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Standing Committee on Finance and Economic Affairs

Pre-budget consultations

2nd Session
41st Parliament

Thursday 18 January 2018

Chair: Ann Hoggarth
Clerk: Eric Rennie

Journal des débats (Hansard)

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Comité permanent des finances et des affaires économiques

Consultations prébudgétaires

2e session
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Jeudi 18 janvier 2018

Présidente : Ann Hoggarth
Greffier : Eric Rennie

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

COMITÉ PERMANENT DES FINANCES ET DES AFFAIRES ÉCONOMIQUES

Thursday 18 January 2018

Jeudi 18 janvier 2018

The committee met at 0903 in the Holiday Inn Kitchener-Cambridge Hotel and Conference Centre, Kitchener.

PRE-BUDGET CONSULTATIONS

The Chair (Ms. Ann Hoggarth): Good morning. We're meeting here in Kitchener-Waterloo today to hold pre-budget consultations. As this is an extension of the Legislature, there can be no clapping, cheering, signs or political material. Each witness will receive up to 10 minutes for their presentation, followed by five minutes of questioning from the committee.

Are there any questions before we begin?

ONTARIO CATHOLIC SCHOOL TRUSTEES' ASSOCIATION

The Chair (Ms. Ann Hoggarth): Seeing none, I will call our first presenter, the Ontario Catholic School Trustees' Association.

Good morning, sir. When you get settled, please identify yourself for the purpose of Hansard, and you may begin your 10 minutes.

Mr. Patrick Daly: Thank you and good morning, Madam Chair and committee members. My name is Patrick Daly, and I'm the president of the Ontario Catholic School Trustees' Association. I would like to thank the committee for giving us this opportunity to share with you our recommendations on Ontario's 2018 budget.

We believe that to continue to improve and build upon Ontario's already outstanding education system, additional investments are required and particular urgent attention is needed to increase the level of flexibility and autonomy at the local school board level.

Today I will highlight areas which we believe require continued government attention. At the outset, I want to recognize the government in a number of these areas. Funding has increased, but it's our belief that more funding is required.

Our association represents Ontario's 237 elected Catholic trustees who serve on 29 English-language Catholic district school boards. Together, these boards educate approximately 545,000 students from junior kindergarten to grade 12, and many more in adult education programs.

We believe strongly that an education funding model needs to be built on four core principles. First, it needs to be equitable and distribute funds equitably among all Ontario school boards and their students. Secondly, it must be adequate in terms of the level of funding. Third, it must provide sufficient local autonomy and flexibility. Finally, it must be accountable to the government and to Ontario's taxpayers.

The first area we believe strongly needs attention is that of increased flexibility and autonomy. Since the late 1990s, with structural changes to the funding formula for school boards, new rules and restrictions, there has been a dramatic decline in the level of flexibility and autonomy at the local level. The ministry in recent years has also placed increased restrictions on how school boards spend their capital and operating funds. Collectively, as I said, all of this has reduced the important flexibility that we require.

In this regard, OCSTA recommends that the Ministry of Education develop new regulations/policies to restore school board autonomy and flexibility in the area of overall planning and program design, and, secondly, remove some of the restrictions on the enveloping of operating funds that reduce autonomy and flexibility.

A second important area that we wanted to speak to briefly is that of student transportation. As you know, recent proposed changes to the Employment Standards Act increased the minimum wage on January 1 to $14 an hour, and by the end of 2019 to $15. This increase, coupled with other costs associated with the proposed amendments in Bill 148, will increase costs to school boards in some areas significantly, in particular in the area of student transportation.

As well, the funding model for transportation has not been changed since 1997 and is based on the historical spending level at that time, with annual adjustments for enrolment and inflation. This has been exacerbated by the competitive procurement process that school boards must follow. Just as one example, as a result of the RFP process, for a large urban transportation consortium—Catholic and public school boards—the costs in the recent RFP increased by roughly 18%, all of which had to be absorbed by the two school boards.

With regard to transportation, we recommend strongly that the funding formula be restructured to reflect the actual costs, and, secondly, that the Ministry of Finance provide sufficient and in-year funds to ensure that any new costs associated with the amendments to the Employment Standards Act that impact student transportation are reflected in annual adjustments to the funding formula.

A third, critically important area for Catholic school boards is student mental health, as well as special education. Time will not permit me to comment at length on either of these, but we do recommend strongly that the Ministry of Finance expand funding for student mental health needs while ensuring it is equitable and sustainable for all students. Secondly, in the area of special education, we recommend that the government establish a panel of experts, with a stakeholder advisory board, to review the adequacy of special education funding in Ontario, and that the government review student-needs-based funding models for high-needs special education students to supplement the overall special education funding model.

In the area of capital funding, I want to again recognize that just recently, another announcement was made by the government with regard to new capital funding. But as you know, there are a number of older schools that need to be rebuilt. In a number of areas, the province's consolidation of schools as a result of declining enrolment has taken place. There's a need to rebuild in those cases, and for deferred maintenance and, of course, new school construction in growth areas.

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With regard to capital, we recommend that the Ministry of Finance provide the Ministry of Education with additional investments for capital programs and, secondly, that the Ministry of Education develop a multi-year capital funding process in order to restore the ability of both the Ministry of Education and school boards to plan for future capital needs.

Finally, we wanted to comment on sick leave costs, which have increased significantly in recent years. Cost increases associated with sick leave, as you know, have put pressure on school board budgets as well as when staff are absent, which impacts the quality of a child's education. There's no question that additional funding to enable boards to build and maintain robust wellness programs is required. In this regard, we recommend that funding for illness absence within the funding formula be adjusted to reflect actual costs and absence rates across all employee groups.

With that, Madam Chair, I am happy to answer any questions. Again, thank you and the committee members for giving us this opportunity.

The Chair (Ms. Ann Hoggarth): Thank you, sir. We'll begin the questioning with the government. MPP Colle.

Mr. Mike Colle: Thank you, Madam Chair. Welcome back.

It's good to see you again, Patrick. Welcome. As a long-time student and teacher in the Catholic system of Ontario, I certainly know full well the challenges that Catholic education has had over the years.

I can remember, growing up in Toronto, the public schools all had swimming pools and we didn't even have a gym, library or concrete playground, but, somehow, through the good Sisters of St. Joseph and all of the parents who sacrificed, we kept that school system together. I think the results are pretty evident that we created some exceptional educational opportunities for people in elementary and high school, certainly in my experience in the Toronto area. I can't thank enough all of the people who sacrificed to make those schools possible. I know you're sometimes number two because of historical issues.

The one thing I've noticed is that there is a continued growth in Catholic education, it seems, because many of the immigrants who are coming into the greater Toronto and Hamilton area seem to be entering the Catholic school system. What is the prognosis on growth and enrolment?

Mr. Patrick Daly: Thank you, Mr. Colle, for your kind comments. I know the Toronto Catholic school board and all Catholic school boards would very much appreciate that.

As you know, all four systems experienced a decline in enrolment over the last number of years, but most recently, in the last year or two, we've seen a modest increase. In the projections I've seen in my own board and many boards in the province, we see increases over the next number of years, particularly at the elementary level. In secondary, there will be some decline because of the experience in elementary over the last number of years, but all of the projections I've seen have been quite positive. We're very pleased with that and very happy that parents are choosing to send their children to very excellent Catholic schools.

Mr. Mike Colle: Yes, and you've raised some very thoughtful recommendations.

In terms of the impacts of Bill 148 and the minimum wage increase to $14 and $15 an hour, is it the wage increases that are going to cause a potential impact on your finances, or is it the changes in worker protection provisions, like equal pay for equal work? Which is hitting you most?

Mr. Patrick Daly: It's both. The most impactful immediately, for sure, is in the area of transportation. I know the government has provided some funding to the operators in that area, but the minimum wage increase, for sure, has been the most immediate. The others, in terms of changes to the Employment Standards Act, will have longer term—I know some experiences in terms of changes in the amount of vacation pay that boards have to provide and other examples like that have increased costs.

The Chair (Ms. Ann Hoggarth): One minute.

Mr. Mike Colle: In the area of capital funding: In Toronto there has been an improvement in the relationships between the various boards in determining what happens to surplus property. I know in the past it was almost impossible to get an empty public school to be given over to the Catholic—what's happening province-wide with that combination of different facilities?

Mr. Patrick Daly: Mike, you're absolutely right. After Bill 30 was passed a number of years ago, there were perhaps some challenges. But in recent years—I can't speak for every part of the province—in every situation that I'm aware of, there has been a great deal of co-operation. At the provincial level, we work very closely with the public school board trustees' association as well as the two French associations. I think the amount of co-operation is at a much, much higher level than it used to be.

The Chair (Ms. Ann Hoggarth): Thank you, sir. If you have a further written presentation, please have it to the Clerk by 5 o'clock on Friday, January 19.

Mr. Patrick Daly: I think everyone has a copy. Thank you.

CANADIAN FEDERATION OF INDEPENDENT BUSINESS

The Chair (Ms. Ann Hoggarth): I'd like to call the Canadian Federation of Independent Business, please.

Good morning, sir. When you get settled, please give your name for the purposes of Hansard and begin your presentation.

Mr. Plamen Petkov: Thank you very much, Madam Chair. Good morning, committee members. My name is Plamen Petkov. I'm vice-president at the Canadian Federation of Independent Business, for Ontario. Thank you for the opportunity to present to you today. I'm here to present the small business recommendations for the 2018 Ontario budget.

As most of you know, CFIB is a national, not-for-profit, non-partisan organization. We represent small and medium-sized businesses across the country. We have 109,000 members, and 42,000 of those are here in Ontario. All of them are independent, Canadian-owned businesses.

We are very much a grassroots organization. We stay connected to our members. We actually visit each and every one of them at least once a year. We do a lot of surveys and a lot of mandate votes, and this is how we determine our position on any specific issue that we take on. We are entirely funded through our membership. We don't take any funding from governments or from any other institutions. As I mentioned, we have 42,000 members in Ontario, in virtually every sector of the economy.

We do measure our members' optimism and performance expectations on a monthly basis. This is what we call our Business Barometer. This is a tool that's being used by the Bank of Canada, the chartered banks, Bloomberg and many other financial institutions as a good indicator of small business expectations and small business performance. A good Business Barometer index that shows an economy that's growing and optimistic small businesses is 70 and higher. Right now, as of December 2017, the index for Ontario is at 57.5. About six months ago, in May of last year, the index was at 68—where we want to see it. Since the announcement of the increase in minimum wage and labour reforms under Bill 148, we have seen a 10-point drop in business optimism in the province.

If you look on the next slide—in terms of some major cost constraints, certainly taxation and regulatory costs are a top concern for small businesses in the province, followed closely by fuel and energy costs, especially electricity costs, and wage costs. The concern over wage costs has increased from 43% in January of last year to 53% today.

When our members look at costs, they don't look at different items in isolation; they look at the overall cost of doing business.

On slide number 6, you'll see a list of all the different items of cost pressures that small businesses in the province have to deal with in Ontario in 2018. The federal government has already indicated that CPP and EI are going up. The provincial cap-and-trade program has added significant financial burden on especially medium-sized businesses in manufacturing. Hydro remains a very persistent cost concern in the community. Despite the relief plan that the government announced last year, small businesses are really being penalized by the time-of-use program in the province. As most of you know, most businesses cannot shift their hours of operations, so, in fact, they are being penalized for being open during the day and paying the higher rate in high peak periods.

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Rent and property taxes are up for commercial-industrial properties. Interest rates are going up, and the indication that we get from the Bank of Canada is that they will continue to go up this year.

Finally, the most significant contributor to the increase in the overall cost of doing business is the sharp increase in the minimum wage starting the beginning of this year, and all other labour costs associated with the introduction of Bill 148. We spent the last six months warning the government, including this committee in our presentation a few months ago, that such a drastic increase in payroll costs is going to have consequences. There's no magic formula out there for a small business to absorb these costs.

On slide number 7—this is based on our latest survey, in December 2017—you see a list of different offsetting measures that small businesses are being forced to implement to cope with the increase in minimum wage and all other payroll costs. As I said, whether they are reducing hours, reducing positions or increasing their prices, all of these are options that they have to look at and, unfortunately for them, implement.

If I can describe to you today the mood in the small business community right now, I will tell you that it's one of frustration and even despair. We are getting calls from our members on a regular basis. In the last two weeks, since the implementation of Bill 148, our call volume has tripled. We are having small business owners who are angry, who are frustrated, and who are confused on how to comply with Bill 148 because they are not getting the information and advice that they need from the Ministry of Labour. Their helpline is constantly either a busy signal or a never-ending hold, or, when you get to a representative, sometimes you don't get the right advice.

It is very disheartening and it's very disappointing that instead of proactively communicating and educating small businesses on compliance on Bill 148, the Premier and the Minister of Labour have actually focused on some very heavy-handed enforcement. Like I said, this is really upsetting for the community. There are businesses out there that want to legitimately comply with these new requirements. They don't have the information, they don't get the advice that they need from the government, and this has to change. It is not all about the new 175 inspectors that the Premier wants to deploy. This is about giving tools to employers, especially small businesses who don't have the HR resources that big businesses would have to be able to be in compliance with these new, massive changes.

More importantly and more specifically for this committee, I wanted to present a list of recommendations that are tailored around mitigating the impact of the higher minimum wage and also the increased labour costs on businesses.

I think the government has made a good first step in announcing several measures a few months ago in terms of reducing the small business tax rate by one percentage point, introducing a youth hiring and retention credit, and also enhancing apprenticeship programs. On their own, these are good measures, and in any given year these measures would have been applauded by the small business community. This, however, is not a usual year, and these good measures are being assessed by small business owners on a very harsh backdrop of a massive increase in payroll costs on their businesses.

We are urging the government to continue down that road and to implement a whole list of tax relief proposals, starting with reducing the small business tax rate down to zero. We are urging the government to look at other provinces, especially those that are going to a $15 minimum wage or aspiring to go to a $15 minimum wage, like Alberta, like BC. The small business tax rate there is 2%. In Manitoba, the small business tax rate is zero. The previous NDP government actually reduced the small business tax rate to zero. If that is happening in those provinces, we would like Ontario to strongly explore that opportunity to make small businesses here competitive again.

As well, increasing the small business tax rate threshold, reducing the general corporate tax rate, as originally promised—before the government was running a deficit, there was a relief plan in place. The government's commitment was that the rate would go down to 10% once the budget is balanced, so we are hoping that the government can deliver on that.

Reducing the employer health tax: That is a payroll tax. Reduction in that tax is going to have an immediate positive impact on small business payrolls, as well as reducing the business education property taxes. Commercial and industrial businesses are paying up to five or six times more on same-value properties in the province than residents on same-value property.

The Chair (Ms. Ann Hoggarth): One minute.

Mr. Plamen Petkov: In the area of energy and electricity, our strong recommendation is to eliminate time-of-use for small business or to make it optional—again, as I said, that is a very punitive program for small business—and also require the global adjustment fee to be visible on all electricity bills.

In terms of red tape reduction, the government has made some progress under the former Minister of Economic Development on some good initiatives such as the Red Tape Challenge or the $1-to-$1.25 rule in terms of reductions, but more needs to be done in assessing the overall cost and the overall number of regulations in the system. That's where we want this to go—and, finally, to implement a clear plan to reduce Ontario's growing debt.

Thank you very much. I'll be happy to take questions.

The Chair (Ms. Ann Hoggarth): Thank you, sir. We'll go to the official opposition. MPP Fedeli.

Mr. Victor Fedeli: Thank you, Plamen, for another enlightening presentation.

In my office in North Bay, in the riding of Nipissing, one of the biggest uses of the phone these days is people calling us to say they've been calling the Ministry of Labour and being put on hold for hours. Did I hear you acknowledge that that's what you're hearing as well?

Mr. Plamen Petkov: Absolutely. This is our number one organizational pressure in Ontario right now. We actually called in resources from other provinces to help with member inquiries. This is a free service that we offer to members. It's part of their membership, so they take advantage of that.

On average, we have about 1,000 calls per month here in Ontario. Just in the first two weeks, as I mentioned, that number has tripled. I would say that about 90% of those calls are related to Bill 148 and a lack of information.

Mr. Victor Fedeli: When we started getting all these calls, my office—we try, of course, to keep up with them. We learned that the first webinar from the Ministry of Labour isn't even until the end of the month. Obviously, the government has known for months—more than half a year—that this is coming into effect on January 1. Why do you think the instruction side of this doesn't happen until long after the first forms need to be filled out? What happens to business?

Mr. Plamen Petkov: I would say that, again, this is very disappointing. This adds to the frustration. The Ministry of Labour was not prepared to be there on January 1. They were prepared to implement this drastic reform, but they were not there to provide the support, the advice and the information that those who would be impacted by this would need.

Their helpline was not established until December 21. That was five business days before this took place. Our office, our counsellors, needed that information to pass to members. When we called, they said, "Well, their training is December 20. They're going to start providing that service on December 21"—completely unprepared.

Their first webinar, as you referred to, on personal emergency leave, which is a key component of this legislation and creates a lot of confusion in terms of how it's going to be administered, especially if you have other benefits that you're offering, like sick days—is it in addition? Do you have to change your policy? The first official information session from the ministry is a month after this hits. If an inspector, as the Premier wants to do, goes into a business right now and hears from an employee, "My employer did not administer my request for personal emergency leave," what is going to happen to that employer?

Mr. Victor Fedeli: The interesting point is that they've gone to enforcement before education. Would your advice to them have been, "If you've got this additional money to hire 175 people, why don't you spend that on education?" Is this what I heard you say earlier?

0930

Mr. Plamen Petkov: That was our recommendation back in December, when we first found out that enforcement is actually going to lead the way, as opposed to education. We sent a letter to the Minister of Labour. We have not received a response yet.

Our recommendation was for the ministry to give six months of time, a grace period, and provide proactive communication and education before sending out about 200 new inspectors.

Mr. Victor Fedeli: So with respect to the speed at which this minimum wage change—I think you and I both agree that we need to get to the $15, but it's the timing more than anything. I won't put words in your mouth; at least that's where our party stands.

I'm going to read something that was on TVOntario the other day. The quote is from Greg Sorbara, the former finance minister. "I think it's going to have a very negative effect on the economy"—he's talking about the minimum wage. "Quietly businesses are going to adjust by moving to technology, laying people off, curtailing hours and, in many parts of rural Ontario, businesses will just close because they can't absorb it."

Would you tend to agree with Greg Sorbara in terms of his prognosis for Ontario?

Mr. Plamen Petkov: What I would agree with 100% is what I'm hearing from our members. It is very clear that for those businesses that are struggling right now in the province, this was too much, too fast. To be honest with you, I think what's important here is to come up with an objective and predictable process when it comes to minimum wage increases. Instead of having any arbitrary timelines, we need a process that is based on economic analysis. That is something that the government did not complete before it introduced this.

Mr. Victor Fedeli: Craig Alexander said we should phase this in more slowly. Would you agree with him?

Mr. Plamen Petkov: I think at this stage what we are looking at is the biggest damage is done—

The Chair (Ms. Ann Hoggarth): Thank you, sir. Thank you for your presentation. If you have a further written submission, it needs to be to the Clerk by 5 o'clock on Friday, January 19.

Mr. Plamen Petkov: Thank you very much.

ONTARIO UNDERGRADUATE STUDENT ALLIANCE

The Chair (Ms. Ann Hoggarth): Our next presenter will be the Ontario Undergraduate Student Alliance. Good morning. When you get settled, please identify yourself for the purposes of Hansard. You may begin your presentation.

Mr. Andrew Clubine: Thank you. Andrew Clubine, Ontario Undergraduate Student Alliance, president.

Ms. Sophie Helpard: Sophie Helpard, Ontario Undergraduate Student Alliance, executive director.

Mr. Andrew Clubine: Good morning and thank you, Madam Chair and members of the committee, for inviting us to present to you this morning. We would like to thank you for the opportunity to bring recommendations from students to you for your consideration. We've provided a copy of our written submission to you, so feel free to follow along as we present.

The Ontario Undergraduate Student Alliance, commonly referred to as OUSA, represents the interests of approximately 150,000 students across Ontario from eight student associations.

Ms. Sophie Helpard: Prior to delving into the three priorities that our membership has outlined, we would like to take a moment to acknowledge an important and ongoing priority for OUSA, which is student mental health.

This fall, in collaboration with the College Student Alliance, Colleges Ontario and the Council of Ontario Universities, we published In It Together, an action plan outlining key priorities and recommendations to help guide and improve the delivery of mental health services for students. With a staggering number of students reporting feelings of depression, anxiety and suicidal thoughts, we felt it was necessary to come together and advocate for a holistic, student-focused and progressive policy approach to mental health wellness. As a collective, we will be providing a separate letter to government for consideration that speaks to costs necessary to achieve the 26 recommendations that In It Together outlines.

Mr. Andrew Clubine: For today, our presentation focuses on three other priorities that Ontario students have identified as areas for growth within the post-secondary sector. These are: (1) open educational resources, commonly referred to as OERs; (2) experiential learning opportunities; and (3) university operating funding. Growth in each of these areas will improve the affordability and quality of universities in Ontario.

The first area—and you can open up your book, if you'd like, to the first set of pages—that students have identified as a priority are open educational resources. OERs are an increasing topic of interest for students because these resources, like traditional materials, are developed and reviewed by experts, but they're licensed in a way that allows students to access and share them free of charge and free of traditional copyright restrictions. They also provide instructors with the ability to develop customized content, to integrate their own research into their teaching and to regularly revise material to keep information up to date. OERs are not only a viable alternative to traditional textbooks, but also offer flexibility that's uncommon for classroom resources. Since an initial government investment in 2017, OERs have saved Ontario post-secondary students over $515,000, proving their success and making post-secondary education more affordable in Ontario.

A similar program has saved students in British Columbia over $5 million in the last four or five years. To replicate this success in Ontario, OUSA urges ongoing support and commitment from the government to expand the current OER program.

eCampusOntario has been a key advocate and enabler of OERs. Currently, individual organizations are taking ad hoc approaches to their development, producing a number of inefficiencies and duplicated materials. eCampusOntario has proposed a way to improve the current state of OERs in the province through their proposed #openatscale program. #openatscale would establish a scalable, collaborative model for publishing OERs where eCampusOntario would partner with other jurisdictions to develop OERs to replace core content of high-impact disciplines. They would take, for example, an introductory psychology course, develop a textbook for that and then do that with the rest of the core courses in that discipline.

OUSA believes that this program would be an effective next step to lead to further innovation and savings accompanied with Ontario's free textbook initiative. #openatscale would provide additional content for eCampusOntario's library and would allow for new partnerships that would pave the way for a sustainable OER ecosystem in the province.

To achieve these goals, OUSA recommends that the government invest $2 million per year over the next three years to support eCampusOntario's #openatscale project. eCampusOntario has stated that they will seek matching contributions from their founding partner jurisdictions and other foundations.

To see the impact that this investment could have and replicate and perhaps exceed what's happening in BC, students have participated in a campaign recently and all you need to do is log online and search #TextbookBroke and you can check out what they've been talking about there. They've been discussing how the cost of textbooks is a burden and is increasingly a burden on them. Often, they're made to choose to pay for classroom materials over rent or groceries. So this is an issue that students are concerned about.

Ms. Sophie Helpard: Absolutely. Our second priority for this year focuses on the topic of experiential learning. In 2017, the government announced approximately a $190-million fund over three years to support the Career Kick-Start Strategy and established a new $68-million Career Ready Fund to help post-secondary institutions and employers create more opportunities for students and recent graduates.

OUSA believes that experiential learning provides students with the opportunity to apply their learning to real-world scenarios to gain a greater understanding of what they have learned through their curriculum. While co-op placements and internships are the most obvious forms of experiential learning, it must be stressed that other opportunities exist, such as undergraduate research projects, capstone projects and community-based learning.

Experiential learning opportunities have many benefits that supplement a student's post-secondary education: higher graduation rates, higher rates of mentorship from faculty and professional contacts, as well as better employment outcomes. As such, OUSA appreciates last year's investment into the Career Kick-Start Strategy and Career Ready Fund; however, we also acknowledge that there is more work to be done.

In 2016, the Premier's Highly Skilled Workforce Expert Panel recommended that Ontario should commit to ensuring that every student has at least one experiential learning opportunity. While this initial funding is a positive step in the right direction, OUSA would like to stress the need to ensure that the investments into the Career Kick-Start Strategy and Career Ready Fund are continued.

Additionally, OUSA believes that the government should track the funding provided to post-secondary institutions under the program, ensuring that every institution has an adequate amount of resources to provide their students with the experiential learning opportunities. If, following the metrics received from the first full year of the program, it is deemed that the current funding is not sufficient to provide every student with an opportunity, OUSA recommends that the government increase the funding allocated into the program to fill the gap and ensure that every student leaves post-secondary education having completed one of these opportunities.

Mr. Andrew Clubine: Our third recommendation is about increasing base operating grants that public universities receive. One of the largest barriers to students to access education is of course financial, both tuition and non-tuition costs. These costs have been increasing largely due to decreasing public contributions to Ontario's universities.

To provide a bit of background, over the last three decades Ontario has seen a drastic shift in how universities are funded. Since the mid-1980s, government contributions to university operating budgets have declined by 30% while student fee contributions have increased over 275%.

Five years ago, in 2012, student contributions exceeded government contributions to university operating budgets for the first time, and that gap has continued to grow. In 2015-16, students provided 55% of operating budgets to universities in Ontario while government transfers accounted for 40%. While we've recently seen major advances in financial aid which increased access for tens of thousands of students across the province, issues of university funding remain largely unaddressed. Despite more aid in the system, universities still see the same bottom line.

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The fact that base operating grants have not kept up with the cost of education or even inflation in recent years has resulted in Ontario's universities having the lowest funding per full-time-equivalent student in Canada. As a result, institutions have scrambled to subsidize their operations, often increasing domestic tuition revenues to cover the annual growth gap, relying on international student tuition to make up for shortfalls, and supplementing operating budgets through student ancillary fees.

In order to address these concerns, OUSA has two recommendations. First, we believe that government should increase base operating grants they provide to institutions to the weighted national average. Details are found in your package. We've calculated this as an initial investment of $750 million plus increases accounting for inflation each year thereafter. We believe that by increasing funding to these levels, Ontario's universities will be better equipped to provide a high-quality academic experience to students as well as shift our sector away from an unsustainable high-fee, high-aid model.

The Chair (Ms. Ann Hoggarth): One minute.

Mr. Andrew Clubine: Thank you.

We recognize the magnitude of this request but do believe it to be of primary importance to the future sustainability of our public post-secondary education system.

This is a matter of principle. Ontarians—students and non-students alike—need universities that are funded adequately to provide the quality of education and research they're intended to deliver.

As I hope you've noticed, this theme of partnership is central to our recommendations today. Increases to operating funding will help universities improve teaching and research outputs. Increases to grant programs for employers and universities will help train the province's workforce and help employers find young talent. Growth and open educational resources will help instructors do their jobs better and help reduce the cost of education for families in Toronto. As students benefit from these investments, so will Ontario as a whole.

Thank you for taking the time to listen to us today. We welcome any questions.

The Chair (Ms. Ann Hoggarth): Thank you. We'll move to the third party. MPP Vanthof.

Ms. Catherine Fife: Catherine Fife. Thanks.

The Chair (Ms. Ann Hoggarth): MPP Fife.

Ms. Catherine Fife: That's okay.

Thank you very much, Andrew and Sophie, for making the presentation. You did come to Queen's Park last spring and made a very compelling presentation and produced evidence and research around the holistic approach to mental health. I want to thank you for that.

I understand that you will also be presenting, hopefully, to LHINs, local health integration networks. They need to hear what's happening on campuses, because those campuses are in our communities. Is there any progress on that? Are you reaching out to the local health integration networks?

Mr. Andrew Clubine: Yes. We are just in the process of setting up a meeting with the local LHIN.

Ms. Catherine Fife: That's fantastic.

Mr. Andrew Clubine: Students in other regions are doing the same.

Ms. Catherine Fife: Please keep MPPs involved in that conversation. The local health integration network has a budget of $1.2 billion, and we want to make sure that that money is going into the community directly.

Also, yesterday I met at Wilfrid Laurier with some students and talked about the open educational resources. What is not overly clear to me is: What are the barriers? BC has proven that this is a very successful program. The cost savings are there. The post-secondary institutions need to recognize that textbook costs are barriers for students. Can you give some sense as to where the barriers are so that we can advocate?

Mr. Andrew Clubine: Two things: One is the perception that open resources that are available freely are of lower quality, and that's simply not true. That's work that is primarily for students to do, to prove to their instructors, to show research that these resources are high-quality.

The second piece would be supports for faculty. The traditional textbook publisher provides supports that make it maybe not easy but easier for a faculty member to publish a textbook. Those aren't as well developed for open textbooks, and that's what eCampusOntario's proposal would do.

Ms. Catherine Fife: It's a solid proposal, and certainly we'll take it back.

On restoring public funding: I think it's really interesting that you now are referring to our post-secondary institutions as "publicly assisted institutions" because, as you point out, "in 2015-16 alone, students in Ontario were the largest contributor to Ontario's post-secondary institutions, providing 55% of operating costs" through tuition fees.

This is a disturbing trend. We've seen it creep in over the last—for me—five years. Are you tracking where the money is going? We've seen a corresponding increase in part-time faculty in our classrooms. I know that OUSA is very focused on the classroom experience. Can you give us some sense of where that funding is going?

Ms. Sophie Helpard: Yes. I think there is a definitely an aspect that students are continuing to pay more, and that's probably our biggest concern. But at the end of the day, there actually isn't more money in the system. Universities don't have any more money to be spending or investing elsewhere. That's why we really want to highlight the restoring of public funding—so that the money institutions need to continue their operations and maybe even improve them is there, so that they can invest more in student services like mental health on campus, so that they can invest more in the other ongoings at the university, like faculty.

Ms. Catherine Fife: We've seen an increase in the administrations and bureaucracy that are in those post-secondary institutions and less focus on what's actually happening in the classroom. For us, that's a disturbing trend. When we have part-time faculty delivering front-line services, that is a huge concern for us.

Can you touch on the ancillary fees? This has been a common theme that I've heard from University of Waterloo, Wilfrid Laurier and Conestoga students over the years.

Mr. Andrew Clubine: I can hop in and tie ancillary fees a little bit to OERs. We've had cases—

The Chair (Ms. Ann Hoggarth): One minute.

Mr. Andrew Clubine: —in the recent campaign, where a student has signed up for a course, realized what the cost of textbook resources would be and pulled out. That is one of the primary ancillary fees we're concerned about. Different universities have different regulations. Sometimes students will walk into a $500 cost for a textbook in an online module. So those are the first to tackle and why OERs are so important.

There are other fees that students contribute to, like health fees, where, as our other report, In It Together, outlines, students are happy to work in partnership with institutions. That's the type of model we'd like to see with other ancillary fees as well.

Ms. Catherine Fife: That's great.

Just a final comment—your note on maintaining experiential learning is exactly where we need to be going in this province. I know that you've worked closely with our critic Peggy Sattler on integrated learning. Thank you for validating that, and also for bringing it to this committee.

The Chair (Ms. Ann Hoggarth): Thank you very much. If you have a further written submission, it needs to be to the Clerk by 5 o'clock on Friday, January 19.

ONTARIO FEDERATION OF AGRICULTURE

The Chair (Ms. Ann Hoggarth): Our next presentation will be from the Ontario Federation of Agriculture.

Good morning. Please identify yourself for Hansard, and then you may begin your presentation.

Mr. Keith Currie: Good morning. Most of you around the table know me, but for those who don't, I'm Keith Currie. I'm president of the Ontario Federation of Agriculture.

OFA represents and advocates for farmers. We cover issues for our 37,000 farmers and farm families right across this province, who live and operate their businesses in rural Ontario. We actively promote the business of farming—and that's what it is: It's a business of farming. We seek policies and programs that are going to help enhance those businesses.

We recognize that, increasingly, the state of our communities significantly affects the well-being of our businesses. When our communities are healthy, so are our farm businesses. When our local schools close, it affects our families. When we cannot access information or conduct business over the Internet, it affects our children's ability to excel at school and our ability to grow our businesses. We do live in 2017, we do live in a global market, and those kinds of access are certainly needed.

Health care is also very important in rural Ontario. The declining aspects of health care—travelling farther to see our friends, relatives and neighbours in medical centres and in retirement homes—are becoming increasingly more problematic.

The issues are real, and they're seriously impeding the ability of our rural communities to optimize our contribution to the Ontario economy.

We need the social fabric in rural Ontario to be strong to make our businesses strong as well. Our support services are very important to the bottom line of our farming operations, and when they're not strong, that also impacts our bottom line as farmers in Ontario.

We do have a way that we can help rural Ontario grow and prosper. Recently, the Ontario Federation of Agriculture launched our Producing Prosperity in Ontario campaign. This is a campaign to secure a policy of distributed economic development through prudent public investment. In this next budget, we're urging the government to invest in rural Ontario to jump-start farming and rural Ontario growth, which in turn will stimulate the entire Ontario economy.

Last fall, we had a speaker at our AGM, Dr. David Freshwater, who addressed our delegates and let them know that not investing in regions that are not performing well is not as good as investing in those regions and bringing them up to where they need to be. It's much more sustainable, and it's a bigger return on your investment. Why I say that is because much of rural Ontario is actually feeling very abandoned, but the recent Barton report, which was commissioned by the federal government and greatly affected the federal budget last spring, indicated that agriculture and agri-food is a very important and viable growth sector here in Canada.

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In addition to agri-food growth, our rural municipalities are eager to repair roads and bridges; they need reliable access to broadband; and installing natural gas pipelines is something the Ontario Federation of Agriculture has been advocating for for a long time now to help us with our energy costs. It will also help grow our businesses and attract new businesses within our communities. But to do so, we require a concerted effort on the part of businesses and the government of Ontario.

The Barton report has a general outline for this growth. It's an excellent document. If you haven't had the chance to read it, I do encourage you to read it. We need to collectively focus those efforts in the right direction. When the Canadian government believes it's going to work and when they announce long-term investment in their budgets, we feel that's a great step in the right direction, and we encourage the province of Ontario to do the same. Distributing economic development right across the province will provide a higher rate of return than the status quo.

A recent report prepared for the Broadbent Institute by the Centre for Spatial Economics indicates that the benefits from public infrastructure extend well beyond the actual direct impact of the dollars. The Ministry of Infrastructure's own minister has had several conversations with us and he's indicating that those investments are three- and fourfold. We talked about the natural gas investment that the government made last year, the $100 million, and now he's seeing $300 million to $400 million coming back into the economy. There's your example of how investments in rural Ontario really do work, so we encourage more investment in rural Ontario.

This is not only for the benefit of our farms, as I mentioned; it's also for our rural communities. Even further, this program of distributed economic development will also benefit the long-term solutions of relieving the housing pressures and relieving the congestion pressures in our urban areas; more specifically, in the GTHA. Strengthened rural communities with new economic opportunities for families will help distribute population growth and alleviate some of that urban infrastructure crisis that is going on.

Infrastructure investments like widespread broadband, access to affordable energy, especially natural gas, as we've been advocating for for quite some time, and increased social infrastructure including local schools and medical care centres will attract new businesses, it will increase new jobs and it will attract new residents.

OFA and our partners right across agriculture are looking for these investments in the upcoming budget to address fundamental rural and urban concerns, rather than just applying more band-aid solutions or stopgap measures to all the GTHA problems. With the proper investments, our rural communities could relieve the strain on the GTA housing market and offer less painful long-term economic growth.

We strongly recommend that the government work with municipalities across rural Ontario to develop and adopt a cost-effective infrastructure program—roads, bridges, broadband, drainage—and provide funding to municipalities to help implement these programs.

We believe it's time to adopt a new approach, an approach that is a concerted effort to boost our rural economy through a planned program of distributed economic development. It has been a long time since there has been long-term strategic investment in rural Ontario, and we feel that time is now.

I welcome any questions coming from the committee. I certainly appreciate the opportunity to be in front of you today. I'll close with that.

The Chair (Ms. Ann Hoggarth): Thank you. We'll move to the government. MPP Rinaldi.

Mr. Lou Rinaldi: Thank you, Keith. It's good to see you here again. I tried to give you something before you left—but I've tried to stay away.

First of all, let me say thank you for your commitment to rural Ontario, on a personal basis—not just as president of the OFA, but all your commitment to other projects that you were able to work with the government on for the betterment of rural Ontario, and certainly the work you do now as president of the OFA.

I was at the Eastern Ontario Wardens' Caucus meeting. I think it was last Friday; I'm kind of losing track of my days here. I'm going to repeat the message that I left with them in Kingston relating to rural issues, being broadband and natural gas. I would say—you alluded to the $100-million commitment from the province in grants to increase the natural gas infrastructure across rural Ontario—the first approval of projects will be announced in a matter of weeks. So it's creating, I guess—we're going to see some results, and thanks for your lobbying on that piece. As you know, we are committed to natural gas, so this was the first tranche. There will be others down the road.

The other one that I want to talk about is broadband. You know that the government, a few years back, committed to broadband in eastern Ontario, and then recently to southwestern Ontario—but to reinforce that need is the fact that we need more. We're falling behind again. As you know, in Minister Chiarelli's long-term infrastructure plan, broadband is a big part.

I don't have a lot of questions for you, Keith. The fact is that working together—I think you mentioned that—is the right way to go, and we'll continue to do that. I know the president of AMO was here this morning, and there's the same commitment to municipalities across the province. So I don't have any questions—I just wanted to make a comment—but I think some tough questions are going to come from my buddy Arthur Potts.

Mr. Arthur Potts: Unless you want to comment on what Lou was saying—

The Chair (Ms. Ann Hoggarth): Just to remind you that until you're acknowledged, you can't speak.

Mr. Arthur Potts: I can't speak until I'm acknowledged.

The Chair (Ms. Ann Hoggarth): MPP Potts.

Mr. Arthur Potts: Well, Keith, you'll have a chance to respond to Lou's stuff, but I want to address something that you didn't address in your remarks around the cap-and-trade program and the proceeds from the auctions. I know that farmers and farmers' families are paying some of the costs associated with cap-and-trade, with the cents per litre on the fuels and natural gas for those who are having it. So those are the costs associated with it. We know that farmers need to benefit from the cap-and-trade program, so I wondered if you had some suggestions for our next budget of some of the ways that we can allow farming families to benefit from the programs that are associated with our cap-and-trade program.

Mr. Keith Currie: Well, right now, because we're not classified as an emitter, we actually can't really take full advantage of some of the opportunities that are currently present. I'm a meeting with the Minister of the Environment this afternoon.

What we would like to see is for the government to look at ways to stack programming for a lot of our environmental goods and service type of efforts. Phosphorus certainly is on the agenda right now for everybody and we're doing a lot of work in that area, but wetlands strategy is another one that's on the go right now. We're doing a lot of work in that area—so programs where we can enhance what we're doing on the ground. Soil strategy has just come out through OMAFRA—

The Chair (Ms. Ann Hoggarth): One minute.

Mr. Keith Currie: —and we're working hard to make sure that we have programs in place to enhance the environment here in Ontario.

I did have the pleasure of working on the coordinated review advisory panel, and I made a lot of suggestions about the complete community, which is something that really enhances the social fabric in rural Ontario. A lot of the programs that can come out of cap-and-trade or other areas where we can enhance the environment and make life better for everybody—that's what we're looking for. So we want to continue working with the government, and we are hoping that through this budget process we get to see some of those monies flowing, especially with natural gas. We've had four budgets where it's been announced but not actually any money shown, so we're looking to push for those investments.

Mr. Arthur Potts: I certainly hope through the GreenON program that you're having farming families apply to get smart thermostats, to get insulation programs, get new windows and doors and such so that they can reduce their own expenses associated with the operations. That would be something we could be pushing out as well. Those are programs in place now, and we look forward to working with you on those.

Mr. Keith Currie: Absolutely.

The Chair (Ms. Ann Hoggarth): Thank you. If you have a further written submission, it needs to be to the Clerk by 5 o'clock on Friday, January 19.

Mr. Keith Currie: Thank you.

TRILLIUM AUTOMOBILE DEALERS ASSOCIATION

The Chair (Ms. Ann Hoggarth): Our next presenter will be the Trillium Automobile Dealers Association. Good morning, Mr. Notte.

Mr. Frank Notte: Good morning.

The Chair (Ms. Ann Hoggarth): If you would identify yourself for the purposes of Hansard, your presentation may begin.

Mr. Frank Notte: Great. Thank you. I'm Frank Notte, the director of government relations for the Trillium Automobile Dealers Association.

Since 1908, our association has been the voice of Ontario's franchised new car dealers. We represent over 1,000 new car dealers across Ontario, including 30 right here in Kitchener-Waterloo. In 2017, our dealers employed 53,000 people and generated $37 billion in economic activity. We're also proud to produce the Canadian International AutoShow, Canada's largest consumer show, which runs every February in Toronto.

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Our written submission before you contains three recommendations to reform Ontario's auto retail sector, such as (1) to allow auto dealers to provide electronic vehicle registration, (2) to increase consumer protection by capturing advertising placed by auto manufacturers and (3) to eliminate the Drive Clean program. While the written submission goes into much detail on all three, I'd like to spend my time today speaking about Bill 3, and why it's critical to move forward with this piece of legislation courtesy of budget 2018.

Bill 3 is a private member's bill introduced by Leeds–Grenville MPP Steve Clark. If passed, Bill 3 would amend the Highway Traffic Act to allow registered motor vehicle dealers to do any of the following by electronic means:

—apply for a permit, number plates or a validation for a vehicle;

—apply for a new permit for a vehicle; or

—apply for a used vehicle information package.

If you are like me, you despise waiting in line and wasting your time, knowing whatever it is you want to accomplish can be done online and in minutes. When it comes to dealers registering and licensing a vehicle for consumers after a sale, Bill 3 would do just that: It would eliminate the need for dealerships to physically transport the paperwork back and forth to a ServiceOntario location and move that process online. Currently, dealers either wait in line or drop off paperwork, only to return at a later time or day in order to properly register and license the vehicle. Meanwhile, the consumer is eagerly waiting to pick up their new car.

Passing Bill 3 means, upon completion of the sale or lease, the dealership can register the vehicle and provide the permit, licence plate and validation sticker at the dealership. Then, the happy customer can drive off the lot that day, minutes after signing on the bottom line—no waiting in line and no more hoping the licensing office is still open if the sale occurs late in the day or on a Saturday.

In today's age, we can pay our mortgage, buy stocks, purchase goods, renew our driver's licence, order birth certificates and do a host other things online. We think it's time Ontario modernized its vehicle registration system to bring car purchases into the 21st century. Ontario is far behind other jurisdictions. Quebec has offered digital vehicle registrations to its new car dealers since 2002, and New York state dealers have had a similar program since the mid-1990s. New Brunswick, Newfoundland and Labrador, PEI, Michigan and a number of other US states also provide this service. We feel it's Ontario's time to do the same.

This idea is not new to Ontario. In 2011, the province conducted a pilot project in two new car dealerships, known as the modernization of vehicle registration, or MVR. In 2012, the Ministry of Transportation said, "In March 2011, the MVR pilot project offered online registration to two pilot dealers. The pilot was successful, so full rollout to over 5,000 dealers will start in 2012-13. This further expands MTO's online services and reduces the need to travel." However, the rollout never moved forward.

I have some comments from the two dealers who were involved in that pilot. Andrew Caletti, the dealer principal of Belleville Toyota, said, "The ability for us to turn licensing around when we need to, it's fantastic.

"The number one reason we have to hold customers up on delivery is licensing. It isn't reasonable to expect me to have a business model in which I can afford to have someone shuttle back to the licence bureau every 10 minutes."

Damien O'Reilly, vice-president of Trans Canada Nissan in Peterborough, said, "The overall experience is better for the customer because of the fact they can pick up their car when they want instead of sitting around waiting for licensing."

Bill 3, previously known as Bill 152, was before MPPs during the last session of Parliament. The bill passed second reading debate with unanimous support. Each of the three political parties spoke in favour of the bill, which gives us hope it will eventually become law. When the Legislature was prorogued in September 2016, the bill died and now must start from the beginning of the legislative process.

I do want to make it clear, though, that Bill 3 is not a reflection on ServiceOntario staff. In most cases, we find their staff to be competent and knowledgeable, and they do their best to serve their community. However, the ever-increasing demand for government services like health cards, driver's licences and vehicle registration will only continue to grow. Auto dealers do not want to compete with the general public for government services. Bill 3 will help relieve the long lineups at ServiceOntario and move the vehicle registration process online, making way for citizens to access in-person services in a much quicker time frame.

To be clear, our goal is not to establish a ServiceOntario office in every dealership. We are asking for very narrow, permissive legislation that would allow dealers to apply for their permits, licence plates and a validation sticker in order for the customer to drive off in their new vehicle right away, minutes after signing on the dotted line.

Bill 3 is a vital tool that supports Ontario's auto sector. We believe it's time to put the pedal to the metal and make Bill 3 the law by having it included in budget 2018. Thank you for your time.

The Chair (Ms. Ann Hoggarth): Thank you. We are with the official opposition. MPP Oosterhoff.

Mr. Sam Oosterhoff: Good morning, Frank. Thank you very much for taking the time to come before the committee this morning. I just wanted to talk about something that I know is important not only for distributors and dealers but really for the safety of broader Ontarians.

There's snow on the roads. It's a time that can be dangerous. I wonder if you could talk a little bit about the importance of winter tires when it comes to road safety, and what your members are saying about that. You may have heard that the PCs are committing to a $500 winter tire tax credit. That's very important, I believe, for the safety of drivers, and also for insurance purposes, making sure we try to reduce those costs as much as possible. Could you elaborate a little bit?

Mr. Frank Notte: Sure. I think if you talk to any dealer or safety expert, they will tell you that winter tires are a must when driving on snow-covered roads. They say that the rubber in those tires is more malleable as the temperature drops below seven degrees Celsius. That's going to happen in every part of Ontario, so it's very important that that gets done.

I did have a look at that tax credit. From our perspective, it will basically cut the cost in half of purchasing your standard-size tires. Most people purchase rims, as well, for those winter tires.

Mr. Sam Oosterhoff: Great.

The Chair (Ms. Ann Hoggarth): MPP Harris?

Mr. Michael Harris: Good morning, Frank. Recommendation 3, to start phasing out Drive Clean: Your organization, for a long time now, has advocated for the elimination of the Drive Clean program, like us. We believe that it has outlived its usefulness. We've also committed to scrapping that in the People's Guarantee. I wonder if you could talk to recommendation 3, on phasing Drive Clean out, and why that should be.

Mr. Frank Notte: Absolutely. I think Drive Clean had its time and place. In the late 1990s, it was very common on highways to see cars polluting black plumes of smoke, but since that time we've seen manufacturers produce cleaner cars. We've seen cleaner gasoline mandates by the federal government also come into play. As those older, polluting cars got off the road and manufacturers stepped up to produce cleaner vehicles, the point of Drive Clean is not there anymore.

For the dealer, the program was a big problem because the old equipment would often break down and the pass rate is 95%, so you can almost guarantee that any car that comes into your garage was going to pass. I think the time has come to scrap that.

Mr. Michael Harris: You also mentioned the difference between manufacturing jobs and auto dealer jobs. I had a phone call from a dealer yesterday—I've yet to get back to him; I'll call him today—on the implications of Bill 148 across the sector. I wonder if you could spend some time talking to this committee about some of the things your members are still saying after the implementation of Bill 148.

Mr. Frank Notte: It's definitely an increase in the cost of doing business. I know that the minimum wage has tended to grab the headlines; that aspect doesn't affect us so much, but Bill 148 contains a host of other increased costs for auto dealers. I think we're on the same wavelength with other businesses. We're saying that if the government is going to move in that direction, then at least provide more time to implement those new measures, as well as tax relief to help offset that.

Mr. Michael Harris: Anything else you'd like to add to the committee today, Frank?

Mr. Frank Notte: No, I think that's pretty much it.

Mr. Michael Harris: Well, thank you for being here.

Mr. Frank Notte: Great. Thank you.

The Chair (Ms. Ann Hoggarth): Thank you for your presentation. If you have a further written submission, it needs to be to the Clerk by 5 o'clock on Friday, January 19.

Mr. Frank Notte: Thank you.

ASSOCIATION OF MUNICIPALITIES OF ONTARIO

The Chair (Ms. Ann Hoggarth): Our next presenter will be the Association of Municipalities of Ontario. Good morning.

Ms. Lynn Dollin: Good morning, Madam Chair.

The Chair (Ms. Ann Hoggarth): If you would identify yourself for the purposes of Hansard, you may begin your presentation.

Ms. Lynn Dollin: Thank you very much, Chair Hoggarth and members of the committee. It's my pleasure to be here with you today. My name is Lynn Dollin. I'm the president of the Association of Municipalities of Ontario, also known as AMO. I'm the deputy mayor of the town of Innisfil, and I've been a municipal politician for 23 years and counting.

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AMO is where Ontario's municipalities come together and work together to achieve shared goals and meet common challenges. Facing common challenges also means imagining what a prosperous future looks like for our communities. I know that you know that a prosperous Ontario needs prosperous communities.

After two years of discussions and practical fiscal analysis, we have put forward a proposed action plan which we call the Local Share. This specific and detailed plan would fund critical and local services and infrastructure in communities across the province. It would finance roads, bridges and transit, among other people services. It could help reduce the upward pressure on property tax bills, and it would diversify how we fund local communities, without provincial treasury dollars, through a 1% increase to the HST.

Ontario's municipal leaders remain committed to implementing a solution to our systemic challenge—a solution that sustainably meets local needs over time. Ontarians themselves have told us they are willing to consider this bigger and bolder option. AMO commissioned province-wide polling at three different times in 2016 and 2017. In each poll, a majority of Ontarians supported a 1% HST increase if it went to local governments and if it went to addressing local infrastructure and service needs. In fact, the latest poll of 1,000 Ontarians in June 2017 saw the number of people supporting this option grow to 73%.

For Ontarians, municipal needs are important. Ontarians live and breathe their local experience on a daily basis. They understand the challenges their communities face. They understand the challenge that property taxation offers—a tax that has no relation to ability to pay.

With today's submission, AMO is again seeking the support of Queen's Park, to be visionary and to understand the challenges faced by Ontario's municipal governments, to be brave with us and to find a more solid foundation for our future.

Let me touch on a few specifics.

AMO's research has shown that to deliver existing municipal services and close the infrastructure gap, every year for the next 10 years, municipalities would need an additional $4.9 billion. This need is on top of inflation-adjusted property tax and user fee increases. It also assumes that all of the existing federal and provincial commitments to cost-share programs and infrastructure funding programs are fulfilled into the future.

A 1% HST increase with revenues distributed to all municipalities meets about half of the $4.9-billion problem. That would give us about $2.5 billion. My point is that we wouldn't have money to burn if the Local Share were implemented tomorrow. It would mean that we would still need to focus on a better way to operationalize provincially legislated issues that affect municipal governments. This too must be part of the future.

There are far-reaching implications to how municipal needs are met or affected by evolving federal and provincial legislation, and I'm just going to give you two examples that we're dealing with currently.

Federally, the successful implementation of cannabis legislation will require municipal enforcement and other resources. Discussions with the Ontario Minister of Finance will start soon on sharing the federal excise tax. Municipalities are seeking a share of the revenues, given the expected impact on communities, as it would be wrong to ask property taxpayers to have to pay for this federal policy. I'm confident that an agreement can be reached with the province on this issue and we can achieve what's fair and have our municipal needs covered.

Provincially, this also includes addressing interest arbitration and helping municipalities better manage escalating police and fire costs. Let me give you a staggering figure to illustrate why this is necessary. If firefighters and police officers had received the same wage increases that other municipal unions did between 2010 and 2014, it would have meant $485 million in savings to municipal governments. Let me put that into perspective. For more than half of the municipalities in Ontario, $50,000 equates to a 1% property tax increase. For those four years, that's $485 million in savings just to have those firefighters and police receive the same fair wage increases that our other employees have. Provincial inaction is driving these municipal costs higher. Ontarians already pay the highest policing costs in the country.

I've just mentioned three things: Local Share, cannabis and interest arbitration. I could mention others: protecting our double-hatters, fire safety regulations that do not become a new unfunded mandate, an improved land ambulance dispatch system and a smooth transition to producer waste management. The reality is, we share provincial and municipal policies' interests in many areas.

We are on the front lines. So many of these services make communities strong and grow the economy. Our issues are important. They matter to our residents. Polling results consistently tell us that. Together, we need to develop a plan that helps us make ends meet and helps our communities succeed. That means a plan for the short term and a shared plan for the long term.

To conclude, Ontarians expect their governments to work together for the common good on pressing and emerging issues. They expect governments to respect one another. They expect a plan and they expect success. If the Local Share and the ideas in this submission are not part of Ontario's plan, Ontario municipal governments need to know what is.

Thank you again for this opportunity. I would be happy to answer any of your questions.

The Chair (Ms. Ann Hoggarth): Thank you. To the third party: MPP Fife.

Ms. Catherine Fife: Thank you, Lynn, for coming in and sharing your 23 years of experience.

I know, because I've been on this committee now for almost six years, that over the course of those six years, the affordable housing conversation that you've raised on behalf of AMO has been one of the more consistent calls for action from AMO to this government. In your report, you reference the fact that the Auditor General just this last December identified that Ontario does not have an overall strategy to encourage collaboration between the different levels of government.

They have rolled out, though, perhaps in word only, the inclusionary zoning. I wanted to give you an opportunity to talk about how that rollout of the concept of inclusionary zoning—that municipalities have the opportunity to either opt in or opt out, I understand—is either working or not working and what municipalities require to actually ensure that we incorporate affordable housing in any new developments on a go-forward position.

Ms. Lynn Dollin: Through you, Madam Chair, we have just started our conversations with our many members on the new regulation that came out just before Christmas.

As far as an AMO position on the reg, I don't have one. I can tell you that our work through FCM—because AMO is a member of the Federation of Canadian Municipalities, and we work with our colleagues in the other provinces and territories. We were actually in Ottawa when the National Housing Strategy was unfolded. The frustrating part about that is that Ontario is the only government where it's left to the municipality to deal with affordable housing. In every other jurisdiction in Canada, it's the province and territory that does that.

We do play a very different and unique role here. We have to make sure that the needs for everyone, including the GTA-type municipalities, plus those in the Far North, remote and rural, are all taken into account.

Ms. Catherine Fife: We have come to the table with a one-third commitment to repair, maintain and upgrade the current housing stock, because we do see it as one third, one third, one third. But in order for inclusionary zoning to be a reality, because municipalities play such a leadership role in this, funding should be part of that equation. Are you in agreement with that?

Ms. Lynn Dollin: I agree that we require all of the funding that we currently have and more, hence the $4.9-billion gap. The issue is, every municipality in Ontario has at least a first-generation asset management plan. We all have mapped out what we need for years to come, what our current priorities are. The problem with funding that comes in a very small box is that that is what you have to spend it on.

For instance, if there's a funding program that is about building arenas—arenas are maybe third or fourth on my list. The first thing I need is that new bridge. Well, I'm going to be tempted to build the arena before the bridge, because there's funding for that. What we need is for the government to allow us to decide what the priority is and to give us the funding we need to get the job done.

Ms. Catherine Fife: Because you know your communities best.

Ms. Lynn Dollin: Exactly.

Ms. Catherine Fife: Okay. But the federal funding is contingent on the province coming to the table also with that money. We need all levels of government to actually come to the table, and that's what AMO has been advocating for for quite some time.

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I know that you just touched on the marijuana legalization, but if we don't hear from you about how this is actually playing itself out, then we won't have a sense, so—

The Chair (Ms. Ann Hoggarth): One minute.

Ms. Catherine Fife: What are your concerns with how the legalization has been rolled out and the role that municipalities will play?

Ms. Lynn Dollin: First of all, policing: What is the tool that police officers are going to be using to identify when someone is impaired? Who's paying for that tool?

Nuisance complaints: I foresee a lot of people, with the option of growing plants indoors—I don't see that the government is going to hire 175 inspectors to count plants in people's houses; I see that as an issue that bylaw is going to have to look after.

Public health, first responders—all of that is going to take effort, and the responsibility and the onus, as you know, is going to be on us.

The Chair (Ms. Ann Hoggarth): Thank you very much for your presentation. I'll see you in Innisfil. If you have a further written presentation, it needs to be to the Clerk by Friday at 5 o'clock.

Ms. Lynn Dollin: Thank you so much.

Interjection.

The Chair (Ms. Ann Hoggarth): Committee members, we have a decision to make. The next presenter is not here; however, the presenter after that is here. We are slightly ahead of time. Would you like to recess until it's time for the presenter who has not yet arrived, or would you like to have the next presenter present now? Does everybody want to carry on? Okay.

RETAIL COUNCIL OF CANADA

The Chair (Ms. Ann Hoggarth): We call the Retail Council of Canada, please.

Interjection.

The Chair (Ms. Ann Hoggarth): Just one more question for the committee: Would you like to keep who you're supposed to question?

Ms. Catherine Fife: Yes.

The Chair (Ms. Ann Hoggarth): Okay. So the PCs will ask questions of this—

Interjections.

The Chair (Ms. Ann Hoggarth): Do you want to vote on this?

Interjections.

The Chair (Ms. Ann Hoggarth): All right, we will keep the rotation. So it will be the government doing the questioning of this presenter.

Good morning, sir. Please identify yourself for the purpose of Hansard, and then we will proceed.

Mr. Gary Rygus: I didn't realize I was going to cause a kerfuffle here. I could leave, if you'd like.

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

The Retail Council of Canada has been the voice of retail since 1963. We have members who operate more than 45,000 storefronts nationally, 17,000 of which are in Ontario.

As an employer, retail is number one in Ontario, with more than 754,000 jobs—480,000 of them are full-time, while 270,000 are part-time—generating over $202 billion in sales. Retailers invested almost $2.2 billion in capital expenditures in Ontario in 2017 and will continue to invest in the province for as long as Ontario remains competitive with other jurisdictions.

Consumer debt is at an all-time high, and this continues to influence disposable income and discretionary purchasing going forward. Canadians remain cautious when it comes to opening their wallets. This will create challenges going forward for retailers.

Faced with these challenging circumstances and an uncertain economy, the government must focus on improving the conditions for economic development. The government must foster a positive job-creating environment.

Members of the Retail Council of Canada are concerned about the economic implications of the rapid implementation of the significant increase to minimum wage. Retailers understand the need for all Ontarians to have a reasonable wage level. The level of workers' incomes affects the overall economy and, of course, determines people's abilities to buy goods and services from our members. The challenge is to balance the importance of long-term wage level adequacy against the nearer-term impact on growth, jobs and investment.

For those who have had the experience of looking after payroll, there is a limit to the labour cost that retail businesses in the province can be expected to pay without there being a significant economic impact. Ontario has a substantial employer health tax and the second-highest WSIB rates in Canada. The government must look at the cumulative impact of these payroll costs to ensure they do not diminish retail's capacity to hire more Ontarians and to make key investments. Retailers are faced with challenges to accommodate the wage changes. The government needs to find additional ways to reduce business costs and make changes that support job creation.

As support to mid and small business, especially in view of the cumulative burden of high energy prices, RCC continues to recommend raising the employer health tax exemption threshold to $1,000,000. At its current level, Ontario is uncompetitive with other provinces that have payroll-type taxes. To further support hiring of full-time staff, the government should consider providing a one-year employer health tax holiday for new permanent hires.

RCC supports the efforts of WSIB management to eliminate the unfunded liability fund, currently at about $3 billion. The 3.2% decrease for 2018 premiums is a step in the right direction, as it will not further add costs to make Ontario less competitive on the job creation front. This is the second time in 15 years that premiums have been reduced in Ontario. The WSIB must maintain its laser focus on managing the WSIB revenue stream and not become complacent in its efforts.

On the environment front, RCC supports the Waste-Free Ontario Act framework legislation and looks forward to working with government during consultations for the drafting of relevant regulations to support this legislation. In creating the regulations, though, it will be important to minimize the administrative burden for businesses while reducing the waste stream in the province.

On the infrastructure front, retailers understand the need for infrastructure improvements and congestion reduction for the transportation of customers and for logistics because of their broader economic impact. However, retailers will not support tools that disadvantage any one sector of the economy or create economic distortions. Any new tax sources should be a last resort, with every effort made to reallocate first from existing funds and with strict audited controls on spending programs. Spending must be open and transparent to demonstrate accountability to the taxpaying public.

RCC supports fast-tracking the Open for Business initiative, changing the way government creates legislation, by adopting a "business economic lens" focused on creating legislation by asking the question, does this legislation add economic value to the province?

Now is the time to establish a positive environment that facilitates job creation.

On behalf of the Retail Council of Canada, I thank you for your time.

The Chair (Ms. Ann Hoggarth): You were very efficient there.

Mr. Gary Rygus: Trying to help.

The Chair (Ms. Ann Hoggarth): I'll call on the government. MPP Potts.

Mr. Arthur Potts: Thank you, Mr. Rygus, for being here.

I've got to declare a small conflict: Gary and I have known each other a long time. We used to work together at the Beer Store to help bring in the deposit return system on liquor bottles; a great environmental program. It's great to see you again. Thanks for your presentation.

You've brought a lot of information forward, particularly about the burdens associated with the cost of running retail businesses. I appreciate your input into it. Particularly on the minimum wage, we appreciate that some commercial entities have indicated it's faster than they would like to see. There's been a lot of I would call it fearmongering around the loss of jobs.

What we're seeing now is that we have an economy where the unemployment rate is at 5.5%, virtually the natural rate of unemployment or a rate of full employment. I'm also hearing from economists that while there may be some job dislocation in the short term, the jobs still need to be done, and people in Ontario, in Toronto, aren't going to go to Winnipeg in order to buy goods and services, so that kind of competitive comparison may not be as valid. The work has to be done.

If there were short-term job losses and the jobs weren't getting done, that would affect the retailer. Wouldn't they then want to hire back so they service their customers better and maybe take the approach that they have to raise prices a little bit in order to absorb—but I think that was part of the intention. The reality is that people were not making a living wage. I've often said, if it's part of a business plan to pay sub-poverty wages in order to make a profit, you've got to rethink the business plan.

1030

Would you comment on whether, in the longer term, retailers aren't going to be in a state of employment that allows them to service their customers as efficiently as possible, which is the same state of level employment?

Mr. Gary Rygus: Thank you for the question.

I think that one has to consider how retail operates. They're in an extremely competitive environment. One has to be astutely aware of the costs that are impacting the business, especially if it is not the same in other jurisdictions.

You mentioned that people wouldn't necessarily go to Winnipeg to buy products, but they have an alternative option by doing e-commerce shopping. When you purchase goods and services over the Internet, you don't have to have the large physical footprints that the current retailers have in Canada and specifically Ontario. That's a competitive challenge that retailers face on an ongoing basis right now.

To your point, the increase was accelerated far and above what anyone reasonably could have expected. We were more looking towards an Alberta solution, where it took a number of years to implement the $15. I think that would have been a much more reasonable process: to allow businesses to adjust to the new world as far as wage costs.

At the same time, there are only so many levers that retailers can utilize. I can suggest to you that they're looking at those right now, as we speak, and adjusting their expectations, and hiring is one of them front and centre. I know the government has recently put out, for small employers with less than 100 employees, a bit of a mitigating option, but it doesn't help businesses that aren't going to add to their staff. In fact, I had one retailer joke to me, "I guess I have to fire all my people just to be able to qualify for this new relief piece." I said, "No, no. I don't think that was the intention. You want to keep your loyal trained people on staff because good people are hard to find these days."

Mr. Arthur Potts: I know that Mike Colle wants to ask a question, but quickly, if you could—we've had a request that we get rid of time-of-day pricing for retailers who are open during the day.

The Chair (Ms. Ann Hoggarth): One minute.

Mr. Arthur Potts: Could you give a quick answer whether you would support that move? Then we'll let Mike Colle come up.

Mr. Gary Rygus: I think it's a reasonable ask. Retailers still haven't figured out how to operate in the dark because of health and safety reasons, so they're going to be open during the day, and it's another cost impacting on how they operate.

Mr. Arthur Potts: Mike?

The Chair (Ms. Ann Hoggarth): MPP Colle.

Mr. Mike Colle: I like your positive suggestion about changing that EHT threshold for the employer, and I'm going to take that further. I think that's very worthwhile looking at.

Mr. Gary Rygus: What the proposed solution attempts to do is concentrate on the payroll aspect of it as opposed to looking at other avenues of relief, so thank you.

The Chair (Ms. Ann Hoggarth): Thank you very much for your presentation. If you have a further written submission, it needs to be to the Clerk by 5 o'clock on Friday, January 19.

Mr. Gary Rygus: Thank you.

The Chair (Ms. Ann Hoggarth): Committee, we have another decision to make. The next presenter is ready to go. The presenter who was not here at 10:30 is not here. It's 25 to 11. How many say to continue? Okay.

ALL ABOARD ST. MARYS

The Chair (Ms. Ann Hoggarth): I will call All Aboard St. Marys. Good morning, sir.

Mr. Chris West: Good morning.

The Chair (Ms. Ann Hoggarth): When you get settled, please identify yourself for the purposes of Hansard. You may begin your presentation.

Mr. Chris West: My name is Chris West. I'm from All Aboard St. Marys in St. Marys, Ontario. We wanted to speak on the importance of rail service in St. Marys and across Ontario and across Canada.

I did bring a few presents for you this morning—probably not enough to go around. They're irises. We picked irises for a particular reason: because each letter represents something that we feel is important to rail travel.

Yesterday, we had the privilege in St. Marys of listening to Andrew Williams, who's the head of the HPHA. We asked him a question as to what, in his opinion, had to happen for health care to improve across Canada because of the health care system being stretched thin. What he talked about was integration. I think integration is the "I" in "iris." That's a very, very important component in rail. We're in the automotive business, and it's very important in the automotive business. We integrate with the automotive manufacturer; we integrate with OMVIC, which registers dealers in Canada; we integrate with the government, of course, federally and provincially; and we integrate with Via Rail. We do use the Via Rail service in our business. So integration is key.

The "R" in "iris" stands for "rail and revenue." The economy develops along rail lines. It has been shown in studies that for every $1 invested, there will be a $3 kickback. Rail generates revenue, and there's a multiple of about three times.

Investment: In order to get rail operating efficiently, we believe there's a major investment required. We would also talk about infrastructure, which is part of that as well.

Security and speed become important. Two years ago, the cost to the Canadian economy from road accidents was $22 billion. Two years later, that figure was $35 billion. In two years, the cost to the Canadian economy of road accidents increased by $13 billion.

We believe that part of that is an imbalance in the transportation system. There are too many cars and trucks on the road and not enough people travelling by train, which is a much safer way to travel.

In your presentation, we've got a section there on high-performance rail. The government has looked at high-speed rail. We believe that high-performance rail is a much better alternative. It is less costly, it can be put into play a lot faster, and it will connect a lot of communities.

High-speed rail: There are a number of disadvantages. It's very, very costly. Because it runs on electricity, if there is any problem with the power lines—we had that big power problem in Quebec years ago. If you lose the power lines, you don't have any trains operating. A diesel is a very, very efficient service. High-performance rail uses diesel-electric locomotives.

One of the big problems with high-speed rail: Not only is it missing a lot of communities because it's only connecting with larger centres, but it's cutting across prime agricultural land in Ontario. A couple of days ago, I bought some Brussels sprouts from the local grocery store, and they were from Guatemala, from a company in the States. I had to throw them out; they were almost toxic. If we have a choice between eating Canadian food and imported food, I think we'd choose Canadian food, which we know is a lot safer. We just can't afford to cut across and eliminate a lot of prime farmland in Ontario, and the farmers are quite upset about it potentially happening.

There are significant other benefits with rail. As I've indicated, for every dollar spent on rail, there's a multiple of three in the economy. It has tremendous economic benefit. St. Marys is an example. We have an unemployment rate of about 4%. We can't get enough people, really, to do some of the work. The only way the economy is going to continue is to be able to move people into these smaller communities, because 30% of people do not drive. We have to be able to connect people to communities to provide workers. Probably about 2,000 of the people working in St. Marys now come from outside because of the 4% unemployment.

The big advantage, of course, is that if you've got more jobs, you've got more revenue. People are paying property tax. They're paying health tax. They're paying income tax. That's revenue that is both required in Ontario and across Canada.

Also, it helps pay for social programs. We run a breakfast for children program in St. Marys. It's called the Goals program. We started it 10 years ago with a direction from the Canadian Automobile Dealers Association and Justice Canada: "Do something in your community to help children." We've run that program for 10 years. MPP Pettapiece has spoken to the children, as an example.

What we found from this program was that we were able to reduce bullying, improve self-esteem, and really make the children feel better. The teachers are telling us that these children are doing much better in school. The only reason we can do this is because we've got jobs in St. Marys. When we go to the business for funding for the program, they will come to the party. Employment drives these social programs.

1040

Education is a huge requirement as we go forward. We need to invest in technology and education. We have to be able to get those students to the colleges. In London, Ontario, as an example, there are probably 100,000 people registered in postgraduate. We have to be able to connect them with the Kitcheners, the Torontos etc. Rail is very, very important.

In terms of tourism, there are about eight million people who are in the area along the north main line, which covers St. Marys, and that is an important component too, as well as the 30% of people who don't drive.

We're here today to suggest the provincial government take a serious look at high-performance rail as an alternative to high-speed rail. It's a better way of moving people around, it connects more communities, it can be done much faster and is much less costly.

Thank you very much.

The Chair (Ms. Ann Hoggarth): Thank you, sir. We'll move to the official opposition. MPP Pettapiece.

Mr. Randy Pettapiece: It's good seeing you. We've had a number of discussions on this very thing. Rural Ontario is facing really serious transportation issues because of distances and whatever else. Certainly, what you have said to us is very true in that high-speed rail certainly isn't going to be an answer for us in rural Ontario. Also, the way it looks, it's going to take up some pretty good farmland to do this.

I wanted to go back to Andrew Williams. Andrew Williams, for everybody's information, is the CEO of the Huron Perth Healthcare Alliance, based in Stratford. Can you expand on what Andrew said to you about these issues from your meeting?

Mr. Chris West: He said there was a really serious problem—one of the other things he said was there was a really serious problem with being able to find people for these employers. This is really going to cause problems, not only in St. Marys, but in other areas, if we don't have transportation available—and to get people educated and to get people to some of these job areas. It was a really serious issue as far as he was concerned, with which we concur, we agree with.

Mr. Randy Pettapiece: That's a concern I've heard also from the University of Waterloo, located in Stratford, with their students. It's transportation issues; getting them in there. There are students who want to go to that branch of the university and have difficulties getting there.

I think that we need to address these a lot more seriously than we are. Northern Ontario is a prime example too of transportation issues.

I'd like to pass this on to my colleague.

The Chair (Ms. Ann Hoggarth): MPP Hardeman.

Mr. Ernie Hardeman: Thank you very much for your presentation. You mentioned in your presentation about the challenge of the high-speed rail going through farmland. The proposal that they're presently discussing goes directly through the centre of Oxford county, cutting all those farms in half.

Recently, I had a presentation in my office from people who had heard that the government was planning to limit the environmental assessment, to not look at any of the options, which, of course, would preclude anything that you've put forward looking at other options to replace the high-speed rail. Have you heard anything about that—that they want to do a limited environmental assessment, not to include looking at options?

Mr. Chris West: Actually, Greg Gormick did mention that to me. I don't have any particular details of what he was able to find out, but he mentioned to me that it sounded like it could be short-tracked.

Mr. Ernie Hardeman: But that would have a negative impact on your presentation, that we look at options such as upgrading the Via Rail; is that right?

Mr. Chris West: It would be totally negative, and I just don't see any advantage. I think possibly down the road, 30, 40 years, maybe we'd need high-speed rail. But think about what the cost would be for somebody to take high-speed rail from Windsor to Toronto. The ticket would be $300, based on the kind of investment you're looking at. The high-performance rail can be done for $5 billion. That will buy new equipment and pay for the changes that have to be made in the rail system at the overpasses to increase the speed. It just doesn't make a lot of sense.

Mr. Ernie Hardeman: Thank you very much.

The Chair (Ms. Ann Hoggarth): MPP Fedeli.

Mr. Victor Fedeli: Thank you, Chris, for yet another excellent presentation. I know that your colleague Greg Gormick has been in communication with our office as well.

My shift will be further north and the reinstatement of passenger rail from Toronto to Cochrane. As you know, it's in the PC Party's People's Guarantee to reinstate passenger rail. There are many examples that we have, whether it's in the north, in Hearst or Cochrane, and you're in a wheelchair and you're trying to get to your medical appointment in Toronto, and your only alternative now is a dozen-hour bus ride as opposed to the rail. Can you tell us about your thoughts on reinstating passenger rail to Ontario's north?

Mr. Chris West: I think, totally, we need to be able to connect every community across Canada.

The Chair (Ms. Ann Hoggarth): Thirty seconds.

Mr. Chris West: We need to connect Ontario. We should work, I think, together more, provincially and federally. We've got a GO Transit system that's really competing against some of the rail systems. We should be able to work it out so that they cover different areas.

If we can get that Via Rail—if we can get two more trains on that north main line which will get the students to their schools on time, we'll get people to some of the jobs. We can do that right away. I'm very much in favour of rail connections anywhere in Canada, and particularly across Ontario.

The Chair (Ms. Ann Hoggarth): Thank you for your presentation, sir. If you have a further written submission, it needs to be to the Clerk by 5 p.m. on Friday, January 19.

Mr. Chris West: Thank you very much for giving us the opportunity.

CO-OPERATIVE HOUSING FEDERATION OF CANADA, ONTARIO REGION

The Chair (Ms. Ann Hoggarth): We're going to go ahead. The next scheduled presenters are here and ready to go. The Ontario Health Coalition has not arrived yet, so at this point I will call on the Co-operative Housing Federation of Canada, Ontario region, please.

When you get settled, please identify yourself for the purposes of Hansard and your 10 minutes will begin.

Ms. Simone Swail: Hello, my name is Simone Swail. I'm the manager of government relations for the Co-operative Housing Federation of Canada, Ontario region. It's nice to see you all.

Mr. David Waters: Good morning. My name is David Waters. I'm president of the Ontario council for the Co-operative Housing Federation of Canada. Simone is with me also, as well. We represent 550 non-profit housing co-ops, home to some 125,000 people, located in 97 of the 107 provincial ridings, including some 9,000 units here in the central Ontario area. I'm pleased to be here today to present the committee with our recommendations for the 2018 budget. When I'm finished, Simone and I will be happy to answer any questions.

All across Ontario, middle- and low-income households are struggling to find a home they can afford. It's reported almost daily that the cost of housing has left Ontarians behind, and the 2016 census data makes it clear: Ontario is the province with the highest percentage of households in core housing need, and that number is growing.

This is not just a Toronto story. The national data does show the highest rate of core housing need is in the Toronto census metropolitan area, which includes Mississauga, Brampton, Markham and Vaughan. But Ontario actually has eight of the top 10 areas in Canada with the highest rates of core housing need.

At the same time, the province-wide rental vacancy rate has fallen to 1.6%, well below the healthy market standard of 3%. CMHC reports that here in the Kitchener-Waterloo area, increasing numbers of both young people and downsizing seniors are entering the rental market, straining the current supply.

The lack of affordable housing is one of the most significant drags on our economy. Mayor John Tory highlighted the shortage of affordable housing and rental housing as one of the most serious disadvantages to Toronto's Amazon HQ2 bid. Durham region recently reported that a ready supply of affordable rental housing will be a key factor in its ability to attract and retain talent.

It's time to see housing as the province's solution, not a problem. Investing in housing will make life better for people across the province for nearly all income groups and ages, while also growing the economy, creating jobs and making the province a more attractive location for business. To fully implement housing as a solution, Ontario needs to take action across the entire spectrum of housing. CHF Canada has four recommendations to fix the affordable housing crisis.

1050

First, sign on to the National Housing Strategy. The new National Housing Strategy commits $40 billion in funding for new and existing housing programs over 10 years. Ontario was set to lose hundreds of millions of dollars in annual federal funding for affordable housing over the next 10 years as operating agreements expired; however, the strategy reinvests this funding back into housing, even adding to it to help some of the most in-need households in the province. To reach its goal, the strategy relies in part on the signing of bilateral agreements with the provinces and territories, leveraging an estimated $7.4 billion from these governments. The funding is desperately needed in Ontario. The province should sign on to cost-share this investment without delay.

Our second recommendation would be to build more affordable housing. While the National Housing Strategy is important, Ontario requires an even greater investment in new housing supply. A conservative estimate suggests Ontario needs to generate 6,500 units of affordable rental housing per year for the next 10 years to dig itself out of the hole. The National Housing Strategy is expected to build 2,000 units per year in Ontario, which leaves us quite a shortfall—4,500 units per year.

There is a solution, though. The province could make up the shortfall by earmarking a percentage of the land transfer tax. The land transfer tax has been a windfall for Ontario. It has generated an estimated $2.8 billion in revenue in 2017 alone. It's time these resources are used to create a healthier and fairer housing system for all Ontarians, easing the housing burden for generations to come.

British Columbia, facing a similar housing market, has set an ambitious target of adding 114,000 units of affordable private, non-profit and co-op housing over the next 10 years. It will take similar ambition to fix the market here in Ontario.

Third: Partner with the co-op and non-profit sectors to fix the Affordable Housing Program. CHF Canada has highlighted for a number of years that the current investment in the Affordable Housing Program does a poor job engaging co-ops and other community-based non-profits. The program's structure has meant that, over time, fewer and fewer non-profits are able to take part. This is a real loss to the province.

The 2017 Auditor General report found that non-profits could provide affordable rentals in a more cost-effective manner than private developers, building much-needed larger units at a lower cost per unit. A 2016 Ministry of Housing study of past programs also found that, once their contracts had expired, nine out of 10 private developers converted their affordable buildings to condos or increased rent to market rates. Non-profits and co-ops, however, remain part of the affordable housing stock for longer periods of time. Finally, a 2016 report found that federal non-profits and co-ops have an estimated $400 million in land and other assets that could be leveraged to build more affordable housing.

To fix the Affordable Housing Program and make it a better investment for Ontarians, the province should partner with CHF Canada and the Ontario Non-Profit Housing Association to reset the program design with a better and more flexible mix of loans and capital grants so that non-profits can play a more active role in the development of new housing, and reintroduce project development funding. With limited upfront investment, non-profits and co-ops could develop proposals for funding.

This fall, CHF Canada submitted a proposal to the province to create a $3-million co-operative housing development fund as a pilot project. Once funded, this project would test the impact that increased project development funding could have on the number of housing co-ops developed.

Our final recommendation is to create targets for new co-op housing development. More Ontarians than ever—seniors, single adults, new immigrants, young families—

are in the rental market. For young adults, they need to stay in the rental market for longer than past generations. These renters deserve better options to live and to grow their family in a safe, secure and affordable home.

Co-op housing offers unique benefits not found in other forms of housing. CMHC program evaluations show that, compared to other forms of rental housing, residents in co-ops report an improved sense of community, better relations with friends and neighbours, and improved social supports. However, co-op housing development in Ontario has almost come to a complete halt. Only six new housing co-ops have been built or expanded in the last 15 years. That's less than 4% of the new stock. We don't believe that this was the intent of the government, but rather a reflection of a housing program that doesn't work well for community-based housing.

Many MPPs have spoken of the benefits co-op housing brings to their communities. In other provinces, co-op housing is playing a significant role in the development of new affordable housing. Ontario can once again take the lead in creating vibrant communities. We recommend that the government set targets for new co-op housing development to ensure these programs help build the types of housing that communities need.

The government deserves credit for stabilizing the private market with the Fair Housing Plan and earmarking $657 million of cap-and-trade revenues for social housing retrofits.

With the National Housing Strategy in place, it's time to prioritize developing more affordable housing to create a housing system that is truly fair for everyone.

I leave you with the words of an Ottawa housing co-op resident: "My co-op has been, and continues to be, the only place I want to live."

Co-ops are more than housing; they're homes. The co-op housing sector is ready to work with MPPs of all parties, to follow through on these recommendations and ensure that every Ontarian has a decent, affordable place to call home.

I'd like to thank the committee for your time this morning. As mentioned, we'll be happy to answer any questions.

The Chair (Ms. Ann Hoggarth): We'll move to the third party. MPP Fife.

Ms. Catherine Fife: Thank you, Simone and David, for coming in.

The Co-operative Housing Federation of Canada should be applauded for their resiliency, because they have been coming to these committees for years and have made a compelling, evidence-based argument for investment in co-operative housing, which has not been heeded by this Liberal government. I'm hopeful that in the future that will change.

The fact that Ontario has not signed on to the National Housing Strategy—can you give us some sense as to what other provinces have already signed on?

Ms. Simone Swail: The National Housing Strategy only came out in late November, so at this point, I don't believe any province has signed on to that agreement.

Ms. Catherine Fife: What are the barriers to signing on? Why would any province not come to the table when the federal government is putting money on the table?

Ms. Simone Swail: I think those discussions are just happening now. Ontario is not late yet, but I would hope to see that it is signed within the month. Certainly, I am hoping that this would be confirmed before the election.

Ms. Catherine Fife: Just to be clear: There's no good reason for the province of Ontario not to sign on to the National Housing Strategy?

Ms. Simone Swail: There's absolutely no reason for the province not to sign on. This housing is desperately needed in the province. It's funding. It's 50-cent dollars for affordable housing. It's going to help secure some of the most vulnerable residents in the province. Our public housing stock depends on this funding, so this agreement needs to come into place as soon as possible. It takes two partners, and the federal government, I believe, is just starting the process of reaching out now.

Ms. Catherine Fife: David mentioned that even when Ontario does sign on—and hopefully it is before the election; a lot of things are going to happen before the next election, I hope—that's only a portion of the 6,500 housing units that Ontario needs to just get ourselves out of the hole, as you put it.

Ms. Simone Swail: Absolutely. Our view is that the National Housing Strategy is a great strategy, but it's just that: a national strategy. The situation in Ontario, as the largest province in the country and the province with the greatest need for affordable housing—the National Housing Strategy provides a foundation on which the province could build a real affordable housing program and really start to address the backlog that has developed over the last 20 years. Now they have a real partner to work with, in the federal government. It's time to make an ambitious plan, to build housing and make life better for Ontarians.

Ms. Catherine Fife: I appreciate the fact that the Co-operative Housing Federation of Canada wants to come to the table and be part of the solution and help guide the government.

One of your suggestions is around creating the potential for reinvestment in affordable housing when mortgages are repaid. We have some very successful co-operative units here in Waterloo region. They're very close to being financially stable, and they're looking to reinvest. What is preventing this from happening right now?

Ms. Simone Swail: It's a great question. What we need is a long-term commitment from government to take care of the residents in our communities and ensure that they have the subsidies they need to be successful. There's a lot of interesting work that we can do with the private sector, and CHF Canada has been a leader in this work with our federal housing co-ops. We have leveraged $50 million of private capital from our credit union friends to rebuild our communities after their 35-year mortgages have expired. What we need to continue to make that work—

The Chair (Ms. Ann Hoggarth): One minute.

Ms. Simone Swail: —is a long-term agreement with the government that they'll take care of the households so that we can take care of the buildings.

1100

Ms. Catherine Fife: So that is in the works. These conversations are ongoing to make this happen.

Ms. Simone Swail: These conversations are getting started with the province, because those agreements come out a little bit later; but that is certainly part of our vision. That's also how we can help leverage. We have land, we have assets that we could grow if we had the right environment, and that's a program that works for housing co-ops, which is a bit more flexible than the current one, that takes on a bit of the risk at the beginning instead of making the community provider risk hundreds of thousands of dollars for a project that might not go through. With a more supportive initial environment, we can make much better use of the province's investment in affordable housing.

Ms. Catherine Fife: Absolutely. I just want to say you did reference the Fair Housing Plan. I'm not sure if you've had a chance to review the media reports today; that plan has not held the line on affordability in urban centres primarily, like Toronto, because there is no stock—

The Chair (Ms. Ann Hoggarth): Thank you.

Thank you very much for your presentation. If you have a further written submission, it needs to be to the Clerk by 5 o'clock on Friday, January 19.

Ms. Simone Swail: Thank you very much, everyone.

Mr. David Waters: Thank you so much.

COUNCIL OF ONTARIO UNIVERSITIES

The Chair (Ms. Ann Hoggarth): Our next presenter would be the Council of Ontario Universities. Good morning, sir.

Mr. David Lindsay: Good morning.

The Chair (Ms. Ann Hoggarth): Once you get settled, please identify yourself for the purposes of Hansard. You may begin your presentation.

Mr. David Lindsay: Thank you very much, Madam Chair. My name is David Lindsay, and I'm representing the Council of Ontario Universities. I'm very pleased to be here before the committee and see many familiar faces.

I appreciate that it's a long day, and the lunch break is just on the horizon. With your permission, I'll read my presentation as quickly as I can so we can get some good dialogue and discussion.

There's a much more detailed submission in the package that we've circulated. I will be referring to some PowerPoint slides that are also in the package. I encourage you to look at those.

Also in our package, however, is a document called Partnering for a Better Future for Ontario. We have lots of additional recommendations in that report. In the interest of time, I won't go through it all, but I would commend it to you and to your colleagues.

Turning to slide 3 in our PowerPoint deck, we would encourage the committee to think about Ontario's universities as a critical component of the province's social and economic infrastructure. Investing in universities is an investment in the future of our students, in the future of our communities and in the future of the province. We believe that Ontario, given our open and diverse society and the talent of our workforce, our innovation and our infrastructure, has a very positive future, particularly given what's happening in some of the jurisdictions with whom we are competing for foreign direct investment. The Amazon bid is the one that people are most familiar with right now, but there are many other opportunities for foreign direct investment and talent coming from around the world. Given what other governments are doing with their borders and their view of foreigners, we think this is an opportunity to seize the moment for the province of Ontario.

On slide 3, we outlined three pillars of our budget ask to seize the moment for Ontario: provide increased funding and assistance to the institutions on a sustained investment basis; encourage students to have access to modern learning environments and equipment; and support our campus efforts in clean and green renewal of their facilities.

On slides 4 and 5 of the presentation, "Investing in Strong Post-Secondary Institutions": We've had considerable growth in the post-secondary sector for the last number of years now. While this year's application numbers are not fully in, we believe that the recent government announcements of OSAP reforms will be significant and helpful for many students. I think the minister announced 210,000 in a recent press release. We believe that's very helpful and positive for the students, the communities and the province, because as technology changes and the forces of globalization continue to impact our economy and the way we work as a society, we're going to need those kinds of graduates. The jobs of today may not exist 10 years from now, and the jobs of 10 years from now may not even have been invented today. We need to make sure our students are adaptable, resilient, ready for the workforce, have transferrable skills and critical thinking skills—all of which is more detailed in our Partnering for a Better Future for Ontario document.

From our institutions' perspective, the recent bilateral discussions they've all had with the ministry and the signing off of something called the strategic mandate agreements, or SMAs, are very important in the college and university sector. Being more strategic and more deliberate in our institutional differentiation is something that we as a sector certainly support, but in entering these agreements and adopting the new funding formula that the government has instituted, we need to recognize that there's a natural cost escalation in our system. Under the old funding formula, university administrators assumed that by growing their institutions and encouraging more students, that would grow their budgets and help them sustain those costs. As we move into this period of demographic cohort reduction across the province and move into a new funding formula which goes on to something called a corridor model, those costs are going to continue to grow.

Moving more into the STEM and the STEAM sciences, more experiential learning and increased student service needs, such as mental health—all of those costs are continuing to grow, so we need to recognize that the new funding formula has not acknowledged those steady increases. We need some additional support in that regard.

I don't want to spend a lot of time on it, but you all know there are other cost pressures as a result of the recent labour law reforms. We have a whole submission that we made to the legislative committee on Bill 148 on those additional costs to the university sector. Recognizing all of these cost pressures in this year's budget is necessary if we're going to maintain those strong post-secondary institutions for our students and the communities and the economy in this globally competitive world we all find ourselves in.

If I could turn quickly to slide 6 of the PowerPoint presentation, I'll focus for a minute on modernizing our learning environments. The challenge is that education pedagogy is changing, technology is changing, and so in budgetary terms we need to make capital investments. Our students embracing new technologies—many of them walk around our campuses with not one but two mobile devices. Charging stations, ability to download information onto their mobile devices—that's all requiring upgrades of our technology and upgrades of our capital physical plan. Just to maintain our existing physical plan requires an annual commitment in the neighbourhood of $360 million. The government is committing at some point in the future that they may eventually get to $60 million of annual funding. So we encourage a more rapid reinvestment in our infrastructure to help prepare our students for the future.

The third pillar of our budget ask this year is on page 7 of the PowerPoint presentation, and again, in the interests of time, Madam Chair, I won't spend a lot of time going through it—making sure we have green energy-efficient facilities and contributing to our climate change reduction targets. We encourage this year's budget to continue to invest in the post-secondary greenhouse gas campus retrofits program—the acronym is longer than the words themselves, I believe.

The details behind each of these ideas are in our written submission, and further detail is in our Partnering for a Better Future for Ontario document.

We believe that Ontario universities are important for strengthening the talent pipeline, to be competitive in this global world, fostering research and innovation for new technologies in health care, in the environment, in foodservice—all of the things that we contribute to—and in building more open and sustainable societies. Strong post-secondary institutions help build a strong province. That's what we are committed to do.

I look forward to your questions.

The Chair (Ms. Ann Hoggarth): Thank you, sir.

We'll move to the government. MPP Colle.

Mr. Mike Colle: Thank you, David. You mentioned the economic impact—besides the socio-educational impacts—of universities in communities. I look at Kitchener-Waterloo. The economic impact of Laurier and Waterloo—as much as we see universities as an important aspect in terms of upgrading skills and commercialization ventures by research, I don't think the people of Ontario understand the incredible value when you have a—I see what has happened in my son-in-law's hometown of Brantford. Forget the casino, when they put that in; look what has happened in downtown Brantford as a result of Laurier investing there. Has there been anything done to give us an analysis of this impact?

1110

Mr. David Lindsay: I hope no one thinks that was a planted question, sir, because I have an answer. We have actually done it on two levels. Each of our institutions does their own economic impact analysis, whether it's Thunder Bay, Toronto or all points in between, and we've rolled up a province-wide economic impact analysis study which is on our website. We're glad to share it with you.

It contains three component pieces. For the impact on communities, I haven't got the breakdown numbers off the top of my head. The total is $115 billion a year of annual economic impact: contribution to communities, the incremental benefit to each student as their annual income is improved as a result of post-secondary education, and then the contribution we make through research and innovation to businesses in the community. If you add those three up, it's an annual impact of $115 billion.

The taxpayers are contributing, in round numbers, about $5 billion. When I went to school, that would have been considered a 20-times return on the investment, so investing in our post-secondary system is an infrastructure investment in the future, because you get a 20-times return on investment for the contributions that the taxpayers make.

Mr. Mike Colle: The ask you're making, to me, which I fully support, is for that reason. Not only do you get an impact on higher wages—they pay more taxes, and when they're better educated they create jobs—but also the fact is that universities employ so many people who have good-paying jobs in all these communities. That's why I'm very supportive—

Mr. David Lindsay: And it attracts others to come to the community.

Mr. Mike Colle: I get all this from my dentist, you know.

Mr. David Lindsay: Give me his name.

Mr. Mike Colle: My dentist is Dr. Bob Bennett, who's Bill Davis's best friend. When I go in there and I sit in the chair, he's got things in my mouth and I hear everything. As you know, he was one of the co-founders of the Lakehead campus in Orillia. It was because of Dr. Bob. He got Davis to talk to everybody, to put the beautiful little university in Orillia.

Mr. David Lindsay: And Lakehead has just published their economic impact study. It's impressive, what has happened, and the medical school up there as well.

Mr. Mike Colle: Yes, it's an amazing addition to Orillia.

The other thing is, in terms of, as you said, the retrofits that are needed as a result of the new ways that people communicate and the new ways people are learning—could you just expand on that a bit?

Mr. David Lindsay: Sure. Thank you for that question. The way our students are learning and the way information is imparted, and how we're encouraging them to think critically and work in teams—all those skills that they'll have to use when they go into the workplace are important.

You can get the entire encyclopedia on your mobile device. Wikipedia and quickly gathering information are easy to do. Processing that information, working as groups, is what we would refer to as transferrable skills. It's not just knowledge of the information, but how to work.

Our universities are now moving from a phrase that's used in literature: Rather than the sage from the stage imparting all that information, it's the guide from the side.

The Chair (Ms. Ann Hoggarth): Thirty seconds.

Mr. David Lindsay: They work as teams, so you don't have as many big lecture theatres anymore. They're more working groups.

Mr. Mike Colle: Pods.

Mr. David Lindsay: Pods, because that's the way they're going to enter into the workforce. We've got to invest in changing the capital infrastructure, as well as invest in changing the way you teach.

Mr. Mike Colle: Thanks for that. I just have to put in a plug for the incredible work of Greg Sorbara to get those two subway stations at York University. That's finally going to make York University an incredible urban centre that's going to be easy to access.

Mr. David Lindsay: As the deputy of infrastructure, I was pleased to be part of that.

The Chair (Ms. Ann Hoggarth): Thank you for your presentation. If you have a further written submission, it needs to be to the Clerk by 5 o'clock on Friday, January 19.

Mr. David Lindsay: Thank you very much.

The Chair (Ms. Ann Hoggarth): At this point, we are going to recess, as our next presenter is not here and we are well ahead of schedule. We will have a brief recess until the next presenter comes.

Mrs. Cristina Martins: Is that 10 minutes? 15 minutes?

The Chair (Ms. Ann Hoggarth): The presenter has until 11:25 to get here.

The Clerk of the Committee (Mr. Eric Rennie): Until 11:45.

Mrs. Cristina Martins: How long is the recess?

The Chair (Ms. Ann Hoggarth): It's until the next presenter gets here. They are scheduled for 11:45.

The committee is recessed.

The committee recessed from 1115 to 1142.

CARIZON FAMILY AND COMMUNITY SERVICES

The Chair (Ms. Ann Hoggarth): Committee members, take your seats, please.

I'd like to now call Carizon Family and Community Services. Good morning.

Ms. Tracy Elop: Good morning.

The Chair (Ms. Ann Hoggarth): Please identify yourself for the purposes of Hansard, and then your 10-minute presentation may begin.

Ms. Tracy Elop: Sure. My name is Tracy Elop. With me I have Katrina Ratz, who is a parent of a child with mental health challenges.

I'm the CEO of Carizon Family and Community Services, and I'm really here on behalf of children's mental health services across the region. John Colangeli was hoping to be here but was detained.

Before I start, I want to tell you that I'm a chartered professional accountant, which is not a typical background for a CEO of a not-for-profit organization, but I find it serves me well, particularly in situations like this. I actually work every day, very hard, to make sure that the scarce resources that we have are used to the best of my ability. I also recognize how difficult it is for people around the table to be sitting and listening to people like me come and tell you how much more money they need. But I also know that it's not okay for children and youth in our community and across the province to be taking their own lives.

I've only been the CEO at Carizon for two years. I came from a world that was not children's mental health. I can tell you first-hand how heartbreaking it is to see the children and youth we treat—to see youth with arms that are all marked up with self-harm, and children as young as 11 thinking about taking their own lives. It really is very heartbreaking.

I want to recognize that there are many around the table today who have supported children's mental health; they understand the importance of it. Thank you very much for the work that you've done in your ridings to promote the needs of children's mental health services.

We know how to prevent suicide. Report after report says that providing psychotherapy and other forms of counselling and therapy when kids need it can avert crises. But the current provision of our mental health services is almost entirely focused on waiting until kids become acutely ill and then providing services.

In one example I was told about, a young girl was having suicidal thoughts. Her parent came to get some help, and she was told to wait until the child had a suicidal plan. I can't imagine how that must feel as a parent. It's kind of like telling a kid with cancer that, "You know, you should really wait until this permeates through your whole body, and then we'll figure out a way to deal with it." It's not acceptable. More and more in our society, we're recognizing the importance of mental health as a critical component of overall health. It's time to start funding our services that way for kids as well as adults. We know that early intervention and treatment works, and we know that kids are having to wait for treatment.

I had mentioned that Katrina is here as a parent of a child with some mental health challenges, and I just wanted to give her a chance, before I speak any more, to tell her story.

Ms. Katrina Ratz: Good morning. My son was first treated through Front Door when he was two years old. He was one of the youngest clients they'd seen. He is now six, so I'm going to try and sum up a really long journey in a short period of time.

My son was born anaphylactic to eight food allergies. As a result, he had multiple life-threatening—he came extremely close to dying. As a result of that, he developed extreme anxiety and OCD behaviours. His anxiety is so extreme that he has now been diagnosed with an eating disorder at six. Front Door came into play to help us with his anxiety. He wouldn't leave the house; he wouldn't leave the van. He was afraid to eat; he was afraid of medical professionals.

We went through the Zero2Six program twice. His worker is extremely close to our family and means a tremendous amount to us and to him. They've helped us learn how to parent him through anxiety, and how to cope. And, any time there is a regression, they're always there. They often would say to us that the Front Door never closes. We've come back to them many times. I can't really put into words what it has meant for us.

My son is now in school full-time. He doesn't need, at this time, any counselling, but he had been through trauma counselling through Front Door as well, and through Carizon. We've gotten him to a point where he left the house. He's now in organized sports, he's attending school full-time, he has friends and he's eating.

Our story is a little bit different than those who come with a teenager to Front Door and seek help. We have a young child who has been through that. I think what we've done is set him up for the road to success, because I think he was on a path to some severe mental health issues when he was older. Because of the path that we've started with Front Door and the relationship we began with them, I think we've started him on a path to great success. They've been a tremendous help to our family.

Ms. Tracy Elop: Thank you, Katrina. That shares the importance of early intervention.

In our province, we have sometimes waits of up to 18 months. Children like Katrina's child, who is waiting for treatment and can't get into treatment—you can imagine how the anxiety would have been exacerbated over the years if we hadn't been able to intervene early, as in Katrina's case.

Locally right now, we have a five-month wait for children who need that kind of intensive service. Five months doesn't sound like very long, but five months is half a school year. For a family that's going through that, that's an eternity; for a child that's going through that, who is eight or nine or 10 years old—or six years old—that really is an eternity.

During Christmas this past year, we had nine young children in our child and adolescent in-patient mental health unit at Grand River Hospital. Hospitals like Grand River do a fabulous job of stabilizing these children and youth. They keep them for a few days and then they discharge them back home, where they then wait for treatment.

1150

In Waterloo region, our agency's Front Door—just to clarify—is a joint initiative between Carizon Family and Community Services and Lutherwood. We come together to provide seamless service. At Front Door, we connect with families when their children get discharged from the CAIP unit, from hospital, to make sure they're okay. But do you know what? They're not okay and they're waiting. So how do we tell these children and youth and their families that these young people matter?

Almost a quarter of Ontario kids report having missed school because of anxiety issues, and more than a third of parents report having to take time off work to help them. This has an enormous economic cost to our society. Of all the kids who try to access mental health treatment, more than 40% indicated that they couldn't get access to the treatment they really needed.

It's heartbreaking to see all of this happen. I can put my CPA hat on and say it's also financial. Over the past decade, we've seen a 67% increase in kids going to hospital with their mental health concerns, and that cost the system $190 million. We know hospitals are an expensive way to treat mental health challenges. Ultimately, it doesn't give them what they need. It gives them immediate support, but what they really need is that safety net, that community support, the ongoing people who will support families, like Front Door supported Katrina's family, who will be there when somebody needs to make that phone call and say, "This is the issue I'm having with my child. I don't know what to do. Help me." We need to build that safety support so that it's there for these young kids.

The government has proposed that they want to support mental health. They've done a lot—

The Chair (Ms. Ann Hoggarth): One minute.

Ms. Tracy Elop: They've done a lot of things to do that, but what we're really asking for is an investment of $120 million to really intensify the services that are existing in the communities. With $120 million of investment in this community we would ensure that no child or youth has to wait more than 30 days for treatment, we'd expand specialized youth mental health centres for kids with the most severe mental health challenges, and we'd finally be able to retain more highly skilled staff to care for our most vulnerable children. We haven't had increases in our budget since 2005, so while the demand has probably doubled, our capacity has been reduced by almost a half.

We've ignored children's mental health needs for too long. It is time in our 2018 budget to invest in our children and youth.

The Chair (Ms. Ann Hoggarth): Thank you. This round of questioning will be by the official opposition. MPP Fedeli.

Mr. Victor Fedeli: Thank you very much, Tracy and Katrina, if I can address you by your first names.

Ms. Tracy Elop: Please.

Mr. Victor Fedeli: Katrina, first with you: Look, I think everyone in this room is so pleased to hear about the positive changes in your son. That path, quite frankly, could have gone either way or any way. To see that this has obviously gone down the right path and had a much better outcome is really rewarding and it's comforting to hear that that happened to your young son. Congratulations on that. I know there's a long path ahead for you and your child yet, but you've obviously got a solid footing and I think we're all very pleased to hear that.

Both to you and to Tracy: Over the last week, as we've toured Thunder Bay, Sudbury, Ottawa and here, we have actually had young men--in both cases, perhaps—who have attempted suicide, sitting right where you are, talking to all of us. I have to tell you how moving and how traumatic it was for them to be here and how courageous it was for them to be here. So to hear you share stories as well is enlightening, I would say, to say the least, for our committee.

The 18-month wait time that we've heard I think is disturbing, and locally, the five-month wait time that you spoke about, again, is equally disturbing.

You mentioned the 67% increase in kids going to hospitals with mental issues, tying up emergency. How much money did you say it was? I actually missed writing that down.

Ms. Tracy Elop: The estimate is that it's $190 million that right now is going to hospitals for—

Mr. Victor Fedeli: Is that pan-Ontario?

Ms. Tracy Elop: That's across Ontario.

Mr. Victor Fedeli: So $190 million is your estimate?

Ms. Tracy Elop: Yes.

Mr. Victor Fedeli: I think that's actually pretty close to where we think as well.

Ms. Tracy Elop: That estimate was done through Children's Mental Health Ontario.

Mr. Victor Fedeli: Which is why, if I can put the political hat on for one second, our party has promised $1.9 billion over 10 years, which happens to be $190 million a year, to increase. I think that that's the threshold we need to see.

Talk a little bit more about the kids missing school due to anxiety. That's an avenue I don't think we've heard about in this hearing yet.

Ms. Tracy Elop: Children's Mental Health Ontario did a research study. I'm sorry; I don't know all of the details, but effectively, it surveyed parents, I believe from across the province, and children, asking if they had missed school, and these were the results that came back.

If we think about Katrina's circumstance, anxiety is something that I don't think we really have a good sense of unless you've lived through it with your own child. I think it can be quite debilitating. A child with anxiety—Katrina can talk to it more than I can. But not wanting to leave the home, not being able to function in a way that a regular child is expected to function—going out, playing, being with people—that level of anxiety that these kids face creates an obstacle for them early on that, unless it's dealt with, will face them their whole lives.

Mr. Victor Fedeli: I understand and realize that you are a CPA, but I have to tell you, Tracy, that even though you're a numbers person, you certainly have shared with us the emotional side of it as well.

So to both of you, Tracy and Katrina, I say thank you both very much for being here today and sharing those stories.

Ms. Tracy Elop: Thank you for having us.

The Chair (Ms. Ann Hoggarth): Thank you very much for your presentation. If there is a further written submission that you would like to submit, it needs to be to the Clerk by 5 p.m. on Friday, January 19.

Ms. Tracy Elop: Okay.

The Chair (Ms. Ann Hoggarth): Thank you for sharing your story.

Ms. Katrina Ratz: Absolutely. Thank you.

The Chair (Ms. Ann Hoggarth): Committee members, we will now recess until 1 o'clock.

The committee recessed from 1158 to 1300.

The Chair (Ms. Ann Hoggarth): Good afternoon. We're meeting here in Kitchener-Waterloo today to hold pre-budget consultations. As this is an extension of the Legislature, there can be no clapping, cheering, signs or political material. Each witness will receive up to 10 minutes for their presentation, followed by five minutes of questioning from the committee.

ONTARIO COUNCIL OF HOSPITAL UNIONS/CUPE

The Chair (Ms. Ann Hoggarth): Are there any questions before we begin? Seeing none, I will call our first presenters for this afternoon: the Ontario Council of Hospital Unions. Good afternoon, sir. When you get settled, if you could identify yourself for the purpose of Hansard, you may begin your 10 minutes.

Failure of sound system.

The Chair (Ms. Ann Hoggarth): Just a second. Sit down and then they will fix it.

Interjection.

The Chair (Ms. Ann Hoggarth): I'm sorry for the inconvenience. We're going to have to reboot.

I'm sorry. We're going to have to recess for five minutes.

The committee recessed from 1302 to 1305.

The Chair (Ms. Ann Hoggarth): Sorry for the inconvenience, sir. We're going to start. If you would proceed with your presentation.

Mr. Doug Allan: Great. Thank you. My name is Doug Allan. I'd like to pass on apologies from Michael Hurley, the president of the Ontario Council of Hospital Unions/CUPE, who at the last moment was unable to attend. I'm here in his place. Usually I'm just here as the pretty face beside him, but today I get to have the starring role.

The Ontario Council of Hospital Unions represents 35,000 hospital support workers in every part of the province at about 100 hospital facilities, as well as a number of long-term-care facilities.

Typically at these events we talk about some of the problems in the last number of years with austerity and what that has meant to hospitals and long-term-care facilities in Ontario. This has now become, we believe, much more widely recognized—some of the crises that are going on in our hospitals—so we're not going to spend too much time on that per se, but we are going to look at what has underwritten those events.

Since 2009, real health care funding per person has fallen significantly in the province: approximately $180 per person for health care from the provincial government since 2010—a significant decrease. That's in 2017 dollars. As of 2016, Ontario was in its seventh year in a row where provincial expenditures on health care fell as a percentage of the economy. It is very likely that when data is available for the 2017 economy, we will see an eighth year of decline, when that is available very shortly. In 2017, real funding per person was still less than it was in 2008 for health care, although the Ontario economy is now, despite the recession, about 17% larger than it was in 2008 in real terms.

Most of that real-dollar funding cut from the provincial government came in the form of cuts to hospitals—about two thirds of that cut, about $120 per person in 2017 dollars. Hospital expenditures in real terms have been cut 8.3%. Ontario hospital expenditures are a lower share of the economy than they were 25 years ago in real terms.

Ontario funds health care less than any other province. Provincial health care spending in the rest of Canada, excluding Ontario, is now $574 higher per person annually than in Ontario. The closest of the provinces is British Columbia, and I believe they fund at about $180 more, so we are an extreme outlier. Canada internationally is an outlier in terms of the low capacity of hospital beds and so forth, but Ontario is an outlier within Canada.

Despite that trend since 2008-09 towards cuts in both real expenditures and as a share of the economy, the long-term trend is for health expenditures to increase. That is natural given an aging population—we have a significantly aging population in Canada, and in Ontario in particular—but it's also natural given growing wealth. We are 17% richer than we were in 2008. The trend internationally is for a larger share of that to be put in health care. People value health care very much. They naturally wish to live longer so, as they become richer, they do spend on health care, if they have access to those resources.

1310

We are concerned about the proposals from the three parties in the Legislature, although there are some positive proposals about funding. But we do have some concerns which we'd like to share with you.

The Liberal provincial government promised in the 2017 budget that health care funding would increase 4.5% for 2018-19. That's a significant improvement from what the funding increases have been, and at least would result in a one-year, real per-person funding increase for 2018. It's closer to the widely accepted version for existing cost pressures of 5.2% or more but it is not enough to reverse the decline of recent years. Worse: The government also quietly notes that it will revert to lower increases in 2019-20 once the provincial election is over. This follows a pattern in the last election where the government allowed a higher-than-usual increase in the election year 2014 but reverted back to real funding decreases in health care funding in the following years: 2015, 2016 and 2017. This has, of course, proven unsatisfactory.

The Progressive Conservatives suggest that they have moved off the austerity of their former leadership—that, we believe, is positive—and have promised close to $1.6 billion in new health care-related funding over four years above and beyond Liberal or FAO estimates. Setting aside the merits of the specific proposal, that means an increase of $528 million in the fourth year. That amounts, unfortunately, to just less than a 1% increase, which we don't believe is sufficient to deal with the issues. Moreover, the Progressive Conservatives also promised to save $2.8 billion per year by 2021-22 through a value-for-money audit. If health care got a proportionate share of that increase, the cuts in total would be $1 billion. On the one hand, there's a promise to increase $528 million in funding, but also an implicit promise to cut $1 billion out of health care if health care gets a proportionate share. That is very troubling.

We also note that the Conservative estimates were based upon the 2017 fall economic outlook from the province, but since that time the government has promised some improvements in health care around long-term-care funding, which we find is positive. So the difference is not so significant.

To their credit, the New Democrats made a specific promise on hospital funding in their vision document: to "stop the cuts in our hospitals and ensure that hospital funding—at a minimum—keeps up with inflation, population growth, and the unique health care needs of the population they serve." That's positive. However, our concern is that—not yet, at least, not yet; and we realize it is just a vision document at this time—there does not yet appear to be a specific overall commitment to make up for past cuts in levels of service or a commitment to fund health care for aging, which is a very important cost driver. There also does not yet appear to be a specific promise to offset health care for actual health care inflation, not consumer inflation. Health care inflation is higher; it has been about 2.4%, according to CIHI, annually since 2010. Nor does there yet appear to be a commitment to ensure that health care will improve in line with real growth in the economy. We think health care naturally should improve with real improvement in the economy. We shouldn't have the situation that we have seen with wages, where workers and public services haven't benefited from improvements in the real economy. We think that would be an important addition.

We also noticed that there are some other important commitments around—

The Chair (Ms. Ann Hoggarth): One minute.

Mr. Doug Allan: —stopping or reversing privatization, and we think that that portion of the promise is very positive. On that, I'll cut it off for questions, if any.

The Chair (Ms. Ann Hoggarth): Thank you very much. We'll go to the third party: MPP Fife.

Ms. Catherine Fife: Thank you, Doug, for coming in and presenting us with some real numbers. The government of the day counters a lot of these numbers, even though they're well documented and we've witnessed it in the real lives of people in all of our ridings, I think.

I'm glad that you referenced where every party is and what promises have been made. This process, actually, should inform platforms going forward as well.

I'm glad you recognize the high cost of public-private partnerships in the brief. I think it warrants our attention, even more so given that Carillion in the UK has collapsed. Many of the public-private partnership contracts that exist right now in the province of Ontario, including the Halton hospital and the Markham hospital, are funded through third-party contracts, and it will obviously have a devastating effect. It's a learning opportunity, and I'm glad you have brought that concern to this committee.

I am interested in the issue of expanding the private role in health care, because we've seen people more and more picking up the financial costs of their health care. We're almost at a two-tiered system right now in the province of Ontario, which counters the whole universality of the health care program that we care about.

On page 5 you say, "Low provincial government increases has meant that private sources of funding are now playing a larger role."

Mr. Doug Allan: Yes.

Ms. Catherine Fife: And that's increasing. Can you please expand on that? I think it's important for the committee to hear.

Mr. Doug Allan: Ontario actually has one of the highest percentages of private funding of health care in Canada, a higher percentage than other provinces. The trend in recent years, over the last five years, has been to see a very significant increase—I think it's about double; I might actually have it in the brief—of private funding.

With private funding goes private power, and that will mean that some will get access to those services and some will not. That is very troubling. We do recognize that in the NDP's vision document you have taken significant steps to speak out against privatization and promise to return services to the public.

Your point on Carillion is a key point. That is a significant disaster which I don't think has finished unravelling in Ontario. Ontario has a lot of Carillion workers. We have two major hospitals where there are probably about 1,000 CUPE members who work for Carillion. We are seriously troubled about that. We have protections through our collective agreement, so those workers will be protected from losses. But we do think it's very important that those services be brought back in-house and that we stop this waste of money on this nonsense before another private provider comes in.

Ms. Catherine Fife: Ultimately, it is the citizens and the taxpayers of the province who still bear the risk, even though the P3 promises risk transfer.

Mr. Doug Allan: Yes.

Ms. Catherine Fife: And on budget and on time. When you pad a budget by 28%, you can probably come in on time, right? I really appreciate the fact that you did raise that.

We're seeing, obviously because of an aging population, which you did reference at the beginning of your presentation, seniors in our hospitals because there's no long-term care.

The Chair (Ms. Ann Hoggarth): One minute.

Ms. Catherine Fife: There's no continuity of care either. Is this something that hospitals are tracking? We have different numbers from different places. The number of aging and senior citizens in our hospitals who should be in long-term care: Is your association following that?

Mr. Doug Allan: We are following it seriously. There has been a long-term prohibition on the development of new long-term-care beds. I believe that is quite inappropriate. There have been some promises to change that situation, and I think that is appropriate.

Nobody wants to end up in long-term care. I have a mother who is aging now, and I don't want her to end up in long-term care. But the reality is that at some point, people do need 24-hour care, and that is what is needed. That is part of our proposal, that we do need to move to a real, bedside, four hours of worked care. There has been some improvement and promises made by the Liberal government, but they do fall short of what is needed.

Ms. Catherine Fife: And Bill 33.

Mr. Doug Allan: And Bill 33, yes.

Ms. Catherine Fife: Thank you.

The Chair (Ms. Ann Hoggarth): Thank you so much. If you have a further written submission, it needs to be to the Chair of the committee by 5 o'clock on Friday, January 19.

Mr. Doug Allan: I don't get the other parties? Oh, well. Okay. Thank you.

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KITCHENER DOWNTOWN COMMUNITY HEALTH CENTRE

WATERLOO REGION ORAL HEALTH COALITION

The Chair (Ms. Ann Hoggarth): Our next presenter represents the Kitchener Downtown Community Health Centre. Welcome. Good afternoon. Once you get seated and comfortable, if you would please identify yourselves for the purpose of Hansard, and you may begin your 10-minute presentation.

Mr. Doug Rankin: Madam Chair, thank you for the time this afternoon. My name is Doug Rankin. I'm a community health worker at Kitchener Downtown Community Health Centre. Most of my time is spent providing individual support to people in vulnerable populations. A small part of what I do is work on health equity. In that capacity, we're here today to talk about the Waterloo Region Oral Health Coalition. I'm here with Jim Sannes, who's a member of the coalition, and he's going to speak briefly about his personal experience.

The coalition was formed in 2016. It's supported by the Kitchener Downtown CHC. It is made up of social service agencies, health and education organizations as well as individuals like Jim.

Oral health is important to overall health. Dental decay and gum disease may and often does lead to pain, infection and tooth loss. It may and often does lead to difficulty eating and maintaining nutrition. It may and often negatively affects personal dignity, self-respect, employability and social connectedness, but it also increases the risk of heart disease, diabetes, respiratory diseases and pre-term and low-birth-weight babies. The health of our teeth and gums is directly linked to our overall physical health and mental health and our social and community well-being.

The current set-up of the oral health care system creates inequalities in access to care. Dental care was excluded from medicare many years ago when it was established. So while the care of our lips, tongues and throats is covered, teeth and gums are not. Dental care is almost entirely privately financed in Ontario and across Canada, with about 50% paid through employer-provided benefits and 44% paid out of pocket. There's a small portion that's covered by publicly funded government programs at the federal, provincial and municipal level.

There is a segment of the population who aren't on social assistance who are working or retired, who don't have employer-provided benefits and can't afford private insurance or to pay out of pocket for dental care. Research shows that this number is approximately 15% to 20% of the population. OOHA, the Ontario Oral Health Alliance, estimates one in five people in Ontario and in Waterloo region can't afford to see a dentist. We estimate that between 60,000 and 90,000 people living in Waterloo region are not able to afford dental care.

The dental costs shown on page 5 of our submission are based on the 2016 ODA guide and are examples only. They demonstrate that dental care is extremely expensive. Imagine being a parent or caregiver in a family with low income, who is neither eligible for social assistance nor has workplace benefits, trying to cover these costs out of pocket, along with all their other expenses.

The result is that every nine minutes a person in Ontario visits an ER room for a dental problem and every three minutes someone goes to a doctor's office due to dental problems. When someone can't afford dental treatment, they end up in ER or a doctor's office.

You'll see on page 5 the detailed data we have collected on those numbers and the cost. Approximately $38 million is spent, a year, in Ontario on people visiting the ER or doctors' offices for dental problems. The challenge is that physicians in ER and doctors' offices are not qualified to treat dental problems. The most they can do is prescribe antibiotics and sometimes pain medication, which only resolves oral health issues temporarily.

There are vulnerable groups in our community that are most deeply affected by this gap. One of them is seniors. Jim is here to talk a bit about his own experience.

Mr. Jim Sannes: Thank you, Doug. Basically, I operated a business for 30 to 40 years and didn't think too much about my retirement. I was all healthy; everything was great. Then, I retired when I was 65, and no health care. Well, everything is paid for, isn't it? Yes, until you get your teeth in trouble.

In the last couple of years, as I've recorded—in 2015, I spent 5% of my income; in 2016, I spent $3,700 or 15% of my income; last year, 11% of my income; and so far this year, $1,000. That's okay. I don't mind paying it because it's really something very important. I like eating. I don't want to be on lime Jell-O and mushed-up food. So I pay for it.

In order to pay for it, I've relied on my children, who fortunately have good jobs and so forth. They can assist me, and it's very useful. But I've moved from a house that used to be 2,300 square feet to an apartment of 700 square feet. I've gotten rid of my car. I've changed my food habits. I've got about a thousand bucks left for food, bus fare, the laundry, the gym, insurance and other household expenses, which isn't a heck of a lot. The dentist takes four months of our discretionary spending every month. It's not very nice.

Last year, I needed two teeth removed. I was sent to the dental surgeon near Conestoga Mall. Conestoga Mall is at the end of a bus line, and you have to walk to the dentist's office from there; there's no bus that goes handy to it. Well, if this was a publicly funded place, they would probably accept the fact that you're going to come there by bus. I wasn't so lucky. I had to go there and I thought, "My goodness." I walked down the sidewalk, and the sidewalk ended. I had to get out on the road in the icy conditions in January, and I thought, "What would somebody have done if they had a walker and they couldn't possibly make it to the dentist? They'd have to spend money on a taxi."

I got there, and it took me an hour and a half each way. They made me come there, they looked at my teeth and said, "Oh, $98, please. Come back two days from now." Because they had to do this oral look to see how you are; they couldn't have done that with the dentist. The dentist couldn't just submit something to them. They had to have a physical look at me and send me home.

Two days later, I go back and get two teeth extracted. I would have been okay if it had been perfect and everything worked well, but I had to go back four times in the middle of winter because I had an infection from a little piece of bone fragment that was left in my jaw.

As I say, again, if this had been a publicly funded place, they would probably be on a bus line, which a lot of the places that I go to for bloodwork or whatever else—it's very handy on buses. Why the heck do we have to go to these private clinics that are not subject to government regulation that says, "Be on a bus line, be in a convenient place where everybody can get to you"?

Anyway, I got my teeth extracted. "Oh, that will cost $641."

"I can't pay $641. I don't have that kind of money."

"You can use your credit card. You can do it in two instalments. That's fine with us." Isn't that nice? Well, okay.

After five visits, I was still in pain for a while. I told the dentist I didn't want to do this anymore and he extracted the third tooth at the office, which was a lot nicer. Meanwhile, he has to look after me. He knew my situation in terms of money and he was very generous in terms of not charging me the full price for everything. But, holy smokes, why should I be begging? I used to run a business and employ people and keep everybody with income.

The Chair (Ms. Ann Hoggarth): One minute.

Mr. Jim Sannes: Here I am at the age of 76 not able to look after myself properly.

I'm going to pass it over to Doug.

Mr. Doug Rankin: We work alongside coalitions in communities throughout Ontario, and we all work with the leadership of the Ontario Oral Health Alliance. OOHA is asking that the 2018 budget invest $38 million to support a first phase of public programming for low-income adults and seniors.

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In 2014, the Ontario government committed to extend public dental programs to low-income adults by 2025, but we don't see any progress on this promise. Lack of access to oral health care is an urgent situation. People can't wait seven more years.

We believe funding should be flowed to maximize the use of existing public health units, CHCs, aboriginal health centres and community programs to extend services to vulnerable, low-income adults. This would be the first phase of a broader program for all low-income folks by 2025.

The Chair (Ms. Ann Hoggarth): Thank you. This round of questioning will go to the government: MPP Martins.

Mrs. Cristina Martins: Thank you, gentlemen, for being here today and for your presentation.

Last year, when our budget was being presented to us, part of the budget was to expand access to medications—4,400 medications that are available free of charge to youth under the age of 25. I was really excited about that. About two seats down from me was our Minister of Health. I looked at him and said that we need to do something about dental care.

I know that you've worked with a number of MPPs as well as your local MPP here to share a petition. I've had an opportunity to also collect signatures on, I would imagine, very much the same petition, if not one very similar to that, about the need to invest in a more broad and universal type of dental care program for low-income families and for adults and seniors especially. I've had an opportunity to table that in the House.

The step the government has taken with regard to OHIP+ and providing medication to children under the age of 25—Ontario is the first province to do this. Being representatives from the community health centre here in Kitchener, can you share with us what that means for the people who come to your centre?

Mr. Doug Rankin: It's a great step for people within the community to have free medication for folks up to the age of 25. It's important. It means a lot. It makes a big difference, especially to those low-income folks who have no coverage through a government program.

However, today we're emphasizing the oral health gap and the seriousness of that gap and the long wait we have till 2025.

Mrs. Cristina Martins: I know that you're here specifically to advocate on behalf of adults and seniors.

I am sure that you are very well aware of the Healthy Smiles Ontario Program that is in place. It's a free dental program for children and youth 17 and under. It includes regular checkups, prevention, care and all sorts of different treatments for youth. As of April 2016, there were 323,000 children in Ontario who received free dental care through this program. Can you just speak a little bit about some of the patients at the centre who have used this particular program? Then we can speak specifically about the adults and seniors.

Mr. Doug Rankin: We are a provider of Healthy Smiles Ontario, in partnership with Waterloo region public health. It's a tremendous program. It reaches children in low-income families. Again, we're here today to emphasize the gap. We see those parents unable to access private dentistry, unable to pay out of pocket for it.

However, Healthy Smiles Ontario does offer an opportunity. It's a model that's in place. The infrastructure is there, the administration is there to expand that program to low-income adults, including seniors. It's ready to go, I think, so that's a good place to be. We just need that next step.

Mrs. Cristina Martins: That's exactly what I was going to ask you, in terms of how you see the program rolling out. I like your example.

I'm going to pass it on to my colleague MPP Colle. I'll wait for the Chair to acknowledge him.

The Chair (Ms. Ann Hoggarth): MPP Colle.

Mr. Mike Colle: That's exactly where I was going to go. There is a model in place with Healthy Smiles Ontario. Has Healthy Smiles Ontario given you any idea of the cost of what it would take for—

The Chair (Ms. Ann Hoggarth): One minute.

Mr. Mike Colle: —a project that would help aging seniors?

Mr. Doug Rankin: We're supporting the Ontario Oral Health Alliance and asking for $38 million in the 2018 budget. However, it's important that we emphasize that that money needs to be spent on the most vulnerable at this time, and that would be folks who may not be able to access dental care through Healthy Smiles Ontario.

Mr. Mike Colle: Sorry, but just because of the time, how would you define "most vulnerable"? Is it on an income basis, or people on disability, or homeless people? How would you define that?

Mr. Doug Rankin: We've identified in our submission the most vulnerable populations in our community.

Mr. Mike Colle: Okay, so you've done that. Okay.

Mr. Doug Rankin: Many of those folks are not able to access private dentistry, because they're not comfortable. So we recommend that you fund public health, community health centre and community organization dental suites—

Mr. Mike Colle: To deliver.

Mr. Doug Rankin: —because that's where people are already connected. They're comfortable, and they're already connected.

Mr. Mike Colle: Yes, I know, because my community health centre has a dental—

The Chair (Ms. Ann Hoggarth): Thank you very much. If you have a further written submission, it needs to be to the Clerk by 5 p.m. on Friday, January 19.

Mr. Doug Rankin: Thank you very much.

GREATER KITCHENER WATERLOO CHAMBER OF COMMERCE

The Chair (Ms. Ann Hoggarth): Our next presenter will be the Greater Kitchener Waterloo Chamber of Commerce.

Good afternoon, sir. If you could please identify yourself for the purposes of Hansard, you may begin your presentation.

Mr. Art Sinclair: Thank you very much, Madam Chair. My name is Art Sinclair and I am vice-president of the Greater Kitchener Waterloo Chamber of Commerce.

On behalf of the chamber of commerce and our home community, we would like to welcome everybody here this afternoon to our fine municipality.

Hopefully, before you leave for Windsor, you'll have an opportunity to support some of our local businesses, excellent restaurants—

Mr. Mike Colle: We did last night.

Mr. Art Sinclair: Well, excellent. Terrific. All chamber members.

Mrs. Cristina Martins: We did at this hotel too.

Mr. Art Sinclair: Yes, a chamber member too. Again, thank you very much for your hospitality.

To start out, our community of Waterloo region, which is the three cities of Cambridge, Kitchener and Waterloo, and the four townships of Woolwich, Wilmot, Wellesley and North Dumfries is approximately 550,000 to 600,000 people. We are a growing community. I think that is just kind of a lead-in to my presentation. A lot of our problems down here, and our issues, are related to growth, but I think a lot of our problems and issues are something that a lot of other municipalities across Canada and Ontario would like to have.

Just one other additional thing in my notes: In my presentation, I mention that even though there has been a slight slowdown locally in the economy for the last two years, we are seeing migration, according to the Conference Board of Canada, and the key thing is, we're getting people here from across Canada and we're getting people from across the world. We have excellent educational institutions, and we have some knowledge-based-economy employers, so we're attracting people here.

Just to follow up on the past presentation, as a community—and I think most other communities across Canada did the same thing—when the call came out two years ago from the federal government for help with integrating Syrian immigrants into Canada, we were there. We have excellent community support services here, and I think the business community and everybody—our local municipalities, and our employment and income support people—all did just an exemplary job.

We're just a welcoming, open community, and we're really proud of what we've been able to accomplish in the last number of years.

Going back to my presentation—I've provided a brief. I'm probably just going to jump around here. I might not go in the order I have here in the brief. I'm just going to jump around.

The first issue I wanted to deal with, which is the first issue I have here, is corporate tax reductions.

A number of you were probably in Thunder Bay on Monday for Mr. Rossi from the Ontario Chamber of Commerce, for his presentation. I believe what he did was outline a number of mitigating items that the province can implement to offset the increased costs for employers from the minimum wage.

This is one of about four or five that Mr. Rossi—

Mr. Arthur Potts: Rocco.

Mr. Art Sinclair: Yes, Rocco—that Rocco presented to the panel.

Corporate tax reductions: I believe it was in 2009 that Minister Dwight Duncan, who was the Minister of Finance back then, provided a schedule of planned corporate tax decreases over a four- to five-year period. However, the ultimate goal, in 2013, was that general corporate income tax was scheduled to reach 10%. However, in 2012, Minister Duncan said, because of the current financial state of affairs with the province of Ontario, that corporate income tax schedule would be cut. So we have not got down to the 10% corporate tax cut that was promised back in 2009. However, what Minister Duncan did say was that the plan was to get to 10% when the budget was balanced.

So, being that the budget was balanced last year, I believe, and probably will be this year as well, we would recommend, as the business community, that we go back to that 10% that was originally scheduled in 2009.

The biggest issue here is, we've heard from a number of people in the accounting profession saying that they were working back around 2011-12 with the assumption that in 2013 the corporate income tax rate would get down to 10%, so it has been somewhat of an inconvenience for them. Certainly I think, as a sign to the business community and of confidence in the investment community and businesses in the province of Ontario, we'd like to see that rate down to 10% in the new budget.

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The second issue—again, this was something the Ontario Chamber of Commerce mentioned and something that we mentioned to this committee when we did a presentation in London last year. About a year ago, Minister Morneau had proposed—I don't know if he formally proposed it or not, but there were a number of media reports in Ottawa and across Canada that the federal government was considering a taxation on private health and dental plans. Of course, our presentation last year was very much focused on this particular issue. I can recall that Minister Sousa was here for pre-budget hearings and we brought this up with him. He said, "Why would we be doing this? We spent years trying to get more people on pension plans. Why would we start taxing private health and dental plans?" Again, these are primary plans that are offered through employers. Why would we tax them when we're trying to get more people on those programs? So he expressed some concern about this as well.

The bottom line is, Prime Minister Trudeau, about a year ago during question period in response to a question from then-leader of the Conservative Party Rona Ambrose, said, "We're not going to do this." I think, as I mentioned, what the Prime Minister said was that we're not going to put any additional tax burdens on the middle class. So they didn't do this, and of course Minister Sousa didn't do it either, which we're quite thankful for. So, again, our recommendation following through on that: We would not like to see this this year, or any year afterwards.

The experience in the province of Quebec, where they did a similar measure: A lot of employers had to give up their benefit plans because they just couldn't afford them. I believe the number that the insurance industry is floating around was that about 20% of employees in the province of Quebec, over the years, have lost their benefit plans because the employers just can't afford to provide them anymore.

Our third issue: Looking around the table, I think a lot of MPPs—Mr. Arnott, Mr. Pettapiece, Mr. Rinaldi—would be quite familiar with the issue of rural education. Our chamber of commerce includes all of Waterloo region. There are four townships: Woolwich township, Wellesley township, Wilmot and big New Hamburg. Woolwich township, of course, is the modern St. Jacobs and North Dumfries. We also have members up in through Huron and Perth counties, Grey-Bruce. All of them are trying to make connections into the business community and make connections with our members here in Kitchener-Waterloo. So it's a pretty significant component of our membership. I think as most rural MPPs are aware, this is a huge issue, the whole issue of school closures.

As I mentioned in my presentation, our chamber presented a resolution to our colleagues at the Ontario Chamber of Commerce at their annual general meeting, calling for a moratorium on school closures until some type of mechanism is built into the pupil accommodation review guidelines so that a board of education, before they make a decision on closing a school, considers the economic impacts that the closure will have on the impacted communities.

Again, probably this has become a significant issue because of Mr. Chapman up in Markdale, who has said that for purposes of economic development and growing his business, he needs an elementary school in Markdale—a pretty significant contribution, as I think everybody around the table is aware. He said, "Look, if the school closes, I'll give you money to build a new one. If you want to keep this school closed, I can give the board of education some money" to keep Markdale elementary school—a pretty significant contribution proposal that Mr. Chapman has put on the table.

So, as the provincial business community, I think we recognize in rural and northern areas how important a school is not just for education, but in terms of economic development, because, as Mr. Chapman says, "I want to hire 500 people at Chapman's Ice Cream. If the school is not there, I cannot attract people."

That's a key thing. Our understanding, working with some other organizations, is that the process, moving forward, would be that if a school board wants to make a decision on a school closure, there has to be some type of economic impact study that's presented to the board of education before they make their final decision. That's what we would envision, and I believe the Ministry of Education is heading in that direction, so we commend them for that. They're listening, I think, to the business community and a lot of other people in rural Ontario. The current system is broken. Before a school board makes a decision on a school closure, they have to understand what the impact is going to be on the local community in terms of job losses for both current employers and future employers. That's a very big issue, so we would like to see the province move forward on that.

If that's my one-minute warning, then I think I can close.

The Chair (Ms. Ann Hoggarth): We weren't there yet, but okay. This round of questioning is to the official opposition: MPP Harris.

Mr. Michael Harris: Good afternoon, Art. Thanks for coming in. You were also here only a few months ago as a delegation for Bill 148. Now, obviously, we're post-January 1. I'm wondering if you can share with us some of the comments you've maybe heard in the last month or so from your members as it pertains to Bill 148.

Mr. Art Sinclair: I think essentially what's evolving is what we had predicted six months ago when we were here: that there would be some serious decisions that employers are going to have to make with respect to their employment capabilities. What we're seeing, I think, is that a lot of employers cannot put this off. It's not a situation where—okay, I have to pay the increased costs right now, so I can't say I'm going to wait until June and make some decisions then. They're making them now.

It's interesting. There was an individual over in Guelph who was interviewed on the local CKCO-TV station last week, a guy who just closed down his restaurant. He said, "Look, it's all through the supply chain. It's not just me. For everybody, all the way down through the supply chain, there are increased costs, and when it gets down to me, I just can't survive. I'm in the situation right now where this is my only alternative."

Mr. Michael Harris: The chamber co-hosted an event with Cardus recently. I know that Arthur Potts is chomping to get this question out too, as it pertains to getting value for taxpayers' money here in the region when it comes to building infrastructure. I don't know if you want to speak to the work the chamber has been doing on that file.

Mr. Art Sinclair: Yes, it's in the document. We did cite that in the document. It has been an ongoing concern, as you're aware. It has been a number of years that we've been pursuing that.

You mentioned Cardus. Cardus has a study, and they now have the numbers. At this point in time, it has just been a matter of, "Well, gosh, the price of municipal bidding is going up," but we didn't have the numbers until now. Now, I believe, what's our estimate—that this is an additional 20% to 40%? The key thing is that you have to look at it from the perspective of the municipalities, which don't have a lot of financial resources right now. There are a lot of other municipal services that could be supported by that money, rather than paying what Cardus has cited as being inflated costs for municipal tendering. I think that's a key thing, as well: How else could those municipalities that are paying those inflated municipal tendering costs—where could that money have been spent? I think that if you got most of the mayors here from the affected communities, they could tell you where they could spend that.

Mr. Michael Harris: Totally. We had AMO here talking about a 1% increase in taxation.

Mr. Art Sinclair: Yes.

Mr. Michael Harris: I don't know if you wanted to spend some extra time on any other things that we may have missed or you missed.

Mr. Art Sinclair: Yes. The other thing I had in there was that there's an emerging issue: the whole issue of land use planning and housing affordability. Some people would say, "Well, you know, we're still lower than Toronto," so we get the traction of some towns out here that might otherwise be in Toronto. But I think over the longer term, the concern is—and the Toronto Region Board of Trade has done an excellent study on this—the issue of housing affordability on talent attraction and, I would say, business attraction.

It's interesting. The Toronto Region Board of Trade surveyed about 800 young professionals between 25 and 39, saying, "What is the impact of housing costs on your career decisions?" The key thing was, number one, that most people want a house. They don't want a condominium; 80% of the people surveyed said in their long-term housing decisions, "I want a house, not a condominium apartment. I want a house."

The second thing is, there's a concern that more and more young professionals are paying too much of their salary on housing, and they can't address debt. Of course, I think that's pretty significant, because if you look at a lot of young professionals—recent graduates, five or six years out of school—they're probably still paying some pretty significant student debts, particularly the international students. They're saying, "I can't pay that debt, because all my paycheque is going to housing." There are some pretty significant concerns in there, I think, that over the longer term should be addressed.

The Chair (Ms. Ann Hoggarth): One minute.

Mr. Michael Harris: The chamber of commerce is working with the board of trade in Toronto on the important corridor that we have between here in Toronto. The high-tech community has long been promised additional two-way, all-day GO train service, which we unfortunately have not seen other than simply re-announcements and more promises. How important is the delivery of additional GO train service to the business community, or even to our region from the perspective of the chamber of commerce?

Mr. Art Sinclair: It's still a key consideration, but of course, as a local MPP, you know that we have some other transit challenges. I think Mr. Tory knows this. We have a new track. The infrastructure is there. We just don't have the trains. That's kind of our big concern now.

This has been an ongoing concern—transportation from here and back, because we've always emphasized that: two-way, all-day GO service. It's just so important, because at one point in time, five or six years ago, according to statistics compiled by the region of Waterloo, there were more people coming from Toronto to here than the other way around. That's why we've always emphasized T-W-A-D-G-O: two-way all-day GO. It's tough. Every municipality wants more money.

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The Chair (Ms. Ann Hoggarth): Thank you, sir. Thank you for your presentation. If you have a further written submission, it needs to the Clerk by 5 o'clock on Friday, January 19.

ONTARIO COMMUNITY SUPPORT ASSOCIATION

The Chair (Ms. Ann Hoggarth): Our next presenter will be the Ontario Community Support Association. Good afternoon, sir.

Mr. Patrick Boily: Good afternoon.

The Chair (Ms. Ann Hoggarth): When you're settled, if you could give your name for the purpose of Hansard, and you may begin your 10-minute presentation.

Mr. Patrick Boily: Perfect. Thank you. I'd like to thank the committee for this time to be able to present our budget submission, called Better at Home.

My name is Patrick Boily. I'm the manager for policy and stakeholder engagement with the Ontario Community Support Association.

Our association represents approximately 230 not-for-profit home and community care organizations across the province that deliver about 25 different home and community care services to over a million Ontarians. Some of the services you might be familiar with in your area are Meals on Wheels, local adult day programs, some home nursing services and personal support services as well.

Our services play an integral role in the health system in terms of allowing people to live at home and in their community for as long as possible. But they also have the added impact of delaying or reducing the need for more expensive care across the health system.

The home and community care budget makes up about 7% of total health spending in the province. This has increased by about 1.5% as a share over the last decade.

The current government has been actively increasing access to these services in order to shift care from the acute and long-term-care sector to the community, an approach we fully support here at the association. While the strategy has been leading to a better outcome, government funding has not kept up with growing demand, leading to gaps in care and workforce shortages.

As I mentioned, in the past few years the government has invested a significant amount of money into service expansion. However, this service expansion money has not been accompanied with operational expenses for the organizations, so this has led to the organizations having to do more with less. Over the past seven years our members have been able to accrue about an average of 12.7% in administrative savings. That results in about an extra $31 million being delivered to front-line care. However, after almost seven years without base operational funding increases, many have reached a breaking point.

That's why we suggest in this year's budget submission that the funding approach be changed to allow for both service expansion and for organizational capacity growth. We recommend that the province invest $360 million in the home and community care sector along three key investment principles: first, ensuring sufficient service volume and organizational capacity to meet client need; second, stabilizing and strengthening the home and community care workforce; and third, enabling innovation and evolution in the sector.

While I won't focus on the details of each of these three areas, I'll go over the main lines and the challenges facing the sector.

We know that need will continue to expand as the senior population is expected to grow to 25% of the population in 2041. Some of the local health integration networks have started to work on compiling needs through capacity studies. In the North Simcoe Muskoka LHIN they have calculated that there will be the need for a 3.3% annual increase for personal support services across the province, while the Mississauga Halton and Central West LHINs have calculated that even with a 50% increase in long-term-care capacity, there is going to be the need for 5.8% and 7.2% increases in community support service capacities over the next five years.

That's why at OCSA we are recommending a minimum increase of 3.3% for service expansion in this year's budget. This would be the equivalent of about $123 million.

A second key component for service expansion that we are recommending is the annualized expansion of the transitional care spaces and supportive housing spaces that were announced this fall by the government. These 503 transitional care spaces and 203 supportive housing spaces will play a big role in addressing the ALC issues across the province at this moment.

Now, in order to be able to have all this service expansion, we need to have the health human resources to be able to deliver these services. Over the past year, we've heard about a growing PSW shortage across the province, and some LHINs have even started to look at how much this gap actually exists. The North Simcoe Muskoka LHIN study I mentioned earlier projects that the home care demand growth rate is projected to be over eight times the workforce growth rate over the next five years. For personal support workers, that is even worse, and it's projected to be nine times the projected rate of services in demand. In order to fix this, we suggest three broad lines for the sector. The first one is making work in home and community care valued and seen as a professional career. The second one is to increase decent work and decrease precarious work. The third is to address the compensation issues within the sector.

The sector finds itself at a significant compensation shortfall compared to other sectors in the health care field. Whereas the vast majority of other sectors have a defined benefit plan, such as HOOPP, in our sector, while a majority—close to 90%—do provide some form of retirement benefits, it is mostly seen as an RSP match and not a defined benefit pension plan.

The other part to ensuring better working conditions across the sector is to decrease precarious work conditions. The government has tried to do this through Bill 148. We do support improving pay and working conditions for home and community care support workers as we believe this will increase the satisfaction working within the sector, which will lead to a higher quality of care for clients. However, with everything that happens here, it does come with a cost. We have worked with KPMG and Home Care Ontario to calculate the cost, and we believe this will add a cost of about $85 million a year for service delivery. We thank the government for the initial positive response in our conversation around covering these costs, but we would like to see a firm commitment moving forward.

The third key area for investment is to enable innovation and evolution within the sector. We are calling for a one-time $10-million booster shot for information technology within the sector to help kick-start some of the projects that are currently being delayed due to lack of base funding increases.

The last two recommendations that we have within our submission this year aren't necessarily financial asks, but more policy shifts. We believe that we can enable innovation and evolution in the sector by strengthening the not-for-profit organizations that already operate in the sector. Our sector leverages 3.5 million hours of volunteer service, which provides an estimated value of $85 million to the entire health system.

In October 2017, the province announced the creation of a new provincial organization to deliver personal support services to a small subset of home care clients. The goal of this new organization is to provide clients with better choice in regard to selecting their PSWs and scheduling their care.

There are two major obstacles which currently limit the system's ability to provide this kind of flexibility: the personal support worker shortage that I mentioned earlier, and scheduling constraints that arise from clients' needs. We believe that a new provincial organization will not be immune to these factors. So OCSA is calling on the government not to compete with but to support and work collaboratively with existing home care providers to find meaningful and sustainable ways to improve choice and control for all home care clients rather than a subset of clients. In addition, following the changes made in the Patients First Act, we call on the government to protect and ensure the delivery of community support services by not-for-profit organizations by closing the regulatory loophole created by this legislation.

Again, I'd like to thank you for this opportunity to discuss the issues facing the home and community care sector, and I'd be happy to answer any questions.

The Chair (Ms. Ann Hoggarth): Thank you very much. To the third party: MPP Fife.

Ms. Catherine Fife: Thank you, Patrick, for coming in and really giving us a comprehensive view of the not-for-profit sector and that role that the sector plays in health care in Ontario. I do want you to know that we feel strongly as New Democrats that building on the not-for-profit agencies' success that are already in the province of Ontario is the way to go.

I just wanted to give you a chance, though, on your last point, around the loophole around for-profit agencies and not-for-profits: Could you just expand on that, please, and explain why it's problematic?

Mr. Patrick Boily: Yes. One of the reasons it's problematic is that the change allows for the legal ability for LHINs to contract out community support services to for-profit organizations. This was done as a result of the absorbing of the CCACs. So, there, in the past you would have to fund through MSAAs, now there's the ability to contract out.

We think that, in addition to being able to leverage the volunteer component in the community support services, there's an issue of community governance, community ownership and building the grassroots for home care and community support services. But, also, a lot of studies have shown the higher quality of care and impact of not-for-profit delivery in this space. So that's why we think it's really important that this be protected, as a lot of these organizations really are grassroots, community-driven organizations and do add a lot of value to the health system in general.

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Ms. Catherine Fife: LHINs currently do contract out to for-profit corporations who deliver care.

Mr. Patrick Boily: Yes. Home care.

Ms. Catherine Fife: You've had the opportunity to reflect on the quality of that care through a number of years.

I know that as an MPP in this riding I can tell you that having 79 PSWs go through one's home over a two-year period to support an Alzheimer's patient is not quality care. This is a huge issue.

It's also an issue of where the money is going. Are you making the case to leverage the not-for-profit sector so that more money goes into front-line care?

Mr. Patrick Boily: Yes.

Ms. Catherine Fife: We are 100% in support of that idea.

Also, I just want to comment: You talk about client fees. Most of us will have toured with Meals on Wheels. We've gone to deliver, just to see what's happening in our own ridings. Quite honestly, the isolation and loneliness of some of the people in our community are very heartbreaking.

You reference—I think it's on the third or fourth page—the impact that a budget freeze has on the cost, because it's all downloaded to the client. Can you speak to accessibility of those services based on those fees, please?

Mr. Patrick Boily: Yes, for sure. What has happened is—as I mentioned earlier—with the lack of base operational funding increases, that there is money for increased services and more volume, not necessarily to make up for the fact that it costs more to deliver those services.

This year, in talking to our members, we've seen that they've had to increase either fees or fundraising. We've seen that not only have fees increased but the proportions of organizations' budgets being fundraised have increased as well over the past few years. We've seen—we have the number here—that 44% of our members say that within the last year, someone has stopped or declined service due to an increase in fees.

Ms. Catherine Fife: It affects people's lives in a very real way; right? Eating and not eating: That's how I would put it.

The personal support worker crisis that's happening in this riding and across the province—LHINs are struggling with it because they have become so dependent—

The Chair (Ms. Ann Hoggarth): One minute.

Ms. Catherine Fife: —but they have stretched those personal support workers as far as they possibly can, sometimes not even paying for transportation—low wages and not honouring the calling of being a personal support worker. What do you think needs to happen in order for us to retain these valuable people in our health care system?

Mr. Patrick Boily: A lot of things. When I talked about decreasing precarious work but increasing decent work, the flip side of it is to ensure that there are more full-time hours and that there are jobs with pensions, that there are jobs with full benefits and there really is the opportunity to grow and see it as a career and be valued.

Right now, because of the funding model, regardless of the funding level, it really encourages piecemeal work. There's a lot of demand that's at sunset and sunrise, so there is a need for split shifts, and the way that the funding model works—it's working around those. If we can find different funding models that encourage full-time work, such as more clustered care, more services that are available—people do want to wake up early in the morning and have their shower there. There are certain things that are related to the nature of the work, but then there is also a lot with the health system that can be done.

The Chair (Ms. Ann Hoggarth): Thank you for your presentation. If you would like to submit another written submission, it needs to be to the Clerk by 5 o'clock on Friday, January 19.

Mr. Patrick Boily: Thank you.

ALZHEIMER SOCIETY OF ONTARIO

The Chair (Ms. Ann Hoggarth): Our next presenter will be the Alzheimer Society of Ontario.

Once you get settled, if you could identify yourself for the purposes of Hansard, you may begin your presentation.

Ms. Kasia Czarski: We are from the Alzheimer Society of Ontario.

The Chair (Ms. Ann Hoggarth): You have to identify your names, please.

Ms. Kasia Czarski: I'm going to introduce myself as part of my speech.

The Chair (Ms. Ann Hoggarth): Could you move the mike so it's closer to you? That's better.

Ms. Kasia Czarski: Thank you.

I'm Kasia Czarski. I'm the interim CEO of the Alzheimer Society.

Ms. Phyllis Fehr: I'm Phyllis Fehr. I'm a person with lived experience living with Alzheimer's disease.

Ms. Lisa Salapatek: And Lisa Salapatek, chief program and public policy officer.

Ms. Kasia Czarski: Last year, we spoke with you—we're happy to be back here again—and we spoke on the need for a fully funded dementia strategy. The call for action was backed by over 8,000 letters that were sent by concerned Ontarians to MPPs across the province. In the 2017 budget, we saw that this need was met with a commitment of $101 million over three years. The Alzheimer Society would like to take this opportunity to acknowledge the work of this committee in helping to make this happen.

But I think as we all know, we still face a harsh reality. Dementia prevalence is rising, and in just two short years the number of people living with dementia will reach over a quarter of a million in our province. Health care budgets are strained and long-term care is costly. Action is needed to ensure that people living with dementia and their care are well supported. They need to live at home in their community, which we know is their choice, for as long as possible.

Ms. Phyllis Fehr: It is a welcome opportunity to be here today. I would first like to thank you for your efforts in making the dementia strategy a reality. This gives me hope that I will be able to live well with early-onset Alzheimer's.

I first started to see symptoms in my late forties. Being a registered nurse, I had a good idea of what those symptoms might be. I knew that getting an early diagnosis and intervention was key, but getting a formal diagnosis was a long and challenging process. It did not happen until I was 53 years old. At that point, the physician no longer spoke to me, but instead spoke to my husband. We weren't given any advice or a referral to any supports or services. We were not offered any hope. We were told simply to go home and get our affairs in order. It was like I was being kicked in the stomach.

By the time I received a diagnosis, I was in a fog. I was having difficulty finding words and multi-tasking, and began to withdraw from social activities. But I was one of the lucky ones. Medications helped get me out of the fog, and I was able to return somewhat to my former life. Yet a lot has changed for me, not only in my life, but in my family's life. Just as I was prescribed a new identity when I received my diagnosis, so too was my husband, who in that moment became not only a husband, father and grandfather, but now a care partner too. Over time, he has taken on more and more household tasks that I can no longer manage. He has made my care and well-being a priority, even when struggling with his own health issues.

This is what being a care partner is. It's sacrifice. It's changed relationships. It's a new job that you were never trained or prepared to do. My husband is my greatest supporter, but he, as a care partner, needs support too.

When I received my diagnosis, I had two very strong emotions, the first being relief, because I had started questioning if I was imagining things or if I was having mental health issues. The second was, what now? After watching my grandmother and my mother and all my aunts have dementia, and not knowing where I could turn for support, I thought my life was over. It took a year before I finally said that I was not taking this sitting down. That's when I became involved with the Alzheimer Society. They brought hope, but this hope should have come sooner.

First Link is an Alzheimer Society program that works to connect people early, ideally at the point of diagnosis, to their local society. Once registered, people living with dementia and care partners are connected to supporters, education, and community services they need. Without support from the Alzheimer Society, I don't know where I or my family would be.

Getting a diagnosis of dementia is hard. Without support, it's harder. When people receive the support they need, are connected to the services and are provided with education about their diagnosis and what to expect, they do better. Like me, they can live full, active, healthy lives and remain independent longer.

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My cause is helping people with dementia to live well. As an advocate, I have helped build the Ontario dementia strategy—a strategy that has the ability to change life for people living with dementia.

Almost every Ontarian has been touched by dementia, maybe even some of you in this room today. We all want and deserve to live well and, with your support, we can.

Ms. Kasia Czarski: Thank you, Phyllis.

The needs related to dementia can seem overwhelming, but Ontario's $101-million commitment is really a great step forward. The dementia strategy and the investments that you've made are already making a difference, and we'd like to talk about that a little.

The new First Link care navigators have been hired in nine local Alzheimer societies this year to help individuals and families access the support they need when they need it. We're now planning for expansion in 2018 to more communities, beginning in April. We've seen a commitment of $37.5 million over three years to enhance adult day programs. This is expected to offer service to up to 8,000 more people living with dementia. But without continued investment and commitment to this investment, it will not be delivered.

There are two key priorities that we wish to affirm will have the greatest impact and are critical for inclusion in the 2018 budget. The first is greater access to high-quality day programs that offer choice and are flexible and responsive to the unique needs of the care partner and the person living with dementia. The second is continued investment in First Link and primary care provider training and education to ensure every Ontarian suspected of having a dementia has access to the accurate and timely diagnosis and early connection to the supports they need.

Adult day programs are a critical support. They provide social recreation and meaningful engagement for the person who lives with dementia. At the same time, they give a care partner the respite they need in order to take care of their own health and other things in their household or possibly job-related tasks. In this way, the adult day program is really fantastic because it's a two-for-one value for every dollar that we spend.

Today, many families do not have access to the day programs they need. Two-thirds of our local societies report a very high need in their area. Capacity and wait times of up to six months or more are part of the issue, but there are other barriers; sometimes those include transportation and a lack of flexible hours in the day programs.

In year 2 of the dementia strategy, we look forward to seeing the next stage of the $37.5-million commitment to dementia day programs. In addition, we are proposing an investment of $2.5 million over three years to fund the very exciting and innovative partnership model for day program delivery.

Currently, the Alzheimer Society of York Region is working to establish a new centre of excellence for dementia care. Anchored by a new day program, this centre will also establish best practices in dementia care training, study and research.

The Chair (Ms. Ann Hoggarth): One minute.

Ms. Kasia Czarski: Some $3.3 million in funding has already been committed by York University and a family foundation if a matching investment of $2.5 million to fund the centre's day program can be secured. We're asking the government to fill this.

Our second commitment is for continued funding of the Alzheimer First Link program. Phyllis has already told us how important that is in navigating the system. The program has gained success and has been recognized as a proactive approach to connecting people living with dementia and their families to what they need.

Every Ontarian diagnosed with dementia should have access to First Link. To expand the program and achieve equitable service across the province, we do need First Link funding to be reaffirmed, not only in this year's budget, but into the future. This will require an investment of $7.6 million over the next two years and $5 million annually thereafter.

A formal referral from primary care physicians is one of the most important ways that people get introduced to First Link. Providers must be confident and competent in recognizing signs of dementia, making a diagnosis—

The Chair (Ms. Ann Hoggarth): Thank you. We'll go to the government for this round: MPP Martins.

Mrs. Cristina Martins: Thank you, Chair. I don't know how much more you want to take, but if you wanted to finish—

Ms. Kasia Czarski: I was very close to ending and thanking you for having us here, so that's fine. Thank you.

Mrs. Cristina Martins: Thank you for being here and thank you so very much to Phyllis for sharing her story with us. As wonderful as it is to hear from so many stakeholders during this week—I think we will have listened to about 100 different stakeholders when the week is all over—it's very impactful when we're hearing from those individuals who are either diagnosed with a certain disease or have used the services directly themselves and how impactful that is, so I wanted to thank Phyllis for being so candid and for sharing her story.

I wanted to start off by thanking, as well, the Alzheimer Society of Ontario and the role that they have really played in helping us shape and put together the dementia strategy. It's really been through your vision and your collaboration with our Ministry of Health and Long-Term Care that we've been able to implement and put into place the dementia strategy that we have.

You referred to the First Link referral program. Once that is fully implemented across the province, there will be approximately 46 new First Link care coordinators to help more than 14,000 people living with dementia access community programs and services. Can you expand on that a little bit? Can you tell us how this increased service will impact Ontarians living with dementia?

Ms. Lisa Salapatek: Absolutely. The First Link program and the new investment into the new navigator positions is really going to enable us to address one of the key issues that we heard from families throughout our consultation process, as did the ministry and the government in the process of building the dementia strategy, and that was, really, that it's a very complex condition. It's very difficult to navigate the system to know what supports are out there, especially right at the point of diagnosis. The real goal of these navigator positions is to be well connected in with the health community, to have referrals come into the local Alzheimer societies and for First Link navigators very early on—before the family reaches a crisis—to be able to help them to connect to all of the supports and services, not just for the person living with dementia but for their care partner as well, and to make that a much less stressful process for them, to help ensure those supports are in place that can help enable the person living with dementia to live longer at home in the community.

Mrs. Cristina Martins: I think that's what most people aspire to, or would want as well, is to actually continue to remain active in the community and be at home for as long as they can.

I think my colleague Mr. Rinaldi also has a question so I'll pass it on to him once the Chair has acknowledged him.

The Chair (Ms. Ann Hoggarth): MPP Rinaldi.

Mr. Lou Rinaldi: Thank you. Our Chair runs it really strict, as you can tell. Thank you for being here, and, again, not to repeat what Cristina said, but thank you for what you do every day. You know, sometimes from the outside looking in, it's very easy to say, when we meet people like Phyllis, "I know how you feel." That's not true. It's not true. But I can relate a little bit to that. I have a mother who is 91 years old with dementia, and within about two years—I think age probably has something to do with it, whether we would like to agree with it or not. But I just want to look at it from the perspective of what it does to the family. I only have one other sibling, a sister. She's much closer geography-wise to my mother. Even though my mother is in a home, we try to see her as much as we can, although I don't think she knows who are; maybe she does.

So referring back to the First Link—because sometimes I wonder if my mother could have been diagnosed earlier; we don't know and we're not pointing fingers. How many people, would you say, or how many families, has First Link up to now reached out to? Do we have any sense of what kind of impact it has had at its preliminary stages?

Ms. Lisa Salapatek: Overall, because our First Link program has been operating in our local Alzheimer societies for a number of years now and we are now in a position where we're—I'm just thinking of our last year's referrals. We're looking at about 20,000 referrals a year—

The Chair (Ms. Ann Hoggarth): Thank you for your presentation. If you have any further written submission, it needs to be to the Clerk of the Committee by 5 p.m. on Friday, January 19.

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COLOUR OF POVERTY–COLOUR OF CHANGE

The Chair (Ms. Ann Hoggarth): Our next presenter: Colour of Poverty–Colour of Change. Good afternoon, sir. If you could please identify yourself for the purposes of Hansard, you may begin your presentation.

Mr. Michael Kerr: Certainly. I'm Michael Kerr. I work as a coordinator of Colour of Poverty–Colour of Change. We would first like to thank the committee for the opportunity to contribute to the pre-budget conversation moving towards the 2018-19 budget.

Colour of Poverty–Colour of Change is a province-wide network of organizations, groups and individuals that works for racial equity, human dignity and social justice by helping to build community-based capacity to address systemic racism, the growing racialization of poverty and the resulting increased levels of social exclusion and marginalization of racialized communities, both First Peoples and peoples of colour across Ontario.

As is well documented, the gap between rich and poor in Ontario is widening generally, but what is much less well understood is that the impact of this growing gulf is being much more profoundly felt by racialized group members—again, both First Peoples and peoples of colour. The increasing racialization of all of the major social, health and economic indicators can be gleaned not only from the statistics on income and wealth but also on any one of a number of different measures, such as the increasing rate of incidents and ethno-racial differentials with respect to targeted policing, inequalities with respect to health status, learning outcomes and even the re-emergence of racialized residential enclaves. But all of these are products of the growing social and economic exclusion of racialized groups from the so-called mainstream of society.

On that first page, you'll note the current membership of the steering committee, which I won't take time to read out. Among other relevant moments, 2018 is in fact the 25th-anniversary year of the provincial employment equity legislation in Ontario. It's also the 10-year anniversary of the Poverty Reduction Strategy.

With little having changed, going back to 2006—that's where the yellow-coloured handout that is part of our submissions is instructive—Canadian workers of colour earned 81.4 cents for every dollar paid to their Caucasian counterparts. Earnings by male newcomers of colour were just 68.7 cents. Visible minority women were at 56.5 cents of every dollar earned by a white male, while minority men in that same cohort of newcomers made 75.6 cents.

As has been revealed then and in subsequent studies, discrimination in the workplace persists, as job applicants in these studies have shown that individuals with English-sounding names have a greater chance of getting interviewed for job openings than persons with Chinese-, Pakistani- or Indian-sounding names, as examples.

I have noted some of the earlier research for your reference as you consider our proposals: things such as how the United Way of Toronto, in their seminal Poverty by Postal Code study, found that in the years 1980 to 2000, while poverty rates for people of white European or Caucasian background or heritage actually fell by 28%, the poverty rate among racialized groups increased by 361%, which is indicative of the different trajectories of those two groups and communities. We note a few other studies that came to the same findings.

The other anniversary of 2008 is the anniversary of the Review of the Roots of Youth Violence, the study done by Alvin Curling and Roy McMurtry and brought forward in November 2008. One of the most poignant quotes from that study is, "Racism is becoming a more serious and entrenched problem than it was in the past because Ontario is not dealing with it."

With that in mind, we recommend the following actions that could be well provided for and embedded in the 2018-19 budget:

(1) Actually naming, identifying and noting the fact that peoples of colour are among the most seriously and disproportionately disadvantaged groups in Ontario and in fact have to be named within the Ontario Poverty Reduction Strategy. As of this moment, even though it's found in the Poverty Reduction Act, in the strategy they go missing. That has been true for the past 10 years, much to our disappointment and very serious concern.

(2) The use of community benefits agreements much more actively and strategically that can be attached to all public investments, whether they be transportation-related, whether they be health-related, whether they be infrastructures of all sorts. There's rich and fertile opportunity to provide for the poverty as experienced by the listed groups that we have here to create employment opportunities through community benefit agreement provisions attached to all of those investments and financial transfers.

(3) Additional and steady resourcing of the Anti-Racism Directorate, which is a critical tool but is under-capacity in terms of being able to deliver on the needed outcomes in terms of what the directorate has been set up and mandated to do.

(4) The establishment of a sister and complementary equity-in-employment secretariat which is fully mandated and resourced to create a level playing field in the labour market of Ontario. We have the federal legislation, and of course that's been in place for now 32 years and has done terrific work for the 12% to 13% of the labour market of Ontario that is actually covered by that legislation, but the other 87% or 88% of the Ontario labour market has no such obligations. That's why it's so critical that a sister or counterpart legislative framework be instituted in Ontario.

(5) The establishment of an equity-in-education dedicated or sweatered grant to be part of the funding formula for elementary and secondary school education in the province, because although the provincial government introduced and brought forward Ontario's equity and inclusive education strategy, there is no dedicated funding attached to that strategy so that boards of education around the province could in fact deliver on its promise.

(6) The full implementation of Bill 148: We certainly were very much a part of and very much welcomed Bill 148, although there were certain elements missing, one of which we note is the bringing back of what used to exist, the Ontario employee wage protection program, because, as noted in our submissions, where the Ministry of Labour has determined that there are unpaid wages, 60% of those wages are never collected. Despite these chronic and widespread violations of the Employment Standards Act, only 0.18% of offending employers are subject to prosecution. That is why it's so critical that the wage protection program be brought back into effect, so it allows workers who are cheated out of their wages to get the relief that they need while the province goes after the employers.

(7) The establishment of a provincial court challenges program, a sister entity to the recently re-established federal court challenges program, to provide modest funding to equity-seeking groups in the province of Ontario, noting the changing demographics, as highlighted on the pink sheet, where we recognize that one third of the province of Ontario are now racialized, 29% of the province are peoples of colour and 2.8% of the province are First Peoples. Of course, that demographic continues to grow rapidly.

(8) Lastly, in the area of settlement services—

The Chair (Ms. Ann Hoggarth): One minute.

Mr. Michael Kerr: —we need to ensure the critical role of the provincial investments in settlement service programs and supports, because they cover gaps left uncovered by the federal sister funding programs that address refugee claimants, migrant workers who are out of status, and naturalized citizens who are still dealing with settlement barriers. We need to have longer-term and committed funding to allow organizations and agencies to better plan their services and programs longer-term.

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With those eight elements, again, we'd like to thank the committee members for this opportunity. We look forward to working with members of the committee, the government and other actors to build forward towards the upcoming budget.

The Chair (Ms. Ann Hoggarth): Thank you, sir. We'll go to the official opposition: MPP Oosterhoff.

Mr. Sam Oosterhoff: Michael, I'd like to thank you for coming before the committee and for giving us the opportunity to hear about what your organization is also doing to—

The Chair (Ms. Ann Hoggarth): MPP, would you—

Mr. Sam Oosterhoff: My apologies. Did you hear me?

Mr. Michael Kerr: I did.

Mr. Sam Oosterhoff: Perfect. Is Hansard okay? We're good? All right; sorry about that. My apologies.

I wanted to thank you for the work that Colour of Poverty–Colour of Change is doing for racial equity, human dignity and social justice. You brought up some very important subjects, big subjects, that we could spend a lot of time discussing and talking about. Obviously, implicit and institutional racism still does exist, and we have to work, all of us in our communities, to help make sure that we're reducing those barriers for our marginalized communities and persons of colour.

I wondered if you could speak about something that I'm very passionate about, which is mental health. I didn't really notice much mention of it here, but you may know Kwasi Kafele from CAMH, who has done work on racialized access to mental health and some of the challenges that those from those communities face when accessing mental health. Would you be willing to speak a little bit about the state of mental health in Ontario and expand on that a little bit, about what needs to be done or what some of the progress is that has been made, for the benefit of the committee?

Mr. Michael Kerr: Certainly. Nene Kwasi Kafele is no longer with CAMH. Kwame McKenzie, with CAMH and many other players, are active members of the network of Colour of Poverty–Colour of Change and have been contributing significantly to the building of shared appreciation and understanding of race, racism and racialization as being a key determinant of health equity and of mental health equity most particularly.

Over time, the cumulative effect of those microaggressions, the stresses, the mental health consequences of having to deal with racism day in and day out, also translates into physical consequences in terms of health and well-being. A lot of our work in that area is trying to draw attention to that fact: that the social determinants or the structural determinants of health equity, mental health and mental health equity are very much linked to historical disadvantage and systemic inequality—and, in the frame that we bring in to the conversation, systemic racism and all of the different dimensions of racism, whether it be unconscious bias, implicit bias, all the way through to overt individualized racist acts and behaviour.

All of that translates into profound and ever-better-documented—although too little of it is being done in Canada, more and more is starting to be done to actually trace out and connect those dots, to seeing how and where that translates into inequitable health outcomes. That's where the data collection piece becomes so very critical. That's why the Anti-Racism Directorate is focusing so much of its current work on building capacity across the provincial government to collect data on a disaggregated basis: to allow all ministries, most particularly the Ministry of Health—one of our concerns is that the Ministry of Health is actually trying to push back and is not taking full ownership of that agenda in the way that it should. We're working with other partners to try to bring pressure to bear externally.

The Chair (Ms. Ann Hoggarth): One minute.

Mr. Michael Kerr: Because health is such a critical player—together with the Ministries of Education, of the Attorney General and of corrections—some of the most critical pieces of the provincial government—it's critical that they be brought fully into that framework and be fully participant in the data collection, which then downstream allows us to make visible those inequities, health and otherwise driven and related. As we make them visible, then that provides the opportunity and space to address them more effectively.

Mr. Sam Oosterhoff: Excellent. How much time?

The Chair (Ms. Ann Hoggarth): Half a minute.

Mr. Sam Oosterhoff: Very briefly, would you be able to touch on an issue that is affecting my community as well, which is the opioid crisis and whether or not that is having a disproportionate impact on racialized communities?

Mr. Michael Kerr: I don't have any statistical points of reference, just anecdotal, but as we come to recognize, and, certainly, we very much recognize—when you look at the younger-age component of street-involved children and youth, there's very much an intersection there.

The Chair (Ms. Ann Hoggarth): Thank you, sir.

If you have a further written submission, it needs to be to the Clerk by 5 p.m. on Friday, January 19.

Mr. Michael Kerr: Do I send that electronically?

The Chair (Ms. Ann Hoggarth): We have this one already, so it's just if you needed a further one.

Mr. Michael Kerr: Thank you very much.

FIRSTONTARIO CREDIT UNION

The Chair (Ms. Ann Hoggarth): Our next presenter is FirstOntario Credit Union.

Good afternoon, sir.

Mr. Kelly Harris: Good afternoon.

The Chair (Ms. Ann Hoggarth): When you get yourself settled, if you could identify yourself for the purpose of Hansard, you may begin your presentation.

Mr. Kelly Harris: Sure. It's Kelly Harris. I'm vice-president of corporate and public affairs with FirstOntario Credit Union, and with me is—

Ms. Kate Neff: I'm Kate Neff, a vice-president of corporate communications and community and government relations for Your Neighbourhood Credit Union, with our corporate office here in Kitchener.

The Chair (Ms. Ann Hoggarth): Go ahead.

Mr. Kelly Harris: All right. Thank you.

Thank you to the members of the committee and staff for inviting FirstOntario Credit Union to speak to you here today. I would like to start by saying happy new year—a year that will no doubt be eventful for all of the people at this table.

My name is Kelly Harris. I am vice-president of corporate and public affairs at FirstOntario Credit Union. I also serve as a board member of the Canadian Credit

Union Association, but it is in my capacity with FirstOntario that I speak to you today.

In the spirit of co-operation—what credit unions are all about—I have invited my colleague Kate Neff to join me. She is vice-president of communications, community and government relations with Your Neighbourhood Credit Union here in Kitchener. She will be helping me answer your questions from a local perspective.

To start, I would like to speak to you about the credit union I represent. FirstOntario's roots are steel. Born from the credit unions representing Hamilton steelworkers and St. Catharines auto workers, we now cover the Golden Horseshoe, Niagara region and southwestern Ontario, and we are growing.

Through the leadership of our CEO, Kelly McGiffin, and our president, James Olson, FirstOntario has grown from a struggling institution nine years ago to one of the fastest-growing large credit unions in Canada, with more than $4 billion in assets under administration and set to eclipse $5 billion this year.

A big part of that growth is the direction of our senior leadership and the hard work of staff at every level. That hard work is all about people working together, so it makes sense that today I would like to speak to you about co-operation.

There is a buzzword, a phrase we so commonly hear, whether it is from business commentators or TED Talks or even commercial pitches, and that phrase is "disruptors." At the forefront of disruptors, when it comes to business, is the sharing economy.

Well, you may not realize it, but the original sharing economy was and is co-operatives, and, in the case of FirstOntario, credit unions.

How are we disruptors? Credit unions in Canada were created by Alphonse Desjardins back in 1908 to disrupt cheque-cashing groups targeting federal workers. In the 1960s, credit unions disrupted gender inequality by being the first financial institutions in Canada to lend to women in their own name.

Over the past few decades, we disrupted how people can access their money by being the first with debit cards, cheque cashing by phone and letting you have your own money—I know this seems strange—without having to pay a fee for it, with no-fee chequing accounts, like those offered at FirstOntario and other credit unions around Canada.

Today, FirstOntario has been a disruptor in a different area, and that's affordable housing. More than 235,000 people in Canada face homelessness each year. In the Niagara region there are 5,500 families—11,000 people, including children—on the affordable housing wait-list.

In November, FirstOntario broke ground on a new affordable housing project in St. Catharines. Aimed at creating spaces for more than 100 Niagara region families, it is the first of several developments we have planned to respond to a real community need.

Affordable housing is not only building new facilities; it is also providing competition for mortgage loans for those in the market to buy homes. FirstOntario and indeed credit unions across our province and throughout Canada provide the only real, credible alternative to banks. Whether it is community investments—like the Church Street project in St. Catharines—or giving new moms and dads their first mortgage, the key is credit unions having the capital needed to make those investments.

According to Ipsos banking surveys that see credit unions come out on top year over year, credit unions consistently perform as the top in customer service of all financial institutions in Canada. The same can be said for lending to business as credit unions—the preferred lenders to small business in Canada. They consistently win the Canadian Federation of Independent Business Battle of the Banks survey.

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We know that when credit unions are given the chance to compete, we succeed, but there are barriers to that competition. I could give you several examples of how credit unions do not have a level playing field when it comes to competing in the financial services sector to get you on my side, but the important thing is that I don't have to because you already agree with me.

In February 2016, at the FirstOntario Business Centre in Hamilton, Minister of Finance Charles Sousa accepted a report by then-parliamentary assistant Laura Albanese that included the desire to open up the municipalities, universities, schools and hospitals sector—the MUSH sector—access to credit unions. All three parties have expressed support for the work Ms. Albanese did in producing a credit union report also supported by credit unions.

The Ontario government has already made some important changes as a result of the report. These include increasing deposit insurance to $250,000 per member number—the North American average; also to create a level playing field with western Canadian credit unions by allowing credit unions to own insurance brokerages. Additional changes are now being contemplated to open up the MUSH sector for credit unions.

Presently the government of Ontario's Ministry of Finance is engaged in a rewrite of the Credit Unions and Caisses Populaires Act, 1994. I note the date of the act because a few things have happened since then: the financial crash of 2008 and the changes to, among other things, mortgage financing; 9/11 and the greater focus on anti-money-laundering rules and additional regulatory burdens; and, of course, the Internet. The idea of Internet banking would have been science fiction back then. Now I can move my money and pay my bills and cash cheques with my phone or my iPhone. Another change is historically low interest rates that have compressed the margins financial institutions face today. As such, FirstOntario has sought new ways to grow our credit union to be able to raise revenues needed for community investments, central to what a credit union does.

Essential to my presentation is continued modernization of the Credit Unions and Caisses Populaires Act, regardless of what happens on June 7. Work with credit unions to allow greater access to financial tools, instruments and investments; for example, access to MUSH sector deposits without the need for bond ratings; and break down barriers that prevent credit unions like FirstOntario from being able to truly compete and provide that real alternative to banks. We're not asking you to give us the business. Credit unions will earn the business. We just want to be able to compete for it.

This will help us compete. Anyone who has heard me speak to this committee in the past has heard me say this. Here's what it will cost you: nothing; not a dollar, not a dime; only the commitment needed to truly level the playing field for financial institutions in Ontario. All it will cost is co-operation and the Ontario government being part of our sharing economy, one that sees communities we live and work in share the benefits created through the success of credit unions truly able to complete.

Thank you. I'll be filing my submission once I've had the opportunity to answer your questions.

The Chair (Ms. Ann Hoggarth): Thank you. We go to the third party: MPP Fife.

Ms. Catherine Fife: Thank you both for coming in and making, as always, a compelling case to support credit unions across the province. It follows on the Co-operative Housing Federation of Canada from this morning, which cited the importance of credit unions in moving forward in a responsible way, in a community-oriented way towards co-operative housing. They cited credit unions specifically as a partner that they would like to see go forward because we obviously have an affordable housing crisis in the province of Ontario.

The issue of the MUSH sector and the government not opening up MUSH sector deposits to credit unions—this is something we're going to have to solve. In order to solve it, though, you need to fully understand what's stopping it. I want to hear from both of you, please—Kate, specifically you as well—as to what impact that would have for credit unions in our communities.

Mr. Kelly Harris: I'd just like to start by saying that the government is making strides towards opening up the MUSH sector to deposits, but more needs to be done. We're working with them; we're happy to work with them.

The big barrier is that we don't invest in the foreign markets; therefore, we don't have bond ratings. Most municipalities in Ontario require an institution to have a bond rating in order for them to put their deposits in with us, and even with the changes the government is anticipating, we're still going to be facing city managers and municipal managers wanting a bond rating. We don't have one. We actually have to buy a bond rating from our trade association, our central, as it was. That ends up costing us more and more money, and money is already expensive enough for deposits.

Ms. Catherine Fife: Given the collapse of Carillion and public-private partnerships, and the risk that is associated with bond rating and borrowing money and public-private partnerships, I think the role for credit unions in the province of Ontario is going to be changed. Kate, I just want to hear locally from you, please.

Ms. Kate Neff: Most recently, I had the pleasure of speaking with the CAO of the city of Kitchener. During our meeting, he was very forthright, and I appreciated his honesty. What I have learned is that the Municipal Act for some people, they believe, is unclear. The Municipal Act does not state explicitly whether this is or is not allowed, and depending on the municipality and their appetite for risk, they either interpret it as, "This is a no-go," or, "Yes, we can go." For those municipalities that interpret it conservatively, they're very polite, but they will not deal with us. The tragedy there is that local dollars are going to the big banks. All due respect to the big banks, but local dollars ideally would be—

Ms. Catherine Fife: The big banks are doing okay.

Ms. Kate Neff: They're doing okay, yes.

Ms. Catherine Fife: We don't have to feel too badly for the big banks.

Ms. Kate Neff: It would be great if local, community-based, member-owned financial institutions also had that opportunity.

Ms. Catherine Fife: I agree with you.

You think that this would level the playing field, which is what you've been calling for for years, in some regards.

Mr. Kelly Harris: In western Canada, they don't have this issue. They have unlimited deposit insurance for all deposits in western Canada. We've never advocated for unlimited deposit insurance as long as I've been here, for six years, but in certain areas perhaps there can be movement towards that, specifically government deposits into a government-regulated institution. In the case right now, money that goes into another institution—they get a bond rating on the strength of the institution—

The Chair (Ms. Ann Hoggarth): One minute.

Mr. Kelly Harris: —but they don't pay for the strength of the deposits, to insure the deposits. In this case, they would be paying to insure the deposits.

Ms. Catherine Fife: Then very quickly, as the government just went through a comprehensive review of credit unions with MPP Albanese, and because the lack of clarity for municipalities was left in the Municipal Act as to whether or not they can engage with credit unions, is this something that the credit unions are still pushing forward? I mean, clarity is needed, and it should have happened during that review. Were you surprised that they didn't delve into this part of the Municipal Act?

Mr. Kelly Harris: They are, right? They are at the moment—

Ms. Catherine Fife: They finished. They've finished the review and they didn't create the clarity. But you're hopeful in a go-forward position that they may create clarity?

Mr. Kelly Harris: We are working with the government on certain areas, but what it doesn't do is take away the need for a bond rating, which is the barrier that we face. It still comes down to the choice in the municipality on whether or not they want to deal with someone without a bond rating.

Ms. Catherine Fife: Okay. Thank you.

The Chair (Ms. Ann Hoggarth): Thank you. If you have a further written submission, it needs to be to the Clerk by 5 o'clock on Friday, January 19.

Mr. Kelly Harris: Thank you, Chair.

INTERFAITH SOCIAL ASSISTANCE REFORM COALITION

The Chair (Ms. Ann Hoggarth): I now call on the Interfaith Social Assistance Reform Coalition. Good afternoon, gentlemen. Once you get settled, if you could please identify yourselves for the purpose of Hansard. You may begin your presentation.

Rev. Dr. Brice Balmer: My name is Brice Balmer, and with me are Michael Hackbusch and Greg deGroot-Maggetti from ISARC.

Since 1987, ISARC, or the Interfaith Social Assistance Reform Coalition, has worked with the provincial government, with low-income people and with faith communities to reduce poverty and reform the social assistance system. When members of the Ontario social reform committee asked us to form a coalition of faith groups to advocate for the recommendations in their extensive document—this is really a bridge copy—we formed ISARC, and have worked with the government on issues involving children, adults, disability, housing and, for a short time, new Canadians.

We have published four social audits, which I have here with me, where we went to Ontario communities and asked local politicians, low-income people, social service and health care providers, and faith communities who provide many services, "How has your life changed in the past five years?" In Persistent Poverty, which is our latest book, we went to 26 communities and had over 3,000 people testify.

We are strong advocates for the Ontario Poverty Reduction Strategy, which was passed unanimously by all parties, and we now want to advocate for the implementation of Income Security: A Roadmap for Change, which we feel moves Ontario into the 21st century, where the nature of work and poverty has changed radically. Too many important studies and policies are placed in libraries and on shelves instead of being implemented. We ask all parties to come together to move this strategy into practice for recipients, for social services staff and for all the residents of Ontario.

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In this budget, we recommend a number of things that are in the document that was passed out to you. One is the immediate setting of a flat standard of $794 per month for Ontario Works, which is a 10% increase, and $1,209 per month for the Ontario Disability Support Program. We have a number of other recommendations that we would make to implement this as soon as possible.

Three years ago, I supervised a student who was counselling tenants in a supportive, rent-geared-to-income apartment complex for men and women who had been homeless for a number of years and struggled with addiction and/or other mental health issues. Many of these men and women no longer knew how to live in an apartment or to take care of themselves and had very serious issues with mental health and addictions. More than one tenant lived on the street three or four days a month because it felt more comfortable on the street than in their housing. One tenant also called 911 150 times in the year before he moved into this housing complex.

This was a significant change since I began working in addiction services in 1984, when we had very little homelessness in the Waterloo region and in Ontario. Adults living without children are currently suffering the most in terms of the poverty and the programs we currently have.

The road map is needed for Ontario to create healthier communities to decrease the costs of criminal justice—80% of addiction services go to criminal justice, in case you're interested—health care, other social services and emergency services. We urge you to fully implement, as soon as possible, this road map so that the people of Ontario can have a healthier life.

Rev. Michael Hackbusch: As faith leaders, we know that throughout the province of Ontario there is a shortage of affordable and rent-geared-to-income social housing. The cost of electricity, along with the increasing cost of rental housing, have further exacerbated the housing crisis that exists for many Ontarians and their families.

Many of our faith communities also serve people who are experiencing homelessness and who are vulnerable. Our sacred texts motivate us to be passionate, prophetic voices about loving and serving our neighbours, ensuring that they have decent homes to raise their families.

Study after study has demonstrated that people with secure and safe housing are healthier, more ready for employment and able to contribute as participants in their community. Look up "social determinants of health" and www.thecanadianfacts.org.

In 2017, according to the Ontario Non-Profit Housing Association, the province required $1.3 billion to address the shortfall of new housing projects for the marginalized and poor. We agree. This investment should be made immediately.

One of the challenges that hinder the creation of new and affordable housing developments is scarcity of land. We know that the federal government has designated portions of crown land toward housing, and we believe that, in consultation with local communities and municipalities, 50% of that space should be designated for rent-geared-to-income housing. We recommend to immediately fund the $1.3 billion for new construction of affordable housing and repair of existing social housing and a 50% designation of crown land for available housing designated, again, for rent-geared-to-income and low-cost.

We recognize that Ontario's housing crisis is too big to be fixed by construction and repair alone, and that there must be initiatives beyond the supply side that directly assist people with the housing costs they face right now. The Income Security: A Roadmap for Change report also acknowledges Ontario's housing crisis and the fact that a solution requires more than new construction. We agree with the report's recommendation that the province create a portable housing benefit for all low-income people, whether or not they receive social assistance.

Our recommendations, then:

—implementation of a portable housing benefit in 2019-20 at a modest gap coverage of 25%, with the gap defined as the difference between the actual cost of housing and the minimum contribution given the household income; and

—increasing the gap coverage to 35% in 2020-21 and continuing to increase gap coverage, reaching 75% by or before 2027-28.

We believe that these initiatives would go a long way to supporting and assisting people trying to provide a home for themselves and to care for their family members.

Mr. Greg deGroot-Maggetti: Let me say a few words about employment and justice.

ISARC believes that Bill 148, the Fair Workplaces, Better Jobs Act, is an important step in a necessary rebalancing of workers' rights, including the increase to the minimum wage to $14 an hour this year and the planned increase to $15 an hour in January 2019.

Aside from the ethical imperative to pay workers a decent wage, we know that there are benefits for the economy and also for generating public revenue to invest in needed public services. We would propose additional measures as next steps in achieving greater economic justice. One relates to communicating with employers and workers about their responsibilities and rights.

Given the extent of the enhancement of worker rights and employer responsibilities, as well as the importance of all parties in the workplace to understand fully the changes contained in Bill 148, it's crucial that the government conduct an extensive education program as soon as possible. The budget should provide the Ministry of Labour the resources to implement a comprehensive communication and education program so that employers understand their responsibilities and workers know their rights.

Effective enforcement of Bill 148 related to the Labour Relations Act and the Employment Standards Act requires the increase in ministry staff promised by the government. ISARC recommends that budget 2018 allocate funding to accelerate the hiring of the 175 employment standards officers that the government has said they would hire by 2021 and additional staff needed for the effective implementation of changes to the Labour Relations Act.

I was also pleased to see this morning in the Waterloo Region Record that the provincial government is planning to invest $24.3 million into the community and development services sector, saying that it recognizes that wage increases may affect their operating expenses. ISARC commends the government for that investment and recommends that budget 2018 include ongoing further funding so public sector and not-for-profit agencies funded by the provincial government can fully comply with the provisions of Bill 148 without undermining the quality and affordability of those services.

As the government prepares its budget, we urge it to be guided by the belief that a budget is not simply about the allocation of funding for programs and services but rather about the people and ensuring that everyone is included and that no one is excluded from being full participants in society. When we invest in people, we all benefit. Thank you.

The Chair (Ms. Ann Hoggarth): Thank you. This round of questioning is by the government: MPP Colle.

Mr. Mike Colle: Thank you for your very demanding presentation. I'm out of breath just listening to it. We're just trying to catch our breath after Bill 148. But I think you really put some good benchmarks in place and some very good challenges for government. There is a heck of a lot more to do.

Certainly, with A Roadmap for Change, as you know, we have started some pilot projects, because I know, in talking to Minister Jaczek, it is a very complex process, ensuring that the buy-in by the recipients is done properly and with proper respect in terms of their sharing of information etc. There is some care to be taken there as we go through this, but at least, again, we're making some significant steps with those pilot projects announced across the province.

You guys are saying that we've got to speed up with the housing mandate, income security, workers' rights, but we have business saying, "You're going too fast." We have the Conservative opposition saying, "Oh, this can wait. These changes can wait." Do you think we can wait before we get everybody to a point of having a secure income or a decent minimum wage? Can we wait? Can the people out there wait?

Mr. Greg deGroot-Maggetti: I would say it's both an ethical and economic imperative to as quickly as possible make sure that people get paid fairly for the work that they do. I don't agree that business is speaking with one voice against these changes; we know that there are hundreds of employers across the province that are going beyond the increases to minimum wage to be certified as living wage employers. There are more than 40 employers in Waterloo region already paying the Waterloo region's living wage rate, which is $16.10 an hour, to all of their workers, large and small, including Mennonite Central Committee, where I work, House of Friendship, where Michael works, and many private businesses.

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They all report the benefits that when people are paid fairly, they come to work ready to work. There is higher productivity and people have more money to spend. It benefits us all, in our local economies and in being able to invest in things like affordable housing. So I think for many of the employers who are reluctant to see these changes—and in other jurisdictions, like in California, where the minimum wage has been raised, some of those employers have found that with each increase in the minimum wage, their sales have increased because their customers are able to purchase more.

Rev. Dr. Brice Balmer: I think we also need to take a look at the whole issue of what happens to health care, what happens to criminal justice, and what happens to all the rest of the services that we provide. I happen to work in the area of addiction. Some 80% of all monies around addiction services go to criminal justice, and part of that is poverty. What causes addiction? Poverty. What causes addiction? Dysfunctional families. What if families don't have enough food to raise their kids?

So when we talk about the road map, we need to talk about what we want to see tomorrow, 10 years and 20 years from now. We have a major deficit that we're going to have to make up in terms of people who are much more mentally disturbed, people who are much more addicted, and people who don't even know how to live in a house or an apartment anymore because we've taken the housing and the social assistance away from them.

When are we really going to face up to the ethical and moral questions? We can do it, and I think the road map is a way—

The Chair (Ms. Ann Hoggarth): One minute.

Rev. Dr. Brice Balmer: Okay.

Mr. Mike Colle: I just want to say that I couldn't agree with you more, because we talk about mental health issues. Imagine—you well know, as you're on the front lines—the mental health and stress that occurs when some single mother is working three jobs, taking her child to child care, then getting paid 11 bucks an hour and trying to put food on the table and pay rent. What about the stress on her and the kids? At least it's going to help relieve some of that.

I just want to make one more point, which I certainly think is very important, and it's about the affordable housing benefit. I am a great believer in that approach, because the construction approach—as the member from Quinte West said the other day, some developer there was building new houses. A group of people from Toronto came to buy the houses—they were brought on a tour—and they bought about 10 houses. The next day, the builder increased the price of each house that was left $50,000 a shot because he heard people from Toronto were coming to buy the houses.

The Chair (Ms. Ann Hoggarth): Thank you very much for your presentation. If you have a further written submission—

Rev. Dr. Brice Balmer: You have received it.

The Chair (Ms. Ann Hoggarth): Okay. But if you have more, it can come to the Clerk by 5 o'clock on Friday, January 19. Thank you.

HOMELESSNESS AND HOUSING UMBRELLA GROUP

The Chair (Ms. Ann Hoggarth): Our next presenter will be Homelessness and Housing Umbrella Group. Good afternoon. When you get settled, if you could please identify yourself for the purpose of Hansard, and you may begin your presentation.

Ms. Lynn Macaulay: Thank you. I am Lynn Macaulay. I am the staff person with the Homelessness and Housing Umbrella Group, locally known as the HHUG. The HHUG is the network of agencies and people working to end homelessness and create affordable housing here in Waterloo region.

In preparing for today, I was thinking about past presentations I have done before committees like this one and at local MPP pre-budget consultations, and I was reflecting on how far we have all come on this issue.

Early in my career, a local MPP shared candidly that while he had an interest in my concerns, homelessness really was a black hole of funding. "Every year," he said, "you come to me and tell me about the need. We give more money, and the next year you come back and tell me the problem is worse." He was absolutely right. At that time, we had program models that were effective in engaging people who were chronically and persistently homeless. These programs focused on keeping people alive and as comfortable as they could be while they were experiencing homelessness. But we had very few options for supporting people to get into permanent housing.

Over the past number of years, a lot has changed. With the success of the At Home/Chez Soi project, we know that using a Housing First approach is wildly successful in supporting people to access housing. It had an 85% success rate with people who were previously thought to be "unhouseable."

We have a common assessment tool called SPDAT which helps to offer services on a priority basis, starting with those with the most complex issues. When services are allocated using a SPDAT-based approach, clients have an 89% success rate, rather than the 61% success rate using traditional assessment methods.

Locally, we have a by-name list so that we know, by name, each person who is persistently homeless and what their complex issues are. We have improved data collection tools so that we know how many people are getting housed every month and how many additional people we are adding to our wait-list each month.

We also know that we now have a case management tool that helps us to support people in their recovery from the experience of homelessness, and we know that most people, even with complex issues, do not need lifelong intensive support. They may need support, but not of the most intensive variety.

In the past few years, since the Ontario Poverty Reduction Strategy named ending chronic homelessness in Ontario by 2025 as a goal, much has been accomplished, both in terms of creating evidence-based programs and models that we require, and in actually getting people housed. Of course, there is much to celebrate in the passing of the fair housing act this year.

At this critical juncture, it is vital that the province continue its investment in getting people housed. Specifically today, I am requesting that you finalize negotiations with the federal government on the cost-shared programs that are part of the National Housing Strategy, and that these programs be included in the 2018 budget. We need to get started.

Additional funds need to be allocated to continue to build more affordable housing. Building affordable housing is a good social investment for the community, particularly in areas like Waterloo region where there is a very low vacancy rate. In Waterloo region, it is not possible to create a viable business case, even at a break-even point, to build new units and charge rents that fall within even the broadest definition of "affordable." The only way in our community to get new affordable rent units is to provide subsidy.

In addition to new builds, portable rent subsidies are another effective way to get people housed. As with the Home for Good program, it's essential that rent subsidies be paired with support dollars. Historically, these have been very separate programs and it was almost unheard of that the same person would reach the top of each waiting list at the same time. We know that it is combining rent subsidies with support at the same time which is the critical combination of assistance which creates success.

As there is never going to be enough subsidized housing to meet need, it's essential that the shelter portion of Ontario Works and ODSP be increased to better reflect the reality of shelter costs. This is an issue that is well known and well understood. There are many excellent suggestions on how to improve these programs in the Roadmap for Change. I also know that my local colleagues who spoke just before me, and many others around the province, will have spoken to this committee at much more length about how that can be done. But we know that improving these systems will be a significant step towards preventing future homelessness and ensuring that people who are housed stay housed.

Adam Vaughan, a federal MP, suggests that housing isn't a problem but, rather, it is a solution to almost every social and economic problem this country faces.

In closing, I would encourage you, in budget 2018, to continue investing in ending homelessness in Ontario. Doing so is absolutely good for the people who are experiencing homelessness. But it's also good for our communities and, on top of that, it makes good economic sense. How often do I get to come and ask you to do the right thing and it's cheaper?

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We know that responding to homelessness costs between two and 10 times more than having people housed. Please do not allow our tax dollars to be used on ineffective and expensive responses, including EMS, police and the judicial system, that don't address the root causes. Homelessness is a solvable problem. Thank you.

The Chair (Ms. Ann Hoggarth): Thank you. We move to the government—

Interjection.

The Chair (Ms. Ann Hoggarth): Oh, I'm sorry. It's the official opposition. MPP Hardeman.

Interjection: Arnott.

The Chair (Ms. Ann Hoggarth): Oh, sorry; Arnott. It's the end of day.

Laughter.

Mr. Mike Colle: They actually do look like each other.

Mr. Michael Harris: They're seatmates.

The Chair (Ms. Ann Hoggarth): Yes.

Mr. John Vanthof: She's mistaking you for family, not for the NDP.

The Chair (Ms. Ann Hoggarth): Okay.

Mr. Ted Arnott: I consider that a compliment, Madam Chair.

The Chair (Ms. Ann Hoggarth): MPP Arnott.

Mr. Ted Arnott: Thank you very much.

Ms. Macaulay, thank you very much for your presentation this afternoon. It was very interesting and very helpful.

Ms. Lynn Macaulay: Thank you.

Mr. Ted Arnott: I agree that decent, affordable housing is a necessity in this country. Certainly, at this time of year, we're reminded of the severity of our climate. I guess the debate within the Legislature and within the province is on how we ensure that there is adequate, affordable, decent housing for our population and what steps we need to take to encourage that. Of course, government has a big role in that regard.

You mentioned that the federal government needs to proceed with its negotiations with the provincial government. Do you think the federal government is doing enough right now to support affordable housing across the country?

Ms. Lynn Macaulay: I think that, in the National Housing Strategy, the federal government has made commitments that are significantly more involved than they have for the past 25 years. It is a huge step forward. But we know that there is not enough yet in that response to completely end homelessness and to resolve this issue. It is a very positive and important step. There are many pieces that, when acted upon, will resolve issues that are very important to our sector. But we need every level of government to continue to make strategic and increased investments in our sector.

Mr. Ted Arnott: Okay, thank you. You mentioned that we need improved data to better quantify the nature and the scope of the problem. You said that there's something called SPDAT, which is a common assessment tool.

Ms. Lynn Macaulay: Yes.

Mr. Ted Arnott: Can you explain a little bit more on how that works?

Ms. Lynn Macaulay: SPDAT is called the Service Prioritization Decision Assistance Tool. It was developed by a prof out of York University and it's the most widely used common assessment tool around homelessness across the world, actually. It is evidence-based and it looks at the factors that impact people's vulnerability and ability to resolve their own homelessness crisis.

Using that assessment tool, we can then prioritize who is most likely going to die first if we don't house them and who is most unlikely to resolve their issues without intervention. We can then look at what people's needs are and we can make sure that the people with the most complex needs are getting the most intensive services, that people with what we call mid-acuity get mid-range services, and that people with lower acuity get some tools and assistance but, in fact, are encouraged to use the skills that they have to resolve those issues, so that we are prioritizing our support services based on people's needs. And when we do that—when we actually allocate services based on the results of that tool—there is a much stronger likelihood that people will actually stay housed.

Mr. Ted Arnott: We heard earlier this afternoon from one of the other groups and presentations that the anti-poverty strategy is now 10 years old this year. You said in your presentation that you feel like you're coming back year after year asking for more and yet, at the same time, reporting that things are getting worse. If you were to attach a grade to the government's anti-poverty strategy at its 10th anniversary, what grade would you give it in terms of its effectiveness and success to date?

Ms. Lynn Macaulay: I think that the Poverty Reduction Strategy has made a number of important steps and it has made a number of important improvements. Increasing the child tax benefit, which was in the first part of the Poverty Reduction Strategy, has been a really impactful piece for families.

This second phase, which is focusing on homelessness—

The Chair (Ms. Ann Hoggarth): One minute.

Ms. Lynn Macaulay: —has also taken many important steps forward. There is still a lot more to do. It is not a complete process, but it is making important strides forward.

Mr. Michael Harris: Lynn, thanks so much for coming in. I'm sure we'll see you soon. I don't know if there was anything else you wanted to add in the last 30 seconds.

Ms. Lynn Macaulay: No. Thank you very much.

The Chair (Ms. Ann Hoggarth): Thank you very much. If you have a further written submission, you may send it in to the Clerk by 5 o'clock on Friday, January 19.

CANADIAN TAXPAYERS FEDERATION

The Chair (Ms. Ann Hoggarth): The next presenter would be the Canadian Taxpayers Federation. Good afternoon. Could you please identify yourself for the purposes of Hansard, and you may begin your presentation.

Ms. Christine Van Geyn: Yes. Good afternoon. My name is Christine Van Geyn, and I'm the Ontario director of the Canadian Taxpayers Federation. This is my third year presenting to this committee on behalf of the Canadian Taxpayers Federation and our supporters. We're a federally incorporated not-for-profit organization with over 136,000 supporters across Canada, and our mandate is to advocate for lower taxes, less government waste and improved government accountability.

In my past years presenting to this committee, I've suggested ideas for how we could reduce waste, for example with some very specific reforms to the electricity sector; I have suggested ways of lowering taxes, for example by eliminating double taxation on gasoline; and I've suggested ways of improving accountability, for example reducing the number of patronage appointments, stopping taxpayer subsidies to political parties and restoring the Auditor General's power to review government advertising for partisan content.

This year I do have some of those same suggestions—they're contained in my report—but overall, my request today is really simple. It's a simple plea for honesty from this government. All I ask is that the budget provide Ontario voters with an accurate picture of the state of the province's finances. As 2018 is an election year, we know that the budget will contain the promises that the government plans to campaign on, but it must also contain the accurate cost of these promises and the truth about the government's fiscal record. Right now, I'm deeply concerned that the budget will not do this.

Members of this committee are all aware that last year the Auditor General issued a qualified audit opinion on the government's consolidated financial statements. The Auditor General found that the statements significantly understate the 2016-17 deficit, as well as the province's net debt. Both the Auditor General and the Financial Accountability Officer have found that when using Canadian public sector accounting standards, the government has understated both the debt and the deficit.

In total, Ontario this year will have a more than $4-billion deficit, and next year that will grow to $7.1 billion. The government will also be increasing net debt by more than $75 billion over the next four years, reaching a staggering $404 billion. The government is misleading the public by continuing to claim that the budget is balanced when both the Auditor General and the Financial Accountability Officer have determined that there is in fact a multi-billion-dollar deficit. The public deserves to know the truth about the province's finances every year, but this is even more important in an election year.

While a fight over accounting standards isn't an easy one for the public to follow or feel passionately about, the impact of using one standard over another can be very significant. After giving themselves the power to prescribe their own accounting standards when valuing pensions rather than using the generally accepted Canadian public sector accounting standards, the Premier and finance minister are able to state a much more favourable financial snapshot to the public.

The model that the government does rely on gives the government the ability to count pension surpluses in the OPSEU and teachers' plans as assets. However, these are not truly usable assets unless the government is planning on reducing their contributions to those plans and using that money to instead spend in the spring budget. Does the government plan to do this? If so, OPSEU has stated its opposition to this plan, stating that the pension surpluses are for the benefit of pension plan members, and has sided with the Auditor General's accounting.

1520

Shifting accounting models for political reasons is inappropriate, and it empowers future governments to manipulate accounting methods in order to continue to mislead the public. This in turn has the effect of eroding the public's trust in their government and in the budget that they present.

Voters and citizens deserve better. We deserve consistency, honesty and accuracy. That's why today I'm recommending that the government follow the recommendation of the Auditor General and use these generally accepted Canadian public sector accounting standards in this year's budget.

That's not the only way the government could ensure the budget is an honest document that reflects the reality of the province's finances. The government could also improve transparency regarding their fair hydro plan.

This past fall, I travelled across Ontario and met with people from across the province who are struggling to pay their electricity bills. I spoke with business owners who form an organization called the Coalition of Concerned Manufacturers about the industrial electricity rates they pay, which have increased between 30% and 40% since 2012. I came here to Kitchener, where I met with a convenience store owner, Mr. Kwon from Sunny's Mini Mart, who is a part of the Save Our Stores coalition and is concerned that the high cost of electricity is going to force him to close his store's doors.

I have been running a campaign that's releasing the electricity bills for hospitals across the province. Here in Kitchener, I found that the electricity bills for St. Mary's hospital had grown by 26% over four years, even though consumption has fallen by over 100,000 kilowatts. The $316,000 that St. Mary's spent on additional electricity costs could have been used to pay for 36 hip replacements, but instead was squandered on high electricity bills.

The government right now does not have a plan to solve this problem. The fair hydro plan they have enacted is an exercise in debt shifting. Even using the government's own accounting figures, the cost of the plan will be $21 billion over 29 years, and that's only if the government can maintain their so-called balanced budget for 29 years. The more realistic estimate of the cost, according to the Financial Accountability Officer, is upwards of $93 billion. Once again, that plan fails to use Canadian public sector accounting standards and hides the financial impact of the plan on the province's debt and deficit.

The plan also adds $4 billion in additional and unnecessary interest payments because it uses government entities for borrowing instead of borrowing through the government directly. This has a two-pronged negative effect. Using government entities to borrow hides the cost of the plan from the government's bottom line, and it also adds to the cost of borrowing since these entities must pay higher interest rates than the government itself would.

Spending $93 billion to save $24 billion is not sustainable and it doesn't address the problems of why electricity rates are so high. That's why today, we recommend that the government scrap the plan as it's currently designed in its entirety and instead focus on resolving some of the larger underlying problems with the electricity sector.

There are a few suggestions in my report on some steps the government could take to achieve this, but right now, the most important thing in the lead-up to an election and in the lead-up to the next budget is to provide transparency. Without an accurate understanding of the province's finances and the cost of the current hydro plan, long-term solutions to the public policy issues we face will be out of reach.

For the remainder of my time, I'd like to focus on an additional measure to improve public discourse and honesty in public policy. In particular, I'd like to focus on changes to the Election Finances Act, which have created a de facto gag law on political speech—a gag law that impedes the ability of the public and policy advocates like myself from commenting on the budget once it's tabled.

Two years ago, the government broadened the definition of political advertising to include, for all practical purposes, any political speech. Any individual or organization in Ontario that spends more than $500 to publicize their position on an issue that can be reasonably or closely associated with a registered party or its leader is now engaging in political advertising.

The legislation requires any third party to register with the government, file an onerous report and be subject to spending limits. And unlike long-held restrictions on speech during the campaign period and upheld by the Supreme Court in Harper v. Canada, these new Ontario requirements apply six months before the call of an election.

The Chair (Ms. Ann Hoggarth): One minute.

Ms. Christine Van Geyn: These are in effect gag laws limiting the ability of individuals, groups and essentially any non-politician to support or level criticism against the government. For example, if I decided to launch a petition, after the budget is tabled, relating to any new program announced in that budget, I wouldn't be able to spend any money advertising that petition to the public—or more than $500—without subjecting myself to that new regulation.

The laws aimed at regulating the pre-campaign period are in all likelihood a charter violation. Almost identical and, indeed, less onerous restrictions on pre-campaign speech were repeatedly found unconstitutional and struck down in British Columbia.

I apologize if my frustration here is obvious, but I'm faced with a government that both the Auditor General and the Financial Accountability Officer consider is misleading the public. The government has thus far refused to take their advice on how to restore honesty in public accounting, so I am, sadly, not optimistic that they'll take my advice today. The only remedy is to—

The Chair (Ms. Ann Hoggarth): Thank you. We move now to the third party: MPP Vanthof.

Mr. John Vanthof: Thank you for your presentation. May I call you Christine?

Ms. Christine Van Geyn: Yes, of course.

Mr. John Vanthof: Thank you, Christine. I'd just like to start my short comments by saying that it's not very often that the New Democratic Party and the Canadian Taxpayers Federation see things from the same viewpoint, but on some of the issues—actually, on most of the issues you've put forward—we would agree. Certainly on the trust factor on the budget numbers, I think Ontarians in general would trust numbers from the Auditor General much more readily than from any partisan government. Would you agree with that?

Ms. Christine Van Geyn: I think the public should be entitled to trust the numbers presented by any government of any partisan stripe, and I would like to see changes in how these standards are applied. I think the changes to legislation, including the Education Act and some other legislation, allow the government to prescribe by regulation certain accounting standards as inappropriate. It allows any future government of any partisan colour to manipulate accounting standards.

More troubling to me, though, than just the pension dispute is the fair hydro plan, which essentially allows—

Mr. John Vanthof: That was going to be my next question.

Ms. Christine Van Geyn: Sorry.

Mr. John Vanthof: Keep going.

Ms. Christine Van Geyn: It allows a liability, a cost, to be turned into a regulated asset, and if that type of accounting model is followed by governments in the future, deficits will cease to exist on paper. If other governments in other provinces were to model their accounting on this, there would never be a deficit again. How can the public rely on the budgets that the government tables when they have essentially, by accounting acrobatics, removed the entire possibility of a deficit? We need honesty in government accounting, and the type of accounting misconduct that this government is engaging in is completely inappropriate.

Mr. John Vanthof: Getting back to the fair hydro plan, from a hydro ratepayer perspective, in your opinion, is the fair hydro plan which is going to be implemented by the Liberals—and copied by the Conservatives, actually—in the end going to end up costing hydro ratepayers more?

Ms. Christine Van Geyn: Of course. It's a cost of upwards of $40 billion. The total cost will be $93 billion to save, I think, $24 billion. It's shifting the cost to ratepayers in several years. If we think things are bad right now with the electricity rates, wait until after the election when all of this comes due, the cost of this. Unfortunately, the way this has been presented to the public completely obscures what that cost will be.

Mr. John Vanthof: So in effect, they're kicking the can down the road.

Ms. Christine Van Geyn: They're kicking the can and they are hiding it.

Mr. John Vanthof: You're the first one to bring up—I'm almost loath myself to go there, but you're the first one to bring up the changes in the election financing rules. You bring up a good point. Could you just elaborate on that again? When you're commenting on a budget, and that budget is so close to an election, could you comment again on how that infringes on comments on the budget as well?

1530

Ms. Christine Van Geyn: Yes. It's long-standing that having limits on speech during campaign periods is constitutional. Harper v. Canada, when he was the chair of the National Citizens Coalition—this is a long-standing case that that kind of limit on speech is appropriate, a justified infringement.

When you have a limit that applies six months before the issuance of the writ—

The Chair (Ms. Ann Hoggarth): One minute.

Ms. Christine Van Geyn: —which means that these limits came into effect November 9, you have the government sitting, enacting legislation, tabling a budget. If someone wanted to put up a billboard on the side of the highway—say, they enacted completely insane policy in the next budget—to say, "I don't like this policy," if you spend more than $500, you need to jump through these regulatory hoops. Public comment on the budget is always important. It's even more important in an election year. We need to be free to engage in lively debate on public policy and the type of legislation this government is enacting.

That legislation, which was less onerous—it was a 60-day restriction instead of a six-month restriction on the pre-writ period—was struck down by the British Columbia courts on repeated occasions.

Mr. John Vanthof: Thank you very much.

Ms. Christine Van Geyn: Thank you.

The Chair (Ms. Ann Hoggarth): If you have a further written submission, it needs to be to the Clerk of the Committee by 5 o'clock on Friday, January 19.

ADDICTIONS AND MENTAL HEALTH ONTARIO

The Chair (Ms. Ann Hoggarth): At this time, I'd like to call the next presenter: Addictions and Mental Health Ontario. Good afternoon. Once you get settled, if you would give your names for the purposes of Hansard, and you may begin your 10-minute presentation.

Ms. Gail Czukar: Thank you, Madam Chair. I'm Gail Czukar. I'm the CEO of Addictions and Mental Health Ontario. I'm here with one of our board members, Holt Sivak, who is the executive director of Thresholds Homes and Supports here in Kitchener-Waterloo.

AMHO's over 220 members across Ontario know a thing or two about change. They provide the front-line services and supports that help Ontarians make changes to lead healthy fulfilling lives in their communities, but they also, sadly, see what happens when people don't get the help they need.

Over the past decade, community mental health and addiction providers have continued to stretch resources and struggle with budgets in our unbalanced system that treats mental health differently than physical health. As MPPs, I know you are all very aware of the impacts inadequately funded mental health and addictions services are having in your constituencies. You see it in the rising ED visits and repeat hospitalizations of people with mental illness and substance use challenges. You see it in the understandably distressed parents and families who call your office desperate for advice on what to do to help their child access care and you hear it from your local police.

We're here today to share our recommendations with you on how we can make change happen by improving quality and meeting the increasing demand for addiction and mental health care. We have four key recommendations, which you have in hard copy in front of you. We'll be releasing a more detailed document in the coming weeks, so stay tuned for that. I'm going to walk—maybe run—you through our four recommendations and then pass it over to Holt, who can share the local context and what these recommendations would translate to on the ground.

Our first recommendation is to improve services by ensuring the community mental health and addiction sector can keep good people. Most community agencies have had flat-lined base operational budgets since 2009 or longer. Organizations struggle to keep up with rising costs, some of which we've just heard about, such as heat, light, food, maintenance of facilities and retaining staff in a competitive market—and this is having a direct impact on the level of service they can provide clients.

As with many organizations in health and social services, the largest expense our members have is salaries. According to a recent survey of our members in the last year, a quarter of them have had to lay off staff because of resource constraints; half have had to leave positions vacant to balance their budgets; and perhaps even more troubling, three out of four members have lost staff in the last year to higher-paying positions in other parts of the health care system. This not only has a significant impact on capacity at these organizations, but it also directly impacts client care. Clients with serious mental health and addiction problems, many of whom have histories of trauma, take time to build trust and relationship with their counsellors. So when counsellors leave to take a higher-paying job at a hospital or in corrections, there is often a significant attrition in programs.

To ensure the sustainability of community programs while better serving clients who are accessing services in the sector, we recommend increasing operational funding by 3.75% for the next four years. While this is needed as a base increase, it would result in restoring some positions that have been cut and keeping good people, which means more and better-quality services.

Our second recommendation is to plan better services by collecting better data. The lack of quality data in our sector is an obstacle to good planning. We need a clear picture to accurately pinpoint problems and develop improvements. The good news is that the province has a plan on how to get there. The Mental Health and Addictions Leadership Advisory Council, of which I was a member, put together a comprehensive provincial data and performance strategy. An investment of $8 million a year would establish a data system, robust technology support and the staff to support it.

But on its own, better data is not enough. We need to increase capacity in the system to be able to meet the increasing demand for services, which brings me to our third recommendation: Help more people in the community by hiring more people.

We all know there is a significant unmet need for mental health and addiction services. With an investment of $50 million in each of the next four years, we could help an additional 28,000 Ontarians annually by hiring 550 front-line staff, such as counsellors, case managers, social workers and community treatment staff. This would significantly address the issue of wait times and effectively help Ontarians access care at the right time and place.

Fourth and finally, we want to enable more recovery by providing more safe places. The shelter crisis in our cities is getting a lot of attention right now. Many of our most vulnerable people have significant mental health and addiction issues. In Toronto alone, there are over 13,000 people waiting an average of five years for supportive housing. We could improve their lives as well as reduce the pressure on our hospitals and police services by providing housing and supports for these individuals to live safely and independently in the community.

It costs an average of $72 a day to house a person in the community with supports, compared to $486 to keep a person in a psychiatric hospital. Ontario has a plan on how to add 30,000 additional units of supportive housing over the next 10 years. It has widespread support, and would enable recovery and deliver significant system savings.

I'm now going to turn it over to Holt, who will talk about the local context.

Mr. Holt Sivak: Thanks, Gail. Thresholds Homes and Supports is a recovery-oriented, community-integrated agency that focuses on improved quality of life and enhanced independence for people experiencing mental health issues by providing access to affordable housing and flexible, individualized supports.

Our agency has not received a base budget increase in a decade. In this time, the costs of delivering our programs and services have risen considerably. Rents have increased, repairs are needed to units entrusted to us, and remediation for bedbugs has become an expensive scourge for housing providers. At the same time, the people we are helping and their needs are increasingly complex. Taking into account inflation, no increases over this 10-year period is the equivalent of a 17% cut to our funding.

We've found every operational efficiency we can. Now, to balance our budgets, we've had to resort to cuts through attrition. The outcome of this is fewer direct care professionals to serve greater need. We regularly lose staff to the hospital sector, where the compensation and benefits are more attractive. And as the gap closes between minimum wage and the wages of our entry-level staff, who are compensated at $17.43 an hour, our ability to attract and retain quality staff diminishes.

At the same time, there are wait times in Kitchener-Waterloo for every area of mental health and addiction services and supports. For support coordination services, the wait is almost two years. For an assertive community treatment team, the wait is over two years. And for supportive housing, including a rent subsidy, tenant and mental health supports, the 540 people on the local wait-list will likely wait five to seven years.

Efficiency is not going to put a dent in these. Efficiency is not going to drop the wait time for supportive housing down from seven years. And wait-lists don't even tell the full picture, because too many people hear how long the wait-lists are and don't even bother registering.

I see first-hand the impact that a safe place to call home has on people's mental health, and I see the power of the proper supports to help people build their lives. I'll tell you about Jackson. Like many people who develop schizophrenia, the onset for Jackson was in his teens. He had additional issues with anxiety and paranoia. These led to street involvement, conflict with the police, several attempts at suicide and utilizing the emergency room as his point of access for primary care. That was eight years ago.

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Today, Jackson is housed with Thresholds as his landlord. We top up his rent, coach him on being a good tenant and a good neighbour, and help him tend to his mental health issues.

Jackson now holds a part-time job working for a local social service agency, shovelling snow for seniors. He has taken some local leadership training and does volunteer work as a peer support. Soon Jackson will have a black belt in the martial arts.

More importantly, Jackson is connected to his community. He has friends, people who care about him and who he can help to take care of. Jackson has a sense of belonging.

I want to enable more stories like Jackson's. AMHO's plan would help agencies like ours recruit and retain more direct care staff, improve the quality of our services—

The Chair (Ms. Ann Hoggarth): One minute.

Mr. Holt Sivak: —and meet the growing demand for mental health and addictions care. Thank you.

The Chair (Ms. Ann Hoggarth): Thank you. This round of questioning will be the government: MPP Martins.

Mrs. Cristina Martins: Thank you very much for being here today and for sharing Jackson's story and the experiences that you've had with the clients that you see.

Before getting into politics I worked for the pharmaceutical industry, and one of the areas that we focused on was mental health. It was probably about 20-plus years ago. We were talking about schizophrenia—never mind depression—and bipolar disease and getting families to recognize that early on, and to acknowledge and accept that their loved one had this condition and to seek the proper medical care that was required to treat these very serious mental health issues.

Fast-forward 20-years-plus: We've got lots of campaigns—whether it's from the pharmaceutical industry—to recognize that these are serious issues that need to be addressed very early on. We have many campaigns, such as Bell Let's Talk, to let people know that it's okay to talk about depression and to admit that your child, your husband or your spouse has this mental health condition, or that you yourself may have this mental health condition. It is so much more accepted today to acknowledge that. Unfortunately, we as a society have not been able to fund sufficiently the number of people that we are seeing, admittedly—or a family member—that have these mental health conditions.

We heard earlier from the Alzheimer Society on this a little bit, as well as youth now facing these mental health issues. We know it's something that's very serious, that as technology and medicine change and we have these issues, we actually address them and try to fund them appropriately.

I'm sure that you're aware, but it's worth commenting here and saying that in our 2017 budget we included additional new immediate investment of $140 million over the next three years, with an increase of more than $50 million every year after that to expand access to mental health services and reduce the wait times. We know that when you treat the patient early on, it's a cost saving, really, at the end of the day.

A key part of this investment is developing a province-wide, publicly funded, structured psychotherapy program that will help people with mood disorders, like anxiety and depression, and provide them with the supports and strategies to manage their condition. If this does go through in terms of the psychotherapy program, Ontario will actually be the first province to have a publicly funded psychotherapy program.

Can you share with us how important this program is in helping those living with mental illness and the system as a whole?

Ms. Gail Czukar: I might just say that the structured psychotherapy program is a very good idea. It does, however, expand the population that is to be served. That's a deliberate strategy on the part of the government to serve the mildly to moderately mentally ill, and it's very focused on depression and anxiety and some concurrent substance use disorder. By and large, the agencies that we represent are not at this point funded to serve that population; they've always been kept to the population of the more seriously mentally ill.

We're certainly hoping that the structured psychotherapy program—

The Chair (Ms. Ann Hoggarth): One minute.

Ms. Gail Czukar: —will contribute to helping some of Holt's clients. They need that. It does expand the population to recognize some of the population you were speaking about.

Mrs. Cristina Martins: Okay. I don't know if any of my colleagues have—

Interjection.

The Chair (Ms. Ann Hoggarth): MPP Rinaldi?

Mr. Lou Rinaldi: No, no. I just said, "Thank you."

The Chair (Ms. Ann Hoggarth): Oh. Thank you very much.

Ms. Gail Czukar: Did you want to say anything on that question?

Mr. Holt Sivak: Well, I think the hope is that the structured psychotherapy is going to play a preventive role for some folks, so that things don't get worse. That being said, the wait-lists are so long at this point that it's going to require a more intensive investment to start to address and bring those wait-lists down. While, of course, I think it's a useful and good move, Gail is right in that the populations that we serve directly are unlikely to realize a huge direct benefit from those programs.

The Chair (Ms. Ann Hoggarth): Thank you very much. If you have a further written submission, it has to be to the Clerk by 5 o'clock on Friday, January 19.

Ms. Gail Czukar: Thank you.

Mr. Holt Sivak: Thank you all.

ONTARIO CONVENIENCE STORES ASSOCIATION

The Chair (Ms. Ann Hoggarth): Our next presenter is the Ontario Convenience Stores Association. Good afternoon, sir.

Mr. Jamie Arnold: Hello.

The Chair (Ms. Ann Hoggarth): When you get settled, if you could please identify yourself for the purposes of Hansard, and your 10 minutes will begin.

Mr. Jamie Arnold: My name is Jamie Arnold—I need my glasses.

Mr. Arthur Potts: Don't we all?

Laughter.

Mr. Jamie Arnold: Good afternoon. It's my pleasure to address you today. As I said, I'm Jamie Arnold. I'm president of Little Short Stop Stores here in Kitchener. We have stores in Kitchener, Waterloo, Guelph, Cambridge, Ayr and New Hamburg. I'm also director of the Ontario Convenience Stores Association board. Thanks for the opportunity to provide our association's recommendations for Ontario's budget for 2018.

The Ontario Convenience Stores Association, or the OCSA, represents the interests of over 9,000 convenience stores in Ontario, 5,000 of which are independent, family-run stores. Our membership includes corporate chains, regional chains and independents. These stores employ more than 78,000 workers across the province. We are the pillars of the communities that we serve.

We are proud of the strong partnership we have with the Ontario government. Together, we have worked hard to ensure that age-restricted products stay out of the reach of youth. Our responsible age-restricted training initiatives have resulted in our stores achieving 96% compliance pass rates. Convenience stores also provide a significant contribution to the province's income through, to give one example, $2.8 billion in annual lottery sales.

I would like to speak about how Ontario convenience stores and our stores have been impacted by recent government policy changes. Today in particular I'd like to talk about how budget 2018 can assist the convenience store industry.

Many OCSA members are independent, family-run stores owned by new Canadians working to establish themselves in our province. Our entire industry is also a significant employer of students, the elderly and part-time workers, who look to supplement their family incomes with the flexibility that convenience retailing offers.

Our stores have been significantly impacted by government policies. With the financial toll of high hydro rates, cap-and-trade costs, minimum wage increases and the costs associated with the new labour regulations, stores have been pushed to the brink of closure. Due to these changes, job cuts and store closures will be a reality. More than 2,000 stores have been closed in Ontario in the past decade. We expect another 400 to 600 stores to close in the next year.

Our first recommendation for budget 2018 pertains to lottery. Convenience stores account for about 76% of all OLG lottery sales, totalling $2.8 billion, and tax revenue of approximately $1 billion each year. Lottery is highly impulsive and a convenience item; with fewer stores, there will be lower sales and lower tax revenue. Government, owners and staff have a shared interest in ensuring a vibrant convenience sector.

The OCSA is asking the province to update its lottery revenue sharing structure so convenience stores can more equitably share in the revenue that they help generate. Currently, convenience stores receive a commission of only 5% of lottery sales with electronic tickets and 8% of scratch ticket sales. These commissions haven't changed in over 20 years, even as regulatory and other costs have increased. Today, with debit and credit transactions taking another 2% of any purchases, lottery commissions are often reduced to 3%.

1550

Unlike other products, retailers are not able to increase lottery prices to compensate for rising expenses. Lottery sales represent 35% of my in-store sales, and we have a high reliance on the foot traffic that they generate. Our only option is to ask the government to work with us to update lottery revenue-sharing so that it is fair and compensates for the increased costs resulting from government policy. We recommend that lottery commissions be increased to 8% on online tickets.

Finally, another area we recommend the government act on in budget 2018 is contraband tobacco. Contraband continues to be a persistent problem in Ontario in terms of crime and lost tax revenue for government. Our recent OCSA butt study shows that nearly 40% of all tobacco consumed in Ontario is illegal. Over the last four years, contraband cigarette consumption in the province has increased 67%. Alarmingly, Ontario high schools have reported the biggest year-over-year increase: a 5% rise from just last year. Something must be done to curb this worrying trend.

The sale of illegal tobacco has certainly hurt our stores here in KW. We need a more concerted effort to stop the growth. Contraband tobacco hurts communities, retailers and government. The OCSA believes increased enforcement should be a priority for the government. A coordinated effort to combat contraband tobacco movement within the province of Ontario, similar to Quebec, would be a great start. The results of the OCSA butt study over the last 14 years have demonstrated that this issue has infiltrated every community in Ontario.

I thank you for your time and I look forward to your questions.

The Chair (Ms. Ann Hoggarth): Thank you. We will go to the official opposition. MPP Harris.

Mr. Michael Harris: Jamie, good afternoon and thanks for coming in. I know you were here recently with Bill 148.

I'll get right to it. The request that you've had on the increase in commissions for lottery sales: Have you had a conversation more recently with the government, especially after Bill 148 changes were made, on the potential for this?

Mr. Jamie Arnold: I actually believe there are more talks happening today with the Ministry of Finance, but we haven't done anything since that Bill 148.

Mr. Michael Harris: Speaking of the Ministry of Finance, you know what we heard today from folks about 175 new labour inspectors to enforce some of these new changes. I'm not sure if you want to share with the committee some of your experiences with enforcement, perhaps, in your stores. You talk about added costs, more regulatory changes. I'm not sure if there's anything you would like to share with the committee on that.

Mr. Jamie Arnold: Well, it's been a hard pill to swallow, the costs that have been forced upon us. I don't know what the minimum wage should be in Ontario, but I know that the increases that the government has forced upon us have caused us to take drastic action. As far as the labour enforcement people, as of yet we haven't seen an uptick in regulatory visits to our stores, but we're complying with all of the laws anyway, so I may not even hear about that happening. But to me, it's the speed with which the increase was put upon us.

Mr. Michael Harris: Right. You know what? I had someone in recently, and we talked about the contraband cigarette problem. It's not getting any better; it's only going to get worse. I believe there's a model in Quebec where they've extended policing powers even into the municipalities, aside from just the province. I'm not sure if you're familiar with what they have in Quebec, but I believe we don't have this in Ontario.

Interjection.

Mr. Michael Harris: Pardon me?

Mr. Lou Rinaldi: I was not—I was talking to my colleague.

Mr. Michael Harris: Oh, okay; sorry.

I'm not sure if you want to share what more Ontario can do to crack down on contraband tobacco.

Mr. Jamie Arnold: Sure. I am not exactly sure what Quebec has done, but I know they have empowered their municipalities and their regional police services to get involved in the trafficking of contraband tobacco from the reserves in to the public. The number that I've heard is that the Quebec police forces, for every $1 they spend on enforcement on contraband, earn $17 back because the municipalities, from what I understand, have been able to keep the proceeds of the enforcement, which are the fines that they levy, those sorts of things.

As far as the numbers are concerned, when Quebec made the changes, the contraband levels in Ontario and Quebec were pretty similar, and now we're at almost 40% and Quebec is around 15%. So I think what they're doing is a good model that we should bring into Ontario.

Mr. Michael Harris: Anything else you'd like to add that could help?

Mr. Jamie Arnold: No. There are several other areas where our industry could use help, but these are the two main ones.

The Chair (Ms. Ann Hoggarth): MPP Arnott.

Mr. Ted Arnott: Thank you for your presentation. I think all of us in the Legislature, on all three sides of the House, have an appreciation of what convenience stores do in our communities. But where we diverge is whether or not the government is taking the appropriate policies to support them, encourage them and sustain them. Certainly, with any activity in the private sector, you can't remain static and you can't assume—

The Chair (Ms. Ann Hoggarth): One minute.

Mr. Ted Arnott: —that everything is going to go well in the future.

The government policy has to be focused on encouraging and supporting our private sector, and nurturing it. We would argue that some of the recent government policies are doing the exact opposite.

I wanted to follow up again on the contraband tobacco issue because we've talked about this for years and we've made very little progress. I was intrigued with and interested in what Quebec is doing, but I just wanted to get a little bit more information. Do you have any more ideas about how it's working? You talked about the success, but exactly how they're implementing these changes?

Mr. Jamie Arnold: In Quebec, you mean?

Mr. Ted Arnott: Yes.

Mr. Jamie Arnold: I don't have any hard-and-fast things in front of me. I know that it has become a priority for the police services, though, to make it an illegal product. I think part of the problem in Ontario is that most of the population doesn't even believe that the product is illegal.

The Chair (Ms. Ann Hoggarth): Thank you, sir. If you have a further written submission, it needs to be to the Clerk of the Committee by 5 o'clock on Friday, January 19.

Mr. Jamie Arnold: Thank you.

INSURANCE BROKERS
ASSOCIATION OF ONTARIO

The Chair (Ms. Ann Hoggarth): Our next presenter: the Insurance Brokers Association of Ontario. Good afternoon.

Ms. Traci Boland: Good afternoon.

The Chair (Ms. Ann Hoggarth): When you are ready, please identify yourself for the purpose of Hansard. You may begin your 10-minute presentation.

Ms. Traci Boland: Thank you, Madam Chair and committee members. My name is Traci Boland and I am the chair of the board of the Insurance Brokers Association of Ontario. We thank you for the opportunity to address you on various issues that are of critical importance to the broker network.

The Insurance Brokers Association of Ontario represents over 12,000 insurance brokers who service six million policyholders throughout the province.

Insurance brokers are highly trained professionals with very strong community ties. Their priority is to serve the best interests of the consumer, from the initial product selection through client advocacy with insurers in the event a claim is made. Insurance brokers are also business people, mainly small and medium-sized business.

Brokers always work with the best interests of the consumer in mind. They provide choice and individualized guidance. Insurance brokers have access to a wide variety of products that are able to suit a customer's specific, unique needs, and will shop the market to find the best available product.

Insurance brokers do not work for the insurance companies; rather, we work for our clients, which positions us as trusted and objective advisers. People build long-lasting relationships with their insurance brokers and look to their brokers to help make complicated decisions easy, and provide stress relief and comfort when they are making important decisions.

Over the years, IBAO has been an important voice within the insurance industry and government regarding a number of policy-related issues that affect consumers and brokers, whose interests are intertwined. Both require a transparent market in order to function optimally—one that is accessible, accountable, efficient and fair.

As the voice for both our profession and consumers, we have outlined four key areas of vital concern in our pre-budget submission. I will touch on these briefly today.

Of primary interest to our industry are the numerous changes regarding regulatory auto reform across Ontario over the past year. The IBAO has consistently supported the recommendations outlined in David Marshall's report Fair Benefits Fairly Delivered: A Review of the Auto Insurance System in Ontario, and many of the new items outlined in the government's fair auto insurance plan. The IBAO has a long history of advocating for the best interests of the consumer and has been a champion for the limitation of referral fees, previously calling for transparency in all legal costs surrounding auto insurance, including referral fees.

We are optimistic about the direction the government is heading; however, we do advise a well-considered implementation timeline and plan.

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Our primary concerns with recent developments have been the transition to FSRA and the risk factor review. While the IBAO supports the need for a quick and capable modern regulator that can adapt to evolving consumer needs, we are concerned about changing too much, too soon without the proper control of outcomes. Any transition should be conducted in a controlled manner to prevent short-term swings in the market that could negatively affect our consumers.

There are over 60-plus insurance companies selling auto insurance in Ontario. This amount of choice and competition is a benefit to consumers today and could be threatened if auto rate filings and regulation practices change too abruptly. While IBAO supports the need for a modern regulator that can adapt to an evolving customer need, any transition of powers to FSRA should be conducted in a controlled manner to prevent short-term swings in the market that could negatively affect our consumers.

In regard to the risk factor review, the government announced their Fair Auto Insurance Plan. The IBAO is concerned, as rate setting is inherently an objective exercise. Rate setting applies statistics and probability to project claim patterns for hundreds of relevant risk components. The goal of rate setting is to allocate premiums in proportion to the accident and claims patterns for the established risk profiles. Higher premiums are charged for profiles with a history of higher claims activity. In other words, past performance is indicative of future results. Claims can be higher in certain territories because of traffic density; unexpected driving behaviours for those new and unfamiliar with the nuances of local driving conditions; insurance fraud; and vehicle theft.

While the plan highlights the government's intention to review and change geographically based risk factors used by insurers to calculate premiums, the IBAO would strongly recommend against this. The IBAO suggests that territorial rate settings remain a variable used in setting rates, but would recommend the following as a compromise to the government's suggestion: Cap the maximum proportion that each variable can carry when setting auto rates, and work closely with FSRA to reassess rating territories to ensure that the territory borders are an accurate reflection of the claim patterns occurring.

We are also interested in understanding how locations of the independent examination centres will be chosen, and would advise the government to consider distances between centres, particularly in our rural ridings.

I would now like to touch on the scheduled federal legalization of cannabis for July 2018, which will undoubtedly impact the insurance industry. From home cultivation of cannabis to impaired driving to the management of businesses within our own communities, it is clear that the legalization of cannabis will create a number of significant changes to our industry and the coverage that we provide to our consumers. IBAO and our broker network can help be educators during this transitional period.

A broker's primary function is to provide consumers with unbiased, well-informed advice that is tailored to their individual needs. IBAO is, in turn, the largest educator of the broker network, and as such it is important that we develop educational pieces to best equip our members with up-to-date information on changes to the industry as they develop. It will be imperative to ensure that brokers have a strong understanding of the ways in which cannabis legalization will affect our industry prior to legalization. It will be important for educational materials to be developed prior to legalization. There should be an adequate time frame in which the industry can educate about the nature of these changes so that we can provide consumers with the best possible advice and product selection.

We ask that the government develop an industry working group with key representatives from affected industries and relevant representatives from various ministries in order to produce educational materials and address any questions that may arise through the process.

Lastly, we want to speak on automated vehicles or driverless cars. As driverless cars on Ontario roads are now a reality in select test jurisdictions, discussions about insurance implications and liability need to be had at the government level. Similar to the legalization of cannabis, there is a large consumer education consideration that will develop with the integration of autonomous vehicles. As the primary consumer educator on the topic of auto insurance in Ontario, IBAO would like a seat at the table during these strategic discussions.

We are able to offer specific insights on consumer education, road safety responsibilities, insurance provisions and access to data. We would recommend that insurance should continue to be provided from within the insurance sector in order to give drivers access to their product of choice and advocacy, regardless of the type of car they choose to purchase.

Importantly, we note that, in order to support claims and insurance policy transferability along with market competition, it is essential for customers and their brokers, with the customers' approval, to have immediate and unrestricted access to all data from the vehicle manufacturer. This data should be provided in a standard, clear and accessible format. It should be made clear to customers from the outset the intent of the data collection and what the data can or cannot be used for.

IBAO, in consultation with our members and the broader industry, has always focused on the best interests of our Ontario consumers. We hope that our comments are heard. I am very thankful for your time and attention today. I would now be happy to take any of your questions.

The Chair (Ms. Ann Hoggarth): Thank you. Third party: MPP Vanthof.

Mr. John Vanthof: Thank you very much. May I call you Traci?

Ms. Traci Boland: Yes.

Mr. John Vanthof: Thank you, Traci.

First, I'd like to say that I think, for all of us, insurance is a vexing situation. But the insurance broker is one person that we turn to and we need. I really appreciate that you're here, because there is a difference between the insurance company and the insurance broker.

My first question is this. Some of the changes the government has made to car insurance, in our opinion—and if you disagree, please feel free to say so. In certain cases, for accident victims, the obligations of the insurance company have become much less for accident victims and put some accident victims in peril.

Ms. Traci Boland: Yes. The changes that were made in 2016 with the auto reform were a step in the right direction toward fixing the actual auto product itself. The actual auto product itself is, truth be known, broken. Fraud exists within the product itself. So it did take steps in order to reduce those fraudulent activities with the rehabilitation places and tow truck restrictions.

We still have the accident benefits issue that happens when a consumer is actually hurt in an accident. What the 2016 reforms did was take away coverage, which I don't believe our Ontario consumers were aware of. We had a great reduction in the actual coverage for accident benefits, for medical rehabilitation and attendant care. That portion did put the consumers in peril, and we probably all could have done a better education job in letting the consumers know that. But I believe that some of the reforms that were taken were a right step toward reducing fraudulent activities within our province.

Mr. John Vanthof: But while the government did that, some people with legitimate—the people who weren't trying to defraud the system, who actually had to partake in the system because they were legitimate victims of accidents—

Ms. Traci Boland: If they did not purchase the maximum medical rehabilitation and attendant care that was offered, they would have had reduced coverage.

Mr. John Vanthof: Okay. Thank you.

Your suggestion on weights for type of car, weighting for area, weighting for—

Ms. Traci Boland: Yes, territorial ratings.

Mr. John Vanthof: Could you expand on that a bit?

Ms. Traci Boland: Right now, it has been on a government platform for many years—the territorial ratings and the problems that the GTA has been experiencing with the increased auto rates.

The increased auto rates in the GTA are there because of statistical data. They are there because there are more drivers on the road. There are newcomers as drivers that are not aware of or not used to the road conditions or the nuances within that area. There is more fraudulent activity within the GTA due to the higher population in the GTA. That is the reason why the territorial rating is—we are saying that it does work. We are saying that there could be limits placed on it; you have a base, and you can go up so high for certain limits. But the driving in Toronto is much different than the driving in Goderich. The risk in Toronto is higher. You need to pay for the risk involved.

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Mr. John Vanthof: Are we ready for the legalization of cannabis, from an insurance broker point of view?

Ms. Traci Boland: We would like to be the educators on this. I believe that this is actually going to be an insurance company issue as to the availability of product. If you look right now, there is no insurance for a grow op. Insurance companies are going to have to be able to adapt very quickly when this law comes in, in order to have the availability of product for all people in Ontario, for whatever they're using cannabis for.

Mr. John Vanthof: Or if you're growing recreational cannabis on your own premises, that's going to change your coverage as well, potentially.

Ms. Traci Boland: It's an insurability issue, yes.

Mr. John Vanthof: Thank you very much.

Ms. Traci Boland: Thank you.

The Chair (Ms. Ann Hoggarth): Thank you very much. If you have a further written submission, it needs to be in to the Clerk by 5 o'clock on Friday, January 19.

ONTARIO FEDERATION OF LABOUR

The Chair (Ms. Ann Hoggarth): The next presenter is the Ontario Federation of Labour. Good afternoon. Once you get settled, if you could please identify yourself for the purposes of Hansard. You may begin your presentation.

Ms. Thevaki Thevaratnam: Thank you for the opportunity to speak today. My name is Thevaki Thevaratnam and I am the director of research and education at the Ontario Federation of Labour. We formally represent one million workers across the province, but we champion the rights of all workers.

I want to make it clear that workers cannot and should not be underestimated. The working people of this province power Ontario. In less than six months, they will decide the next provincial government based on a government that can deliver a province that is rooted in inclusivity, equity and fairness.

The 2018 budget is an important opportunity to address current economic and social inequalities and to determine pathways to shared prosperity. Today, I am pleased to highlight some of the OFL's recommendations for the 2018 budget.

Right now in Ontario, we're seeing how recent changes, or the lack of some changes, to employment and labour laws are affecting workers. All Ontario workers need a $15 minimum wage. This includes students and liquor servers, too. No one should be working full-time and still be living in poverty.

Reducing benefits, removing paid breaks and stealing tips isn't the answer. Tim Hortons is only one example of an employer treating workers unfairly and not following the spirit of the law. Workers need greater protections. They need a voice on the job. They need a union. But Ontario's labour laws fail to make real access to unionization and collective bargaining a reality for many workers, particularly for those working in franchises.

In reality, real bargaining power cannot be generated by trying to unionize one Tim Hortons at a time. The only way to bargain effectively and to improve employment conditions for workers is to bargain collectively with multiple locations of Tim Hortons. Even the special advisers of the Changing Workplaces Review agree, but the law doesn't allow for this. The Labour Relations Act must allow multiple locations of the same franchisor to consolidate bargaining rights.

The law also doesn't recognize that when a worker votes to join a union the first time, their vote should count. Most workers are still forced to vote twice. Employers who hold the balance of power can coerce and harass their employees and engage in unfair labour practices. The second vote no longer represents what workers truly want. All Ontario workers, with no exceptions, have the constitutional right to unionize. It shouldn't matter where someone works. Everyone should have a right to access a union, if that's what they want. The government must extend card-based certification to all sectors.

Currently, women in Ontario earn 68.5 cents for every dollar that men earn. This gap is much larger for other intersectional equity-seeking individuals. Barriers to unionization place female workers at a strong disadvantage. Ontario women who are unionized enjoy better benefits, working conditions and pay—nearly $8 more per hour—than non-unionized women.

It's unacceptable that public policies and laws continue to entrench women's pay inequality. We need an economic justice strategy that promotes women's meaningful participation in the workforce, that provides a clearer pathway to unions and improves access to services, such as child care, so women can achieve a better work-life balance.

The OFL also strongly advocates that the law must make it easier for women to escape domestic and sexual violence without losing their job. The government must develop a comprehensive action plan to end violence against women in all forms, with a focus on prevention, supports and services, as well as extend the newly created leave for survivors to 10 paid days.

The government must also recognize that deaths or injuries in the workplace will not stop until employers realize that there are serious personal consequences if they put the lives of workers in danger.

Employers should not be able to treat workers, particularly temporary and migrant workers, as a disposable commodity and relegate them to the most precarious and dangerous situations. Temp agency workers face a greater risk of injury and are more likely to be exposed to dangerous working conditions than permanent workers. The reality is even starker for migrant workers. We need stronger labour and employment laws to protect these workers.

The government must also legislate that in the event of a workplace death, criminal negligence by the employer become a routine part of the investigation and negligent employers be jailed for killing workers.

We know that racism is a working-class issue, and the government must dedicate resources to eradicate it. Workers of colour experience higher levels of unemployment and underemployment, are often bypassed for jobs or promotions, and earn a lower income than non-racialized people. Unsurprisingly, these labour market inequities lead to higher poverty, greater health risks, lower-quality housing and more frequent contact with the justice system. Insecure work remains at the core of racial inequality in Ontario. The Anti-Racism Directorate must work alongside the Ministry of Labour in applying an equity lens to employment conditions and tackle the economic and employment disparities facing racialized workers in Ontario.

The government must also make a concerted effort to understand how its policies, programs and services can affect and empower equity-seeking workers, including those workers who identify as young, female, indigenous, racialized, LGBTQ+, as well as workers requiring accommodation. I encourage members of the committee to refer to the OFL's written submission for recommendations.

It's important to understand that despite our self-image as tolerant people, prejudice and discrimination are a real feature of Canadian history. In recent times, Canada has seen the murder of six worshippers at a mosque in Quebec, vandalism of mosques and synagogues in Toronto and Montreal, and fascist groups hosting anti-Islamic rallies in London. These kinds of acts are unacceptable, and unless they are challenged, hatred will continue to grow.

The government must develop comprehensive approaches that address hate and neutralize the impacts of xenophobia, white supremacy and racism in all its forms, including Islamophobia, anti-Semitism, and anti-black and anti-indigenous racism.

The labour movement also strongly believes that with the ongoing review of pension funding and pension insurance rules for defined benefit and target benefit plans in Ontario, the government must protect today's workers and tomorrow's retirees. That means decent pensions, proper funding and a strong pension benefits guaranteed fund that provides coverage of at least $3,000 per month to reflect inflationary pressures.

We know that Ontario has the highest level of income inequality in Canada, with the divide between the highest- and lowest-earning families growing further and further apart. Ontario is also seeing poverty rates rise. We need a strong social infrastructure to reverse these trends. Public services are the great equalizer of society, ensuring equal access to public services for everyone.

The government must establish and strengthen access to various universal public services and social programs, including pharmacare, dental care, child care, housing, post-secondary education, social and community services, and public pensions.

With the increase in insecure work, fewer Ontarians have access to workplace benefits, including prescription drug coverage. While the province is moving in the direction of universal pharmacare, coverage remains limited. Everyone should have access to essential medications, regardless of their age, where they work and how much they earn.

Ontario places last in Canada in terms of the number of hospital beds per person and nursing care per patient. Patients continue to wait, sometimes for days, on stretchers or gurneys in hallways and other public areas. We need a health care system that can meet future demands. This includes increasing investment by at least 5% to maintain existing services as the population grows and ages.

Ontario has one of the largest social housing wait-lists in the country. Wait times are long and they're growing even longer. Each year, only 5% of people on the wait-lists get a spot. Others are often forced to accept unsafe accommodations, forgo paying other necessities, or become homeless. Ontario needs a comprehensive provincial social housing program that treats housing as a public utility and delivers it according to need.

Ontario universities educate more students for less than universities in other provinces. Our universities require greater and more consistent funding. There must also be greater transparency and accountability in how funding is allocated.

Ontario's standard of care in long-term-care homes places it last in Canada, and Canada places last among equivalent economies. The government must legislate at least four hours of hands-on care per resident per day in long-term-care facilities.

Ontario continues to be home to some of the most expensive cities in the country for child care, with some parents paying more than $1,200 per month. It is time to deliver a universal, high-quality, fully inclusive and affordable child care system that is rooted in professional-level wages for all child care workers. This can only be done through public and non-profit child care centres. The government must at least $200 million for operating costs and $500 million to build new spaces to reach its promised 100,000 licensed spots.

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More and more, we're seeing the chronic underfunding of public services and the acceleration of privatization. Government has a responsibility to prioritize the interests of the collective and the vulnerable. With the privatization of public services, it's difficult to ensure that those values are reflected in decision-making. The privatization of public assets, including Hydro One, OLG, LCBO, as well as Ontario's health care, education and infrastructure systems must stop.

Climate change must be tackled with fairness and equity. The government must deliver carbon reduction programs in a manner that also produces additional social and economic benefits, like addressing issues of climate justice and environmental inequities and producing decent jobs and livelihoods for all.

Overall, Ontarians are committed to seeing a progressive future. Together, we can power Ontario toward prosperity for all. Thank you.

The Chair (Ms. Ann Hoggarth): Thank you. We move to the government: MPP Colle.

Mr. Mike Colle: Thank you for the interesting challenge here. Thevaki—can I call you that?

Ms. Thevaki Thevaratnam: Yes.

Mr. Mike Colle: Is there anything good in Ontario?

Ms. Thevaki Thevaratnam: There's a lot to be positive about. We're seeing a lot of great changes with Bill 148. We saw a lot of significant changes and a lot of improvements for workers. We're seeing a rise in the standard of working conditions. But as activists, there's always more to be done, and as citizens of the province, you want your government to deliver the government that you voted for, and so there's always more to push for.

Mr. Mike Colle: There certainly is. You're obviously pushing us.

Ms. Thevaki Thevaratnam: Yes.

Mr. Mike Colle: That's your job. I want to thank the OFL for their leadership role in fighting for economic justice and the $15 and Fairness campaign. I know that your president, Chris Buckley, was here on many occasions. They were very, very true to their commitment that they were fighting on the front lines for this change. I certainly acknowledge that.

You raised so many things, I don't know where to start, really. Again, there are challenges, and they're very real challenges that we as government try to deal with. The thing that intrigues me is income inequality. You mentioned that Ontario has some of the highest income inequality in Canada. Is that because the top 5% is doing so well, or is it because the bottom is doing so poorly? Whereas in other provinces, maybe the top echelon of the income earners is not doing as well as the top 5% of income earners are doing in Ontario. What does your research show?

Ms. Thevaki Thevaratnam: The Conference Board of Canada shows that it's actually a combination of both. We're seeing the rich getting richer, and we are also seeing the poor falling through the cracks a bit more as well.

The Canadian Centre for Policy Alternatives shows that Ontarians that are living on social assistance now are poorer than they were a generation ago. There's a lot to be done to lift workers up, but there's also a realization that while people are suffering, other folks, especially those at the top end, are doing so much better. It's a question of how we redistribute the wealth so that it's fairer and we can all live in a society that we can be proud of and share that prosperity.

Mr. Mike Colle: So you see the legislation of Bill 148 as a step in that direction.

Ms. Thevaki Thevaratnam: Yes. It's a very positive direction. A lot of folks are better off for it, and it's a question of how we bring in everybody and how we make sure that everybody is better off for it.

When we see exemptions to the Employment Standards Act, for example, not everybody is going to benefit from the wonderful changes that we're seeing, right? So it's a question of how we bring those folks into the Employment Standards Act and ensure that they're at least governed by a minimum of employment conditions in Ontario.

It's also a question of how we make it so that folks who need a union—quite frankly, we're seeing that right now, where people don't have representation on the job and where they don't have an enforceable collective agreement—are seeing their benefits cut and where there are loopholes right now where they're not legislative standards.

Mr. Mike Colle: Yes. The other thing you mentioned, about our favourite Canadian company, Tim Hortons—by the way, which is, as you know, a Brazilian company. How does a government like Ontario's, which is a subnational government, deal with the multinationals like 3G Capital? As you know, 3G Capital owns Restaurant Brands International. They own Burger King; they own Popeyes—my favourite chicken. They, as you know, are the same company that worked with Berkshire to buy out and close down Heinz. So here it is, a foreign-based Brazilian conglomerate that's buying up all these Canadian franchised food outlets. It seems to be their trend. How do we, as a subnational, try to deal with these monsters from Brazil?

Ms. Thevaki Thevaratnam: I think the government is taking a step in the right direction with the—is it the public directory of employers who are not complying with the spirit of the law that the Minister of Labour announced recently?

Mr. Mike Colle: Yes.

Ms. Thevaki Thevaratnam: But I will also say that the reason why these folks are able to take away certain elements of workers' rights is because those rights are not legislated. The Changing Workplaces Review recommended that the government look at mandating benefits so there are equal benefits for equal work. That review hasn't taken place yet.

Mr. Mike Colle: But at least the legislation does say "equal pay for equal work." Right?

The Chair (Ms. Ann Hoggarth): Thank you for your presentation. If you have any further written submissions—

Ms. Thevaki Thevaratnam: No, this is it.

The Chair (Ms. Ann Hoggarth): Okay. Thank you.

COMMUNITECH

The Chair (Ms. Ann Hoggarth): I'd like to call on Communitech to make a presentation. Good afternoon. If you could please identify yourself for the purpose of Hansard, and you may begin your presentation.

Mr. Iain Klugman: Wonderful. My name is Iain Klugman. I'm the CEO of Communitech.

I'm going to need to get my glasses. Give me one second.

Ms. Heather Galt: Maybe someone could stand in the middle and hold them up.

Mr. Iain Klugman: My apologies.

The Chair (Ms. Ann Hoggarth): Go ahead.

Mr. Iain Klugman: First of all, let me thank you for the opportunity to address the committee today. As I mentioned, my name is Iain Klugman and I'm the CEO of Communitech.

Communitech was founded 20 years ago by a group of entrepreneurs who were committed to making Waterloo region a global innovation leader. At the time, those ambitions seemed crazy, but today Waterloo region is recognized as having the second-highest density of start-ups in the world, and Communitech represents more than 1,200 companies of all sizes committed to growing the economy and the well-being of Waterloo region and Ontario.

In 2009, Communitech and the government of Ontario partnered to create a new public-private model in innovation with the launch of the Communitech hub and our digital strategy. At the time, we committed to support 100 new companies, generate 10,000 new jobs, attract $100 million in new investment capital and bring three new multinationals to the region. These seemed like ambitious goals at the time, but the partnership with the province and others allowed us to exceed those goals, supporting the creation of more than 2,800 companies, 16,000 jobs and $1.4 billion in new venture capital, and bringing 20 multinationals to Ontario.

The Ontario government has continued to help Communitech grow and develop new programming, and today I'd like to provide you a bit of an update on some of the important work that we've done over the past year.

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Fierce Founders and Rev are two of our key programs. Last year, we provided almost 10,000 mentor hours to 832 start-ups and 140 scaling companies, as well as working with almost 20 corporate innovation partners. But there are two programs that I'd like to highlight specifically, and I've brought the head of our advanced programs, Heather Galt, to help answer any specific questions you might have.

The first is our Fierce Founders program, which is aimed at women-led start-ups. First launched as a boot camp for 25 early-stage female founders in 2014, the program has been expanded to include two boot camps per year, as well as a six-month accelerator program for more advanced companies that have a product in market.

Thus far, we have worked with over 141 companies in five cohorts of the boot camp and are now working with our third cohort of accelerator companies. Throughout the program, we've worked with a number of exciting companies whose growth we've been able to help accelerate.

But there has been another advantage to the program, which is that we've seen the overall number of female-led companies accessing Communitech services grow. In 2015, only 9% of the active start-ups at Communitech had a female co-founder. By the end of 2017, that number was 33%. Clearly, there is still a long way to go, but over the three years of running this program we have learned a lot of lessons, and we think there are opportunities to expand it further to benefit women entrepreneurs across the province.

A second key program is our sales revenue accelerator, Communitech Rev. The program is designed to help ambitious, scalable start-ups get on a growth curve to reach $100 million in revenue. Rev offers six months of coaching and tailored programming to help companies accelerate their sales growth and accomplish a consistent revenue stream.

Through the first seven cohorts, the 24 graduates have averaged revenue growth of greater than 200% while in the program and have put in place scalable sales programs to help them grow even further.

When combined with provincial programs like the Ontario Scale-Up Vouchers Program, we now have a continuum of programs to support companies from the early stage as they develop into globally competitive firms.

With 80 billion connected devices expected worldwide by 2020, the Internet of Things and big data phenomena are driving change across all sectors of the economy. Deloitte Consulting estimates the global market impact for smart and connected applications, products and services will reach $3 trillion by 2020. The opportunity is enormous, but the timing is critical. The Toronto-Waterloo corridor has all of the elements necessary to develop a leading global cluster, but other jurisdictions are also making investments to capitalize on this sector.

Through two federally funded projects, Communitech has built expertise in the specific support that companies need to commercialize data. With the launch of the data hub in uptown Waterloo, we now have a platform to help them scale. We plan on launching data-focused programming that will offer companies a combination of mentorship, technical expertise, seed funding and talent development focused on the individual company and what their needs are. Working with both the provincial and federal governments, this is a huge opportunity to take advantage of the strengths of our academic institutions and skilled workforce to grow and attract data-enabled companies to Ontario.

For our scaling companies, the key issue they are facing is how to hire and develop talent. The Information and Communications Technology Council estimates that there will be a shortage of 216,000 technology workers in Canada by 2021. Here in Waterloo region, we know that there are currently 3,000 unfilled positions in our member companies alone.

Communitech has taken on a number of activities to try and address this shortage, including job fairs, our Work in Tech job board, campus programs that let students know about careers in Canadian tech and, more recently, an increased focus on training and employee development programs for our companies. We have worked with partners to develop leadership, tech sales and developer training courses, as well as an extensive corporate innovation training program. These programs have been successful but lack the scale necessary to address the needs of our companies.

In order to expand them, we are applying to the recently announced Skills Catalyst Fund to develop an ecosystem learning model that can work directly with companies to develop programs that meet the needs of high-tech employers while also helping underemployed and unemployed people outside of the tech sector find a pathway to employment.

Waterloo is an example of a successful technology cluster that has been built here in Canada. The challenge we now face is in scaling this success to compete on the global stage in order to drive the national economy and benefit from the asymmetrical returns that accrue to the largest tech clusters in the world. These returns are seen in the ability to attract and retain capital, talent and innovative companies. McKinsey has noted that the Toronto-Waterloo corridor has the potential to become a global cluster, which could result in an increase of $17 billion in GDP and the creation of 170,000 jobs.

Although there is increased collaboration along the corridor and recognition at both ends of the importance of working together, the most significant barrier currently standing in the way is the lack of viable transit between Waterloo region and Toronto. This is the single biggest issue that we hear about from the most companies in our region. They struggle to attract the talent and capital necessary to grow their businesses in the region and regularly waste valuable productive time sitting on the 401.

We are grateful that the government has committed to both two-way, all-day GO service as well as high-speed rail, which will be the true game-changer for the region once implemented. The challenge remains that in waiting until 2024, the current needs of our companies will not be met. Anything that can be done to speed up the process or to implement alternatives in the meantime would make a huge difference in the growth of the Toronto-Waterloo corridor.

We would like to think of the Communitech-Ontario government partnership as a grand experiment that has worked. We have built a unique public-private partnership innovation model that has helped to attract hundreds of millions of dollars in investment and create thousands of jobs in Waterloo region. We look forward to continuing this partnership and working together in helping to build Ontario's innovation economy. Thank you.

The Chair (Ms. Ann Hoggarth): Thank you. We go to the official opposition: MPP Harris.

Mr. Michael Harris: Thanks, guys, for coming in today. We could talk to you folks pretty much all day long about the great things going on over at Communitech.

You know what? It's unique to hear that there are 3,000 unfilled positions here by your member companies. You talk about partnerships with companies and filling those gaps and the shortage of workers. What would your message be to the government, especially when it pertains to colleges and universities, to be giving those new grads or even retraining those who can fill those 3,000 positions? What would your message be to all of us today, perhaps? You talk about the scaling factor, so how can we continue to scale that?

Mr. Iain Klugman: Well, I think that we need to look at the aggregate level at the kinds of talent that we're producing in Ontario and whether or not it's the right talent to fuel the outcomes and the strategies that we would like. We do produce fewer engineering and computer science graduates per capita than Euro countries or jurisdictions. In order for us to compete in the innovation economy, we need to be producing the right not just number of graduates, but the right balance of science, technology, engineering, math and arts degrees. I think that at this point in time, we are under-producing engineering and computer science graduates.

I think the second thing is that there is a standard approach to job training that exists out there, and there's a tremendous opportunity to be able to focus on a few specific areas of what's called micro-credentialism, which is basically teaching people the skills that they need for a very specific role. This is increasingly becoming the model around the world.

I think traditionally, when I and some of you went to university, we went and we learned everything we could with two or three degrees, and then we were equipped for life. Of course, that tool kit from 1984 is no longer appropriate. Increasingly what we're seeing is people needing to learn quickly, and so I think the next opportunity would be to say: How do we teach people what they need to know quickly? So things like finishing school for developers and sales programs.

I think the third thing, obviously, is the need for talent to be able to move quickly across the Toronto-Waterloo corridor as opportunities rise and fall. Of course, that really speaks to the need for effective transportation.

Then the final thing is that we have a tremendous country, and it is things that we have done and things that other people have done to themselves that have positioned us as being a destination of choice. I think now is the time for us to be out telling the story of Ontario and how remarkable this place is. I think there is great interest globally in thinking about this location.

Mr. Michael Harris: Speaking on attracting talent and companies and retaining those companies, because it is highly competitive, especially with US jurisdictions, federally we see the flow-through shares—there was a possibility of some changes there—and income tax sprinkling changes. What financial factors are there in keeping the Ontario ecosystem competitive—including raising capital, because capital is a big part of this? What can Ontario do? I'm thinking on a variety of fronts. What could we be doing or implementing in policy to allow for better financial situations with some of these start-up companies?

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Mr. Iain Klugman: I think the one big one that's out there is that there is still a lot of money that's sitting on the sidelines. There's a lot of money that's still sitting in things like real estate, and any kind of incentives, whether it's flow-through shares or angel tax credits that encourage people to consider a portion of their portfolio and personal wealth investment in the innovation economy, would go a long way.

Mr. Michael Harris: Finally, the Toronto-Kitchener corridor and transit—critical?

Mr. Iain Klugman: Critical, yes, to the opportunity that we have. The success and prosperity of nations is built on superclusters in this day and age. They drive national economies. We have one within our grasp with Toronto-Waterloo; we just need to realize it.

Mr. Michael Harris: Thanks.

The Chair (Ms. Ann Hoggarth): Thank you very much for your presentation. If you have a written submission, it needs to be to the Clerk by 5 o'clock on Friday, January 19.

Mr. Iain Klugman: Thank you very much.

ONTARIO SOCIETY OF PROFESSIONAL ENGINEERS

The Chair (Ms. Ann Hoggarth): Our final presentation of the day will be the Ontario Society of Professional Engineers. Good afternoon. Once you're settled, if you could please give your name for the purposes of Hansard, and you may begin your 10-minute presentation.

Mr. Sandro Perruzza: My name is Sandro Perruzza, CEO of the Ontario Society of Professional Engineers.

Mr. Jonathan Hack: I'm Jonathan Hack, president and chair of the board of OSPE.

Mr. Sandro Perruzza: Good afternoon, Ms. Chairperson. Thank you to the committee members for allowing us to appear today on behalf of Ontario's engineering community. My name is Sandro Perruzza. I'm the chief executive officer at the Ontario Society of Professional Engineers, or OSPE, as we call ourselves, and today I'm joined by OSPE's president and chair, Mr. Jonathan Hack, professional engineer. Jonathan is a licensed mechanical engineer with over 30 years of experience in manufacturing, product development and research in the automotive and aerospace sectors. He is currently an innovation leader at Bombardier Aerospace. We will be sharing our time today to explain why Ontario's 2018 budget must make strategic investments to capitalize on engineering talent.

Mr. Jonathan Hack: Ontario is home to more than 85,000 professional engineers and a quarter of a million engineering graduates. That's one of the largest concentrations of engineering expertise anywhere in the world, and the largest concentration of engineering expertise in Canada. OSPE stands as the advocacy body, the voice, of the engineering community in Ontario.

We're the voice of people like Shemina, a 23-year-old electrical engineering graduate who recently came to OSPE looking for help. She shared her story with us, a story that exemplifies the challenges and the opportunities facing Ontario's engineering graduates today.

Shemina did everything right. As newcomers to Canada, Shemina's parents encouraged her to pursue science, technology, engineering and math in elementary and in high school. She got an offer of admission to a prominent engineering faculty at a great Ontario university, and worked diligently to finish near the top of her class. She won some scholarships, and used OSAP and student loans to finance the balance of her tuition. Finally, after four hard years of work and determination, she earned her bachelor of engineering degree. She was eager to begin her career and build experience to qualify for her professional engineering, or P.Eng., licence in Ontario.

For Shemina, graduation was the happiest day of her life, the beginning of a limitless career, only to spend the next 10 months applying for jobs without any success, not even a call back. Shemina, I will tell you, is not alone. Shemina's story is shared by thousands of engineering graduates across Ontario: young, diverse and talented individuals who have the tools to succeed, but they need help in getting that first engineering job. They need someone to invest in them, someone to give them a shot.

We are here today asking for Ontario to invest in people like Shemina, to give their engineering talent a shot and to help thousands of graduates get that first engineering job. To do this, we are asking that Ontario's 2018 budget include the expansion of the Career Ready Fund and the Career Kick-Start Strategy and create targeted funding to strategically support engineering employment.

Last year, Shemina became one of Ontario's 250,000 engineering degree-holders. Those ranks are growing. This spring, a record number of engineering graduates will get their degrees—more degree-holders than there were last year upon graduation, and more upon the record set the year before that. Looking to the years ahead, Ontario's recent investment aimed at increasing the number of STEM students in Ontario's colleges and universities will create an even larger pool of engineering graduates entering the job market.

The concerning reality is that Ontario's engineering graduates are disproportionately underemployed and unemployed when compared to other jurisdictions and professions. In fact, research indicates that of employed engineering degree-holders, more than 33% of them are in positions that do not require any form of post-secondary degree. So of engineering graduates in Ontario, over one third of them are in a job that does not require a post-secondary degree.

To be clear, we applaud this government's vision for excellence in post-secondary education and the creation of supports, pathways and unprecedented access to education. Our concern is rooted in basic economics; namely, increasing the supply of engineering students without making adequate investments to increase the demand for engineering graduates. That will cause a double impact that policy-makers need to be made aware of.

The first impact is related to cost. The underemployment of engineering graduates undermines the return on public and individual investments in post-secondary education. I think all of us here today would agree that someone with $120,000 invested in an advanced degree should not be shovelling snow or pouring coffee. We want them building, designing, innovating and doing.

The second implication is that the underemployment of engineering graduates limits our economic growth in Ontario. This restricts the realization of Ontario's vast competitive advantage; namely, our homegrown engineering talent. We need to support our best and brightest by aiding their transition into the workforce so that they can create wealth and jobs here in Ontario, not elsewhere.

How do we address this situation and what's in it for Ontario? Since we are connected to the engineering employers, post-secondary institutions and our members, OSPE is uniquely positioned to understand the complexity of this challenge and to offer some solutions. Paradoxically, across all industries, businesses are actively seeking job-ready applicants to fill engineering positions. In fact, the Conference Board of Canada estimates that the unfulfilled demand for engineers in Ontario directly costs our provincial economy billions and billions of dollars every year. Anecdotally, OSPE's own job board and industry events are routinely at capacity for firms seeking engineering talent. So we know there are a lot of underemployed and unemployed engineering degree-holders, and at the same time industry is telling us that the demand for qualified engineering graduates is high and growing.

The key here is: Are they job-ready? The skills gap is real. The skills gap in engineering exists between the knowledge that our graduates acquire in the classroom and the abilities that modern employers are seeking for their engineering talent when they hire them. Specifically, engineering employers are looking for candidates with one to three years of work experience, and the demand for these people with that type of experience outside of the classroom is immense. So if firms want to hire these job-ready candidates with experience, how can recent engineering graduates get hired?

Here's the role that the provincial government can play as a connector and facilitator: Even talented engineering graduates like Shemina can take days, weeks and sometimes even months to get properly onboarded to a new technical job before they can really start to produce significant results.

For engineering employers, the time and the investment, in particular for small and medium-sized companies, to train and onboard a new hire is increasingly expensive, and, in a competitive marketplace, managers know they could be investing in someone who might only leave to go to a competitive company in a couple of months.

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The lynchpin is the issue in finding a way to reduce the employer's costs associated with hiring recent graduates and incentivizing them to take on and coach new hires. We believe that expanding the Career Ready Fund and the Career Kick-Start Strategy, in combination with earmarking funds specifically dedicated to support engineering positions, can accomplish both of these interests, enabling and encouraging employers to take on engineering talent to grow their businesses.

Mr. Sandro Perruzza: Although OSPE is headquartered in Toronto, we wanted to have this discussion right here in Kitchener-Waterloo because of what engineering means to this community. Whether it's BlackBerry or the game-changing start-up supported by Communitech, engineering innovation is the lifeblood of this region. It has defined it, shining as a prime example of how investments in engineering create direct and indirect jobs, wealth and an impressive culture of entrepreneurship.

By growing and sustaining the Career Ready Fund and the Career Kick-Start Strategy with targeted investments to support engineering employment, Ontario will further unlock the massive economic potential of Kitchener-Waterloo and other communities all across Ontario, capitalizing on our greatest resource: our highly skilled workforce.

The government of Ontario has an important role to play in encouraging and incentivizing the first connection between engineering graduates and employers. For Shemina in Toronto and other recent graduates in communities across our province, like Nicole in Barrie, Ally in North Bay, Victoria in Haldimand, Caleb in Cochrane, Raj in Windsor, Miranda in Kitchener and Ben in Ottawa, Ontario's 2018 budget is an opportunity to give these talented people a shot at their first job and help launch the next generation of engineering careers. We thank you for your time and we look forward to your questions.

The Chair (Ms. Ann Hoggarth): Thank you. We'll go to the third party: MPP Vanthof.

Mr. John Vanthof: Thank you, gentlemen, for coming and for talking about a very interesting problem. I think most of us assumed you'd get out of engineering—it's part of the STEM system—to a guaranteed job, and you're telling us it's not. My colleague Peggy Sattler has long been an advocate of work-integrated learning. I think that's what you're saying.

In your opinion, are firms across the province ready for a program that would include more work-integrated learning or as a jump-start to actually getting practical experience to get a job?

Mr. Jonathan Hack: What I would say is that firms are looking for graduates with job-ready skills and what we're seeing is that in university, in the programs that are offered, they're highly regulated and you've got to go through a number of core courses, and when you graduate, there are additional skills that are required. It's software programming, it's computer-aided design, those sorts of things, and it's soft skills as well that graduates do not have. So they're looking for graduates with one to three years' experience and they're not giving those recent graduates that first job opportunity.

We would like those graduates to have that opportunity here in Ontario and, as they get that experience, then they're able to apply for their P.Eng. licence and become a professional engineer here in the province. That's a skill that you have with you for the rest of your life.

Mr. John Vanthof: If you could design a program, what would the government need to do to make that work?

Mr. Sandro Perruzza: We've worked with organizations like Siemens and looked at their work-integrated learning program, and there are other organizations. Bombardier has a great program as well. The trouble is, small and medium-sized enterprises don't have the capacity to develop their own. This is where we think OSPE can fit in because we can develop that program. We have partners right across the province, in every community, that we can work with to actually run these training sessions and be that bridge between the engineering graduate and the small and medium-sized enterprise to provide that bridging program, if you want to call it that, and then provide that work-integrated learning opportunity for these students.

Mr. John Vanthof: I'm just trying to envision this on behalf of the committee. How long would a program like that be—each firm would be different?

Mr. Sandro Perruzza: Yes. It would be similar to what we do currently for internationally educated engineering graduates. We've developed bridging programs for them to get them the experience they need to get their first job here in Canada. It would be a very similar program that we would do for recent graduates. It's really around the soft skills and some of the other gaps that universities are bound—because there's a Canadian engineering accreditation board that stipulates, "This is what you need to teach," and you can't teach outside that. So there is a gap between what the universities are allowed to teach and what the employers are looking for. We can provide that bridge.

Mr. John Vanthof: So the gap is more for small and medium-sized employers as opposed to the big boys?

Mr. Jonathan Hack: The larger companies have the means and the programs, typically, to do a lot of this work, but it's the small and medium-sized companies that don't have the resources to do that, to on board people in a cost-effective manner, so those jobs are not being filled.

Mr. John Vanthof: Are there particular sectors that are having a harder time, or is it across the board?

Mr. Sandro Perruzza: It's across the board, I would say—exactly. Civil not so much, but I would say especially in the emerging technologies—and this is where Ontario's opportunity is.

Mr. John Vanthof: Okay. Anything further to add? I think we have a minute or two left.

The Chair (Ms. Ann Hoggarth): One minute.

Mr. John Vanthof: Go ahead.

Mr. Jonathan Hack: What I would say is about engineering: You go through four years of school but you're not done when you complete your four years. You have to then go into the job market and you have to get relevant experience. The job-experiential portion of that is equally important. The government has invested a lot of money in the creation of great post-secondary programming for technical programs in Ontario. What we're suggesting is: Go the rest of the way. You've gone 75%, 80% of the way; go the rest of the way and ensure that those job-ready skills are there so that those students can take those engineering positions in Ontario and they aren't relegated to becoming a barista. Now, I love my Starbucks as much as anybody else, but I think it's better value to the Ontario economy to have these people employed as engineers in the field that they're trained in. That would be my recommendation. Thank you.

The Chair (Ms. Ann Hoggarth): Thank you very much. If you would like to give us a written submission, it needs to be in to the Clerk by 5 o'clock on Friday, January 19.

Mr. Jonathan Hack: Thank you.

Mr. Sandro Perruzza: Thank you.

The Chair (Ms. Ann Hoggarth): Committee, we will adjourn until tomorrow morning at 9 o'clock in Windsor.

The committee adjourned at 1657.

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