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Tuesday 13 December 2016

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Mardi 13 décembre 2016

**Standing Committee on
Finance and Economic Affairs**

Pre-budget consultations

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

Consultations prébudgétaires

Chair: Peter Z. Milczyn
Clerk: Eric Rennie

Président : Peter Z. Milczyn
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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS

Tuesday 13 December 2016

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Mardi 13 décembre 2016

The committee met at 0902 in the Holiday Inn Sudbury, Sudbury.

PRE-BUDGET CONSULTATIONS

The Chair (Mr. Peter Z. Milczyn): Good morning, everybody. This is the Standing Committee on Finance and Economics Affairs meeting this morning for pre-budget consultations. Today we are in the lovely city of Sudbury.

ONTARIO FOREST INDUSTRIES
ASSOCIATION

The Chair (Mr. Peter Z. Milczyn): Our first witness this morning is from the Ontario Forest Industries Association. Good morning. You have up to 10 minutes for your presentation, followed by five minutes of questions from the Conservative caucus. As you begin your presentation, if you could please state your name for the official record.

Ms. Jamie Lim: Good morning. Jamie Lim. Good morning, members of the standing committee.

How many sectors operating in Ontario today are older than Canada? I can think of two, and one of them is the Ontario forest sector. Forestry is the past, the present and the future of our great nation. For over 150 years, forestry has played a pivotal role in building our province. Ontario's forestry community is deeply rooted in every region of our province, supporting over 170,000 hard-working people with well-paying jobs.

Can forestry be Ontario's greatest opportunity? Absolutely. There are two reasons. First, the world wants wood. This is our time. Wood as a building material is experiencing a renaissance. Today's architects and engineers are choosing wood and building tall wood buildings like UBC's 18-storey Brock Commons residence, the tallest wood building in the world right now. Sourcing this renewable material from our own backyard is an opportunity to grow Ontario's forest sector and ensure "more inclusive growth that will help people in their everyday lives."

Second, trees are the answer. According to the IPCC report, in the long term, a sustainable forest management strategy will generate the largest sustained climate change mitigation benefit.

These two factors ensure that customers purchasing Ontario's forest products can do so knowing they are making a sound environmental choice while supporting local communities and Ontario's families. And they present Ontario with an opportunity to grow its natural advantage: forestry.

Minister Murray recently has commented that "solving an environmental crisis may create amazing economic opportunity for much more wide use of forestry products," and, "We do know now scientifically you have to cut the boreal forest because if you let it burn or the bugs get it, all that carbon goes back in the atmosphere, and we can't afford that with the climate change problems we have today. So harvesting it, planting new trees that are going to give you way more options to sequester way more carbon, is a good thing."

We're proud of our performance as it relates to reducing the carbon footprint of our products. On a total emissions basis, this sector has seen a greater than 60% reduction of CO₂ emissions since 1990. This is above the provincial targets. OFIA members are leaders in low-carbon energy, products, waste diversion and sustainable forestry.

By sustainably harvesting less than half of 1% annually, Ontario's renewable resource generates a domestic economic impact of \$11.8 billion, total wages and salaries of \$2 billion, and \$6 billion in domestic exports. As Minister McGarry pointed out last month, "We continue to promote Ontario wood to consumers, reminding people that our wood products come from sustainably managed forests. For every tree that is cut, three take root."

All forestry companies operating in Ontario must operate under the Crown Forest Sustainability Act, and, under that act, we must maintain the long-term health of the forest. It is the law. But radical environmental groups—professional panic merchants—want the public and government to think that even using less than half of 1% of our crown forests is still too much. These groups want you to think that harvesting destroys forests and causes deforestation. This is just not true.

Forestry does not cause deforestation. Deforestation is the result of harvesting and then not planting and/or letting the forest naturally regenerate because the land is needed for an alternative social need like farming or the creation of urban centres. Toronto was once a forest.

Trees are a renewable crop. Farmers feed cities; forestry builds them.

Like farmers, we harvest our crop, plant it and wait to harvest it again. OFIA's member companies are in the business of harvesting and planting trees. We're not in the business of destroying forests. Our future and the future of so many hard-working Ontario families depend on a crop of healthy forests.

Are there challenges? Yes, and the most significant challenge is consistent access to Ontario's industrial wood supply. We're concerned that the new, unbalanced public policy will curtail the future growth of Ontario's forest sector.

In order to grow Ontario's forest sector, companies—big, small, new and existing—need wood to keep mills open and people working. It is that simple. OFIA has completed an analysis of two recently approved policies and found that northern SFLs could face up to a 28% reduction in wood supply, impacting jobs and communities. The ESA mandate poses a serious threat to our sector and is at odds with the long-term healthy forest mandate of the CFSA. Today's ESA policy ignores social and economic filters, at the cost of working people.

Ontario's forest sector should not be asked to operate under two acts: the ESA and the CFSA. This duplication is not necessary. Earlier this year, Premier Wynne stated, "Our government is committed to creating a dynamic, supportive environment where businesses succeed. Reducing regulatory burdens is an important part of our strategy."

Unlike other sectors with no options to the ESA, Ontario's forest sector does have an option—the CFSA, which does manage for species at risk. Right now, Ontario's forest sector is operating under an ESA section 55 regulation, known as an exemption. Since 2013, CPAWS and FON have taken the Ontario government to court twice over this exemption, and twice the courts have sided with the provincial government's right to issue exemptions.

0910

The most recent court decision stated that "the protection afforded by the act to individual species members and their habitats is not absolute. The scheme or system of the act is to provide a presumption of protection with tools to address, among other things, social and economic conditions.... The statute recognizes that the protection of SAR takes place in the context of human activities."

Anti-forestry groups do not want social and economic filters applied to Ontario policy, and they also want you to think that forestry has a blanket exemption when it comes to species at risk. This just isn't true. Even though our sector is presently under an ESA exemption, we continue to operate under the CFSA and must, by law, manage for species at risk. So right now, in this region that we're sitting in this morning, even under an ESA exemption, hard-working people are being sent home for months at a time due to turtle timing restrictions. This is an example of unworkable policy that was passed without socio-economic filters, and for a species that

likely should not even have been listed "at risk" in the first place.

What can you do to ensure no one in Ontario is left behind? You can remove the duplication. Fulfill your government's 2007 equivalency commitment to allow the forest sector to operate under one act—the CFSA, which meets the goals and objectives of the ESA—and also develop workable species-at-risk policy using socio-economic filters.

In order to maximize the full potential of Ontario's renewable resource, create well-paying jobs and leave no one behind, OFIA is recommending action items in six areas.

In conclusion, it is our sector's ability to innovate and to adapt that has allowed us to survive two world wars, a Great Depression and a great recession. It has allowed our sector to still be here over 160 years—older than Canada. As a business community that is older than Canada, it is imperative that the Ontario government acknowledge the significant role the forestry community has in creating a prosperous, sustainable, low-carbon economy for the well-being of all Ontarians. With consistent, long-term, reliable access to affordable, renewable wood, our forest products community will continue to be the cornerstone of Ontario's economy, supporting, right now, 60,000 hard-working families, as well as communities and First Nations.

Together, with workable public policy developed in the context of human activity, we can build Ontario up for everyone. The future is forestry—

The Chair (Mr. Peter Z. Milczyn): Thank you. That's 10 minutes.

Ms. Jamie Lim: —let's grow it together. Thank you.

The Chair (Mr. Peter Z. Milczyn): Mr. Fedeli, you have up to five minutes for questions.

Mr. Victor Fedeli: I'll only ask a very quick question and then turn it over to Norm Miller.

Jamie, first of all, thank you for a very impassioned presentation. You did a great job, as you always do. We had three forestry presenters yesterday in Dryden as well. This is turning out to be a hot topic.

A quick question for you: How many million cubic metres do you see as the number that we need to harvest annually in Ontario?

Ms. Jamie Lim: That's a really tough question right now, Mr. Fedeli. We're doing some analysis at OFIA to see what's actually available. I would ask everyone—in your packages, I did give you this infographic; it's inside this document.

For those people not familiar with forestry, right now in Ontario, the darker green is all the forested land in our province. The lighter green is the area allocated for industrial harvesting. The red area is the area of our forests that are lost to bugs, fires etc., and that tiny blue dot is what we harvest annually. That little tiny blue dot supports 60,000 families in Ontario with well-paying jobs. Yet environmental groups that talk to you every day want you to think that that tiny blue dot is too much.

That's why you're hearing from so many of us at these hearings.

You're going to hear later from Frank Dottori, a legend in the sector. As well, you're going to hear from Christine Leduc, someone in her twenties who sees her future in the forest sector. I have Ian Dunn with me here today, from OFIA. He's in his twenties. The next generation gets it. They understand that you can cut trees and you can plant trees, and they grow, and it creates well-paying jobs. Those are difficult to find right now for the next generation, and our sector provides them.

So I'm hopeful, but at the same time, we need workable policy. Right now, we're probably harvesting over 14 million cubic metres. Technically, there are probably about 22 million cubic metres of merchantable wood that we can access affordably. But what we're seeing is policy coming in and even restricting the access to that wood that has been allocated to companies for harvesting. You might have invested money in a brand new sawmill—which is very rare in Canada right now, but we actually have that happening in Ontario—and then find out that because of new policies coming in, you can't get at the wood that was allocated to you. You can't run a mill, and you can't keep people employed, if you don't have wood. It's that simple. We can have all the best wishes in the world, but if you don't have access to wood, you're not running your mills.

When I talk to companies in this area—one family-run company has been operating for 72 years; I think they're into their fourth generation. Their 26-year-old son just joined the family business. They're sending people home for months at a time because of turtle timing restrictions. You can't support your family, you can't own a house and you can't run your household on seasonal work. Forestry was, for 12 months of the year, dependable work. That's what we need to make sure it remains.

We need to philosophically accept the fact that trees grow. It's a simple thing, and I hate saying it, because I'm not being condescending. But we get inundated all the time with this Disney World sort of vision of what happens to forests when they're harvested.

Last week, we tweeted a link to a Google site that actually shows you a forest that has been harvested, say—I don't know, Ian—30 years ago, and then it shows you what it looks like today. You can see that, yes, it was harvested, just like a farmer goes and harvests their hayfield in the fall. It was completely harvested, and then what do you see 30 years later? A beautiful young forest growing and getting ready for the next harvest.

That's what our sector is in the business of. We're in the business of planting, cutting and repeating. That's our business model. And that business model has allowed us to operate for 150 years.

Mr. Norm Miller: Do I have a minute?

The Chair (Mr. Peter Z. Milczyn): You have 20 seconds.

Mr. Norm Miller: Twenty seconds?

Ms. Jamie Lim: Sorry, Norm.

Mr. Norm Miller: Then I'll just make a statement. I'm glad to see you're focused on sustainable forestry. I had a constituent come with a proposal for a cross-laminated timber factory in Parry Sound last week. He showed me the 18-storey building built in BC and how there's 2,400 metres of stored carbon in that building. That's a great possibility—

Ms. Jamie Lim: And the wood that was used to build those 18 storeys grows in North America in six minutes, and it's an 18-storey building. We have the company that provided all of the timber systems for that building as our keynote speaker at OFIA's AGM this year. I would welcome all of you. It's free—my favourite word. It's March 1. Come out and hear about the systems that he's building, and how he contributed to building the world's tallest wood building.

The Chair (Mr. Peter Z. Milczyn): Thank you, Ms. Lim. Please do send that invitation out to all MPPs, then.
0920

Ms. Jamie Lim: I promise. I think we already have, but we will send the save-the-date again, because you really should come out and hear this.

The Chair (Mr. Peter Z. Milczyn): Thank you.

Mr. Victor Fedeli: It's in our books.

WHITE RIVER FOREST PRODUCTS LTD.

The Chair (Mr. Peter Z. Milczyn): Our next witness: White River Forest Products. Good morning, sir. You have up to 10 minutes for your presentation. Following that, there will be five minutes of questions from the New Democratic caucus. If you could please state your name for the official record as you begin.

Mr. Frank Dottori: My name is Frank Dottori. I have prepared a fairly brief three-page document, of which I have copies people can look at. Very briefly, I was just going to mention that I'm going to cover three items. I'm in a business—I'm an entrepreneur—so I won't get into all the social issues. I think that job creation is important. My presentation is going to cover three items: market access and development, manufacturing costs and investment incentives.

The government of Ontario needs to take a more balanced view, I believe. In Ontario, the current focus appears to be primarily on social services and the environment, with little focus on creating and supporting our manufacturing and exporting industries. Those are the industries that create the wealth. They create the taxes that are needed to fund all these social and environmental issues.

If you think I'm exaggerating, as I mentioned previously, just look at the recent court decision on the ESA or the turtle issue, and look at the action by our Ontario government. I think it needs a review.

The recommendations that I make are as follows: In market access and development, if we don't have a customer, we don't have business. I recommend the Ontario government commit to supporting the lumber industry as follows: Provide 90% loan guarantees to offset any

softwood lumber duties that are imposed by the US. This is very similar to what Quebec has announced and what is required to defend this industry.

We would like to see the Ontario government make strong representations, which they have not done to date, to the federal government and to the US that Ontario will not surrender its access to US markets and wants the 1.6 billion feet of access.

We want to support new buildings and building codes, as is done in Quebec, British Columbia and Europe. We should have the same thing in Ontario, especially.

The second item is manufacturing costs. Once you have a customer and a market, you have to produce a quality product that's competitive. Ontario industry has the know-how and the people to meet the challenge, but we need timely access—and I accent “timely.”

The industry operates under some of the toughest, most stringent environmental standards in the world. I used to run a company that was an international company, and I can tell you that the regulations here are tougher than they are in Europe, contrary to what our local missionary environmentalists believe. They can go and check it and see what the difference is.

We need fibre access, as I think was mentioned earlier. Part of that is red tape. I've been in this business for 40 years, and for 40 years, I've heard that governments were going to eliminate red tape. What I've seen is that where there was one book of red tape, now there are probably three, so I think something is wrong here.

I think that we have to streamline approval levels. It shouldn't take eight months to open a gravel pit to repair your roads. It's incredible.

Companies should be made liable if they breach the regulations. I give an example: The government doesn't drive our cars or our buses; they set rules so that if you run the red light, you're going to get charged. Why can't we do that in forestry or in other areas of government? Why do we have to say, “Frank, if you're going to the washroom, you have to turn left two steps, then three to the right and four straight ahead”? It's ridiculous, I can tell you.

The other issue is First Nations. I know this is a delicate issue. People know me. I'm not exactly politically correct at times, but I think we have to address the issue, and it's with the claims. The industry does provide jobs and opportunities to First Nations people who want to work. The jobs are there, I can tell you; I run three plants. There are lots of jobs available if they want to come to work, so there's another issue there. We're not getting into that one. But the ongoing debate is the issue of territorial claims. It's killing jobs. Just look at what has happened in Ontario in the last decade, or look at what's going on today. You've got to address the First Nations issue and the treaty issues. We need to settle this once and for all, and move on. Otherwise, it is a major detriment to economic development today. All projects are held up for weeks, months or years.

Our recommendation is to set up regional economic development trusts, or funds, where a percentage of the

net government revenues from resources are placed in these funds to promote economic development and opportunities for the First Nations and the region where they operate—a sharing of profits from the land and its resources. It should settle some of these First Nations issues about, “This is mine; it's not yours.”

I can tell you, I have set that up where we operate, and it has worked very well. I think the government should do it, but we're putting it in an economic fund that is used to promote First Nations economic development to buy equipment, to become operators, to get involved. I think the governments should be doing that, not me. But I'm doing it anyway.

The second one is energy costs. You can see that I've attached an invoice where a \$363 bill ended up at over \$12,000, if you could imagine—all extra charges imposed on us by IESO and Hydro One. Are you wondering why we're killing jobs in Ontario? You've got to throw the energy—it's going to need a complete review. You don't have to go very far. Just cross the border and look at Quebec. What you do sometimes in business is that you look at the winners and you imitate them. I think you need a complete review of what's going on in Ontario. Most jurisdictions use energy costs to promote economic development, not to kill jobs, which is what we're doing in Ontario.

A complete makeover is required. For people running for re-election: Understand that. Just look at the attitude the people of Ontario have towards energy. A bit of it is self-inflicted and a bit of it is inherited, as I know when this started back in Harris's regime. I was on part of the advisory committee and I pointed out that this was not the way to go if you want economic development. But we marched down that path and then went off on a few other paths that just killed the whole system.

Once you've got a market and we can run competitively—because we get wood—then the second thing is investments. I know that I'm a little bit of an exception. Even in my old age, I go out and still buy sawmills that have been shut down for five or six years, and restart them. Some people wonder whether that's a mental condition that comes with old age or not. Anyway, I think you've got to create jobs in this country, so I'm a missionary for that. Canadians are risk-averse, so you've got to do something to encourage Canadians to take a risk.

You need manufacturing industries. You have to have an income. A country is no different than a family. If you don't have income coming into the country, you're going to go broke sooner or later. Governments always do it later, but eventually—look at China. I spent a lot of time in China, right from the 1980s. They focus on jobs, jobs, jobs. The rest just comes. We've got to take a little bit of that philosophy here.

I know that this is a bit radical but I'm suggesting a new tax regime here. We have depreciation etc., but I'm saying that if companies make \$10 million of profit and they take \$10 million and put it in capex—improving their equipment—they should be able to deduct it from their income tax.

I think people who make over \$250,000 a year should pay tax at a 75% level. That 25% extra—over the 50%—they can offset by investing in Canadian equities or projects or risk the money, as we used to have.

0930

I started up a \$100-million company with a tax incentive plan where you could deduct it from your tax. People would say to me, “We’ll give you \$10,000 because we don’t want to pay it in tax to the government, which wastes it.” There’s an opportunity there to take that money, funnel it into a business, create jobs and let people decide where they’re going to put their money instead of the government. I think you’re going to get a huge investment fund and you’re going to create jobs in this country.

That’s all I have to say. Thank you very much.

The Chair (Mr. Peter Z. Milczyn): Thank you, Mr. Dottori. Questions will be from the New Democrats: Ms. Fife.

Ms. Catherine Fife: Thank you very much, Mr. Dottori, for coming in, and particularly for sharing your hydro bill. I do wish the Minister of Energy could see this because this has been an ongoing issue. This is your opportunity to tell this committee the full impact of the mismanagement on the energy file and how it will affect businesses, because clearly when you have a delivery charge of \$8,231, which you have here as a fixed charge—even when you try to conserve energy, I imagine.

Mr. Frank Dottori: That’s correct.

Ms. Catherine Fife: Can you please be really clear with us about the long-term impact of this policy on energy costs?

Mr. Frank Dottori: Well, I can tell you, I just bought Hornepayne Power Inc., which is a cogeneration facility, for about \$25 million. We have to pay off the interest and hopefully make some margin, and our margin currently is about \$100,000. This bill is about \$100,000 per year. It’s crazy. They made us run a line for a kilometre to hook up onto Hydro One, but then they charge us \$100,000 to run \$300 of power. I can go on for an hour because I can tell you, I’ve spent the last two weeks totally frustrated dealing with the IESO. You can’t get an answer. They owe us \$2.3 million. Since October, they haven’t paid us. I’ve got suppliers that have families to feed. I don’t have a couple of million bucks to go and do the government’s job.

Because of article 5 or something, they made a mistake in getting the power that went in because they put a new person on who didn’t have the password. So nothing has happened for 60 days. When you call them, they say—first of all, if you can talk to someone—because now it’s a committee that’s some place out there; there’s nobody in charge—they’ll tell you, “Sorry, sir, we didn’t get the numbers.” I said, “You did get the numbers. You had somebody who made a mistake. You’ve admitted it. I’ve got Hydro One testifying you have the numbers on November 8.” “Sorry, sir; according to article 5, we have to follow the procedures. We didn’t see

the numbers until November 20, and therefore you have to wait until the next month.” It needs a wipeout.

Ms. Catherine Fife: That’s pretty clear. My colleague France has a few things.

M^{me} France Gélinas: Always nice to see you, Frank. I just wanted to ask about your market access: “Provide 90% loan guarantees to offset any softwood lumber duties imposed on Ontario producers.” How big of a difference would just this one policy make, if we were to pick one?

Mr. Frank Dottori: I’ve got White River running. It was shut down for six years, part of it because of the SWL, and of course the market—you’ve got to watch the market—also dropped by about 50% to 60%, so you can’t just blame the SWL. But I’m in the process—as a matter of fact, today, because I was a bit surprised. I wasn’t aware that I had to come here today until yesterday, so it took me a bit by surprise because the guy I had to tell me forgot, I guess, or something happened. So we have our own inefficiencies as well, in-house.

I’m starting up another mill up in Hornepayne, which will create another 100 jobs right in the mill and probably another couple of hundred in the surrounding area, the same as we’ve done in White River. A 25% tax will shut us down. We can probably squeeze through while the currency is at 75 cents. But if the currency goes up, we’ll have to shut down. I think that the government in the US, and the coalition, knows that they can bleed us into submission. The last time they took four to five years—\$4 billion. I was running a big company at the time. It was the third biggest in Canada. We had reasonable resources as a big company because we had pulp and we had other facilities to keep our cash up. But the small sawmill operations? I’d say that they don’t have the financial strength. We’ve got to show the US that we’ve got—I guess I’ve got to watch my—what do you call it? You know what I mean.

M^{me} France Gélinas: Backbone.

Mr. Frank Dottori: Backbone. Yes, that’s a better word.

One way to do it is by saying, “Hey, we’re not going to surrender here. We’re going to support our industry. We’re going to defend our industry.” I’m critical; I say what I think sometimes. I think our Ontario Premier has to step up and say something. Every other province—British Columbia was in the media; they went to meet the federal government. Quebec is out there in the media. They’ve said, “If the federal government doesn’t do it, we’re going to do it.” Where’s Ontario? Step up, is what I’m saying.

The Chair (Mr. Peter Z. Milczyn): That is our time. If you have further written submissions you’d like to submit, you have until 5 p.m. on January 20. Thank you, sir.

MS. RACHELLE ROCHA

The Chair (Mr. Peter Z. Milczyn): Our next witness is Rachelle Rocha. Good morning.

Ms. Rachelle Rocha: Good morning, everyone.

The Chair (Mr. Peter Z. Milczyn): You have up to 10 minutes. Questions will be from the Liberal caucus. As you begin, please state your name for the official record.

Ms. Rachelle Rocha: My name is Rachelle Rocha. I grew up in Sudbury, and I've lived here my whole life. I love the north. I love this opportunity that you guys have taken to come to Sudbury to listen to us. I'm here strictly as a resident. I do have a background in health care. I've given you two simple pieces of paper.

A couple of things: Our tax rates are pretty high. Over time, we need to be careful that governments and rules and regulations don't overwhelm us. We've just heard two speakers talk about red tape. I'm here to tell you, as a resident, that I'd like to see less red tape, less government, less deficit. If we're trying to set examples for Ontarians, we all need to live fiscally responsibly. I'm concerned about overspending.

I want to just mention Ontario hydro—and I'm just a household. I gave you a copy of my bills from January 2010. That's what this lovely chart is. It's a little bit difficult to budget for hydro when—my house is the same house. I live in a rural location, so my delivery charges are quite high. There have been no changes. I don't heat my house with hydro. I heat my house with oil, and I have a propane cooktop. You can see that some months my bill is \$700. It can be as low as \$300. How do you budget this? And how do you live, paying an average bill of \$500-something a month? That's a crazy amount of money. Now we're going to privatize this, and we're going to let some CEO make a bunch of money—and us little guys living in rural communities, trying to stay in our rural communities, when this is a ridiculous expense to be able to manage. I just wanted to share that with you. I'm not really here to talk about Ontario hydro. That's not really the main thrust of my discussion, but I just think it would be interesting for you to consider. These are my monthly bills. You can see that the jump between 2010 and 2016 is about 61%. I can tell you, I didn't get a 61% increase in my salary in that amount of time. So I think some extra oversight to Ontario hydro, to protect Ontarians, would be quite helpful, especially since we Ontarians purchased all of those lines many, many years ago. I get it: When the ice storms come, we have to repair those lines. However, I don't think it should cost me that much.

I want to talk a little bit about health care. The last two bullets here have some sub-bullets, and they're about health care and supporting local agriculture. These two things are very inextricably tied. I think we have a lot of chronic disease in this world because of the way our food system operates. I care very much about eating locally, and it's very difficult.

One of my bullet points in here is about supporting local infrastructure projects. Until I went to a meeting last week, I didn't understand that out of our 20 million pounds of potatoes, hardly any of them get distributed to local grocery stores. They've all got to truck down to

Cambridge and then turn around and truck back. We're worried about our carbon footprint, yet we have no ability to support ourselves locally. Probably, most communities in Ontario are the same—but northern Ontario in particular, because the markets are in the south. If people are going to eat locally and eat sustainably, then we need to stop driving these things all around.

A friend of mine is a trucker. He lives in Barrie, drives to Leamington, picks up tomatoes, drives them to California, and comes back with another load of tomatoes.

Somebody needs to think about what we are doing system-wide. What's our system set-up? How is it set up? Is it helping us succeed, or is it helping us waste money and waste carbon? That's, I think, an important consideration that I'd like you to think about, if there's some way of looking at the global picture.

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I think that we need to look at the rules and the bureaucracy around small producers or new producers trying to get into the market. There are a lot of things that we could probably look at to make that easier.

I think that there is a growing trend of people who want to eat better, but the infrastructure for them to be able to purchase that locally produced stuff is really difficult, because our grocery store companies keep getting bigger and bigger and our granaries—we've lost the granary in Sudbury. We have to truck our grain out to New Liskeard or Verner—or the island, I think. But Sudbury is a pretty big town. We have some pretty big agricultural areas that we could support differently if we looked at the problem differently. I think this would make a big impact on our health care spending, because I think if people ate better, they wouldn't run into the problems they have with health care issues, and chronic disease like diabetes and hypertension.

So I'm going to flip back to my upper bullet point here about health care. I think that we need to sort out this electronic medical records business sooner than later. I know it's been an ambitious project and we're still working on it, but there's a lot of waste in the health care system because people just aren't able to communicate effectively about what's the need of that patient. Patients—we're getting better access. I can go to LifeLabs and get my blood results, but does the pharmacist get it? Does everybody get it who needs to get it? So we need to look at the global infrastructure rules around medications and health care and access. I just would encourage you to please try to resolve that medical health records issue sooner than later.

I recognize the burden you all have in managing the Ontario taxpayer dollar. I don't envy your position at all. I recognize that you're trying to give expanded scope of practice to allied health care professionals, and I really think that's wonderful, because our doctors maybe could focus on the more challenging aspects of health care. But as you create these expanded scopes for allied health professionals, you need to also create incentives to change culture.

I'll just speak as a pharmacist. We're getting 13 more vaccinations in December, which I'm really excited

about. But then, in the bullet point in the communication I received, it said, “You’ll get this free at your doctor, but you might have to pay at the pharmacy.” So we have to think about, if we’re really going to encourage people to try something new—I can tell you that pharmacists are kind of bookish. We’re not exactly sales and marketing experts. You could make it a little easier for us. If you just tried to set the system up in a way that customers will drive activities as well and that the health professionals will drive those activities—so just a consideration of how you can incent the culture to change. It’s a difficult thing to change, culture. But this is your job in government, to figure out those systems and principles to apply globally so that we can shift things in the right direction.

Those are all my comments—oh, last thing, I guess, when I flip back to agriculture: I’m a beekeeper, and so I get these notices about, “Are we going to finally ban these neonicotinoids?” I really think that we should. If we’re going to talk about the healthy environment, we really need to think about a clean environment that we can grow our food in and get it locally. That’s it.

So I gave you two pieces of paper. They’re just very summarized bullet points. Thanks for considering my comments today.

The Chair (Mr. Peter Z. Milczyn): Thank you very much. We have questions from Mr. Baker.

Mr. Yvan Baker: Thank you very much for coming and speaking to us today and for your presentation. You covered a lot of territory; I almost wish we had more time to talk it through.

I wanted to share a few thoughts with you and then ask you a question, if I might. But I’m just going to spend a couple of minutes sharing some quick thoughts, because you did cover a lot of important topics.

I’ll start with health care, a topic that you spoke about, and electronic health care records. Absolutely, that’s one of the areas where, as you pointed out, we’ve been doing a lot of work, and there’s still a lot of work to be done. One of the challenges, of course, is that over the years, going back quite a long time, when components of our health care system started to set up electronic health records, they started using different systems. Those systems don’t talk to each other. Really, the most complex and, frankly, expensive part of this project is getting all the systems to talk to each other. But you’re absolutely right: It’s a priority, and we’ll continue working on that. I agree that there’s a lot of value there, and that will allow us to deliver better care and more efficiently deliver that care.

You talked a little bit about—you have here a bullet saying, “Stop creating deficits.” You spoke to the importance of managing the taxpayer dollar wisely, and I couldn’t agree more. I come from a business background, from a finance background. One of the things that I shared with my constituents in Etobicoke Centre when I was running for the first time a couple of years ago was that I would work hard to help make sure the government spends taxpayer dollars more wisely, and that we work towards balancing that budget.

We’re committed to that still, in 2017-18, to balance the budget, but not in a way that’s arbitrary. I’ve been part of that process, so I can speak to it. We’ve been going through program line by program line in detail, to ask how we can get better results for this money, or how we can deliver the same results for less money. How can we drive efficiencies for the system but also preserve those programs and services and investments that are so important? I wanted to share that with you.

You spoke about hydro. There’s no question that rates have risen very, very quickly, and rates are too high for many of my constituents. I think the Premier herself recently noted that the burden of these hydro costs has become really difficult for many in Ontario. I know that the Minister of Energy has been tasked with addressing that particular issue.

There has been a range of things that have been done, and I’m sure you’re aware of many of those: the 8% rebate that people will get on their bills, as far as the rebate on the provincial portion of the HST; there have been steps to address the costs for rural consumers, who are particularly affected by this, of course. There’s a whole series of other programs—industrial conservation initiatives and others—to help retain and attract businesses to Ontario in the context of the fact that hydro rates are an important component of their cost base, and I could appreciate that.

I agree that we have a lot more work to do there. I think the Premier knows that and the minister knows that, so we’ll keep at that. But thank you for reminding us of that.

Ms. Rachelle Rocha: Great.

Mr. Yvan Baker: I wanted to go back to what you said about being a pharmacist. I have a good friend who is a pharmacist. She’s in my riding, and she and I talk a lot about the perspective that you share. You spoke about the need to expand the scope for allied health professionals—I’m looking at your bullet here. Could you just talk about why you think that’s important, not just for you, as the health professional, but also for people out there who are seeking health care?

Ms. Rachelle Rocha: I was part of Health Care Connect for at least five years before I got a doctor. I thought that was quite funny. I’m a pharmacist. You’d think I’d be able to convince someone to take me as their patient.

I think access is really the most important thing. The more rural you go—and northern Ontario is pretty rural—the harder it is to find a doctor. I think if you could figure out who could be good at some of those elements that are currently being held by the physicians, you’re going to be able to provide greater access.

As we know, our society is getting older, and they’re only going to require more and more care, and more high-level care. I think there are a ton of places—look at Alberta. They’ve already got the scope to get minor ailments done by the pharmacist, and that’s a really accessible person. A lot of pharmacies are open extended hours. I just think it would relieve the burden.

I get it: There’s a bit of a turf war going on. Everybody wants to preserve what they have. But if we’re

going to successfully build a future, we've got to do some things differently. You can't do the same thing over and over again and expect a different result.

I think it's a very good move. I think there are a lot of allied health care professionals who can do more, and they should be.

It just seems to me that when you shift it over, you're not always following it up with a reimbursement strategy for the new people, and the old ones—I think you need to change their reimbursement. Make it less cost-effective for them to continue to provide that. You can still get a deal with the new guys.

I think it will move things along. But you have to follow up with the proper incentives or disincentives to the right places.

I just want to encourage you to do that. Because pharmacists are not great sales marketers, right? There are just very few of us who like that sort of thing.

The Chair (Mr. Peter Z. Milczyn): Thank you, Ms. Rocha. That's all your time for today.

Ms. Rachelle Rocha: Great. Thank you very much for your time.

The Chair (Mr. Peter Z. Milczyn): If there's anything you want to submit in writing to the committee in addition, you have until 5 p.m. on January 20.

Ms. Rachelle Rocha: Okay. Thank you very much.

EACOM TIMBER CORP.

The Chair (Mr. Peter Z. Milczyn): Our next witness is Eacom Timber Corp. Good morning. You have up to 10 minutes for your presentation, followed by five minutes of questions from the PC caucus. If you could state your name for the official record as you begin.

Ms. Christine Leduc: Christine Leduc, Eacom Timber Corp. Mr. Chair and members of the standing committee, my name is Christine Leduc. I'm the director of public affairs with Eacom Timber Corp., a large eastern Canadian wood products company. I would like to acknowledge my colleagues Brian Nicks and Keith Ley, who came with me today to show how important these sessions are.

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It's a pleasure to appear before this committee today in Sudbury, an hour from our nearest mill, where 170 proud employees are right now working to produce Ontario softwood lumber. Our operations include the manufacturing and distribution of lumber and wood-based value-added products, as well as the sustainable management of Ontario crown forests. In fact, we directly manage over 1.6 million hectares of Ontario's forests, and are involved in the management of another 6.2 million hectares, a responsibility we share with others. That's so much forest that it's hard to even put in perspective.

With five sawmills and the majority of our operations in this province, Eacom is the largest softwood lumber producer in Ontario, and our high-quality Ontario wood products build homes in North America. We believe in

the strong potential of Ontario to be a leading forestry jurisdiction and are committed to this province. We've invested over \$55 million in Ontario since 2012, rebuilding our Timmins sawmill and restarting Ear Falls in northwestern Ontario. We continue to modernize our mills, and the next investment will be announced in January.

Ontario's forests are vast, sustainably managed, independent-third-party-certified and strategically located next to the northeast US and, of course, GTA markets. Eacom is dedicated to keeping its assets strong and positioning ourselves for future stability. I won't be the first to tell you that we now face some uncertainty in light of the softwood lumber trade dispute with the Americans.

To realize further growth and investments, we require the active collaboration and support of an Ontario government fully attuned to our own imperatives of secure long-term wood supply and a predictable forest policy environment. For ongoing business confidence, Eacom needs reliable and affordable access to wood supply, socio-economically feasible forest policy and resourced public road support. I'll talk about each of these quickly.

For the first part: Access to wood supply is critical. Eacom needs consistent long-term access to its wood commitments and asks the government to commit to conducting transparent socio-economic assessment of any new or revised legislation or policy that could impact the sector. To be clear, government policy does have an impact on wood supply and directly affects production, investments and employment today, and could in the future.

The forest products sector needs appropriate, balanced public policy that provides for all three pillars of sustainability: environmental, social and economic. Eacom would like to work with the government to develop a solution that respects its commitment to harmonize the Crown Forest Sustainability Act with the Endangered Species Act.

We are grateful to the Ontario government for its commitment towards and maintenance of the public resource roads program, at \$60 million for 2015 and 2016. This funding supports the construction and maintenance of roads in the forests we manage, supporting our sustainable forestry activities and benefiting the other users we share the forests with. This program allows us to go above and beyond legal and regulatory requirements, providing robust long-term infrastructure for all users of the forest.

Eacom is supportive of the industry's ask to enhance the program to the \$75-million level in order to support growth in our sector, but I'm here to stress the importance of maintaining this critical competitiveness measure at \$60 million for 2017, governed using the existing funding formula.

Eacom is prepared to work with the Ontario government to create a prosperous, sustainable economy for the well-being of all Ontarians. We hope we can count on the

government's support of our company's effort to maintain and enhance Ontario's softwood lumber industry and associated communities with the health and prosperity that can and should be theirs.

To conclude, we are a very proud member of Ontario's forest sector, and our company expects to see continued growth, providing high-quality, sustainably harvested wood products to help the province achieve its fiscal and environmental objectives.

I would like to thank you all for your time today. Best wishes for productive consultations and safe travels.

The Chair (Mr. Peter Z. Milczyn): Thank you very much. Mr. Miller?

Mr. Norm Miller: Thank you for your presentation.

I'll start with, seeing as you have five mills that are softwood lumber mills, what your recommendation is for the Ontario government to be doing with regard to the possibility of softwood lumber duties from the United States.

Ms. Christine Leduc: Canada's industry is under attack now, so certainly we're looking to work with provincial governments to ensure that there are some resources available so that we can weather those uncertain times.

There's a lot of uncertainty at this point. We're not sure what the duties will look like. Predictions can be very scary. It will just be important for us to continue to maintain contact with government and make sure that programs are available when the time comes.

Mr. Norm Miller: Two presenters ago was Mr. Dottori, and his recommendation was to follow Quebec's lead, which was a 90% loan guarantee to offset any softwood lumber duties imposed. Has your company looked at that, or is that a suggestion you think makes sense?

Ms. Christine Leduc: Certainly, the government will have a role to play with providing some support for companies.

Mr. Norm Miller: So you haven't looked at that particular one.

We've had a few presenters in the forestry sector talk about the Crown Forest Sustainability Act and the Endangered Species Act and how they essentially duplicate—and they conflict as well, because the Endangered Species Act is managing for one species, and the Crown Forest Sustainability Act is managing for the whole forest and all species. If you protect the one, it hurts the other at many times.

Ms. Christine Leduc: It's difficult to harmonize when one act prioritizes individual species and another act mandates the management of healthy forests. The government right now is working to harmonize the two acts, a task which is proving to be very challenging. Certainly, we're concerned because of the potential impacts to wood supply.

Mr. Norm Miller: And there's currently an exemption in place, which is being challenged in court by environmental lobby groups. It seems to me that the Crown Forest Sustainability Act, according to other companies

and groups that have come before, has worked quite well. What would you like to see happen?

Ms. Christine Leduc: The exemption was challenged in court, and the Ontario government was successful, so there's no legal challenge at this time. The Ontario government was successful in that process.

The Crown Forest Sustainability Act is what makes Ontario so world-class in its management of crown forests for all Ontarians. It's an interesting challenge because the acts are very different, and so we would certainly like to have some predictability in our forest policy environment. We're very much looking for the Crown Forest Sustainability Act to take precedence.

Mr. Norm Miller: On roads, the support program for forestry roads: You said that you wanted the \$60 million maintained. Other groups have come and said they'd like to see \$75 million—

Ms. Christine Leduc: An enhancement, yes.

Mr. Norm Miller: Sorry, the other groups have come and said that they'd like to see it increased to \$75 million. Are you—

Ms. Christine Leduc: To support growth in the sector. We're absolutely supportive of that. I just need to stress the importance of the \$60 million. It's a critical competitiveness measure. It's critical for us, in light of what's coming ahead with this trade dispute with the Americans, that that funding is maintained.

Mr. Norm Miller: In terms of considering the socio-economic concerns in forestry, we had the Ontario Forest Industries Association here before you talking about how forestry in some areas is being turned into a part-time industry because of management for turtles, for example, again connected with the Endangered Species Act. How do you think jobs and socio-economic considerations should be considered in government planning?

Ms. Christine Leduc: We would like to see—and this has been a long-standing request of the industry—some socio-economic impact assessment of all policies that are revised or introduced that can impact the sector, because reductions to fibre supply do have an impact on our ability to harvest the forest, which does have an impact on employment.

The Chair (Mr. Peter Z. Milczyn): Twenty seconds.

Mr. Victor Fedeli: If you were to summarize, then, what we've heard from you, the two previous presenters and the three presenters yesterday: It's about a secure wood supply; it's about harmonizing the two acts; and it's not just socio and it's not just economic, but it's a socio-economic feasibility. Then the fourth one, which falls a little lower, is the \$60 million for sure; maybe \$75 million. Is there anything that I've missed in that, or is that the summary?

Ms. Christine Leduc: No. I'm happy with your summary, Vic. Thank you.

Mr. Victor Fedeli: Okay. Thank you for being here. It's great to see you today.

The Chair (Mr. Peter Z. Milczyn): Thank you very much. If there is anything in writing you'd like to provide to the committee, you have until 5 p.m. on January 20.

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SUDBURY AND DISTRICT
HOME BUILDERS' ASSOCIATION

The Chair (Mr. Peter Z. Milczyn): Our next witness is the Sudbury and District Home Builders' Association. Good morning. You have up to 10 minutes for your presentation, following which there will be five minutes of questions from the New Democratic caucus. If you could please state your names for the official record as you begin.

Mr. Louie Zagordo: Good morning, Mr. Chairman and members of the committee. My name is Louie Zagordo. I am president of the Sudbury and District Home Builders' Association. With me is our executive officer, Laura Higgs.

We are proudly affiliated with both the Ontario Home Builders' Association and the Canadian Home Builders' Association.

Thank you for making the trip to Sudbury and giving us the opportunity to speak to you on the upcoming budget.

As owner of SLV Homes in Sudbury, I have over 30 years' experience in both new home construction and home renovations. Working through the ranks of the construction industry has provided me with extensive knowledge and experience related to all aspects of the industry.

Ms. Laura Higgs: The Sudbury and District Home Builders' Association is the voice of new housing, land development and the professional renovation industry in Greater Sudbury. Our association includes more than 90 member companies.

Here in Sudbury, the residential construction industry is vital to our economy. We support nearly 3,000 jobs in the new housing and residential sector, paying \$165 million in wages. The total annual investment of our sector represents \$345 million across our region.

Residential sales rose an estimated 7.8% in 2015. However, most of this growth was reflected in the resale market. New home permits, by contrast, have steadily declined in the last several years. For example, there were 419 new home construction permits in 2013. In 2015, that declined to 242, with a bit of a recovery this year. We expect next year and 2018 to keep pace with 2016. I think right now, we're at just over 250 new home permits in the Sudbury area.

Along with economic challenges, our industry faces approval delays. In some instances, projects have the support of planning staff and professionals, but politicians will turn them down. This can result in projects being appealed to the Ontario Municipal Board.

These examples don't just represent a roof over a family's head but also represent thousands of jobs, from skilled trades to architects, planners, engineers and other professionals in our industry.

In Sudbury, we continue to be concerned that the recovery from the recession has been sluggish. We have some industries that are doing better, such as retail,

wholesale trade, and health and social services. But we also have an economy where thousands of local skilled workers depend on mining sector and various ancillary industries. So we have patches of good and bad here in Sudbury, which produces mixed results for the housing industry.

Today, we're going to focus our remarks on three areas related to the budget and provincial priorities: (1) the underground economy, (2) climate change, and (3) local infrastructure priorities here in Sudbury.

I'd like to highlight "professional," and that means we promote the RenoMark program and insist that our members are Tarion-registered builders. This helps to protect consumers by ensuring that our members provide warranties and written contracts, carry insurance, pay their taxes and obtain all necessary permits. This is in contrast to perhaps the majority of this sector, which is either of the do-it-yourself variety, which is fine, or the shadier side of the business, which is the underground cash economy.

Mr. Louie Zagordo: These underground operators pose a serious risk to government, to legitimate businesses and, most importantly, to homeowners, who may want to be thinking that they are getting a deal. The problem is, by paying cash to the underground operator, they don't typically pull out permits, which means that plans, let alone the projects themselves, are never inspected. These guys don't pay EI, HST or WSIB. They likely aren't filing income or corporate tax returns.

I would suspect that their concern towards on-site health and safety is likely lacking. Should an accident or injury occur on a site, it is the homeowner who is actually liable. These cash operators are competing with legitimate businesses who are doing the right thing and playing by the rules, paying their taxes and obtaining all necessary permits. I am sure you can appreciate that it is pretty difficult to compete on a level playing field with underground operators who are doing none of these things.

A cash deal may sound attractive to some homeowners, but they place themselves at tremendous risk. They create an unlevel playing field for Ontario businesses, and they cheat hard-working, regular taxpaying Ontario citizens by not contributing their fair share of taxes that should be supporting our hospitals, schools and infrastructure. In Sudbury, about 40% of new home permits are taken out by private individuals, and we don't believe that that many people know how to build a home.

It is time for serious action to combat underground cash renovations. I would like to suggest a couple of ideas. Similar to the expired federal government's home renovation tax credit, the province should implement an Ontario home renovation tax credit to deal with the problem of the underground economy in the renovation sector by offering a tax credit to those who collect receipts from legitimate businesses and submit those receipts to CRA.

This is where the climate change piece comes in. I think that the Ministry of the Environment and Climate Change has an incredible opportunity here to invent

transformational change, and should be looking very carefully at this concept. While new construction has a role to play—and we have just stepped out of a building code workshop to be here today—we have communities here that were built decades ago, when energy efficiency and insulation standards were either nonexistent or miles behind where we are today. These buildings generate a lot of greenhouse gas emissions, but this is where a huge opportunity lies that can be tied to our proposal for a new home renovation tax credit.

This is our idea that we'd like you to consider for attacking the underground economy and targeting greenhouse gas emissions: The provincial government should look at developing an energy-efficient-home renovation tax credit. This could be funded through the money generated from the proposed cap-and-trade system. Only certain renovations that upgrade aging housing stock to improve energy efficiency or insulation and thus reduce greenhouse gas emissions would qualify.

The Ministry of the Environment and Climate Change could come up with the appropriate criteria to ensure that we are getting the best bang for the buck in terms of what would qualify and what the impact on greenhouse gas emissions would be. We think that an energy-efficient-home renovation tax credit hits two of the government's top priorities, and it can be designed to reduce greenhouse gas emissions and also be leveraged to target the underground economy.

We also believe that every new home permit issued should be reviewed by Tarrion's new-home warranty program. Many of the components of new homes are being built and installed by underground operators who are not playing by the same rules as professional builders.

Ms. Laura Higgs: I'd like to close our presentation today with a few words about infrastructure specific to our region. Our association strongly supports infrastructure investments made toward strategic projects based on clearly defined priorities. We believe the expansion of core infrastructure—and by that, I mean setting clear priorities for roads, bridges, transit, water and waste water to support our economy. But also just as important is ensuring that we have in place long-term asset management plans to ensure the ongoing maintenance and state of good repair for our existing infrastructure.

Infrastructure investment should be more strongly coordinated among all three levels of government, which would provide stability and predictability as to when and where infrastructure dollars are going to be spent. This would allow for the private sector to adequately plan projects and target our investments to better align with new and upgraded public infrastructure facilities.

Locally, the provincial government has made some investments and commitments to the future of the Sudbury area, and for that we are thankful; for example, the Highway 69 project and the recent commitment to the Maley Drive project.

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In closing, I'd like to thank you all for your attention today, and I'd like to reiterate our key themes. Ensuring

that we can continue to deliver a housing supply to the marketplace is a challenge. We need to ensure an efficient and effective approvals process and that critical infrastructure is delivered in a timely manner. We support a permanent energy efficiency home renovation tax credit designed specifically to combat our underground economy and also assist in improving the energy efficiency of our existing housing stock. We support a program whereby all new build permits are reviewed by the Tarrion new home warranty corporation.

The Chair (Mr. Peter Z. Milczyn): Thank you very much. Your time is up. Madame Gélinas has questions for you.

M^{me} France Gélinas: Good morning. It's a pleasure to see you this morning. Thank you for coming to committee.

We've always liked the idea of a renovation tax credit. What is the minimum size that the amount must be to actually have an impact on your industry and have an impact on the end goal of making every Sudburian's house more energy efficient?

Ms. Laura Higgs: Do you mean in a dollar amount or—

M^{me} France Gélinas: Whichever way you want. If it's too small, if everybody gets 100 bucks, is this going to have an effect?

Mr. Louie Zagordo: In my experience of renovations, I would say somewhere in the neighbourhood of between \$5,000 and \$10,000, if it's a substantial renovation of \$100,000, which is what's warranted out there these days. People have equity in their homes, and when they do consider a renovation, it all starts off with just starting with the kitchen, for example, and it leads to substantial—\$100,000 is fair, so a \$5,000 credit would probably be a good start.

M^{me} France Gélinas: Based on 5% of your total project that is dedicated to energy improvement of your home—or a set amount?

Mr. Louie Zagordo: I think just a set amount would be fair.

M^{me} France Gélinas: All right. In the new homes that you build now, does anybody choose to heat with electricity?

Mr. Louie Zagordo: No. I don't get very many of those, unless we don't have a gas line close by.

M^{me} France Gélinas: If they don't have a gas line close by, what's the number two choice?

Mr. Louie Zagordo: Propane.

M^{me} France Gélinas: And the number three?

Mr. Louie Zagordo: Then we opt for electricity.

M^{me} France Gélinas: When you have no more choice?

Mr. Louie Zagordo: When you have no more choice. Wood-burning sources are minimal—not very much.

M^{me} France Gélinas: In home renovation—you've talked about 40% of the new homes going to private builders. Of the 40%, I'm sure there are people in there who don't know how to build a home.

If you go into the renovations market, are most of the renovations targeted at upgrading your kitchen, or are a lot of them still targeted at making your home better insulated so that you can save on energy costs?

Mr. Louie Zagordo: The target is more on the new kitchen and the granite countertop. That's where it starts. Once you start discussions, then you get into the energy efficiency of the home. That's what makes the renovation more substantial.

M^{me} France Gélinas: So if we go with your \$5,000—you may get the job because they want a new kitchen, but once you're in there, you say, "Did you know there's a \$5,000 tax credit available to you if you make your home more efficient?" Do you figure there would be a market in Sudbury for that?

Mr. Louie Zagordo: I think they should know that up front. It shouldn't come from the builder or renovator. It should just be out there to the public—knowing that if they want to do some work, they can apply for the credit. So it should be public awareness first.

M^{me} France Gélinas: Ontario has a program for people who need to renovate to stay in their homes. Is this well known, and do you see it used at all?

Mr. Louie Zagordo: I don't see it—it doesn't cross me very often right now, so I think there needs to be some more awareness.

Ms. Laura Higgs: The home builders' association is aware of it. We do have the pamphlets in our office. We make them available whenever we're out in the public. We've had them at our recent home shows, which we do in the spring of every year, but it isn't something that I hear our members asking me for a lot of information about on a regular basis.

M^{me} France Gélinas: Can you think of a better way to make homes accessible so that people can age at home than what we have now? If you were to be the one in charge, how would you go about that?

Mr. Louie Zagordo: I'm going to go back to what I said about the underground economy. If we can just target more the legitimate businesses and the Tarion-warranted companies, have more policing for the WSIB and income tax returns and so forth, I think that should just all line up itself with the tax credit. Because, let's face it, when the flame is burning tall, everybody succeeds; when the flame starts to drop, everybody starts to fade away. That happens in our building industry.

M^{me} France Gélinas: So you would—

The Chair (Mr. Peter Z. Milczyn): Thank you. That's all our time for today. If you do have any written submissions you'd like to submit, you have until 5 p.m. on January 20. Thank you very much.

Ms. Laura Higgs: Thank you.

MS. DIANE SUSKI

The Chair (Mr. Peter Z. Milczyn): Our next witness is Ms. Diane Suski. Good morning. You have up to 10 minutes for your presentation, followed by five minutes of questions from the Liberal caucus. As you begin, if you could state your name for the official record, please.

Ms. Diane Suski: My name is Diane Suski, and I'd like to take this opportunity to speak on two matters that I believe have caused deep concern and should be considered during these pre-budget deliberations.

As a retired insurance broker, I've taken a close look at the effects of the automobile insurance reforms that came into effect for insured motorists in Ontario effective June 1, 2016. In 2013, the Wynne Liberals agreed to the NDP demands to reduce the Ontario automobile insurance premiums by 15%. The actual projected savings are estimated at only 6%. What in fact has happened is a huge reduction in accident benefits coverage. Automobile insurers were mandated to meet the target set by the government, and this has been transferred to policyholders in the form of reduced coverage—important coverage that can make a huge difference in the event of a catastrophic or even a non-catastrophic loss.

Every insured motorist must buy accident benefits coverage when purchasing liability coverage. With it comes component coverage for rehabilitation, medical expenses and attendant care. Now these have been greatly reduced to the tune of over \$1 million. It's coverage that could go to support these medical, rehabilitative and attendant costs that eventually will be transferred to our health care system. What Ontario motorists must now purchase—yes, they must pay more insurance to offset the reduction in coverage—has been compromised in the event of a loss. In my particular case, it will cost an additional \$105 per policy just to maintain prior-to-June-1 coverage levels.

My understanding is also that there have been changes to the definition of "catastrophic." I am not able to find them at this time in any documentation or bulletin on the FSCO website. According to the FSCO website, there are over nine million drivers and 6.7 million private passenger vehicles insured in Ontario. According to Brian Mills, the CEO and superintendent of FSCO, "Ontario drivers need to know if the changes to auto insurance reduce something that is important to them. Understanding their coverage and the options is crucial to ensuring they are protected in the event of an accident." This is a huge and, I believe very unfair, onus on everyday Ontarians to understand a very complex product. I am sure most of you do not understand the fundamentals of your own automobile policy, and this is a worry, that most insureds may not even be aware of the erosion of their coverage.

1020

I am asserting that these changes are detrimental to Ontarians. This is unfair. It is a hidden cost to people, with extreme and dire consequences should something go wrong. When something does go wrong, it means that there's another burden being placed on our fragile health care infrastructure: to support the medical and rehabilitation costs for accident victims who are unable to recover costs from the insurance carriers. To close on this point, can we please expect our legislators to study and plan before legislating changes that have such a profound effect on Ontarians?

Secondly, I want to join the rest of Ontarians in speaking against the high costs of hydro. I am a Sudbury utilities customer as well as an Ontario Hydro client. I currently pay approximately \$8,762 for two residences. Not only have I experienced an increase in hydro costs for both our locations, I see specifically how it has affected seniors. Many are not able to accommodate the increase in costs, especially on fixed incomes. Young families juggling additional living costs are also struggling. One large employer in our area has said that although he spends tens of thousands of dollars monthly on hydro charges, his biggest concern is his employees. These are hard-working individuals who are struggling to make ends meet.

I believe the hydro portfolio needs to be revamped. This budget must allow for a more significant rebate and perhaps even an energy tax credit to every hydro stakeholder in this province. The proposed changes to the portfolio should start by reviewing the salaries of executives. At \$4 million for the CEO, I believe there could be huge savings for ordinary folks, especially when I compare that with the CEO and president of the New York Power Authority, who makes C\$251,506 in total compensation per year, and the CEO and president of Hydro-Québec—he performs other positions as well—who makes an estimated \$558,149 in total compensation. There are at least 148 hydro employees who make more than \$250,000 per year and 12,500 who make more than \$100,000.

I believe it's time for a complete operational and financial review of hydro. I have a difficult time watching how these huge increases have affected the hard-working families—and seniors with eroding fixed incomes—in our community, many struggling to make ends meet because they could not anticipate these inflated costs. I want the government to give this serious consideration.

The Chair (Mr. Peter Z. Milczyn): Thank you very much. We have five minutes of questions, beginning with Mr. Rinaldi.

Mr. Lou Rinaldi: Thank you, Ms. Sooski, for being here today.

Ms. Diane Suski: It's Suski.

Mr. Lou Rinaldi: Suski; I'm sorry. I apologize.

Ms. Diane Suski: I've been called worse.

Mr. Lou Rinaldi: That's my line.

Interjection: That's true.

Mr. Lou Rinaldi: It's true.

Thank you again for being here today.

Ms. Diane Suski: Thank you.

Mr. Lou Rinaldi: You do bring some insights. I'm not an insurance expert, like you are.

Ms. Diane Suski: I'm hardly an expert. I'm just a very poor payer for insurance premiums these days.

Mr. Lou Rinaldi: But I believe—

Ms. Diane Suski: I was in the insurance business.

Mr. Lou Rinaldi: You were; okay. I guess that's what I was referring to.

The other issue is that insurance premiums in Ontario are different in different jurisdictions—for a number of reasons.

Ms. Diane Suski: Yes, they're rated.

Mr. Lou Rinaldi: I can tell you that I've had the same agent for a long, long time, and I deal with one agent. I don't deal through a bank because I really feel the personal piece. I do review—I'm not going to say every year, but at least every couple of years—whether it's my home insurance or my car insurance, and see if I have enough coverage, and try to understand some of the things that you mentioned today.

One of the things I found, actually, two or three years ago, maybe four years ago, is, for example, as MPPs, we do have some health benefits through government. Some of those things that were part of my insurance for the car, specifically, are now covered; we have access through our government program. Those are the kinds of things that I look at.

My fear is—maybe you can comment on this—that too many policyholders don't take the opportunity to get their bill. You're right: They might not examine everything that they do.

What can FSCO or government do to make sure that we understand these things better? How do we communicate that to the public? Or any other ideas?

Ms. Diane Suski: It's a bit of a difficult conundrum, I think, in terms of educating the public, because it's one of these products that—people really don't want to sit down and talk about insurance. I spent a whole lifetime trying to sell it. I know they don't like you when you knock on their door. But unfortunately, you need insurance, and without it—

Mr. Lou Rinaldi: Yes.

Ms. Diane Suski: I mean, insurance has rebuilt communities because there have been catastrophic losses. The industry is important to our livelihood, but the problem is, it's complicated.

How you get people to want to know more, so that they can be educated and know that they need certain coverage, is you de-complicate the product. Make it easier to understand. Everybody knows the term "PLPD." They don't even know what it means. They know they have comprehensive, and sometimes they call it "comprehensive." I'm not making light of it; I'm just saying that there's a lot of misinformation about the product in the marketplace. There are a lot of different vendors that play by different rules.

I'll tell you that I went through a whole remarketing exercise this spring. This new bill is coming into effect June 1. I was negotiating this summer, and the new company I was going to never made mention about the reduced coverages under accident benefits. When I called my broker back and said, "Listen, I'm getting it for \$1,800 less"—this is the combined home and auto—he said to me, "Well, you do know about the reformed auto changes and the impact that it could have."

I think that there is a responsibility, if you're going to reduce coverages, that everybody should understand the

impact. I think we all read the story about the gentleman in Hamilton who, the day after the act changed or that the coverages were reduced, is in for rehabilitation for the rest of his life, and how he's a million dollars shy of being able to be rehabilitated and to be taken care of.

Un-complicate the product. Make it user-friendly so that people can sit down and understand what attendant care is, what rehab is, and they'll be happy to pay the \$105.

Also, don't make promises to reduce premiums when you can't, and make it a compromise on coverage. That's so important to our society. We have people who can barely afford to live, and now their basic coverages are being reduced. It's just not fair.

The Chair (Mr. Peter Z. Milczyn): Thank you. That's all our time.

Mr. Lou Rinaldi: Oh, really? Really?

Ms. Diane Suski: Too bad. We were having so much fun.

Mr. Lou Rinaldi: Thank you for being here.

The Chair (Mr. Peter Z. Milczyn): If you have anything in writing that you'd like to provide, you have until 5 p.m. on January 20. Thank you very much.

MS. MARGUERITE GROULX

The Chair (Mr. Peter Z. Milczyn): Our next witness is Marguerite Groulx. Good morning.

Ms. Marguerite Groulx: Good morning.

The Chair (Mr. Peter Z. Milczyn): You have up to 10 minutes for your presentation, following which there will be five minutes of questions from the Conservative caucus. If you could please state your name for the official record as you begin. Maybe lean into the microphone so we hear you well.

1030

Ms. Marguerite Groulx: Hello. My name is Marguerite Groulx. This is my first time presenting. Here are my comments—and I'll be speaking on Ontario hydro. Can you hear me?

Interjections: Yes.

Ms. Marguerite Groulx: What are transportation costs and what is included in that on my hydro bill? My hydro bill for October to November has a code, TOU R1. What does that code represent? The code is TOU R1.

My present hydro bill is with GSU here in Sudbury. Usage is 1175.020, and the cost is \$525.45 on my bill from June 23, 2016. My bill for August 24, 2016, was \$370.64; for October 25, 2016, it was \$380.71; and for November 24, 2016, it was \$230.43.

We paid for our electric water heater. My GSU water bill for June 24, 2016, was \$165.73 and \$380.71 for August 24, 2016. The next one was September, and it was \$143.17. October 25 was \$145.15. Starting November 24, 2016, we were charged \$77.60 on equal billing. We own our water tank. The bills are always much higher in the winter months, and I don't know why, because our home is heated with natural gas.

Hydro rates are extremely high. People who are on fixed incomes cannot afford the increases, as our pension doesn't go up, and the price that hydro is charging is more and more. In the wintertime, the cost is so much that sometimes groceries suffer. Even with the use of gas, my bill is through the ceiling. My house is only 900 square feet and is well-insulated, yet I still have bills of over \$300 in warm months, such as October and November.

Our water heater is turned down as low as we can. Because of showering, the hot runs out, causing frustration with the family.

A seniors' discount should be applied to hydro bills, especially for disabled seniors.

Ontario is the biggest province in Canada and one of the wealthiest. We have the best natural resources to produce cleaner hydro, yet we pay the highest rate of all the provinces in Canada. Why is that?

We have received our bill for November and December, and hydro is changing the billing to every month instead of every two months in 2017. I feel that even changing it to every month won't stop them from raising the prices. A hydro bill every two months is more cost efficient than changing to monthly billings in December 2016, and maybe even this January 2017.

Necessary hydro usage for health and disability reasons to enable two seniors, my husband and I, living at home: They should be able to continue living at home. I have two living room chairlifts so it will be easier for me to get up from my chair, to bring me to the main floor—and one to go to the basement when we have guests. I'm sorry; I said it was for my living room but I meant the chairlift to go up the stairs.

I have a living room chairlift to be able to get me up from my chair. I need these to allow me to go where I need to. I need this to be able to go out of it and get to the destination where I need to go. I have a CPAP. That's something that I have to have at night to be able to breathe properly, to help me breathe when I'm sleeping at night. The machine works all night and the machine has a heating hose to heat the water at nighttime. I have two chairs for me to go up and down if I have chores to do. All the lights of the house have been changed to LED. I go around to check to see that there are not any lights on at night before bed and that all the electrical outlets are out. All of these things are required for medical reasons.

I need the cellphone charged for emergency reasons. My husband and I are both diabetics and we are on scheduled meals, and we need the stove and microwave. Also, I do my wash during the day because I need to sleep at night. I ask that everybody take their baths after 6. I have other health problems that require hot beverages.

I have a cleaning lady that comes over every second week to do my housework. I also have a nurse who comes twice a week. I also have a hairdresser who comes once a month and who requires a hair dryer and curling iron to do my hair. At times, she also gives me a perm. Our hot water is electric and we use that daily.

Both my husband and I are on a fixed income—a pension. I'm 67 and my husband is 74. We don't get increases when public utilities go up. It is shameful for seniors with or without disabilities. It is not our fault that tax dollars are wasted on the rich while the poor people like myself have to decide to eat or have light. We are being gouged in all the necessities of life.

We pride ourselves in taking care of refugees but we omit our own citizens. I was taught in life that you take care of your yard first and then, if you have extra, you take care of another yard.

Aging people in Ontario, seniors, and especially seniors with disabilities, should be eligible to receive a hydro usage discount on electricity usage costs, and also water usage costs regardless of time of day or night on essential health care equipment required to continue living in one's home.

The Chair (Mr. Peter Z. Milczyn): Thank you very much for your presentation.

Mr. Barrett, for questions?

1040

Mr. Toby Barrett: Thank you, Marguerite. You've really encapsulated something that I would say all MPPs here, on a fairly regular basis—certainly in the office I run, and I'm down in the rural south. It's not as cold as up here, although it's 11 below tonight down our way. What you've presented is essentially a case study, and very well done. This is tape-recorded and this is all printed up. You may want to get a copy of this. I will get a copy of it myself.

I'm not going to hit you with a bunch of questions, but as you've explained, it's so complex, and you've asked the question: Why is it so complex? Like many, you heat with natural gas. Many people also have to heat with electricity. I heat with electricity.

Probably tonight, my wife will finally plug in the furnace, because we resent paying so much money for electricity. We have a woodstove in one room, which basically heats that room—my wife is determined to go every fall until it's well below freezing before we turn our heat on. That means we wear very large sweaters and corduroy pants and wool socks, and we're basically living the way my great-grandfather lived. I just find that surprising.

Electricity is a wonderful invention. Certainly, in rural Ontario—I'm out on the back roads. For 100 years, we had a government policy of power to the people, especially—and maybe you live in the city; I'm not sure—affordable power, electricity for all people, regardless of where they live. That has changed this year.

The delivery charge, which you made mention of, is considerably higher for those who live in northern or rural areas. We talk about having the highest electricity rates in North America, including Hawaii. Part of that is because of the rural and northern cost of electricity, not necessarily in some of the large cities.

You've indicated some other things, that groceries suffer. You want to live in your own home, of course. You made mention of delivery charges. The way we

supplement our heat—I've gone back to my great-grandfather's day—my wife, every winter, because I'm never home, feeds 20 cords of wood through the woodstove. That's what my great-grandfather did—I think we've talked about this in the Legislature. You know what? There's no delivery charge. I take my chainsaw. I have a farm. I go back in the gully—maybe a little bit of fuel for the chainsaw and for the truck, but I can heat my home with wood. It's not complex. There are not all kinds of bills and time-of-use pricing and \$4-million executives. It's me and my chainsaw and my pickup truck, and there's no delivery charge.

What's wrong with this system? A hundred years ago, I don't think they ran it that way, as far as delivering electricity.

So I don't necessarily have a question for you, other than there is advice available. Phone your MPP, of course. They have contacts with Hydro One or with the particular utility.

I don't know whether you have any further comments—and my colleague may have a question.

Mr. Norm Miller: Sure. Thank you—

Mr. Toby Barrett: Did you want to say something? I'm sorry.

Ms. Marguerite Groulx: I just wanted to add that when you get my package, you will have the bills that I was mentioning in my document.

Yes?

Mr. Norm Miller: Thank you for your presentation. I gather that one of the recommendations—because this is a budget committee—that you're making is the suggestion of a discount or some sort of tax credit for people who are either seniors or disabled seniors who have to use power. They can't necessarily manage their time of use when they use power.

You mentioned that you have a CPAP machine—a breathing machine, I guess that is—that has to run through the night, and that you need to do your wash during the day. That's noted, that you have that recommendation to make life a little easier.

I would just simply say—my riding is Parry Sound—Muskoka, just south of here—that the examples you're giving, I hear about on a daily basis in my constituency office. I just recently tabled thousands of petitions from people concerned about high electricity costs and having to make choices about buying medication or buying food or heating their house. It's probably the biggest issue in my riding.

Thank you for coming today and showing on a very personal basis how it's affecting you, the costs you're dealing with and the efforts you're taking to try to reduce your costs, being on natural gas, shifting things when you can, etc.—but still being forced to pay big hydro bills.

The Chair (Mr. Peter Z. Milczyn): Thank you. That's all of our time.

Mrs. Groulx, thank you very much for coming today. We really appreciate you coming and sharing your concerns with us.

Ms. Marguerite Groulx: Thank you very much.

MS. JESSIE MACISAAC

The Chair (Mr. Peter Z. Milczyn): Our next witness is Jessie MacIsaac. Good morning, Ms. MacIsaac. You have up to 10 minutes for your presentation, followed by questions from the New Democratic caucus. If you could please state your name for the official record as you begin.

Ms. Jessie MacIsaac: Okay. My name is Jessie MacIsaac, and I am a taxpayer in Sudbury, Ontario. First of all, I really appreciate having this opportunity as a taxpayer to come to this consultation, speak with you and present my concerns. I am one individual, but I really feel that as a taxpayer I am representing Sudbury taxpayers and Ontario taxpayers, so I feel that I have a lot of representation behind me, even though I am a single individual.

I have a number of topics to speak about today. I'm going to start with auto insurance, and I have reasons why it is at the top of my mind right now, because recently I purchased a car, and I also received information about new auto coverage. I had a conversation with my auto insurance provider, which happens to be OTIP. I was asking, "Why are we having changes in the auto policy that really do not benefit Ontarians, and why are you doing this? Why have the auto insurers changed this?"

I heard on the phone, "Well, we are set by the Ontario government. The Ontario government sets the rules regarding auto insurance and changes." I'm particularly focusing on certain auto coverages which diminish what we had prior to September 2016, I think it was, or very recently. I was very surprised to hear that our government would be providing us with less coverage on behalf of all our citizens, and if we wanted the same as last year—in fact, I can read this: "The new auto policy coverage, effective as of your renewal date."

Okay, well, my renewal date just happened to be October 7 for my new vehicle, and it says "medical and rehabilitation expenses to a limit of \$50,000 for non-catastrophic injuries." Well, I hope nobody in Ontario has to have catastrophic injuries, or even non-catastrophic injuries, but it happens every day. This type of coverage, it says, is in your expiring policy, but the limit has been reduced from \$100,000 to \$50,000 in your renewal policy. So I wrote down on my paper, "Why?"

It does say "new options." I have the option to increase the limit to \$100,000, as I've had prior to October 7, but that's at my own expense. Why would my government, as a representative of all the people of Ontario, choose to do this to us, not for us? It's probably in the name of reducing auto insurance.

I said, "I can't believe that the Ontario government would be doing this to its people. I am sure you have people who lobby in the insurance industry and I'm sure that our government is listening to them." Well, she didn't say anything much about that. We're not naive and we're not ignoramuses, so we know. Why would government do it except to help in some way or to pretend that we are getting reduced costs, which we aren't?

1050

The next thing it said is, "Attendant care expenses to a limit of \$36,000 for non-catastrophic injury." Prior to October 7, in my insurance I was covered by \$72,000, but it's been reduced to \$36,000. I do have the option to increase the limit at my own expense, something that doesn't impress me.

Caregiver, housekeeping and home maintenance expenses are only available for catastrophic injuries. This type of coverage in my expiring policy, for both catastrophic and non-catastrophic injuries, is not in my renewal policy for non-catastrophic injuries—again, I can purchase that. Well, thank you very much, government of Ontario, for changing this, and thank you, insurance companies, for lining your pockets a little bit more at the expense of people who will probably not know this until they are in an accident and say, "Oh, my gosh, I thought I had good coverage." I like to have good coverage so that I am not a burden to my province or my country.

It says, "Deductible of \$30,000 when suing for pain and suffering. This continues to be the standard deductible provided for by law and one can reduce the deductible to \$20,000." Some people might have to do it because of their budgets, but those are the choices. It has some other coverage, which I'm sure, as our MPPs, you may be well aware of. Probably some of you opposed this when you had a chance to.

I also came across a very interesting article in the Sudbury Star from October 26, 2013, which says, "Numbers show Ontario's auto insurers can easily afford a 15% reduction in premiums over two years." The gist of that was that "using dollars instead of ratios, in 2012 Ontario's car insurers collected \$3.78 billion in accident benefits premiums but paid out only \$1.67 billion in claims and adjustment expenses.

"That makes Ontario's accident benefits coverage the most profitable (both dollar-wise and percentage-wise) for insurers in the regions of Canada that maintain 100% private insurance.

"The numbers for overall insurer payments on all car insurance coverage paint the same picture for Ontario.

"In 2012, Ontario car insurers paid 62 cents out of every dollar of premiums collected for all car insurance coverage.

"They collected \$10.4 billion in premiums but paid out \$6.48 billion in claims and adjustment expenses.

"That's the lowest payout ratio in 10 years.

"Their payout ratio in 2011 was 65%.

"In Alberta, the payout ratios for 2011 and 2012 were 70% and 77%. In Atlantic Canada, 64% in each of 2011 and 2012.

"While none of these numbers includes insurers' overhead costs, they similarly don't show insurers' investment earnings on the premiums they charge, and there can be little doubt that Ontario policyholders are paying too much for car insurance."

This was back in 2013, and I doubt the picture has changed because here we are, being charged again.

I have one other little story about auto insurance; it does have to do with me purchasing my new car. My new car is actually a 2008 car. I like to buy used cars because it saves you money, just as you were talking about using wood heating etc.

I have a niece who is turning 17 in January. She needs to get a driver's licence. She lives in rural southern Ontario, in St. Thomas, and she goes to school in London. Her mother is a teacher at a private school called the Waldorf School, but she has recently resigned and is doing individual tutoring and teaching for her students.

I thought, with my old 1997 Lincoln, which is 19 years old right now, and for which I've paid a lot of money to keep up—I will not get any money worth mentioning, hardly, for putting it on Kijiji or putting it on autoTRADER, which I haven't yet done. I thought, "Well, I will give it to my nieces. They can have the car"—my great-nieces, that is. My niece—their mother—was very happy to hear this, until she checked and told me what auto insurance is for teenagers who are first-time drivers. We can't give it to her because it's \$4,000 or more per year for a beginning driver, which shocked me because I don't have any children. For boys and for males, it's even more in Ontario. For anybody starting out to drive, or if they want to work or could use a vehicle for transportation, it's prohibitive. I am shocked at that—and I confirmed that, that that is the case. So I'm concerned about auto insurance.

With the time I have left, I have other concerns—

The Chair (Mr. Peter Z. Milczyn): You have about 10 seconds left.

Ms. Jessie MacIsaac: Oh, you're kidding. Okay. I'm concerned about us having referendums through Ontario for all provincial assets that the government wants to sell off. I'm concerned that we aren't using, yet, an individual health e-card in conjunction with our OHIP card. I'm also concerned that when immigrant families and refugee families come to Ontario or move here—and now they're going to have them coming in and having reunification—if they're 65 or over, such as I myself am, I do not want anybody but the people who are bringing their families in to be covered. They should cover themselves, because we can't afford it.

The Chair (Mr. Peter Z. Milczyn): Thank you, Ms. MacIsaac. We now have five minutes of questions from the New Democrats: Ms. Fife?

Ms. Catherine Fife: Thank you very much. Jessie, I think that when you started your presentation and you made the point that you were speaking on behalf of many people, I have no doubt that that is an accurate statement.

I thank you for coming in and sharing your views on auto insurance because auto insurance was a big issue in 2012-13 and then following the 2014 election. When the changes happened, when FSCO approved a small reduction in premiums but a huge reduction in the benefits that drivers would receive, I think it took drivers across this province by surprise. I am not sure that everyone has done their research, as you have, because you've made very good points around the personal responsibility that

drivers want to have in the province by having insurance that would cover them, because nobody chooses to get into an accident and have to rely on insurance. You raise a very good question as to why the Ontario Liberal government approved a policy change which would reduce the coverage that drivers have in the province of Ontario.

We, as the NDP—and you'll remember that we did try to reduce the rates because we saw record profits from the auto insurance companies. We thought that it was time for the pendulum to swing back in favour of the drivers, especially those drivers who have very good records. So I want to thank you for bringing the personal perspective of an individual driver to this committee and for reigniting that discussion, as I think that you have done.

The last thing that I wanted to say—you didn't get a change to address referendums, and I know that you were going to talk about hydro, I think. The selling off of Hydro One: Were you recommending that that should go to a referendum instead of the government privatizing it when they had no mandate to do so?

Ms. Jessie MacIsaac: Right.

Ms. Catherine Fife: That was it.

M^{me} France Gélinas: I, too. You give a very good example as to—and you hit it right on when you said that the auto insurance companies in Ontario are the most profitable in Canada. Why are they doing this? Why are they continuing to line their pockets rather than helping? You'll have to ask the Liberal members on this because I certainly opposed it. But your gut feeling told you that they were listening to lobbyists, not the people they served. I'd say that your instincts are pretty good.

I would like to give you time to tell us a little bit more. Why do you figure we're at the point where you don't want the government to sell any more assets without having a referendum? Is it because you don't trust the decisions that they're going to make when it comes to selling assets, and that you want to have a voice?

1100

Ms. Jessie MacIsaac: I definitely don't trust our Liberal government, because they have been—Ontario Northland, which was sold at bargain-basement prices—that's not good fiscal management—and Hydro One, which I believe the majority of Ontarians are opposed to. But our majority Liberal government isn't listening to the people. I'm very concerned about that.

If there are any other—like, if one day, LCBO, which is a profit-making company, which—I really hope it's not privatized.

Any company that is—

M^{me} France Gélinas: Assets that are ours.

Ms. Jessie MacIsaac: Exactly. I think a referendum will tell the story, and the people should be listened to.

M^{me} France Gélinas: I agree. You brought up a good point with Ontario Northland. When you look at what we got for some of the divisions of Ontario Northland—we paid more money to have those assets valued, so we

would know what price to sell them at, than we got money for selling them. This is not good.

Plus, for us in the north, we lost a service. We don't have trains anymore, and the bus service has really gone down, not to mention that lots of the community in the north of Nickel Belt depended on the Internet service that is now not available to them anymore.

I'm curious about the e-card for OHIP. You mean an electronic health record? You're looking forward to this?

Ms. Jessie MacIsaac: Yes. With health records, for example, it would save—we talk about it saving infrastructure or administratively. I went to the doctor because I had a small injury. I had already had an X-ray done at a lab in Sudbury. When I was at the hospital to see my doctor, my specialist, he ordered new X-rays because he said those X-rays from the lab—they don't get them at the hospital. This is just in Sudbury.

With an e-card, I'm thinking both administratively, but there should also be—it would save, ultimately, lots of time and money, and people having to work at all this, to have this e-card that we already spent a lot of money on that was just wasted. I don't know where the status is, regarding the e-card. I mentioned—

The Chair (Mr. Peter Z. Milczyn): Okay, thank you. That's all of our time for this morning. Thank you, Ms. MacIsaac, for coming in. If you have anything further you'd like to provide us in writing, you have until 5 p.m. on January 20.

Ms. Jessie MacIsaac: I will, and thank you very much for this opportunity.

The Chair (Mr. Peter Z. Milczyn): Thank you.

ONTARIO CHIROPRACTIC ASSOCIATION

The Chair (Mr. Peter Z. Milczyn): Our next witness is the Ontario Chiropractic Association. Good morning, sir.

Dr. Jairus Quesnele: Good morning.

The Chair (Mr. Peter Z. Milczyn): You have up to 10 minutes for your presentation, followed by five minutes of questions from the Liberal caucus. If you could please state your name for the official record as you begin.

Dr. Jairus Quesnele: Thank you for having me, and good morning. My name is Dr. Jairus Quesnele, and I'm a member of and volunteer for the Ontario Chiropractic Association, the OCA.

The Ontario Chiropractic Association is a professional association serving Ontario's chiropractors and the public by advancing the understanding and use of chiropractic care and, as such, has three recommendations for the 2017 pre-budget consultation process: (1) the continuation beyond 2017 and strengthening of the Primary Care Low Back Pain Pilot; (2) the expansion and provincial rollout of the interprofessional spine assessment and education clinic models; and (3) the funding of integrated MSK care across the system that is patient-centred, interprofessional and best utilizes chiropractic MSK expertise.

A little background: One in five Canadians suffer from chronic non-cancer pain, with back pain as a leading condition. Musculoskeletal conditions such as low back pain and neck pain account for three of the top four causes of disability in North America.

Evidence points to back pain as a leading reason for opioid prescriptions. A recent study found that 50% of people prescribed opioids in the United States reported back pain. However, according to the 2016 Centers for Disease Control and Prevention guidelines for prescribing opioids for chronic pain, the use of non-pharmacological therapies is preferred.

The opioid situation in Canada is described as in crisis. Ensuring access to a variety of providers and non-pharmacological therapies to treat chronic pain is critical. This was highlighted by the Canadian Chiropractic Association's participation at the national opioid summit and as a signatory to the joint statement of action.

Chiropractors are educated, trained and competent to provide MSK assessment, diagnosis and treatment. They offer a compelling option for better managing MSK conditions across the health care system. Chiropractors provide care using hands-on techniques to reduce pain, improve range of motion, and restore function. The literature supports that spinal manipulation therapy, or SMT, or adjustments are effective in relieving pain and improving function. SMT is recommended by numerous clinical guidelines, including the Bone and Joint Decade Task Force and the American College of Physicians.

As the Ministry of Health and Long-Term Care's Patients First: Ontario's Action Plan for Health Care commits to putting patients first by improving the health care experience, a number of individual pilots and programs have been implemented in Ontario to improve patient care related to low back pain.

There are currently two ministry pilots aimed at improving care for low back pain: the Interprofessional Spine Assessment and Education Clinic—or ISAEC—pilot, and the Primary Care Low Back Pain—or PCLBP—pilot. Both integrate chiropractors in key clinical roles.

The ISAEC pilots have demonstrated that engaging chiropractors and advanced-practice physiotherapists in assessment and education of low-back-pain patients decreases unnecessary diagnostic imaging, specialist visits and their associated costs.

The Primary Care Low Back Pain Pilot integrates chiropractors and other practitioners into interdisciplinary primary care settings to provide a comprehensive assessment and treatment model. In addition to back pain, the typical Primary Care Low Back Pain Pilot patient also suffers from significant co-morbidities, including other musculoskeletal conditions, diabetes and other chronic health diseases, and mental health and addictions issues. Many have characteristics similar to high-cost users of the health care system.

In addition to decreased specialist referrals and reduced unnecessary diagnostic imaging, the Primary Care Low Back Pain Pilot is also demonstrating reduced use of

opioids and NSAID medication. Moreover, patients report improved patient experience, enriched knowledge and practice of low back pain self-management strategies, and enhanced health status.

The Primary Care Low Back Pain Pilot is uniquely positioned to be an important component of a comprehensive musculoskeletal strategy. Based in primary care, the Primary Care Low Back Pain Pilot provides an integrated approach to MSK pain and opioid reduction. Although they are demonstrating excellent results, the pilots are currently scheduled to end in March 2017. Therefore, we urge the finance and economic committee to support our recommendation to continue and strengthen the Primary Care Low Back Pain Pilot.

To understand the current reality of MSK care in the health care system, consider the following patient scenarios from the Belleville Nurse Practitioner-Led Clinic Primary Care Low Back Pain Pilot site, and how patients' MSK conditions have been effectively managed with an interprofessional team.

Scenario one: A 60-year-old female presented with chronic low back pain. She had several previous injuries, including sciatica related to pregnancy 44 years ago, a hairline fracture in her lower back after a fall 20 years ago, and injuries from being hit by a car 13 years ago. She sought pain relief through a combination of prescribed and street drugs. Despite this, she continued to experience severe pain and had difficulty walking for more than 10 minutes without pain. In addition to chronic pain, she also had high blood pressure.

The patient was referred to the Primary Care Low Back Pain Pilot and, after a full assessment with the chiropractor, was diagnosed with spinal conditions that were contributing to her pain. The chiropractor recommended a treatment plan that included soft tissue work, exercises and education. The chiropractor also initiated a discussion with the pharmacist at the nurse practitioner-led clinic to help the patient taper their drug use and implement other strategies, such as using ice to assist with inflammation instead of medications. Today, the patient no longer takes Percocet. She takes Tylenol 3 sporadically, as needed. Overall, she has an improved outlook, is able to walk for two to three hours at a time, and has been able to return to activities that she enjoys, including gardening.

Scenario two: A 76-year-old presented with 12-year history of mid- to lower back pain. The pain began gradually, and there was no known trauma or cause that could be identified. She was unable to complete simple errands requiring walking. She had been taking five different types of over-the-counter Tylenol medications to manage her pain which were self-prescribed. In addition to the pain, she also had stage 3 kidney problems and type 2 diabetes.

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The patient entered the Primary Care Low Back Pain Pilot and was diagnosed with a chronic strain of the muscles in her lower back and pelvis. The chiropractor provided a treatment plan which included education

about the condition and aggravating factors, practical advice with respect to completing daily activities without increasing back pain, and gradual exercise, like walking for 15 minutes a day to start. The patient is now able to walk for hours at a time. She no longer takes any medications for back pain. In addition, testing related to her co-morbid conditions indicates overall improvement in her health linked to the introduction of insulin and improved mobility.

These are just two examples of how initiatives such as the Primary Care Low Back Pain Pilot highlight the importance of providing patients with high-quality, evidence-based low back pain and MSK care at appropriate points in their health care journey. With greater emphasis on these types of programs throughout primary, hospital, community, home and long-term care, chiropractors, given their expertise in the MSK system, can help enhance patient equity and access, reduce reliance on pain medications, and improve quality and care coordination.

Therefore, Ontario chiropractors are asking the government to expand its commitment to MSK care by supporting the following: The first is the continuation beyond 2017 and the strengthening of the Primary Care Low Back Pain Pilot; second, the expansion and provincial rollout of the interprofessional spine assessment and education clinic models; and third, the funding of integrated, MSK care across the system, that is patient-centred, interprofessional and best utilizes chiropractic MSK expertise.

We certainly appreciate the opportunity to present at the 2017 pre-budget consultation process. Thank you.

The Chair (Mr. Peter Z. Milczyn): Thank you, Dr. Quesnele. We have questions from Ms. Hoggarth.

Ms. Ann Hoggarth: Thank you very much for your presentation, Doctor. We have heard other presentations from chiropractors in the past about this very issue. I know that the Ontario Chiropractic Association published a letter to Minister Hoskins highlighting the prevalence of lower back pain in musculoskeletal conditions, and your association asked that the Patients First primary care reform strategy enhance integrated care for lower back pain and MSK patients in Ontario.

I also know that your group brought up the negative effects of constantly using smartphones, which include pain and discomfort in the hands, fingers, necks and upper backs, and I think everyone in this room probably has experienced it. If anyone has ever had any point in their life where they've had back pain, you can imagine how terrible it is to have chronic back pain. I understand.

In November 2014, the Ministry of Health and Long-Term Care announced funding of \$2.3 million to create seven pilot projects across the province as part of its Low Back Pain Strategy, and the locations funded by this project will provide additional hours for a range of health providers, including chiropractors. The Ontario Chiropractic Association showed support for this announcement and its collaborative approach to combat lower back pain, and I like the examples that you gave.

Our government acknowledges the prevalence of lower back pain in Ontario, and that's why our government is currently rolling out the three-pronged Low Back Pain Strategy. Can you speak about the impact this program has had on Ontarians with low back pain, please?

Dr. Jairus Quesnele: Certainly. I'll share from my personal experience to highlight some of those issues, and the Ontario Chiropractic Association could certainly provide more information to help support any questions you might have with respect to that.

My current practice is located in Sudbury. It's not part of the Primary Care Low Back Pain Pilot sites, but I currently work with one sports physician and three family doctors together in the same practice. I am there as their musculoskeletal expert and I help with their rostered patients. They're part of a family health organization, and I am there as an independent contractor, an independent person, but all together, interprofessional. So I'm on their EMR system. We're often having in-hall conversations about cases and how to better manage the patient and their chronic conditions, which often include chronic low back pain and other chronic musculoskeletal diseases.

Physicians are really happy to have that added support. It allows them to enable their patients to become more active with more mobility and enhances their recovery of their chronic illnesses. For instance, a patient might have diabetes and chronic back pain. They're not able to get out and walk and exercise. Their mobility suffers because they're sedentary most of the time. Their diabetes also suffers because one of the evidence-based treatments for diabetes is exercise. You can see how it can be a quick catastrophizing scenario for that patient, and their outcomes become poor.

Having a chiropractor or someone who can be involved in the practice help manage the physicians' rostered patients and help improve their function and their activities of daily living in pain allows better management of the chronic illness and helps the physician ease their time and allows them to see more patients more effectively, not to mention that it's a good environment to work in because you feel like you're really comprehensively serving the population.

Ms. Ann Hoggarth: Great. I think MPP Rinaldi has a quick question.

Mr. Lou Rinaldi: Thank you so much for being here. It just intrigued me when you talked about the nurse practitioner clinic, although the clinic is not in my riding but it's just a stone's throw away. Dr. Bruce Flynn, a counterpart of yours who lives in our town, and a former Rotarian—we met and we talked about this particular case in a lot more detail than you were able to do today because of lack of time. It's quite impressive; it really is. Obviously, I was never involved, but it's certainly something that I think we need to keep a really open mind on.

Thank you for highlighting that today. It's a real case. It's for real. I know some of the nurse practitioners who work at that particular location, and their commitment

and dedication as well. For that, I just want to say thank you.

The Chair (Mr. Peter Z. Milczyn): Thank you, Mr. Rinaldi. That's all of our time for today.

Dr. Quesnele, if you have anything further you'd like to submit in writing, you have until 5 p.m. on January 20.

Dr. Jairus Quesnele: Thank you.

MS. DIANE IKONEN

The Chair (Mr. Peter Z. Milczyn): Our next witness is Diane Ikonen. Good morning, Ms. Ikonen.

Ms. Diane Ikonen: Good morning.

The Chair (Mr. Peter Z. Milczyn): You have up to 10 minutes for your presentation, which will be followed by five minutes of questions from the Progressive Conservative caucus. If you could please state your name for the official record when you begin.

Ms. Diane Ikonen: My name is Diane Ikonen. Can you hear me?

The Chair (Mr. Peter Z. Milczyn): Yes.

Ms. Diane Ikonen: Okay. Thank you very much for the opportunity to be present this morning. I wanted to be here to show the Ontario government that ordinary citizens like myself are concerned about lots of things that are going on in our province. We're being crippled by high taxes, high debt, unnecessary deficits and bad policy.

Instead of wasting time on a pre-budget consultation that may become lip service, let's make Ontario great again.

Mr. Lou Rinaldi: I've heard that before.

Ms. Diane Ikonen: Yes, so have I.

Here are my concerns and recommended actions.

Number 1: concern about Ontario's medical system that front-line health care is being sacrificed while simultaneously the number of bureaucrats in the system is increasing. Example: First, LHINs were created, and now sub-LHINs. We have 14 LHINs and 141 sub-LHINs covering the entire province, according to Statistics Canada.

According to Dr. Virginia Walley, president of the Ontario Medical Association, the province needs to invest in front-line health care. This might be an inconvenient truth for a government that seems more focused on spending on red tape and bureaucrats than investing in front-line patient care.

In my document, I have references for all the things I will quote.

We did have a problem at one time in Ontario where the doctors we trained left for other parts of Canada and the United States, where they could do better. We must prevent this from happening again.

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Recommended actions: When you ask middle managers to decrease costs, they don't cut themselves; they cut services. Instead, work with doctors and all hospital staff to keep the system viable.

Second concern: concern about skyrocketing debt and deficits. Due to mismanagement and the out-of-control spending habits of the Ontario government, which is not just the recent government but previous governments, you are burdening all generations. Debt has increased to \$300 billion in the last 10 years of the Liberal government. This is irresponsible.

The Auditor General has referenced wasteful spending and exorbitant salaries. Here's just one example: Taxpayers covered \$28 million for Windstream.

Recommended action: Live within Ontario taxpayers' means. Pay for essential services. When there are surplus funds, do other projects.

Third concern: concern about bus transportation in the mid-north. Rules changed for Greyhound bus lines when the American-owned company was sold to a British company. Now there are only a certain number of buses scheduled regardless of how many people need to get to a certain destination at a certain time. If there are more passengers than tickets, "Too bad, so sad"; you can't get to your job or you can't get back to your city where you live after having had a family holiday.

I looked online December 9. No more tickets were available for Greyhound to go to Ottawa. On December 10, suddenly there were tickets again. This is terrible uncertainty for people who use and depend on bus transportation. It's the inability for people to get where they need to go when they need to be there. When I phoned Ontario Northland, there was no answer and no message machine. In a day of technology, this is incredible. What terrible customer service. With Greyhound, I couldn't find online any number to call. Finally, I had to go to the Ontario Northland bus depot in New Sudbury personally to get information. The clerk wrote it down for me because it's not available. Interestingly, there were three people working the desk—more bureaucracy instead of front-line service.

Recommended action: Where there are people who need bus transportation, ensure that the bus company provides it.

Number 4 concern: I'm concerned about closing small schools in mid-northern and northern communities. The funding formula doesn't work for isolated communities that need their schools in order to keep students off buses for hours daily that prevent them from participating in the full life of students with after-school activities.

According to the Ontario Alliance Against School Closures, it also appears that school closures are unreasonably disenfranchising children in rural and northern regions. "War on Rural Schools Far From Over" was written in the Sudbury Star by a person from Deep River.

Recommended action: Acknowledge that rural school boards require a different funding formula than urban schools. Make it so.

Number 5 concern: I'm concerned about the increasing cost of the Canada Pension Plan, promoted and endorsed by the Ontario government. Once a person dies, as my husband did two years ago, the money largely

stays with the government, whereas, if we had invested that money, when he died, the money would have gone to our estate. This is a terrible way of using Ontario people and employers to be another form of taxation for the government.

Recommended action: Allow people and their employers to opt out of CPP and opt in to private investment.

Number 6: I'm concerned about the lack of affordable housing for those with mental, physical and emotional challenges. Population facts: In Sudbury, the number of individuals estimated to be homeless in 2015 was 1,419. The number of subsidized housing units: 4,474 in 2012. The number of households on the wait-list: 1,021. Everybody knows that this is exacerbating the problem that people are having with addiction, with homelessness and with poverty.

Recommended action: Policy options are required to support a broad range of housing options, according to the City of Greater Sudbury Housing and Homelessness Background Study.

Concern number 7: I'm concerned about the lack of apprenticeships and lack of seamless moves from apprenticeship training into the workplaces in Ontario. We hear of the situation that in Canada there are jobs, and we have nobody to fill them. Then we've got a situation here in the north where we've got college training and no place to go afterwards.

From Workforce Planning for Sudbury and Manitoulin, a local workforce planning board, Reggie Caverson said, "Of those who take a trades program, finding an employer to hire them is a significant challenge." Caverson said she finds this frustrating, as many employers report wanting someone who is already trained with five to eight years of experience, but are not willing to provide the training that an apprentice needs to become certified in their trade.

It's similarly frustrating when an entrepreneur trains an apprentice who then leaves to take a higher-paying job with a large company that has been irresponsible in not providing apprenticeship training.

Recommended action: Work with industry to change this and follow the European models that are effective in getting people from training into the workforce.

Number 8: I'm concerned about the rising use of food banks in 2016. Some 7% of this has been linked to hydro. Carolyn Stewart, executive director of the Ontario Association of Food Banks, said that it's due to several factors, including the low-wage jobs that are available in Ontario and staggering hydro prices. In the last decade, the price of hydro has more than doubled.

According to a report, Ontario's rising hydro prices and the added stress that increased hydro costs are putting on low-income families are causing increased use of food banks. On Manitoulin Island, too many islanders can't make ends meet.

Recommended action: Make hydro affordable again.

Number 9: I'm concerned about the 60% sale of Hydro One. Some 75% of Ontario residents were polled as opposed to the sale of Hydro One. There were warn-

ings from watchdogs that it would remove the troubled utility from their independent public scrutiny. To quote the Sudbury Star editor, “We believe the key motivation the Wynne government had in selling off 60% of Hydro One was that it desperately needed the money to balance Ontario’s books by 2017-18, as it has long promised voters.” The headline was “Defeat Wynne on Hydro One Sale,” from December 10, 2016.

I have a whole slew here—two pages—of concerns about the continued consequences of Ontario’s energy policies, but I think that pretty well brings me to the end of my time, so I’ll just leave that for the committee to add to the pile. I’m very concerned about all of these things as an ordinary citizen who was born and raised in Ontario, and—

Interruption.

Ms. Diane Ikonen: Well, there we go. There’s the timer.

I grew up with Ontario being the greatest province in Canada. I want Ontario to be great again.

The Chair (Mr. Peter Z. Milczyn): Well, kudos to you for bringing your own timer, as well.

Mr. Barrett has questions.

Mr. Toby Barrett: Thank you, Diane. Yes, we have a situation—so many issues, and so little time.

Ms. Diane Ikonen: You people made me work hard this week.

Mr. Toby Barrett: It shows.

You talk about front-line health care receiving short shrift as the bureaucracy grows. Just last week, legislation was passed, Bill 41, for yet another reorganization of the health care system, a reorganization of the LHIN system, creating sub-LHINs—a reorganization of a system that already allocates 39% of resources to bureaucracy at the Ministry of Health. That’s at this point in time.

With this new reorganization, there is worry that there will be additional resources going to the bureaucracy. It’s called the Patients First Act; it’s also known as the “bureaucracy first act” in some quarters. It’s a reorganization within a system that, under the minister, within the ministry itself, has 18 assistant deputy ministers, with no thought of reorganizing that system at the top, perhaps streamlining and taking a look at some efficiencies and some cost-effectiveness within the Ministry of Health itself.

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I receive so many emails on this subject, I could go on and on. There are concerns with this new reorganization that access to a family doctor could be decided by a government employee, that bureaucrats would have access to confidential health records, and medical standards would be decided by bureaucrats or politicians instead of medical experts.

Just quickly: Now that this reorganization has been launched, by law, any thoughts on how we can perhaps salvage our health care system as this goes forward?

Ms. Diane Ikonen: I think, as in just about any sector of the economy, talk to the people on the front lines. They know what is needed, and they can do it very simply if they have the opportunity to do so. I learned

about the reality of the LHINs and the sub-LHINs from a person who was a nurse who then had the opportunity to do something in bureaucracy for the Ontario government because of her background. She basically said that the LHINs are just another layer that prevents the money from going to front-line services. I get emails every day from the LHINs. I get the notices about the sub-LHINs being formed. I know that they are able to do some good stuff and planning, but the grassroots could do that too.

Mr. Toby Barrett: My colleague has a comment as well.

Mr. Norm Miller: Again, thank you for your presentation. You covered a lot of topics there.

As a fiscal Conservative, I certainly agree with your concern about the debt. I think it’s \$317 billion now. It has more than doubled in the last 13 years, and it’s a big concern because we’re paying so much in interest costs.

But point number 4, in the limited time that I have, is one that hits home for me as the MPP for Parry Sound–Muskoka: the closing of small schools. I have a situation in my riding in the Honey Harbour area, where they’re doing an accommodation review for both the Catholic primary school and the public primary school at the same time, so the community could face both schools closing and then a situation where kids would have to be on the bus for over an hour, not to mention what it would do to that community. I don’t expect young families or businesses are going to want to locate there if both primary schools close. So maybe you could talk a bit more about the importance of small schools to communities.

Ms. Diane Ikonen: Well, a school is a heart of the community, and the Ontario government seems to be looking at a model that works for urban and rural, and it doesn’t work. We in northern Ontario don’t have the great amount of population that southern Ontario does, especially metropolitan areas like Toronto. In Sudbury and northern Ontario, in greater Sudbury—Rainbow District School Board, the Catholic school board, le conseil scolaire, and French Catholic—what it means is that we could have students on the buses for three to four hours a day. Of course, when there’s snow those buses will be cancelled. This is breaking up communities. It’s devastating to families, to communities. We have to have a different model of funding for urban and rural.

The Chair (Mr. Peter Z. Milczyn): Okay, thank you. That’s all for time. If you have any written submissions you’d like to make, you have until 5 p.m. on January 20.

Ms. Diane Ikonen: How much do you bet you’re going to hear from me?

The Chair (Mr. Peter Z. Milczyn): I have a good feeling there’ll be a Christmas present for the committee from you.

Ms. Diane Ikonen: Thank you for listening.

The Chair (Mr. Peter Z. Milczyn): Thank you very much.

LAURENTIAN UNIVERSITY

The Chair (Mr. Peter Z. Milczyn): Our next witness is Laurentian University. Good morning, sir. You have

up to 10 minutes for your presentation, which will be followed by five minutes of questions from the New Democratic caucus. If you could, state your name for the official record as you begin.

Mr. Dominic Giroux: Good morning. My name is Dominic Giroux. I'm president and vice-chancellor of Laurentian University. I also serve as vice-chair and incoming chair for 2018-19 Universities Canada. Bienvenue à Sudbury, and welcome to the traditional lands of the Atikameksheng Anishnawbek First Nation.

In front of you, you have a two-pager which I would like to draw your attention to. Page 1 summarizes some recent accomplishments of Laurentian University. We're proud of having the highest proportion of first-generation students among Ontario universities, the second-highest proportion of indigenous and French-language students, the highest post-graduation employment rate among Ontario universities for six years in a row and the second-highest post-graduation average earnings. We rank number one in Canada in national research funding in economic geology, and number one in Ontario and the top five in Canada in mining and mineral processing research.

Success attracts success. Our number of admitted students since 2009 coming in with an average entry grade of over 85% has doubled. In the last five years alone, we've announced four eight-figure gifts to named schools at Laurentian: the Bharti School of Engineering, the Goodman School of Mines, the McEwen School of Architecture and, more recently, the Harquail School of Earth Sciences.

At the middle of page 1 you have some provincial data in terms of funding for Ontario universities and you will see that, unfortunately, per-student revenues and per-student provincial funding have not increased since 2009. I want to draw to your attention that northern grants to universities have not increased since 2004 and French-language grants have not increased since 2007.

Half of our students come from northeastern Ontario, a region where there will be a decline in the university-aged population of 20% by 2023. The other half of our students come from other parts of the province and other parts of the country and the world—from 100 countries. However, in the next decade there will not be an increase in the university-aged population outside northeastern Ontario, and meanwhile, government is supporting new campuses in Milton, Markham, Brampton and also exploring a new French-language university in Toronto.

Despite those challenges, we've balanced our budget for the last six years, but we are forecasting deficits for the coming years.

On page 2, you have three recommendations. I had the privilege of serving on the Drummond Commission on the Reform of Ontario's Public Services. I also currently serve on the Ontario Economic Advisory Panel. It may or may not surprise you that the three recommendations on this page come at no cost to government. However, in my view, these would be the three steps that could have the most positive impact on protecting the quality of post-

secondary education and protecting our ability to drive creativity and innovation in the communities that we serve.

The first recommendation is to make universities facing declining enrolment eligible for funding protection for the next two rounds of strategic mandate agreements with the province. Most Ontario universities are facing declining enrolment; all northern Ontario universities are facing declining enrolment. Our suggestion, which has been endorsed by all northern Ontario universities, is that if universities are facing declining enrolment, we are asking government to not take away those revenues. We already will be losing tuition revenues from the fact that we will be facing declining enrolment. We're asking that the current provincial grants remain the same, subject to conditions negotiated with the province in terms of accountability, metrics and outcomes that the government would like to see.

I have to point out that we were feeling heard by the Ministry of Advanced Education and Skills Development on this front. We understand that there are changes that are coming down the pipeline in terms of the funding model for universities, so we're encouraged. Of course, we'll believe it when we see it, but we're hopeful that that will be addressed for 2017 and beyond. Otherwise, this will require even further cuts to programming and student services for 2017.

The second recommendation may sound very technical but is of huge importance to many Ontario universities. It's to encourage Ontario to do like most other provinces, including Quebec, and exempt universities from solvency pension requirements but require a higher threshold of going-concern surplus. Let me try to translate this into common language.

Each Ontario university has its own pension plan. Most of them have currently a pension solvency deficit. That means that if the university were to shut down today, it couldn't pay its current obligations. In most other provinces, universities are exempted from making solvency payments because the view is that universities will still be there 50 or 100 years from now.

As a university, we have a solvency deficit but we have a going-concern surplus. The going-concern test is our pension plan's ability to meet future obligations. We have a surplus from that standpoint; we're in good shape. If our university was in Quebec, the government would say, "Don't worry about your pension solvency deficits, but please make additional payments to meet your future obligations. Have a higher threshold of accountability for your going-concern test."

That's our advice to government: to follow what Quebec and other provinces have done, to exempt us from solvency pension requirements but increase, perhaps, the requirement for the going-concern payments.

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The advantage of doing that is that if the Ministry of Finance increases the requirement for going-concern, those costs can be cost-shared with employees. The current regulation, even though it's better than what it used

to be, prevents us from cost-sharing the costs because, if you don't have a jointly sponsored pension plan, your solvency costs cannot be shared with employees; the employer is accountable for those costs.

The third recommendation is to create a working group between the Ministry of Advanced Education and Skills Development and northern universities to recommend to government by next fall how best to enhance the northern grants.

As I pointed out, northern grants to universities have not increased since 2004, and we think it would be timely to consider how best to do that for the 2018 budget—again, tied to outcomes in support of the implementation of the growth plan for northern Ontario, released in 2011.

Our goal is to protect the quality of the student experience, to preserve our capacity to drive innovation and creativity, and, of course, to ensure the university's sustainability. We hope that the government will consider those three recommendations, which come at no cost, for the 2017 budget.

The Chair (Mr. Peter Z. Milczyn): Thank you very much. We have questions for you from Madame Gélinas.

M^{me} France Gélinas: Bonjour, monsieur le Directeur. Toujours un plaisir de vous voir.

If there is decreased enrolment, we hold the money going to the university stable. But you did say that if that was not to happen, cuts could come as soon as 2017. Let's say it doesn't happen. What size of a hole in your budget are we looking at?

Mr. Dominic Giroux: Currently, we're forecasting a deficit of \$4.5 million for next year. We are seeking permission from our board of governors to run a deficit for the next two years. But, obviously, to meet that forecast of a balanced budget by 2019, that would require important reductions in the number of part-time sessionals; not replacing faculty vacancies; not replacing staff positions that may come through attrition; reducing scholarships and bursaries to students; and delaying or cancelling projects that were contemplated in terms of deferred maintenance, which is quite needed, especially for universities that have aging infrastructure.

M^{me} France Gélinas: I don't see anything in this that is good for the learning experience of your students.

Were you able to cost—you put it as “at no cost to the government.” The numbers of students are going down. We keep your funding stable to allow you to go through this for the next two terms of negotiation. If there were to be no change, how much of an overall decrease would it be? The \$4.5 million—is it directly tied to this, or are we talking a different number?

Mr. Dominic Giroux: I would say that about half of it is tied to that projected decline in our revenue. That's why, for all northern Ontario universities, having that stability of funding would be critical for 2017-18 and beyond.

I would have to say that in some of the universities in the north, it's even more acute in terms of the situation than at Laurentian University because, even this year, we had an increase in our enrolment. But some northern

Ontario universities have seen declining enrolment for a number of years and are desperately seeking to have that stability, not forever but at least for the next two rounds of strategic mandate agreements, so that universities can do the kinds of changes required in terms of program offering and programming.

M^{me} France Gélinas: Laurentians do great. The graduates find employment within their fields. I think you said 92% of us did. I'm a graduate of your university. They go on to have successful careers, working and being productive. Do you see something that the government can invest in or do to make sure that we bring more students to a university and to Laurentian and to all of the northern universities? Is there a plan not just to save what we have now but to grow it?

Mr. Dominic Giroux: Well, every university will evolve its program mix based on community demands, community expectations and labour market requirements. Generally, there's an increase in demand for graduate programming. If the proportion of spaces for graduate programs in northern Ontario universities was equivalent to southern Ontario universities, we would have 800 more funded master's spaces and 500 more funded PhD spaces in the north. So there's definitely an unmet demand at the graduate level generally in northeastern and northwestern Ontario.

We have been successful in introducing new French-language programs in some areas where currently, French-language students have to leave the region to pursue their aspiration in their own language. These are the key demand spots that we have right now. We're doing our best to address those increased demands, and legitimate demands, but we obviously can only do so much with the resources available.

M^{me} France Gélinas: I agree. When we look at the northern grants, which have not increased since 2004-05—we're looking at 2017; that's a long time. Had there been any demand from northern universities to renegotiate that before, or have we just woken up to the fact that a decade and a half has gone by?

Mr. Dominic Giroux: I think it's been a constant request over time, but also, as universities, we're mindful of the fiscal situation of the province. There has been a tendency to ask for more flexibility on tuition than provincial grants, generally. However, we're in a situation right now where Ontario has the lowest grants on a per-student basis to universities and the highest tuition rate, so I don't think that's sustainable in the long term.

The Chair (Mr. Peter Z. Milczyn): Thank you, Mr. Giroux. That's all of our time for today. If you have anything further you'd like to submit in writing, you may do so until 5 p.m. on January 20.

Mr. Dominic Giroux: Merci beaucoup. Chi meegwetch.

The Chair (Mr. Peter Z. Milczyn): Merci.

MR. FRED SLADE

The Chair (Mr. Peter Z. Milczyn): Our next witness is Mr. Fred Slade. Good morning, sir.

Mr. Fred Slade: Good morning.

The Chair (Mr. Peter Z. Milczyn): You have up to 10 minutes for your presentation, which will be followed by five minutes of questions from the Liberal caucus. If you could state your name for the official record as you begin.

Mr. Fred Slade: My name is Fred Slade, and I'm here on behalf of my children and yours. Ten minutes doesn't allow me to address all of the gross mismanagement of the past 10 years. The purpose of these sessions, as I understand it, is to present advice on how to fix the economic mess we have in this province going forward, so I will limit my comments to three broad suggestions.

First, stop spending us into an even bigger mess. I realize we will not and, arguably, do not need to get out of debt, but we do have to get it under control, preferably before the inevitable decrease in bond ratings and increase in interest rates turn the \$11-billion-plus amount that we are paying annually in interest into two or three times that amount. The first rule for anyone trying to control or eliminate debt is to stop borrowing. There is a time and a place for deficits, and this is not it. Our current and past leadership should be ashamed of the mess that they have left for our kids and our grandchildren to clean up.

Second, don't continue to pretend that the deficit has been fixed by holding fire sales for public assets, or don't introduce new taxes. Do it by stopping the insane wasteful spending. The list is so large: Ornge, eHealth, gas plants, and no doubt dozens or possibly hundreds more on a smaller scale. I will speak briefly to two examples.

The Ontario pension plan, the one that was to be paid for by businesses and employees who didn't ask for it, thankfully has been killed, but not before wasting \$70 million, most of it blatant and obscene patronage: \$8 million in advertising and over \$2 million in severance to only six employees, that group led by Saäd Rafi, who, I'm sure you know, ran the Pan Am Games that went over budget by \$304 million. For his six months' work on the pension plan that never was and never will be, he received \$75 less than \$828,000—six months. I wonder how many \$7,500-a-plate donations he, his cronies and the advertising firms organized?

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Another colossal waste is the LHINs and the CCACs. I spent two hours this morning feeding and changing my 88-year-old mother, even though we are approved for six hours of care and paying for another six hours each day. Why? Because even though we can sequence DNA, the so-called care coordinator cannot get a PSW to show up at 8 o'clock in the morning. My mother was released from the hospital on Thursday. The PSW came at 8 a.m. on Friday, but they've been late every day since. On Saturday, they didn't come and my 87-year-old father tried to help my mother to the bathroom. He now has a back injury; she has a broken wrist.

Finally, give Ontarians some relief from the ever-increasing cost of living in what used to be a great

province. If the ill-advised carbon tax goes ahead, don't waste the proceeds on these so-called green initiatives. I don't know if you can get less specific than that term. I don't even know what it means, but it sounds like another patronage scheme. All the money raised by this tax should be rebated to hydro users. That way, the number of seniors and low-income earners that can't pay their bills might actually go down instead of skyrocketing from the present number, which I understand to be over 500,000.

Thank you for the opportunity to present these recommendations.

The Chair (Mr. Peter Z. Milczyn): Thank you, Mr. Slade. You have questions from Mr. Baker.

Mr. Yvan Baker: Thanks very much for coming in and speaking with us today. I wanted to thank you for taking the time to be here and to share your views. I know that in the past you've also taken the time to run for office—in the last federal election for the Conservatives, I believe.

Mr. Fred Slade: Yes, that's correct.

Mr. Yvan Baker: Thank you for coming in and for your continuing passion for serving the public.

There are a few things you mentioned, but before asking my question, I'd just like to comment on a few of them. My background is in finance and business. I used to be in management consulting, so I used to advise companies on how to invest their money and make appropriate investments and maximize value for money and reach their financial targets.

When I ran for office in Etobicoke Centre, I made a commitment to the people of my community that I would lend that experience to the folks who were making decisions in the government about how we invest and spend our money. That's why I think it's so important, and you spoke at the beginning of your presentation about the importance of balancing the budget. That's one of the things I've been very actively involved in. It's not just about hitting a fiscal target but it's about getting there in the right way.

Anyone can slash and burn their way to a balance. What's challenging, and I saw this in business and I see it here in government, is doing it responsibly. So what we've been doing is going through every program in government, one by one, assessing performance, measuring outcomes in a way that hasn't been done in the past, and then assessing how we can get better value for that money. Can we deliver more, better outcomes for people for the same amount of money, or can we deliver those same outcomes that we are trying to achieve with less money? Those things are the kinds of things—unfortunately, those success stories are rarely reported on, but there are quite a number of them.

One of the things, for example, was that we used to have a series of dental programs for kids who are low-income. Those have been combined and consolidated and, as a result, with the same amount of money, 70,000 additional kids across Ontario are now getting dental programs for free. That's an example of the kinds of

decisions that are being made to make sure we're getting better value for taxpayer dollars, but also generating better results for the people of Ontario at the same time.

You talked about public assets not being used to balance the budget, and I agree with you. So, for example, when the 407 was sold in Ontario, that money was used to balance the budget. In the case of asset sales that are happening now, those are going into something called the Trillium Trust, which is a fund for infrastructure. I wanted to make sure you were clear on that and you understood that.

You talked about interest charges. You're absolutely right: We need to ensure that those interest charges come down, so that we can make sure that we're using those resources, taxpayer money, and, instead of on interest, we're spending it on programs: health care, education, infrastructure etc.

It's interesting, actually: Interest as a percentage of the provincial budget over the past several years is at a 20-year low, so it's lower than it was in the Mike Harris government, even lower than it was in the Bob Rae government. It doesn't mean there's not more work to do—it goes back to what you were saying earlier about balancing the budget so that we can minimize those interest costs eventually—but I wanted you to know that as well.

You talked about the LHINs and CCACs—absolutely. I represent a community where we have one of the highest percentages of seniors of any riding in the country, so health care and community care in particular are priorities for me and my community. I know that making sure that we maximize the amount of care that gets to the front line is so, so important. That's why, for example, the Patients First Act is designed in part to make sure that we're taking the resources that are currently put into administration and moving them toward front-line care. I'm pretty excited about that aspect of things as well.

I wanted to comment on those things because I thought it was important that you understood that. Chair, how much time do I have left?

The Chair (Mr. Peter Z. Milczyn): One minute.

Mr. Yvan Baker: One minute.

What I wanted to ask you was, one of the discussions we've been having in government on all sides, I think, is around infrastructure. We've heard a number of presenters come to us today, talking about the importance of roads to communities in the north. In more urban centres, there's been a lot of talk about transit. From your perspective, could you speak to me a little bit about your views on infrastructure? Should we be investing in infrastructure, and if so, what kinds of infrastructure should we be investing in?

Mr. Fred Slade: Thank you for getting to a question. I think I have about 30 seconds to address the four-and-a-half-minute presentation.

Obviously, we need infrastructure in any civilization. However, it needs to be developed responsibly, it needs to be administered in an accountable fashion, and we need to get that value for money.

I can't do justice to your question without preparing for it. I'd be happy to do that. I'm very pleased to hear that you're having some successes in making the delivery of services more efficient in the province. I'd be quite happy, on a voluntary basis, to assist you with some more suggestions when I have more than 10 minutes.

The Chair (Mr. Peter Z. Milczyn): Thank you, Mr. Slade, for coming out today. If you do want to make a written submission to the committee, you have until 5 p.m. on January 20 to do so.

Mr. Fred Slade: Thank you very much.

GREATER SUDBURY CHAMBER OF COMMERCE

The Chair (Mr. Peter Z. Milczyn): Our final witness is the Greater Sudbury Chamber of Commerce. Good morning.

Ms. Joyce Mankarios: Hello.

The Chair (Mr. Peter Z. Milczyn): You have up to 10 minutes for your presentation, which will be followed by five minutes of questions by the Progressive Conservative caucus. If you could please state your name for the official record as you begin.

Ms. Joyce Mankarios: Thank you. I'm Joyce Mankarios, Greater Sudbury Chamber of Commerce. Thank you so much for allowing me to present this pre-budget submission today. The Greater Sudbury Chamber of Commerce represents 1,000 businesses here in Greater Sudbury that employ in excess of 40,000 people here in the community.

Our chamber held a series of consultations over the summer with business owners, and we asked them, "What are your top barriers to success?" What we heard as top barriers were the cumulative burden, high energy prices, navigating through labour legislation and, of course, the skills gap.

Firstly, we hope the budget addresses the need to reduce the cumulative burden on employers. Rising input costs and new public policy initiatives like cap-and-trade, coupled with skyrocketing energy rates, high WSIB premiums, labour legislation changes and business taxes: All of these have become crippling on businesses' competitiveness. We hear from businesses that they might have to shut their doors because of this burden in the province.

There are a few steps we think can help these issues, one of them being establishing a publicly available analysis of the costs of doing business in Ontario. This would be updated annually to highlight the cumulative impact of any new government policy implemented in the past year or proposed in the year ahead.

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We would also like to emphasize the importance of regional economic analysis. Not all policy is like cap-and-trade or will impact all regions the same way, and we need to consider that. Northern Ontario faces regional disparities, and that needs to be considered in policy-making and in this budget as well.

Relevant policy is also necessary. We know that there are outdated policies that were implemented decades ago that are not relevant anymore. The Red Tape Challenge and the modernization initiatives will help, and we're looking for more progress on that file.

Continuing with the regulatory burden, we're really looking for the establishment of some type of concierge service, a one-stop access point for small businesses to be able to access that would help them understand and navigate the different levels of legislation. This could be over-the-phone advice; this could be in person—a "how you can help" attitude by government on regulatory burdens.

I also mentioned labour relations earlier. In our consultations with businesses, we heard again and again that many businesses feel like there's an imbalance of power between the employer and employee, where much of the power is granted to the employee. Dealing with labour legislation has been onerous, costly and challenging, especially for small business owners, who just can't afford a robust HR department. Some of the proposed options under consideration with the Changing Workplaces Review would make it even more onerous at a time when employers are facing increased costs. Implementing these changes might mean some businesses will have to lay off, and some businesses won't be able to even maintain their current operation. So at this time, we recommend the status quo and no drastic changes in the Changing Workplaces Review.

Moving on to electricity prices, we cannot stress enough how much this is an issue to the north and to our businesses. We hope this budget reinforces and enhances initiatives to provide relief to business owners on their energy rates.

Here in the north, we have to travel further distances, we are faced with different weather patterns and our industries are energy-intensive. We hope that is taken into consideration as well.

We appreciate and are encouraged by the expansion of the industrial conservation initiative as well as the Northern Industrial Electricity Rate Program. These are essential programs for our region, so thank you for those expansions and making NIER a permanent program. However, we think there is room to expand these even more to have further reach in the north and in Ontario.

We're also hopeful that the budget will provide further transparency and details on how cap-and-trade revenues will be recycled back to the business community, and what type of financial supports will be available to transition to the low-carbon economy. Details are very vague. Also: an economic impact assessment of what cap-and-trade will mean to the regular consumer.

On the skills front, we hear from employers that they're not only finding it difficult to find the people they need, in terms of job-related skills and those technical skills, but also to find motivated workers. Here in the north, we face some of the most pronounced labour shortages, so we would welcome any types of initiatives for the government to continue to work with partners to

offer employment-driven training programs beyond the Canada-Ontario Job Grant, and expanding experiential learning opportunities for students and skills development in indigenous communities.

One part of the solution to the skills shortages are provincial policies when it comes to immigration. The provincial nominee program is one venue. Right now, the list of eligible professions there is very narrow. It doesn't include the trade professions. We want to see the trades there. Creating a similar system to Manitoba, where local municipalities are provided the opportunity to nominate according to their local labour shortages, would be important, as well as addressing the high journey-person-to-apprentice ratios.

Investing in the Far North is critical. There needs to be a long-term vision when it comes to infrastructure, electricity transmission, getting communities off diesel, and communications, but also those urgent needs when it comes to housing and education.

We'd also like the government to recommit to the Ring of Fire. We want to know what the next steps are. We want clarity in this budget on the Ring of Fire file. We're champions at the Sudbury chamber of this file, and think that more clarity should be provided to boost investor confidence there.

The government is making record investments in infrastructure. We'd like to see some of this going towards broadband.

I would also like to take a minute to talk about tourism. Recently, we partnered with the Ontario Chamber of Commerce on a tourism report. Right now, Ontario is lagging behind in terms of our visitation than other jurisdictions. One of the recommendations here is around data. Right now, tourism operators are dealing with 2013 and 2014 data, so it's not relevant for them to make timely decisions. We need more relevant, timely data for that decision-making.

Also, tourism operators are regulated at different levels with different ministries of the province. We need to tighten that up. We need to reduce that duplication.

Adding tourism to the Red Tape Challenge is definitely welcome, so thank you for that. We hope that review comes in a timely fashion as well.

On the innovation front, now that we have to mine more deeply and remotely, innovation is going to be the way to go. So thank you for the focus on that. We do ask, though, that there be reductions in federal-provincial duplication when it comes to processes like environmental assessments, and also enhancing Ontario's flow-through share tax credit to help junior miners raise capital.

Thank you for allowing us to make this submission today.

The Chair (Mr. Peter Z. Milczyn): Thank you, Ms. Mankarios. There are questions from Mr. Miller.

Mr. Norm Miller: Thank you very much for your presentation and highlighting a few key things: red tape, the skills gap, electricity costs, labour imbalance and the need for infrastructure investment in the north.

I had time on Friday to meet with the Parry Sound chamber to go over your recent tourism report, Closing Ontario's Tourism Gap. I wondered if you could talk a little bit more about that. There were some specific asks in that report that are budget-related, specifically air travel, that the tax rate in Ontario is much higher than competing jurisdictions. It was also mentioned that there are insufficient tourism information centres in the north. Many of them are closed. So I wondered if you could talk a bit more about the closing-the-gap report and the findings of that.

Ms. Joyce Mankarios: Thank you. I appreciate that question. What this report is highlighting is that between 2006 and 2012, the tourism sector experienced a \$16-billion tourism gap. This gap essentially represents forgone visitor spending. It's based on spending from both overnight and same-day figures. This is based on what's happening around the world with advanced economies. We're looking at what accounts for this gap. Some of those factors, of course, are out of the government's control—when it comes to currency rates, new security measures, the cost of travel and that kind of thing.

Thank you for pointing out the aviation fuel tax. This has increased drastically over the years, especially since 2004. This is particularly detrimental to northern and indigenous communities. It really creates financial barriers to getting access to Ontario tourist destinations. So we're looking for reductions in this aviation fuel tax. Even when we look at the tax and its impact on remote communities and their ability to transport goods and services, their ability to leave and come and go from their communities, it is essential to reduce that fuel tax.

As well, one of the recommendations was better coordination when it comes to marketing budgets. With local communities, provincially and federally, there are different marketing initiatives. Let's coordinate our marketing initiatives there as well.

We would also like some budget consideration in infrastructure—tourism infrastructure and investing—to be able to connect to those tourist destinations as well.

The Chair (Mr. Peter Z. Milczyn): Mr. Fedeli.

Mr. Victor Fedeli: When we met with the northern communities at Queen's Park just the other day—thank you for all the work that you did there—we talked about shining a light on northern Ontario for each bill that was coming into the Legislature. Can you just talk a little bit about your philosophy or your thoughts on that?

Ms. Joyce Mankarios: Yes, and thank you for that, Vic. Our chamber, alongside other chambers, spent a few days at Queen's Park the other week to lobby on northern issues. We would like every bill, every piece of legislation, to take a regional economic lens, looking at: What does this mean to different regions? What does this mean to rural versus urban? Especially for us in the north, we're concerned with: What is this going to mean to northern Ontario?

I gave the example of cap-and-trade. We don't want the north to be subsidizing cap-and-trade for the south, right? So these types of policies need to take that economic analysis view because we need to be fair in our policy across the region.

The Chair (Mr. Peter Z. Milczyn): One and a half minutes.

Mr. Victor Fedeli: I want to expand on that. I told a story in the room that day of when I was mayor of the city of North Bay and Bill 26 came down. It was called the Strong Communities Act, and it wiped out the opportunity for municipalities in the north to be able to build on a wetland. It sounds unusual, but you would replace that wetland somewhere else. I talked about the fact that our industrial park, the entire industrial park in North Bay, was now unbuildable. It was a \$10-million or \$20-million investment that nobody can build on again.

Are there other examples that you have? Or can you just shine a little bit of a bigger light on that? Because I think this is really a key piece of information from the chamber.

Ms. Joyce Mankarios: That's a good point. Just in terms of decision-making on conservation as well, I think they need to be mindful on how different regions rely on energy and that type of thing. Phasing out different approaches and new green acts are great, but in terms of what this will mean to rural areas, what this will mean to indigenous communities and that type of thing, we just find that different policy-making does not always consider the different regions. That's our main concern there.

The Chair (Mr. Peter Z. Milczyn): Thank you very much. If there's anything further you would like to submit in writing, you have until 5 p.m. on January 20.

That concludes all of our witnesses for this morning in Sudbury. I want to thank anybody who came out to present. The committee is adjourned until 9 a.m. tomorrow morning in Ottawa.

The committee adjourned at 1211.

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