch with job opportunities.

In today's economic climate, there is also a requirement for business to be more innovative in order to build their own successes and create the jobs that our young people so desperately need. We spend a lot of time at colleges working with small and mid-size companies on applied research projects to help deal with immediate problems that they have. This is critical support for the small and mid-size companies. But there's almost no provincial funding at all for this kind of work at colleges. We don't get dedicated research funding the way that universities do. Most of our professors are doing this work off the side of their desk. So to support competitiveness and job creation through this avenue we're suggesting a modest fund, \$2 million a year, for the creation of a competitive fund for college-based industry experts to help solve local industry-defined applied research challenges. Industry would come to the professors, make their pitch, ask for support, and this fund would help fund important projects on a matched basis.

Another area that we think needs real attention is apprenticeship. Colleges provide 90% of the in-class training for apprenticeship, but that training is costly and, frankly, not being adequately funded. We have a chart in

the major presentation that shows you that in some cases the most in-need college trades are not even being covered for the cost of their actual provision by the college.

So we're suggesting that the increase in the classroom fee be about \$8 over the next two years. Right now, classroom fees mean that apprentices are paying about half what other college students are paying for their education, and we are at about half the level of funding for apprenticeship in Ontario of every other province in the country. Because of that, some of our colleges are already getting out of the business of apprenticeship. We can't see that continue or we won't be able to provide the skilled trades that we need. So we think that, at the very least, we need to bring the apprenticeship payments up to the level where they're sustainable for the colleges. This small increase would be the first one in about a decade.

Fighting poverty, rebuilding the economy, increasing post-secondary attainment, improving apprenticeship and tackling youth unemployment are all issues that we are ready to work with you on. We understand the fiscal restraints of government, and colleges work very hard to be good stewards of your dollars, from good bargaining settlements to a well-funded pension plan to all sorts of shared services. The colleges do a lot together to try to reduce their impact on the provincial economy. However, we are also facing a pretty difficult fiscal environment. The 2012 Ontario budget left colleges at a real disadvantage. We were allocated a disproportionate share of the total funding cuts to post-secondary. Today, we receive the lowest per-student funding of any province in Canada and our funding is lower than the amounts provided to both universities and high schools for their students. Our apprenticeship fees, as I mentioned, are the lowest in the country.

These realities have placed some colleges at risk. The Ontario Ministry of Training, Colleges and Universities has agreed to review our funding formula and think about how to do this better. That's probably a year and a half away. In the meantime, a sustainability fund that was set up two years ago for colleges at particular risk of falling into deficit is due to expire this year. So we're asking that while that process is going on, we be allowed to continue with that funding for another two years.

Beyond local priorities, attracting international students is a critical priority of a healthy post-secondary sector, and we think it's really important that we help expand our international enrolment to bring in new immigrants and to give our students a better global experience. We're suggesting that Ontario invest \$1 million next year for study-abroad programs for college students and permanently drop the plan to apply an international student recovery fee to offshore activity. These two initiatives would strengthen our international presence and allow more of our students to gain international experience abroad and come back to Canada with a greater sense of global realities.

As the economy recovers, fighting poverty and generating more college graduates are key pieces to the puzzle

for a more prosperous and secure Ontario future. With the support of government, colleges will help this province prosper and thrive in the years to come.

Those are my remarks, Madam Chair. Thank you for inviting me to be here today. I'm so thrilled to have taken this last slot.

The Chair (Ms. Soo Wong): Thank you very much. Ms. Hoggarth, do you want to begin the questioning?

Ms. Ann Hoggarth: I certainly do. Thank you very much, Linda.

Ms. Linda Franklin: You're welcome, Ann.

Ms. Ann Hoggarth: I'm from Barrie, and of course we are so thrilled to have Georgian College. We are so lucky. It's one of the largest employers in Barrie and they do wonderful things with innovation, taking care of the aboriginal students and all the wonderful programs that they run.

Could you tell me a little bit about the novel idea of combining diploma courses with degrees and how it saves money for the student and the whole system?

Ms. Linda Franklin: Sure. We have lots of ways to go at this. One of the biggest challenges we have today is that our students don't go through post-secondary the way we did. It's not in, three or four years; out, off to a career. They meander a little around post-secondary. It takes many of them a lot of time to find their way.

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We have good relationships with universities, and some of our students transfer from a two-year diploma into a degree at universities. That doesn't happen nearly as often as it should, and it's incredibly challenging. University programs are very different, one to the other, so although we're working on credit transfer, it takes time.

We're suggesting now that another option that would add to the suite of things we do for our students would be to introduce three-year degrees at colleges. We already offer four-year degrees, but right now, if you want to go to degree education in Ontario, you have to have six university credits in high school and you have to have gotten really great marks, or you are barred from degree education.

We've managed, over the years, to find all sorts of ways to help our high school students succeed. Dual credits, high-skills majors: All these things help high school students succeed, but those students cannot enter degree education right now. So we're proposing that we add a three-year degree program at colleges—in applied areas, not competing with universities—that would allow students to go into a one-year certificate program or a two-year diploma; to find themselves and understand that they are really capable and smart and would like to continue; and that would allow them to continue seamlessly to get their degree and, from there, if they wanted to go on, into a four-year degree program at a college or on to university.

We think it's a gap for Ontario. It would be, I think, a really important thing to address going forward, so that all of our students have access to education to the extent that they can and are interested in pursuing it.

Ms. Ann Hoggarth: Thank you. What have you been hearing from the colleges about collaborative work to improve student mobility and expand opportunities for students to learn online?

Ms. Linda Franklin: There are a lot of exciting initiatives there. Ontario Online, which is slated, I think, to come on stream in September of this year—we have already, in the college system as well as in universities, been uploading courses into that program right now, so when it goes live, we'll have all sorts of new opportunities for online education.

Not only do we think that will help simply with students taking courses online, but it will give us the ability, when students move from one program to another, to provide a bridging program fast, so you don't waste another year of your time redoing courses. You can take courses online; you can fill in gaps online. Students from remote areas of the province can take more of their credential online. It gives us new opportunities around degree-granting as well, filling in more of the gaps. So we're very excited about that opportunity.

Also, in just the last couple of months, the colleges have announced a really unique initiative where, if you were taking a business program at any college in the province, you can transfer to another college with a guarantee that you will not lose any of your credits. Now there is seamless transfer right through the college system in business, and those programs will build from there.

Also, ONCAT, the province's transfer network, is helping with this too. It's slower, but we have already managed, I think, to do some really important early work around credit transfer between colleges and universities, and that work will continue.

Ms. Ann Hoggarth: I was recently at Georgian, where the new mental health initiative was announced. I think Sault College also has it.

Ms. Linda Franklin: Yes.

Ms. Ann Hoggarth: I was just amazed at how great it was. We had a young woman speak and, if she was in here, you would think that she had no illness whatsoever. She stood up and was so brave, and told us about the fact that she had cut herself and had tried to take her own life, and that, working with people at the college, she now counsels other people who are having difficulty.

I want to thank you and everyone in all of the college system for the work that you do with our young people. Thank you.

Ms. Linda Franklin: Thank you so much.

The Chair (Ms. Soo Wong): Thank you very much, Linda, for being here as the last presenter.

Ms. Linda Franklin: You're welcome.

The Chair (Ms. Soo Wong): So, folks—okay, I see hands up. First, Ms. Fife, you have some questions for the researcher?

Ms. Catherine Fife: Thank you. I do have some questions following today's presentations.

I first wanted to say thank you, though, for doing a really outstanding job of chairing this committee, MPP Wong.

The Chair (Ms. Soo Wong): Thank you.

Ms. Catherine Fife: It was hard. I understand we've heard almost 200 people. You kept us on time, and I really do appreciate that.

Applause.

Ms. Catherine Fife: Yes, we can applaud. Thank you.

The Chair (Ms. Soo Wong): Thank you.

Ms. Catherine Fife: The questions that I have actually pertain to some of the delegations from today. I'd like a full costing-out of the Work-Related Benefit, because it's proposed to be phased out by this April, or a consolidation of those benefits. We've heard from several people as to—

The Chair (Ms. Soo Wong): Just for clarity, Ms. Fife, for the gentleman here, it's about the ODSP, the work-related; right?

Ms. Catherine Fife: The cancellation of the Work-Related Benefit. What is the cost of—I guess I'm asking what is the province going to say if they do actually cancel it, which they are predicting to do.

Also, we heard from chiropractic services Ontario, and they called for an integration of chiro care into family health teams. This would be a new funding line for the Ministry of Health. It will be hard to estimate that, but if research could investigate the costing of that.

I think that's it for now.

The Chair (Ms. Soo Wong): Okay. Are there any questions or comments, because I do want to make some final remarks.

First of all, I want to thank the staff. Six days of travelling and two days here in the city of Toronto at Queen's Park really took a lot of work, so I wanted to thank Katch and his entire team, the researchers in-house—I think Susan is back there. I want to thank everybody for being part of this thing, because you know we are just as good as the staff who support us.

The other thing I wanted to remind everybody is that the Clerk has just given us the last batch. From now until 5 o'clock, if there is anything coming through to us, it will be sent to us electronically; okay? I just want to be on the record for that.

And then, I just also want to remind everybody that the staff will be sending us electronically on February 23 the draft report of the summary of all the presentations both in written submission or the ones before us, the presenters. That's February 23.

Our official meeting for this committee will be February 26. The House resumes on February 17. There isn't any other business before then.

All right? Are there any questions or comments? Seeing none, I'm going to adjourn the committee. Thank you so much to everybody. Have a great couple of weeks off.

The committee adjourned at 1657.

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