

Legislative  
Assembly  
of Ontario



Assemblée  
législative  
de l'Ontario

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**Official Report  
of Debates  
(Hansard)**

F-13

**Journal  
des débats  
(Hansard)**

F-13

**Standing Committee on  
Finance and Economic Affairs**

Pre-budget consultations

1<sup>st</sup> Session  
42<sup>nd</sup> Parliament  
Monday 28 January 2019

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

Consultations prébudgétaires

1<sup>re</sup> session  
42<sup>e</sup> législature  
Lundi 28 janvier 2019

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Chair: Stephen Crawford  
Clerk: Timothy Bryan

Président : Stephen Crawford  
Greffier : Timothy Bryan

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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRS

Monday 28 January 2019

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUES

Lundi 28 janvier 2019

*The committee met at 0902 in the Holiday Inn Peterborough-Waterfront, Peterborough.*

## PRE-BUDGET CONSULTATIONS

**The Chair (Mr. Stephen Crawford):** Good morning, everybody, and welcome. We're glad to be in Peterborough today. We're meeting to hold pre-budget consultations. Each witness will receive up to seven minutes for his or her presentation, followed by eight minutes of questioning divided equally amongst the recognized parties. Are there any questions before we begin today?

## ALGOMA ORCHARDS

**The Chair (Mr. Stephen Crawford):** With that, we'll call up our first witness, Algoma Orchards. Good morning and welcome. If you could just state your name for the record, and again, you'll have seven minutes to present before questions. I'll give you a one-minute warning as well, just so you're aware of your time. Please state your name for the record and you can get right into your presentation.

**Mr. Kirk Kemp:** Thank you very much. My name is Kirk Kemp. I'm one of the family owners of Algoma Orchards.

I should ask somebody: Do you want a little bit of background about what we do?

**The Chair (Mr. Stephen Crawford):** That's up to you, but a little bit of background would be helpful.

**Mr. Kirk Kemp:** Okay. We're comprised of two families: one, the Gibson family from Newcastle—we're in the Newcastle-Bowmanville-Clarington area; we're apple farmers, and they've been farming since the mid-1860s—and the Kemp family, which I'm one of the members of. I'm the fourth generation in the business. We've been farming apples since about 1900. We grow approximately 1,200 acres of orchard in the Clarington area, and we purchase apples from various growers from Leamington, Essex county, all the way to the Ottawa Valley. We package up apples for Loblaws, Costco and Walmart, our big customers. We do juice for those customers as well, as well as Tropicana. We hire a lot of local people. We've got about 125 people full-time. We hire as many as 185 to 200 offshore workers throughout our growing season.

Thank you for allowing me to come here today. I'm not a professional presenter, as you can see, with my piece of paper. If I had thought this through, I might have gone

second or third so I could see what people say. I told David Piccini—he's our local guy up there—that I'll set the bar good and low and make everybody else feel better.

I think these tours are great—gathering information from people on what the issues are throughout the community and the province.

Without any particular order, I have a few important things that I think you might have heard, but I'm going to go through them anyway.

I think the direction the government is taking to reduce red tape and make it more business-friendly is really important. We've noticed in the last 15 to 20 years in our business that there are more hurdles constantly to try to get business done through red tape and regulation. As a responsible community leader and a businessman, I'm all for regulation, but when it gets to the point—sometimes it almost feels like different levels of government are trying to operate your business. That gets in the way, and it impacts your decision-making as to whether you're going to expand your business and create more jobs.

I'm 60 years old. I bought my first farm when I was 19 years old. This is number 43 crop coming up for me. I still love what I do because my family is involved, but I also love the people who make an effort to come to work every day for us.

I think it's important to provide an atmosphere where we can make money so we can continue to expand our business.

We handle about two million 40-pound boxes of apples a year and about 10 million litres of juice. We're the biggest independent apple grower in the country, but compared to some of our competitors around the world, we're not that big. But we know that we can compete with anybody if we're allowed the opportunity to compete.

I think it's very important that we have a bit of a change in the attitude that—I've got this feeling, both from the federal level and provincial level over the last number of years, that businesspeople feel like we've sort of been put on the naughty bench, that business is bad, that people make too much money. That's not just my feeling; that's the feeling of my peers, whether they're farmers or whether they're businessmen uptown or somewhere else in the province. Some people might deserve that, but I think the majority of people who operate their business don't. I think it's important that we look at businesspeople as people who are committed to the community and who are providing jobs for people so they can help raise their families.

Minimum wage has been a very, very harsh jump for us. We have no problem with trying to pay people a fair wage. I'm all for that, but we can't be out of line with our competitors. Our competitors throughout Canada are quite a bit behind us, and our competitors in New York state and Michigan are quite a bit behind us, as far as their minimum wage that they're paying on farms.

0910

That jump last year to \$14 cost our farm \$650,000, and there is absolutely zero way to get that out of the marketplace. If we could get it out of the marketplace, that's awesome, but we can't because we're price-takers in the agriculture business, especially horticulture. So I think that's important, to let the other competing areas catch up. I'm all in favour of putting pressure on the rest of them to catch up. Some of my cohorts in our industry would want to swat me in the head for saying that, but I think that's important.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Kirk Kemp:** I also feel it's important for the government to continue to look at the greenbelt. I know it's a political hot potato, but in my opinion, there has been a lot of artwork in that and not as much science as we might like.

I think the government could actually help us a fair little bit with some incentives for capital expenditures in our business. Make the businessman or -lady spend a bunch of money, but give some incentives for capital expenditures, especially in farming, because we're not going anywhere, unlike some companies that can move to Mexico or to Asia. You can't move your dirt. If you invest in the farm community, that money is staying and it's not leaving even your community.

**The Chair (Mr. Stephen Crawford):** Thank you very much, Mr. Kemp. We've run out of time, so we're going to start questions. We've got eight minutes: four minutes from each party. We're going to start with the government side today. Mr. Piccini.

**Mr. David Piccini:** Thanks very much, Kirk, for coming to present to us today. We really appreciate it. I think it's important that we lead with ag, especially in our neck of the woods. It's the number one employer, I know, in Northumberland-Peterborough South and a major employer for my colleague Dave Smith here.

You spoke about expanding, creating jobs and commitment to our community. We know the major role Algoma plays in the Clarington portion of the riding to the south of us. You spoke about being committed to your community; I know you didn't expand on it. But when you talk about government on your back and when you're bogged down with red tape and when you're looking left and looking right for the next hit from government, talk a little bit more about how that limits your ability—I mean, we know when it comes to the hospice, you're the first to step up; Algoma is the first to step up. When it comes to the hospital, you're there, galvanizing our community.

But when government is on your back, talk about how that limits your ability to expand and create jobs, and how it limits your ability to look beyond with that stability to

make those investments in areas of our community that we enjoy, like the hospice and the hospital.

**Mr. Kirk Kemp:** Thanks. Yes, you hit the nail on the head. When you are in business, you are doing your best to keep everything lean, because the profit margins in any industry are getting thinner and thinner, so you have to expand your business. If there are roadblocks in front of you to do that, you say, "Well, why bother with the extra headache?" Those roadblocks cost money and time. When it takes longer to get an LMIA approved for your offshore workers—I've got a full-time employee who does that. I can think, if I was on the farm by myself with my dad, we'd have to arm-wrestle to see who had to do that job, because you're in the office, phoning and phoning and filling out paperwork. Why buy another farm to make all that extra work?

I always tell my employees, "If I've got a buck, there's a chance I can give it to you. But if I'm not making any money, there's a 100% chance I've got nothing to spread around."

We're a big community of people. I sit on the hospital foundation. I'm helping out there to raise money for a much-needed expansion and redevelopment. I'm also sitting on the board for the local hospice. I've been a past president of our local Lions Club. We want to be part of the community. If you're completely spending a lot of time and money trying to get projects approved, you don't have any time or energy or money to help your community.

Like I said, we've been here over 100 years. My two boys are in the agriculture business—30 and 24—and my daughters help my wife in the travel business. So my kids are in the area. They're not moving. I hope my grandkids are here and my great-grandkids are here.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. David Piccini:** Lastly, I'll just touch on that you talked about a \$650,000 hit with the increase to minimum wage. I know we spoke at length about indeed having a fair wage. But it was that rapid increase and that lack of predictability for business owners. Now, we know we can virtue-signal and we can talk all we want about the niceties, but talk to us about the bottom line. When that rapid increase comes overnight to business, who pays?

**Mr. Kirk Kemp:** We did. It came right out of our pocket, because we have to compete with Washington state apples, New York state apples, Chile and New Zealand apples. If they haven't had a major increase in their wages, which they haven't, we have to sell for the same money. Our customers are more than happy to buy Ontario and Canadian first—only if it's priced right. So we can't add that price on.

**Mr. David Piccini:** Talk to us a little bit about "price-taker," for those who are unaware.

**Mr. Kirk Kemp:** Like I said, it's a world commodity, and there are no tariffs on the borders. Fruits and vegetables can flow freely into Canada—

**The Chair (Mr. Stephen Crawford):** I apologize, but we've exceeded our time by a bit. We are slightly behind. Let's move over to the opposition side. Ms. Fife.

**Ms. Catherine Fife:** Thank you for making the trip up here to Peterborough, Kirk. Also, thank you for making the distinction between reducing regulatory burdens and addressing safety regulations, for instance, because we know that farming can be a very dangerous profession, based on the stats.

You mentioned that you have about—is it 150 offshore workers?

**Mr. Kirk Kemp:** Yes.

**Ms. Catherine Fife:** Is that through the seasonal agricultural federal program?

**Mr. Kirk Kemp:** Correct.

**Ms. Catherine Fife:** That's interesting for me, only because I'm curious to know your experiences in attracting workers to the agricultural field. Has that been an issue for you? Is that why you've become—I know a lot of farmers, actually, are quite dependent on the SAWP program.

**Mr. Kirk Kemp:** In the hort industry, it's life and death.

**Ms. Catherine Fife:** It is?

**Mr. Kirk Kemp:** I remember, as a kid when I helped my dad 40 years ago, there would be housewives; guys would come off of shiftwork at General Motors, because Oshawa was right there and there were 20,000 union employees there then. But there were a lot of guys who would come off of shiftwork. As the time went on, the housewife didn't work anymore and the husband didn't come off shiftwork anymore, and it was almost impossible to find local help.

Every time we hire an offshore worker, we advertise in two papers and on the job bank. It's very, very rare to get anybody who wants to work on the farm.

**Ms. Catherine Fife:** So I think that it would be good if the federal government would be doing a similar process. I have actually heard from many farmers from the Waterloo area that the hoops that you have to jump through to access seasonal agricultural workers from outside of Canada are very onerous. You may be more seasoned next budget cycle, by the time for the federal government.

My colleague here would like to address the minimum wage.

**The Chair (Mr. Stephen Crawford):** Mr. Arthur.

**Mr. Ian Arthur:** Yes, I would recommend doing that, too. There is some fantastic literature out there about that program and how difficult it actually is to get Canadians to do the same sort of work that they do when they come in.

I wanted to just point out a quick clarification when you're talking to the minimum wage. Rapid increases to minimum wage are very hard. I come from a restaurant background, and when that giant jump happened, it was difficult. There was a lot of planning and a lot of looking forward going into it.

That being said, I fully support a living wage. It was hard, and we figured it out. I think that there need to be supports for small and medium enterprises so that they can make that transition to a living wage.

Just so you know for future presentations, the current Washington state minimum wage is \$12, which translates into \$15.93 Canadian.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Ian Arthur:** In New York state, the current minimum wage is \$15, which transfers currently into \$19.91 per hour. I know that they have increased expenses in other ways, but just be careful. North America is transitioning to a \$15 minimum wage, and I still believe that we need to get there, too.

**Mr. Kirk Kemp:** Just for clarification, those are federal wage rates. I know that they do not pay \$15 on the farm, because I personally know a bunch of people in business in New York and Washington state who do not pay—

**Mr. Ian Arthur:** New York has a state one. It went up to \$15 on December 31—not federal wages.

**Mr. Kirk Kemp:** I can tell you that to farmworkers—sorry, sir—they do not pay anywhere close to \$15. That is a fact. The minimum wage would have been much better implemented if it came from all people. I think they should have done the same thing as the HST when it first came in: If you were below a wage, you got a grant every quarter. All taxpayers paid it, so it wasn't an extra burden on any particular area. The small-business man or woman uptown and the farmer, they took too much of that burden. It should have been passed around to all taxpayers, and I think it would have been much better.

**The Chair (Mr. Stephen Crawford):** Thank you, Mr. Kemp. We appreciate your time.

**Mr. Kirk Kemp:** Thank you. I appreciate the time to speak.

0920

#### COUNCIL OF CANADIANS PETERBOROUGH-KAWARTHAS

**The Chair (Mr. Stephen Crawford):** I'd like to call up our next witness, the Council of Canadians for Peterborough and the Kawarthas. Good morning, and welcome to the finance committee. If you could please state your names for the record, and you can get right into your presentation.

**Mr. Roy Brady:** Good morning, everyone. Roy Brady. I'm the chairperson of the Peterborough-Kawarthas chapter of the Council of Canadians, health care being one of their main campaigns. I did send notice last Tuesday that accompanying me for a little bit of input is Charlene Avon, who is on the board of the Ontario Health Coalition so she has a background there.

Thanks again. I noticed you have a full program today, and I like that.

Realizing that the framework for budgets is probably somewhat established, I just wanted to leave you with some considerations and examinations to undertake before the budget does come out. We believe that health care is a very, very necessary service. It is a government obligation to provide this, and I'm talking to both the opposition and the government that have to be involved in this. You are entrusted and you are to assist public providers as much as possible.

I'd like to refer to the phrase that the current government has used, "for the people," because I think that really applies in health care. I'll use that a few times. I know

some people snicker and criticize and so on, but, hey, let's use it: "For the people."

First of all, I don't think you can use the deficit as a reason or an excuse to cut health care because that would be "not for the people." I think the health care system needs enhancement and not any kind of retrenchment. You've probably realized already that the Liberals did not leave the health care system in very good shape. There are gaps that you have to fill, and there are needs that you have to identify before you do that.

I'd like to spend a little bit more time on long-term care than other issues. All parties have emphasized this. Long-term care is really important here in Peterborough. This is an aging community.

People who have to go to long-term care have been wonderful citizens, taxpayers and civic actors for decades. They deserve better treatment than what they're getting. I'm looking to this government to provide that. Right now, we do not want people like that to be just warehoused in a system where the costs are being reduced or kept under terrible control. When you talk about a long-term-care bed, it isn't just a place to sleep; it's a home. And I mean "home," where nutrition, fun, interaction, hope and life are continuing—not living there under the expectation of death.

The growing acuity of the conditions of some of these people has really made it difficult for staff to serve their needs, so we really need an improvement in the numbers of staff on the front lines. We have dementia, we have Alzheimer's and we have growing violence. There are reasons why staff has to be increased and has to be trained, even more so than they are. Staff is the way to do it. It's a human resource thing, because there are patients in need—in fact, in even more need than they have been in the past. Otherwise, you just can't provide what these patients need. This appeal is for those people.

I'd like you to take a look, though, at the Butterfly model, which is in operation in a couple of places in Peel—Malton Village would be one—where they just change the nature of a long-term-care home into more of a community. They have smaller groupings for a sense of community. The locations tend to be where the action is, not off somewhere. Empathy is number one. Empathy is absolutely taught, that more so than regulation. Personal interaction, attractive environment and stimulating food experiences: Make them feel like it is a home, not the one they chose, necessarily, but a real home and not just a replacement. So, yes, to do that, you need staff. You need staff, because the staff are people, the people who interact with those people in need.

I have to tell you that the way to go isn't for-profit homes, where profit—it's business—is absolute. If you take the hopeful 10% or 15% profit, it's not going to help the patients. That's just not the approach that we recommend you take.

I'll refer now to hospitals, very briefly. You know that the Liberals, in their 15 years, retrenched and starved them on the basis that, "Oh, we can get some of these services in the community." They weren't provided. That route just does not go. Acute care needs have increased, and hospitals are where you provide that. Even retaining people in

the hospital instead of sending them off to long-term care is necessary for the needs of some people. There have to be wise choices there. But you still have to have the staff there to make sure you do a good job. The needs are growing, even at the same time that restraints are on the horizon. Again, you're doing that for the people, these particular people.

Next, I'd like to refer to rumours I keep hearing of a super-agency. I know five years ago you were introducing the idea of hospital hubs, where everything would be in about 30 different hubs across the province. I don't recommend that at all, okay? Because that's not for the people; it's not. That's reducing contact with the people by consolidating things and distancing from the people. There needs to be some useful decentralization where the practitioners and the patients, the people living in the community, have to have a say. They have to be involved, because one size doesn't fit all. I would like you to dispense with the idea of the super-agencies.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Roy Brady:** One minute?

**The Chair (Mr. Stephen Crawford):** Yes.

**Mr. Roy Brady:** Confound it. Okay.

Privatization: I've already made a couple of comments on that. That's hardly for the people because it opens up opportunities for more money to be made by the practitioners themselves. Profits that leave the building aren't there for reinvestment in necessary change. You've heard from me that there has to be an improvement in the system.

I'm rushing here, so I'm going to make one reference. The Oversight of Health Facilities and Devices Act from 2017 was amended to get rid of schedule 9. What schedule 9 did was—it didn't protect the Public Hospitals Act from the 1950s. Right now, there is the possibility with this particular act, if it isn't amended and passed, which I ask the government to do, for private hospitals to suddenly form. That does not serve the needs—

**The Chair (Mr. Stephen Crawford):** Thank you very much, Mr. Brady. We're going to now move to questions. I apologize for cutting you off, but we have to stick to the schedule.

We've got eight minutes. Let's start with the opposition—four minutes. Ms. Fife.

**Ms. Catherine Fife:** Thank you, Roy and Charlene, for being here today and for really articulating some of the major concerns that people have around health care in the province of Ontario—certainly on long-term care and the quality of that long-term-care experience we've heard for many years now.

Thank you for stating the obvious around the Liberals leaving the health care system in a state of serious crisis. Many of the reasons why we are here today is that they allowed privatization by stealth. They left that loophole open for clinics and services, from scopes to test results, to be contracted out, and then we lost accountability. I think that's an important part of rebuilding the system: building accountability and trust back into the health care system and not allowing those private for-profit interests to trump—that's maybe an unfortunate word now—or to

override the public interest, which is one of our core values around health care.

Charlene, you didn't get a chance to address it, but can you speak to that trust element and then the quality of the care? Because every dollar that's going into health care needs to be going to patients and their experience.

**Ms. Charlene Avon:** I hope I hit on it just quickly here. I'll do a brief, quick history of Peterborough and the area here on the quality of care.

Many years ago we had St. Joe's, which had a second floor, 2A and B, and a third floor, 3A and B, which were chronic complex floors. We had a civic hospital, which is now the PRHC, on hutch 3 and hutch 4—chronic care patients there. Those floors were dissolved. Where did the people go? Out into the community. But our long-term-care beds have not increased.

The care for those people is out in the community. It is under places like CCACs and that, but they don't have enough staff to get to those people, to treat them with the dignity and the respect that they need, to make their lives valuable there. We really need to look at what we are charging them for. They've already paid their taxes. They've paid into the community here. They've lived here. They've shown what they can do. Let's show them what we can do for them.

0930

Every one of us sitting around this table and in this room is going to, hopefully, get to use that service, and we should be able to use it the same way that I would use it, as you would use it, as you would use it and as you would use it: no user fees.

**Ms. Catherine Fife:** Also, given the demographics of Peterborough, your specific ask from the budget committee, particularly for Peterborough and the area, is a strong investment in long-term care.

**Ms. Charlene Avon:** Absolutely.

**Ms. Catherine Fife:** Because you are so far behind.

**Ms. Charlene Avon:** Absolutely.

**Ms. Catherine Fife:** So you want to see that in 2019.

**Ms. Charlene Avon:** Absolutely.

**Ms. Catherine Fife:** And you want to see it in a public system of long-term care which is based on quality.

**Ms. Charlene Avon:** Absolutely. That's where we came from and that's where we need to stay in.

**Ms. Catherine Fife:** That's excellent.

Now, the super-LHINs: This is the other idea that this government is floating around.

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Catherine Fife:** Our concern is that there will be more bureaucracy in that super-system of care. Can you quickly address that, Roy?

**Mr. Roy Brady:** We were actually the coalition that opposed the LHIN legislation when it came out. The number one reason we did—well, two reasons. It's especially that they talked about community, but they had no intention of dealing with the community. Decisions would be made, in our case, in Ajax, or in 14 different centres. If they did contact anybody, it tended to be the large agencies and so on. That's not for the people, okay? We weren't

particularly happy with the LHINs for that particular reason.

Also, we felt that, really, they ended up doing the dirty work for the government. In other words, they spent most of their time trying to get all the different providers balancing their budgets, signing accountability agreements. I don't think that was the role of an organization that's supposed to be dealing with the communities.

**The Chair (Mr. Stephen Crawford):** Okay. Thank you. We're now going to turn to the government side for questions. Mr. Smith.

**Mr. Dave Smith:** Hey, Roy. Thanks for coming in today. It's good to see you. What I really appreciated today when you came in is that you talked about a lot of positive stuff. There are a number of things that you talked about where I agree with you wholeheartedly. You said that our health care system needs to be sustainable, and you also said that you can't use the deficit as a reason to neglect anybody in health care. I agree with those statements 100%. I think you're bang on.

You also talked about how long-term-care recipients deserve much better than what they're getting. I agree, as well, that in this area we have a need for some long-term-care beds. One of the things that we did recently was that we approved 248 long-term-care beds as part of the start, and 10 additional beds at PRHC. That announcement was made back in the fall. We do have a number of projects that are on the go that we're trying to get in.

But I'd like to come back to something that you did bring up, as well—something that I do agree 100% on—and that is staff and the need for more staff. One of the challenges that we have, though, is that if we were to be able to build an additional thousand beds, let's say, where do we come up with the nurses and the PSWs who we need to staff it? Going back to your comment that health care needs to be sustainable, how do we attract people into those careers? How do we get people to go to college to become the PSWs? We need a lot of people in that.

There was just a comment to go start hiring them. You have to have people trained in order to hire. How would you suggest, then, that we attract people into those things? How do we support our college system better so that people go into that? If we were to have tuition cuts, would that be something that would be beneficial to people to break down some of that barrier, to get them into it?

**Mr. Roy Brady:** I do have one major suggestion how to do that.

**Mr. Dave Smith:** Sure.

**Mr. Roy Brady:** PSWs are poorly paid. Their working conditions are horrible. Just the fact that there's so much travel—they're always rushed when they go to see a patient in their home and so on. That's one major reason why people are not going into that profession. You just don't go into a profession that will pay you—well, even \$15 an hour, which we've talked about. That's certainly not worthy of a very good, dedicated health care worker. You're going to have to put more financial resources into the system itself, deficit or not. You have to attract people by making sure—

**Mr. Dave Smith:** But you made the comment that health care needed to be sustainable.

**Mr. Roy Brady:** But when you say “sustainable,” what do you mean, Dave?

**Mr. Dave Smith:** If there isn’t any money to pay for it, how is it sustainable? We need to find a way to make sure that there is money there for it. That’s why we’re doing this type of a process right now: We’re asking for feedback from the community—

**The Chair (Mr. Stephen Crawford):** One minute

**Mr. Dave Smith:**—on how we can do things in a way that is sustainable in the long term. We can’t be in a position where we’re continuously borrowing more and more. What we end up doing—like we saw this past year, \$12.5 billion was spent on interest. We need to bring that number down so that money is being spent where it should be, like on PSWs, on nurses and so on.

That’s really what my question is to you: How do you suggest, then, if we can’t go deeper into debt, that we do this? How do we do it in a sustainable way to make sure that everyone is getting what they need and what they deserve, without us having to waste so much money on interest?

**Mr. Roy Brady:** Financial policy. There are areas, and I’m including health care with this, where you’ve got to spend. I don’t care what kind of deficit there is. If there are going to be savings, there are other ways to do it.

**Mr. Dave Smith:** Then what would you suggest we cut? Because it sounds to me like you’re saying, “Spend here and cut someplace else.” Where do you want us to cut, then?

**Mr. Roy Brady:** I never said cut from health care.

**Mr. Dave Smith:** I didn’t say health care, no.

**Mr. Roy Brady:** Nothing has been explained to the people of Peterborough or Ontario, that there have to be cuts and why.

**The Chair (Mr. Stephen Crawford):** Thank you, Mr. Brady. We’ve concluded with our time.

**Mr. Roy Brady:** We were just having a good go here.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We appreciate your presentation.

**Ms. Charlene Avon:** Thank you.

#### INTERFAITH SOCIAL ASSISTANCE REFORM COALITION

**The Chair (Mr. Stephen Crawford):** I’m going to call up our next presenter, the Interfaith Social Assistance Reform Coalition. Good morning, and welcome to the Standing Committee on Finance and Economic Affairs. If you could just state your name for the record and you can get right in.

**Mr. Murray MacAdam:** Hi. It’s Murray MacAdam. Thanks for this opportunity. We really appreciate it.

Our coalition, ISARC for short, represents all the major faith communities in the province: the major Christian denominations, Anglican, United, Catholic, Pentecostal and so forth, as well as other faith groups like the Muslim community and the Jewish community. Inspired by our faith, we’ve worked for over 30 years to promote public policies that can ensure that all citizens are treated with

dignity, because we think poverty violates the dignity that all people have.

We believe there is an urgent need for action, given that the proportion of Ontarians living on a low income rose 26% from 2003 to 2016—the worst increase of any province.

Our coalition has taken the pulse of the province a few times over the last 20 years about the impact of poverty on people’s lives, involving community hearings in which low-income people, as well as their allies, could speak about their lives. We are planning another series of hearings along this vein in the spring and in the fall.

Our members in our faith groups represent tens of thousands of people, and a lot of our members are directly involved with food banks, meal programs and Out of the Cold programs like the Warming Room here in Peterborough. These or other efforts enable low-income people to survive, but not get ahead in life. Unfortunately, programs like these seem to have become part of the new normal in our society—although there’s nothing normal about so many people relying on these survival programs to avoid starving or dying of exposure. For us in ISARC, the poor are not some vague abstraction; they’re flesh and blood people who we know by name.

We are also aware that these handout programs, the charitable programs, even though they are essential, are not only inadequate, but take away people’s dignity. We’re therefore deeply concerned about actions taken by the government in recent months, like cutting in half a scheduled 3% increase in social assistance rates, ending the Basic Income Pilot before its completion and cancelling a scheduled increase in the minimum wage to \$15 an hour.

We reject the idea that Ontario can’t afford to take steps to ensure everybody can live in dignity. We live in an incredibly wealthy society. Canada’s gross domestic product rose over 3% a year from 1962 to 2018. The problem is that the wealth of our society is not shared fairly.

#### 0940

When we think about the costs involved with addressing poverty, we need to keep in mind that poverty costs us all. It’s expensive, with extra health care costs, extra criminal justice costs, and in social services. In fact, a 2008 study found that poverty-related costs in Ontario related to health care amounted to \$2.9 billion a year or \$2,300 for every household.

There’s disturbing evidence that conditions for the poor are actually getting worse. For example, half a million people in Ontario used a food bank last year, according to the Ontario Association of Food Banks. We’re talking about hunger and hardship on a vast scale. A third of these hungry people are kids, and a lot of them are older people.

A lot of work went on in Ontario in recent years to act against poverty. There was the working group on income security. They issued a well-researched report. It called for a 10% increase in social assistance rates. The previous government, instead, proposed only a 3% increase, and the new government has cut that down to a mere 1.5%, less than inflation.

A single person on Ontario Works has to somehow survive on only \$733 a month. The inadequacy of this is

evident in the fact that a one-bedroom apartment in Barrie is \$1,035 a month; here in Peterborough, it's \$850. Of course, by no means are all the poor people on social assistance. There are huge numbers of precarious workers.

In the budget, we urge the government as strongly as we can to address the terrible shortage of affordable housing. Again, decent housing is not just the right thing to do morally; it's a wise investment.

As economist Armine Yalnizyan told a Queen's Park religious leaders' forum that our ISARC coalition organized, "Poverty costs us all.... Invest money now, and you'll save down the road." There are all kinds of hidden costs involved with homelessness and poor-quality housing, like higher costs for health care and social services.

Of course, when you're homeless or living in precarious housing, getting or keeping a job becomes much harder. The government really needs to tackle this issue in the budget.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Murray MacAdam:** In the budget, we urge higher social assistance rates, reinstate the Basic Income Pilot, and raise the minimum wage to \$15 per hour. Contrary to some predictions, from August 2017 to last August, including the first eight months of the \$14-an-hour minimum, Ontario added over 182,000 jobs, 74% of all the jobs created in Canada.

We believe the deficit can be addressed by reinstating the cap-and-trade tax. The government is giving up \$3 billion over the next four years by forgoing that. Reinstating the planned surtax on some of the richest people in Ontario. It's costing \$275 million a year. Lastly, raise corporate tax rates; don't cut them.

**The Chair (Mr. Stephen Crawford):** Okay. Thank you. We're now going to move to questions. We're going to start with the government side. We have four minutes. Mr. Downey.

**Mr. Doug Downey:** Thank you for your presentation. I have substantive questions, but I'm just curious: Your interfaith group—do you have an Ahmadiyya mosque in this area, by any chance?

**Mr. Murray MacAdam:** Do we have an Ahmadiyya mosque? I know that there is a mosque here in Peterborough, but we are not involved in the worship service side of things. It's really up to the faith groups here to organize their own religious services.

**Mr. Doug Downey:** Okay. I was just curious. I have one in my riding and they're very community-minded. I didn't know if they were here.

Let's talk about the minimum wage piece, because what I saw, when I talked to people when the minimum wage went up to \$14 an hour, was the loss of some part-time jobs. People had fewer hours, and youth were impacted disproportionately. I'm curious what you think the impact of another increase—if that wouldn't make that worse.

**Mr. Murray MacAdam:** You've raised an important issue. I guess, in a way, it's kind of a balancing act between what is a fair wage for a worker—what they need to live on—and for small businesses. First of all, a lot of the businesses involved are major corporations, like

McDonald's, Tim Hortons and so forth, that can absorb an increase. Maybe customers will have to pay a nickel more for their coffee, but so be it.

But the other issue around that: When people have more money in their pocket—those earning a higher minimum wage—then they have less need to go to the food bank and emergency shelters.

I agree that there would be some small businesses that would be adversely affected. But I guess we feel the key value should be that people deserve a living wage, and when people get that living wage, they're going to spend it in their community. Maybe some particular enterprises will be hard hit, but others in that area are going to see an increase in spending as people spend that income.

**Mr. Doug Downey:** I think Mr. Piccini has a question.

**The Chair (Mr. Stephen Crawford):** Mr. Piccini.

**Mr. David Piccini:** I just wanted to touch on that. I would agree. I think the biggest social determinant of health, one of the most important, is a home. When we talk about the dollar and a living wage, I think the biggest gripe was with how we got there and how fast it was.

Just to clarify, McDonald's and the sort are not one of the major employers. Certainly, if we look just south, 90% of businesses in Northumberland—Peterborough South are small businesses. When we talk about coffee, it was a dollar increase, for example, at Coffee Public on Walton Street in Port Hope, where I live. This was a very real impact. The loss of jobs and the people who were laid off—they felt it.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. David Piccini:** When you talk about the wealth piece—as I said, I do think, as a society, we strive for those who are well paid. I think it's the manner in which we go about it. Dumping it 30% over X months was a little fair; I hope you would agree with that sentiment.

Just to clarify, when we talk about wealth and the re-distribution of wealth, you support higher corporate taxes. What sort of personal tax rate would you advocate for?

**Mr. Murray MacAdam:** We haven't worked on some specifics like that. Our work has really been about the needs out there that need to be addressed and what are a few, we believe, practical ways that government could bring in the revenue that it needs. We agree that the deficit is a problem. Like any homeowner, I was delighted to pay off my mortgage and not to face that expense.

**Mr. David Piccini:** So how would you tackle the deficit, then, if you agree it is a problem?

**Mr. Murray MacAdam:** I gave three—

**The Chair (Mr. Stephen Crawford):** Sorry. We've exceeded our time limit. I apologize. Ms. Fife.

**Ms. Catherine Fife:** Thank you, Murray, for coming in. Across the province, ISARC has done amazing work—Brice Balmer from Waterloo. Without ISARC, I think, and without an acknowledgement that our faith communities have been holding a very frayed and broken social safety net together—so I just want to say thank you for the work that you've been doing.

It's interesting. You can see how far apart we are from the Conservatives. We believe the StatsCan numbers on the

minimum wage and job growth and, more importantly, the kinds of jobs that were created, which were full-time jobs.

Right now, where the minimum wage is—we are not going to get to \$15 an hour until 2025. Can you talk about the impact of that very regressive policy on this province?

**Mr. Murray MacAdam:** I think the first thing is to point out that a lot of studies have shown that a lot of the people showing up at food banks, for instance, are working. Many of them are paying well over half of their income on rent. What we're going to see by not raising the incomes of the working poor is that more people are going to have to go to the survival programs, as I've mentioned, like food banks, clothing programs, that kind of thing.

Of course, there are huge costs to this. Many of these programs are sustained by people in faith groups. Well, a lot of them are aging people, and we're going to run out of people.

**Ms. Catherine Fife:** Yes. So it's a false narrative to say that we can't afford it in health care or we can't afford it in housing, because we all end up paying more for not having policies on the ground which actually create those stabilizers.

On the housing, I notice from your presentation there are 250-plus people who are homeless here in Peterborough.

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**Mr. Murray MacAdam:** Yes.

**Ms. Catherine Fife:** And 1,500 are on a wait-list.

**Mr. Murray MacAdam:** Right. Yes.

**Ms. Catherine Fife:** We have people on wait-lists across this province who have been on a wait-list—there are more people on a wait-list than there are in affordable housing right now in the province of Ontario, so we need this 2019 budget to have some direct investment in housing. We pushed the former Liberals to actually embrace inclusionary zoning. We pushed them to try to embrace co-op housing or supportive housing.

Where do you want to see the investment? Because we think the not-for-profit charitable organizations that have the experience on the ground can build units very quickly if they're empowered with financial support. Do you agree?

**Mr. Murray MacAdam:** Yes, I do, and I think that this is an area where we could use some creativity. For instance, here in Peterborough, there are lots of people concerned about the housing issue. There are active groups like Habitat. I think if the budget contained—

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Murray MacAdam:** —proposals that provided groups like that with some of the funding needed, that could spark a lot more development. And you're right about the housing co-op model; it's a great one. I lived in a co-op in Toronto years ago for many years. But not many new housing co-ops have been developed because the current formula does not make it economically practical for new groups to develop new co-ops.

**Ms. Catherine Fife:** Well, you may know that the federal government has some provincial housing dollars on the table. The province has to sign the agreement. Otherwise they're going to leave that money on the table. So this is the time to tell this government to not leave that money

on the table, and to have a partnership with the federal government so that municipalities, provincial government and federal government can build new housing units.

**Mr. Murray MacAdam:** I agree. We agree in our coalition.

**Ms. Catherine Fife:** Thank you so much, Murray, for coming in today.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We appreciate your time.

**Mr. Murray MacAdam:** Thank you.

## PETERBOROUGH YOUTH SERVICES

**The Chair (Mr. Stephen Crawford):** I'll call up our next witness. It's the Peterborough Youth Services. Good morning and welcome to the finance committee. If you could just state your names for the record and you can get right into your presentation.

**Ms. Heather Holland:** Great. Heather Holland.

**Ms. Lily Ross:** Lily Ross.

**Ms. Kaitlyn Neuman:** Kaitlyn Neuman.

**Ms. Heather Holland:** Thank you for creating this opportunity to hear from the people of Ontario. My name is Heather Holland, and I'm the executive director at Peterborough Youth Services. We're a youth-focused agency with both youth justice programs and child and youth mental health programs.

The greatest challenge that we're facing in providing child and youth mental health services to the Peterborough community is our wait times for counselling. At PYS, I can tell you that the kids who are starting counselling this week have been on a wait-list for 10 months. When you're 12, 13, 14 years old and you're struggling, 10 months can feel like a very long time. Oftentimes, youth and families reach out to our agency when they have reached a point of crisis in managing the issues for which they're seeking support. To then be told to expect a lengthy wait can be heartbreaking, and we're well aware that struggles can intensify over time while youth are waiting for treatment.

Youth and their families may be prompted to access our services for a wide range of life experiences and reasons, including bullying, family conflict, separation and divorce, suicidal thoughts or behaviour, grief, experiences of trauma, sexual identity, gender identity, conflict with the law, anger management, depression and anxiety.

We are far from alone in facing this wait-list challenge, as child and youth mental health agencies across the province are doing their very best to deal with increased demand and decreased resources. Over the last 25 years, child and youth mental health agencies have effectively had their budgets reduced by more than 40%, and this is happening during a time in which demand for child and youth mental health services has increased.

When children and youth fail to get the help they need, the results can be devastating, and can even be fatal. Suicide is the leading cause of death after accidents for children and youth in Canada. It's a crisis. With nowhere to turn because of long wait-lists, many youth and families

seek mental health treatment at the local hospital emergency room. Hospitals have an important role to play in crisis stabilization and in a coordinated response, but treatment takes place in counselling, not in the emergency room.

Since 2009, our local hospital, Peterborough Regional Health Centre, has seen a 150% increase in mental health emergency department visits for children and youth. This is more than double the provincial figure for the same time period, which is already staggering at 72%. When compared to Ontario, this service area has a higher percentage of students identified as vulnerable on all five domains of the Early Development Instrument, which is a population measure of children's health and well-being.

We know this is awful for kids and their families. No one wants kids to be struggling and feeling alone while they're sitting on a wait-list for mental health care.

The good news is that we can afford to do better, because change will save the system money. Adequately funding community-based child and youth mental health services frees up dollars currently being spent on increased hospitalizations and emergency room visits. The increase in hospital visits and admissions has been calculated by Children's Mental Health Ontario to be costing Ontario an extra \$220 million a year in hospital spending.

In this provincial budget, we're calling for an additional \$150 million for child and youth mental health centres to hire 1,400 front-line professionals and increase the age of eligibility for service to 25. We're already doing our very best to use existing funding to do more with less, and we've been working hard as a community to improve navigation, strengthen partnerships and coordinate access to our services. This investment would enable us to expand our counselling and therapy services and ensure that no young person in our community is enduring a long wait for service.

I was very pleased to see the news about the recently signed health transfer agreement to prioritize community child and youth mental health, with new investments in the 2019 budget. You have an opportunity in this budget to turn the child and youth mental health crisis in this province around.

We look forward to working together with government to make smart investments that will help Ontario kids with mental health issues go on to have great lives.

**Ms. Lily Ross:** My name is Lily Ross. I am a member of the Peterborough Youth Services youth advisory committee, which I have had the pleasure of working with for over a year now.

Mental illness is the number one disability affecting people worldwide. Poor mental health can be hard to live with, but it can become exceedingly difficult when someone is also going through the most tumultuous time in one's life: adolescence. I can tell you from personal experience that it's not fun.

I was diagnosed with bipolar disorder almost three years ago, when I was 16, but my problems started much earlier than that. I can remember sitting in my eighth-grade classroom frozen in panic during an anxiety attack while

my teacher was giving a lesson. It wasn't for another two years that someone would recognize this as a symptom of a mental illness, and it took months on a waiting list to get me help. My mental health had been allowed to spiral out of control until I was suicidal and refusing to attend school in 10th grade. I was 15.

My teachers have always said that I am a capable and intelligent student, and none of them understood what was happening when I was missing so much school. Because of this, I lost a year and a half worth of credits, and I've been making up for it this year, my fifth year of high school. I am hoping to attend Trent University for political science in the fall, but I'm not sure if I can successfully without mental health and psychiatric support at a level that we're not seeing.

One of my fellow committee members in post-secondary studies was quoted as such: "I think a good reminder is that youth extends into post-secondary degree stress. High school is stressful, but a post-secondary degree has more at stake and is more stressful. There is a difference in what is available during high school and post-secondary, and youth of all ages need access to services."

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Lily Ross:** Another committee member said, "People's mental health issues are often the reason they aren't achieving their full potential." I agree wholeheartedly. If I had had more access to information and services concerning mental health early on, perhaps I would already be at Trent studying what I love; perhaps I wouldn't have to worry about OSAP cuts—because I am totally capable of scholarship-level grades; it's just that some days I'm too tired with everything my growing brain has to deal with to get out of bed.

And it's not just me. There are thousands of students across Ontario whose stories sound like mine. Many of them can be found in this city. Many of them have the potential to be our enterprising leaders of industry, our life-saving doctors, our world-class lawyers and teachers and politicians, but few will get the opportunity. Too many of us are left out in the cold.

Before I leave, I have one request for you, and I believe it is the most important statement I will have made here today: Give us a chance.

Thank you for your time. I hope you take these words into consideration in your budget.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We'll start with the opposition side. Mr. Arthur.

**Mr. Ian Arthur:** Thank you so much for coming in and for sharing your story. I appreciate it very much, and I think the whole committee does.

This has come up a few times as we've travelled and I want to draw attention to it, and I hope that the governing side listens—the ages between 18 and 25 and how all the services that are there simply disappear at that point. We've heard this in communities across Ontario. So I very much appreciate that you brought it up again and that you so clearly laid out what the ask is—raising it to 25. Well done. Thank you.

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**The Chair (Mr. Stephen Crawford):** Ms. Fife.

**Ms. Catherine Fife:** Thank you very much for coming in—Lily, in particular to you. It takes a lot of courage to come and to share your story and to be so articulate in the way that you did present. I just want to say thank you. I hope that you enter that poli-sci program.

We are shifting the language and the culture around how we talk about mental illness and mental well-being, but the correlation with the services hasn't happened. This has been a consistent message across the province: If we are going to encourage people to be honest and forthright about their challenges, then the ethical part is the money part, where you don't refer someone to a list. Waiting 10 months is really unconscionable; it really is.

Can you give us some advice on making the case for early intervention? Because that's where we need the funding, before things escalate and before they get to a point where you lose half a year of school, for instance.

**Ms. Lily Ross:** Well, in my case, early intervention would have allowed me to earn that extra credit in 10th grade and not have dropped out prematurely in grade 11. But the example of my sister—she is 12 and she has received the same diagnosis as I have. Fortunately for her, she was diagnosed at 12, not 16, after she was suicidal and refusing to attend school for years. I believe she has the opportunity to actually attend high school properly and receive the credits in a reasonable amount of time and, honestly, live like a normal teenager.

**Ms. Catherine Fife:** Yes. That's a very powerful statement to say.

The suicide prevention part—there's a cost, obviously, that we don't talk about. We talk about the human cost and the pain and the emotion of suicide, but there is a societal cost to suicide as well. In Waterloo region, for instance, there are high levels of self-harm, for some reason. It's important to understand what those causal issues are. A local furniture store stepped up and raised money for a suicide prevention course. It was \$30,000. I don't think that that's a sustainable way to address suicide. It's great that they did that, but we shouldn't be fundraising to keep people from taking their own lives.

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Catherine Fife:** It's not a long-term, responsible strategy, to fundraise to deal with mental health. So your ask of \$220 million is a province-wide ask, right?

**Ms. Heather Holland:** That figure came from Children's Mental Health Ontario, and that's their assessment of what the \$150-million ask would save the system, the idea being that it's an investment in that earlier intervention and timely services and providing appropriate supply to meet the demand. That would provide an alternate avenue for folks to receive that support, rather than showing up at the hospital emergency room when they've reached a point of crisis.

**Ms. Catherine Fife:** Because that's a huge cost to the system, yes?

**Ms. Heather Holland:** Yes, that's the idea. I think it is possible to make an investment here that will save the system money.

**Ms. Catherine Fife:** That's excellent. Thank you very much.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We're now going to turn to the government side for questions. Mr. Piccini.

**Mr. David Piccini:** I just wanted to start by thanking you all for coming in today. Thank you for speaking. I think mental health issues impact everybody through one degree of separation or another. I know it hits me and my family. I appreciate you coming and talking about that, about the getting out of bed—we've seen it, and I've seen it in my family. So I appreciate you coming and testifying before a committee of the provincial government on this.

Absolutely, I would agree with what Catherine said: that this can't be done through community fundraising, that we need to have a strategy and that ultimately, downstream, the costs in the health system will be less.

I just wanted to clarify the financial ask you're making here. If you could just elaborate a little more on that financial ask and where you think the government can make an immediate intervention.

**Ms. Heather Holland:** The ask is \$150 million province-wide.

**Mr. David Piccini:** So it's \$150 million. Okay.

**Ms. Heather Holland:** Locally, we want to see that invested in counselling and therapy services. That is where we experience the bottleneck. We have a crisis response team as well. They end up trying to provide support to folks while they're on the wait-list. If we were able to hire a greater number of counsellors—it wouldn't take that much, locally. We're doing as much as we can, but we've just hit a point where that supply-demand issue is insurmountable without additional resources.

**Mr. David Piccini:** And I think it's important. In Northumberland–Peterborough South, I've spoken to a number of groups. The LHIN, for example, funds the acute cases, but in many cases were not, again, upstream, tackling the cases before they get to that acute level. You can go into the ER. The groups that I've spoken with—there were a few that were saying, “We're not getting any funding.” So you're suggesting really upstream there, tackling—

**Ms. Heather Holland:** Yes, so primarily counselling and therapy.

**Mr. David Piccini:** Counselling and therapy. Okay.

**Ms. Heather Holland:** Speaking for our own agency, we've certainly had service-area-wide conversations about the need for 24/7 crisis supports in this area as well. Our crisis response team is available Monday to Friday, 9 to 5, but if we could extend those services, then I think that would also reduce the number of hospital emergency room visits.

**Mr. David Piccini:** Okay. Thank you very much.

**The Chair (Mr. Stephen Crawford):** Mr. Smith.

**Mr. Dave Smith:** Thank you very much for coming, Heather. It's good to see you again.

**Ms. Heather Holland:** Yes, you too.

**Mr. Dave Smith:** You made a couple of points here that I'd like to ask a little more on.

Your wait-list is 10 months currently. You had said that since 2009, there has been a 150% increase locally. Do you have any statistics on what the wait-list was back in 2009?

**Ms. Heather Holland:** That's a great question. Unfortunately, I wasn't connected to the agency at the time, so I can't say offhand what the wait-list was. It has increased in the last three to five years, I would say. I think part of it—

**Mr. Dave Smith:** Where I'm going with this is, this isn't a new problem that has just arisen over the last 12 months or so. This is steadily getting worse for you.

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Heather Holland:** It's getting worse. Yes. I wouldn't say it's a new problem, but it has reached a point—I think when people hear they have to wait, but they have to wait two months—I'm not saying that that's our goal—it's a little more manageable. When you hear 10, that's when we see tears at the intake and saying, "I can't wait 10 months."

**Mr. Dave Smith:** At 10 months, if someone is already in crisis, then they're in severe crisis by the time you can actually do something for them. Are there opportunities for you to work with other organizations to try to streamline something so that you're taking some of their challenges, they're taking some of your challenges, and, working together, you are able to bring down wait times for both of you?

**Ms. Heather Holland:** Yes. I think that's been a positive change. During the same time period, I would say, within the last three years or so, we've been working really hard as a service area to increase navigation and coordination of services. We're also working actively right now, the Peterborough area core service providers, on getting a youth mental health walk-in off the ground. I don't think that will solve—

**The Chair (Mr. Stephen Crawford):** Okay, thank you very much. We appreciate your presentation.

#### ONTARIO FEDERATION OF SNOWMOBILE CLUBS

**The Chair (Mr. Stephen Crawford):** We will move on to our next witness, the Ontario Federation of Snowmobile Clubs. If you could please state your name, and you can get right into your presentation.

**Mr. Ryan Eickmeier:** Ryan Eickmeier. Good morning. I'm the executive director of the Ontario Federation of Snowmobile Clubs. I'm very thankful for the opportunity to present here today.

The OFSC is a volunteer-led not-for-profit association. We deliver two programs on behalf of the province of Ontario: the snowmobile permit program, beginning in 2001, and the driver training program, beginning in 1973.

Annually, the OFSC sells around 90,000 trail permits, which supports our 196 snowmobile clubs who work tirelessly to make up to 33,000 kilometres of trails available to snowmobilers throughout the winter. On these trails, there are 35 promoted snow tours. They're self-guided rides that showcase some of our province's best riding experiences and well-known snowmobiling regions. These are very popular for domestic and international tourists.

On this committee alone, each of you either have trails in your riding or are a short drive away from a trailhead or staging area. For those in more urban ridings, I can share that a greater majority of our permit buyers come from the greater Golden Horseshoe and happily travel to ride their sleds.

As previously noted, the second program we deliver on behalf of the government is driver training, where over 3,500 students, mostly aged 12 to 16, learn how to safely operate a snowmobile. With the announcement in September 2018, the OFSC is working closely with the Ministry of Transportation to launch a new online driver training program this spring. The program will be cost-effective while expanding access to people in many more areas throughout the province.

So let's now get into some numbers. The snowmobiling industry is the largest contributor to Ontario's winter tourism economy. According to our latest economic impact study, the snowmobiling industry delivers more than \$1.7 billion in economic activity in Ontario. The study also states that snowmobiling contributes to the creation of 11,300 direct, indirect and induced jobs, many in small and rural communities, and that it produces approximately \$145 million in provincial tax revenue.

Last year, the OFSC generated \$18.1 million from the sale of trail permits and received \$1 million from the Ministry of Tourism in a transfer payment; both are considered crown funds. Trail permit revenue is used to fund our trail-grooming and operational costs while the transfer payment goes entirely to tourism infrastructure projects. Those include new tourism routes, large-scale bridge replacements, new trails etc. This year, with that \$1 million, we funded 17 large-scale infrastructure projects.

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Based on these numbers, there is a return of \$77 for every public dollar invested in the sport in Ontario. We have commissioned a new report, to be delivered in April, and we expect the economic activity number to grow to around \$2 billion annually, certainly increasing the ROI number alongside it.

While the numbers certainly tell a positive story, I also wanted to share honest feedback from a northern Ontario business owner who operates a hotel and restaurant in the Mattawa area. The quote is as follows:

"Our sledding season has been fantastic this year. We got off to an early start and have great snow. I have spent a lot of time building up our snowmobile business here and it is amazing. We put our 'no vacancy' sign up more in the winter (42 rooms) than any other time of the year. It's not uncommon to have 100-plus sleds in our restaurant parking lot especially on the weekends. The economic spinoff for the entire area in the winter is simply incredible. The 'brother and sisterhood' of snowmobilers runs very deep and they are without question our very favourite demographic. We keep all our staff fully employed during the winter months and without snowmobiling, that just wouldn't happen."

You could reasonably take this quote and swap out the author and location for thousands of other business owners around this province who rely on snowmobiling to keep

their doors open and their staff employed. We are very proud of our relationships with local businesses and have been partnering with them for decades through on-trail signage, advertising on trail maps and digital points of interest on our free interactive trail guide.

This season, we also launched a brand new Go Snowmobiling Ontario mobile app, which allows for thousands of points of interest, from accommodations, dealers and rentals to fuel and food businesses, all of which are accessible from the trail. The app continues to hold strong as the number one paid transportation app in the Google Play and Apple stores, and has become a staple for riders on the trails.

I'll conclude this section by reciting an old saying that certainly supports these economic impact numbers: Snowmobilers travel with two things, their sled and their wallet.

So why are we here today? There are two key challenges facing our industry: the cost of snow-grooming equipment and our infrastructure backlog. Last year, \$4.3 million of our \$18.1 million in permit revenue was used to purchase 23 new industrial groomers. These are vital to our continued success; however, it also highlights a major, long-term cost challenge for our organization.

Last June, the federal government announced \$10 million to assist with the acquisition of groomers in Quebec, allowing them to allocate their permit revenue elsewhere, i.e., infrastructure. Unfortunately, this federal program does not exist for any other province.

Besides groomers, the OFSC has also identified over \$12 million worth of infrastructure projects which are vital to ensure the connectivity of our trail network over the next one to five years. We simply cannot support Snow Tours and promote Snow Tours, which are critical tourism attractions, if the network is disconnected by a closed bridge.

We believe there is hope on the horizon, though. Last month, federal Tourism Minister Mélanie Joly released a report entitled *Unlocking the Potential of Canada's Visitor Economy*, which called for a greater investment in Canada's tourism sector. Among its findings was that a renewed focus should be placed on embracing Canada's winter to generate billions into the economy.

Provincially, any increase in financial support would go a long way toward the sustainability of the snowmobiling industry. Particularly, additional financial support beyond the dedicated \$1-million transfer payment—

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Ryan Eickmeier:** —to begin tackling our infrastructure backlog would help secure our place as one of the premier winter destinations in the world.

With our challenges clear and ask established, I thought I would lay out what we're doing as a federation.

We are actively working to optimize our own efficiencies through strategic investments.

We're continuing to invest in a refurbishment program for our groomer fleet, which should allow more years and more kilometres on these machines.

We're developing new revenue sources, giving us further flexibility to put revenue back on the snow.

We're pursuing new and creative marketing approaches, particularly in the northern US market and the greater Golden Horseshoe.

And we're actively seeking out other local, regional and federal funding opportunities to help with our backlog.

In closing, I thank this committee for the opportunity to present today, and I'm confident that we can continue to ensure Ontario remains as the premier snowmobiling destination around the world.

**The Chair (Mr. Stephen Crawford):** Okay. Thank you very much. We'll start questions with the government side. Ms. Skelly.

**Ms. Donna Skelly:** Good morning, Ryan. Thank you for your presentation. I grew up in northern Ontario, and the snowmobile was just a common means of transportation. I also have a farm in the Ottawa Valley near Eganville and have one of these trails right through the farm, which was the former CN Rail, which leads to my question: Are most of the trails federal crown land?

**Mr. Ryan Eickmeier:** It's actually a pretty even split of crown land—some of it is municipal land, unassumed roads. But a great majority of it is actually private land that landowners generously allow us to use throughout the province. There is no financial compensation. It is quite simply the goodness of their generosity in allowing us to use the land. It's really a pretty even split.

**Ms. Donna Skelly:** And of course, this is also available to ATV users in the summer. Is that part of this association as well?

**Mr. Ryan Eickmeier:** In some parts of the province, particularly in eastern Ontario, there are more established mixed-use trails. In other parts of the province, the ATV community has not gotten into the mixed use. Crown land is often designated as use by all power sports. It really just depends on where you are. But eastern Ontario is a good example of a very good relationship between ATV clubs and snowmobile clubs.

**Ms. Donna Skelly:** You talk about maintaining the trail itself. Does this equipment cover the off-season, the brush—

**Mr. Ryan Eickmeier:** We traditionally pick up the trails in the fall. Where there are mixed-use trails, the ATV clubs will maintain them throughout the summer months and fall. And then, in areas where the trails aren't used in the summer or the fall, the work is actually done by the snowmobile clubs, before the snowfall comes, to groom the brush, to make sure any fallen trees come down. There is a significant workload for volunteers in that.

**Ms. Donna Skelly:** When you talk about tourism dollars, it's incredible the number of snowmobilers in the Eganville area and the connectivity to all the restaurants. It's really an incredible way to enjoy living in Canada in the winter months.

**The Chair (Mr. Stephen Crawford):** Mr. Downey.

**Mr. Doug Downey:** You sort of touched on it a couple of times, but didn't delve too much. The volunteer base is huge. I don't know if you have numbers on that.

**Mr. Ryan Eickmeier:** It's absolutely in the fives of thousands of volunteers out there. We wouldn't be able to do what we do without volunteers. Each of our 196 clubs

is volunteer-driven. You can assume dozens of volunteers for each. But they are the reason why we're able to stretch our money as far as we can. The challenge is when you get into larger-scale infrastructure projects, Mr. Downey, where a volunteer cannot do the engineering, a volunteer cannot do the heavy excavator work. That's where we do actually have to put dollars and cents towards fixing them.

**Mr. Doug Downey:** I'm just wondering if there are any barriers to entry for volunteers. I know in some sectors there are, whether it be sector checks or different things. Is there anything in particular the government can touch?

**Mr. Ryan Eickmeier:** In this case, I think we're facing demographic challenges with a new world of volunteers coming forward and the previous generation starting to retire from their retirement activity.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Ryan Eickmeier:** There's nothing particularly that is a barrier for volunteers to enter, other than when they do put in a ton of hours and a trail closes because of funding issues, it's certainly demoralizing to them. Investment in trails is a way to keep volunteers as well.

**Mr. Doug Downey:** Thank you.

**The Chair (Mr. Stephen Crawford):** We'll turn to the opposition side. Ms. Shaw.

**Ms. Sandy Shaw:** Thank you, Ryan, for your presentation. On this tour, we've been in many communities in northern Ontario—Timmins and Dryden—and one of our members, Sol Mamakwa, is from the Far North. Understanding snowmobiling as recreation but also as a means of transportation is something that we heard quite clearly when we were in those communities.

One of the things that kept coming up was the fact that the forest access roads maintenance program has been cut: about \$25 million from the fund to maintain these forest access roads, which, we were told in those northern communities that we were consulting with, many snowmobilers used as well. Is that something that you're aware of or have any comment on?

**Mr. Ryan Eickmeier:** I wouldn't have a comment on that specifically. Our trails are prescribed trails and they're signed as such. We may come across some of those roads and may have forced a re-route if there was closure or a funding reduction. When the local clubs go out and design their trails and map out their trails, they're looking for the path of least resistance. If those access points do exist, they will certainly take advantage of them. When they're forced to shut down the trails, it's a considerable effort to go and find new areas to ride in.

**Ms. Sandy Shaw:** So it would be fair to say that, as a network of trails, ensuring that these forest access roads are part of that network would be something that your club would like to see happen.

**Mr. Ryan Eickmeier:** In certain communities, they would certainly take advantage of additional opportunities to put in trails.

**Ms. Sandy Shaw:** Okay. Can you help clarify for me what you are looking for specifically in this 2019 budget? What is your ask specifically from this government?

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**Mr. Ryan Eickmeier:** Sure. In the past, many years ago, we received—and I'll separate the two revenue sources. We are completely responsible for the marketing, sale and promotion of the permit revenue, and the money that comes in is a direct result of how successful or unsuccessful we are. Weather certainly plays a role in that.

The transfer payment is where we're able to put dollars right back onto the trails, right back into infrastructure. I understand there's a federal infrastructure program that is going to be rolled out to the provinces with one third matching. That may help us extend our money much further. But the transfer payment right now is our major source of being able to go out and directly fund infrastructure projects. In the last few years, it's been \$1 million. In previous years, going back five or 10 years, it was up to \$5 million. Our ability to tackle these infrastructure projects is largely dependent on that infrastructure transfer payment.

**Ms. Sandy Shaw:** Thank you very much.

**The Chair (Mr. Stephen Crawford):** Any further questions? No? Okay. Thank you very much for your time. We appreciate it.

**Mr. Ryan Eickmeier:** Thank you.

#### CUPE ONTARIO

**The Chair (Mr. Stephen Crawford):** I'll call up our next presenter, CUPE Ontario. Welcome to the finance committee.

**Ms. Candace Rennick:** Thank you.

**The Chair (Mr. Stephen Crawford):** If you could just state your names for the record and you can get right into your presentation.

**Ms. Candace Rennick:** Sure. Good morning. My name is Candace Rennick. I'm the secretary-treasurer at CUPE Ontario, born and raised here in the community of Peterborough. I worked the front lines in a long-term-care facility here for over 20 years, so welcome to my hometown.

CUPE is Ontario's largest union, with over 270,000 members in every riding across the province, delivering public services that Ontarians rely on every day. With me this morning is Chris Watson, our legislative liaison. I want to thank the committee for the opportunity to share some concerns that we have about the upcoming budget, which will be detailed fully in our written brief.

There are two overriding mandates when it comes to this budget. On one hand, the government has promised to move toward balance, and on the other hand, Ontarians, however they voted, want assurance that they can count on the quality public services that are critical to their ability to get by in a world of rising costs and stagnant real incomes. What does this mean for this budget? I want to focus on three points.

First, I'd like to talk about revenue. To balance the budget and protect services, you're going to have to find new revenue. To do otherwise would be fiscally irresponsible. As the Globe and Mail Report on Business said on December 14, 2018, "One of the world's largest bond

ratiers”—Moody’s—“has cut Ontario’s credit rating to its lowest in 16 years, saying that revenue cuts by the Progressive Conservative government will exacerbate the province’s debt and deficit problems.”

The failure to address the revenue side of the budget will make the fiscal problem worse. It leaves the government without money to protect public services and, in fact, forces more cuts to those services, like we’ve seen proposed in the last two weeks for our schools and universities. Ontario is already at the bottom of the barrel compared to the other provinces for both revenue generation and per capita spending on public services. Ontarians have seen cuts to public services for years, leading to hallway medicine, wait-lists for vital social services, and long-delayed but desperately needed municipal infrastructure. The cuts have to end.

Here are just a few suggestions that we have for raising revenue:

—first, following the example of other provinces like Nova Scotia and PEI, which have set the corporate tax rate at 16% to protect their budgets and public services. This would immediately inject \$5 billion into Ontario’s budget;

—second, asking the wealthiest 1% to help out by adjusting the marginal tax rate on just the income that they earn over the quarter-million-dollar threshold to 32%. This would inject another \$3.8 billion;

—finally, enforcing existing tax laws by requiring wealthy multinational tech corporations like Facebook, Amazon, Netflix and Google to pay sales tax, like we do for every other corporation operating in our province. Quebec has done just that, and now 80 foreign companies have registered to collect provincial sales tax. Saskatchewan just followed suit. Where, one wonders, is Ontario, which has done nothing to compel these companies to collect sales tax? CUPE estimates that Ontario could raise as much as \$100 million annually by 2021 by just enforcing the provincial sales tax laws on these companies.

Our next message is to remind you that privatization and contracting out are false solutions to budget challenges. The Auditor General has found, over successive audits, that they have already wasted over \$8 billion which could have been used on public services rather than private profit. The P3 and privatization mistakes of past governments—like the Hydro One privatization that will cost the province \$2.4 billion in lost revenue by 2024—are not what Ontarians want. They are false solutions and they should be rejected.

Finally, CUPE Ontario shares the government’s commitment to improving long-term care. We know that if there’s one thing that all Ontario MPPs agree on, it might just be the urgent need to increase the care time spent with our loved ones living in long-term-care facilities.

CUPE’s 30,000 front-line workers are experts in the delivery of high-quality long-term care, and their day-to-day, on-the-job experience is our best guide. Our members tell us that the best help that Queen’s Park can provide is to pass a legislated minimum care standard: a minimum average of four hours of hands-on care per resident per day, enshrined into law.

There is no excuse for mistreating our seniors and for treating them without dignity. They deserve better. A minimum standard of care is urgently required, and we implore you to make the necessary commitments in this budget to make that a reality.

Thank you. I’ll take any questions, should you have any.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We’re going to start with the opposition side. Ms. Fife.

**Ms. Catherine Fife:** Thank you, Candace and Chris, for coming. We’ve been having a bit of a debate or a discourse on this narrative that, in order to fund one public service, you’re going to have to cut another one. I think you’ve raised some really good points around where the money needs to come from on the revenue side of the house. I think, especially on the corporate tax revenue—Mark Carney made the case some four or five years ago that reducing the corporate tax rate actually never generated jobs; it created a lot of profit for those corporations. If it worked as a job creator then we might be in a different place right now. So thank you for presenting a balanced report to this government, because you’ve been very cognizant of the language that’s prevalent in this instance.

Long-term care—we are at a crisis. We’ve been there for a long time. Everyone has been talking about the tsunami. Your members are on the front line. They’re seeing the kind of care that the limited funding is providing. We entirely agree with you: people who have contributed to our society for their entire life deserve better.

But this is an opportunity for you to give us some sense as to what your members are feeling, because we’re in uncharted territory in some regard because cuts are coming. Jobs are going to be lost, despite the promises, and that will compound the problem for your members but also for patient care. So can you give us some sense as to what you’re hearing and how they’re feeling?

**Ms. Candace Rennick:** What we’re hearing is that our members are going to work every day and working their hearts out in facilities that are chronically underfunded and understaffed, under workload conditions that are completely untenable. And who’s suffering the most? Obviously the workers, but the people who call those facilities their home.

I know that first-hand. My father just died in a long-term-care facility in Peterborough, and it wasn’t because people didn’t show up every day and do the best job that they can; it was because there wasn’t enough staff to help them. My father was forced into incontinence within two months of living in a facility because there weren’t enough people to take him to the washroom. He was 66 years old. Let that sink in.

**Ms. Catherine Fife:** Sixty-six?

The public-private partnership angle, as well—I’m glad you raised that, because we have successive Auditor General’s reports which actually point to previous governments’ waste of money and, really, a culture of fiscal irresponsibility. The money is there, if this government looks at those AG reports.

Are you concerned about the talk around privatization of our health care system? Because the old adage is, “If

you create a crisis, then the crisis becomes imperative, and then you create a false solution for that crisis.”

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**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Catherine Fife:** This is something that I know CUPE has been very aware of, Candace.

**Ms. Candace Rennick:** Yes, I think we’re absolutely concerned about the privatization of health care. I think that privatization and contracting out in any situation—the only way to save money in those instances is either by providing less service, less quality of service, or paying people less wages. I don’t think that we should be advocating for any one of those instances in this province.

**Ms. Catherine Fife:** No, I agree with you.

The four-hour minimum level of care for seniors: Everyone talks about how important that is, but it has to be funded. If it is funded, there will be a significant shift in the quality of your members, the people who are on the front line, but also the patients who are in their care. Let’s hope that this government hears that message from you. Thank you very much for being here today.

**Ms. Candace Rennick:** Thank you, Ms. Fife.

**The Chair (Mr. Stephen Crawford):** Let’s go to the government side for questions. Mr. Piccini.

**Mr. David Piccini:** Thanks very much for presenting today. We really appreciate that. I absolutely share and echo your sentiment on long-term care and the importance there.

Just to go on to spending and to echo Ms. Fife’s comments about the culture of waste that we inherited, I do think—and I would hope you would agree—that it’s incumbent on us, as it would be on any government, to really tackle that and look at improving, streamlining and finding efficiencies in that.

The AG report: I would just love for you to comment on that—sorry. The AG and the Ernst and Young report indicated that spending in the public service has remained relatively flatlined, and that for every \$1 spent on the public service, \$9 was spent on transfer payments. The government of Ontario currently today manages over 35,000 transfer agreements.

Would you agree that in those transfer agreements and in any future transfer agreements, it’s incumbent and beholden on the government of Ontario to ensure accountability and value for dollars spent?

**Ms. Candace Rennick:** Of course, I agree with accountability and getting value for our resources, but I also think that it’s important to note on spending that Ontario spends less per capita than any region in our country on public services.

**Mr. David Piccini:** So you would agree that it’s important to ensure value for money spent on those 35,000 transfer payments?

**Ms. Candace Rennick:** I support the notion of accountability, for sure.

**Mr. David Piccini:** When we look at the transfer payments and the money spent, and the government looks at those transfer payments and says, “Hey, perhaps we could fold some of that into government and have a little more accountability over that,” would you agree with that?

**Mr. Chris Watson:** If you’re saying that that’s where the government should look to find revenue, I think we would caution you on that. I don’t think we hear from any Ontarians—and I don’t imagine that you do, as MPPs—that there is too much health care available, that our schools have too much money put into their repairs and their capital budgets. We don’t hear that, and you don’t hear that—

**Mr. David Piccini:** But just to interject there, because I would agree—

**Mr. Chris Watson:** What we do hear—

**Mr. David Piccini:** But that’s government spending, not a transfer payment.

**Mr. Chris Watson:** —as you’ve heard from Moody’s, is that you’re not generating enough revenue.

**Mr. David Piccini:** Just to interject there, though, there is an important distinction. As a representative of MTCU, I don’t want the audience to leave with the wrong impression there.

Operating grants and money spent in education: That’s not a transfer payment; that’s money that we’re spending as a government. When we look at some of our transfer payments, that have grown to the tune of \$46.3 billion, I think we would all agree that those dollars are best spent to ensure value for service delivery, so that we can ensure that we have the monies to spend on education, on our health care service, and that those who are delivering those services are providing value to Ontarians. Can we agree on that?

**Mr. Chris Watson:** You may have examples that we’re not aware of, of where there are dollars that could be better spent.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Chris Watson:** But we’re trusting a voice that you would trust, like the Moody’s credit rating agency, who says that your failure to address the revenue side has driven them to downgrade the province’s credit rating. Now, what does that mean? That means you guys are having to put your hand into the pocket of taxpayers and take more money to cover our debt-carrying charges. You don’t want to do that—

**Mr. David Piccini:** Have we increased taxes, sir?

**Mr. Chris Watson:** Well, no, but you’ve increased where you’ve had to spend them, because the downgrade in the credit rating increases your credit costs. You don’t want to go there, and we don’t want you to go there.

**Mr. David Piccini:** Thank you very much. I’ll just transfer it over to a colleague.

**The Chair (Mr. Stephen Crawford):** Mr. Downey, just 25 seconds left.

**Mr. Doug Downey:** Not a lot of time. Can you speak to the process that Quebec went through in terms of going after the Netflix tax, as we’ll call it?

**Mr. Chris Watson:** I think the Clerk shared around with you a story from the Globe and Mail. Our understanding was that they didn’t need to make any changes in tax law; they simply said, “We have to enforce the already existing tax law.” That’s our sense of the situation in Ontario, as well: It’s not asking to create a new tax or pass

new laws; it's just saying, "Let everybody obey the law the way Canadian firms do."

**The Chair (Mr. Stephen Crawford):** Thank you. Unfortunately, our time has expired, but thank you for your time. We appreciate it.

**Ms. Candace Rennick:** Thanks for the opportunity.

**Mr. Chris Watson:** Thank you.

#### SAVAGE ARMS CANADA

**The Chair (Mr. Stephen Crawford):** Okay. We're moving along now to Savage Arms Canada. Good morning and welcome to the finance committee. If you could please state your name for the record, and you may begin your presentation.

**Mr. Terry McCullough:** My name is Terry McCullough. I'm vice-president and general manager of Savage Arms. We have an office here in Lakefield, a manufacturing site here in Lakefield, Ontario, and we have a manufacturing site in Westfield, Massachusetts.

First of all, I'd like to thank the committee for giving the opportunity for being here today and expressing some of our points. Manufacturing here in the region is alive and well, I'd like to say, here in Lakefield. Peterborough has a very vibrant manufacturing group. We've had some blows lately with the large closure of GE. That was a problem for us; I'm sure we'll overcome it.

The main point I wanted to talk about was the current skilled trades shortage we see today in industry, certainly in the province of Ontario. When you look nationally in Canada, there's a huge problem with a shortage of skilled trades. I know that both levels of government, the federal level and the provincial government, really recognize that point, so I certainly commend the government of the day for the recent announcement of \$13.5 million to support 1,200 possible apprentices and so forth. That's a really great start.

But when I was reading the statement, whether it was a media release or whatever, I read that there was an expected loss of almost a quarter of a billion dollars out to 2030 with the shortage that we see today in skilled trades. That will be the impact to the province of Ontario, and yet the \$13.5 million really represents about 0.6% of that possible loss or that possible exposure to loss. So although I commend it as a great first step, I certainly think that it may be underestimating the need that we have in skilled trades.

I was reading a very interesting article from the *Globe and Mail*. The reporter seems to be Sarah Efron, who published some very poignant facts about where we're at with this. I'll just read from some of her article: "The shortage of skilled workers in Canada's industrial sector is reaching a new intensity, with many factory owners saying the lack of talent is hindering the growth of their companies." She surveyed a lot of local GTA manufacturers, and the comments coming back from each one of these factory owners are really very shocking to see. It's getting worse every year. We've talked about this since I joined industry in the early 1980s, and we continue to talk about this shortage year after year, decade after decade.

We look to bring people from Europe; all those nations are now facing the same problem we had. I was successful at recruiting toolmakers from Britain and toolmakers from Poland in past lives. Those people don't exist anymore. All those nations are finding the same problem. Whether we're in the US, in Canada or in Ontario, the skilled trades shortage is a big problem going forward.

There was a recent survey by the Ontario Skilled Trades Alliance that indicated that 41% of their employers would hire more people if they could just find people to fill the positions. When you look at different items—when they surveyed the Canadian Tooling and Machining Association in the 2017 wage and business survey, those companies reported that 20% of their skilled workers are over age 54. If we try to just think of the province of Ontario, you're thinking that 20% of our skilled workers are over age 54. It's in line with the article I mentioned earlier, and certainly the funding. That's why you're going to see a loss in the next 10 years of almost a quarter of a billion dollars to industry and certainly to the province in the end if we talk about these numbers.

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It's unfortunate that when you think back today—how many high schools have a shop program? How many high schools can you go to where you will see people learning CNC skills, people learning even metrology, understanding today's technology and how we're manufacturing things?

We all talk about the factory of the future. Certainly, anyone who has recently—Mr. Smith has toured Savage Arms on a couple of occasions and did remark that the technology that you see is tremendous. Whether you're talking about a student who can sit down and run a co-ordinates measuring machine or someone who can program a CNC or even troubleshoot and repair that same CNC, these skills are really becoming so critical these days because that's how we're successful at manufacturing the products that we do.

That's certainly something that I think really needs to be addressed in the upcoming budget, that we really need to see some real, constructive movement towards addressing some of these skilled trades shortages. Certainly, I and several other peers in my industry believe that the only way to address that is really to try to look at setting up apprenticeship programs at the high school level. We need to be thinking about this at the grade 10 level.

I've had a lot of international experience working in France and Germany with my parent company and seeing how companies like BMW and Mercedes, for example, are involved at the high school level, dictating curriculum, you know, really—

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Terry McCullough:** They're really supporting their wants and needs by training expertise and applying equipment.

Certainly, we've looked at that here in Lakefield. Recently, after the closure of the Lakefield high school, Savage Arms and several local machine shops made a pitch to try to say, "Could that possibly be a vocational school? Could that be repurposed as a vocational school?"

I know it may have been too late in that example, but certainly, that's somewhere we need to really focus: partnerships with industry, and really bringing together industry and government to make sure that we're planning for tomorrow.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We're going to start questions from the government side. Mr. Smith.

**Mr. Dave Smith:** Thank you very much for coming, Terry. I appreciate the time you're putting in.

Your company has been in Lakefield now for 50 years. You've seen a few changes, and you have a sister site in the US. When we made the changes to the trade ratios so that it was a one-to-one ratio, is that something that was vastly different than what your sister company in Westfield has?

**Mr. Terry McCullough:** I think it was great because one of the problems was some of those constraints with smaller companies that couldn't really have that many tradespeople to warrant supporting apprentices.

In the US, it's a little different. I believe it's a little more obscure, where lately we, as Savage Arms, are working with the local community college to try to create what's called Savage University at that level. But I have not seen, really, very good levels of partnership, per se, in my instance in Massachusetts.

**Mr. Dave Smith:** I appreciate that. Thank you very much.

The other question I have then is, because you have a location in the States and you have this one in Peterborough, if we don't change things to make it easier for you to do your business, if we don't make it easier for you to bring in the employees that you need, is there any risk that we would lose that production facility in Ontario and have it go to another jurisdiction just because you are a multinational company?

**Mr. Terry McCullough:** That's always a risk when you're a Canadian subsidiary of a large international company. There's always that risk. We'd be naive to think that there's not. Certainly, any mid-term or short-term plans—there are none from Savage. We are very good at what we do here in Lakefield.

They face the same problems. I'll give you an example. In the US, the guys who repair our CNC machines, Robert E. Morris, currently have at least 15 positions open right now that pay over \$90,000 for technicians to fix the machines. Speaking with the principals of that company, they cannot find people to fill those jobs. Whether you're in Massachusetts, whether you're in Ontario, we all face the same skills shortages. We pay our electricians \$36 an hour. We're competing against people who are paying \$65 an hour for electricians.

**Mr. Dave Smith:** I'm going to ask one more, and then I'm going to pass it over to one of my colleagues. All of your suppliers are within a 100-kilometre radius. Would you—

**Mr. Terry McCullough:** It wouldn't be all of them, but a good majority—about 65% plus.

**Mr. Dave Smith:** Have you had conversations with them about their difficulty in getting skilled labourers, as well? Are they in the same boat that you are?

**Mr. Terry McCullough:** Absolutely.

**The Chair (Mr. Stephen Crawford):** Ms. Skelly.

**Ms. Donna Skelly:** Thank you for your presentation. I can assure you that your concerns have been raised by many, many delegates throughout these proceedings, and also by stakeholders we have met across the province.

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Donna Skelly:** One delegate, I believe it was last week, suggested that we should bypass community college altogether and allow the private sector to take on apprentices, to train them and to work with them so that they're not graduating with debt, but graduating with a certificate. Your thoughts?

**Mr. Terry McCullough:** I think that's a great idea. We have to do whatever we can. You can see that the model of the last 20, 25, 30 years hasn't really worked. It's one of the levers that we can pull. Community colleges could also support it. We need to focus on the trades that are really in demand and try to funnel the funding to really support them. As you know, some of the more technical side of it requires capital investment that community colleges just cannot invest in. Each one of our CNC machines is north of US\$500,000. It's impossible for them to stay relevant, and when they do, they're always trailing behind the technology. That can also be a problem.

So it is a great idea that would help, because then the necessity would drive the need.

**The Chair (Mr. Stephen Crawford):** Now we'll go to the opposition side for questions. Ms. Fife.

**Ms. Catherine Fife:** Thank you very much for coming in today and sharing the lived experiences of the challenges around skilled trades.

My son is apprenticing as an electrician, and so I have seen it first-hand in his journey to get an apprenticeship with a company, and also going through the college program—because the college program was a pre-apprenticeship, and there was a delay for him to actually get into a business.

Another delegate came to us—I'd like to get your feedback on this—and he suggested that the government play a role in incentivizing apprenticeships in specific fields, be it millwrights or plumbing or electrical. We have tried that in the past. We had tax credits for companies that would take on an apprentice. However, some of those companies didn't do their due diligence, if you will; they didn't honour the commitment that a company has towards an apprentice.

Is there some advice that you could give us that would perhaps make that a more meaningful relationship, between the apprentice and the company, be it Savage Arms Canada or Viessmann or what have you?

**Mr. Terry McCullough:** You touched on a couple of very good points.

One thing that I think exists today is—and I believe it was, if I'm reading correctly, in the 2018 budget from the government at the federal level, they talk about apprentice grants. So we have apprentice grants now. We have them for women, and we have them at levels that say, "As you enter, you're getting some sort of a grant, and as you graduate, you've got a grant."

**Ms. Catherine Fife:** It's the follow-through that has to happen.

**Mr. Terry McCullough:** It's really where, "Now that you've come out, how are you engaging in the job? How are you finding the hours? How are you continuing to do—"

**Ms. Catherine Fife:** Yes, because there is still an educational component, regardless of what's going to happen with the College of Trades. We're not quite sure how that's going to roll out. There's a lot of money in the College of Trades right now through membership dues. So we have to figure out what's going to happen with all that additional funding.

You touched on high school. There was the Ontario Youth Apprenticeship Program in our high schools. Do you think it would be of greater value to perhaps have it in grades 7 and 8, before streaming actually happens through the high school system?

**Mr. Terry McCullough:** Yes, I think that would be fantastic. It was the experience that I got to have. I believe it was grade 8 when I first went to shop, in the Brampton area. It would have been in the early 1970s.

We need to convince everyone that there is a very good career in the trades. For the last 30 years, people said that if you didn't go to university, you may not have been successful. We have to promote that through the government, through industry—

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Terry McCullough:** —to get people excited about working in these fields.

**Ms. Catherine Fife:** So it's definitely a partnership.

**Mr. Terry McCullough:** Absolutely.

**Ms. Catherine Fife:** I agree.

You mentioned that you want to start a Savage university. Is that what you wanted to call it?

**Mr. Terry McCullough:** We nicknamed it Savage University. We partnered with a local tech college in Massachusetts. They're doing the curriculum there; they are providing the trainers. We're providing the machines and the hands-on know-how. We're trying all we can to be in charge of our own destiny as an employer and to train our own people.

1050

I'll close with this: I had one gentleman say to me, "We invest all this money and we train all these people. What if they leave?" I said, "What if you don't train them and they stay?"

**Ms. Sandy Shaw:** I've heard that before.

**Mr. Terry McCullough:** That's a really, really powerful message. That's really where we're at with it.

**The Chair (Mr. Stephen Crawford):** Okay, thank you very much. Much appreciated. We're out of time. Thank you.

POINT IN TIME CENTRE FOR CHILDREN,  
YOUTH AND PARENTS

**The Chair (Mr. Stephen Crawford):** Now we're going to go to Point in Time Centre for Children, Youth and Parents. Welcome to the finance committee. If you

could just state your names for the record, you can get right into your presentation.

**Ms. Marg Cox:** Certainly. I thank you very much. I'm Marg Cox and I'm the executive director of Point in Time. This is Joey.

**Ms. Joey Varga:** Good morning. My name is Joey Varga. I'm 18 years old and I have dealt with mental health issues my entire life. In Haliburton county, there's not a lot of support for youth with mental health issues. Because of this, we have lost two young people to suicide in the last two years, one being a close friend and the other being my brother, who was dealing with psychosis.

The youth in my community have been let down over and over again and have lost trust in the system. Because of our rural location, we feel isolated. There is no public transit, so if you need to get anywhere, you need to afford a car or a taxi or hope you can get a ride with someone. The low-income housing areas are farther from the centre of the town. There are many families dealing with the effects of alcohol and drug abuse, and emotional and physical abuse. The youth who have to navigate life under said circumstances are at a high risk of depression, drug addiction and falling into the cycle. Even the youth who are not visibly at risk are dealing with mental illnesses.

I have lived experience with the mental health system. I was hospitalized at 16 because I was suicidal. I wasn't able to get the help I needed before I reached the point of crisis and, instead, my emotional state reached a place that was deemed severe enough to receive immediate help. Two youth mental health workers from Point in Time helped my family in a time of crisis and aided us in healing after my brother's death. I believe people like them are just as, if not more, valuable to a young person's life as a physician, and I believe they should be paid to reflect that. I believe funding should go toward more outreach, youth engagement, better and more immediate mental health services, transportation, better pay for mental health workers and putting systems in place for a proactive, rather than reactive, system to approach youth mental health. Thank you.

**Ms. Malia Varga:** Hi, I'm Malia Varga. I'm 16 years old and a member of a rural community. I have lived in Haliburton county for a short two years and I've already faced and experienced the extreme amount of loss this community has faced.

The direct experience I have is losing my brother and a close friend to suicide. My brother suffered from psychosis and was afraid of the world. He tried to reach out for help, but the system failed him. It got to a point where he hit the bottom and went to the hospital, but still fell through the cracks. I strongly believe more could have been done, but unfortunately there is not enough invested into helping people like my brother, especially in rural areas like Haliburton. Under all of this lies a bigger problem, which is the root of mental health issues. Going to therapy and having counsellors is so important, and getting psychiatry, but the things that Joey recommended are just as important.

I also want to touch on the extreme help it has been on my healing journey to have adults in my life who make an effort to reach out and engage me. Joey and I have had the

amazing opportunity to work side by side with adults in the community with the making of a youth wellness hub. We have had our voices taken seriously and have been treated as equals. This has given me the confidence to face the world, to speak for myself and to try to change things for myself and for other people. Thank you for taking the time to listen to me. I hope sharing my perspective will result in helping to improve things for other youth in our community.

**Ms. Marg Cox:** As you heard, I'm Marg Cox. As I said to Joey and Malia on my way in, I feel like their driver. They are the ones with the message. They are the ones with the lived experience. As adults, we could all benefit from the opportunity to listen to our youth about what they really need, especially when they've had direct experience.

As you've heard, we're from Haliburton county. We're a rural community with the second-highest rate of poverty in Ontario. We have high costs of living, which you wouldn't think of, but they're comparable to Toronto prices when you factor in food, lack of transportation, housing and heat. I don't know how many families we serve struggle to keep their heat above zero. We've had instances where people have literally ended up burning their furniture and their banisters just to stay warm.

Lack of public transportation is a really big deal. We're about the size of Prince Edward Island, and people are dispersed, in terms of the population. Nobody is really ever close to a big urban place. The geographic isolation adds to social isolation, which can be a real challenge. As well, as I've talked about, housing is a real challenge and so is access to adequate food.

Mental health is an issue that we all know can face anyone. In fact, we know that it impacts lots and lots of people. We know that these issues, like housing, high heating costs, isolation, being hungry and not being able to go anywhere, increase the stressors that can create mental health issues or certainly exacerbate them.

My colleague Heather Holland talked earlier about the early development instrument and the ratings of kindergarten children in our area. These results would strongly suggest that even though rural areas have smaller populations, they require significant investments to allow a level playing field and an even start. In other words, prevention and finding ways for people in rural communities to have their basic needs met is a solid investment in mental and physical health.

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Marg Cox:** At Point in Time, like other mental health agencies, we're working on improving our services. We've done lots, yet we know there's more to be done. The biggest challenge is attracting and retaining professional staff in the community mental health sector.

Part of the evidence has also shown that Youth Wellness Hubs Ontario can be very effective, and we're thrilled in Haliburton to be championing one for 12- to 25-year-olds.

We all know that investing in children and youth mental health not only saves dollars; it will also positively change lives and save lives. Kids and youth can't wait. They need

you to make investments in community-based prevention and intervention services today.

**The Chair (Mr. Stephen Crawford):** Okay. Thank you very much.

We're going to start with questions from the opposition side. Ms. Fife?

**Ms. Catherine Fife:** Thank you, Joey and Malia, for coming and sharing your story. I'm sure it can't be easy for you. It takes a lot of courage, and it builds on Lily, who also spoke earlier about her experience as well. You're absolutely right, both of you, that we need to be more cognizant of the lived experience of youth in this province.

To that end, I do want to—the select committee on mental health travelled around this province 11 years ago. There were multiple recommendations from that committee, including what you're advocating for today. It's not one-size-fits-all; we need specific approaches, especially for rural and isolated communities, because it's very different than getting on a subway and going down to the Queen Street mental health centre.

Youth Wellness Hubs Ontario: You said that you've been chosen as an integrated approach. When were you chosen to start this hub?

**Ms. Marg Cox:** I think the selection process was January of last year. I think we were notified in the spring.

**Ms. Catherine Fife:** So just this past spring?

**Ms. Marg Cox:** That's right.

**Ms. Catherine Fife:** Okay. Is it your understanding that the mental health dollars will be flowing for the 2019 year? Or is that what you're specifically here to ask, that that money continue?

**Ms. Marg Cox:** It's my understanding that there's three years' worth of funding. One of my asks would be that more communities be funded to provide youth wellness hubs and that our funding be ongoing, rather than just three years.

**Ms. Catherine Fife:** Okay. The hubs are unique in that they offer services from ages 12 to 25, so they bridge that—once you turn 18, you don't automatically lose the health challenges that you have.

Do you want to speak about your personal experience of dealing with the hubs, either of you girls, Joey or Malia? What does it look like? Tell us what it looks like and what it means to you so that we have an understanding.

1100

**Ms. Malia Varga:** Right now, we're just trying to get it going. Are you asking what we provide?

**Ms. Catherine Fife:** What it's going to look like.

**Ms. Malia Varga:** What it's going to look like? Okay. So a mixture of therapy services and sexual health services. We don't have a walk-in clinic in Haliburton, so we're thinking about maybe just providing certain things like that.

**Ms. Marg Cox:** For primary care.

**Ms. Malia Varga:** Yes.

**Ms. Catherine Fife:** For primary care? Okay.

**Ms. Malia Varga:** And then other things, like recreation activities, art programs, music. Joey, do you want to add?

**Ms. Catherine Fife:** And peer-to-peer? Do you see peer-to-peer support there as well?

**Ms. Malia Varga:** Yes, definitely.

**Ms. Joey Varga:** That's definitely a big part of it, as well as in-person crisis support. So in the moment, if you're feeling like you need to see someone, then you can go and do that at the hub.

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Catherine Fife:** That's excellent.

**Ms. Malia Varga:** Also, there are two other youth representatives. Joey and I are the youth representatives for it, so that also helps get other youth engaged.

**Ms. Catherine Fife:** I think the important piece is something, Joey, that you said, which is that you shouldn't have to get to a crisis point in order to access help. The goal is to not get to the crisis, right?

**Ms. Joey Varga:** Yes, so be proactive rather than be reactive. Instead of being put on a wait-list and having to wait to see a psychiatrist or a counsellor, before it gets to the point where you're wanting to die, you need to be put in a place where you are getting support and you are having help, before it reaches that end. Rather than falling to the bottom and then being saved from falling through the cracks, you're being pushed forward already. That's not happening.

**Ms. Catherine Fife:** Okay. That's excellent. We will be looking for the research from this wellness hub, as well, because I think it was one of the recommendations from 11 years ago. If it actually is happening, then that's one small step. Thank you for your courage. Thank you for sharing your story. Please stay in touch with us, as legislators, okay? Thank you.

**The Chair (Mr. Stephen Crawford):** Thank you. We're going to turn to the government side. Mr. Smith.

**Mr. Dave Smith:** I'd like to also thank you for coming out and telling us your story. It does take a great deal of courage to talk about that. Any time someone brings up their own personal experiences, it is something that brings it back to us. At the government level, we tend to make decisions based on a large group, but when you can put it into something that's personal, something that you can put a name and a face to, it does make a big difference for us. I don't think there's anyone who gets elected who says that they just want to do something for themselves. We're in it to do this to make life better for people in Ontario. You guys are the ones that we're doing this for.

I do have a couple of questions for you. Peterborough Youth Services was in earlier, and they talked about seeing funding reductions effectively of about 40% since about 2009 because they weren't given increases over a period of time. Did you guys experience the same thing?

**Ms. Marg Cox:** Absolutely. We've experienced the same thing. If I hadn't been so verbose, I would have had an opportunity to echo Heather Holland's comments, but I was in the room and heard them and certainly also support and strongly endorse the CMHO position around that.

**Mr. Dave Smith:** We've committed to investing \$1.9 billion over the next 10 years. That will be matched by the federal government. It's a good start—

**Ms. Marg Cox:** Can we jump up and down?

**Mr. Dave Smith:** I'm not asking you to do that.

**Ms. Marg Cox:** No, no, but that's how it feels. It feels like, hurray, there's finally going to be a real investment in children and youth and mental health. It's going to impact people like this positively.

**Mr. Dave Smith:** Thank you. I appreciate that.

One of the other things that we've heard today is that for the most part, services for youths end at about 18, and there isn't a big focus moving forward. You talked about your services going until someone is 25. Is there an opportunity, then, as well for you to partner with other organizations so that there isn't that gap then from 25 to 30, or 25 to when someone else could get into it? Are there areas where you see synergies, where we can have that closer knit so that someone doesn't fall through the cracks at that next stage?

**Ms. Marg Cox:** That's such a great question. It's something that we actually really pride ourselves on in Haliburton, partly because there aren't that many service providers. But we really work hard together to try and, as you say, create that synergy. The youth wellness hub, for example, probably has about 25 service providers: some that are located in Haliburton and some that provide service to Haliburton county that are coming together to do that. We're co-leading with our local hospital, and their adult mental health services are working closely with ours so that even as the transition age is raised, there will still always be an overlap, because we don't want kids to get lost.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Dave Smith:** What we're finding locally is that there are a lot of times where it's the hospital who is making the referral to someone else, because the hospital seems to be the first point of contact when someone is in crisis. Do you see a model or a way where we don't have that person going into ER, where they can go directly to you, or some other way to get to you without tying up services at the hospital?

**Ms. Marg Cox:** We would love to see part of the increased investment go to 24/7 crisis coverage like Heather Holland from Peterborough Youth Services talked about. The other thing I would say is that as people do go into our local emergs, we have a close agreement so that if people give permission, they are referred back to us the very next morning so that we can start service right away. That's part of our pathway.

**Mr. Dave Smith:** The CMHA here in Peterborough has a great program with Peterborough Regional, and they've tried to extend it now to Ross Memorial. It's all funded through some donations that they've gotten. Are you familiar with that program at all?

**The Chair (Mr. Stephen Crawford):** Unfortunately, our time is expired now, so we have to move on, but thank you very much. We appreciate it.

**Ms. Marg Cox:** Thank you.

McRAE LUMBER CO.

**The Chair (Mr. Stephen Crawford):** I'd like to call our next witness, which is the McRae Lumber Co. Welcome to the Standing Committee on Finance and Economic Affairs. If you could just state your name for the record,

and you can get right into your presentation. I'll give you a one-minute warning when there's one minute left.

**Mr. Jamie McRae:** Good morning. My name is Jamie McRae, and I'm here from the McRae Lumber Co. in Whitney, Ontario. We're about two hours north of here, right beside the east gate of Algonquin Park. The company was founded by my great-great-grandfather in 1885, and I'm currently the fifth generation of my family to run it. We're a forestry products sawmill that specializes in high-quality hardwood products. We currently source roughly 75% to 95% of our wood from the Algonquin Park forest, with the remainder coming from the Bancroft-Minden sustainable forest licence.

We produce a large variety of wood products that are then sold for a number of different end uses, such as residential hardwood flooring, kitchen cabinetry, sports hardwood flooring, railroad ties, industrial timber and pallets. All of our wood chips, sawdust and bark are also sold, and primarily end up in the pulp and paper, medium-density fibreboard, biofuel and landscaping industries.

We currently employ 65 people in the mills and roughly 50 contractors in the forest. We're also a long-time member and strong supporter of the Ontario Forest Industries Association.

As a family and as a business, we know that it takes hard work and perseverance to survive in the lumber industry. It can be a tough road, and in our history we've seen it beset by economic depression, fire and war. However, through adversity we find fortitude. We have always responded to difficult times through our commitment to our community and to responsible forestry. We are proud to be part of Ontario's forest industry and its history, and we are excited for what the future will bring, because I believe that the future of the Ontario forest industry is bright and that we have a lot to look forward to. Our forests are some of the best-managed forests in the world. Our wood is harvested sustainably. Our products are socially and environmentally green, and they are manufactured by your friends and neighbours right here in Ontario.

However, despite the opportunities of the future, we still do have concerns of the present that must be addressed by the current government.

First and foremost amongst these is the need for a stable and consistent wood supply. Without wood, our mills do not run, and the crown is the primary supplier of wood to most mills in Ontario. At my facility, we run exclusively on crown wood. We cannot continue to make decisions that remove land, and the resulting fibre, from our crown wood baskets. We must remember that the backbone of many northern and rural communities is the forest industry, and we must ensure that it stays healthy and strong.

I also firmly believe that we need to change the narrative here in Ontario. It is time for us to join the rest of the world in recognizing that forestry is the vanguard of an environmentally sustainable future. We need to challenge government at all levels to become champions of the forest industry. Together, through good policy and wise decisions, we can grow the industry to create more jobs and opportunity in northern and rural Ontario.

The decision to create a provincial forestry strategy is a good idea and long overdue. We need a government that is committed to helping the forest sector so that the forest industry can help Ontario.

**1110**

I believe that a provincial strategy can address these concerns by taking action on a number of key items. The first of these is recognition that the Crown Forest Sustainability Act is an equivalent process to the Endangered Species Act. The CFSA has proven itself as a practical piece of legislation that ensures holistic management of the forest while accounting for various interests.

Secondly, we need to focus on reducing red tape and the resulting hardships it causes for business. It is also imperative that we look into the sections of the bureaucracy that are producing policy and ensure they aren't working to duplicate or overly complicate existing policy. We need the crown to be our partner and our champion. The entire bureaucratic culture needs to shift from a system where all other interests are accommodated first and forestry can work with what is left over to a system where we utilize sustainable forest management as a tool to grow our forests, communities and the province as a whole.

Thirdly, we need to restore the roads infrastructure program back to the \$75-million level. This program is crucial in our area as we only operate on crown forests, and the roads that we build are used by a variety of other users.

Finally, I would also like to touch briefly on the subject of forestry inside Algonquin Park. What makes Algonquin truly special is that it means different things to many different people. Because of the strength of the multi-use park management model, the park can be a haven for tourism, a wildlife refuge, a showpiece for forestry and a local economic driver.

My family has been conducting forestry operations in the park since before the park's inception in 1893. We have returned multiple times to the exact same harvesting areas over the past 134 years. I believe that this is a very responsible definition for sustainable forestry. Really, this is what forestry is all about: providing local employment in communities across the province while producing the most sustainable and green products that will help to guide our building systems and beyond here in Ontario.

Forestry is the future, and I hope you'll join me to be a part of it. Thank you very much. I do very much appreciate the opportunity to be able to speak with you today.

**The Acting Chair (Mr. Stan Cho):** Thank you very much for your presentation. We'll start with four minutes of questions from the government side. Mr. Smith.

**Mr. Dave Smith:** Thank you very much for that.

You mentioned that there needs to be a reduction of red tape. One study showed that for Ontario businesses right now, we're spending about \$33,000 a year on regulatory burdens. Monitoring where the average is for other provinces, if you exclude Ontario, it's about \$25,000 per year.

Do you have any sense of how much it's costing your company right now just to keep up with the regulatory burden?

**Mr. Jamie McRae:** It's definitely challenging. I would say it's a cost both in money, obviously, but also in time and in endurance. I don't actually have a number to give to you right now, but it definitely costs in terms of our harvesting cycle. If you look at some of the implications of, say, the ESA and a lot of the—the big thing for us in our area is timing restrictions. It has really created what is almost like a seasonal business model for a lot of our contractors in the forest. That's really, really difficult, especially for our contractors, when you're buying and having to make payments on large, expensive pieces of machinery and you can only run them for a couple of months of the year. Because of overly specific regulations reducing operating times, it becomes almost an impossibility to operate.

It all comes down to the wood supply. If you can't cut the wood and produce it from the forest, you can't run the mills and you can't pay your employees. It becomes a very challenging situation very quickly.

**Mr. Dave Smith:** Pardon me for not knowing a great deal about your industry. When you decide there's an area that you want to go into to cut, how long does it take you from that process of, "Here's where we'd like to go" until you can actually get in and start to harvest?

**Mr. Jamie McRae:** First off, we don't really decide where to go. It's all mandated by the provincial government, by the Ministry of Natural Resources and Forestry. They produce 10-year operating plans called forest management plans, and they target the areas that you're supposed to harvest on a rotating system. The management plans are made up, the prescriptions are written up, for every individual area. Actually, it's very, very scientific and in-depth. It's a fantastic system, actually. It's why Ontario is constantly lauded as having some of the best systems in the world.

But it is challenging when you get into different areas and you get into other pieces of legislation that are constantly restricting areas that you can be in and your time frames. As I mentioned before, it can be crushing for operators to try to work in that sort of a business environment. It's very difficult for us because, if you don't have a stable and consistent wood supply—that's number one. Everything else kind of falls into place after that. You can't run a sawmill if you can't find wood.

**Mr. Dave Smith:** You can't cut it.

Do you find that there are conflicting regulations, where you've got something that says, "Thou shalt do X," but if you did X, it conflicts with something else where they say you're going to be penalized by Y?

**The Acting Chair (Mr. Stan Cho):** One minute.

**Mr. Jamie McRae:** Yes. A really good example of that is why in the forestry industry we have so much trouble with the Endangered Species Act. It's pinpoint legislation, whereas the Crown Forest Sustainability Act—what we've been working on for decades—is what we call a macro or wide-filter approach and it looks at the landscape on, as I mentioned, a holistic level. But it's a big level, trying to account for everything, sort of how Mother Nature likes to do it.

The Endangered Species Act likes to focus on just making things better for whatever species is listed on the

registry. If you have a turtle species that's here, you try to do whatever you can in that area just for that thing, completely irrelevant of every other species that's living in that ecosystem and not taking into account things like climate change and a lot of other factors on the landscape. So you have legislation that's working against each other and, again, it makes it really, really difficult; almost impossible, in some scenarios.

**Mr. Dave Smith:** So taking a 10,000-foot approach to it would be a better way of doing it, rather than the two-foot approach?

**Mr. Jamie McRae:** Yes, definitely. A classic example is you may be making it good for that species in the landscape, because you're only doing things for that, but for all the other species around, it may be detrimental for them. It's one of those situations where you can't see the forest for the trees, and it's really good to look at things and try to work on a wide landscape.

**The Chair (Mr. Stephen Crawford):** Okay. We're going to move on to questions from the opposition side: Mr. Arthur.

**Mr. Stan Cho:** Forest for the trees.

**Mr. Ian Arthur:** Yes. Well done.

Thank you very much for your presentation. We went to Dryden and Timmins last week and heard from a number of forestry companies, so I don't actually have too many questions; you're echoing sentiments across your industry. The thing I thought was interesting was how you're pulling in the wood-based systems for future building. I think there's a lot there. The engineered products that you can build today are phenomenal and it really, I think, is a very promising sector.

We don't really have many questions, but that's not because we don't hear or agree with it. It's because these are reinforced points that we've heard several times over. Thank you so much for your presentation.

**Mr. Jamie McRae:** Thank you.

**The Chair (Mr. Stephen Crawford):** Thank you very much.

#### TRENT CENTRAL STUDENT ASSOCIATION

**The Chair (Mr. Stephen Crawford):** I'll call up our next witness: Trent Central Student Association. Good morning and welcome to the finance committee. If you could just state your names for the record and you can get right into your presentation.

**Mr. Brandon Rummelgas:** Hi, there. My name is Brandon. I am the president of the Trent Central Student Association.

**Ms. Lindsay Yates:** My name is Lindsay Yates. I'm the vice-president of campaigns and equity for the Trent Central Student Association.

**Ms. Ann-Majella McKelvie:** I'm Ann-Majella McKelvie and I'm the vice-president of university and college affairs at the Trent Central Student Association.

To start off, I'm going to talk a bit about OSAP and the changes that have recently been announced, reverting back

to more of a loan system over grants. This new change will have a huge effect on low-income students because it takes them longer to pay debt off, meaning that education costs more for those with a low income than those who are financially privileged.

In addition, the removal of the six-month interest-free grace period is a major loss for students graduating and entering into the workforce. This will put students in a position where they accumulate more debt and they will have an even more difficult time paying off this debt while they are in a crucial time of finding employment.

Changing the definition of a mature student from four years to six years places students in a vulnerable position. This is especially the case when young adults are now required to depend on their parents for financial support, when in many, if not most, cases, this is an unrealistic expectation.

Changing the OSAP framework, where students are now expected to pay \$4,000 out of pocket instead of only \$3,000 out of pocket, will be a major setback for low-income students. The money that a student potentially would have saved from tuition cuts is now expected to be put towards overall expenses for school that OSAP will no longer fund, which does not move students into a place of saving money.

Removing the debt cap of \$10,000 per year will put students in a vulnerable position of accumulating even more debt. If students have more debt, they are less likely to actively participate in the growth of Ontario's economy, which results in negative implications for the province. An example of this would be students are less likely to purchase a home if they have loads of student debt.

1120

Overall, these changes to OSAP will now put many students in a position where they can no longer afford post-secondary education. On top of that, the increase of loans will come at a huge cost for Ontario's economy due to the lack of participation by students and the high expense of oversight of these loans. At the end of the day, these proposed changes will not bring much benefit for students or Ontario as a whole.

**Ms. Lindsay Yates:** The next thing I want to chat about was the 10% reduction in tuition fees that has just been announced. This is something that concerns us as a student association because, while a reduction sounds really great on paper for students, we have to recognize that a reduction in tuition means there needs to be compensation at the government level for the losses that institutions are going to incur. The government has not announced that they will be increasing operating grants to compensate for universities' and colleges' losses of revenue, which for universities is about \$360 million.

Institutions in Ontario already receive by far the least in per-student funding out of any province in Canada. For students in Ontario, it's about \$7,500 in comparison to the national average of around \$12,500. We've already seen students in Ontario asking the government to increase per-student funding and not decrease it.

With the cuts to the institutions' funding, which is about 4%, universities will have to be making up for those cuts by targeting revenue that goes towards things like deferred maintenance and non-unionized jobs on campus. Trent is over 50 years old. There's been money previously allocated for deferred maintenance, for example, in a lot of our residence buildings. If we are deferring that maintenance, the cost is just going to increase in the future if that work is being neglected.

With the reduction in revenue, campus services such as peer support, health promotion, equity and inclusivity initiatives, and student success programming are now at risk. These services are primarily staffed by students, and because those student positions are not unionized and they haven't been part of collective bargaining, those are only the first jobs that are going to be cut on campus. If students can't find work on campus, they're going to struggle to see a benefit in the 10% cut to tuition if they can't pay for tuition anyway.

Jobs are really scarce in Peterborough, as many of us know. Trent University and Fleming College are the fourth and sixth largest employers in the Peterborough community. But if cuts to tuition funding are going to result in cuts to work opportunities, the job market in Peterborough is just going to continue to be more and more inaccessible. Ultimately, these cuts are unsustainable and should be compensated for by government funding to support the actual benefit that students would see from a 10% tuition reduction, and to reduce the implications for the larger Peterborough community.

**Mr. Brandon Rummelgas:** I'm going to be chatting about the Student Choice Initiative. Before I do that, I would like to share that I'm in my sixth year of post-secondary education, and currently owe the government \$36,000.

The Student Choice Initiative affects the bottom line of institutions due to the loss of revenue from ancillary departments that pay, in part, for the utility bills in their spaces. Students already have a democratic process in place for creating student fees that are refundable or not, and this initiative overrides and undermines students' democratic rights on campus, but also their freedom of association.

We can provide some key examples. Benefits: For the six schools that belong to the same benefits plan as our school, Student VIP, students submitted \$3,635,359 in prescription drug claims. If health plans are made to be non-mandatory, they will be uninsurable risk and will become unsustainable on our campuses, which makes this \$3-million bill one the government will have to foot, as students without private coverage will be eligible for OHIP+.

Transit: The Trent Central Student Association contributes \$1.9 million to the city of Peterborough yearly to operate our Trent East Bank and West Bank service.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Brandon Rummelgas:** If our transit pass becomes refundable, the loss of income we are projecting would devastate our service, a service that already lacks the capacity it needs. Additionally, Trent students make up nearly half of the entire city's public transit ridership, which would have drastic effects on transit in the entire community.

Further, the new student centre on Trent's campus is in place because of a \$10.5-million loan we, as the student union, have with TD Bank, which is contingent on having a non-refundable fee. If this fee becomes refundable, we will no longer be able to afford our loan payment or the operation costs for this building, which would potentially result in this building closing.

**Ms. Lindsay Yates:** Thanks so much for allowing us to speak. We really hope that you'll take these student perspectives into consideration when putting forward the legislation for these changes we've just heard about. We hope that accessible post-secondary education will be your sole focus when making changes to the industry to support students. Thanks.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We're going to start questions from the opposition side. Ms. Fife.

**Ms. Catherine Fife:** Thank you for coming here today. We've been hearing from students, but not specifically in this committee. You really have laid out a number of issues that I don't think this government has fully thought out, the way that announcement was rolled out.

I really wanted to give you opportunity to speak specifically around the ancillary fees, because the Premier actually tweeted out a story about student university newspapers and their irresponsibility. Of course, it was the student newspaper that broke the story about the irresponsibility.

This is about the whole post-secondary education experience. So I want to give you a chance to speak directly right now to the Premier and say how you are feeling, what you are most concerned about and what you're hearing from your members as well. Thank you.

**Mr. Brandon Rempelgas:** This is an example of union-busting. If we were talking about the Trent University Faculty Association or OPSEU or CUPE, this conversation wouldn't be happening. Student unions do great work in representing their students. We sit on committees in our university. We hold our administration accountable to the promises they make. We also do work to hold our government accountable to the promises it makes. We feel as if we are being undermined in that capacity.

I'll share some of the services that ancillary fees support:

- health and dental plans;
  - subsidized bus passes;
  - sexual assault support centres;
  - services for LGBTQ2S+ students, Indigenous students and students with disabilities;
  - food banks;
  - funding for clubs and professional societies;
  - academic appeals support;
  - representation for students on campus committees;
  - funding for our campus newspapers and radio stations;
- and

—job and volunteer opportunities on campus.

I'll also share that these opportunities being present help universities market themselves to new students. Universities are being hit from a bunch of different fronts when ancillary fees are made refundable.

**The Chair (Mr. Stephen Crawford):** Mr. Arthur.

**Mr. Ian Arthur:** I actually also want to spend time on the auxiliary fees, because I think this is one of the more poorly thought-out parts of this.

The grocery assistance program, for instance: If I was attending university and I didn't think I really needed to use that, I could opt out of that. But the very people who need it are the ones who would be willing to pay into a program to help that kind of thing.

I'm very glad that you brought up the role that this plays in funding public transport in the city as well. If I was a selfish, poor student and I wanted more money for beer, it would be pretty easy to opt out of the public transit, but I would almost assuredly continue to use that public transit.

I thank you very much for coming before this committee and for bringing up this part of the education announcement, because I think it's really important for this committee to hear this.

**The Chair (Mr. Stephen Crawford):** One minute. Ms. Shaw.

**Ms. Sandy Shaw:** We've been hearing from universities who are saying that they're not sure how they are going to compensate for this loss of revenue. They're certainly saying it's going to affect the teachers that they hire and the quality, as you've just described it. They also did say that, in fact, it might impact students in that they hire students part-time. So if they have less money, then even students are not going to get part-time work. They also talked about how it will impact students' ability to have clear research opportunities hands-on with professors.

But the one thing I wanted to ask: It does seem like this was rolled out quickly. It wasn't well thought out. There are all these unintended consequences. Are you aware of any student associations or any student groups who were consulted when this was being rolled out?

**Ms. Lindsay Yates:** No, we're not. I think when the minister herself was asked this question, she was not able to name anyone who was consulted. We're members of the largest federation of students in Canada, the Canadian Federation of Students, and they were not consulted on this decision. They represent over 800,000 students in this province, as well as in the wider country.

**The Chair (Mr. Stephen Crawford):** Thank you. We're going to turn to the government side now for questions. Mr. Piccini.

**Mr. David Piccini:** Thank you all for coming in today. I really appreciate you sharing your perspective. I just wanted to drill down on a couple of questions to start.

On OSAP: We talked about grants to loans, and I just want to ensure that we have all the facts out there. Are any of you aware of the grants-to-loans ratio in 2016-17 in Ontario?

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**Mr. Brandon Rempelgas:** Yes, I believe it was 76%.

**Mr. David Piccini:** It's 66% grants to 34% loans.

Are you aware of what it was federally? It's 28% grants to 72% loans.

Are you aware of the federal split in 2019-20?

**Mr. Brandon Rempelgas:** The split doesn't matter if the total amount is less.

**Mr. David Piccini:** No, it's an 80% grants to 20% loans ratio. The idea was to ensure the sustainability. I think we all agree we need a sustainable OSAP program—would you agree?—for our next generation, so that the grants are still there for those who need them in the future, to maintain the integrity of the system, so we're not providing grants to the most affluent families, and that those grants are there for those who need them. The ratios, again, for those earning under \$50,000 in family income, will be 90% grants-based, and for those under \$30,000 will be, again, 90% grants-based. Should one not be able to repay it, they're still eligible for the repayment assistance program.

I just wanted to comment on that. I know that you spoke about that debt, and it's very real; we heard it. The tuition thing was the number one issue we heard over the past number of months that we needed to address, and this 10% will be across the board. Just to speak to that across the board, do we feel that tuition has become unsustainable in Ontario?

**Mr. Brandon Rempelgas:** Just to go back briefly, it was announced last year that any student making less than \$50,000 would have 100% grant coverage for their tuition. Now that it's 90%, that 10% decrease negates the 10% decrease in tuition.

**Mr. David Piccini:** But would you agree about the sustainability? I could promise everything to everyone, but ultimately there's a taxpayer and we know it's not free; someone has to pay for it—so just the sustainability of the program.

I just want to talk about tuition in general. Do we agree that, since 2006, the 100% increase in tuition—is that sustainable?

**Mr. Brandon Rempelgas:** It shouldn't matter. Investing in education is investing in our future as a province, and if we need to make changes elsewhere, we should.

**Mr. David Piccini:** So increases to tuition should not matter, you just said? Or it does matter?

**Ms. Lindsay Yates:** I think what we've already tried to make clear is that what's unsustainable is the fact that it's on the students to pay into the education system, and the government is not compensating that difference. So that's what's unsustainable: that the government is not—

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Lindsay Yates:**—paying for the education of post-secondary students.

**Mr. David Piccini:** Sorry. To correct that, this will be the largest percentage of grants that this government has ever handed out in Ontario's history, less the outlier year of last year, which we all know, with the AG report, was fundamentally unsustainable.

Just going on to the Student Choice Initiative, because I appreciate your feedback on it, just to clarify so that we all, going forward—the guidelines still haven't been released, so I do appreciate your feedback and I would welcome the opportunity to come to Trent with any colleagues—certainly my colleague Dave Smith—to discuss that. Health and safety are non-negotiable. I do want you

to know that, and that we welcome the opportunity to come and sit with you on working on that. When you talk about stakeholders, we sat with OUSA and a number of other groups across Ontario on that going forward and what will be. I'd really love that opportunity, if you guys would welcome that, to have that discussion.

**Mr. Brandon Rempelgas:** For sure.

**Mr. David Piccini:** Thank you.

**The Chair (Mr. Stephen Crawford):** Okay. Thank you very much.

**Ms. Lindsay Yates:** Thank you.

#### PETERBOROUGH COMMUNITY SAVINGS

**The Chair (Mr. Stephen Crawford):** We'll move up to your next presenter, Peterborough Community Savings. Good morning and welcome to the Standing Committee on Finance and Economic Affairs. If you could state your name for the record, you can get right into your presentation of up to seven minutes.

**Ms. Beth Bruesch:** All right. Beth Bruesch. Good morning, committee members. I'm the president of Peterborough Community Savings, which is a division of Alterna Savings and Credit Union Ltd. Peterborough Community Credit Union joined with Alterna Savings as a separate division in January 2016, having served the local community independently for 77 years. Alterna celebrated 110 years of serving communities throughout Ontario. Together with our wholly owned subsidiary, Alterna Bank, we have over \$7.13 billion in assets under administration. As the first full-service, member-owned co-operative financial institution outside Quebec, Alterna shares our expertise with more than 166,000 members through a network of 32 branches across Ontario as well as our call centre and digital channels.

Ontario credit unions are member-owned co-operative financial institutions that offer a dynamic, diversified suite of financial products focused on meeting the retail and commercial banking needs of their local communities. We are the only regulated alternative to the big banks in Canada. More than 1.5 million Ontarians choose to bank with credit unions. We are owned by our members—the people who bank with us—and we invest our profits back into the communities that we serve.

Ontario credit unions contributed 5% of pre-tax income back to the communities in which they operated in 2017. The big banks have a target of 1%. These contributions are real dollars invested back into our communities—into the arts, culture, recreation programs, charitable initiatives such as food banks, and the development of affordable housing. This commitment to our communities is one of our core co-operative principles.

Credit unions also support community engagement and participation through the sponsorship of teams and arenas. Numerous credit unions sponsor local sports arenas and teams in many communities throughout Ontario.

Financial services in Ontario need modern regulation. In 1994, when the Credit Unions and Caisses Populaires Act was written, Ontario credit unions were a third of the size they are today. There has been an incredible amount

of change since then. Financial services live in a different world.

While there have been minor changes to the act over time, some of these changes have resulted in unintended complications, redundancies and contradictions which ultimately cost credit unions more in compliance and staffing dollars.

The best protection for any consumer is being able to make sound, affordable choices for their financial needs. Modernizing the act will make credit unions more competitive with the banks that dominate the market. It will allow Ontario residents a wider selection and price range of financial services and products from which to choose, helping them to be better consumers.

Credit unions have also been strong supporters of financial literacy for everyone at all ages. Many credit unions offer free financial literacy training to schools and community organizations through a program called Each One, Teach One.

Credit unions view consumer protection as one of the most positive differentiators between the co-operative model and traditional banking. At a credit union, the interests of the members are aligned with the interests of the credit unions because they are also our owners.

One example of restrictive regulation that is in the act and currently being interpreted by the Deposit Insurance Corp. of Ontario refers to mortgage loan classification. This particularly affects smaller credit unions. DICO has adopted the position that Ontario non-owner-occupied mortgages with four or less units should be classified as commercial loans rather than residential mortgages. This restriction places a burden particularly on smaller credit unions, who may be restricted or limited in their commercial lending ability. This classification requirement does not exist for banks. They would be classified as simply an investment property.

In conclusion, modernizing the Credit Unions and Caisses Populaires Act will not cost the government a single dollar. We are not asking for funding of any kind; we just want your time. We are asking for our elected officials to put the right conditions in place so that credit unions can expand and, in turn, help Ontario's economy grow. Modernizing the Credit Unions and Caisses Populaires Act will create a more competitive playing field for credit unions, benefiting everyday consumers and small businesses.

The Ontario government has expressed in its goals the elimination of red tape for businesses and people who access government services, improving the way we deliver government programs or services, restoring accountability and trust, and making Ontario open for business. In line with those goals, credit unions ask the government of Ontario and Finance Minister Victor Fedeli to make a commitment in the 2019 budget to modernize the Credit Unions and Caisses Populaires Act by supporting a new streamlined regulatory system to better govern Ontario's credit union sector.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We're going to start questioning on the government side. Mr. Downey.

**Mr. Doug Downey:** It won't come as a surprise to you that we've heard from credit unions across the province, so we've heard the message loud and clear about the need and the ask. I have one question on a term I hadn't heard before. You used the term "Indigenous channels." Can you expand on what that means in terms of your credit union?

**Ms. Beth Bruesch:** I said "digital channels."

**Mr. Doug Downey:** Oh. I thought you said "Indigenous channels," and I thought, "Okay, there's something I don't know." So I don't know it because it doesn't exist; got it.

**Ms. Beth Bruesch:** Although I would say that there are a number, in the province and probably across Canada, in remote communities, where Indigenous peoples are well served by co-operatives and credit unions where they may not be otherwise.

**Mr. Doug Downey:** Okay. Thank you.

**The Chair (Mr. Stephen Crawford):** Mr. Smith.

**Mr. Dave Smith:** You pointed out that it was 1994 or 1995, I think you said—

**Ms. Beth Bruesch:** It was 1994.

**Mr. Dave Smith:** That's a long time ago. Facebook didn't exist. YouTube didn't exist. The World Wide Web, as we know it, didn't exist. So you're right that that's something that does need to be looked at.

I'm not going to take much time, but I wanted to thank you, as the representative of this area. Your credit union has been a great corporate citizen, doing a lot of good in our community. Since I had a few moments to do it, I thought I would thank you very much for everything that you guys have done for us.

**Ms. Beth Bruesch:** Thank you very much. I very much appreciate it. You will be hearing from one of my other colleagues from Kawartha Credit Union at 1:30. He'll have a little bit more information. We tried to divide it up so that you wouldn't be hearing a broken record.

Thank you very much for your support.

**The Chair (Mr. Stephen Crawford):** Any further questions on the government side? No? Okay. We're going to go to the opposition side. Ms. Shaw.

**Ms. Sandy Shaw:** I've got to do it one more time; I'm so sorry. You guys are so well organized. We've had delegations from the credit unions, and each time I have to say that I was the chair of the board for FirstOntario Credit Union for about six or seven years.

**Ms. Catherine Fife:** Every time, consistently.

**Ms. Sandy Shaw:** Every time; I apologize.

**Mr. Doug Downey:** It's the truth.

**Ms. Sandy Shaw:** I've got to tell my truth.

We have asked lots of questions, as MPP Downey has said. My question, I guess, is very specifically about modernizing the act: How do you see that unfolding? I know that the credit union, as you talked about, is a co-operative model—democratic principles. We consult with our members and take things to the membership for approval. You have a centralized representation in terms of the system itself. How do you see this unfolding? Timelines? Would you consult with the government? Would you consult with the members of the credit union? I'm just curious how you would see that unfolding.

**Ms. Beth Bruesch:** I can tell you that I served on a committee in 2005 when the government did a small update to the act.

**Ms. Sandy Shaw:** Me too.

**Ms. Beth Bruesch:** You too?

**Ms. Sandy Shaw:** I was on the DICO committee, the enterprise risk management committee.

**Ms. Beth Bruesch:** Yes. I was on the credit committee, working with DICO as well, so you'll remember that.

**Ms. Sandy Shaw:** Yes.

**Ms. Beth Bruesch:** I envision a very similar process. Hopefully, we can get that started sooner rather than later with volunteers within the credit union industry as well as—I think our member base is very vocal. We do hear from them and we do make them aware of things that are happening and get their support.

It's mainly the rules, I think. All of the structure would remain the same in terms of co-operative ownership and the co-operative business model. I think the thing is there are small rules that have been left in the act and they create contradictions, like the one I talked about, that just need to be aligned with, so that we're not put in a position where we're not competitive.

I think my colleague, when he comes in, is going to talk a little bit about—we're not able to sell a lot of ancillary services; the banks are. We're not allowed to provide insurance products, those kinds of things. So it puts us at a disadvantage. We'd like to see those kinds of rules change so that we're not put at a disadvantage.

**Ms. Sandy Shaw:** Thank you. Also, there's a white paper that your organization is preparing. Is that correct?

**Ms. Beth Bruesch:** Yes, the Canadian Credit Union Association, which represents all of the credit unions, will be putting together a white paper. It's based on comments from all of the credit unions.

**Ms. Sandy Shaw:** Great. Thank you very much.

**Ms. Beth Bruesch:** Thank you.

**The Chair (Mr. Stephen Crawford):** Any further questions? Okay. Thank you very much. We appreciate it.

Our last group before lunch, the University of Ontario Institute of Technology, actually cancelled, so at this point we will recess until 1 o'clock, when we'll resume. We'll have lunch now and resume at 1 o'clock. Thank you very much.

*The committee recessed from 1142 to 1300.*

**The Chair (Mr. Stephen Crawford):** Good afternoon, everybody. Welcome to our afternoon consultations. We're here today to hold pre-budget consultations in Peterborough. Each witness will receive up to seven minutes for his or her presentation, followed by eight minutes of questioning divided equally amongst the two recognized parties here today.

#### PETERBOROUGH AND THE KAWARTHAS HOME BUILDERS ASSOCIATION

**The Chair (Mr. Stephen Crawford):** I'd like to call the first witness this afternoon: Peterborough and the Kawarthas Home Builders Association. Welcome to the finance committee. I'll give you one-minute warnings,

both during the questions and the presentation. Please state your name for the record, and then you can start.

**Mr. John Kintare:** Good afternoon. My name is John Kintare. I am the executive officer for the Peterborough and the Kawarthas Home Builders Association, better known as PKHBA. We have represented the voice of the residential construction industry in Peterborough and the Kawarthas for over 60 years and currently represent more than 100 member companies involved in the land development, new home construction, professional home renovation and home repair industry. We are proudly affiliated with the Ontario Home Builders' Association and the Canadian Home Builders' Association. I'd like to thank you all for coming to Peterborough today and braving the weather and for giving me the opportunity to speak.

Here in Peterborough and the Kawarthas, our industry is a major contributor to the local economy. New home construction and residential renovations employ over 5,500 people in well-paying careers. Our industry generates some \$337 million in wages and contributes nearly \$700 million in investment value to our economy annually.

We are, however, running into red tape that is restricting our ability to build. We know that our industry can actually contribute more to the local economy if this red tape is removed. We know that we can support more good-paying careers in professions from carpentry to urban planning, which is why we are encouraged by the province's Housing Supply Action Plan. We are encouraged that this government is looking at ways to speed up the approvals process and reduce the cost of doing business in our area, which means in a competitive industry like ours that we can pass savings on to aspiring homebuyers, many of whom are currently being priced out of the market.

We are encouraged by some of the first moves this government has made to increase housing supply. A couple of weeks ago, the province released a set of proposed amendments to the growth plan, which take a much more practical and realistic approach for communities like ours. Under the previous plan, our community was subject to Toronto-style planning rules, with density and intensification targets that made little sense, especially for the smaller communities in the city of Kawartha Lakes and Peterborough county. The reality is that we don't have the same kinds of transit and infrastructure that bigger cities have, and therefore we should not be subject to the same one-size-fits-all approach to planning policies. PKHBA is pleased that the government has listened to our concerns and maintained a strong growth plan that will encourage new supply that better reflects the needs in our community.

Speeding up the approvals process and reducing the cost of doing business will help our members deliver more housing supply. I would like to emphasize the point that if we can build more supply, that translates into more job creation and more revenue for the provincial treasury, from HST on new homes, from the land transfer tax, from corporate taxes on our members, and from income taxes paid by those people our industry employs. All of that revenue would be good news for the government and for the people of Ontario, as it will help to bring that large deficit number down.

Another way to bring in more revenue and to help bring down the deficit would be to address the nearly \$200-billion problem of the underground economy in Ontario, over 25% of which is attributed to the residential construction industry. Besides reducing red tape and making it easier for contractors to operate above board, a creative approach to this issue would be to re-establish a home energy retrofit program that would tie tax rebates, grants, loans, or all of the above, to work completed by professionals who contribute to the tax base. This can be ensured by requiring the submission of contracts and receipts before funding is released and will not only reduce energy costs for homeowners but will also benefit the environment and drive even more economic growth in the renovation and repair industry, leading to more good-paying careers for residents in Ontario.

The issue of housing choice and supply is complicated. New home prices reflect market conditions, as well as the rules set forth by government policy through municipal approvals and provincial legislation. The government sets the rules on where, what type and when housing comes to market, and the market responds and prices houses accordingly. The supply and demand imbalance has already dramatically increased the cost of housing in our community and threatens to drive prices and rents even higher. That means that families and young people starting out are simply not able to afford home ownership, let alone rent, or they're having to compromise on choice and either settle for unsuitable housing or commute vast distances in search of housing.

Our members are seeing more and more buyers from the GTA who are either desperately searching for a more affordable option or are cashing out on their escalated value in the GTA, buying a nice home in Peterborough or Lindsay and putting the balance of that home value in a bank for retirement. This is having a profound impact on our local market, as demand is increasing but supply can't keep pace. These buyers from out of town are pushing prices upwards and displacing local residents, many of whom are now being priced out of the market.

This problem isn't just a housing problem. It's having serious social and economic consequences for residents of this area, especially younger people who are being priced out. Our association believes that the provincial government has an important opportunity to consider the impacts of planning, fiscal and labour policy decisions on housing supply and, ultimately, prices. The government has many levers it can push and pull that influence housing supply. This is why we were supportive of changes the government made to Bill 47 to modernize apprenticeships and allow for a one-to-one journey-person-to-apprentice ratio. There are so many barriers to a career in construction, but with these changes, our members are already bringing on more younger apprentices. This will have important, long-term impacts on labour supply and offer more opportunities for well-paying jobs in construction.

We are also supportive of the consultation for a Housing Supply Action Plan, as it represents an important opportunity to make better public policy decisions and

address the barriers getting in the way of new housing supply. I know that last week, our provincial organization, OHBA, put in a comprehensive submission with a range of recommendations.

I know we only have a minute or so left, but I'd like to quickly highlight: We'd like to see the return of a program like a home energy retrofit rebate, which will address issues in the underground economy and reduce costs for homeowners. We'd like to see the current Ontario Municipal Board backlog eliminated, which will allow 100,000 homes to be built across the province, including hundreds in our area alone. We'd like to see tighter timelines for zoning and official plan amendment applications. Currently, these are 210 days and 150 days, and we think that removing 30 days from each, to a total of 180 days and 120, is more than reasonable.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. John Kintare:** There are other approval processes that don't have timelines. We'd like to see timelines for conservation authority permitting, and we'd like to see service standards for environmental compliance approvals for items such as stormwater management ponds, which are a routine piece of infrastructure but get tied up with multiple levels of government.

I'd like to close by saying that we strongly believe that creating more housing of the types and size people need will help make home ownership and renting more affordable and give people more choice. Government-imposed costs, including municipal and educational development charges, planning and building approval fees and federal and provincial taxes account for 20% to 25% of the cost of a new home in many communities. We think the province should take a careful look at all this taxation on housing.

I'd like to thank you for your attention, and I look forward to any questions you may have.

**The Chair (Mr. Stephen Crawford):** Okay, thank you. We're going to start with questions from the opposition side. Ms. Shaw.

**Ms. Sandy Shaw:** Thank you very much for your presentation. We have been hearing from home building associations across the province, so your message has been heard a number of times. But something that I wanted to ask you about, just to get further understanding—we've also been hearing from municipalities across Ontario, even small municipalities, who are struggling with some of the downloading costs that have been the result of the province putting some of these costs for social service delivery and otherwise onto small municipalities.

We've also heard from municipalities that development charges are a significant contribution to their revenue and that in order to compensate for some of this loss of revenue, including development charges, they'd have to increase the tax base, so the residential tax base. We've been hearing from people who are struggling with paying their property taxes, people who are overtaxed. If you download costs from the province to the municipality, at the end of the day, it is the residential taxpayer who has to cover these costs.

Can you just help me understand, when the home builders associations are asking to have development

charges waived or reduced, how you see that not impacting the residential taxpayer when those development charges are something that supports the tax base at a residential level?

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**Mr. John Kintare:** Certainly. Our industry is in support and in favour of development charges where it can be shown that growth is paying for growth, which is the point of development charges. Often, municipalities are using them as a fund where they can bring in more revenue and then push it off to another area of the municipality, and that's a major problem. When the calculations are incorrect about what the background study is showing and what the costs truly are, a disproportionate amount of the cost of development is being paid by our new neighbours, which is effectively a tax on the people moving into our residences, which should be paid by all of the residents across the area. In some cases, increased development charges are being used to artificially lower property taxes. We don't want to see our new neighbours taxed in favour of the people who are already here.

That said, we are a huge economic driver for our communities. More building and more construction will often result in more economic benefit for the municipality and for the province. So you can make a case in certain circumstances that development charges should be reduced for a particular development, and that's something that's usually on a case-by-case basis.

**Ms. Sandy Shaw:** Okay. Thank you. I do agree with you. We understand that those construction jobs are good-paying jobs, and there is a demand for housing, which you talked about. The thing that we have heard is—often, people think of housing as a single-family dwelling, and what we are understanding from hearing people from across communities is that they're looking for different choice in the kinds of housing, maybe co-housing. People are looking to not just have one unit. They want to perhaps have—not commercial multi-residential, but an ability to have multi-generational families in one unit. Can you talk about some of your industry's innovations around this different kind of housing choice that people are looking for?

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. John Kintare:** We actually face significant barriers to developing that type of housing because of the way the Planning Act and the zoning has happened in municipalities. As of right, all of the properties in Peterborough are single-family-dwelling zoned. If you want to change that, it's a complicated process which is very costly, to go to the municipality for these amendments to the bylaws. So where we can build partnerships with the municipalities to do that more easily, that's great, but—

**Ms. Sandy Shaw:** Thank you. Sorry, I want to get in my last question, which is that you're the first home builders' association that has talked about a home energy retrofit program. It seems to me we had one of those in the province; when we got rid of cap-and-trade, we got rid of that home energy retrofit program. What I heard from many constituents was that they were in the middle of upgrading their homes or their windows or their insulation and they got caught in this thing being cancelled.

How would yours be different from what we already dismantled in this province?

**Mr. John Kintare:** I think if you go back several years, past the one that was just here with the previous government, you can find examples both federally and provincially of home energy retrofit programs that have worked very well. Rather than it being a grant, it was a rebate on taxes, which is a different way to fund it.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We're going to the government side for questions. Mr. Smith.

**Mr. Dave Smith:** Thanks, John. I'd like to thank you very much for coming out. I know we've had a number of different conversations. Just a couple of things that, in our previous conversations, have come up: Could you touch on the need for the construction industry right now to have temporary foreign workers and what the challenge is that is forcing you right now to bring in temporary foreign workers?

**Mr. John Kintare:** There's a huge labour shortage in our industry, everything from labourers to carpenters to tile-setters to drywallers—basically, any aspect of home construction needs more workers and needs more qualified workers. What we're finding is that often, when you're recruiting and hiring Canadian workers, they may not have the same work ethic as you need on a construction site. There are several examples of people who come for their first day and leave midway through and never come back again. A program like the Temporary Foreign Worker Program is certainly one of the solutions to make more labour accessible. The more labour we can have, the more we can expand and grow our businesses and provide more supply.

**Mr. Dave Smith:** You also mentioned how we have some challenges around here in this area in particular with building itself and the growth plan. We're part of the greater Golden Horseshoe and part of Places to Grow. If I look at Durham county or the municipality of Durham, their planned growth is about 22,000 people per year for the next 10 years. In Peterborough county, taking the city out, the growth is 700 per year. Does it make sense to you to have a blanket approach to the growth plan and development when you have Durham, which will exceed Peterborough in the first week and a half of the year?

**Mr. John Kintare:** Absolutely not. That's one of the things we're very pleased to see in some of the proposed changes to the growth plan, getting away from that one-size-fits-all approach. We need local municipalities to be able to have a greater say in how they develop locally. When you have 700 people coming in versus 23,000, it's not even comparable in terms of what you need to do in terms of infrastructure building and everything else.

**Mr. Dave Smith:** One last question and then I'm going to turn it over to one of my colleagues: You talked about the underground economy being about \$200 billion. Do you have any idea why it's as high as it is?

**Mr. John Kintare:** It's actually \$20 billion across the province, and about a quarter of that is residential construction. The layers of red tape often drive operators underground. If they can save the homeowner and save

themselves money by not getting a permit, by not paying WSIB, by not remitting on their taxes and doing a job for cash, they're going to do it. We work as an association to help educate about how easy it is to do things legitimately and help bring people into that legitimate sphere, but certainly what we hear on a daily basis is that people are more and more turning to that cash basis and going underground, because they just can't keep up with the ever-changing legislation that's coming down.

**Mr. Dave Smith:** Thank you very much.

**The Chair (Mr. Stephen Crawford):** Any more questions from the government side? Mr. Piccini.

**Mr. David Piccini:** Thank you very much for your presentation today. You spoke a bit on the ratio change, specifically with respect to attainable households. I know in our community, with the county, we differentiate between attainable and affordable. There is certainly the role that the county and others play for that real affordable option, but as it goes for attainable, with 0.6% vacancy, can you touch on the role—you said that a number of your businesses have expanded the number of skilled tradespeople that they now employ. Can you speak to that a little more, please?

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. John Kintare:** Certainly. Many of our member companies have been unable to expand their businesses due to lack of skilled employees, and so they try to attract a tradesperson, but because of the ratios they haven't been able to hire them. With a 1-to-1 ratio, that allows them to hire these graduates, who are often coming out of Fleming, and be able to give them a well-paying job and put them on that track, which down the line will give us more journeyman carpenters and allow us to build more housing.

**Mr. David Piccini:** Fantastic. Thank you.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We appreciate your presentation.

#### OPSEU LOCAL 348, LAKERIDGE HEALTH

**The Chair (Mr. Stephen Crawford):** I'd like to call up our next witness: OPSEU Local 348, Lakeridge Health. Good afternoon. Welcome to the Standing Committee on Finance and Economic Affairs. If you could state your name for the record, and you can get right into your presentation.

**Ms. Sara Labelle:** My name is Sara Labelle. I'm an executive board member for the Ontario Public Service Employees Union, region 3 regional vice-president, which includes the Peterborough service area, and chair of OPSEU's hospital professionals division. I am a medical laboratory technologist by profession. I work at Lakeridge Health in Oshawa.

I'd like to thank you very much for the opportunity to speak here today. I know that OPSEU has covered a lot of ground in a lot of the other locations, but today I wanted to specifically address health care, as I have been a front-line health care professional for 19 years, working in Ontario. I will be focusing specifically on the health care sector because we represent so many people across the

province. We represent over 50,000 people working everywhere from long-term care, home care, retirement homes, hospitals, Canadian Blood Services and paramedics working in municipalities.

First, I want to be clear: We reject completely the idea that Ontario's public services should be subject to more budget constraints and cuts. The evidence shows that Ontario does not overspend on public services. In fact, our province ranks last in Canada for public services and health care funding. We do have suggestions for saving money, in order to shift money from misspent funds to improve care, but these suggestions are in no way meant to be taken as support for the proposed fiscal approach of tax giveaways for corporations that benefit primarily the wealthy and are paid for by cuts to public services. These public services are a cornerstone to our relative social equity. They provide Ontarians with needed services based on principles of equity and compassion, and they improve our standard of living.

According to Ministry of Finance data, Ontario ranks dead last among all provinces in funding for all public services, from transportation to health care, from education to community developmental services. We are deeply concerned about the tax cut proposals made by Premier Ford leading into the provincial election. University of Western Ontario economist Mike Moffatt tallied up the cost of the cancellation of cap-and-trade and the tax cuts for corporations and individuals, which overwhelmingly benefit the wealthy. The cost of those cuts over three to four years is \$22 billion. That is \$22 billion less in provincial revenues that fund our health care, education, social services, transit and transportation, courts and justice, and every other public service that Ontarians rely on.

The evidence does not support that the wealthy and corporations in Ontario pay too much in taxes. In fact, we rank among the lowest in North American jurisdictions in corporate taxes, and this strategy has not yielded big returns in terms of corporate investment. In fact, government data from Statistics Canada shows that high-income earners have taken the lion's share of increases over the last generation and have not passed on commensurate raises to middle- and low-income earners.

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The tax system can mitigate this growing income inequality and provide an improved standard of living for everyone in improved transportation, extended health care coverage, improved access to education and so on. As it is, prior to the billions of dollars in cutbacks that have already started, Ontario also ranks at the bottom of Canada in terms of funding health care services. This is a problem that shows in our hospitals, in our long-term care, in mental health and other services. Ontario's hospitals are now the most overcrowded of any in Canada and any of our peer countries, with the fewest beds of any province by far. This is a problem not only for patients requiring beds in hospitals, but it results in significant off-load delays and it ties up paramedics who should be out on the road dealing with other calls.

We also rank second-last in Canada in the number of long-term-care beds per population. Because of the off-

loading of heavy-care patients from hospitals to long-term care, we have extraordinary rates of acuity among long-term-care residents and alarming rates of violence in our hospitals, our mental health facilities and in long-term care. Sixty-two per cent of the violence that is experienced in long-term-care homes is done when there are no staff present, so we know that can be addressed immediately by addressing staffing ratios in our long-term-care homes.

It is no longer a race to the bottom. We are at the bottom. It is time for substantial reinvestment and restoration of hospital beds and services, improvement in long-term-care capacity and care levels, public home care and increased mental health services. More cuts will simply cause more suffering.

While the cuts to date have been made in an attempt to save money, they have come at the expense of patients' access to care and health and safety. In many cases, such cuts have been a false economy, resulting in higher costs and poorer outcomes and shifting the burden of care and cost on to families.

Let me give you some examples. Ontario has the fewest hospital beds of any province in Canada. We rank on the very bottom rungs of international rankings, also. We also have relatively short lengths of stay for patients, meaning that patients are being pushed out of hospitals quicker and sicker. The result? We have the highest 30-day readmission rates in Canada. Almost one in nine patients is readmitted to hospital with complications. Pushing patients out too fast without rehabilitation and proper post-surgical care is a false economy that is threatening Ontarians' health and costing untold amounts in having to treat expensive complications in patients who come back in through the emergency department.

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Sara Labelle:** Studies show that every dollar in investment in in-patient physiotherapy results in \$4 in savings in overall health care costs. For each dollar invested in outpatient physiotherapy, it saves \$2 in health care costs. Improving in-patient physiotherapy and restoring hospital outpatient physio would improve care and save money.

Many hospitals have cut or closed their outpatient labs. Now laboratory services are fragmented. Quality complaints regarding private laboratory services are frequent. In addition to these serious issues, the fact is that laboratory privatization costs more—way more, in fact. Ministry of Health data show that repatriating the labs would save \$175 million to \$233 million per year. It would improve accessibility, improve quality and integrate services for patients at the same time.

P3 privatization of Ontario's hospitals has cost more than \$8 billion more than if the hospitals were to be funded through public borrowing with proper oversight.

**The Chair (Mr. Stephen Crawford):** Okay. Thank you very much. We've run out of time.

**Ms. Sara Labelle:** I know. I have more. I'll send my presentation.

**The Chair (Mr. Stephen Crawford):** Okay. We'd be happy to take it. We'll start with the government side for questions. Mr. Downey?

**Mr. Doug Downey:** Thank you for your presentation. I'd like to have that and where the stats come from. We differ on some of those pieces.

I want to come back to this "pushed out of hospitals quicker and sicker" concept. We also hear about people who are in acute care beds who should be in long-term care and the bottleneck on the other end. It's interesting to me that we hear from some people that they're in the hospital too long and you're saying, on the other hand, there are people who aren't there long enough. We've got structural problems that we need to deal with and we're dealing with the long-term-care piece. We've already announced 6,000 beds; we've got more on the way.

There are challenges, absolutely, but sometimes we need to come at them in a different way. There was a trial that was started under the Liberals, which was, quite frankly, a really, really good idea. It was using paramedics, who would be in a township area, visiting and checking in on the frequent flyers in the health system so that they're not landing in the hospitals. I forget what the name of the program is, but there's one in Penetanguishene and there's one in Ramara, both in my area.

What we're really looking for is better ways to do things. So let's not disagree and argue about line-by-line this study or that study; let's find a way to actually change the system so that it works better for people. If they need to be in the bed longer, then let's get somebody out of the bed who doesn't need to be there where they should be. Do you have any constructive ideas?

**Ms. Sara Labelle:** I actually had a lot more. As you can see, I have a lot more pages. That is part of it.

There is a need for more long-term-care beds, absolutely. They have to be in the public health care system, not for-profit. The main reason for them operating has to be for the public good and in the public interest, not to make profits, so that has to be addressed. Some 53% of the long-term-care homes are private.

You need to have minimum standards of care in the long-term-care homes. Absolutely, four hours has to be the minimum standard of care. You need to have proper training for the staff. Behavioural Supports Ontario: You need to have the four-hour standard of care just for the day-to-day stuff. But on top of that, there need to be more supports from the BSO for behavioural issues, absolutely.

There is this myth that all of the people who are waiting for beds can be just moved out of the hospital. That's not the case. Yes, there are some who require a long-term-care home, but there a lot of people who are sitting in a hospital bed who require another bed. They could be sitting in a medical bed and require a palliative-care bed. They could be sitting in a surgical bed and require a rehab bed. So there has to be a conversation about capacity planning. It cannot be, "Let's do it before and let's just cut, cut, cut" and then have a discussion about capacity planning. Why don't you put a moratorium on all of that first—

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Sara Labelle:** —have a discussion about capacity planning and then do proper planning around how to address the issues in health care?

Over 50% of acute care beds have been cut in the province of Ontario over the past 20 years. That is a problem that has to be addressed.

**The Chair (Mr. Stephen Crawford):** Mr. Piccini.

**Mr. David Piccini:** A quick reference: I read that OECD report. You're right. In Ontario, as of the 2015 numbers, we rank embarrassingly low.

As we've taken steps to improve—we just did a great announcement here locally in Campbellford of the largest amount of funding for capital refurbishment they've received in over a decade. So you're right. It's important that we do make those investments.

I wonder if you could speak a little on the growth—Golden Plough is one in our community. It's run through the county, those public beds you speak of. They spoke to some of the challenges in dealing with the ministry and the LHIN. Can you speak to your thoughts on that?

**Ms. Sara Labelle:** The challenges between the ministry and the LHINs? I think that anybody who works in health care would tell you that the LHINs were probably a bad idea from the beginning. I do know that there have been multiple articles that have come out about restructuring health care—

**The Chair (Mr. Stephen Crawford):** Sorry. We're going to have to move on. We've got to keep to our schedule. My apologies.

**Ms. Sara Labelle:** Okay. Sorry. I'll have that conversation with you after.

**The Chair (Mr. Stephen Crawford):** We're going to go to the opposition side for questions. Ms. Shaw.

**Ms. Sandy Shaw:** You didn't get a chance to finish what you were going to say. We only have four minutes, but are there any additional points that you would like to bring up really quickly?

**Ms. Sara Labelle:** I actually had—

**Ms. Sandy Shaw:** You only have four minutes. It goes fast.

**Ms. Sara Labelle:** Okay, four minutes.

The recommendations that I had here—and I will provide this presentation—are to increase hospital investment to match the rate of health care inflation and maintain existing service levels. This is what's needed to effectively combat hallway health care.

The other requirement that needs to happen is that we have to have occupancy levels at no more than 85% in our hospitals. That is what all evidence out there suggests is a safe level of occupancy in order for people to get the proper care and to be taken care of properly.

Stop and roll back costly privatization. From public-private partnerships to build hospitals to privatizing medical lab testing, privatization has done serious damage to our health care system. Eliminating privatization is an important step towards controlling costs and ensuring the highest possible quality of care. For example, bringing lab testing back into public hospitals would reduce costs by 50%, it would cut wait times and it would improve quality inspection control.

Expand in-patient and outpatient physiotherapy service across all hospitals to improve access, which helps to

reduce the time patients spend in the hospitals and thereby reduces costs and improves health outcomes.

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Stop hospital closures and costly mergers. The persistent language around finding efficiencies through consolidation has proven false. We are asking for you to put a moratorium on those and do actual, proper capacity planning.

Ensure that our home care system is public and not for-profit. Right now, there are massive amounts of profit that are being made off of the home care system, which is not efficient. It costs more and it doesn't put enough care into direct services and staff to actually address the home care issues.

Address staffing levels at all long-term-care facilities. Make them public, not-for-profit—a minimum four-hour standard of care—and get rid of the costly P3s.

Those are a few of the recommendations I have as a front-line health care worker, working for 19 years, on what I have seen have been costly mistakes in our health care system—at the cost of actually providing front-line patient care.

**Ms. Sandy Shaw:** How much time is left, Chair?

**The Chair (Mr. Stephen Crawford):** We have a minute and 20 seconds.

**Ms. Sandy Shaw:** Thank you. If this is something that you feel comfortable talking about, you talked about the off-load delay involved with paramedics. In Hamilton, we've had serious problems with code zeros, where there is one or no ambulance at a certain given time when people call.

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Sandy Shaw:** In fact, we did have a woman, a grandmother, die waiting for service during a code zero event. Also, it's not well understood that municipalities have to pick up the costs for their paramedics. In Hamilton, that's the case. Can you just talk a little bit about the paramedic piece of this broken system?

**Ms. Sara Labelle:** Prior to Mike Harris, paramedics were covered under the Ministry of Health.

**Ms. Sandy Shaw:** Yes, it was downloaded.

**Ms. Sara Labelle:** They were provincial and they were downloaded. Probably the biggest thing to fix that issue would be to actually have dedicated funding to pay directly for paramedics rather than asking for municipalities to try to balance their budgets or find money somewhere else in order to provide that service. That would help address the issue. I don't know if you could upload or what that would look like, but provide dedicated funding to deal with that.

I know one of the problems that you're speaking about in Hamilton is that you're having issues with the actual ambulance dispatch, the communications officers. They've had to pull, and they are short-staffed everywhere. While the ministry pays, they need to up-staff and make sure that there are enough people to deal with the 911 calls.

**Ms. Sandy Shaw:** Thank you very much.

**The Chair (Mr. Stephen Crawford):** Okay, thank you very much. We appreciate your time.

## KAWARTHA CREDIT UNION

**The Chair (Mr. Stephen Crawford):** I'm going to call up our next presenter, the Kawartha Credit Union. Good afternoon, and welcome to our committee. You can state your name for the record and get right into your presentation.

**Mr. Rob Wellstood:** Perfect. Thank you very much. My name is Rob Wellstood. I'm the chief executive officer of Kawartha Credit Union.

Headquartered in Peterborough, Kawartha serves approximately 50,000 members through online, mobile, telephone access and a network of 23 branches, primarily across eastern Ontario. With a focus on service excellence, Kawartha provides a full range of financial products and needs-based advice to consumers and small businesses.

My ask today is quite simple. On behalf of, and working with, the Canadian Credit Union Association—so on behalf of Ontario credit unions—my request is that the government of Ontario and Finance Minister Victor Fedeli make a commitment in the 2019 budget to modernize the Credit Unions and Caisses Populaires Act.

Why? Financial services need modern regulation. The credit union sector has changed significantly in the 25 years since the act was written. Sector assets have tripled in size, while the number of credit unions has gone from the hundreds to approximately under 80 today through consolidation. We have fewer, larger credit unions. They have resources and capabilities which have increased significantly over that 25-year time. My personal opinion is that the act in 1994 was very appropriate for the time, but that was a very different time from today.

Minor changes to the act have been made over time. That's actually been beneficial, but it also created complications and resulted in increased compliance costs. There are complexities in the act now because of ad hoc changes that have actually made it more complicated.

The Financial Services Regulatory Authority, a new regulatory authority in Ontario about to take control of financial services regulation this summer, has been set up to be a better and more efficient regulator for all provincially regulated financial services, including credit unions.

The Credit Unions and Caisses Populaires Act requires modernization to make provision for the FSRA and to fit with FSRA's enabling legislation. For example, part XIV of the credit union act deals exclusively with the Deposit Insurance Corporation of Ontario, which will no longer exist as a separate entity under the new regime. That's one example.

In the area of red tape and compliance costs, a study done by MNP LLP in 2017 estimated that the regulatory burden to Ontario's credit unions was \$60 million annually. Some Ontario credit unions, I'm told, spend as much as 20% of their operating budget on regulatory compliance. There's a need to reduce that burden on our sector.

Consumer protection and consumer choice: My proposition to you is that consumers are better protected when they have choice and when there is market competition. Modernizing the Credit Unions and Caisses Populaires

Act will help Ontario credit unions become a more competitive alternative to the banks that dominate the provincial market share.

**Cost:** We're not asking for any funding of any kind, so that's hopefully welcome news today. We are asking for our elected officials to put the right conditions in place for the credit unions to expand and, in turn, help Ontario's economy grow. Modernizing the credit union act will create a more competitive playing field for credit unions, benefiting everyday consumers and small businesses. It will reduce their regulatory burden, support small business, and improve consumer protection.

In conclusion, I'm asking for a new, modernized Credit Unions and Caisses Populaires Act and a streamlined regulatory system to govern Ontario's credit union sector. Please make the commitment in the 2019 budget.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We're going to start with questions from the opposition side. Ms. Shaw.

**Ms. Sandy Shaw:** I'm not going to do it; how's that? I'm not going to say it.

**Interjections:** Do it.

**Ms. Sandy Shaw:** Okay, guess what? I was the chair of the board for FirstOntario Credit Union for some time, and you know that, Rob, because you and I have had many conversations. In fact, I remember the last time we talked. We stood on a bridge in Ottawa—

**Mr. Rob Wellstood:** Yes.

**Ms. Sandy Shaw:** —and I think we solved a lot of the problems of the credit union sector but no one was listening to us. That's kind of my experience.

**Mr. Rob Wellstood:** That would sum it up.

**Ms. Sandy Shaw:** I think, though, it was about social finance and social impact bonds, so we did have the credit union—because I know MPP Downey is interested in that area, and that's something that the credit union has shown some innovation around.

My very specific question is about the mergers and acquisitions, the consolidation of credit unions, and it's been pretty remarkable in the last little while. In some regard, it makes for efficient, larger credit unions that maybe are more nimble and they can do more complex commercial lending, so there's an argument for that. But in some instances, there are certain credit unions that have historical connections to communities. They may be niche credit unions that serve a particular industry. So not everyone loves the idea of bigger is better.

I guess my question would be, if this caisses populaires act was modernized and reduced the regulatory burden, do you think that might help some of these smaller credit unions to be able to stay in business so they don't have to deal with 20% of their bottom line going to regulatory requirements?

**Mr. Rob Wellstood:** Yes, in a word.

**Ms. Sandy Shaw:** Okay.

**Mr. Rob Wellstood:** I've worked in the industry for 25 years. Over that time, particularly in more recent years, say in the last 10 years, when the crunch is really on, consolidation picks up, and when the operating environment

is a little easier—like, none of us makes scads of money, but to make a reasonable profit—then the pace of consolidation slows. So I think that’s why I would answer yes to your question.

**Ms. Sandy Shaw:** Okay. I don’t know if I said this in my long-winded question, but I think the importance of that is that sometimes in small and rural communities, credit unions are the only financial institution in town. On this committee, we went from Dryden to Timmins, and we’ve heard a lot from rural communities and a lot from people who are trying to make a living on farms, from agriculture. That’s a significant thing that’s important to them. Can you speak to the credit unions’ historical and ongoing role in ensuring that people do have consumer choice and availability to a financial institution in smaller communities?

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**Mr. Rob Wellstood:** Yes, I’ll try. My understanding is that credit unions, today, are the only bricks-and-mortar financial institution in about 50 communities. Kawartha Credit Union is the only financial institution in five of the communities that we operate in. I don’t think that’s necessarily a “big” versus “small” initiative.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Rob Wellstood:** In fact, the larger size allows us to actually operate smaller branches. I don’t know if that partly answers your question.

**Ms. Sandy Shaw:** That’s good. Thank you very much. I don’t have any other questions.

**The Chair (Mr. Stephen Crawford):** Thank you. We will turn to the government side for questions. Mr. Smith.

**Mr. Dave Smith:** Thank you very much. Kawartha Credit Union has been a great corporate citizen in our community. Every time a bank has moved out of one of the small locations, you guys have picked up the pieces and gone in. You need to be commended for that.

One of the things I have said repeatedly has been that government is here to regulate to the point of integrity, but not to the point of interference. You made the comment that the Credit Unions and Caisses Populaires Act was good at its time, but it’s not now. Is it fair to say that the burden that’s on you now is one of interference, and it’s no longer just integrity?

**Mr. Rob Wellstood:** I think there are days when we feel that way, Dave, for sure. What I referred to in my earlier comments was that ad hoc changes to the act have created ambiguity and some inconsistencies or even missing things within the act. It has become, actually, less easy to work with. I think a total rewrite—the intent would be to fix that.

We’ve had some discussions with FSRA. As a leader of a regulated entity, I like what they have to say, what their intent is and the way they intend to go about it. Time will tell whether they can live up to that.

It’s about moving from a rules-based system to a more principles-based system, which is especially needed now when our rules are 25 years old. I mean, the Internet was new when our act was written. For me, that really puts it in context. Our industry is about to be disrupted by digital

technology. I would hate to think that we’re stuck because our legislation was written before the Internet had become a thing.

**Mr. Dave Smith:** So your users aren’t using Netscape Navigator anymore and Windows 2.1.1?

**Mr. Rob Wellstood:** We have upgraded.

**Mr. Dave Smith:** Thank you very much.

**The Chair (Mr. Stephen Crawford):** Any further questions? No? Okay. Thank you for your time.

#### COMMUNITY COUNSELLING AND RESOURCE CENTRE

**The Chair (Mr. Stephen Crawford):** I’ll call up our next presenter: the Community Counselling and Resource Centre. Good afternoon, and welcome to the committee.

**Ms. Casey Ready:** Good afternoon.

**The Chair (Mr. Stephen Crawford):** If you could just state your name for the record, and you can proceed with your presentation.

**Ms. Casey Ready:** Thank you, yes. My name is Casey Ready, and I’m the executive director of Community Counselling and Resource Centre here in Peterborough. Thank you for the opportunity to speak with you today.

The Community Counselling and Resource Centre is a charitable, non-profit, community-based organization. We offer professional, caring services in Peterborough city and county to over 6,500 households each year, helping people to strengthen relationships, maintain and secure housing, and gain control of their finances.

We are a member of Family Service Ontario, also called FSO, an association with 48 agencies and 130 storefront offices across Ontario. FSO serves more than 250,000 Ontarians every year. Delivering these services through FSO agencies means people don’t have to use more expensive mental health services like hospitals and family doctors.

CCRC’s professional counselling services are connected to FSO, and I’m speaking to you today about these services. FSO and CCRC hire highly qualified and experienced staff, including master’s-level counsellors trained in trauma-informed practice, who have graduate degrees in social work or equivalent fields.

We’re asking the government today for two commitments: first, that the Ministry of Health and Long-Term Care work with us to fund the expansion of mental health services in storefront facilities run through FSO agencies such as CCRC. Under the recommended arrangement, FSO would receive funds from the Ministry of Health and Long-Term Care and would administer these funds on a needs basis to agencies that deliver services, ensuring that the funding is spread appropriately and efficiently across Ontario.

Our second request is that the government commit to funding gender-based violence strategies that eliminate violence against women and girls. This would include multiple ministries, as outlined in our more detailed brief in front of you, working together to stabilize violence-against-women programs. It also includes stabilizing violence-against-women counselling services for women,

for couples, and also developing violence-against-women services for men.

The expansion of these services will help further the government of Ontario's agenda, including to modernize service delivery and make services available in community-based storefront locations, to save money in diverting Ontarians away from more expensive primary care and hospitals, to offer savings through the reduction of layers of bureaucracy and duplication of services, and to prevent the need for services through early intervention. FSO agencies are the most practical, timely and economical way of increasing public access to high-quality Ontario mental health services and violence-against-women services.

In conclusion, I call on your government to take action in increasing access to high-quality mental health and violence-against-women services across the province through these initiatives. I'll leave a detailed brief with you with more information about our request. Thank you very much.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We're going to start with questions from the government side. Mr. Downey.

**Mr. Doug Downey:** You mentioned the qualifications of some of the counsellors, and we've heard from others about a shortage of psychologists and that sort of thing—so if you can speak to that pool, please.

**Ms. Casey Ready:** Within the family service agencies, the qualifications tend to be master's of social work and other master's of counselling; it's not usually a psychologist.

**Mr. Doug Downey:** So you're not really experiencing a shortage. If the resources show up, you can staff it?

**Ms. Casey Ready:** For master's of social work, definitely. And they are qualified to provide psychotherapy services under the new Psychotherapy Act. We're actually finding a shortage of money to pay them, so our own agency here in Peterborough has a six-month waiting list, except for some programs that are funded specifically to give people quicker access, such as for seniors. But for the most part, a lot of people wait six months. If we had the money, we could hire and there would certainly be master's of social work and the equivalent of master's of counselling.

**Mr. Doug Downey:** The physical location of the services—you're in Peterborough, obviously. We heard from earlier delegations, with different concerns, about being in the Kawarthas and some of the isolation and some of the compounding of that. Does your service exist in other spaces? How do you deal with that?

**Ms. Casey Ready:** We are actually serving right in Peterborough. We're on Reid Street. We're one of the agencies that doesn't yet have a storefront service. We don't have quick-access counselling because of a lack of funding. This proposal would allow us to develop that in Peterborough.

Our services are operated in Peterborough city at the moment. We did have a location in Havelock that was recently closed, a hub that was developed, but it really didn't have the funding to continue it. We have some counsellors who go out and provide services on an as-needed basis, on an outreach basis. But for the most part,

people need to come to us in Peterborough, which is not the ideal way to offer services throughout the county.

**The Chair (Mr. Stephen Crawford):** Mr. Smith.

**Mr. Dave Smith:** We've heard from different groups on different things as well, and one of the challenges has been around funding. A lot of times they're funded from specific envelopes, so to speak, and it's very program-specific. Do you find that in your case that is the case—that a lot of times it is very program-specific and you're not able to expand on a great idea because of it?

**Ms. Casey Ready:** Absolutely. It really limits us in terms of innovation and responsiveness to people for services. Four different ministries fund our counselling services. We have the Ministry of Health and Long-Term Care funding services for seniors and for caregivers. We have the Ministry of Children, Community and Social Services funding violence-against-women services. And we have other specific pockets. So when somebody comes in for counselling, for instance, men—we want to expand counselling for men—there actually isn't funding for them, so they kind of go to the back of the line.

We have a small pot of money from United Way and from fundraising that allows us to eventually serve people who are not on a priority list through a specific pocket.

1350

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Dave Smith:** Would it be safe to say, then, that the funding formula that the government uses to fund you is a little bit out of whack and needs to be adjusted to give you a lot more of that flexibility?

**Ms. Casey Ready:** Yes. It very much sort of works around priorities. They're important priorities, but it doesn't allow us to provide a service to people who really are not able to afford counselling on their own and are on a waiting list for counselling but aren't in one of those two priorities. It makes us less innovative.

**Mr. Dave Smith:** Do you find any issues with changes in the ages, so when someone hits 18, there's nothing available for them for a period of time, or 25 or something along those lines?

**Ms. Casey Ready:** Eighteen, sometimes 30—it depends on different programs. But yes, quite often it's a very tight, specific group that's identified, and if somebody falls outside of that group, you're right, they don't have access to counselling services.

**Mr. Dave Smith:** So hypothetically speaking, let's say that some specific funding ends at 18. What happens to that person when they hit 18?

**Ms. Casey Ready:** At that point—I'm not sure there actually is one exactly with that example, but someone who hits the end of a certain pocket of funding—usually it's short-term anyway. We often see people just six times, so probably we would use our funding, if they're already in, and see them the rest of that time. But if somebody comes in later and that pocket of funding is used up, then they would be on a waiting list.

**The Chair (Mr. Stephen Crawford):** Okay, thank you.

**Ms. Casey Ready:** Thank you.

**The Chair (Mr. Stephen Crawford):** We're now going to go to the opposition side for questions. Ms. Shaw.

**Ms. Sandy Shaw:** Thank you very much for your presentation. I'm just going to ask you a few questions around your discussion, that you're looking to have a gender lens on the services that you are providing. I guess I would like to give you just a few minutes to describe for the committee why it's very important that we focus on a gender lens, so that we understand how women and girls are experiencing violence in our community. It's my understanding that services for women and girls—we often fund them as projects or we fundraise them. In my opinion, women and girls aren't projects that we need to fund that way. I think there's a growing need that's underfunded, so if you could talk about that. You could even mention not just the services to prevent violence, but when women are experiencing violence and girls are experiencing violence, what is and what is not available for them currently?

**Ms. Casey Ready:** I think the gender lens is important because sometimes people will say, "Why violence against women?" Sometimes we say "domestic violence," because there is also violence against men; it does occur. But we know statistically it doesn't occur anywhere near the same amount and not with as much danger for people's lives, the kinds of situations that women and girls are experiencing.

The funding that we have—we're a counselling agency. We work very closely with shelters to provide support for women and we find that an important relationship, but because we have masters of social work—we are accredited through the Canadian association of accreditation—we provide a level of counselling that is not always available at the shelters. So women go to the shelter and the children go to the shelter for safety, immediate safety. We don't provide immediate safety plans. We provide more counselling in the long term to help people get back on their feet and be able to move forward with their lives.

**Ms. Sandy Shaw:** I guess my question, to you—it's just my sense that people, and I would say this government, perhaps, are not hearing the message about how critical these services are for women and girls. You may be aware that the government disbanded the expert panel on ending violence against women and girls. To me, that was a very discouraging message. Can you talk about how that had impact on your organization, the women you work for, and the fact that you're looking to have a gender-based violence strategy and that could have been an evidence-based approach to asking for the funding that's so much needed for women and girls?

**Ms. Casey Ready:** Yes, the closure of that and the less attention to violence against women and girls puts many women and girls at extreme risk. There is, some researchers would say, a war against women. There are many women who are killed. There are many women whose lives are at risk. There are many women, if they don't have somewhere to go or they don't have a place to go and figure out a safety plan for themselves, who wind up living in very unsafe conditions.

I think sometimes people are not aware of the degree of that risk. It gets hidden. It sometimes gets hidden in language. If we say something about domestic violence, we aren't necessarily saying violence by whom and against

whom. It's violence against women, primarily by men. It gets muddied sometimes because the violence against women, primarily by men—there are other kinds of violence. But the extent of that, as I said, and the depth of that is often not shared.

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Sandy Shaw:** Thank you for that. That is my sense. I mean, I've been working in the women's sector for a long time, and I feel like the message was just starting to be heard. I'm feeling a little discouraged about the direction that this government may be taking, given the announcement of ending that expert panel that, again, as I said, would provide the kind of evidence and the kind of awareness that I think is much needed in the way we deliver and fund services for women. I'll say it again: We project-fund for women's services. Women are not projects. They deserve to be funded to the same degree any other service is.

What I'm hearing and I guess what I would ask you is, agencies like the sexual assault centres, the interval and transition houses—they're concerned about the funding that they have now, about the security of the funding that they currently have. It's my understanding that they have not had some announcement of ongoing funding. Do you know anything about that?

**Ms. Casey Ready:** I know it's a huge issue. I probably won't have the time in one minute to fully answer that. The PhD on my card is actually—I have actually done research on this, looking at funding cuts in violence-against-women programs and finding the silencing has very much happened. The dangers that you've talked about have very much happened, where the programs have got project funding, short-term funding, and are not recognized for the in-depth message—

**The Chair (Mr. Stephen Crawford):** Thank you very much.

**Ms. Sandy Shaw:** Thank you very much.

**Ms. Casey Ready:** Thanks very much.

#### ONTARIO HAZELNUT ASSOCIATION

**The Chair (Mr. Stephen Crawford):** I'd like to call up our next organization, the Ontario Hazelnut Association. Good afternoon and welcome to our committee. If you could just state your names for the record and you can get right into your presentation.

**Mr. Eric Bériault:** Eric Bériault.

**Ms. Linda Grimo:** Linda Grimo.

**Mr. Earl Hughson:** And Earl Hughson.

**Mr. Eric Bériault:** Good afternoon, everyone. On behalf of the Ontario Hazelnut Association, I'd like to thank you for this great opportunity to present information on the hazelnut industry in Ontario.

My name is Eric Bériault. I am the current chair of the Ontario Hazelnut Association. We have Linda Grimo, past chair, and Earl Hughson, director. You should have a copy of our presentation so you can follow along. We also have a few samples at the back later if you want to take a look and try them out.

**Ms. Sandy Shaw:** Does it have to be later?

**Mr. Eric Bériault:** It can be right now.

Hazelnuts, also known as filberts, are a perennial crop and are wind-pollinated. The current world supply is over 1.1 million tonnes, or 2.2 billion pounds, and is projected to grow at an annual rate of approximately 7%. Turkey is the largest supplier in the world for hazelnuts, representing 63% of the global supply. This is down from 71% in 2016. As the world demand for hazelnuts is increasing each year, the production from Turkey is declining. The decline is due to a number of factors, including low-to-no automation, little investment in research and development and small-scale farming operations where the average farm is approximately two acres.

In 2018, OMAFRA commissioned the Ontario hazelnut market assessment report. The report was exciting and gave us a more defined road map to follow. Ontario currently imports essentially all of the hazelnuts consumed and processed here. In 2016, approximately 90% of the hazelnuts were imported from Turkey. That year, nearly 30 million pounds of hazelnuts, representing about \$150-million worth of product, was imported. Ferrero is the major buyer of hazelnuts in Ontario and they buy more than 50% of the global supply. The opportunity for Ontario growers to replace current imports is strong. Continued support for the industry is essential.

**Mr. Earl Hughson:** Who are we? The Ontario Hazelnut Association, or the OHA, was formed to develop an industry to profit from the growth in the hazelnut market. We are a volunteer organization of farmers, researchers, nurseries and processors with a common vision of the opportunities.

On our next slide you'll see our first hazelnut symposium was in 2009.

In 2013, we entered into a long-term memorandum of understanding with Ferrero to work collaboratively to build a hazelnut industry in Ontario. We are expecting over 150 at our 10th symposium on March 20 in London, and we hope to see you there.

We currently have over 100 paid members located along the Great Lakes and up to Georgian Bay. Our goal is to have 25,000 acres of trees planted in this area by 2026, just seven years away.

**Ms. Linda Grimo:** What initiatives have we done in Ontario so far? There is a lot of work and research needed to grow an industry from scratch. Our drive to reach 25,000 acres has led us to funding through the Ontario Centres of Excellence, Growing Forward 1 and 2, and the new Canadian Agricultural Partnership. These projects and field trials have been critical to develop our grower tools, which include three OMAFRA fact sheets, the hazelnut suitability map showing the most ideal growing regions for hazelnuts, and a financial tool for farmers to estimate their costs and potential returns, just to name a few of our accomplishments.

The funds supporting the OHA projects are heavily leveraged with industry dollars. Ferrero has been a fantastic supporter every step of the way.

But there are still many challenges and much more research is needed to develop and grow the industry. The

data and knowledge coming from the Oregon hazelnut program is simply not suited to our vastly different climate and geographical conditions. One of the greatest challenges has been selecting trees ideally suited to our Ontario climate that are disease-resistant and productive. We need orchard management techniques suited to Ontario's diverse conditions, and we must continue to build, educate and support the entire value chain to grow the industry.

**1400**

Fortunately, the OHA does just that: It promotes and supports economic development across the entire value chain. This crop will earn farmers substantially more income than cash cropping. Vital new dollars from hazelnuts will be a boost to rural economies. More Ontario jobs will be created around this industry, especially in value-added products that will enter the market as supply increases.

The 25,000 acres of hazelnuts will boost the economy and create jobs not just on the farm but in the processing of raw hazelnuts for Ferrero, and entrepreneurs who are already experimenting with value-added products such as oils for cooking and cosmetics, flours for gluten-free foods, pastes to make dairy-free yogurt and beverages and, of course, Ontario-made confections and craft beer.

**Mr. Earl Hughson:** So what do we need to succeed? Our key priorities are research and development and industry building. We need continued support for the agricultural experts in our colleges, universities and government labs working on our solutions. Our most urgent need is expanded data collection from our trial farms to allow us to confirm commercial suitability and begin large-scale plantings. Ontario students have been employed to help.

All of this research has strong local support from industry. Ferrero continues to make generous contributions to this research and leverage their hazelnut knowledge and resources. The Gosling Research Institute for Plant Preservation is another great partner supporting our research.

Many Ontario farmers have made significant investments establishing and maintaining trial orchards to help this effort. We need to leverage their investments and commitment by funding the collection of the field data needed to launch the industry.

The OHA brings key stakeholders together through seminars, conferences and events organized by volunteers and funded through membership dues and industry sponsorships. Government support at this pre-revenue stage really accelerates and leverages our ability to grow the industry to profits.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Earl Hughson:** So what are the benefits for Ontario?

Our large existing hazelnut imports can be replaced with locally farmed nuts.

Hazelnuts represent a new high-value crop for Ontario farmers, like tobacco used to be, but they're much healthier.

We can create new export markets. Almost all of Oregon's production goes straight to China.

We need millions of trees, creating an opportunity to grow our local tree nurseries.

A nut-processing industry will develop as soon as volume increases.

Ferrero continues to grow, invest and create jobs in Ontario and wants Ontario hazelnuts.

A growing hazelnut supply will attract new businesses and create new agri-food products.

The new Canadian food guide, like others, is recommending we eat more plant-based protein, and hazelnuts are an excellent source.

Even better, trees sustain and improve our precious farmland and environment.

In summary, by leveraging Ontario's advanced technology capabilities and our world-class agricultural and industrial expertise, the hazelnut industry will create economic growth, high-quality jobs and healthy products.

We appreciate your support.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We're going to start our questions with the opposition side. Mr. Arthur.

**Mr. Ian Arthur:** Thank you so much for your presentation. It was very interesting. We were all talking this morning about what the hazelnut group would want, because it was a group that we haven't heard from in any of the other communities that we've been to.

A couple of questions—I don't know that much about nut production. How do hazelnuts compare to other Ontario nut production? We produce walnuts, I think—some of the more northern nut industries.

**Ms. Linda Grimo:** The nut industries vary. Chestnuts are big. Walnuts are big. Hazelnuts are big, and another one called heartnuts. Heartnuts have a very limited space. But at this point, hazelnuts are the biggest acreage in Ontario, and they will continue to be—

**Mr. Ian Arthur:** They already are the biggest?

**Ms. Linda Grimo:** Yes. Because we have a partner like Ferrero that's willing to—when you have funding programs that require a matching industry partner, Ferrero steps in. We're very, very fortunate. They're a driving force. Your programs allow us to succeed.

**Mr. Ian Arthur:** In terms of diversification on farms, how has the uptake been among existing farmers—or is it new farmers who are mostly getting involved in it?

**Mr. Earl Hughson:** I'm a new farmer with a trial farm. It's an interesting crop for me. We also have new members who are existing farmers. It's a unique investment. It's a very high return, but you need to set land aside for about five years for the tree to develop and mature. Then the tree is good for 80 years of production. You have to find the right farmer who wants to put a certain amount aside and can wait for the production to come in. Some farmers intercrop another crop in between, while the trees are small, until they mature.

**Mr. Ian Arthur:** I know that nut production can be incredibly water-intensive. You've heard, particularly during the California drought, about what almond trees were doing to the water tables in California. Do hazelnuts relate to that at all? I'm just curious.

**Mr. Eric Bériault:** It's not like almonds in California, where they require the equivalent of four feet of water per

season. It's a desert there, so it's a little bit different. We're fortunate here where we have good water tables and groundwater, plus the annual precipitation. It does require water, but you don't have to irrigate.

**Mr. Ian Arthur:** Okay.

**Mr. Earl Hughson:** They're growing wild in Turkey, which is not a really wet area. They require that we make sure that they don't get too dry for the first three years while they're small. Then there are a few weeks when the shell is formed until the nut fills that you need to make sure that, if it's a bit dry, you top up their water to get a quality product.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Ian Arthur:** I guess I would just finish by asking what the ask is. You talked about partnership programs and Ferrero stepping up. But what is the actual ask for this government? Is it funding through OMAFRA? What do you need going forward that you would like to see in this budget?

**Ms. Linda Grimo:** What we're really looking for: The programs that you currently have, have suited us well. We can go to the Agricultural Adaptation Council, for example. They help fund workshops and educational things.

Using OMAFRA is fantastic as well, because they can provide the research, the market studies. They are integral to our success. They did the fact sheets. They did the market analysis to show to farmers that this is a productive crop and there will be buyers for it.

The funding sources that we've been able to use have been very successful for us.

**Mr. Ian Arthur:** Perfect. Thank you so much.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We're going to go to the government side for questions. Mr. Smith.

**Mr. Dave Smith:** Thank you very much. I knew nothing about your industry when you came in, so it's been a great experience.

I do have a couple of small questions for you, though. When we look at the expansion of the grape industry in Ontario, it started off basically in the Niagara Peninsula and has moved now to Prince Edward county, among other places. The grapes that are produced in Prince Edward county have a slightly different flavour than the grapes that are in the Niagara Peninsula or out in British Columbia. Is it similar with hazelnuts? Are you going to be able to have a boutique, so to speak, hazelnut flavour from a certain area?

**Ms. Linda Grimo:** Well, we are finding that they grow differently in different areas, but the flavour isn't impacted quite like grapes are. Even with grapes, you can grow—I'm in Niagara-on-the-Lake. We've got a farmer who changed part of his soil. He added clay to it to change the flavour of his grapes.

We're not going to have to do that with hazels. We just need good cropland and good farm managers. We can grow them in a very diverse range of areas, though, all around the Great Lakes, plus we've got varieties that can go into colder zones, which will be very important for growing northern communities and with their economic growth plans.

**Mr. Dave Smith:** You said, as well, that it's a five- to seven-year period from gestation to when you're ready to harvest. Obviously, it's going to vary a little bit depending on where you are and so on. With that type of an investment, how much of a challenge do you see for the start-up farmer then to get into it?

**Ms. Linda Grimo:** What we've found is that with cash croppers that's a big challenge. They're going from having an annual crop to one where they have to wait. That's where intercropping will help.

But other tree crop growers or vineyards: They're already used to a three- to four-year wait. They grow a peach tree for 20 years, and they rip the whole orchard out and start again. They have to wait their three years before it starts. They get production for 17 years, and rip it out and start again.

We're just trying to convince people that the wait—yes, we understand that there's a wait. Hopefully, they've got the financial security to get through that period.

**Mr. Dave Smith:** So we had Algoma come in earlier today—an apple orchard. They've got a significant size. For someone to get into this industry, what's the minimum acreage that they would need to start off with? How much do you have to commit of your existing property?

1410

**Mr. Earl Hughson:** We're starting our trial farms with 10 acres. That will bring in probably 30,000 pounds a year. You can go up from there, but you can get in on a small amount and then expand with success.

Also, one thing that's very important is that the capital cost to get in is very low compared to the millions of dollars it takes to get into cash cropping, which puts them in debt and requires that they have that income. It's relatively low-capital.

**Mr. Dave Smith:** Thank you very much.

**The Chair (Mr. Stephen Crawford):** Mr. Cho.

**Mr. Stan Cho:** Thanks for your presentation. I, too, like Mr. Smith, didn't know anything about hazelnuts. Did you bring any of that craft beer with you, too?

**Mr. Earl Hughson:** It was frozen.

**Mr. Stan Cho:** I've got to ask the obvious, because it's really cold outside: How do these trees fare in the winter-time? Because I don't see any of these other jurisdictions having any harsh winters, really.

**Mr. Earl Hughson:** We're working specifically with cold-hardy. My farm is in Uxbridge. I'm the coldest of the trial farms, and I have different types than the farms in southern Ontario. We're doing the suitability of the types. There are hazelnuts in Siberia. There are hazelnuts north of Winnipeg. Those types of genes are being put into more commercially productive varieties, and those are the tests and the field trials we're doing right now.

One point that hasn't been brought up that I wanted to make sure you know before we end here, because you don't know the hazelnut industry, is that Ferrero has a 1.3-million-square-foot plant in Brantford. They produce eight tons of those Ferrero Rochers per shift. They run 24 hours a day, six days a week, in their primary season. They have

1,300 employees there. They are just adding a chocolate plant to it. They are a \$30-billion company. Food for thought.

**The Chair (Mr. Stephen Crawford):** Thank you very much. Food for thought. We appreciate your presentation.

**Ms. Sandy Shaw:** I feel responsible for the production of all those hazelnuts.

*Laughter.*

**The Chair (Mr. Stephen Crawford):** You kept them in business.

Thank you very much. We appreciate your time.

#### ONTARIO ASSOCIATION OF INTERVAL AND TRANSITION HOUSES

**The Chair (Mr. Stephen Crawford):** We're going to call up our next witness, the Ontario Association of Interval and Transition Houses. Good afternoon and welcome to our committee.

**Ms. Marlene Ham:** Hello.

**The Chair (Mr. Stephen Crawford):** If you could just please state your name for the record, and you can get right into your presentation.

**Ms. Marlene Ham:** Great. Good afternoon. My name is Marlene Ham, and I am the executive director of the Ontario Association of Interval and Transition Houses. OAITH is a 76-member association of violence-against-women shelters, transitional housing and community-based women's organizations. We're also joined here in the back by two shelters, Women's Resources in Lindsay and YWCA Peterborough.

Over the last 40 years, we've worked with our members to strengthen supports by offering training, public awareness, education and advocacy. We're grateful to be given the opportunity today to speak to the needs of our members and how our partnership as service providers with the Ontario government can continue to be strengthened and work towards our common goal of ending violence against all women and children.

I would like to begin by acknowledging our sound working relationship with the Ministry of Children, Community and Social Services. Since taking office, our minister, Lisa MacLeod, and her staff have shown real and genuine interest in the complex issues facing our sector. She has demonstrated that by visiting shelters in the community, supporting our annual Wrapped in Courage campaign and continuing to listen to input from the front line.

In Ontario last year, sadly, we remembered 46 women and two children who lost their lives to gender-based violence. Those charged with these heinous crimes were mainly current or former partners or other male-identified family members. Sadly, two of those women were from this community: Sandra Finn of Peterborough and Heeley Rae Balanga of Kawartha Lakes. OAITH would like to express our deepest condolences to their loved ones and to the communities of Peterborough and Kawartha Lakes, who have been impacted by these tragedies.

Knowing that gender-based violence has taken so many lives and the incomprehensible number of women and children who are surviving it every day across Ontario, it

can be difficult to place a true value on what's needed. The rates are staggering and overwhelming. We understand that tough choices are being made with the 2019 budget. We appreciate the work the standing committee is doing on behalf of all Ontarians. In your process of determining value for money, we compel you to be thoughtful and reflective about what's at stake for women and children in your budget decisions.

VAW shelters make up the foundational support for women and children experiencing violence in Ontario. There are 96 MCCSS-funded shelters, including those that provide culturally specific services to Indigenous and francophone women. But shelters are much more than a bed. In fact, they offer a range of services centred around the safety of women and children in your community. Services include 24-hour crisis lines, crisis intervention, residential- and outreach-based counselling, Family Court support, children's programs and transitional housing workers.

Many shelters receive little to no government funding for services they employ that are vital to women and children beginning a life free of violence. These include employment programs, hub-based services, child and youth programs, prevention programs, transitional housing units and wraparound programming for women living with trauma and substance use barriers.

The demand for shelter services right across the province is very high. Many of our shelters are regularly full or are operating beyond capacity. The truth is that no shelter should be operating at capacity, and no woman should be turned away. When this happens, women experience prolonged exposure to violence, increased risk, and, sadly, our communities are faced with preventable tragedies.

Of the 70 emergency shelters in Ontario that participated in the Women's Shelters Canada national survey, 21% said that at least once a month they provided space to women and children in need of safety even though they no longer had any room to do so. Increasing our capacity to respond will require investments and solution-focused strategies.

Women fleeing violence face numerous barriers to freedom. Here are a few of them: securing shelter space in the right place and at the right time, having to stay longer in shelter, finding decent and affordable housing, finding a way to escape poverty, and being faced with long waitlists for counselling. Women must also deal with numerous government systems, while continuing to deal with ongoing harassment and risk. This is the reality for far too many in Ontario. It doesn't last months; it can last years.

Since violence against women shelters opened their doors in Ontario, we have learned to run incredibly efficient, adaptive and lean operations by necessity. We help to keep women out of hospitals, police and emergency responders out of domestic calls and get women and children back on their feet into a new life free of violence. Our community-based responses in ending violence against women provide value, and we need the 2019 budget to value what it's actually worth and to protect and strengthen the essential services available to women and their children.

Community-based responses are not only the most economical but the most responsive, and produce the best outcomes. Shelters, sexual assault centres, victim services and programs, such as violence against women counselling, Family Court support and partner assault response, all require enhancement and stabilization to respond to the increasing demands for service.

In 2018, VAW shelters saw a base increase for the first time in 10 years. This investment allowed shelters to reduce enormous fundraising targets for basic services. It improved quality of service. Ultimately, it allowed us to serve more women and children in your community. Annualizing that funding enhancement would allow VAW services to provide the enhanced programming that's needed.

Finally, we have six key recommendations:

Annualize all fiscal enhancement investments to VAW funded agencies through MCCSS from the 2018 provincial budget.

Release and annualize enhancement investments that were planned for MAG-funded agencies from the 2018 provincial budget.

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Marlene Ham:** Move forward with a comprehensive action plan, attached to investments, to prevent, effectively respond and improve outcomes for women.

Invest in decent, accessible and affordable housing that offers flexibility in stock, transitional housing units and portable benefits.

Invest in community-based primary prevention programs.

Increase OW and ODSP rates, access to employment programs and access to affordable child care.

Thank you for your time today. I look forward to any questions you may have.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We're going to start questions here from the government side. Mr. Piccini.

**Mr. David Piccini:** Thanks very much for your presentation. I really appreciate the frankness, the understanding of the situation we're in in Ontario, and how eloquently you shared that. I participated in Walk a Mile in Her Shoes with Cornerstone back in my community of Northumberland-Peterborough South. I've been by and met with the team. They're doing remarkable work, and I can't speak highly enough of the group there. I've been very impressed, and I've learned a great deal in my capacity as an MPP. So thank you very much for your presentation.

We've heard from a number of service providers who touched on some of the issues that you talked about: housing, education, other things. I understand the confidentiality and the security risks that are unique to this circumstance, but could you elaborate perhaps on when we talk about a way to look at this across the province and see a systemic way to make improvements and—I don't know if there's anything we can do to link and to provide wraparound linking with other services while protecting one's personal confidentiality and security.

1420

**Ms. Marlene Ham:** Yes. Confidentiality and women's safety are at the core of our work, so we need to ensure

that we keep that in place. Regardless of how we look at structural changes or innovative approaches, that always needs to be our primary approach to do the work.

However, that being said, women who come into shelter are dealing with numerous systems. They're not just coming into shelter, but they're coming into shelter having to access systems like police, child welfare, family and criminal court, mental health services and health services. These are some pretty big systems that a woman needs to navigate just to leave an abusive relationship. It's very difficult for women to have that courage and strength to pick up and to come into shelter, or to find another safe place to go, and then she's faced with having to navigate all of those systems while she continues to experience harassment and abuse from an abusive partner, right?

So we certainly would advocate for increased collaboration between and among all of the systems. We know that shelters will only ever be able to serve so many women. We know that. Shelters are not adequately funded as it is—

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Marlene Ham:** —so we do work with and we do rely on a number of different systems and services. That's why we're calling for all of the MAG-funded agencies to also receive the enhancements, because what's going to happen is you're going to have a bottleneck service crisis. That's the situation that we're dealing with. So we really need to take a look at the entire system of response, but we need to also invest in preventive strategies as well, because this problem is only going to become bigger and more costly if we don't start to look at some preventive strategies to prevent violence from happening in the first place.

**Mr. David Piccini:** Thank you.

**The Chair (Mr. Stephen Crawford):** Thank you. I'm sorry, we're out of time for the government side, but we're going to go to the opposition side for questions. Ms. Shaw?

**Ms. Sandy Shaw:** Thank you, Marlene, for your presentation. I just want to say that I have worked in the women's sector for many years. In fact, many years ago, I worked with Eileen Morrow. I don't know if you know her. She was from Hamilton and worked in Hamilton. That was at the beginning of OAITH being formed. They did receive core funding at the time, so that was a success—a long time ago, but that was a success. So I understand the ongoing need.

I asked an earlier presenter—we seem not to be able to get the message out about how violence against women and girls and children has such a societal impact and an economic impact. We're always, as a sector, trying to justify the need, even though the need is so blatant. I am deeply disappointed that the minister disbanded the expert panel on ending violence against women. Can you briefly comment on how your sector received that news?

**Ms. Marlene Ham:** I think that news was in the news, so that's how we certainly became aware of it. Currently right now, we're working with our ministry. We're identifying what the issues are. We certainly understand and appreciate that, right now, it's a new government. They're trying to understand the lay of the land. But at the same time, OAITH is communicating with them that a lot of

work has been done and a lot of consultation has been done. We have identified with them what the primary issues are, what the pressures are, and so we're continuing to move forward on that. We have to remain hopeful that this government is going to listen to what we have to say.

**Ms. Sandy Shaw:** Okay, so I would like to pick up on your two recommendations. One is annualized fiscal enhancements to the budgets for violence-against-women funded agencies through the MCCSS and also through the Ministry of the Attorney General programming. Can you tell me what your understanding is of the current state of the funding for both of those streams, for violence-against-women agencies and service providers?

**Ms. Marlene Ham:** How we understand it is, on the shelter side, through MCCSS—a different ministry than MAG—that funding has been released, and more of it is coming through the child and youth investment and the Indigenous Healing and Wellness Strategy. We don't have any confirmation if that's going to be annualized. I'm here today to make the recommendation that it be annualized.

In terms of the MAG-funded agencies and the MAG-funded programs, we haven't received confirmation that that money is going to be released or that it won't be released.

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Marlene Ham:** We're recommending that that money be released and that that money be annualized for those agencies and programs.

**Ms. Sandy Shaw:** So you're sort of in a holding pattern right now.

You talked about increasing the OW and ODSP rates. It's a complex situation for women experiencing violence. In addition to slashing in half the projected increase—in communities across Ontario there was the Basic Income Pilot, which was going to be an evidence-based pilot to address people trying to move from poverty. Women's experience of violence was one of the optimistic and positive things we would understand—there was a community, Lindsay, I believe, not far from here. Can you talk about that and the impact of losing that evidence-based research for understanding the complexities of poverty and violence against women?

**Ms. Marlene Ham:** What I can speak to is that if we want to make any changes or shifts for women, particularly around poverty, we need to create the conditions that will allow for that to happen and allow for there to be positive outcomes and for them to be able to maintain a violence-free life.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We're out of time. We appreciate it.

#### STARFRA FEEDS

**The Chair (Mr. Stephen Crawford):** I'd like to call up our next presenter: Starfra Feeds. Welcome to the finance committee. Please state your name, then you can get right into your presentation for up to seven minutes.

**Mr. Paul McMahon:** My name is Paul McMahon. I'm the owner, with my father, Frank, of Starfra Feed Service.

We supply feed and farm supplies to local farms, but we also do a few other things. We have a licensed gravel pit, and we farm as well.

We started the feed store business in 2004. It has grown a lot over the last 15 years. Two years ago we made a big investment in the business and built a new warehouse, which has brought in a lot of new business.

In 2004, when we started, we had about four or five licences that we had to abide by, and—not that the business has changed any in those 15 years, in what we do—we now have over a dozen licences and fees that I can count, which we have to pay to different forms of government so that we can operate. That’s a real concern going forward.

In the last two years, since we built the new warehouse, our sales went up so much that we’re at the point where we need to invest again and build again. The problem is the costs that are attributed to that. It took us over a year to get permission to build this building, with a cost of about \$250,000 to complete the project. Over \$30,000 of that was just for permissions and fees that were attributed to that. So that’s one big concern with the cost of doing business in Ontario.

The other thing that’s a huge cost to our business is the CVORs and licence plate fees. A lot of our product is delivered in Peterborough county and four other surrounding counties. We have a fleet of five trucks that we use to do our deliveries. In the last five years, licence plate fees have gone from roughly \$2,200 to over \$5,000 a year now—plus we have to renew our CVORs every year, with all the added paperwork that goes with them. One of the things that happened in there is that we did have two CVORs because some of the vehicles are used on the farm business and the ag business. I got rid of the one CVOR to try to simplify things, to streamline everything, but it was probably a mistake on my behalf because Starfra has now got a farm business licence so we had to go to all commercial plates, which was a big reason why those costs went up so much.

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I guess that’s about all that I have for that. I’d like to thank this committee for inviting us in to express some of these concerns going forward. I hope to have some questions, and I’ll do my best to answer them.

**The Chair (Mr. Stephen Crawford):** Okay, great. Thank you very much. We will start with the opposition for questions. Ms. Shaw.

**Ms. Sandy Shaw:** Thank you for your testimony. Can you just clarify again what it is specifically that you’re asking this government around the 2019 budget? What is your very specific ask?

**Mr. Paul McMahon:** I’m not asking for anything other than to try to relieve some of the stress. We need to employ more people. We’re at a point where we could employ a couple more people, but it’s hard to do that because of all the fees that are attributed to all the business that we do. That’s the main thing, if we can try and eliminate some of these things and the red tape that goes with business.

I see a lot of other small businesses, especially in the ag community, where there are a lot of places that are just

closing up shop because they’re overburdened with regulations. It makes it tough to do business.

**Ms. Sandy Shaw:** One of the things that we heard from some other people who are in the agricultural business was around skilled trades, but it was also their ability to hire. They were looking perhaps to the government for some sort of subsidies for them to hire at either a living wage or a fair wage or to help them contribute to training the workforce. Do you have any comments on how that would help your business, if you had a wage subsidy to hire people?

**Mr. Paul McMahon:** I know one thing that in the last year, a lot of people have been, with the new minimum wage and stuff—we have three full-time employees at our business. All of them are paid a nice bit over minimum wage. We do have a couple of students who work for us for minimum wage. I guess drivers and stuff, it’s tough to get people to do that. Probably investing in driver training and licensing for that kind of stuff would be a benefit to my business. The company that I sell for is Trouw Nutrition. They’re an international feed company. They do a lot of the training for our sales staff.

**Ms. Sandy Shaw:** Okay. Thanks very much. Thanks for your testimony.

**Mr. Paul McMahon:** Thanks.

**The Chair (Mr. Stephen Crawford):** We’re going to go to the government side: Mr. Smith.

**Mr. Dave Smith:** Thanks, Paul. I appreciate that you came in. I’ve had a number of conversations with you guys, so I have a pretty good understanding. I’m going to try and lead you a little bit. Can you talk a little bit about the challenges that you had when you were trying to do that last livestock sale and what you ended up doing, where you had to take the livestock to actually make it work?

**Mr. Paul McMahon:** The livestock sale?

**Mr. Dave Smith:** Didn’t you have some cattle that you sold and had to go to the US to actually do it?

**Mr. Paul McMahon:** Oh, that would be with my father’s business. We were in the Holstein heifer business and with everything that’s happened in the ag business since BSE happened, it’s been a struggle. He’d be a better guy to answer those questions for the cattle side of things. It’s definitely been a struggle. We’ve completely got out of the heifer-raising business just because there is no market.

The milk market is flooded right now, it seems. That is a concern for our business too because our biggest customers are all the dairy producers in Peterborough, Victoria and Durham counties and Northumberland. I know there’s a lot of concern on their behalf with the cancellation of class 7 milk, which has just flooded the market. The cattle prices for meat cows have been at BSE-level prices, like 30 cents a pound here over the winter. They’ve started to come back a little bit, but there are just far too many cattle for the demand, I guess.

**Mr. Dave Smith:** Right. The expansion that you did the last time was about \$30,000. How long did it take you to get all of the permits?

**Mr. Paul McMahon:** It was a little over a year by the time we got everything completed. I hired a consultant from WSP here in Peterborough to help me do it because

I probably would never have been able to get through it myself.

**Mr. Dave Smith:** And you're at the stage now where you need to do another expansion because the business warrants it. How long are you looking at before you'd be able to have that building open and ready to go?

**Mr. Paul McMahon:** I'm hoping that in the next about 16 months I can start the process, but to spend—I'm still paying, obviously, for the last expansion. I want to get some of that debt paid back before I go again. But I'm hoping within two years we can have that up and going again. I'm hoping that we'll be able to hire two more full-time employees by then as well.

**Mr. Dave Smith:** When you opened the business in 2004, it was about five different licences that you needed. You're not doing anything substantially different, and it's 12 licences now?

**Mr. Paul McMahon:** There are over 12 different licences, or people who come to do inspections from the government at our place now. There are still a few things, like with pesticide licences and stuff, that we don't even—there are certain things that we could be doing, but we don't because, given the fees and the time it would take to do the tests, I don't see it warranting doing it. So we've had to quit some of the things that we did do just because of new regulation.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Dave Smith:** Thank you. I'm going to turn it over to Ms. Skelly.

**The Chair (Mr. Stephen Crawford):** Ms. Skelly.

**Ms. Donna Skelly:** I wanted to discuss some of the duplicative and unnecessary regulations facing your business. As you know, our government has embarked on a very ambitious goal of reducing all of these business regulations, of which we have 380,000 in the province of Ontario, by 25%. Have you had an opportunity to actually document any of the issues and the fees and these regulations that you were talking about?

**Mr. Paul McMahon:** One of the big ones, I guess, would be the licence plate fees, how much they went up. The best way to put it is, I maybe wouldn't have a problem with spending \$5,000 a year on licence plate stickers if our roads were good. But we spend all of that money on licence plate stickers and then we drive down the road and the roads beat our trucks to pieces, which is a huge cost. We just bought two new delivery trucks, and they just—I guess that would be one.

**Ms. Donna Skelly:** So the fees, if I may—

**The Chair (Mr. Stephen Crawford):** Sorry; I have to cut you off. We've expired with our time. Thank you. We appreciate your time.

**Mr. Paul McMahon:** Thank you.

#### PETERBOROUGH AND DISTRICT LABOUR COUNCIL

**The Chair (Mr. Stephen Crawford):** I'd like to call up our next presenter, the Peterborough and District Labour Council. Welcome to the finance committee. If you could present your name for the record, and you can

get right into your presentation. You'll have up to seven minutes, and I'll give you one-minute warnings.

**Mr. Tyler Burns:** Good afternoon. My name is Tyler Burns and I am the president of the Peterborough and District Labour Council. The labour council here represents 34 affiliated local unions and speaks for approximately 7,000 union members in the Peterborough city and county. I'm also the president of the Amalgamated Transit Union Local 1320, representing 125 transit workers for the city of Peterborough.

As workers, we see the necessity of living within one's means, whether as a person or as a province. We understand balancing the books, and we understand that balancing the books can involve hard choices. We want and are willing to pay for excellence in our public health care services, in the public education available for our children, and for the many other public services that maintain everyone's standard of living.

Please don't try to bribe us with our own money. We don't want to make foolish exchanges, saving a little here only to lose a great deal over there. We expect that a fair and equitable tax structure can be adjusted to reflect the economic realities facing this province, maintaining our public services, protecting the natural environment for our children and grandchildren, and supporting the services needed and valued by Ontarians and the people of Peterborough.

The government's stated intention to achieve a 4% savings in public spending means a cut to public education alone of about \$1 billion. That means fewer teachers and support staff and a corresponding negative effect on local businesses as their customer base dwindles. In our schools it will mean larger class sizes, less supervision of students, less help for students with special needs, and less access to learning technology. None of this helps our children or our economy.

You have probably already heard this from the respective teacher unions addressing the committee—ETFO, OSSTF and OECTA—but we do want to amplify their message as well as the presentation made to you this morning by the Peterborough health coalition.

Let me now talk a little bit about the impact that the Ontario government's announced cuts will have on our community.

The cancellation of plans to build four hydroelectricity generating plants along the Trent-Severn Waterway was a significant blow to our local economy. We lost the opportunity to build future energy infrastructure, we lost jobs and we lost services. Moreover, the profits that would have been realized from the completion of these projects would have enriched our region and made up for some of the critical loss in manufacturing in this area. They would also have driven down the cost and risks for other manufacturers wanting to move into the area. In short, local energy production can be thought of as having a significant trickle-up effect.

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Cuts elsewhere, like the \$15-million cut to the Trillium grant program, can have a similar cascade effect on the

community. I would like to focus on one cut in particular: the decision to reduce tuition fees while passing the impact of that measure on to our institutions of higher education. Changes in how OSAP will be handled going forward ensure that the announced benefit of lower tuition for students is more than offset for most of them by increased repayments in the future and by a curtailing of education offerings and options in the present, as universities and colleges struggle to make up for the lost revenues.

The announced changes also make a very disturbing attack on student democracy by making voluntary some of the compulsory ancillary fees that students vote to assess on themselves collectively. Put another way: Students, through their elected student government, make decisions about resource allocation and fees for the benefit of all. Micromanaging such activities is neither in the interests nor the purview of a government that claims to want to reduce governmental meddling and red tape where it isn't needed. This would be one of those places where extra red tape isn't needed.

Please realize that the impact of this decision does not affect the students alone. The mass purchasing power that the students enjoy as a collective is used to secure certain services that would not otherwise be available at all. Here in Peterborough, for example, the students at both Trent University and Fleming College use some of the fees raised to provide additional public bus service throughout the city of Peterborough. Put another way, the ancillary fees collected by the students are used by those students for the benefit of the whole community to expand our transit system's total capacity. It's probably worth noting that one of these routes takes passengers out past MPP Dave Smith's constituency office on Water Street.

We therefore ask you to reconsider your stance on interfering in the democratic processes of student government in this heavy-handed and counterproductive fashion. Certainly, if you do want to affect transit in Peterborough, a much better way would be to honour the Ontario government's commitment to phase 2 of the Public Transit Infrastructure Fund.

In closing, Ontario does not have a spending problem; we have a revenue problem. This should be addressed, but not by taking away stimuli like public health dollars, public education dollars or public transit dollars out of the system. Rather, we need to reassess the levels of personal and corporate income tax to ensure that everyone pays fairly into the strong Ontario in which we all want to live. Thank you.

**The Chair (Mr. Stephen Crawford):** Okay, thank you very much. We're going to start with questions from the government side. Mr. Downey.

**Mr. Doug Downey:** Thank you for your presentation. As part of my background before I was elected, I chaired the federal review of the Trent-Severn Waterway, so I've spent quite a bit of time here. After that project was done, I was involved in some bids to produce water power at locks 24 and 25, so I know of those projects, but you mentioned four. You said there were four local energy projects?

**Mr. Tyler Burns:** Right, they're on the—

**Mr. Dave Smith:** There were three.

**Mr. Tyler Burns:** Were there three?

**Mr. Dave Smith:** Three hydroelectric.

**Mr. Tyler Burns:** Okay, sorry. My numbers—

**Mr. Doug Downey:** I was just curious. Okay, so they'd feed into the grid. The third one: Was it going to be owned by PUC, or by Peterborough?

**Mr. Tyler Burns:** I don't believe so, I think it was one of the hydro—

**Mr. Doug Downey:** Another component? Okay. I wasn't sure.

I want to touch on the student ancillary fees piece—giving students choice, the students who are paying for them. I have four degrees from four different universities. I never voted once. I never had the chance to vote. I co-published a newspaper, and it was volunteer. We sold advertising. I was one of the co-founders of the graduate student union at Brock University. I've been involved in that world.

I just think students need a choice. And because outgoing students are making decisions for incoming students, with the short time frame, it creates issues. Outside of health and safety, which are being protected, it's our position that people should have that choice to opt in. Obviously, we disagree on that.

**Mr. Tyler Burns:** Yes, we do. I think your point is kind of reversed there. The short time that a student is going to be at the institute is the importance of not having an à la carte style collection of fees, because anybody who is there for, in the college case, two years, or in university four years, may not see value in any fees, which could damage the system, much like insurance or any other fee where people may not see a direct return on investment. I'm not sure what schools you went to, but I know in particular the U-Pass transit program for both schools was done by referendum votes among the students here so they did have a direct say in each of those cases.

**Mr. Doug Downey:** I was Laurier, Brock, Dalhousie and York.

You made a comment about the 10% tuition decrease—if you can comment on that.

**Mr. Tyler Burns:** Right. I've been a proponent of reducing tuition fees for as long as I've been involved in the labour movement. However, this was kind of take from one and give to the other with the change in the OSAP collection.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Tyler Burns:** They have the 10% savings on the tuition now; however, they have no more grace period on repaying their OSAP. So any savings the students would have in the 10% reduction now, in having to immediately pay their OSAP upon graduation they're going to lose that savings right there.

**Mr. Doug Downey:** That six-month grace period is still there. The interest runs. We've lined up with the federal, so the interest will run from graduation. It doesn't run while you're in school. You can be in school for six years and you're not paying any interest. It's not accruing. But once you graduate, it accrues. That's what happens with

the federal portion, so we've aligned with that. The only change there is that six-month non-interest period after graduation.

**Mr. Tyler Burns:** Right, but most students aren't graduating into a salaried position, so that six-month grace period was pretty valuable.

**Mr. Doug Downey:** Well, there is a grace period for payment. But anyway, we'll leave it at that.

**The Chair (Mr. Stephen Crawford):** Okay, thank you. We're going to go to the opposition side for questions. Ms. Shaw.

**Ms. Sandy Shaw:** Thank you, Tyler, for your presentation. I want to focus on your presentation where it regards public transit and transportation.

**Mr. Tyler Burns:** Certainly.

**Ms. Sandy Shaw:** And so, just quickly, let me confirm that one of the things we're talking about in the ancillary fees was that for municipalities and students that were able to use those fees to support public transit, it's my understanding that that's a significant contribution to underfunded bus services across the province, like, for example, in Hamilton, the HSR. That's a contribution that we count on.

**Mr. Tyler Burns:** Correct. The revenue that we get from Trent University and Fleming College is by far our biggest revenue generator. They pay full pop for the service and it's open to the public. It's not strictly the university and the college. They purchase that service and it's open to everybody.

**Ms. Sandy Shaw:** That's a pretty incredible statement because, you know, we've heard from municipalities across the province struggling with costs. They struggle with all the things that have been downloaded to the municipalities, and they continue to struggle with public transportation. These ancillary fees, if taken away or if people choose to opt out—that is a significant source of resource that now will be taken away from public transportation, if I'm understanding correctly, that will now have to be borne by residential taxpayers. Is that correct?

**Mr. Tyler Burns:** If it were to be borne, it would be borne by the taxpayer. The likelihood will be a cut in service.

**Ms. Sandy Shaw:** A cut in service—okay. I am not from this area, but you talked about if the government was really supportive of transit in Peterborough that they would fund the second phase of the Peterborough Transit infrastructure fund. Can you tell me a little bit about that?

**Mr. Tyler Burns:** That's the PTIF. That's not exclusive to Peterborough. That was a province-wide arrangement made in 2017, I believe, where municipalities could submit reports on what they needed for infrastructure that could help make their transit system more accessible to comply with the AODA, if you needed a new storage facility—which was the case for Peterborough—bus shelters, bus stops, and new vehicles. Peterborough was approved for some significant projects in that: a real-time monitoring app so people could track their buses, and a new storage facility. I've been told that the provincial government would like to renegotiate the deal and this held back their portion of that arrangement.

**Ms. Sandy Shaw:** Thank you. We talked about how the impact of these fees would either cut the service, or municipalities would have to bear the cost on the residential taxpayers. Can you talk about how this would impact people in the community that have good-paying transit jobs? Can you talk about how that would impact the workers in your community if there's a cutback, a pullback on public transportation?

**Mr. Tyler Burns:** Right. The best-case scenario, just the trackable amount of users that would likely immediately opt out—we'd be looking at probably a 2% layoff in full-time employment.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Tyler Burns:** The worst-case scenario, where both schools opt to pull out their entire service, we're looking at closer to 20% to 25% of our workforce being laid off.

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**Ms. Sandy Shaw:** So again, it's my opinion that making these ancillary fees optional—it just seems like this isn't something that was well thought out from the government side. They rushed to put this out there. I think these are unintended consequences that will impact the taxpayer. It may not be that you have a really big stake in what goes on in universities or students; that may not be the case. But, in fact, this will impact everyday Ontarians. Is that correct?

**Mr. Tyler Burns:** It definitely will, across the province and definitely in Peterborough. It would be crippling to our transit system.

**Ms. Sandy Shaw:** Thank you.

**Mr. Tyler Burns:** Thank you.

**The Chair (Mr. Stephen Crawford):** Thank you very much for your presentation.

#### ONTARIO WATERPOWER ASSOCIATION

**The Chair (Mr. Stephen Crawford):** We'll move on to our next presenter. It's the Ontario Waterpower Association. Welcome to the finance committee. If you could just state your name for the record, you can get right into your presentation.

**Mr. Paul Norris:** Perfect. Hi. My name is Paul Norris. I'm with the Ontario Waterpower Association. Good afternoon. Welcome to electric city. Peterborough was the first town in Canada to have electric street lights, thanks to our homegrown hydro.

Thanks for the opportunity to present today. I know some of you, but by way of introduction, our organization, the OWA, represents the common and collective interests of the water-power industry of Ontario. If you have your folders in front of you, please feel free to follow along with me at your leisure. If not, I'm happy to speak for the next 12 minutes, or less.

We have more than 220 hydro facilities across the province, and water power accounts for approximately one quarter of Ontario's electricity supply. It's the backbone of an affordable, reliable and sustainable electricity system. Importantly, in the context of this committee, re-

source royalties from water-power production on provincial crown land are the largest such source of revenue to the Consolidated Revenue Fund, averaging approximately \$130 million a year—a payback unique amongst all energy sources. Our assets have a replacement value of about \$5.5 billion, and we spend more than \$300 million in Ontario annually in maintaining them.

My presentation today is going to be entirely focused on red tape reduction, specifically the elimination of overlap and duplication between the Lakes and Rivers Improvement Act, administered by the Ministry of Natural Resources and Forestry, and the Ontario Water Resources Act, administered by the Ministry of Environment, Conservation and Parks. In fact, the exact recommendation I am bringing forward was tabled by the Progressive Conservative Party at the Standing Committee on General Government in February 2017, in their consideration of the Burden Reduction Act. Unfortunately, it was ruled out of order at the time by the committee Chair on a technicality.

In short, I am recommending that subsection 34(2) of the Ontario Water Resources Act, the section which already provides for exceptions to the requirement for a permit to take water, be amended by adding the following paragraph:

“Exception

“4. The activity of constructing, operating, altering, improving or repairing a dam associated with the production of electricity within the meaning of the Lakes and Rivers Improvement Act if it is done in accordance with an approval granted under that act.”

That exact language was drafted by legislative counsel in 2017 for the Burden Reduction Act, so I have confidence that it’s the correct legal interpretation.

I’m not recommending that the industry not be regulated with respect to the management of water; rather, that it only be regulated once.

Let me provide you with a rationale for this recommendation. At the commercialization of Ontario’s electricity sector in 2001, the government of the day had fundamental decisions to make with respect to the breakup of Ontario Hydro, one of which was how to regulate the operation of water-power facilities.

The government specifically chose to amend the Lakes and Rivers Improvement Act at that time to achieve this objective, including two new provisions. The first was to provide the minister with a new authority to order dam owners to develop and implement water management plans. This was an amendment to section 23. The second was to provide that non-compliance with a plan could not only result in fines and imprisonment but also that fines could be increased by the amount of the monetary benefit derived from non-compliance. This was an amendment to section 28. That is, if an owner of a water-power facility operates in a manner inconsistent with the plan and receives financial gain by selling electricity on the commercial market, that financial gain would be recoverable by the crown in the form of a fine.

From 2002 to 2007, the industry and the Ministry of Natural Resources jointly invested \$40 million in the development of these plans through local public processes

for all provincial river systems across Ontario which had one or more water-power facilities on them.

This last point is important, for while the minister’s powers to order the development of a water management plan could be applied to any dam—for example, a municipal dam—successive governments have only ever used these order powers for provincial river systems on which there are water-power facilities. In addition, all new or upgraded facilities are ordered to develop and comply with an operating plan through that same section 23 of the act. MNR has continually modernized the regulatory framework for dam safety and management, including that for water management planning, publishing a Maintaining Water Management Plans technical guideline in 2016.

Significant overlap and duplication, however, was created by a public policy response to an entirely unrelated issue through amendments to the regulatory framework under the Ontario Water Resources Act, which, as I said, is administered by MECP. That act regulates, among other activities, the taking of water through a permitting process called a permit to take water.

The act defines a taking to include water taking by means of a structure or works constructed for the diversion or storage of water. It does not differentiate between a consumptive or non-consumptive use of water power, despite the regulatory framework in place for water power under the LRIA.

While this historically has been a minor administrative issue, in the mid-2000s, the government of the day responded to a policy concern primarily associated with groundwater extraction by choosing to amend regulation under the Ontario Water Resources Act to significantly expand the Permit to Take Water Program and its scope of application, requiring the issuance of a permit to consider, among other things, issues related to the need to protect the natural functions of the ecosystem, including the potential impact of the water taking or proposed water taking on water flows or water levels.

In my view, while such considerations are appropriate for takings not already regulated, such as groundwater extraction, they are, by definition, duplicative—

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Paul Norris:** —of the application of the LRIA to water-power facilities which don’t take water at all.

I’ll give you one example. In the town of Parry Sound, there is a water-power facility known as the Cascade generating station, owned by Bracebridge Generation. It was originally constructed in 1919. In 2014, it underwent an upgrade. Bracebridge Generation owns and operates 11 dams and control structures that are regulated through the Seguin River water management plan. They were issued, three years later, a permit to take water by MECP that has the exact same terms and conditions as the water management plan. The cost to the company for the process: \$80,000. The cost annually for monitoring: \$28,000. And there are dozens of examples like this across the province costing millions of dollars.

I don’t think it’s an effective use of industry time and resources or ratepayer dollars, nor do I think it’s an effective use of limited provincial staff resources.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We're going to move to questions. We're going to start with the opposition side. Mr. Arthur.

**Mr. Ian Arthur:** Thank you very much for your presentation. I had no idea about this issue, and honestly, it seems pretty straightforward. I know that there was a lot of public opposition to water extraction, in particular by Nestlé, I think was the driving factor behind that. I don't really have many questions. I think this is pretty straightforward and aimed directly at the people opposite.

**Mr. Paul Norris:** The unintended consequences of a public policy, yes.

**Mr. Ian Arthur:** Yes.

**The Chair (Mr. Stephen Crawford):** Okay. No more questions from the opposition side, so we will go to the government side. Mr. Smith.

**Mr. Dave Smith:** Thanks for coming, Paul. It's good to see you again. Basically, if I understand what your ask is here, it's that we need to get rid of the duplicate regulations, that it really is about reducing the red tape. You've got an \$80,000 expense for the permit and a \$28,000 yearly expense, and there's zero value that's being added to the system by doing that.

**Mr. Paul Norris:** Yes, and that's just the cost to the industry, never mind the cost to government.

**Mr. Dave Smith:** There's nothing value-added to it at all?

**Mr. Paul Norris:** No.

**Mr. Dave Smith:** And those costs: What happens to them?

**Mr. Paul Norris:** Eventually, they get passed on to the ratepayer.

**Mr. Dave Smith:** So this was a decision that was made by a previous government that has effectively increased electrical rates, and there's no value to it whatsoever.

**Mr. Paul Norris:** No value in terms of public policy with respect to the management of water levels and flows; absolutely not.

**Mr. Dave Smith:** Is there anything in those two acts that would suggest that we should keep two acts that do the same thing for the Waterpower Association?

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**Mr. Paul Norris:** No, you should definitely keep two acts that do two different things. They happen to intersect with water power, right? The Lakes and Rivers Improvement Act is all about the regulation of dams. The Ontario Water Resources Act is all about the regulation of water. We happen to own dams that regulate water.

**Mr. Dave Smith:** Right. But you're not taking any water out of the system with that?

**Mr. Paul Norris:** No, we're not.

**Mr. Dave Smith:** So it wouldn't be a stretch to have an exception put in?

**Mr. Paul Norris:** Not at all, not at all.

**Mr. Dave Smith:** Okay. Thank you very much—

**Mr. Paul Norris:** The framework already exists. It's just simply adding the recognition of the LRIA as another exception.

**The Chair (Mr. Stephen Crawford):** Mr. Downey.

**Mr. Doug Downey:** Just because you're in touch with different users in the sector, does this new requirement have an impact on agriculture, in terms of any structures they're using to take water? Is there anything you've heard?

**Mr. Paul Norris:** There are exception provisions already in the Ontario Water Resources Act with respect to takings for agriculture. There are other exceptions. There are exceptions for small structures that protect wetlands, for example. All we're doing is taking the existing legislative framework and adding to it a recognition of our—

**Mr. Doug Downey:** That's where I was headed. If there is an exception for them, rather than—

**Mr. Paul Norris:** There's an exception for wetlands; there's an exception for construction; there's an exception for agriculture.

**Mr. Doug Downey:** So the change that you could be asking for is to add you to the exception list?

**Mr. Paul Norris:** That's correct.

**Mr. Doug Downey:** Okay. Thank you.

**The Chair (Mr. Stephen Crawford):** No further questions? Okay. Thank you very much.

**Mr. Paul Norris:** Thanks.

#### ONTARIO COUNCIL OF HOSPITAL UNIONS/CUPE

**The Chair (Mr. Stephen Crawford):** We'll call up our next presenter: the Ontario Council of Hospital Unions/CUPE. Welcome to the finance committee.

**Mr. Doug Allan:** Thank you.

**The Chair (Mr. Stephen Crawford):** If you could please state your name for the record, then you can get right into your presentation. I'll give you a one-minute warning.

**Mr. Doug Allan:** My name is Doug Allan. I'm with the Ontario Council of Hospital Unions/CUPE. I'm a research representative with CUPE.

OCHU/CUPE represents 35,000 hospital workers and long-term-care workers in every part of the province. CUPE is the largest union in Canada by far, the largest health care union in Canada and Ontario. OCHU is the largest representative of service workers, RPNs and office workers in Ontario.

Hospitals face an unprecedented challenge of hospital underfunding and lack of capacity. For decades, governments have pretended to try to address this problem through improved home care, yet today the result has been an overwhelmed home care system that has seen a staggering increase in the sickness of the patients that it treats, and a hospital system reduced to treating overcapacity patients in hallways.

Key to this is that hospital funding per capita is 28.3% higher in the rest of Canada, compared to Ontario. That is \$404.09 more per person per year. That is a new phenomenon in Ontario. It started around 2006 and grew. For many decades, as you see on the chart on page 3 of our brief, Ontario's funding mimicked the rest of Canada. So this is a very new development.

In 2017, real funding per person for health care in Ontario was still less than it was in 2008, although, the Ontario economy was 17% larger than it was in 2008. The hysteria about the runaway health costs is just that: hysteria.

Most of the cuts that have occurred for health care have come through cuts to hospital funding. Between 2010-11 and 2017-18, real provincial hospital expenditures were cut 8.3%. That is a cut, in today's dollars, of \$128 per person per year.

Real provincial expenditures on hospitals are lower than they were in 1991, despite a very significant economic growth per capita, an increase in the median age from 33 to 40—almost 41—and a doubling of the population over 65.

In the four years from 2012-13 to 2016-17, the standard cost for a hospital stay has fallen 2.6% in Ontario. Ontario has the lowest cost of standard hospital stay of any province—of any province.

Ontario hospital expenditures are a lower share of the economy than they were 25 years ago.

The result of this underfunding is found in a number of forms. Most importantly, I would note here, there are 27.4% more hospital beds per capita in the rest of Canada than there are in Ontario—in other words, a very similar difference to what the funding difference is that we noted. If Ontario had the same number of beds as the rest of Canada on a per capita basis, we would have an extra 8,500 hospital beds. The result again, not surprisingly, is very high bed occupancy. In developed countries, bed occupancy is typically around 75%, as you see from the chart on page 8. In Ontario, it is frequently over 90% and often over 100% in large urban centres.

Patients are removed from hospitals. Ontario has the lowest age-standardized length of stay of any province, 11.4% less than the Canada-wide average. We're significantly lower than any other province. It's difficult to access a hospital in Ontario, despite the short length of stay Ontario has. There are 7.7% fewer age- and sex-standardized hospital admissions than Canada as a whole. No other province even comes close on that measure.

Not surprisingly, we're seeing increases in hospital readmissions. In the most recent data for four years, we've seen a 3.4% increase in 30-day readmissions. Long-term-care bed supply has faltered. The relevant 85-plus population has increased 20 times more quickly than the number of long-term-care beds, driving up wait times for these beds, driving up the wait-list.

Home care acuity is way up. It's set out in the brief. The tens of thousands of long-term-care beds that are promised, 30,000, will not keep up with the growing and aging population. That would require 33,000 beds over 10 years. The 30,000 will not reduce the wait-list by itself and it will definitely not solve the hospital capacity problem.

We are arguing that with an aging population, population growth, hospital inflation and increasing utilization, hospital cost pressures are 5.2% per year. This allows 1% for aging, 1% for population growth, 2.2% for inflation, which is based upon the CIHI figures and their estimates of cost pressures—

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Doug Allan:** We have noted what the government's fiscal plans will mean for hospital beds and staff. We think they will mean significant cuts unless there is a special exception for hospitals in the cuts. We urge you not to go that way. We also urge you not to introduce privatization of clinics and diagnostic services. We think that is a big disaster. There's been a whole series of problems—and we go over this in our brief—that have risen through privatization.

Restructuring: The Harris government of the 1990s did the same thing. The Auditor General identified \$3.2 billion in extra costs following the restructuring of that government. The result was not reduced hospital expenditures. In fact, hospital expenditures increased more rapidly afterward, at a rate of about 7.5% per year for that period.

In conclusion, we're asking the government to stop digging itself further into debt by driving revenue cuts. We need hospital funding at 5.2%. We're asking not to fragment hospital services by setting up competing private for-profit—

**The Chair (Mr. Stephen Crawford):** I'm going to have to cut you off because we've exceeded our time, but maybe you can get to the stats if the question is asked.

We'll start with the government side for questions. Mr. Downey.

**Mr. Doug Downey:** You're giving us numbers and I'm trying to process numbers from the material at the same time, so forgive me if I ask a question you've already covered. You're talking about hospital costs per patient going down. Is that inflationary dollars going down or is that actual dollars? I'm on page 6.

**Mr. Doug Allan:** You're on page 6. That's real per capital dollars.

**Mr. Doug Downey:** So an actual dollar is a dollar; it's not "80 cents is now a dollar."

**Mr. Doug Allan:** Well, this one on page 6 is CIHI's nominal dollars. The first chart on page 6 is nominal dollars. That's just going down. There are a number of ways in which we reflect upon this, sometimes in real dollars, sometimes in nominal dollars. This particular chart is nominal dollars.

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**Mr. Doug Downey:** Okay. What input costs are dropping that is allowing that to happen?

**Mr. Doug Allan:** Staffing has been negatively affected. That's part—

**Mr. Doug Downey:** Sorry, number of staff?

**Mr. Doug Allan:** The number of staff per patient is going down. That is definitely being affected.

What the members of CUPE are seeing is increased incidence of violence against staff, overwork. The employers are responding by firing more employees. The way hospital funding works is benchmarking against each other, so somebody always is the low guy. They get clobbered; there are a few hundred layoffs at that hospital. Then somebody else becomes the low guy, and they get clobbered. It gets ratcheted down that way.

So speed-up is a big issue in the hospitals, and burnout for our members.

**Mr. Doug Downey:** We've heard from other delegations talking about, as the workforce—as you need more, then there's more overtime. That's why I'm surprised that the costs have actually dropped.

**Mr. Doug Allan:** Costs per patient have dropped.

**Mr. Doug Downey:** Yes.

**Mr. Doug Allan:** Per standardized patient, yes.

**Mr. Doug Downey:** There's a lot more overtime being put in by the nurses and the PSWs and everybody else in the system. That may not be accurate.

**Mr. Doug Allan:** That's not our experience in the costing that we've received from the Ontario Hospital Association. The numbers that they gave us—and I'd have to go back and check overtime costs because I'm not certain on that one. But overall costs for our members, despite a significant increase in procedures and surgeries and other such measures, have gone up very slightly. They got a very good deal out of us in the last contract, and that has actually been around for quite a number of years. Our wages have not kept up with inflation; costs have not kept up with that. There may be some cases of overtime, but that does not, overall, reflect a significant increase in the costs for our services.

**The Chair (Mr. Stephen Crawford):** One minute. Any other questions from the government side? No?

We're going to go to the opposition side. Mr. Arthur.

**Mr. Ian Arthur:** Thank you so much for your presentation. On this subject, it's one of the very good briefs that we've been presented with.

You had a couple of points left on the last page that you didn't manage to read, which I will let you do. But I really just want to take a moment and stress that—I don't think anyone on the government side is going to hear me defending the efficiency of the LHINs. I think there are certainly a few efficiencies that can be found here or there, but to focus solely on that side of the problem is a bit of a mistake. I really do hope that they listen—that the provincial hospital funding per capita is 28.3% higher in the rest of Canada. That's a quite shocking number. Sometimes there is no substitute for adequate funding.

**Mr. Doug Allan:** Yes, that's the reality. That's why we have this ongoing problem with hallway medicine, which the government has recognized as a problem, and that is positive. But it is not going to be solved by further cuts. It is not going to be solved by privatization.

We're hearing a lot of rumours and reports, of course, about privatization. We go over this quite extensively in the brief, that there is a long history of failed privatization efforts in the province that have led to extra costs and inadequate care, whether it's the physiotherapy clinics, whether it's the P3 hospitals, whether it's the failure to properly regulate the private surgical clinics, whether it's the eHealth contracting-out fiasco—just a number of major problems.

Also, referring to the LHINs and the reports of restructuring there: It was not our experience that the previous round of restructuring through hospital restructuring led to any significant efficiencies. We did find services removed, especially from smaller, rural communities, which I think

the Progressive Conservatives may find particularly disheartening, if that does occur. That is the pattern when restructuring happens: Services are removed from smaller, rural communities and centralized to larger communities. We don't think that's a benefit to small and rural communities. We don't think it's a benefit to health care. The costs were not saved through the last round of restructuring. If they do move to one super-agency or four LHINs or whatever it is that comes out, we don't expect any significant savings or changes.

We just went through a round of restructuring with the mergers of the CCACs and LHINs. That was demoralizing and problem-causing—all sorts of problems. We don't need another round of restructuring in hospitals or in LHINs or elsewhere, in our view.

**The Chair (Mr. Stephen Crawford):** Ms. Shaw. You're just over one minute right now.

**Ms. Sandy Shaw:** I just wanted again to say that this is the kind of rock-solid evidence that we need to be looking at to understand that we don't overspend in our health care system. It seems like an obvious thing to state. The government talks about the percentage of their budget that goes to spending on health care, but in fact, if you look at it on a per capita basis, it cannot be stated enough that we are underfunding our hospitals and that we are continuing on a downward trend.

You've said it, but can you succinctly explain yet again that as a percentage of the budget, it may look to the government like they're spending a lot on hospitals, but in fact, when you rationalize this number, when you look at it in terms of a per capita, we are not keeping pace?

**Mr. Doug Allan:** Actually, in recent years, we haven't even kept pace with the growth of the provincial spending. The share that has gone to hospitals has actually shrunk. Despite the hysteria about, "We're going to spend oodles and oodles of money on our hospitals or on other parts of health care," it has actually shrunk as a percentage of the budget. It just cannot continue.

**Ms. Sandy Shaw:** Thank you.

**The Chair (Mr. Stephen Crawford):** Thank you for your presentation. We appreciate it.

**Mr. Doug Allan:** Thank you very much.

## ONTARIO CENTRES OF EXCELLENCE

**The Chair (Mr. Stephen Crawford):** I'm going to call up our next organization, the Ontario Centres of Excellence.

Welcome to the finance committee. If you could just state your names for the record, you can get right into your presentation. You've got seven minutes.

**Mr. Tom Corr:** Thanks to the members of the committee for your time today. My name is Tom Corr and I am president and CEO of Ontario Centres of Excellence, also known as OCE. I am joined today by Anne Wettlaufer, OCE's vice-president of marketing, communications and public affairs.

Last week you met two members of the OCE team in Sarnia, who spoke to you about the Autonomous Vehicle Innovation Network program. Our automotive technology

team has many projects creating jobs and opportunities in that region and throughout Ontario.

Today, I would like to speak about OCE's general economic impact from projects that we fund both in the Peterborough area and across Ontario. Regionally, we have projects with Loyalist College, Fleming College, Trent University, Entomo Farms, Screaming Power and others that work in many different sectors.

OCE is a not-for-profit organization with a mandate to deliver industry-academic R&D and commercialization projects that create high-quality jobs, drive economic growth and enhance Ontario's global competitiveness on behalf of the government of Ontario and our citizens. We have a team of business development managers in 11 locations across the province who look for the most promising innovations and the next made-in-Ontario success stories.

To determine the outcomes of OCE's programs, Deloitte conducted an extensive analysis looking at the four-year period ending on March 31, 2018. During the four-year period, 3,100 projects were funded by OCE in 125 communities across the province, from Sioux Lookout to Sudbury, Barrie, Dundas, Peterborough, Ottawa and beyond. Importantly, companies participating as partners in these projects are mostly start-ups and early-stage companies looking to commercialize their innovative products and services. To obtain provincial funding from OCE, the companies must provide a minimum of 1-to-1 matching funding. Sectors that we fund range from agricultural, health and automotive technologies to advanced manufacturing, mining and many others.

Over this four-year period, we deployed approximately \$160 million in government funding, which resulted in \$345 million in industry co-investment. These companies then went on to raise \$1.7 billion in private sector follow-on investment through angel investors and the venture capital community. These companies also created an impressive \$518 million in incremental sales that was directly attributable to the projects that OCE co-funded on behalf of the province.

In terms of this being a good investment for the taxpayer, of the \$160 million in government funding that OCE provided during the four-year period, the incremental sales taxes and income taxes that were generated as a result of these projects resulted in \$115 million coming back to the province during the four-year period. And 18 months after the end of the four-year period, the entire \$160 million was returned to the government in the form of incremental taxes. Deloitte concluded that for every dollar of investment in projects by OCE, \$13 in additional private sector investment was attracted. During the past three years, OCE projects have resulted in the creation and retention of more than 22,000 high-quality Ontario jobs, which is one of the most important indicators of the success that companies have had with our programs.

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I would now like to highlight some of the recommendations that OCE would like to put forward for consideration as part of the 2019 Ontario budget consultations.

(1) Support an efficient platform for Ontario's companies to access the R&D expertise in Ontario's colleges and

universities, and provide students with real-world, hands-on work experience. OCE programs drive increased industry and post-secondary collaborations while creating an efficient marketplace for industry to access innovation, productivity, and commercialization services from our post-secondary institutions. These programs provide hands-on learning opportunities for students and enable the development of new products, services and processes, facilitate productivity improvements, and help our companies generate new revenues and high-value jobs for Ontario. Most importantly, our programs help to develop and retain top talent in Ontario. For example, through our VIP program, Trent University students and researchers worked with Noblegen Inc. on a waste water treatment technology using algae to remove contaminants.

(2) Support innovation in the health care sector through continued support for initiatives such as the Health Technologies Fund, accelerating the adoption of emerging health technologies by Ontario's hospitals, resulting in efficiencies, cost reductions, cutting hospital wait times, ending hallway health care, and improving patient outcomes. The Health Technologies Fund has projects that will assist in efficiencies, such as a research project under way at Hamilton General Hospital which makes it easier for patients to recover at home after undergoing minimally invasive heart surgery. This will result in more independence for our patients, better health outcomes, and reduced cost and stress on the health care system.

(3) Support the development and adoption of emerging technologies such as artificial intelligence, 5G and cyber security to provide a competitive advantage for Ontario companies. One example would be the ENCQOR 5G wireless broadband program, delivered in Ontario by OCE on behalf of the province. There is a global race to be leaders with 5G technology, which allows for autonomous vehicles, higher download speeds, the Internet of Things, and even allows for remote surgery. Our Ottawa-based test bed has just gone live, which means that small and medium-sized enterprises can now develop and test 5G applications and maintain Ontario's competitive advantage.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Tom Corr:** (4) Support campus entrepreneurship across Ontario college and university campuses to build a foundation for the next generation of successful Ontario technology companies. A December 2016 report by UBI Global, which ranks incubators and accelerators from around the world, established that, with the help of OCE, campus-linked incubators and related programs have transformed Ontario's youth entrepreneurship ecosystem into one of the most innovative and collaborative in the world. We also have programs that support internships and fellowships helping students transition to the workforce and the jobs of the future.

On behalf of Ontario Centres of Excellence, I would like to thank you for taking the time to listen to our presentation and recommendations to support Ontario job creation and drive economic growth in the years ahead.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We're going to start with questions from the opposition side. Ms. Shaw?

**Ms. Sandy Shaw:** Thank you for your presentation. If you'll indulge me, my questions are very specific to my riding of Hamilton West–Ancaster–Dundas.

I noticed that you identified a project that you support in Dundas. Can you tell me what that was?

**Mr. Tom Corr:** In Dundas or in Hamilton?

**Ms. Sandy Shaw:** Well, it does say that, “During the four-year period ... projects were located in Sioux Lookout, Sudbury, Barrie, Dundas....” If you don't know, we can go to McMaster.

**Mr. Tom Corr:** I do know.

**Ms. Sandy Shaw:** I didn't mean you didn't know; of course you know.

**Mr. Tom Corr:** It's that one that was highlighted very much in today's Toronto Star. It was from the health system in Hamilton. Basically, what it was was a device that was developed by a company that we funded on behalf of the province. This device provided remote monitoring for people who have just had health procedures relative to their hearts. That procedure normally called for a stay in the hospital of seven to 10 days. With the new technology that we developed with a start-up company that we funded, the patient left in 24 hours and was getting better health care—arguably not in the hospital—with this new technology. Again, that article was in today's Toronto Star.

**Ms. Sandy Shaw:** Very timely, then. Also now, could you help me understand—McMaster University? I understand there is a lot of—is it biotech, or what are your partnerships at McMaster University in Hamilton?

**Mr. Tom Corr:** We're sector-agnostic. Basically, the work that we do with universities and colleges, importantly, is in the STEM space. They tend to be around technology. Basically, what we do is: If you look at it in a simplistic form, industry is our client. We're dealing with industry because they create the jobs, not the universities or the colleges. We work with companies—typically small companies; many of them are spinoffs out of colleges and universities—and give them a little bit of seed capital to help them move along. But more importantly, we engage them with researchers, students and professors at the academic institutions to get an intellectual product developed that they can take on and commercialize. We're very much about bringing industry and academia together, to the benefit of industry, to get access to resources that typically they couldn't get or afford themselves.

The second benefit, of course, is to the students working in the academic institutions because they're getting real-world experience working on real, live projects, which often lead to jobs in these companies.

**Ms. Sandy Shaw:** Thank you very much for that answer. When you are talking about the recommendations, and you're talking about support—each one of them starts with the word “support” that you want the government to do. Can you talk to me about the level of support that you have now? And are you asking that they continue this level of support that the government has, or are you looking for an increased level of support?

**Mr. Tom Corr:** I'd love to be here asking for increased levels of support, which is funding by any other name, but

I think we have to be pretty tone-deaf to expect that in today's environment. I guess our message is this: Through the breadth of programs that we provide on behalf of the province—

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Tom Corr:**—it's the province's money; it's not our money. We created last year 9,772 jobs by projects that we funded in small companies. That's a lot of jobs, and they're spread over 3,200 small start-ups. That's the impact that we're having. I just wanted to make everybody aware of the fact that the funding that we deploy on behalf of the province in these small companies created approximately 10,000 jobs, so that's a lot to speak to. They're very high-paying, sustainable jobs. We'd like to keep that going because I know that job creation is a big priority for everybody in this room.

**Ms. Sandy Shaw:** Absolutely. Thank you very much.

**The Chair (Mr. Stephen Crawford):** We're going to go to the government side. I have Mr. Cho first.

**Mr. Stan Cho:** Thank you very much for your presentation. I'm encouraged to hear that you'd like to see our college students get more involved with that entrepreneurial spirit. Coming from an entrepreneurial background, I remember that many of the valuable lessons I hung on to in my career actually came from far younger than that. I'm wondering if you've given thought or if you are collaborating with other organizations, maybe like Junior Achievement, in the ages before leading up to college.

**Mr. Tom Corr:** Great question. We collaborate with many, many organizations throughout the province.

One of the challenges that we have today is that there are a lot of organizations delivering programs on behalf of the province. They're all good, they all are well intentioned and they're all getting good results. I think that, at some point in time, there should be consideration given to consolidation of those entities, as has been done in BC, Alberta, Saskatchewan and Manitoba—not yet in Quebec, although it's going to come, I assume. I think that's something that could create efficiencies.

Specifically to answer your question, we work with organizations, both federal ones and provincial ones, to leverage each other's programs and make sure we're not stepping on everybody's toes, and working to the end goal. Our end goal happens to be job creation; that's what drives our programs. It's number one; everything else that we do is secondary to that. That's why we work with companies, especially small ones, to help them adopt a new technology that they can sell and create jobs. It's worked very well by virtue of the employment numbers that these companies—it's not us creating them; it's not the government creating them; it's these small companies that are creating these new jobs by virtue of the little bit of seed funding that we're providing to put these transactions together so they can work with the academic institutions to get the IP developed and commercialize it.

**Mr. Stan Cho:** Thank you, Mr. Corr.

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**The Chair (Mr. Stephen Crawford):** Ms. Skelly.

**Ms. Donna Skelly:** How much money are we talking about? How much funding do you get from the provincial government?

**Mr. Tom Corr:** Last year we deployed about \$370 million in funding, just to put it into perspective. About \$120 million came from the province through various programs that we run from the province, which is over 20. About \$40 million came from the federal government, because where we can, where we have projects and programs that we run where we can attract money from people like NSERC and so on, we do. The bulk of the money, however, comes from industry—about two to one from industry in terms of matching the government funding that we deploy. That match is required. We don't put a dollar into a project with industry to work with an academic institution unless industry has put in at least a dollar. On average, they put in about two to one, because their view is, the more they bring to the table in terms of financial commitment, the better their application will look in the eyes of the reviewers that make the funding decision.

**Ms. Donna Skelly:** Okay, thank you.

**The Chair (Mr. Stephen Crawford):** Mr. Smith: one minute.

**Mr. Dave Smith:** This seems to be focused on mostly start-ups. One of the things we've heard locally with the budget process that we've been going through is that some of the small and medium businesses are looking for ways of doing something along this line as well, to diversify. Take General Electric. They've been here 126 years; they just recently closed. They started off making light bulbs. They also made nuclear reactors.

Is there any opportunity, is there any advantage or any benefit, then, if we were to have something along this line extended to the small and medium existing businesses so that they can diversify into other emerging technologies?

**Mr. Tom Corr:** Sure. Some of you may be familiar with Moyers Apple Products. They're a company that has been in the apple production business—and their families—for many, many years, a small company, arguably. We gave them a small amount of money to develop some new technology with the University of Guelph that is being used to basically apply to the testing for antimicrobial gas in the apple production system. So there's one. They've been around for a long time, a small to medium-sized company. They are leveraging their expertise and working with the universities to come up with a particular solution for their problem.

**The Chair (Mr. Stephen Crawford):** Thank you very much.

**Mr. Tom Corr:** On the higher end, if I may—

**The Chair (Mr. Stephen Crawford):** Sorry, our time has expired. My apologies. We have to stick to our schedule, but thank you very much. We appreciate your time here today.

**Mr. Tom Corr:** Oh, you're more than welcome. Thank you very much.

#### ONTARIO COMMUNITY SUPPORT ASSOCIATION

**The Chair (Mr. Stephen Crawford):** We'll call up our next presenter, the Ontario Community Support Asso-

ciation. Good afternoon and welcome to the finance committee. If you could state your names for the record and you can get right into your presentation.

**Ms. Deborah Simon:** Sure. Good afternoon. I'm Deborah Simon. I'm the CEO of the Ontario Community Support Association.

**Mr. Geoff Quirt:** I'm Geoff Quirt and I'm the vice-president of the Ontario Community Support Association.

**Ms. Deborah Simon:** I'd like to thank the committee for the opportunity to present on the potential for the not-for-profit home and community care sector to help with ending hallway medicine and restoring Ontario's finances.

OCSA represents nearly 240 not-for-profit agencies across the province. When we talk about our not-for-profit agencies, those are home care, community support and independent living organizations, all of which provide compassionate, high-quality home care and community support services to over a million Ontarians. Our members provide 25 types of health and wellness services to seniors and people with disabilities, services such as in-home nursing and personal support, Meals on Wheels, Alzheimer day programs, transportation to medical appointments and supportive housing.

We all know that Ontarians want to have an opportunity to live independently in their home for as long as possible. Unfortunately, far too often the reality is much different. An aging and increasingly medically complex population, coupled with chronic underinvestment, has resulted in an unprecedented capacity challenge across our health care system. Overcrowding of hospitals, which you've just heard about, has led to hallway health care, with many patients too sick to return home and many waiting to receive another appropriate level of care.

OCSA applauds the government's commitment to end hallway health care. We are aware there is a clear need to build capacity across the health system, but we can't take years to do that. Ontarians need relief sooner, and the home and community care sector is an essential, cost-effective and readily available part of this immediate solution.

Effectively utilizing the sector will help to free up hospital capacity, prevent unnecessary emergency department visits and give clients the opportunity to live independently and safely in their home and community for as long as possible. Not only that, but the home and community care sector encompasses health promotion, preventative services and re-ablement services, helping to avoid unnecessary and costly hospitalization and institutionalization.

Our sector is arguably the most cost-effective component of our health system; widely recognized for working on shoestrings, not bloated administrative budgets. Through targeted investments in the sector, the development of a health-human resource strategy to attract and retain front-line staff and a reduction of burdensome red tape, the home and community care sector can be leveraged to ensure the best care in the most appropriate setting and reduce costs to the system.

The Ontario Community Support Association looks forward to partnering with government as it takes steps to transform our health care system for the people of Ontario.

I'd like to pass it over to my colleague Geoff, who will outline the details of our recommendations.

**Mr. Geoff Quirt:** Thanks very much, Deborah.

One of the unique features of the not-for-profit home and community care system is the incredible contribution that volunteers make to helping seniors remain independent at home and contributing to the well-being of people in the community health system.

A great example is right here in Peterborough city and county with Community Care Peterborough, where over 950 volunteers work to deliver services in people's own homes and do the work that's equivalent to 50 full-time staff on a year-in, year-out basis. It's a tremendous contribution to the health care system and a tremendously cost-effective feature of not-for-profit, community-based services. When we expand that to look at the province as a whole, last year the sector's volunteers delivered over three million hours of service, at an estimated value of about \$80 million.

Our association has four specific recommendations we're proposing that are strategic and cost-effective measures that will help end hallway medicine and help restore Ontario's finances. They are as follows:

(1) Modernize funding agreements for home and community care to reduce red tape and enable improvements to quality of care.

(2) Increase home and community care funding by 5% annually, an average of about \$227 million each year for the next eight years, to deliver more high-quality, cost-effective front-line care and support. That would increase the overall share of the provincial health budget for home and community care from about 6% to about 8%, so it's not an enormous change we're proposing, but a significant investment in cost-effective, community-based services.

(3) We recommend the implementation of a human resource strategy to attract and retain personal support workers and other service providers in the home and community care sector. Many of you would be aware of a crisis situation in terms of the ability of our agencies to recruit personal support workers and pay them appropriately for the range of skills and services that they provide.

(4) We recommend an investment in digital technology for the home and community care sector to improve connectivity, drive efficiencies in reporting, reduce duplication and improve care.

Facing a significant deficit, an aging population and increasing service delivery costs, the province must find ways to deliver quality health care services effectively.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Geoff Quirt:** The Ontario Community Support Association and its members can be an effective partner in fiscal responsibility without compromising care. By properly leveraging the home and community support sector, the government has the potential to save up to \$150 million a year by ensuring clients receive the best possible care in the most appropriate setting.

In conclusion, we know that the home and community care sector can, and must, do more for Ontarians to make it able for them to live independently at home and in their

community. Ontario's home and community support sector looks forward to partnering with the government to end hallway medicine, improve patient care and drive system savings by ensuring the right care in the right setting.

At this point, we would be delighted to answer your questions.

1540

**The Chair (Mr. Stephen Crawford):** Okay. Thank you very much. Right on seven minutes to the second. We're going to start with the government side. Ms. Skelly.

**Ms. Donna Skelly:** Thank you for your presentation. I know we have a number of people who would like to speak to you.

Are you aware that St. Joseph's hospital in Hamilton has a pilot project on integrated comprehensive care?

**Ms. Deborah Simon:** Yes.

**Ms. Donna Skelly:** I'm just curious about your thoughts on how that has unfolded. It's getting support from hospitals across the province.

**Ms. Deborah Simon:** It's an excellent initiative. It involves the integration of home care, hospital and community teams together. It's called bundled care. I know that there have been a number of pilots across the province with different models. It's an excellent opportunity to demonstrate how integrating home care and hospital care can actually improve things for clients.

**Ms. Donna Skelly:** They have argued that it has improved not only for the client but for the family of the patient. It also has saved money and time. Would you agree?

**Ms. Deborah Simon:** Yes. I absolutely agree. Part of the reason you'll see in the OHA's budget submission this year around diverting funding to home care is the opportunity to actually not only save money and have improved outcomes for clients, but also to have better integration of those services across supports. So I think it's a great opportunity.

**Ms. Donna Skelly:** Thank you.

**The Chair (Mr. Stephen Crawford):** Mr. Smith.

**Mr. Dave Smith:** We've heard from a number of different groups very similar to this. Two questions for you, then.

The first one is, one of the requests that I received was that we change the PSW process a little bit and have something that is very specific for home care and something that is specific for hospital care, because there seems to be some training that it's suggested that all PSWs get that is not necessarily needed on the home care side. Is that something that you would see as being valuable or not?

**Ms. Deborah Simon:** I can address the home and community side. There are different levels of personnel who can actually perform a lot of the tasks in the community. We've required personal support workers because of the acuity level that's going up in the community. You know, 20 years ago when I was a bedside nurse, we would send out someone who had had an appendix out after two weeks. Now we're sending them out after two hours.

So, definitely, the support that's needed in the community is higher, but there are different levels. With aging clients in the community, if it's home support that they

need, they could potentially be serviced by someone who doesn't necessarily have a PSW certification.

**Mr. Dave Smith:** They were still looking for the same type of certification, but they spoke specifically about differences in the hospital environment that they're not seeing in the home environment and vice versa, and that it should be a little bit more specialized for those who are working in the home environment different from that in the hospital environment.

**Ms. Deborah Simon:** I would agree, because in a hospital setting, those PSWs have the opportunity to talk to nurses and other allied professionals, but in the community, they're on their own.

**Mr. Dave Smith:** Quickly, the second one is the leveraging of technology. We're not at a bandwidth rate in the rural part of the province right now that could accommodate that. How would you suggest rolling something out on a piecemeal basis until we get to that level without negatively—

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Deborah Simon:** There are resources that can be downloaded and offered on a smart phone as a resource to a personal support worker and/or nurses working out in the community that don't need the connectivity real live time in the home. But there are lots of opportunities to look at other kinds of technology that can be supported, telephone supports and those kinds of things.

**Mr. Dave Smith:** Thank you.

**The Chair (Mr. Stephen Crawford):** Any further questions? Okay, good. We'll go to the opposition side. Mr. Arthur.

**Mr. Ian Arthur:** Thank you so much for your presentation. I wondered if you would expand a little bit on some of the solutions you see to the personal support worker crisis. You've got some shocking numbers in here, that 38% were reporting as full-time equivalents versus nursing. It is a crisis. We've heard this story many, many times, that we don't have enough personal support workers.

How are we going to get more people into this sector? What resources, what conditions need to be in place for people to want to do that as a career? It's hard work.

**Mr. Geoff Quirt:** I think there are probably three components to that solution. One would be to improve the employment arrangements for personal support workers. Many argue that they have to work two or three different jobs for different organizations. If we could streamline and simplify the funding arrangements for the agencies that employ PSWs, they would be in a better position to offer more full-time work to PSWs.

The second part of that solution might be to pay them in a fashion that's commensurate with their increased responsibilities. Certainly, we haven't heard anybody argue that they're overpaid in our system, for sure.

Thirdly, as was mentioned by Mr. Smith, improve the training for PSWs, and all the other workers in the community service system who might go by a different classification, and perhaps specialize that training a bit, as has been suggested.

So a combination of better funding arrangements to promote full-time work, an increase in salaries and increased training: I think those three components would go a long way to improving the profession.

**The Chair (Mr. Stephen Crawford):** Ms. Shaw.

**Ms. Sandy Shaw:** The model that MPP Skelly talked about at St. Joe's, the integrated care model, does show much promise, and it is the kind of collaborative model that we are looking for, but it's a public model. Let me be clear that it's a publicly funded model.

We've been hearing time and time again from health care people working in health care, home care and supports that privatization is a concern and that it is not the answer. You've mentioned that again. Can you lay out for us exactly why you think that making sure it's public and that we don't introduce profit into an overburdened health care system is important?

**Ms. Deborah Simon:** Great question. I'll start, and I'll just let Geoff kick in. In the not-for-profit delivery of health care, every surplus dollar is returned back to the community. We leverage volunteers. We leverage almost \$80 million of volunteer services.

In the privatized system, you're not going to get too many volunteers going and offering their services up. Those are valuable both to the volunteer—

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Deborah Simon:** —and to the recipient of care. I think there is lots of turnaround—Geoff, if you want to speak to the community support piece of the not-for-profit?

**Mr. Geoff Quirt:** Yes. It's very likely that many of the services that our volunteers are involved in providing would not be attractive to private companies to provide, whether it's Meals on Wheels, transportation, friendly visiting or security checks: the many programs and services that make a real difference in whether seniors can remain independent in their own home for as long as they wish.

I think that we have a unique ability in our not-for-profit sector to attract volunteers and to engage communities in responding to those needs. One of the things we're very proud of in our sector, particularly here in Peterborough city and county, is the eight storefront locations that volunteers view as their agency, that they're volunteering for. They're not volunteering for some obscure government agency in another city; they're volunteering for their friends and neighbours and serving people they might have known all their life. We think the not-for-profit, volunteer-based community support system is unique in that respect.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We appreciate your presentation.

#### MUNICIPALITY OF CLARINGTON

**The Chair (Mr. Stephen Crawford):** We call up our next organization. It's the municipality of Clarington. Good afternoon, and welcome to the finance committee. If you could just state your names and you can get right into your presentation.

**Mr. Adrian Foster:** Mr. Chair, thank you. My name is Adrian Foster. I'm the mayor of the municipality of Clarington. I have with me Mr. Trevor Pinn, who is our treasurer.

Ladies and gentlemen, I suspect that you've heard from several mayors and members of councils already. I am probably not going to shed any new light. I might end up going through a few things that you've heard before.

In looking at some of the material that's coming out of the province, affordable housing is quite clearly an issue for the province, as well as the municipalities. We are seeing an awful lot of writing about development charges. There is a significant degree of angst with some of the statements that development charges are viewed as increasing the cost of housing. Development charges are a very small portion of that. Without development charges, particularly in a municipality like Clarington, where we've got significant growth happening, we would see very significant increases on property taxes. Durham region, in part of its submissions back to the province, have identified that roads alone, for example, would increase property taxes by about 6% without the help of development charges for that infrastructure.

An issue that we have in Clarington and that you see across the province, as well, is a lack of infrastructure. Again, we are the eastern gateway to the GTA. We are turning away business on a regular basis because we do not have serviced lands. So we could have more jobs close to home and more investment in the community. Again, anything that impacts the development charges on a negative basis will actually hinder our ability frequently to bring more business to town.

1550

I'm sure you have never heard this before, but predictable and stable funding—

*Laughter.*

**Mr. Adrian Foster:** Thank you for the laugh there, but we do need sources that are predictable and sources that are stable. As the province understands as well, it's very, very difficult to run budgets and to run long-term plans. Asset management is coming in. Without that stability and predictability—again, we have a limited number of revenue sources, most of which fall back onto property taxes.

I'm going to go very briefly on the property, on the affordability. We can't lose sight of the fact that affordability goes beyond buying houses. We would hate to see property taxes moving up to the point where residence has become unaffordable for folks who are on fixed incomes—single parents, for example. There are many people who are struggling right now today.

Something that I'm sure you've never heard before, out of Clarington, Durham region: the GO train. It is tough getting a grin out of you guys today.

**Ms. Sandy Shaw:** I gave you one.

**Mr. Adrian Foster:** You did. Thank you.

Again, there have been submissions coming into the province. We did have a commitment to have the train out to Bowmanville in 2024. We don't know where that commitment stands.

For your information, and speaking with the minister a couple of weeks ago, there is a focus on jobs. Those four stations coming from Oshawa out to Bowmanville will generate something in the area of 21,000 permanent jobs. The mixed-use development that will happen around those GO train stations—that would be about \$1.1-billion worth of private investment. Given the new model that the province is coming forward with, we have been speaking with developers to look at how we actually build those stations. We will be increasing dialogue on that as well.

Something that came up in terms of talking with the region—again, something that I'm sure you've heard time and time again—is connectivity and broadband. I cannot emphasize enough that connectivity and broadband—good access to the Internet—is not purely a rural issue. If you're familiar with Clarington, on the 401 at Liberty Street we have an industrial park right there. At Courtice Road and the 401 we have another industrial park. If you talk to a Mr. Sirrs, who runs Canada Rubber, he will tell you that he has better connectivity at his cottage than he does at his factory. He will go home because there's better connectivity at home than there is at his factory. As time goes by, if we're going to be competitive and, again, attract those businesses, we need to take a look at that.

In the past meetings with mayors and chairs, you would have heard that across the GTHA there are issues across an awful lot of the urban areas. I know that this is mainly a federal issue. I don't know what you folks can do to get those guys rolling, but we really need to work on that file, and seriously.

The other is the nuclear file. We've certainly seen an enthusiasm on that file recently. You may be aware that Darlington nuclear is in Clarington. The refurbishment is going on that. The nuclear industry employs about 60,000 people. These are high-paying jobs right across the planet. As the mayor of Clarington, everyone figures I have to support nuclear. You'd be surprised, if you looked at the supply chain, that a significant number of the businesses are west of Toronto.

**The Acting Chair (Mr. Stan Cho):** One minute.

**Mr. Adrian Foster:** I would suggest that those municipalities probably do better than Clarington does in terms of job creation.

With my last 30 seconds: Bill 66, schedule 10—I would suggest that you have the right idea on that. The details were problematic, but Clarington was actually quite interested in how we might move some projects forward. Again, it's the right idea; the details may be problematic.

Thank you. I have brought Mr. Pinn, by the way, if you're going to ask questions. I'm just the mayor; he's the guy with the answers.

**The Chair (Mr. Stephen Crawford):** Great. We'll start questions with the opposition side. Ms. Shaw.

**Ms. Sandy Shaw:** You're right, Mr. Mayor: We have been hearing from mayors and townships across Ontario that are essentially really struggling with all the kinds of costs associated with some of the downloading that we've experienced in the last few years, with provincial services being downloaded onto the municipal tax base. Also, in

certain communities, it all is on the residential tax base, and in certain communities we have a shrinking industrial tax base. I'm just repeating what you've said, that we have heard that development charges are hindering the ability for builders to provide housing. It is not a significant cost in terms of the percentage of the input cost for a house build, but it is significant revenue for municipalities, as you have said, given that municipalities have limited, if any, revenue tools.

Maybe you could clarify or firm up for me what the impact of development costs would be. Maybe you could even give some hard numbers on if they were to be removed, what kinds of residential tax increases you would have to see, as ridiculous as they would probably be. The second piece of that is, do you have any innovative ideas about additional revenue tools or ability that could be given from the province to municipalities to raise some revenue, other than from the industrial and residential tax base?

**Mr. Adrian Foster:** I'll give you the politician's answer, and then I'm going to pass it over, if you don't mind, to Mr. Pinn. Just because I have a short memory, as I had referenced earlier, Durham region took a look at development charges. On the roads portion alone, there would be a 6% increase on property taxes, dealing with roadwork.

As you know, development charges—growth does not pay for growth. The maximum that we're generally going to get is about 90% of the money back. Clarington is an incredibly fast-growing municipality as it is.

You're asking about different revenue sources. While it was not met with love or adoration—AMO had come to the province with the fair share—consumption taxes are the fairest forms of taxes, so 1% on the HST going to municipalities would go a very, very long way.

Mr. Pinn, can you help me out with some more detail?

**Mr. Trevor Pinn:** Through the Chair: For Clarington, the road budget this year from DCs is about \$6 million. For us, that would be about 12% just on the roads themselves, if we were to lose that going forward. As far as additional sources of revenue, the province did implement a hotel tax as an option a couple of years ago, but from a philosophical standpoint, there are a number of different ways that you can tax.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Trevor Pinn:** Income taxes would be one if you're in a position where you're a municipality that gets a lot of outside workers that use infrastructure intake services, but are paying property taxes outside. In Clarington, that would not be one that really deals with us, but in other municipalities where you have that urban hub, that would be a source of revenue that could be explored.

**Ms. Sandy Shaw:** Very quickly, what about paramedic services? Is that a significant cost for your—do you cover the cost of that in Clarington?

**Mr. Adrian Foster:** We're a two-tier. Clarington is lower. Durham region does the paramedics. But all of the first responders are very expensive, as you know, and all very necessary. The big part there—no shock—is the off-load at the hospitals and the challenges with that.

**Ms. Sandy Shaw:** Thank you very much.

**The Chair (Mr. Stephen Crawford):** We'll move to the government side for questions. Mr. Smith.

**Mr. Dave Smith:** Your region, the Durham region, has been shown to have about 22,000 people per year with the projected growth. That's over the next 10 years. It doesn't sound like the Places to Grow legislation has negatively affected you in any way. Are you finding difficulty with the expansion of homes lane-wise, or are you doing a lot more of the infill expansion of housing?

**Mr. Adrian Foster:** I'll speak to Clarington. What I'm going to suggest will work for Pickering and Seaton as well, to a lesser extent for Whitby—Ajax is pretty much built out and Oshawa is approaching that in the next few years as well. Clarington has significant land mass, so we've got lots of property available.

**1600**

I think what's happened with the 407 coming through and, again, with the GO train announcement, our houses—whatever counts as reasonable in the GTA anymore, our house prices are still reasonable. We're seeing a lot of people move. Retirees from Toronto can sell a house, put a decent amount of money in the bank and buy something similar—and young families.

**Mr. Dave Smith:** I found it interesting as well that you said that schedule 10 of Bill 66 was something that could have potentially provided you with the tools. Since it has been taken out, do you have any suggestions on a tool that would alleviate some of your challenges?

**Mr. Adrian Foster:** We've got the minister's orders. I suppose if there was a greater degree of success on the minister's orders—as an example, converting employment lands to residential is incredibly difficult. Immediately north of where the Courtice GO train is, we're in that situation where the best use of that land immediately north is going to be mixed use. You could buy a condo overlooking the lake, overlooking the Oak Ridges moraine, with access to the 401, access to the 418, a walk to the beach, a walk to the GO train station.

**Mr. Dave Smith:** What's it zoned as right now?

**Mr. Adrian Foster:** Those are employment lands. There is a smaller piece immediately north, but there is, I think, the potential for far more development. There's an outmoded view, quite frankly, that manufacturing and industrial create jobs. We can create a lot more service jobs than we could—you know, a hotel versus a warehouse, for example. There are a couple of potential projects in Clarington that we would really like to move forward with.

**Mr. Dave Smith:** Another thing that I've heard from some municipalities is the conversation around pre-zoning and being able to make changes to residential, going from single-family residential to multi-family, and giving the municipality the ability to have a modified mixed zoning in that instance. When a development is being put in, you can do both single-family residential—

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Dave Smith:** —as the original portion of it, but pre-zone it and pre-qualify it for infill later on. Is that something that might be beneficial to you?

**Mr. Adrian Foster:** We've got a brand new director of planning, who I'll speak for before he even comes in. Yes, it could be helpful.

**Mr. Dave Smith:** Thank you very much.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We appreciate your time today.

MS. MARIA PAPAIOANNOY

**The Chair (Mr. Stephen Crawford):** I'll call up our next presenter, Maria—

**Ms. Maria Papaioannoy:** Papaioannoy.

**The Chair (Mr. Stephen Crawford):** You said it.

**Ms. Maria Papaioannoy:** Forty-six years with that last name.

**The Chair (Mr. Stephen Crawford):** Welcome to the finance committee. You've already stated your name for the record, so you can start right with your presentation.

**Ms. Maria Papaioannoy:** Okay. Good afternoon, Mr. Chair and colleagues. My name is Maria Papaioannoy. I'm a small business owner. My husband and I own the Ecig Flavourium, which is a specialty vape store. We have three locations—two in Toronto and one in Port Hope. I am pleased and I appreciate the opportunity to speak and share my input with you during this consultation period for the upcoming Ontario budget.

I love the saying "Ontario is open for business." As a small business owner, it makes me hopeful. It says to me that my elected public officials want to help me grow and expand my business.

When the freeze happened on minimum wage, it was a relief. It was a relief to know that we would not have to cut back on our operating hours further. It was a relief to know that Dave, my husband, and I could spend more time growing our brand behind the scenes instead of dealing with the day-to-day small, little things. It was a relief to know that our government was on our side. You see, that small dollar-an-hour pause is going to help us this year to create more jobs in our stores. How? Because it will allow us to focus on the back end, the big things, while having staff focus on great customer service, in the end increasing our footprint in each community we have stores and creating more jobs.

The Ontario vaping industry is one that has seen significant growth since the first store opened in Ontario in 2009. Stores, manufacturers and distributors have opened their doors across this province and have created thousands of jobs in Ontario. We have also contributed to the growth of other industries as well—for example, shipping and delivery, design, graphic art, web design etc.

Since 2014, the industry in Ontario has been on the attack by government, public health and many anti-tobacco groups just because of the lack of education and the blatant comparison to tobacco instead of looking at it as a harm-reduction tool.

When I look at this consultation and think about how it's related to the industry I have been a pioneer in, I realize that previous governments did not see the impact on the revenues we produced by virtue of the jobs we created and

continue to create, and, frankly, the cost-effectiveness of vaping as a harm-reduction tool to our health care system. I totally understand the bad rap we get. I've spent hours trying to put myself in all your shoes. I know the amount of lobbying that MPPs get from anti-tobacco and now anti-nicotine groups.

Since 2013, the vaping industry has created thousands of jobs while at the same time offering a proven harm-reduction product to Ontario smokers. We live in an era where abstinence-only believers who want to regulate vaping devices out of existence—such as by banning flavours—focus on claims of perceived harm of e-cigarettes rather than their ability to help people quit the very thing that we know is killing them. These same people argue that vaping is creating addiction rather than assisting current smokers to stop. What they and many studies fail to accept is how many e-cigarette users would have taken up or continued to smoke combustion cigarettes if there weren't an electronic alternative.

In 2012, a study commissioned by the government of Canada stated that the total cost of tobacco use for Canadians was \$16.2 billion, and Ontario's share of that expense was just over \$3 billion.

In March 2015, a study from the United States came out and said that if states adopted e-cigs and vaping into their smoking cessation programs, as a whole, their health care system, Medicare, could see an annual savings of over \$48 billion. I'm not a mathematician, but if we take that number and look at it, that would be a big number for here in Ontario. We could see these savings.

I think further research to see if nicotine will be a problem in Canada is needed. In the meantime, it's unconscionable to ignore the fact that many lives could be saved if smokers were to switch to smokeless alternatives, including e-cigarettes. It should be more critical to prevent deaths from smoking than to adhere to some strictly moralistic stance that all tobacco use should be condemned.

The prevalence of cigarette smoking among adolescents has declined from 28% to 7% between 1996 and 2015. I agree there has been a rise in e-cigarette use among youth. Those users would have been cigarette smokers in the past.

Also, there has not been enforcement. Since the enactment of Smoke-Free Ontario, which happened in—when was it, October 2017—there have been no new TEOs, especially in the city of Toronto. We have the same TEO officers, even though their portfolios have expanded.

I think it's necessary that if the government would like to save money, adding more regulations to an over-regulated industry is not necessarily an answer. However, adding cash to fund health units specifically might be a really good start, and also adding funds to fund studies. How do we know if the current regs are working, when any person selling a vapour product in Ontario is only tested once a year, Monday through Friday, 9 a.m. to 5 p.m.?

I believe that in this upcoming budget, funds should be allocated for vaping—for example, more research on the cost savings of the province adopting this as a harm-reduction tool and research on the effects of harm-reduction—and more money for enforcement.

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Maria Papaioannoy:** By doing these two things, by taking a small amount of money and putting it aside to extend the lives of Ontarians through the use of vapour products, and at the same time helping public health units across this province enforce the current regulations, together we can not only keep vaping out of the hands of minors but we can help adult smokers live healthier lives being smoke-free.

Smokers smoke for nicotine, and then they end up dying from the smoke. I'm here to ask this government to stop listening to the noise created by these people, to realize the impact this industry has had on our economy, and to be progressive. Take a look at Public Health England's model for smoking harm reduction. Remember, it was the Royal College of Physicians in the 1960s that warned the world about the hazards of tobacco, yet it took decades for the rest of the world to listen. Don't make the same mistake twice. Listen to what they have to say about vaping. Thank you.

1610

**The Chair (Mr. Stephen Crawford):** Thank you very much. We're going to start questions on the government side. Mr. Downey.

**Mr. Doug Downey:** Thank you for your comments. I actually have a picture on my phone—I was getting gas and I went into the convenience store. On one pole, it has "Pepsi: three for five bucks," and on the other, it has a vape thing. If it's harm reduction, what's your position on the advertising? Should it be aligned with what's happening—

**Ms. Maria Papaioannoy:** I have very strong opinions on Smoke-Free Ontario, first of all.

**Mr. Doug Downey:** Please. I'm interested.

**Ms. Maria Papaioannoy:** Smoke-Free Ontario neglected to actually support the people who created this industry. That was former smokers. They've allowed blatant advertising in convenience stores, where kids are all the time. Then, specialty vape stores—we ID every single person who walks in through our doors, yet if we had a sign outside of our door which is within three inches of our front door, we are not allowed to have that sign there. I just don't get it. The place where people take their time to help people, where we do not allow children in the stores—I'll be very clear: We did not allow children in our stores before you guys told us that we can't allow children in our stores. Yet free advertisement—there's Vype. Vype didn't get into the market until May 23, 2017. We were there from 2009.

I don't think Smoke-Free Ontario is doing its job properly, because it didn't look at the balance and it didn't understand the difference between a convenience store and a vape store. I'm sorry if I'm being so passionate, but that's one of my pet peeves. So I'm right there with you: Let's get rid of it from there.

**Mr. Doug Downey:** Thank you.

**The Chair (Mr. Stephen Crawford):** Ms. Skelly.

**Ms. Donna Skelly:** Hi, thank you. It's Maria? I won't try and pronounce your last name.

**Ms. Maria Papaioannoy:** Oh, no problem.

**Ms. Donna Skelly:** You're arguing that vape is less harmful than a cigarette. It may not have the tobacco, but it still has harmful chemicals in it.

**Ms. Maria Papaioannoy:** Yes, but I'm taking the approach of harm reduction. Let's look at a car. We have seat belts in cars, so a car ride can be safer, correct? People still die in car accidents while wearing seat belts. This is a harm-reduction tool. The whole point of harm reduction is to get people to live longer so we can find a way for them to be safer—

**Ms. Donna Skelly:** You say "harm reduction" simply because it doesn't have the tobacco. Is that it? It's an alternative?

**Ms. Maria Papaioannoy:** It's because it's not burning. If you look, it's 95% safer than a regular cigarette, according to Public Health England and the Royal College of Physicians—

**Ms. Donna Skelly:** Public Health England? I'm just looking at the FDA, and they're arguing that it still has toxins. I don't want to sit here—I don't know enough about it.

**Ms. Maria Papaioannoy:** No, fair enough.

**Ms. Donna Skelly:** Is your ask that you want us to treat it as almost a healthy alternative to smoking?

**Ms. Maria Papaioannoy:** No. I'm asking you to treat it as not smoking.

**Ms. Donna Skelly:** How would that change our approach? What would we do differently?

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Maria Papaioannoy:** You put in some money to fund some studies for harm reduction. You would actually take the time, when you're building Smoke-Free Ontario, to look at the difference between tobacco use and vaping use. You would understand the fact that enforcement—access for young people doesn't happen in a specialty vape store; it happens at convenience stores. We need more enforcement.

It's the little things. It's actually looking at it. It has nothing to do with smoking; it just has to do with nicotine. For years, we were told to differentiate between the two products, smoking and nicotine. Only recently have we just combined the two of them together.

**The Chair (Mr. Stephen Crawford):** We're going to move to the opposition side. Mr. Arthur.

**Mr. Ian Arthur:** Thank you so much for your presentation. Just a couple of things on it: You said that new vapour users would have been cigarette users in the past.

**Ms. Maria Papaioannoy:** The ones that I come across on a daily basis for the last five-and-a-bit years, yes.

**Mr. Ian Arthur:** Is there data to support that claim?

**Ms. Maria Papaioannoy:** No, because government hasn't really spent any money to get some really good studies in there. So we're working on that.

**Mr. Ian Arthur:** What about private industry? I mean, if you're promoting a private industry for vaping, surely they would want to prove that that was actually true.

**Ms. Maria Papaioannoy:** Here's the thing: This industry was not created by a tobacco industry. My name is Maria. I am a small business owner, and I don't have the money to create a study like that.

**Mr. Ian Arthur:** No, I know. But I mean, Juul—

**Ms. Maria Papaioannoy:** Juul entered the market in September 2018 in Canada. They haven't been here long enough.

**Mr. Ian Arthur:** Okay. So that lack of data then would actually, I think, be a little bit of a problem, looking forward. There is also new data that we've had the first uptick in cigarette smoking in teens in years.

**Ms. Maria Papaioannoy:** In the province of Ontario or in Canada?

**Mr. Ian Arthur:** In the province of Ontario.

**Ms. Maria Papaioannoy:** Maybe that has to do with the lack of tobacco enforcement officers in the province, when the number of places that sell tobacco products in the province has increased while the number of people who actually enforce that hasn't. The city of Toronto has 19 tobacco enforcement officers; you do the math.

**Mr. Ian Arthur:** I'm trying to do the math, but there aren't really the numbers to do the math with, to be honest. We've seen declining rates in smokers for years with the same amount of enforcement officers, which would suggest that the approach to cigarettes and declining rates of smokers is actually working. So when you see an explosion in vaping corresponding with an uptick in teenagers smoking, I don't know what other conclusion to draw than that the two of them are related. Almost all of the new smokers who are teens identified as trying vaping first.

The Surgeon General of the US has just called this an endemic—

**Ms. Maria Papaioannoy:** Epidemic.

**Mr. Ian Arthur:** Epidemic, thank you.

I know that the Royal College of Physicians has taken a different view on this, but that's not the view of the EU, that is not the view of the US and that's so far yet to be the view of Canadians.

I appreciate that you're a small business owner. I appreciate that you're trying to run a business and that you would like to see the ability to do that, but I'm sorry, I severely question—I need the data.

**Ms. Maria Papaioannoy:** Okay. So Health Canada has a site, [www.canada.ca/vaping](http://www.canada.ca/vaping). They have even stated on their site the fact that adult smokers should switch to vaping if they've failed at other places.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Ian Arthur:** I'm not worried about that section of it. I'm not worried about that. I'm worried when I see data that says youth are using it in extreme amounts and that youth are transitioning to cigarettes again, for the first time in years. That is a problem for health in Ontario.

**Ms. Maria Papaioannoy:** And I'm asking here for the government to put money aside and use more enforcement. That is right off the bat one of the first things that I said. I asked for more enforcement. Do you realize how hard it is, every day, to watch kids vaping? Trust me. I pretended I was a tobacco enforcement officer outside of Peterborough's Winners. My husband was so embarrassed. I took away their e-cigarettes.

You may or may not believe me, and you may have a bias against me because I'm a business owner, but the thing

is, I'm a long-term smoker. I started smoking when I was 14 and I stopped because of this product when I was 38. It worked. That's why I opened my stores. I never opened my stores to help kids get hooked on tobacco, because why would I want someone to have a life like that?

**The Chair (Mr. Stephen Crawford):** Okay, thank you very much. We appreciate your presentation.

**Mr. Ian Arthur:** Thanks.

**Ms. Maria Papaioannoy:** No problem.

#### POND TECHNOLOGIES INC.

**The Chair (Mr. Stephen Crawford):** I'm going to call up our next presenter. It's Pond Technologies. Good afternoon. If you could just state your name for the record, you can get right into your presentation.

**Mr. Steven Martin:** Yes, my name is Steven Martin. I'm the CEO of Pond Technologies. I want to thank the committee for having me. I think I'm here to represent innovation and technology in Ontario. We are, in fact, an innovator, and we've developed some unique technologies in Ontario that can help address some of the challenges that we face, particularly sustainability and carbon abatement.

Pond uses algae to take untreated stack gas emissions from large emitters. We grow the algae on it, which is a bit of a surprising thing since it's mostly poisonous stuff to us, but the algae likes to grow on it. The resultant material, that algae, has remarkable value, often much more than the industries that we're connected to. It can range from US\$2,000 per tonne to over US\$60 million per tonne. The technology involves photonics, it involves biology; it involves all sorts of core things that are unique to Ontario.

One of the messages that I want to talk about is how we were able to achieve what we did. We were able to do this over the course of a decade in this province largely due to the availability of supporting networks and industries and pieces of the puzzle.

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Ontario is a unique jurisdiction. It's one of the only places on the planet where you can build anything from a cruise ship to a spaceship. You have a now-nascent automotive industry that provides lots of access to heavy equipment and heavy manufacturing. We manufacture big bioreactors. This requires that we have access to people who can bend and weld steel. We also make very advanced electronics. They're ours; we don't do them in China. They're designed and built here, in Markham, Ontario. We also design illumination systems—LED systems—that are ours. Then we do work with the raw dye. Again, that is all done in Ontario.

In fact, based upon work that once supported the US government's DARPA—their defence advanced research program—what we have done is developed this technology that allows us to close the carbon loop, taking nasty stuff from industry and turning it into stuff that we can eat, animals can eat and fish can eat, and in fact, even include things like pharmaceutical components, and we make sneakers out of the stuff. It's a very positive story for

Ontario, but a lot of it has to do with the support we receive from government programs.

We've been the recipient of many programs, from governments of all stripes. In particular, we worked with the Ontario Centres of Excellence. They actually provided the initial funding for Pond, so they're responsible for our birth, in large part. They matched an investment by industry. Since that time, we turned the initial about half-a-million-dollar investment into over \$35 million of investment in Pond. That's a pretty good multiplier. We employ somewhere between 16 and 20 people, depending on the time of the year, and we've been doing that for over a decade.

The Ontario Centres of Excellence is also crucial for us in protecting our intellectual property so that we can deploy our solution globally. We have been very successful at our patent strategy. We actually have a fully granted Chinese patent. China is a very misunderstood patent regime. But this opportunity for our technology is in the billions of dollars, based upon the investments that were made by government and government programs. Absent the government investment, it is unlikely that we would have been able to convince industry and other investors to take the first leap to develop our technology.

In the process of what we've been doing in giving back and our connection to the Ontario community, we've actually taken a role within universities and we've been graduating graduate students, mostly from the University of Toronto, in the algae cultivation area that we work in. We've had five highly qualified people graduate, four masters and one PhD student. All of them ended up working for us.

Again, the strength of these sorts of programs has been very important for us. We had a go-public transaction just about a year ago—as a matter of fact, a year ago and a couple of days. We rang the bell. It was very exciting. All of this, again, resulted from the work that we did with the OCE.

I understand that the government is under some pressure to find efficiencies. I understand that it's very important for every dollar invested by the government to have a meaningful impact on the economy and to be seen to be multiplying—propagating through and developing all sorts of new opportunities for Ontarians. I would suggest that the money that we have received has been multiplied many, many times over. We have garnered massive private investment—not just public investment—and we continue to commercialize our technology here. We've actually now become a fully Canadian company. We just acquired a BC operation—some of which will actually be moving here to Markham, Ontario. We're looking to deploy our technology across the planet. We have progressed our technology, we have secured follow-on funding and we have created jobs within the province of Ontario. So I'm here with an ask of the government to continue to invest in innovation and continue to support companies like mine in developing the new technology of the new economy.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We're going to start with questions from the opposition side. Mr. Arthur.

**Mr. Ian Arthur:** Thank you so much. I am going to go and read a whole lot about your technology, because it sounds fascinating and it's right up my alley.

**Mr. Steven Martin:** We have a very nice little video. It's about one minute long. It explains it all.

**Mr. Ian Arthur:** Okay. Yes. I'll watch that. I'll probably read more than that, though. It sounds really interesting.

I actually don't have too many questions. I think you've laid it out. I think that it's very good that your presentation fell after the centres for excellence, because we were asking for specific examples of what the centres were able to achieve. To have you come in here and give us this very concrete example of what came out of that and the jobs that came from it, I think, is excellent.

Sandy, do you have any questions? No?

**Mr. Steven Martin:** I could follow on, if you don't mind. I could make a comment.

**Mr. Ian Arthur:** Yes. Sure. We have four minutes, so you're welcome to keep talking.

**Mr. Steven Martin:** We have 16 people who work for Pond, and there are a couple of seasonal people who come in and out. All of these are very highly paid technical jobs. We've been around for 10 years, so it's 160 man-years, or person-years, that were created as a result of the initial—it was about a half-a-million-dollar investment that the OCE made through their innovation acceleration program way back in the day. I can say, as a taxpayer, it feels to me like the money was very well invested, and the resultant technology we have, which crosses a whole pile of different verticals—and the opportunities for us are enormous—is all really right back to the fact that the OCE was willing to take the risk on us.

I'm certain they have many other success stories. I would say, from our point of view, that absent them it would have been very difficult. Recall that 10 years ago, we had the economic meltdown, so starting a company in 2009 was a little hard. Finding any investment—and, in particular, investment in Canada that's outside of the mining sector is very, very hard to get. You spend your time on Bay Street and the first thing you're asked is, "Are you a mine?" If you say yes, you have a good likelihood of getting investment. If you say, "No, I'm a technology company," they suggest you go to Silicon Valley. We have steadfastly stayed in Ontario.

**The Chair (Mr. Stephen Crawford):** Okay, thank you very much. We're going to now go to the government side. Mr. Cho.

**Mr. Stan Cho:** Thank you so much for your presentation. Companies like yours really speak to me, because we're helping our environment without any punitive measures on the people of Ontario, and that's really something that helps us fight climate change and grow our economy and all those other great things. You know, with the crops that you help build with greenhouse gases, maybe Genecis—it's a small company in Toronto—can help turn those into usable biodegradable plastics. I just visited with them a couple of weeks ago. They take food waste, and that's the kind of thing they're working on.

These are exciting times; there's no question about it. Congratulations on all of your success. I wish you continued success moving forward.

My question is more about the process when you started out. You said, and I really appreciated that, that the money invested must have a positive impact. I don't want to spend any time talking about our financial difficulties right now—I think everybody knows the position that we're in—but every dollar must be measured. Value for money is a huge consideration, and I want to continue to make sure that our government is helping companies like yours, or that will be like yours, moving forward.

If you don't mind, just walk me through the process. What were the metrics of success from the OCE? How did they ensure that they were getting their best bang for the buck from companies like yours when you were starting out?

**Mr. Steve Martin:** Well, they did the standard due diligence that you would expect for any investment. But I have to stop there, because I'm considered in some circles to know a little bit about innovation. This isn't my first company. The problem with innovation is governments are very interested in fostering innovation and being innovative, but what they're not capable of or fully understanding or cognizant of is that innovation, by definition, is risk. If you are investing in innovation, you have a much-better-than-average chance you're going to lose your money. That's the way it goes. That's what's supposed to happen.

Failure to recover the money or failure to foster that company is not necessarily failure, because there is a process of learning. You create high-quality people and high-quality opportunities, and often the people will come out of the ashes of a failed innovation company and create a new company. That thing is one problem the government seems to have an issue with. There's a misunderstanding that they can, at the front end, before they invest their dollar, be sure that that dollar is not going to be wasted. You can never be sure of that.

With respect to the OCE, what they did was the best due diligence of any group we've ever worked with. The people on Bay Street should be embarrassed compared to what these guys did.

**Mr. Stan Cho:** And that's a fair point. I think government has proven that it's terrible at picking winners and losers. My concern would be, and maybe you can help me with this: We're looking for solutions. I understand your point; it's well received. But is there a way to mitigate that risk? Is there a collaborative way for companies to learn from the ashes and sort of grow collectively?

**Mr. Steve Martin:** Yes. There are a number of things that government could do, and things that don't cost government money. Right away, I'm going to suggest that they continue to invest in programs like OCE and others. But there are other things that could be done. Encouraging the private sector to invest is actually relatively easy, and wouldn't necessarily cost you anything, because these investments won't happen otherwise. If there is an opportunity to have, perhaps, a tax holiday, or to treat investments in areas that the government is interested in fostering as similar to a charitable donation—for example, it's

very bold, but an investment in technologies that reduce greenhouse gases or increase sustainability, let it be a tax deduction. You will find the private sector will come in with their money, not your money, to fill that gap.

There needs to be something to tip the scales a little bit in favour of technologies, particularly sustainable technologies, and away from traditional investments that people feel very comfortable with, like mining. Mining is driven by things like flow-through shares. There's no equivalent in technology. If there was, you guys would be awash in technology companies.

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**Mr. Stan Cho:** What's your ticker symbol, Mr. Martin?

**Mr. Steven Martin:** POND.

**Mr. Stan Cho:** Thank you very much. I appreciate your input—

**The Chair (Mr. Stephen Crawford):** Thank you very much. We appreciate your time.

**Mr. Steven Martin:** Thank you.

#### HEALTHCARE PROVIDERS AGAINST POVERTY, PETERBOROUGH

**The Chair (Mr. Stephen Crawford):** We're going to call up our last presentation of the day, the Healthcare Providers Against Poverty, Peterborough. Good afternoon. Welcome to the committee. If you could just state your name for the record, and you can get right into your presentation.

**Dr. Jessi Dobyns:** My name is Dr. Jessi Dobyns from Healthcare Providers Against Poverty, Peterborough. I'm sure you've had a very long day so thank you for hearing me at the very end of the long day.

I am here as the co-chair of Healthcare Providers Against Poverty, Peterborough. We're a sub-chapter of Health Providers Against Poverty, Ontario. It's a voluntary organization of health care providers such as physicians, like myself, and nurses. Our goals are to eliminate poverty, to work towards income security and social security for all, and to raise awareness about the health impacts of poverty.

I am here today to call on the provincial Legislature to address income security and health inequity in your upcoming budget. This is not a single-ministry issue or a single-interest issue. It affects all of us as Ontarians every day as neighbours and as family members in our own communities. Poverty is the most significant health threat facing Ontarians today, and as health care providers, we see this every day in our work.

I would like to share with you a brief story a colleague at a local primary care clinic recently told me, from their waiting room. A young man came in for an appointment. He laid his coat on the waiting room floor and laid down on it. When asked if he felt too sick that he had to lie down because he was so unwell, he said, "No, I'm just exhausted. I've been walking the streets for the past three nights because I can't find a shelter bed." Imagine being so exhausted that you would lie down on a waiting room floor.

In Peterborough, emergency shelters are full to capacity. The rental vacancy rate is 1.5% and the market rates

for rental housing are prohibitively expensive for someone on social assistance or working a minimum wage job. The cost on Ontario Works currently is \$733 a month. The current market rate for a single-unit dwelling in Peterborough is \$850 a month. Do the math; it doesn't add up.

Trying to survive on an income grossly below one's means leads to food insecurity. The Ontario average is that one in six children live in food-insecure houses. The average in Peterborough is that one in three children live in food-insecure houses, and in single parent families, that's 50% of households. With one parent in the home, the children are food-insecure. Food insecurity means that you can't afford money for basic food needs for the month.

Peterborough Public Health calculates every year a nutritionist's food basket and says how much money someone needs to buy food per month. The calculation for a family of four working at minimum wage in Peterborough is that they would have to spend 25% of their monthly budget on food costs. For someone on Ontario Works, that rises to 35% of their budget. Minimum wage and social assistance are woefully inadequate to cover bare necessities, and food insecurity translates into poor health.

Why am I speaking about this as a physician? Because I see this every day. And it's not just myself; it's the Canadian Medical Association, the national body of physicians in Canada. Their 2013 report *Health Care in Canada: What Makes Us Sick?* outlined that poverty is the biggest barrier to health for Canadians.

Social determinants of health, by conservative estimates, account for 50% of people's health outcomes. Lower incomes associate with an increased burden of diseases, higher mortality, higher rates of diabetes, heart disease, cancer, obesity, asthma and depression. These inequalities disproportionately affect people who are marginalized: women, children—such as the rate for food insecurity of children in Peterborough—people with disabilities, racialized Ontarians and Indigenous people.

When we talk about an increased burden of disease, it's not just about quality of life. A study in Hamilton, Ontario, found that there was a 21-year gap in life expectancy between people in the highest income neighbourhoods and people in the lowest income neighbourhoods; 21 years in a province where we have a public health care system is shameful.

It's also expensive. In 2007, a study in Ontario calculated the expense to our health care system from poverty. It estimated that increasing the income of people in the lowest income quintile in Ontario to a level comparable to those in the second quintile would reduce health care expenses in Ontario by \$2.9 billion provincially and \$7.6 billion federally. That is not small change.

Your government has outlined planned reforms to the social assistance system such as expanding the amount of income a client can earn while on social assistance, which could lead to re-entry into the workforce. However, both OW and Ontario disability support will now claw back 75% of all income from the exemption limit instead of the current 50% clawback from income earned while on social assistance. The increase in the clawback means that clients

will be cut off at a lower level of income under the new system than the old. This results in a disincentive to work as people struggle to survive on the inadequate income that social assistance provides.

Health Providers Against Poverty is also extremely concerned with the proposed changes to the definition of "disability" for ODSP. Narrowing the definition of disability and restricting eligibility will affect the most vulnerable. These are the patients I see every day. Those struggling with mental illness, who face barriers to work and require substantial regular access to health care, will become more vulnerable. People with cumulative disability from intermittent or multiple conditions could be affected. The stressors of deeper poverty predictably lead to worsening health, precarious housing, situational crises, and inability to manage their health conditions, which lead to higher use of acute health care resources. Acute health care resources, as I'm sure you all know, are the most expensive ones—more so than any preventive health.

The reduction of OW and ODSP rate increases to 1.5% will also keep clients in deep poverty. It's below the rate of inflation and is simply not enough.

As health providers treating the effects of poverty on a daily basis—

**The Chair (Mr. Stephen Crawford):** One minute.

**Dr. Jessi Dobyns:**—we call on the provincial Legislature to reverse the decision to change the definition of ODSP; to reverse the increase in the clawback from OW and ODSP back to 50%; to ensure that social assistance reform is implemented co-operatively with clients and that it's truly client-centred; to restore the 3% increase in social assistance rates and work towards social assistance rates that actually reflect the real cost of living; and to resume the basic income pilot to its completion.

These recommendations are in line with the Canadian Medical Association, which in 2013 called for similar recommendations at the provincial and federal levels, including giving top priority to developing an action plan to eliminate poverty and evaluating a guaranteed annual income through a major pilot project.

These would amount to an ounce of prevention which will reduce Ontario's chronic disease burden and prevent taxpayers from having to foot the bill for health care that will be required if you do not. If you could save \$2.9 billion in health care costs by providing income security, wouldn't you? The alternative—of weakening worker protections and weakening social assistance programs—is a deadly combination that will worsen the health of low-income Ontarians and, far from ending hallway medicine, will entrench it.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We're going to start questions from the government side—up to four minutes. Mr. Downey?

**Mr. Doug Downey:** I was just looking around to see if anybody else—

**Ms. Donna Skelly:** I just have—

**The Chair (Mr. Stephen Crawford):** Ms. Skelly.

**Ms. Donna Skelly:** Hi, Jessica. Thank you for your comments. The reference to the Hamilton study, the 21-

year difference in life expectancy between people living in high-income and low-income neighbourhoods: What study was that?

**Dr. Jessi Dobyns:** I can find you the written reference. I was reading about it in an article from the Ontario Medical Review, a 2013 article by Dorman et al, but I don't remember—

**Ms. Donna Skelly:** Is it in Code Red? Okay. Thank you.

**The Chair (Mr. Stephen Crawford):** Mr. Downey.

**Mr. Doug Downey:** My questions were more general in terms of information about the organization. I quickly went to your website. It looks like you're in Toronto. You're obviously presenting here. Can you maybe give us—

**Dr. Jessi Dobyns:** We're a local chapter in Peterborough. We're a member of the Toronto organization. We're an affiliate or sub-chapter in their work.

**Mr. Doug Downey:** So is it across Ontario that there are sub-chapters?

**Dr. Jessi Dobyns:** Yes. There are groups across Ontario, and then, as well, in other provinces: Nova Scotia, New Brunswick.

**Mr. Doug Downey:** Okay. Honestly, I'd never heard of the organization. It's quite interesting. Thank you.

**The Chair (Mr. Stephen Crawford):** Mr. Piccini.

**Mr. David Piccini:** I just had a quick question. Thank you for the work you do and for presenting to us today.

As a health professional, I'm just wondering, as we look at combining all this feedback—and we've had a number of others present, from LHINs to hospitals to mental health to case workers. I'm just wondering what role and unique value proposition you see yourself and your organization playing to feed in as we look at government and how we can support system improvements. I think our health system needs some work.

**Dr. Jessi Dobyns:** It does.

**Mr. David Piccini:** It's an understatement. I think we all agree on the investments we need to make into mental health. We spoke about so many groups doing such remarkable work and ensuring that our new investment is done in a really holistic manner so that we're not picking and choosing winners and losers and just feeding echo chambers and small silos.

Sorry, there's a lot there. If you could just—

**Dr. Jessi Dobyns:** Sure. Our work as an organization from HPAPP is advocacy. In my professional life, I work clinically every day.

In terms of how to reform the health care system, that's a very large question. But when we look at the health outcomes—in my clinical practice every day, income security is truly the number one impact on people's health. If you want people to be healthier, then give them the money to be able to take care of themselves—a very short answer.

**The Chair (Mr. Stephen Crawford):** Okay. We will go to the opposition side. Ms. Shaw.

**Ms. Sandy Shaw:** Thank you very much for your presentation. I'd just like to say that I completely understand the kind of obvious connection between income security and health. There's research that has pointed it out

again and again and again. Really, in some regards, it's just obvious, but we still have to keep saying that the people who don't have money have poorer health outcomes. It's so frustrating to me that we still have to keep reminding about the connection, the absolutely well-proven connection, between income and people's health outcomes.

I'm just going to tell a quick little story. I used to work for the Social Planning and Research Council of Hamilton. There are a lot of physicians who do advocacy work there. One of the things that we used to try to illustrate the importance of income and the cost to the system was a story that was written by Malcolm Gladwell. He's a Canadian journalist, or writer, I guess. He wrote a story in the New Yorker called Million-Dollar Murray. Essentially, what they did was they tracked the case of a man who was homeless, living with absolutely no income, and the interventions, the number of times that he had to go to emergency, the number of times that he was treated. The gist of the article is that they said, "We spent \$1 million to do nothing for Murray," and eventually, he did die.

If you could maybe emphasize that this is not just the right thing to do or the just thing to do, to ensure that people have adequate income, but that it really does make economic sense for our overburdened health care system.

**Dr. Jessi Dobyns:** Absolutely. There's some really interesting work out of Ottawa with Dr. Jeff Turnbull, who was the former president of the Canadian Medical Association and is involved in inner-city programs in Ottawa. They set up a coordinated program that they managed to cobble together funding for from a whole bunch of different things, because funding is siloed. They cobbled it together to run a wet shelter for men with chronic alcoholism who were on the streets, who were being picked up by paramedics, being picked up by police and going to the emergency department. They identified people who had multiple visits to the emergency department per month. I think it was 10; I'd have to go back and look at the number.

They set up a wet shelter and housing stabilization for these men and saved millions of dollars. It was profound, the impact. That program that they run is still cobbled together through funds because it's deferring costs from the police, it's deferring costs from emergency medical personnel, it's deferring costs from the emergency department. The health costs often get scattered across, so you don't see that million dollars because everyone is seeing a different \$1,000 here or \$2,000 there. But when you add it up and look at the policing, the emergency medical and the emergency departments, the cost is monumental.

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Sandy Shaw:** Right. The article said that they spent \$1 million and it resolved nothing.

**Dr. Jessi Dobyns:** Yes. And providing someone stabilization with housing and regular medical care in that setting is a profound difference in cost savings.

**Ms. Sandy Shaw:** We have less than one minute. Really quickly, can you talk about—the Basic Income Pilot was looking, with some promise, to address the idea

of income security. That was cancelled. There are some changes to OW and ODSP that most people are thinking are not going to be helpful. Can you quickly talk about how you feel that will impact the things that you're fighting for?

**Dr. Jessi Dobyns:** Part of my practice is obstetrical, so I do maternity care and deliver babies. I saw a patient last week who is from Lindsay and is pregnant now and was part of the Basic Income Pilot. She got pregnant because she thought she would have a guaranteed stable income. Now she's pregnant and she's losing her income, and she's trying to save any money that she can because she knows that it's about to drop. So the individual personal impact

on my patients' lives, people who have chosen to go back to school because they had this guarantee—

**The Chair (Mr. Stephen Crawford):** Thank you very much.

**Ms. Sandy Shaw:** Yes, thank you. We hear those cruel stories. I thank you for your work.

**The Chair (Mr. Stephen Crawford):** We've exceeded our time, but we appreciate your presentation.

We're really appreciative of being here in Peterborough today. That concludes our presentations for today. We will adjourn until tomorrow, January 29, at 9 a.m., in Toronto at Queen's Park. I call this meeting adjourned.

*The committee adjourned at 1644.*







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