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**Standing Committee on
Finance and Economic Affairs**

Pre-budget consultations

1st Session
42nd Parliament
Friday 24 January 2020

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

Consultations prébudgétaires

1^{re} session
42^e législature
Vendredi 24 janvier 2020

Chair: Amarjot Sandhu
Clerk: Julia Douglas

Président : Amarjot Sandhu
Greffière : Julia Douglas

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS

Friday 24 January 2020

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Vendredi 24 janvier 2020

The committee met at 0900 in the Crowne Plaza Niagara, Niagara Falls.

PRE-BUDGET CONSULTATIONS

The Chair (Mr. Amarjot Sandhu): Good morning, everyone. Welcome to the Standing Committee on Finance and Economic Affairs. We are meeting today in Niagara Falls for the purpose of pre-budget consultations.

Before we begin, just a quick note that we had a cancellation for today. The Dairy Farmers of Ontario, on the agenda for 3:30 p.m., can no longer attend.

Each witness will receive up to seven minutes for his or her presentation, followed by eight minutes of questioning from the committee, divided equally amongst the recognized parties. Are there any questions before we begin?

ASSOCIATION OF MUNICIPALITIES
OF ONTARIO

The Chair (Mr. Amarjot Sandhu): I would like to call on the first presenter of the day, the Association of Municipalities of Ontario. Please come forward. Please state your name for the record. You will have seven minutes for your presentation.

Mr. Brian Rosborough: My name is Brian Rosborough. I'm the executive director of the Association of Municipalities of Ontario. Thank you very much for the opportunity to be with you this morning. We've distributed our written report in advance. I'll quickly get through my remarks, and we can proceed from there.

Turning to the report in front of you, on page 3: Ontario municipalities raise \$41 billion a year in own-source revenue. It's money they raise through their authority as municipal governments. About \$20 billion of that is raised through property taxes and payments in lieu, and the other half is raised through user fees and other revenue, such as development charges, licences and permits. Municipal annual revenues include an additional \$10 billion in mostly provincial and some federal funding. In total, municipalities have a combined revenue of \$51 billion a year. For comparison purposes, that's equal to one third of the total revenue of the government of Ontario, which is about \$150 billion a year. It's also equal to the total revenue of the government of Alberta. The combined revenue of Ontario's municipalities is roughly equal to the entire amount of revenue the province generates from both

personal and corporate tax. Municipalities are a major partner in public finance in this province and, consequently, a partner in Ontario's prosperity.

We're also highlighting issues of affordability in our submission, and we have a series of figures in the report that illustrate this issue. One in five homeowners in Ontario is spending 30% or more of their income on housing. Property taxes are already amongst the highest in the country, second only to Alberta, and the residential share of property tax is growing relative to the non-residential share—and there's a discussion of that in the paper.

Our presentation also contains a figure on page 6 that shows the relative program spending of 10 provinces. Ontario's program spending is the lowest in the country, by about \$2,000 per person.

Demographic shifts are another important part of the fiscal picture for municipal government. We highlight, as an example, the increasing demand on paramedic services and consequent cost escalations.

Municipalities have also been managing changes stemming from current government decisions and actions—some reducing and some increasing our costs. Changes to cost-sharing in public health will have a fiscal impact in future years which is not yet fully understood. The changes to the Development Charges Act and the creation of the community benefit charge are not yet fully understood. Changes to blue box funding are very positive and will save municipalities an estimated \$130 million a year at maturity.

The government's Ontario Municipal Partnership Fund, OMPF, is stable and allocated for 2020, and the Minister of Finance has announced that that figure of \$500 million will remain the same in 2021, as well. Municipalities have received substantial funding support for modernization and greater efficiencies, which will be very helpful and has been enthusiastically received by municipalities.

We've taken note of the key themes in the government's fall economic statement, which will be familiar to this committee. We note that municipalities are integral to every one of these goals and that the government will need to work in partnership with municipalities if it plans to succeed.

As the committee is aware, municipalities deliver, fund and govern most of the services that people rely on day to day and at all stages of life. They support residents and business alike. They include services to property, public

safety, health and human services, transportation, environmental protection and so on.

Typically, in Canada, many of these services are delivered and/or funded by provincial or territorial governments. Examples include child care, public health, paramedicine, seniors' care, social housing and social assistance. In 2017, which is the data we're relying on from the financial information returns, municipalities invested \$12 billion in these services, offset in part by provincial grants.

Our report shows, on page 10, the difference between what municipalities spend on what can conventionally be described as provincial health and human services, and the total amount of provincial grants that municipalities receive. It shows a gap of about \$3 billion a year, using 2017 data.

That was roughly the figure that AMO identified to illustrate the fiscal gap back in the mid-2000s, when we negotiated the uploading of social assistance benefits and court security costs. Had that uploading of \$2 billion in social assistance and court security not occurred between 2008 and 2018, that gap would now be \$5 billion instead of just over \$3 billion. So, in relative terms, that gap has been reduced significantly since 2008, when we have gone as a sector from a \$35-billion-a-year sector to a \$50-billion-a-year sector.

The uploading was also successful for another important reason: It allowed municipalities to reinvest their own resources in infrastructure. A figure on page 11 shows a relationship between uploading and infrastructure investment. You can see that by 2017, uploading saves municipalities about \$2 billion annually, and in that same time period, municipal infrastructure investment increased by about \$4 billion a year—a factor of 2 to 1.

The relationship between the two factors is what we predicted when the uploading was negotiated: that municipal savings due to uploading would be reinvested in municipal infrastructure.

We conclude that if municipal resources are left in the hands of municipal governments they will be invested in municipal priorities, including the infrastructure that is the fabric of our economy.

In conclusion, Ontario's \$50-billion municipal sector is fundamentally important to the success of Ontario. It's a key partner in Ontario's prosperity. Municipalities are managing serious fiscal pressures, and are seeking assurance from the province that it's committed to the economic sustainability and prosperity of Ontario's communities.

While the provincial government is striving to reduce costs and Ontario's substantial debt, it must balance these goals with the need to make strategic investments in important priorities, including transit, housing, roads and bridges, broadband, climate change adaptation—key issues for municipalities.

Ontario and its municipal governments must work in partnership to build the strong and sustainable communities that are the foundation of this province. Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll start with the opposition side for four minutes of questioning. MPP Mamakwa.

Mr. Sol Mamakwa: Thank you for the presentation, Brian. I come from a riding in northwestern Ontario. Certainly, we were up in Sioux Lookout on Monday.

When we talk about partners, such as First Nations—I'm not sure if AMO has ever considered creating urban reserves in any of the municipalities. I ask that because in other provinces—Saskatchewan, Alberta, Manitoba—they have these urban reserves, where First Nations buy a piece of land and convert it to federal land. It's an economic driver, but also it brings economic prosperity to the communities. So, I'm just wondering, at your level, if there have ever been those discussions, because as far as I know, there's none in Ontario.

Mr. Brian Rosborough: So far as I know, there are none in Ontario. It's not something that our board has considered, and it's not something that I've heard much about from our membership.

Certainly, our members are striving to do a much better job of being good neighbours where reserves exist. They're certainly very cognizant of the fact of the importance and contribution of Indigenous peoples in urban communities, and the magnitude of the population in urban communities. We have had some recent discussions with friendship centres around coming to an agreement where we could work together to do a better job of serving Indigenous people in our urban centres.

0910

To your specific question: It's not something that I've heard raised, and it's not something we've discussed. Thank you for the question.

The Chair (Mr. Amarjot Sandhu): Further questions? MPP Burch.

Mr. Jeff Burch: Thank you for your presentation.

AMO has been a real advocate for an increase in the gas tax funding. It's currently at two cents a litre for municipalities. Can you talk a little bit about the importance of the increase, which was cancelled while the program is under review, and how important that is to municipalities?

Mr. Brian Rosborough: Transit funding is absolutely essential. We have the federal gas tax and the provincial gas tax, which you're talking about. There was a hope and an expectation that that funding would be doubled soon after the election, and that is not happening now. We have said that that would be an ideal destination for additional provincial investment, once the province is in a better position to make additional investments in our sector. We think about transit in the very largest communities, but there are many, many smaller communities that are operating transit or wishing to create transit opportunities for their residents. So it's a vitally important service in very large municipalities, in medium-size municipalities. We will certainly advocate for increased investment in that area.

The Chair (Mr. Amarjot Sandhu): Further questions? MPP Gates.

Mr. Wayne Gates: Thanks for your presentation.

What are the two biggest issues for your members? I'm looking at things like poverty and housing and stuff. I know we don't have a lot of time, so—

Mr. Brian Rosborough: First one, money; second one—you talk about poverty. I think we need to take a look at the integration of services across our communities. Only municipalities are in a position to truly integrate a range of health and human services at the community level. We work with many different—

The Chair (Mr. Amarjot Sandhu): Thank you. I apologize to cut you off.

We'll have to move to the government side for their time of questioning. MPP Piccini.

Mr. David Piccini: Thank you very much for being here this morning.

I just have a quick question on community paramedicine. Community paramedicine has been important to a lot of municipalities. In my county, upper- and lower-tier—my county is working on a community paramedicine project. I was wondering if you could speak to the role that AMO can play in standardizing some of the best practices across the province. I know we've been working with the LHINs as they wind down. What role do you see AMO playing in standardizing best practices for community paramedicine?

Mr. Brian Rosborough: Well, we work closely with the chiefs, who really have the lead in determining how municipalities respond to provincial regulations and funding around paramedicine in general.

Are you talking about community paramedicine in particular?

Mr. David Piccini: Yes.

Mr. Brian Rosborough: It's an emerging and important issue. Community paramedicine is really about what paramedics can do in the community that's apart from transporting patients. It's an interesting opportunity. It has the potential to save the provincial health care system a great deal of money through efficiencies and avoiding hospital stays and other such things because it's preventive.

One question, though, will be how it's paid for, because we primarily pay for paramedic services, but the savings attributable to this very good idea would really be rendered to the province rather than to municipalities. We do have to take a look at, if we're going to expand community paramedicine, the right way for it to be funded so that the improvements to service in the community, the improvements to the health care system can be enjoyed—but that it's funded in a way that makes sense, given our current partnership in the delivery of paramedicine and paramedic services in Ontario.

The Chair (Mr. Amarjot Sandhu): Further questions? MPP Cho.

Mr. Stan Cho: It's great to be joining the committee today in Niagara Falls.

Thank you, Mr. Rosborough, for your comments. I have a couple of comments, and then I'll ask you a question.

I know that last summer at the AMO conference in Ottawa, we heard from your members about how important it is to have transparency and a good communication relationship with the government. So we hope that you're satisfied and your members are happy with the direction we're heading in, with giving as long a runway as possible with announcements. That will continue from our end.

You talked about integration from your members—and certainly, I've been hearing it across my own budget consultations throughout the province. I believe that's key. Governments of all political stripes for too long have operated, between ministries, in giant, concrete reinforced silos. Life doesn't work that way, does it? I've heard that loud and clear from your members, that housing relates to transportation relates to transit relates to education. These are all integrated. So we are hard at work on the government side to make sure that we do our best to break down those silos and have a better line of sight.

My question that I want to ask about is some of the better examples you've had with the modernization funding from some of your members: Where has that money been spent? Has it helped your members? What sort of benefits are we seeing in those communities?

Mr. Brian Rosborough: I don't have too many specific examples off the top of my head, but what we're seeing is a lot more work with neighbouring communities around joint services. We've seen some discussions around amalgamating police service boards in order to govern police services across multiple communities and questions about how many, for example, volunteer fire services are required in neighbouring communities.

This is, sort of, well funded. It's a ground-level-up kind of initiative where municipalities are coming forward with ideas. Minister Clark announced at the AMO conference 27 projects involving 130 municipalities that are coming together to look at joining services and innovative ways of doing things. So that's a very positive thing, and I will—

The Chair (Mr. Amarjot Sandhu): Thank you. I apologize to cut you off. That concludes our time. Thank you so much for your presentation.

ASSOCIATION OF MAJOR POWER CONSUMERS IN ONTARIO

The Chair (Mr. Amarjot Sandhu): Moving along to our next presenter, from the Association of Major Power Consumers in Ontario: Please come forward. Please state your names for the record, and you will have seven minutes for your presentation.

Mr. Colin Anderson: Good morning. My name is Colin Anderson. I'm the president of the Association of Major Power Consumers in Ontario. With me today is Doug Yates; he is the chairman of my board.

Members of the committee, I'd like to express my appreciation on behalf of AMPCO for this opportunity to address you. I'd like to start by providing a little bit of background. AMPCO is the voice of industrial power users in the province. Our members represent Ontario's industrial base: mining, pulp and paper, petrochemical, automotive, steelmaking and many others with operations across the entire province. AMPCO's members are major power consumers. We accounted for about 11% of the power used in the province last year. A reliable, sustainable and affordable energy supply is critical to the success of their businesses, which is why AMPCO has an interest in these consultations.

I'll be limiting my comments today to areas that are directly related to electricity pricing and to general affordability of power.

This represents my third appearance before a committee in this government's term. In the previous two, AMPCO was supportive of both the Green Energy Repeal Act and the Fixing the Hydro Mess Act. However, we were also very clear in pointing out that neither piece of legislation eliminated any existing costs from the electricity sector. Both appearances referenced the need to remove costs in order to address Ontario's lack of competitiveness. I am echoing that sentiment once again today. The time to take meaningful action is now. Recognizing that imperative as part of this budget process is essential.

AMPCO believes that industrial pricing reform in the electricity sector will best be achieved using a two-pronged approach. First, global adjustment charges in Ontario currently total over \$1 billion per month. The amount of the GA must be re-evaluated, and steps must be taken to reduce its overall size. Second, in concert with reducing the GA, a portfolio approach should be implemented with regard to industrial electricity rates. Alternative rate options are necessary to address the increasing competitiveness gap between Ontario and other Canadian and US jurisdictions.

I'd like to provide a little bit more detail on both of those approaches. In regard to shrinking the GA, according to the IESO website, the total global adjustment is \$12.8 billion for the 12-month period of December 2018 to November 2019. Of that amount, 36% is due to gas, wind and solar contracts, 32% is due to OPG's rate-regulated assets and 20% is due to Bruce Power. Combined, that represents 88% of global adjustment amounts. These are the areas that need to be addressed.

Now there's unlikely to be one single change that, if implemented, would reduce global adjustment charges by a meaningful amount. That's why a number of changes are necessary. The government's directive to the IESO to re-evaluate existing contracts is a good first step. Regarding gas, wind and solar contracts, a blend-and-extend approach could be employed where current contract prices could be reduced in exchange for longer contract terms.

0920

OPG's allowed return on equity and deemed capital structure should be reconsidered to reduce its revenue requirement. It should be noted that OPG had a mandated 5% ROE, approximately half of its current value, during the period between when O. Reg. 53/05 first came into force and when the OEB assumed regulatory authority over OPG. Further, other jurisdictions, such as the UK, have taken similar steps to reduce allowed ROE values. In neither case did investors abandon the sector. This approach should be extended to all rate-regulated electricity utilities to maximize its impact.

Bruce Power's contract should be reviewed. Very little information exists in the public domain as to the content of this agreement and, for this reason, no specific recommendations could be advanced here, but a review of the contract should be undertaken to assess whether opportunities for savings exist.

Now, these are examples only and they don't necessarily constitute a comprehensive list.

It's important to understand that shrinking the global adjustment is not an industrial rate program. Shrinking the global adjustment will not just facilitate lower industrial prices, it will lower electricity commodity costs for all customer classes, including residential customers.

If, by undertaking the approaches just discussed, an aggregate amount of \$2 billion per year could be found, this would be approximately what is needed to achieve the 12% rate reduction that the government is currently seeking—all without imposing pressure on the upcoming budget.

Moving now to the second aspect of the two-pronged approach, I'd like to touch very briefly on the need for additional industrial electricity programs. There is currently one active program in the province for industrial customers—the industrial conservation initiative. As effective and useful as this program is—and for clarity, it should be maintained—it's not all things to all people. Many industrial customers cannot participate in the ICI program due to their operational realities. They require a different solution.

Other jurisdictions have wrestled with this issue and have implemented additional programs which reinforce the linkage between energy and economic development. Those jurisdictions are achieving the kind of economic results that Ontario needs: employment growth and increased investment.

I won't go into detail on specific programs today due to the time constraints, but AMPCO's submission made as part of the industrial rate consultations last year provides that additional detail. I will forward that submission to this committee.

Some of these programs may indeed require some incremental budget funding; however, the potential savings associated with shrinking the GA will eclipse whatever funding requirements are determined to be necessary to achieve the economic benefits associated with additional rate constructs.

In closing, these two approaches—shrinking the GA and additional industrial rate programs—will maximize the opportunities to create a competitive business environment that will result in increased investment in the province and additional jobs for Ontarians while minimizing pressure on the provincial budget. I'm happy to take your questions.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll go to the government side this time. MPP Smith.

Mr. Dave Smith: I appreciate the comments that you made at the very beginning, that you were supportive of the two acts that we had implemented to start this process. I'd like to emphasize that it is a starting of the process.

There were about \$780 million of solar contracts that we cancelled before they went online. You're correct that it didn't reduce the current rates, but it stopped the one rate increase that would have been scheduled to cover those.

Fixing the Hydro Mess Act—there was a lot that was wrong with the way that hydro was being administered in

this province. Again, that's one of those things where we've been able to stop a round of rate increases. It doesn't help today, but it is absolutely helping you as we move forward in the future. Not having those rate increases come online, making us less competitive, would have been very detrimental to our large industries.

What we've seen in the last 15 years or so is that a large number of our large electrical users have left Ontario for other jurisdictions because it is much cheaper, so we do recognize that we have to get those costs down.

With respect to the global adjustment—I know that in seven minutes it's very hard to get into any kind of details, and I only have four minutes with you, so it's going to be hard as well. For those who don't know, the global adjustment essentially is the difference in cost between what the contracted rate is to the electrical provider and what we're paying in the actual fees. There's a direct correlation. If we lower the price of the average person's electricity, and we're in a contract at a much higher rate to buy that electricity, then the global adjustment fee goes up. The two of them work hand in hand, because we have to cover those contracts.

I like, conceptually, your idea of the blend-and-extend. It would definitely provide relief for us now. For those who have a mortgage—just so that they understand exactly what we're talking about—it's essentially taking your existing mortgage, that may have a year or two left, locking in to the lower rate today and blending in what your other one was, so that you don't get caught in a position where you're paying at a much higher rate down the road.

The challenge that I see with it, and I'd like to know how you think we should address it, is that most of those contracts—in fact, all of those expensive contracts—started after 2008. Most of them were 20-year contracts, so the earliest ones come off in 2028. Some of them were signed in 2017 and wouldn't effectively come off until 2037.

If we do a blend-and-extend, would you suggest that we do it as a blanket blend-and-extend on all of the contracts? Or is it worth looking at the most expensive ones, doing the blend-and-extend to bring those down and trying to find a sweet spot that way?

Mr. Colin Anderson: I'll try to respond as quickly as possible to a couple of things.

First of all, the blend-and-extend approach could be employed against any of the contracts, including the gas ones. Quite frankly, I believe some of those gas contracts come off-line in the mid-2020s—2025, 2026. So if I was sitting there with those gas assets, I would be interested in extending my revenue stream associated with them more than the five years that I currently have. I would expect that those boards of directors would be interested in guaranteeing and locking in some revenues downstream of 2025. So I think you might have some entities on the other side of the table that would be more than willing to discuss that.

The global adjustment being the component above the market price, up to the contract strike price—if you drop

that strike price, by definition the global adjustment is reduced. I think you could find some significant—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We have to move to the opposition side now. MPP Arthur.

Mr. Ian Arthur: Good morning, and thank you for your deposition. It was interesting to hear some of your ideas about how to do it.

Electricity is subsidized to the tune of almost 40% in Ontario at this point, with the Liberals' Fair Hydro Plan. They certainly borrowed the money in a way that was less obvious. I will give the government credit for owning up to subsidizing the rates of electricity in Ontario.

But in terms of a further 12% reduction, unless you address the tax dollars that we're taking from over here and putting to artificially lower the cost of hydro over here, that additional 12% is extremely hard to realize, because we're not paying the actual price of hydro in Ontario right now. No one is. It's a tremendous mess. I do not envy the government for having to try to deal with this. But I'm not sure that the things that you are suggesting would be best used to further lower it.

We're going to have to deal with that subsidy at some point. What are your thoughts on that?

Mr. Colin Anderson: I am so glad that you raised that, because my sole purpose here today is to indicate to this committee that electricity doesn't necessarily have to have massive injections from the tax base to make for better rates.

What I'm proposing, through these series of solutions—and they're incremental solutions; there's not one of them that is worth \$12 billion a year. But, as the old expression goes, half a billion here and half billion there, and pretty soon, you're talking real money. So if you do these things, you can reduce the implicit costs that are buried in the electricity system, thereby making it more affordable for the average consumer. That's not the industrial consumer; that's everybody in the province. That's how you tackle this mess.

The fact is, the global adjustment has been with us for many years. It started out as the provincial benefit, which was a small rebate. Over the past 10 years, during the course of the Green Energy Act, it has escalated to the point where now it's over \$12 billion a year. We need to do something to reduce that, because that is by far the biggest component of electricity bills for everybody in this room.

0930

Mr. Ian Arthur: I had severe problems with the Green Energy Act. I support renewable energy, but I think what we saw was that we bought high and, unfortunately, what I'm seeing now is also we're selling low. And I draw attention to the cancellation of wind contracts, in particular the one outside of Ottawa, which was contracted at 5.7 cents per kilowatt hour—which is cheaper than natural gas, which is cheaper than nuclear. That is a competitive price. That is the sort of wind power we should be promoting in Ontario. If we can have wind contracts at 5.7 cents, is that not something we should be pursuing?

Mr. Colin Anderson: I actually agree with you. AMPCO very much supports a sustainable energy system. We have in the past, and we still do. The problem is, to your point, we bought at the wrong time.

Sometimes I try to explain what I do to my kids, and I say to them; “You come to me and you want the iPhone 11, and you want it today, but you’re going to pay top dollar for it. If you wait a year, you can get it much cheaper.” If we had done that, we would have, to your point, renewable sources at a much lower cost.

I’ll give you one example, sir. It was from out west in Alberta, I believe about a year and a half ago. Ontario pays about \$140, average, for wind. They secured about 600 megawatts of wind for \$37.

Mr. Ian Arthur: Yes, absolutely. But now that it is that cheap, should we be cancelling those contracts and paying those fines?

Mr. Colin Anderson: Well, what I’m looking at is if we continue the prices that we have right now, that’s damaging. And, to MPP Smith’s point, we stopped the—

The Chair (Mr. Amarjot Sandhu): Thank you. I apologize to cut you off. That concludes our time. Thank you so much for your presentation.

JUNIOR ACHIEVEMENT CENTRAL ONTARIO

The Chair (Mr. Amarjot Sandhu): Our next presenter is from Junior Achievement Central Ontario. Please come forward. Please state your name for the record. You will have seven minutes for your presentation.

Ms. Jane Eisbrenner: Good morning, ladies and gentlemen. My name is Jane Eisbrenner and I’m the president of JA, Junior Achievement, in central Ontario. I am here today representing JA in Ontario to present a proposal to enhance the financial literacy skills of grade 4 students in the province. Chairman Sandhu, MPPs, parliamentary assistants and guests, thank you very much for providing me with this opportunity.

Let me begin by referencing the global network created by Junior Achievement Worldwide, which recently celebrated its 100th anniversary. Over 11 million students annually benefit from JA programs around the world. For the last 52 years the brand has been actively engaged in Ontario, teaching financial literacy, work readiness and entrepreneurship to students. Our work is enabled by strong partnerships with the business community and volunteers.

Fifty-two years of experience in this province means that our brand has a proven track record with the ability to scale and, most importantly, add value to the mandate of the provincial government to enhance the money management skills of students.

I am proud to share that an impact evaluation conducted by the Boston Consulting Group was impressive and meaningful. BCG shared that students in our program will go on to earn 50% more than their peers who have not participated in our program. They shared that for every dollar invested in JA, there is a \$45 societal return,

meaning that our students will save more, borrow less and be less likely to be on social assistance later in life. I am sure that we will all agree that these are compelling outcomes and actually counter the recent headlines like, “Personal Insolvencies Hit Highest Level in a Decade”, “Household Debt Continues to Rise” and “Canadian Savings Rate Nears Lowest Level in Decades.”

We applaud the work of the Ministry of Education to adjust the curriculum of grade 10 students to include mandatory financial literacy education. We would suggest that there is opportunity to do more and to start earlier. It is the purpose of this proposal to provide our More Than Money program to all grade 4 students.

So why More Than Money? What is this program all about? MTM, as we call it, teaches students how to manage money, focusing on concepts such as earning, spending and saving. The curriculum also teaches students about starting a business and the role of the financial sector in our communities. It aligns perfectly with the grade 4 curriculum objectives in math, language and social studies. Having recently taught this program last December at Holy Rosary Catholic School in Toronto, I can attest to the active student engagement and their genuine interest in the activities and games embedded in the curriculum.

You will see in the proposal that you have in front of you that our friends like MPPs Stan Cho, Sam Oosterhoff and Andrea Khanjin have actually been in classrooms to teach this program. In a very short interaction with Stan prior to this presentation, he did assure me that it was an enjoyable experience; he’d love to do it again.

This is my second time taking part in a pre-budget consultation process. A year ago, I spoke about an ambitious five-year, \$12-million proposal. After some feedback from the Ministry of Education, I’m here today to speak about a \$1-million proposal for the More Than Money program that would allow us to deliver 1,000 volunteer-led programs in urban centres, as well as funding to develop and deliver a digital version of the same program, providing the same learning outcomes to all grade 4 students in the province.

Going digital is the current priority, not only for the ministry but for Junior Achievement. Over the next several years, it is the goal of our organization to provide our complete menu of programs for grades 4 to 12 in a digital format using virtual volunteers. In fact, we are ready to start. As of September of this year, JA will launch a learning management system called Moodle that will be the platform to house and manage our curriculum and facilitate access by teachers.

I would like to suggest that this \$1-million funding proposal be seriously considered for two reasons. First of all, we must raise a better generation of money managers, and this must happen earlier in the school cycle. Secondly, the evaluation components that have been included in this budget will provide much-needed and interesting research on the effectiveness of in-person versus digital education models.

We believe that we can be a trusted partner of this government. For just under \$6 per student or 0.04% of the

annual \$25-billion education budget, 169,000 grade 4 students could have access to a program that will enhance their financial literacy skills, help them understand business and motivate them to think like an entrepreneur.

JA has been endorsed by thousands of teachers and parents across the province, by the Ontario Chamber of Commerce, by over 100 Ontario-based corporations and by thousands of volunteers recruited from those corporations. We have a proven record of success and remarkable impact data from the Boston Consulting Group, in addition to personal testimonies from thousands.

Let me close with a recent development. Year-over-year demand for our programs continues to grow. We are literally overwhelmed by teacher requests to come into their classroom to deliver a program. In the last school year, we left 1,400 teachers in the GTA alone on a waiting list. Help us meet that ever-growing demand, not for our benefit, but for the societal benefits that a more astute generation of money managers will create. Let's change the headlines.

Many thanks, ladies and gentlemen, for your time and your attentiveness. I'd be delighted to hear of your own personal JA story—perhaps you have one; I know Stan has, and we've already heard it—or, of course, to respond to your questions. Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll start with the opposition side this time. MPP Arthur.

Mr. Ian Arthur: Good morning and thank you so much for your presentation. And yes, we all learned how much Stan likes Junior Achievement over the course of pre-budget consultations last year.

Ms. Jane Eisbrenner: I didn't know he was going to be here. This is so wonderful.

Mr. Ian Arthur: I didn't know he was going to be here either. I saw you on the list, and I chuckled to myself as soon as I saw you on the agenda.

I want to talk about a couple of things here. Financially, it's a small request; we hear constant requests for money on this, and the dollar amount attached to it is good. I'm interested in the delivery of it. You've specifically targeted urban centres. To me, rural schools and schools in low-income areas might actually be the ones that most need that sort of in-classroom instruction versus potentially being delivered on—just because of the resources that schools have and that. Would you incorporate into your proposal a shift to focusing on those areas where they might be most needed?

Ms. Jane Eisbrenner: That tells me that my remarks were not clear, because the \$1 million that we are asking for is to deliver 1,000 programs with in-person volunteers in urban centres where we have access to volunteers, but half a million dollars is actually designated to develop a digital version of the program to be loaded onto our learning management system, which would provide access to all teachers in the province. We know that's a priority of the provincial government—being able to access the communities and the school systems that you speak of—and digital is the way to do it in a cost-effective way.

0940

Mr. Ian Arthur: I hear you on that. But in terms of the benefits of having in-person instruction in class in rural areas, to exclude them from that in-person option—is there an avenue to make use of some of those volunteers so that you can get them into those rural schools?

Ms. Jane Eisbrenner: There is, and part of it aligns with capacity of Junior Achievement. We're a smaller organization and don't have the ability to engage in all of these communities. But the virtual program, the digital program, would be teacher-led. Teachers would be trained to suggest, "If there's a business person in your community you would like to bring into the class to augment some of the education about the financial system in your community, please do that." We would encourage that face-to-face opportunity to continue.

As said, the evaluation component—we really want to understand what the difference is that you are speaking of. What is the power of having a real-world individual in the classroom delivering the curriculum as opposed to a student going online and doing it remotely in the classroom setting as well?

Mr. Ian Arthur: That's very interesting. We on the opposition side absolutely support better financial literacy for students. I think the normalization of debt loads that we have created in this country and across the west, frankly, is really dangerous and is going to come to a head at some point, and providing people with the tools to better deal with that is incredibly essential.

Thank you so much for your presentation.

Ms. Jane Eisbrenner: I appreciate your comments. Marit Stiles is also a good friend and an advocate of what we do. Thank you.

The Chair (Mr. Amarjot Sandhu): MPP Gates.

Mr. Wayne Gates: I've noticed that you've talked to a lot of organizations about this particular program. Have you had a chance to sit down with the union leadership of the teachers' federations and all the boards and talk to them and discuss this program?

Ms. Jane Eisbrenner: I have not. The teachers who are part of that union have an overwhelming response to our invitations to come into their classroom. We do not market to schools; we depend on word of mouth, teacher to teacher, and that list continues to grow.

The Chair (Mr. Amarjot Sandhu): We'll move to the government side. MPP Oosterhoff.

Ms. Jane Eisbrenner: Hi, Sam.

Mr. Sam Oosterhoff: It's nice to see you again.

It's such a pleasure to hear about the work that JA is doing and, of course, this particular initiative that you're working on. It was a real privilege and pleasure, last May, to be able to speak to some students. They were so engaged, they were so in tune, and they were so knowledgeable already about so many financial issues, and I think JA has a huge part in that, of course. I'm glad you recognize that it's something the government is taking seriously.

I also worry about the broader societal issues that you're talking about, where so many Canadians are concerned about insolvency. We see reports coming out that

many Canadians are \$200 away from bankruptcy. We hear, of course, that the average credit card bill nowadays in Canada is almost \$10,000. I think if you did the minimum payments on that, it would take 61 years to pay off—

Ms. Jane Eisbrenner: It's not sustainable.

Mr. Sam Oosterhoff: It's completely not sustainable and hugely concerning. I know it's something that our government does take seriously.

I'm wondering if you could speak a little bit more about the importance of the math strategy in being able to be engaged on financial literacy. As you know, we rolled out a \$200-million math strategy across the province. We want to make sure that students are succeeding in a lot of different areas. Could you speak a little bit about JA's position when it comes to making sure that students have the skills they need to succeed in math?

Ms. Jane Eisbrenner: I'm happy to. I think this whole concept of financial literacy is multi-layered and it's not a one-solution answer. It really needs to happen in a variety of different areas, including teaching it in grade 10, starting earlier, augmenting math, augmenting technology etc.

With respect to math skills in particular: Our curriculum is all activity-based and game-based. There are games where students replicate a business and they have to actually manage the expenses of that business, they have to manage revenue. There is definitely a math component in many of the games that happen, specifically in this More Than Money program.

In summary, I do believe that it is a very integrated approach to changing that mindset of reducing household debt. A one-day program can be a contributing factor to it, but certainly not the only solution.

Mr. Sam Oosterhoff: More broadly, some of the things I've been reading, actually, coming out of—I think it was a university in the United States, in New York, about entrepreneurialism among young people and certain generation Z—with the gig economy—but also people going out and making their own businesses and starting a lot of young businesses.

I'm wondering how you think we can create more of a culture of entrepreneurialism, here in Canada, when it comes to young people being willing to go out and take the risks, understanding that there are risks associated with any action, but there is also reward associated with starting your own small business. I have many small business owners in my family. I'm wondering if you could speak about that.

Ms. Jane Eisbrenner: I would love to speak about that. I have a very simple answer: We have an 18-week entrepreneurial program that's available for high school students that actually takes them through the process of starting and liquidating a company. It is incredibly impactful and incredibly successful. Providing funding to roll that out would definitely encourage entrepreneurship among young people in this province.

This program, in particular, More Than Money, also has an entrepreneurial aspect to it. It's very interesting to hear these grade 4 students on the types of businesses that they would like to start.

Mr. Sam Oosterhoff: Thank you very much.

The Chair (Mr. Amarjot Sandhu): Thank you so much for your presentation.

Ms. Jane Eisbrenner: Thank you, ladies and gentlemen. All the best.

FORT ERIE NATIVE FRIENDSHIP CENTRE

The Chair (Mr. Amarjot Sandhu): Moving along to our next presenter from the Fort Erie Native Friendship Centre, please come forward. Please state your name for the record, and you will have seven minutes for your presentation.

Ms. Jennifer Dockstader: *Remarks in Indigenous language.*

My English name is Jennifer Dockstader. I am the executive director of the Fort Erie Native Friendship Centre. I would like to thank each and every one of you, first of all, for your service to this province of Ontario. It takes all of us working together, as our mission says, "Together for a stronger tomorrow."

I'd actually like to talk to you today about bringing the "progressive" back to the Progressive Conservative name. It was interesting: As I was doing my research when I decided to come and speak to this committee, the support of social programming as a part of the progressive platform—so it's not all about business. It's also about a balance between business and people, which is a paraphrase from my first page.

I do need to talk about the actual realities for the urban Indigenous community and the Indigenous community across Canada. I would be remiss if I did not talk about residential schools, of which, I must say, my grandparents were a part. My brother was a product of the Sixties Scoop. I am a product of the day schools. It continues to go on. I would say that I am very hopeful that my youngest brother's children will not have to experience huge calamity at the hands of Canadian policy, as Indigenous children. That would be my hope.

I am sure all of you are familiar with the Truth and Reconciliation's calls to action. And I'm sure that you've also read the Missing and Murdered Indigenous Women and Girls report.

But there is a lasting legacy from these policies that includes:

- disproportionate amounts of children—our children, Indigenous children—in child welfare;
- that educationally, we are not meeting the standards of the average Canadian;
- that the medium income is significantly less than the average Canadian;
- that the suicide rates of Indigenous people are disproportionately high; and
- that we make up far too much of the justice system here.

I will also make you aware that 85.5% of Indigenous people who live in Ontario actually live off-reserve. That may shock you. That is where friendship centres come into play. And what I would tell you is that it's not just

Indigenous people who are suffering, but again, looking at the income disparity between the lowest and the highest income, it is not good news.

Also, Ontario is ranked with a C, also with BC. BC and Ontario, who bring in the greatest amount of wealth, are actually not doing well when it comes to people.

0950

So how does this happen? Well, this is an economic problem and it has economic answers. Let's look at the true cost of living on minimum wage. A minimum wage earner makes \$29,120 annually, minus taxes, for a net income of \$25,670.68. Assuming you can find an affordable apartment at \$770 a month, which I'm unable to find in the fair market, I might add, you also have the average of \$182 monthly in utilities. That's with no Internet, no TV and no phone. And you have food, which comes in at \$253.71 monthly, and transportation—particularly in Niagara, transportation is so poor and inconsistent and unreliable and unmanageable that you must have your own vehicle to be able to hold a job, I must say, and then you have maintenance of a car. Your subtotal is \$23,808.52—incredibly conservatively. That leaves you with \$1,862.16 annually of disposable income; hence, you see the problem. One car repair—that's not having a credit card. You can't have a credit card, you can't build a future.

Things like illness, the need to fix a car—in Niagara, the unique nature of the storms and climate change are affecting your ability to get back and forth to work. All of those can bounce somebody into abject poverty and that's where they then need social assistance help. This is where the progressive needs to come into play when solving problems. You need to build a transportation system that works in Niagara and across the province to get people from here to there.

I applaud that we now have GO Transit to Toronto. However, I did a calculation. I sit on a committee for the province and the Ontario Federation of Indigenous Friendship Centres: the greater Golden Horseshoe transportation infrastructure committee. It takes 14 hours to get from Fort Erie to Toronto, work an eight-hour shift and back. That's unsustainable in terms of being able to live.

We also need to target employers who actually are making a difference—employers, even in the not-for-profit field, who are actually giving greater right of benefits above the Employment Standards Act and offering health care opportunities. This is good, smart business, and guess what? They exist in the not-for-profit field. They exist within the organization that I am proud to run in the small town of Fort Erie.

There are simple ways that the province can consider moving forward that include thinking about actually supporting higher education. You can increase that single person's value by \$20,000 by supporting them to get a higher education. That is more disposable income; that is a chance at a future. Why do you want to change the nature with which you address these issues? Because you can't keep saying that—

The Chair (Mr. Amarjot Sandhu): Thank you. I apologize to cut you off. We'll have to move to the government side for question. MPP Oosterhoff.

Ms. Jennifer Dockstader: It's all in my report.

Mr. Sam Oosterhoff: If you wanted to continue, you can use some of my time for that.

Ms. Jennifer Dockstader: Thank you very much.

My last point is this: Ontario actually pays \$2,000 less per person and that contributes to the overall problem. Again, looking at the top and looking at the bottom and how we can make actual substantive change, being more progressive in our thinking.

Mr. Sam Oosterhoff: Thank you very much for speaking with such passion, as well, and, of course, all your engagement here in the community. Everyone knows who you are across Niagara because you do such fantastic work. I want to thank you for that and look forward to seeing you in the future, as well, at events.

I have a question. There are a lot of things in here that we could spend a lot of time going over, as I'm sure you know.

Ms. Jennifer Dockstader: Yes.

Mr. Sam Oosterhoff: Some of it perhaps—well, a lot of it we would agree on; some of it we might not completely. I think you mentioned a couple of really interesting points in here. One I wanted to touch base on was for a minimum wage earner here in the province of Ontario, we created the low income family tax credit so that low-income families don't have to pay the provincial portion of the income tax, which is about \$1,100 a year and is a substantive amount for someone in that situation. Would you say that was a step in the right direction towards reducing taxes for low-income workers?

Ms. Jennifer Dockstader: I think that that's part of the answer, but I talk about low income—and I'm going to talk about middle-income people, because there has to be relief given to that end of it. We have to look at the higher wage earners. I'm going to be quite honest that that \$2,000 less per person in Ontario has created a financial crisis that there really doesn't need to be. So we need to look at other ways as well. I know that that's not popular.

But I'll give you an example of an Indigenous perspective, my Indigenous perspective, on taxes. I have a social responsibility with my tax dollars to help other Ontarians, other Canadians. I say that, understanding that I am helping the single mother with my tax dollars, I am helping to improve the climate, and I am helping to make sure that we have a health care system in Canada and in Ontario that actually serves the needs. That's my duty as a citizen. That's an Indigenous perspective, when you take a global approach.

I also expect that of business. I run a not-for-profit business. I also run one of the largest friendship centres in the country of Canada. We are quite successful and we are quite progressive for an organization of our kind. Let me give you a couple of—and I realize I'm going to run out of time, and I'd love further conversation. I talked about it last year. We had an individual that we moved from unemployment and being on Ontario Works to actual prosperity. He is now working in the northern community. We got him his high school education. He did not have enough food to make ends meet, so he ate at the friendship centre

every day, and in return, he volunteered. He got his high school education. He took upgrading classes in the friendship centre, some college courses, all of which we provide. These are opportunities. Then he got a job up north, and now he comes back every three weeks and still volunteers with the friendship centre. His survival, his success, he ties to that sort of thinking.

Mr. Sam Oosterhoff: Thank you very much for sharing that. One other quick point before time. You mentioned the GO train. I completely agree; there needs to be more expansion. This was just one step, but it's still ahead of schedule and we're trying to make sure that we expand that more. What sort of impact could that have, if we can get it to running hourly or half-hourly or whatever it might look like down the road? That's where we want to move, of course. What would that impact be?

Ms. Jennifer Dockstader: That would be absolutely amazing, and I'll tell you—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We'll have to move to the opposition side now. MPP Gates.

Mr. Wayne Gates: Thank you very much. Good morning, sister. I've had the privilege of spending a lot of time at the Fort Erie Native Friendship Centre. I want to congratulate you on your new facility with the child care, which is an incredible addition to not only the Friendship Festival but also to our community. I thank you for the work that you did on that. I thank your volunteers and your executive. It's something to be very, very proud of, for sure, and it's a beautiful building.

I want to ask a couple of questions. The current government slashed the Ontario Arts Council funding from \$5 million to \$2.75 million, resulting in the cancellation of the Indigenous Culture Fund. The fund was launched in response to the TRC report. How have these cuts impacted programs at the Fort Erie friendship centre and our broader Indigenous community in Fort Erie?

Ms. Jennifer Dockstader: Honestly, it means layoffs at the friendship centre. So you take actual wage earners, and now you've got them on unemployment. I don't think that that was your intended goal with it. That's why I presented this the way that I did. There needs to be thought about where you do cuts, and the real cost of these cuts. In our case, we actually laid off three individuals because of the cuts in this particular funding stream—not good news.

Mr. Wayne Gates: Before I get to my second question, because you raised the minimum wage: By giving somebody the extra dollar an hour, they would actually earn more income than the tax breaks that are being proposed by the Progressive Conservative government. It's always better to put money into wages, whether that's the minimum wage or whether that's a living wage. Hiding it behind a tax break that actually still is a cut to workers makes absolutely no sense. I wanted to get that point out, because it was raised by my colleague.

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The second question, before I turn it over to one of my colleagues: Recently, the Ontario Federation of Indigenous Friendship Centres released a call to action on urban

Indigenous homelessness. We watched as the current provincial government has loosened caps on rent controls, slashed funding for social housing repairs and further cut funding to local housing agencies. How can the province better support urban Indigenous communities facing a housing crisis?

And by the way, it's not just that community. It's the community right across Niagara that's facing a housing crisis, and some of that is because the minimum wage is too low.

Ms. Jennifer Dockstader: Again, the nature of what I propose is to bring the "progressive" back. I think that there has been a lot of emphasis on "conservative," which is basically cuts, and the idea that somehow the marginalized are at fault for being marginalized. I think that there's a better balance that can be achieved by bringing "progressive" back into the Progressive Conservative name.

Thinking progressive ideas, working with the not-for-profit sector that really, truly, is having impact—we're an accredited organization; we're nationally accredited. We're exactly the sort of body you want to come and work with and talk about financial solutions. Let's talk about the real costs of cuts, and then make sensible decisions. There's a balance here that needs to be made. I appreciate you bringing up those concerns.

Sure, there are a lot of problems. The Indigenous community did not bring these problems upon themselves, by the way. These were government-instituted problems imposed on a people. If nothing else, there should be a moral imperative that we solve these problems together, at the very least.

The Chair (Mr. Amarjot Sandhu): Thank you so much. Thank you for your presentation.

HEARTH, PATIO AND BARBECUE ASSOCIATION OF CANADA

The Chair (Mr. Amarjot Sandhu): Moving along to our next presenter, from the Hearth, Patio and Barbecue Association of Canada: Please come forward. Please state your names for the record, and you will have seven minutes for your presentation.

Mr. Adam De Caire: Thank you. Good morning, members. My name is Adam De Caire. I'm our director of public affairs. To my right is Laura Litchfield, our president, who currently is without voice so will use it sparingly, potentially for questions.

We are here today to introduce ourselves and talk about a specific program that has worked in a number of jurisdictions—and would like it possibly to be considered in Ontario—which is the concept of a change-out.

Just working through the slide deck roughly—it talks a little bit about the size of the industry in Canada.

We are the Hearth, Patio and Barbecue Association of Canada. We represent manufacturers, distributors, retailers and service providers in the barbecue and fireplace industry, so it's somewhat specific.

We can talk a little bit about the size of the industry in Ontario. In Ontario, there are approximately 20 manufacturers and a total of over 600 companies that we know create over 6,000 direct jobs, in addition to support services.

In terms of the footprint of the appliances in Ontario, we know, through NRCan numbers, that there are over 600,000 households that have one or more wood-burning appliances. Approximately 40,000 use those as a primary heat source, and many hundreds of thousands use it as a supplementary heating source.

Looking at page 5: Quite simply, a change-out is a program where homeowners are incented, either through a rebate or a tax credit, to replace an old, uncertified wood-burning appliance with a cleaner-burning, more efficient, certified wood or pellet or gas appliance—so, a new certified appliance. This has several benefits. It allows the homeowner to save costs, save time and save the resources they consume. It is much more energy-efficient in terms of the fuel needed to produce the same heat for their home. It uses approximately one-third less renewable fuel and cuts CO₂, particulate matter, creosote and other harmful emissions.

In addition to those environmental benefits, there are a number of other benefits to allowing people to replace and update wood-heating appliances in their home. It provides supplemental heating in emergency situations. It recognizes the high rural utilization of wood heating. It is definitely a good economic stimulus, because as part of the program you can require that appliances are purchased through Ontario's small and medium-sized businesses that are in this industry. It maintains an affordable heating option for the homeowners. And it has an educational component of safe and effective heating with wood.

Looking at slide 7: This program has been run effectively in a number of provinces, states and municipalities. And while it can be a bit complex to calculate the savings, there are some studies that have shown that for every 100 uncertified appliances that are changed out to a brand new, top-of-the-line—meaning most efficient—appliance, there are hundreds of tonnes of CO₂ to be saved a year and up to 90% of the particulate matter. So it has very positive health benefits as well as economic and environmental benefits.

I won't go through all the upcoming slides in detail, but they speak about the types of old appliances, old masonry fireplaces, old uncertified wood stoves that can and should be taken out of circulation and replaced with newer models.

Something to highlight is that such a program is very customizable at the discretion of decision-makers. Everything from what types of appliances can be put in, a decision can be made. You can allow natural gas or renewable natural gas appliances, or not, and talk about the level of certification of the new appliances that are required. One strong requirement is that we make sure that the old appliances are destroyed or recycled so that they're going out of circulation.

What we've talked about on here is that we've used round numbers. So if replacing an appliance were to cost

around \$4,500 for a homeowner—which includes the appliance, the chimney, the venting and the certified installation—a jurisdiction may decide that they'll cover up to 25% of that project, to a maximum of \$1,000, but that is totally customizable. So if there was an envelope of funding available, the amount of rebate that would be provided is totally customizable to the province's wishes.

This program has been and is currently operating effectively in a number of jurisdictions. From areas in the United States, to—there is currently a program running in Ottawa, Ontario, by the municipality. There is a provincial program running both in British Columbia and in Quebec. The benefit of this program is that there is a strong environmental impact, but there is a tangible economic development piece to it. It's very highly regarded by our small, local business members across the country. It's something very tangible for a homeowner that they can do to save on costs, make their home appliance more reliable and have a tangible and positive environmental benefit that we believe fits with the government's made-in-Ontario solutions.

So, again, a very specific program related to our industry, but we believe there are a number of tangible benefits. I'm very pleased to have the opportunity to talk to you about it and to answer any questions. Thank you very much.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll start with the opposition side this time. MPP Stevens.

Mrs. Jennifer (Jennie) Stevens: Thank you to the presenters. I'm quite interested in this. About 10 years ago, I replaced my wood-burning, masonry fireplace with a ceramic insert. It filters through the sides—the flue is on the bottom. Is this a similar change-out that you're talking about? What is the insert actually composed of? What is the material that you're inserting into the old masonry furnaces?

Mr. Adam De Caire: I think typically when we talk about an insert, it can be a number of things. It can be very customizable, so basically whatever the decision-makers want to put within the scope or not.

Laura, if you want to speak about the types of appliances.

Mrs. Jennifer (Jennie) Stevens: I'm just wondering is it a ceramic base. Mine is ceramic with a white stove and a white oven. I'm just wondering exactly what your material is.

1010

Ms. Laura Litchfield: There are a variety of different products available. Most of them are a steel box—I apologize for my voice.

Mrs. Jennifer (Jennie) Stevens: No, that's fine. Sorry.

Ms. Laura Litchfield: Most of them are a steel box, some of them coated in ceramic. There are about 15 or 16 manufacturers across Canada who produce appliances. They have many different looks. One category of appliance is an insert, which is inserted into an open fireplace and fills a hole that is normally responsible for removing a lot of heat from the home. Then a chimney liner is installed. It's a very efficient system. It improves the energy

efficiency of the home and reduces the use of firewood as well.

Mrs. Jennifer (Jennie) Stevens: Is it a radiated heat? Mine is radiated heat, so it comes off the stone, similar to the—

Ms. Laura Litchfield: Yes. Yours probably has a sort of vent that vents into the room. It depends. There's a lot of heat generated—

Mrs. Jennifer (Jennie) Stevens: It radiates off the stone.

Ms. Laura Litchfield: Oh, okay. So that's a masonry fireplace. We're talking about any number of different options. That is one option. A wood-burning insert is a factory-built fireplace. It's like a wood stove that's made to insert into an open fireplace. There are a lot of different options. Then there's always the wood stove as well.

Mrs. Jennifer (Jennie) Stevens: Okay, thank you. I think it was 10 years before this. Thank you.

The Chair (Mr. Amarjot Sandhu): Further questions? MPP Mamakwa.

Mr. Sol Mamakwa: Thank you for your presentation. I'm wondering if you can elaborate on the safety piece of it, I guess. I just say that because my riding is in north-western Ontario, predominantly fly-in communities, and I know some of the reporting that has happened. First Nations are 10 times more likely to die in a house fire. Unfortunately, last year, I attended a funeral back in May because of that issue. So from that safety aspect of it, can you speak about that?

Ms. Laura Litchfield: That's a very important part of this program as well. We were involved in a change-out program in First Nations in the Nishnawbe area last year, where we changed out 140 stoves, I think it was, at no cost to the homeowners.

Safety is definitely an issue. Sometimes people build their own stove, or it hasn't been installed by a professional and clearances aren't observed. Replacing a very old unit can improve the safety of it substantially.

Wood stoves are now self-contained; the door shouldn't be open. It's a system, so it should have a chimney line or a pipe. All of that connects, and they're much safer now. Installation by a professional is also key.

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We'll have to move to the government side for their time of questioning. MPP Smith.

Mr. Dave Smith: Thank you very much for your presentation. Actually, there's some good stuff in here. I've got a couple of questions for you. First off, you said that there are about 39,000 homeowners who use wood as a primary source of heat. You wouldn't happen to know how many of those are wood pellet versus non-wood pellet?

Ms. Laura Litchfield: I couldn't say. I would suspect, based on sales of pellets compared to wood-burning appliances, that it's maybe 8% or 10%. That would be generous.

Mr. Dave Smith: Okay. So the wood pellet homeowners are part of your 39,000?

Ms. Laura Litchfield: Yes, they are.

Mr. Adam De Caire: I suppose, if they self-identified that that's their primary heat source. There could be other pellet owners who, like others, use it as a secondary heat source to heat their family room when they're in there at night and want to cool the rest of their house.

Mr. Dave Smith: Right. A lot of our rural and more remote areas are using wood products to heat. We don't run natural gas up in the Canadian Shield. It's hard to get propane delivered up into a lot of those areas, so the choices are wood or electric. Electric is very expensive; wood is more readily available for them. So I understand exactly why many of them would do stuff like that.

In terms of replacing wood as the primary heat source, are you suggesting, then, that most people would be moving over toward pellet furnaces?

Mr. Adam De Caire: When we talk about a change-out, they may stay with wood fuel. You could do a wood-to-wood change-out where they still have wood-burning appliances. What you're changing out is the appliance. Therefore, they get more heat with less fuel and less emissions. It's just that the technology in the newer appliances is vastly improved over either a masonry fireplace or a 25-year-old model.

Mr. Dave Smith: I guess I'm focusing mainly on the pellet side of it because recently we did an announcement with Wikwemikong First Nation. It's brilliant, what they've done. They are partnering with one of the neighbouring municipalities that has a wood-processing plant; they have a lot of sawdust as a by-product that's not being used. In Wikwemikong, they are building a pellet factory that will employ primarily First Nation members from their own community. There's a significant market for it. It's already in northern Ontario, so we're going to be reducing the amount of transportation that you'd have to have if we were doing this type of a project in northern Ontario as a change-out.

You had suggested about a \$4,500 cost to do that—I'm assuming that's kind of an average; it's going to be a little bit lower in southern Ontario and a little bit higher in northern Ontario—

Ms. Laura Litchfield: Probably.

Mr. Dave Smith:—and a maximum of about a \$1,000 incentive for it. Because this is a budget committee and we have to come up with dollar numbers, roughly how many people do you think per year would take advantage of this, so that we have a budget line number that we can consider?

Ms. Laura Litchfield: We do have a chart that shows the sample cost benefits.

Mr. Adam De Caire: We tried to do a bit of a breakdown, again understanding that the percentage could be changed. If you go with those round numbers of a \$1,000 change-out, assuming 10% towards administration of handling the applications, advertising—

Mr. Dave Smith: Sure. Just because we don't have very much time, at \$1,000, though—

Mr. Adam De Caire: Nine hundred.

Mr. Dave Smith:—how many people would be taking advantage of it, so that we know how much we would have to allocate if we were to even consider doing something like that?

Mr. Adam De Caire: Sure. So for \$1 million, it would be 900 change-outs. That's if everyone gets the maximum. If people find cheaper units and cheaper installation and their maximum percentage goes to less than \$1,000, then that money stays in the pot and you get more change-outs.

Mr. Dave Smith: Okay. Thank you very much. I'm good.

The Chair (Mr. Amarjot Sandhu): Thank you so much for your presentation.

Mr. Adam De Caire: Thank you very much.

ONTARIO COMMUNITY SUPPORT ASSOCIATION

The Chair (Mr. Amarjot Sandhu): Our next presenter is from the Ontario Community Support Association. Please come forward. Please state your name for the record. You will have seven minutes for your presentation.

Ms. Deborah Simon: Good morning. I'm Deborah Simon from the Ontario Community Support Association.

Mr. Patrick O'Neill: Patrick O'Neill. I'm the CEO of Niagara Ina Grafton Gage Village in St. Catharines.

The Chair (Mr. Amarjot Sandhu): You may start.

Ms. Deborah Simon: I'd like to thank the committee for this opportunity to present how the not-for-profit home and community care sector can be a key partner in ending hallway health care and helping keep people living at home in their communities. As I mentioned, I'm the CEO of OCSA, and Patrick O'Neill is the CEO of the Niagara Ina Grafton Gage Village, which is a provider in the region, and he's a former board member of OCSA.

OCSA represents about 220 not-for-profit, community-governed organizations across the province who provide compassionate, high-quality home care and community support services to over a million Ontarians. Our members provide over 25 different types of health and wellness services to seniors and people with disabilities, services like in-home nursing, personal support, Meals on Wheels, Alzheimer day programs, transportation to medical appointments, assisted living for frail seniors, and attendant care services that support people with physical disabilities.

The unique efficiencies that exist in the home and community care sector allow it to respond to high patient needs at a lower price than other sectors. Last year, our sector's volunteers delivered more than three million hours of service that was estimated at about \$75 million.

OCSA applauds the government's commitment to end hallway health care. The development of the Ontario health teams, OHTs, provides a key opportunity to strengthen the home and community sector by enhancing the operations of these service providers and save the entire system money.

We all know the challenges that health care is facing. This year, a record 5,400 patients in Ontario hospitals have been designated alternate level of care, or ALC, and there are over 1,000 people being treated in the hallways of our hospitals. This is an ineffective and an expensive use of limited resources as well as an experience no one wants to go through. Plus, the waiting list for long-term care is

expected to balloon to 40,000 people over the next few years, all while grappling with the ever-growing front-line shortages.

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Our written submission, entitled *A System in Need of Rebalancing: Helping Ontarians Live Well at Home through Home and Community Care*, shared with you, tells the stories of Joy and Eric. These stories were created by building on the lived experience of millions of Ontarians. They present a choice of two possible paths for their health care journeys: living well at home, or continuing to receive care in hospital hallways or being placed in long-term care prematurely.

The government is facing a similar choice: Invest in expanding services and building capacity in the home and community care sector, or continue to have people like Joy and Eric and many others receive their health care in hallways or fall through the cracks and move into costly long-term-care homes prematurely.

Our health system needs to be drastically but safely rebalanced. Home and community care services have the untapped potential to help end hallway health care and reduce the demand for more expensive long-term care. There is a need to build capacity across the health care system in terms of beds, but that's going to take years. Ontarians need relief sooner, and the home and community care sector is an essential, cost-effective and readily available part of an immediate solution. In fact, the cost of caring for a single patient using an ALC bed for one year is comparable to having three people live safely and independently at home and in their communities for the same period of time.

The OCSA is looking 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 Patrick to talk a bit about the HR challenges we face, as well as our recommendations.

Mr. Patrick O'Neill: Thank you, Deborah. As I've already introduced myself, I'll jump ahead in my script.

I operate a charitable not-for-profit organization. We provide services to seniors in the Niagara region, and we've been doing so for over 50 years. We like to provide a full spectrum of services. We have assisted living, seniors' housing, Meals on Wheels, community support services and long-term care. We like to promote that we have a campus of care, a continuum of care, or aging in place—you pick the words. We endeavour that our seniors don't have to be a strain on the health care system. But without proper support in place to allow clients to receive care in their home and the community, the clients have nowhere else to turn than overburdened hospitals and long-term-care homes. Most people do not want to be in a hospital. They don't want to be in a nursing home.

Right now, our sector is at a big disadvantage when hiring staff. There are huge compensation gaps with other parts of the health sector, and this gap has grown over the years as a result of very little or no increases to the rates paid by the government for these services. The recent wage cap by Bill 124 is only going to further exacerbate

this. Right now, the current wage gap for PSWs in the community sector versus the hospital sector is an average of an 18% difference, \$3.57 an hour. And the median salary wage gap for RNs in home care versus hospital is \$11 an hour. In long-term care, the gap ranges from \$5 to \$13 an hour. So it makes it very difficult to recruit staff when we're competing with other parts of the sector.

The home and community sector is a key part of the solution. We are asking the government to:

- look at increasing service volumes by 5% by investing \$208 million in 2021, with some targeted investments in assisted living for frail seniors and community-based transitional programs;

- give direction to the new OHTs that they must provide a comprehensive and equitable basket of services;

- direct \$156 million for five years to help close the wage gap; and

- invest another \$125 million directly into the base budgets of home and community providers.

This would help right-size capacity in the health system and—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off.

Mr. Patrick O'Neill: It's okay. I was almost done.

The Chair (Mr. Amarjot Sandhu): We'll start with the government side this time, for four minutes of questioning. MPP Piccini.

Mr. David Piccini: Thank you very much for your presentation today.

I know home and community care in my riding is vital to the delivery—especially in rural Ontario, with the large geographic space in my riding.

You outlined a number of key asks. Have you developed or worked with other groups across Ontario to look at how we can standardize home and community care engagement and embed it into Ontario health teams? Have you had that meeting with Ontario Health, the overarching board?

Ms. Deborah Simon: Great question, thanks. We are working very, very closely across the whole spectrum of health care, particularly with hospitals. As you know, the intersect between hospitals and community is really the vehicle to get people out and back into their homes again, so we've been working probably over two years now directly with the Ontario Hospital Association. But we also work across the community sector, so we have partners in CHCs—community health centres—the community mental health association and their members. This is going to take a village to be able to correct, so we cannot do it independently; we have to work in partnership.

Mr. David Piccini: The reason I ask is it really resonates with me, the right level of care at the right time, to avoid the downstream costs of ER visits and things like that.

I know one of the top four priorities of my local OHT is on the volunteer network, so I would love to work with you on some sort of overarching best practices that we can roll out. Then I think that would create a strong case to take a deeper dive into some of these key asks.

Ms. Deborah Simon: I think the backbone of not-for-profit has been volunteers. Certainly, Patrick could speak to that. That is a donation of \$78 million of hours of care to the community. But not only that, it's the giveback, but it also develops the volunteers.

Mr. Patrick O'Neill: Locally, I have 100 employees. I have 200 volunteers. Without those volunteers, we're done.

Mr. David Piccini: Thank you very much for what you do.

Ms. Deborah Simon: Thank you.

The Chair (Mr. Amarjot Sandhu): Further questions? We'll move to the opposition side. MPP Burch?

Mr. Jeff Burch: MPP Stevens and I were discussing this earlier. Ina Grafton is in her riding; both my parents are there. They receive PSW support, and I really respect the great job that's done under very, very difficult circumstances. We've talked many times about the issue of recruitment of PSWs; it's a huge concern.

I have a couple of questions. I want you to talk a little bit more about that because I know from personal experience, just even on the issue of continuity, you'll hear from a lot of spouses who are taking care of a spouse. Because of the difficulty in getting PSWs, you have constant turnover. They'll tell you they have to train another PSW, that the spouse feels they have to train. So there's a real continuity issue there with recruitment as well as a whole bunch of other issues, including safety. Could you just talk about the difficulties that you're seeing with respect to that?

Mr. Patrick O'Neill: The problem we have is basically recruitment of new employees. PSW work is hard work, it's not attractive work, and it's low pay.

Mr. Jeff Burch: Yes.

Mr. Patrick O'Neill: I'll be honest with you, my 20-year and 30-year employees are great, because they love it. I don't mean to slag younger people, but it's not attractive work for them. And I don't know if the colleges and the schools are putting enough money into educating more PSWs, so it's a combination of factors.

Mr. Jeff Burch: I appreciate that you had a specific ask because I think what we would like to reinforce is that they can reorganize administrations all they want, but if the money is not invested on the front line, this is not going to get solved. If they're not making a rate of pay that reflects the work they do, they're not going to be able to recruit PSWs in the first place.

The other issue I want to talk to you about, because all three of us have been visiting the Alzheimer Society this week, I want to talk about municipal supports a little bit because, as you know here in Niagara, the region has stopped funding some of the transportation that is available for day programs for the Alzheimer Society. How important is it to what you do that municipalities are properly funded and supported so that they can help you to provide that care?

Ms. Deborah Simon: I think that you're hitting on a really important point. The municipalities do provide a lot

of those services, as do some of our CSS organizations, through volunteer drivers and for transportation.

But the experiment we had in Ontario with health links, which was community providers and practitioners working together, what they found was without transportation, their services were totally lost. If you can't get seniors to their appointments, we all know that you cannot provide health care. So those kinds of services that CSS provides—the meals, the determinants of health, the types of things that you would have seen at Alzheimer's that are important—are as important as the medical treatment that you will get through the health care system.

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Mr. Jeff Burch: Absolutely. Thank you very much for everything you guys do. We appreciate it.

Ms. Deborah Simon: Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you so much for your presentation.

Ms. Deborah Simon: Thanks for having us.

ONTARIO NONPROFIT NETWORK

The Chair (Mr. Amarjot Sandhu): Next I would like to call on Ontario Nonprofit Network. Please come forward. Please state your name for the record, and you will have seven minutes for your presentation.

Ms. Cathy Taylor: Good morning, everyone. My name is Cathy Taylor. I'm the executive director of the Ontario Nonprofit Network. Thank you, Mr. Chair and committee members. Our network is the network for 58,000 non-profits and charities in Ontario, and I'm grateful to be here today on the territory of the Anishinaabe and the Haudenosaunee.

Our communities, as you know, are full of non-profits and charities. ONN has many members right here in Niagara region, like the John Howard Society, the Niagara Falls Art Gallery and the Learning Disabilities Association of Niagara Region. Many of you, I know, are connected to our sector through your own volunteer work in service clubs, minor hockey, museums and more, so you know how vital non-profits and charities are to our community.

Our communities could not function without the supportive web of non-profits that contribute to our quality of life. But beyond service delivery, non-profits also play a bridging role with government and communities, bringing the voices of residents to government so that they can inform public policy and program design.

Non-profits are an economic driver. In fact, most people are surprised to know that we employ a million people in Ontario, more than the automotive industry, and contribute \$50 billion to the province's GDP. As a sector, non-profits also receive less than half of their revenue from all three levels of government combined, meaning that we leverage those public investments with other sources of revenue, such as business activities, donations and volunteer contributions, into services that directly benefit Ontarians.

The role non-profits play is critical in the future as we tackle the complex challenges that Ontario faces: mental

health, climate change, housing affordability and the automation of jobs.

I have to say that 2019 was a bit of a tough year for our sector. We saw many delays in funding agreements and the restructuring of many funding streams. Organizations had surprise adjustments to budget reductions mid-year through the fiscal year, and there was the cancellation of a number of programs like the social enterprise development funds. We did a survey in 2019 of Ontario non-profits and what they told us was that it was a climate of uncertainty and volatility, and made it difficult to operate.

The overall message of our pre-budget consultation today is that non-profits want to work closely with the provincial government, because we are partners in service delivery. We want to be consulted in advance of initiatives so that we can bring our communities' experience to inform policy and avoid the unintended consequences that we had in 2019. But specifically, we have three specific things that we bring to your attention today for the 2020 budget: red tape reduction for non-profits, promoting social enterprise and supporting decent work in the non-profit sector.

Number one, red tape reduction: We were very pleased to stand with Minister Bethlenfalvy in November at a press conference as he announced an initiative to consolidate funding agreements in Ontario. Over 5,000 organizations out of those 58,000 have multiple agreements with multiple ministries. Consolidating them into an umbrella agreement, preferably multi-year with stability, and finding other ways of reducing your reporting burden saves money. It saves us money, it saves government money, and it saves time so that we can spend more time in our sector on programs and services. We're really pleased with that announcement. The next step we would like to see is a joint government and sector table to make sure that as we go forward, we can support the implementation.

But this isn't the only red tape reduction initiative needed. We also want to see the proclamation of the long-delayed Ontario Not-for-Profit Corporations Act, which is scheduled to be proclaimed in 2020. We also recommend a web portal, very much like the Small Business Access portal, so that non-profits can easily check what legislation and funding opportunities are relevant to them, so they can better govern their organizations and serve communities.

We're also asking that government consider how to cut red tape for volunteers who need police record checks. Too many police forces are charging volunteers for these record checks, as much as \$71 per volunteer, and processing can take many weeks. Fees and processing times across Ontario are completely inconsistent between police services and the OPP, and this is a barrier to volunteering. We know that we need more volunteers in the future, so this is something we can address together.

Our second priority is that we recommend the development of a made-in-Ontario social enterprise strategy, in partnership with the non-profit and co-op sectors, to drive local job creation and support rural, remote and urban self-reliance. Social enterprises are those enterprises that provide a social good, while also generating income to

undertake their work. It is one way for non-profits to diversify their funding and support their organizations, which governments often call on us to do.

You might be surprised to know that jobs in our sector are more recession-proof and less likely to be made redundant by automation and technological change. A government that wants to support job creation during the coming AI revolution and the aging of our population should pay attention to the possibilities in care work and the non-profit social enterprise sector. We heard that just from the previous presentation.

We've sketched out in our pre-budget submission what some of the building blocks of a social enterprise strategy could look like. One element is to improve access to surplus public lands for non-profits. We know that thriving communities need facilities like affordable housing, child care centres and recreation centres. To offer these services, non-profits must be able to access land and space at reasonable prices. One strategic way to achieve this is to provide access to public property—government lands—when it is no longer needed.

A second element focuses on social procurement, using the opportunity presented by the government's initiative to centralize the supply chains and find efficiencies there to set targets for purchasing from social enterprises in areas like catering, careers and cleaning, which would allow our sector to grow jobs for people facing barriers in the labour market.

Finally, our third priority is decent work in the non-profit sector. The Ontario government, we feel, must strongly take another look at Bill 124, the wage restraint bill, which will make it difficult for some small non-profits to attract and retain the talent they need.

This is the challenge our sector has with Bill 124. It undermines the role of community-based boards of directors that manage their overall budgets for programs and services. It cuts non-profits off at the knees that are trying to attract and retain workers in a competitive landscape, especially because Bill 124 exempts for-profits, which also get funding from the exact same stream as the non-profits. The non-profits have to adhere to the wage restraint and the for-profits that get the same money from the same government program do not.

We ask that community-governed non-profits be exempted from Bill 124 and that—

The Chair (Mr. Amarjot Sandhu): Thank you. I apologize to cut you off. We'll have to go to the opposition side for questioning. MPP Burch.

Mr. Jeff Burch: Thank you for your presentation. I really appreciate it, and I think my colleague has a question as well. Before being elected, I used to run a non-profit here in Niagara, a settlement agency. I really identify with a lot of the points you raise. I'm glad you brought up the economic impact of not-for-profits. Most people don't realize what a huge source of jobs and a benefit to the community not-for-profits are.

Ms. Cathy Taylor: Absolutely.

Mr. Jeff Burch: I have two things that I want you to expand a little bit on. One that I think is crucially

important, and I hear it over and over again in the community, is long-term funding stability. Just like any business, a not-for-profit needs to know what their budgets are into the future. It's very, very difficult, as I'm sure many of your members know, to create budgets in the future when you don't know what your funding is and when the government is continually late in announcing funding for the sector. Half the job in a not-for-profit is writing grants and waiting for a response to those grants.

Ms. Cathy Taylor: Absolutely.

Mr. Jeff Burch: Sometimes you have many of them going at the same time. If you could talk a little bit about that, and also, I'm glad you talked about social entrepreneurship. I've always been amazed that the government of any stripe isn't more active in supporting that because, as you said, it diversifies your funding stream and it makes you less dependent on government grants, which is what is good for the government, frankly, and for the not-for-profits. So if you could talk about those two things.

Ms. Cathy Taylor: Sure. Definitely, the importance of long-term funding agreements is critical to the success of non-profits and charities. Actually, moving from a one-year grant or a contract with government for services to three years or five years makes it easier for government. It saves them time and money. There are ways we can roll over grants. As long as you are, of course, absolutely doing your audits and meeting your outcomes.

So it's an issue in terms of time. It's an issue in terms of cash flow. What happened this year was that a lot of announcements by ministries and program staff were not made until August, September or October, and the fiscal year started April 1. Those organizations were told to continue providing the service, but they actually weren't given the payments until a contract was signed. There are easy ways to fix that.

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Secondly, longer agreements will mean that it's easier to attract and retain staff because finding one-year contracts with no pensions or benefits is a problem. If you have a three-to-five-year contract with government, you can recruit staff, you can retain them better. That actually is a cost savings for us as well as for the government funding.

On the side of social enterprise and social entrepreneurship, absolutely. It is a bit surprising that governments at all levels aren't taking this more seriously because there are huge opportunities, just like the small business sector, to generate revenue and to create jobs in the non-profit sector with less reliance on government funding.

Mr. Jeff Burch: Thank you.

The Chair (Mr. Amarjot Sandhu): MPP Gates.

Mr. Wayne Gates: Just real quick, the jobs are very important in the not-for-profit. I find that the for-profit usually doesn't have the same type of quality of service, quite frankly, because they're there for profit.

You did talk about Bill 124.

Ms. Cathy Taylor: Yes.

Mr. Wayne Gates: Community Living I know has not had a raise in close to 10 years. They are adults with

disabilities. I think we have to make sure that not only Bill 124—never mind 1%, they've had zero for 10 years. Even a 1% raise is below the rate of inflation.

Ms. Cathy Taylor: That's correct.

Mr. Wayne Gates: Which is really going to hurt not-for-profits. I think that's something that maybe this government should take a look at on Bill 124 as well.

Procurement I think is another good way that you could probably do it, particularly around public buildings—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We'll have to move to the government side now for their time of questioning. MPP Rasheed.

Mr. Kaleed Rasheed: Thank you so much for your presentation this morning. When we talk about funding, let's say for the next three years, as part of budget 2020, how much funding are you looking for?

Ms. Cathy Taylor: We're not looking specifically for a dollar amount for non-profits and charities across Ontario. The non-profit sector is so diverse: arts and culture, social services, community health service. Each of those organizations will have a specific ask, depending on what they need.

But just to make it clear, of those 58,000 non-profits and charities in Ontario, only about 16,000 get any kind of government funding and only about 5,000 get a lot of government funding. So it is a small portion of the entire non-profit sector.

Mr. Kaleed Rasheed: Okay. Based on your presentation—you don't have any funding—

Ms. Cathy Taylor: We don't have any funding requests in this at all. In fact, what we're looking for—our job is to make sure that the environment in which non-profits operate is a strong and efficient environment. All of our asks are more about the how: The processes, the government policy and legislation that affect non-profits. Each of those individual organizations or sectors, like the arts sector, will have specific asks related to their own programs.

Mr. Kaleed Rasheed: Okay. Thank you, Chair.

Ms. Cathy Taylor: Thank you.

The Chair (Mr. Amarjot Sandhu): MPP Cho.

Mr. Stan Cho: Thank you for your presentation this morning. I think we're aligned on a lot of the initiatives you discussed.

Ms. Cathy Taylor: Absolutely.

Mr. Stan Cho: I appreciate you saying that we're taking some steps in the right direction. Obviously, this is going to be an ongoing dialogue, with the different fiscal years, between us and many of your members.

Ms. Cathy Taylor: Absolutely.

Mr. Stan Cho: I appreciate your saying you need a little bit more line-of-sight to the stability of the funding. Certainly, reducing red tape is a big one for many of your members. I'm glad you put some specifics in the presentation. I offer you to continue to send those specifics of that red tape regulation. There was an entire ministry set up for reducing the barriers for your members from operating, and we'll continue on that process.

I appreciate your comments around procurement reform. It's certainly necessary. These are huge amounts of dollars that we're spending out there. We should be looking also at best outcomes and value for money and lifecycle costs.

Ms. Cathy Taylor: Absolutely.

Mr. Stan Cho: These are things that I think we and your members are very much aligned on, so we look forward to those continued discussions.

I'm wondering if you can tell me if there has been a tangible effect on your members for some of the specific measures we've taken. In particular, I reference the changes to the charitable lottery regulations.

Ms. Cathy Taylor: Yes, for sure. There are a couple of specific changes that have benefited our members: the changes to the charitable gaming and lottery, for those organizations that receive funding; in the fall, the Minister of Labour also froze the increase in WSIB rates for non-profits specifically, because, for some, they were going to go up 300%. That rate freeze for the next five years was a really important initiative for non-profits and charities, and we very much appreciate that. And then, specifically, Peter Bethlenfalvy's announcement around umbrella agreements. It hasn't been implemented yet, but it's about to be implemented. It will have a significant impact on organizations in the province.

Mr. Stan Cho: That's fantastic. The other portion of your submission that I appreciate is that you are looking for fewer windows to access—

Ms. Cathy Taylor: Absolutely.

Mr. Stan Cho: And that is key in government, because it is confusing. My offer to you in the 30 seconds we have remaining is that if you have specific methods that you would like to see rolled out, we would love to hear your suggestions, because on the government side we fully agree that it is confusing as it stands. We are committed to reducing the amount of windows available to important organizations such as your members.

Ms. Cathy Taylor: Yes, absolutely. It's quite complex. Running a not-for-profit is very much the same as running a business. All of the rules and legislation apply, whether it's worker health and safety, the accessibility act—all of those things. For a small organization—and our sector is a group of micro-employers, just like the business sector—having that one-stop access, so if you have staff, here are the five or 25—

The Chair (Mr. Amarjot Sandhu): Thank you. I apologize to cut you off. That concludes our time. Thank you so much for your presentation.

Ms. Cathy Taylor: Thank you.

McKELLAR STRUCTURED SETTLEMENTS

The Chair (Mr. Amarjot Sandhu): Moving along to our next presenter, from McKellar Structured Settlements: Please come forward. Please state your name for the record. You can get right into your presentation. You will have seven minutes.

Ms. Brittany Gillingham: My name is Brittany Gillingham, and I'm here with Ralph Fenik, my colleague. We're with McKellar Structured Settlements in Guelph, Ontario.

I'd like to start today by telling you a story about one of your constituents, and I'll call him Jay. A few years ago, Jay was 24 years old. He was a mortgage agent living in the GTA. He was driving home after dropping off his date, and a drunk driver coming in the opposite direction crossed the centre line, hitting him head-on.

Jay sustained catastrophic injuries, including a debilitating brain injury. He was desperate to resume his normal life, so he tried twice to return to work and failed both times. Jay is now resigned to the reality that, because his brain and his body are never going to function the same, his life has veered permanently off course.

When I first learned about Jay, he had no income. He was living on the Ontario Disability Support Program, as well as his Ontario accident benefits, to meet his living, medical and drug needs. He was living in a basement apartment, barely making his expenses, and without any resources to access all the treatments that his health care providers had recommended he receive.

When he turned 27, Jay ultimately settled his no-fault accident benefits for \$1 million. After legal fees and repaying debt, he had \$500,000 left. In essence, at age 27, Jay was effectively retired and profoundly injured, with the need to figure out how to make \$500,000 last for the rest of his life.

In the late 1970s, what was then Revenue Canada and is now the CRA was made aware of stories like the one I've just told you about Jay. In response, the CRA created a tool that allows injured people like Jay to take their tax-free personal injury settlement money and receive it over time rather than all at once. The CRA knew that lump sums had a tendency to be spent quickly and also knew that an injured person who has spent their treatment funds will ultimately look to the government to address those needs, at great cost to taxpayers.

The CRA determined that funds for medical needs arising from personal injury are best paid periodically so that they last to meet the medical need that they were intended to address. The periodic payment of settlement or award money is subject to very stringent rules and requirements because the CRA wanted to make sure it would provide long-term protection of the funds with no real risk of loss. This tool is called a structured settlement, and it is and has been the gold standard for protecting and preserving the settlement funds of injured people. Structured settlements are guaranteed, virtually risk-free and quite literally the embodiment of this administration's auto insurance mantra, "Care, not cash."

Jay knew that a structured settlement was right for him and chose to accept periodic payments in place of \$500,000 of his settlement money. ODSP covers Jay's basic expenses, while his periodic payments address the extraordinary care costs that he will incur as a result of being catastrophically injured.

What seems like a rather ideal resolution to a sad situation ends up being not so perfect because the problem

Jay now has is that even though his structured settlement is funded entirely by tax-free future care funds, under the current regime in Ontario, Jay will become ineligible for ODSP when he's 41 because he has a structured settlement. The irony is that if Jay had just taken a \$500,000 lump sum of cash and spent it, his eligibility for ODSP wouldn't be threatened. His desire to make sure his funds lasted to meet his needs has jeopardized his much-needed social assistance.

Jay's basic needs won't disappear when his ODSP does. Without ODSP supports covering the basics, Jay will use his treatment funds to pay living expenses and ultimately look to the government to fund the medical treatment and drugs he needs but can no longer afford. Disentitling Jay from ODSP with a structured-settlement penalty may save the Ministry of Children, Community and Social Services a little money eventually, but the Ministry of Health and Long-Term Care will ultimately pick up the lifelong medical bill Jay's structured settlement was supposed to address, and be doing so later in Jay's life when his needs and expenses are even greater.

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My purpose here today is to speak on behalf of Jay and the hundreds of Ontarians like him, as well as their caregivers and families. I'm here because McKellar has the resources to be here; Jay and others like him do not. Their request is simple: Eliminate the structured-settlement penalty for seriously injured people who need social assistance. Structured settlements, funded with money paid for future medical care or pain and suffering, should be completely exempt from consideration for eligibility for social assistance.

Meeting this request requires a simple change to an ODSP directive. It will mean that Jay's structured settlement won't disentitle him from ODSP past age 41, which will allow him to use his own resources to meet the most expensive aspects of his care, giving him the best chance for the greatest recovery over the longest period of time, without adverse impact on the provincial taxpayer.

No matter what your political stripe, I think we can all agree that ODSP was meant for people like Jay. Removing the structured-settlement penalty from ODSP eligibility not only supports some of the most vulnerable people in the province, but it makes fiscal sense, both for people like Jay and the Ontario taxpayer.

Our written submission will provide you with the details of our request and answer technical questions, and it will also discuss how the Ontario government can better utilize the tool of structured settlements as it reforms auto insurance in Ontario, and how structures can result in cross-ministry savings and efficiencies.

But while I have your attention here today, I want to focus on Jay and the hundreds of other catastrophically injured Ontarians who find themselves relying on social assistance as the result of injuries that are not their fault. The change this group is requesting is small, but its impact will be monumental. Not only is it a smart decision from a public policy perspective, but it's simply the right thing to do.

We're happy to answer questions at this point.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll go to the government side this time for four minutes of questioning. MPP Cho.

Mr. Stan Cho: Thank you for that presentation, Ms. Gillingham. I appreciate both of you being here this morning. You touched on a lot of important points—and this goes back to a point I made earlier, that life doesn't happen in ministries. Jay is not thinking about which ministry his issue lies with—if it's finance or if it's social services or if it's health. This young man has clearly been affected by something that wasn't his fault and now he suffers for it. That should be the priority—how we can improve his quality of life.

In our auto insurance reform, which I am currently working on right now, creating my recommendations to the minister—I've encountered some frustrations in this file because conflict is built into the system. It is created almost to impede benefits getting to those who need them most. My priority and my formula in my recommendations, rest assured, is to look out for people like Jay, to make sure they're getting the care that they should receive. And the regulatory change that you request—I'll certainly make sure it gets to the right ears at the appropriate ministries. A part of our larger goal is to make sure we break down those barriers between ministries so that we are looking at an outcome-focused approach to how we look at this.

I'm wondering if you can share with me failures and successes of other jurisdictions—maybe not necessarily just limited to Canada, but around the world—that have looked at removing barriers to structured settlements, and maybe you can tell me how Ontario can follow suit and learn from the mistakes of others.

Mr. Ralph Fenik: I can say that the closest comparison would be the province of Alberta. They have a program, referred to as AISH—Assured Income for the Severely Handicapped—and their benefits, which essentially parallel ODSP, are even more robust, by a substantial amount—

Mr. Stan Cho: I'm sorry; is that a private entity or is that a public entity?

Mr. Ralph Fenik: It's a public entity. Since 2007, they've taken the position, essentially, of applying a means test based on tax returns. Any income that is not reported to the CRA is exempt. Essentially, that is the ask that we're looking for. Currently, ODSP does allow an exemption for personal injury damages, but in the case of structured settlements—let me back up. If there's a \$500,000 settlement, that money, if it's for medical or general damages or prejudgment interest, is exempt, completely, so a claimant can do whatever he or she wishes to do with that.

If they have the ability to structure, and there's consent to structure as a term of the settlement then the position of ODSP is that the payments are exempt out of the structure. Periodic payments are exempt, but only until the threshold of the capital deposit amount is reached.

That's why, in this case with Jay, he can only receive ODSP benefits up until age 41.

Ms. Brittany Gillingham: At which point, he is then cut off. To your point: Alberta has taken the approach—and I think that their data speaks volumes, because this is a change they made in 2007—that by exempting, in this particular circumstance, catastrophically injured people, you're not going to benefit ministries across the board by having these people look elsewhere to receive funding.

AISH is the best place for someone like Jay, if he were in Alberta. ODSP is the best source here—

The Chair (Mr. Amarjot Sandhu): Thank you. I apologize to cut you off. We'll have to move to the opposition side now. MPP Gates.

Mr. Wayne Gates: Thank you very much for your presentation today. I have gone through this system a little bit, from when my wife was hit head-on by a drunk driver. It's something that bothers me quite a bit, but we did do a settlement. She was working, and there were other issues.

But in this issue here, isn't it the insurance companies, who are making billions of dollars, that are lobbying to cut exactly what that top limit is for people who are hurt in a car accident? I think at one time it was \$2 million. It has now gone down to \$1 million. They've also cut down the amount of, I think it's called the tort—one of those words you guys would know better than me—where they've cut that down as well, or raised that limit up, so it's harder for those who are in a car accident to even get any kind of benefits or any kind of treatment.

Something that's interesting to me is the fact that what happens is, no matter what that amount is—like, they should be getting, say, \$1.5 million and that should take care of them for the rest of their lives. It should be structured—this is what you're going to get—and make sure they're getting their treatments that they're going to need. In a lot of cases, in these types of situations, they're going to need it for the rest of their lives.

Instead, we had insurance companies lobby the Liberal government. I don't know what they're doing with the Conservatives; they're a lot quieter than the Liberals were on this issue. But they lobby them, and then they end up hurting those who get injured in car accidents—in this case, in Jay's case, severely, and he will need lifelong treatment.

Having it exempt and saying, "Well, we need it exempt because of ODSP"—what we should be doing is if, through no fault of their own, they get severely injured in a car accident, there should be enough funding there that they're going to be covered for the rest of their lives. It shouldn't fall back on the taxpayers—quite frankly, on ODSP or OW or whatever it's going to be, whatever the assistance is going to be. It should be the responsibility of the insurance company.

Quite frankly, I'm tired of insurance companies saying they can't afford it. We know they're making billions and billions of dollars in profit. It should be about the victims and not profits.

So I understand where you're going. But I think we should actually go a step further, so that these awards are the increase of what they can get when they run into

situations like my wife, Rita, did, where she had disabilities that she's now going to need money for the rest of her life. She's going to need treatment for the rest of her life. That's just the way it is. Insurance companies have an obligation to pay that, not taxpayers.

I understand what you're trying to do. But I think the next step should be saying to insurance companies that in these situations, the awards should be high enough that they're going to be taken care of for the rest of their lives. How you spend out the money over the course of the year, how you control that money—because you're right. Somebody may get \$1 million and it's gone very quickly at whatever they decide to do with it. In this case, I agree with you that it should be spread out over a period of time. But they shouldn't be punished because of it. I think it should fall back, and you should be raising exactly what insurance companies are doing to victims in the province of Ontario. I'm not sure that's exactly where you're coming from.

I understand Jay's situation. It's very similar to EI, quite frankly. If you're on EI and you lose your job, you get a severance, and over the course of that time, you get \$30,000. That \$30,000 has to be allocated weekly until it's used up. Then you can either go on EI or go on social assistance, or whatever you have to do if you don't qualify for EI. This is what you're talking about. This is a very similar program that EI does.

But I think it should go back on, and talk a lot more that insurance companies have a responsibility to make sure that the victims—and you hit it right on the nail. Your comment was right on the nail. Through no fault of their own—there was no fault to my wife. She was coming home after teaching school on Lundy's Lane at 5 o'clock in the afternoon—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off.

Mr. Wayne Gates: —and hit by a drunk driver.

The Chair (Mr. Amarjot Sandhu): That concludes our time. Thank you so much for your presentation.

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CHEMISTRY INDUSTRY ASSOCIATION OF CANADA

The Chair (Mr. Amarjot Sandhu): Our next presenter is the Chemistry Industry Association of Canada. Please come forward. Please state your name for the record, and you will have seven minutes for your presentation.

Mr. Don Fusco: Hi. My name is Don Fusco. I'm the director of government and stakeholder relations for the Chemistry Industry Association of Canada.

The Chair (Mr. Amarjot Sandhu): You may start.

Mr. Don Fusco: Chair and committee members, it's a pleasure to be here today on behalf of Ontario's chemistry industry.

Fiscal discipline and sound stewardship of public finances is important. However, only economic growth will deliver jobs and prosperity for Ontarians. Underlying

this is strengthening Ontario's competitiveness. I recognize the government's commitment and early actions, but more is needed.

Manufacturing is vital to Ontario's economic well-being, and with more than 95% of all manufactured products being touched by chemistry, the chemistry sector is a vital component of Ontario's manufacturing future. Globally, our sector is a \$5-trillion industry, with annual growth nearly doubling GDP growth in each of the past 10 years. Moreover, analysts predict that the global chemistry demand will triple over the next 20 years.

There is a spectacular wave of new chemistry investments being made in North America. Unfortunately, outside of one project, Ontario has not received its fair share of new investments. Driven by the low-carbon shale gas phenomenon, the US has witnessed over 320 new global-scale chemistry investments completed, under construction or announced, with a cumulative total of more than C\$250 billion, of which 60% is foreign direct investment into the United States. The US National Association of Manufacturers identifies chemistry as the fastest-growing manufacturing sector in that country, responsible for half of all manufacturing investments during the past five years.

But what about Ontario? Nova Chemicals is making a \$2-billion investment to expand its operations in Sarnia. This project is the second-largest manufacturing investment made in Ontario in a century. Had we kept our historical share of new investments, we could have realized another four global-scale investments worth more than \$10 billion.

Other jurisdictions are aggressively attracting billions of dollars of new chemistry investments, not with direct loans or grants; rather, by making our sector a key economic development priority and enabling risk-free targeted tax credits. Alberta, Pennsylvania, Louisiana and Texas implemented tax credit programs.

I'd like to take a minute to highlight Alberta. In 2017, the province introduced a royalty tax credit worth \$500 million that secured \$8 billion in new chemistry investments. Two global-scale projects will be in production in the next two years. In 2018, it doubled the size of this program to \$1.1 billion in royalty credits. It is now reviewing \$60 billion in projects and is expected to proceed with four projects worth \$20 billion.

This approach incents investments without any direct outlay of cash. If the investment isn't made and the facility does not generate operating profits, the tax credit is not realized. More importantly, securing new investments yields local supply chain spending and generates incremental government revenues through personal income taxes and HST that would not otherwise have been generated for the life of that facility.

It is important to maintain these programs for at least an eight-to-10-year period to give prospective proponents the certainty and predictability to bring forward meaningful and credible projects and predetermined criteria be established to ensure transparency.

We endorse the initiatives that modernize business regulations to be outcome-focused and evidence-based

while protecting the public interest. We welcome the Open for Business Action Plan initiatives already undertaken, including Bills 47, 66 and 132, that eliminate unnecessary cost, duplication, complexity and time while protecting our health and environment.

Additionally, we seek clarity between the federal carbon price backstop and Ontario's emissions performance standard. We stress that Ontario develop or advocate to their federal counterparts for the establishment of mechanisms that will allow for the recycling of carbon pricing proceeds to be returned to industry to invest in their operations to lower GHG emissions.

Furthermore, we highlight the federal Clean Fuel Standard. It will apply in Ontario regardless of which carbon pricing regime is used. The CFS is a first-in-the-world standard to include carbon intensity reductions for gaseous and solid fuels, along with transportation fuels. The CFS will have costly implications for the chemistry sector and other manufacturers that are end-users and price takers of fuels for transportation and energy. We urge Ontario to assess the full impact of these additional costs and engage in the federal process to help Ontario industry avoid costly and duplicative climate change policies.

Electricity costs are material to chemical manufacturers in Ontario. Our costs have vastly outpaced broader inflation trends and competing jurisdictions. Moreover, electricity programs act as incentives to secure new investments. Long-term industrial electricity policy must incentivize new production and facility expansions here in Ontario for both those that can and cannot shift their loads.

Recognizing and protecting employment lands is crucial to Ontario's economic success. We must prevent the encroachment of sensitive land uses adjacent to existing manufacturing sites. If not, these sites will then have additional environmental mitigations imposed that will impact their continued economic viability. Furthermore, better balancing is needed in the apportionment of property taxes between industrial and residential assessment bases.

Lastly, a number of municipalities are seeking to eliminate the current property tax rebate on vacant industrial lands. This creates another uncertainty and risk to increasing business costs in Ontario.

Our products are solutions to some of society's biggest issues including climate change. Through our Responsible Care ethic, we are committed to building trust within our local communities. Not winning our fair share of chemistry investments means missed opportunities for the economy, our industry, our workers, our contractors, our communities and governments, which rely on a share of our revenues to deliver on societal imperatives across the province. We believe Ontario would benefit from more good chemistry. Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll start with the opposition side this time. MPP Gates.

Mr. Wayne Gates: Thank you very much. I'm not so sure we should be doing more chemistry, but that's a whole different story from what I was thinking.

This is a hidden secret, quite frankly, in this economy. When you think about manufacturing, and as the manufacturing critic, I think of auto, and we've seen some of the auto with Windsor, with General Motors and Ford. You think about steel, and you think about forestry maybe. Nobody thinks about the chemistry industry. I think it's kind of like a hidden jewel. Maybe just quickly you can tell me how many jobs in Niagara you would have and how many jobs in Ontario you would have.

Mr. Don Fusco: I'll start with province-wide. Our industry directly employs 46,000 in Ontario and indirectly creates another roughly 230,000 jobs in the province. Our main base is obviously in the Sarnia-Lambton region, which is the most integrated cluster in Canada for our sector.

In the Niagara region, we've got a budding cluster, including Sci-Tech in Niagara Falls and Jungbunzlauer and Oxy Vinyls in the Niagara-Port Colborne region. Directly, there are roughly about 1,000 jobs combined in those clusters, and roughly about 5,000 jobs indirectly that would be generated by those production operations.

We are the second largest manufacturing exporter in the province: \$24 billion of production shipments, of which roughly \$22 billion are exported. We certainly punch pretty hard.

Mr. Wayne Gates: They're big numbers, and I hope the opposition is taking some notes on this presentation, because there is an unbelievable opportunity for this industry to grow in the province of Ontario.

Maybe you can talk about what type of jobs are there. What's your rate of pay? Do you have health and safety committees? Are they unionized jobs? Those types of things—because that's a big issue here.

Mr. Don Fusco: Yes, yes and yes.

Mr. Wayne Gates: It's a hidden secret that people don't understand. I know, because I did tour Sci-Tech not that long ago—you were there—and the absolutely incredible work that they do, how safe it is. We've never had a real issue there. They're always looking to grow there, and they have been growing there. Touch on those issues, please. I think it's important to understand just what good-paying jobs these are.

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Mr. Don Fusco: I'd be delighted to. The average industrial manufacturing wage in the province is about \$56,000 a year. The average salary for a production worker in our sector is \$98,000 a year. Every new job that our sector can create drives significant economic benefits for the individual and for the community.

Our Responsible Care initiative is something that started in Canada. In fact, it started in Ontario and is now in over 80 countries in the world. It ensures a continuous improvement on safety and the betterment of the environment and the community as well. We're very proud to export that around the world. I'd be happy to talk more about that any time.

Mr. Wayne Gates: Thank you. Jeff?

The Chair (Mr. Amarjot Sandhu): MPP Burch.

Mr. Jeff Burch: I'm not sure how much time is left, but you mentioned vacant industrial lands, which is something we really deal with here in Niagara. What benefit does your industry bring to our ability to remediate vacant lands?

Mr. Don Fusco: Our focus on those industrial lands is that there are brownfield developments from old historical legacy manufacturing facilities. There are opportunities to redevelop them for new—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We're going to have to move to the government side now. MPP Oosterhoff.

Mr. Sam Oosterhoff: Just one quick question: What's the reason for the disparity between Alberta and Ontario? I know, of course, proximity to propane and products and things like that—but that's quite a drastic difference.

Mr. Don Fusco: It is. Frankly, Ontario has, up until the 1980s, been the fastest-growing sector in Canada for our sector. There has been a fundamental focus on this sector in Alberta and other states that, frankly, has not had the kind of priority within the economic development strategy for the province. Premiers, governors and ministers go and visit the multinational firms—about 80% of the facilities in Ontario are Canadian subsidiaries of multinational organizations—and market their jurisdiction and talk about it and raise the profile. That's one element that we want to see. The additional tax credit incentives that have been instituted in these jurisdictions have given a big boost to attracting that investment.

Mr. Sam Oosterhoff: Was that a New Democrat government in Alberta that—

Mr. Don Fusco: Yes, and the new government in Alberta is reviewing the program and has already made public statements that it will continue that tax credit program.

Mr. Sam Oosterhoff: Okay. Another question I have, before I turn it over to my colleague—you have a lot of recommendations here. What would be your number one pitch?

Mr. Don Fusco: A chemistry cluster economic development strategy that includes a tax credit to incent new investment.

Mr. Sam Oosterhoff: Thanks.

The Chair (Mr. Amarjot Sandhu): MPP Smith.

Mr. Dave Smith: Following up on what my colleague said about the number of recommendations you have, the one I'm having the most trouble with is (4)(a): committing to have programs last beyond election cycles. Unfortunately, in our democratic society that's not something that you can do. We could write legislation that says, "You can't change it," and then the next government can come in and say, "No, sorry. We're changing that piece of legislation." I'm not sure that's one that we would be able to do for you, for that reason.

A group from your organization came to speak to me back in the fall and talked about that one of the challenges in the chemistry industry was some of the problems that we're having retaining research and development, and that other jurisdictions have been able to attract it. Part of that

ties into post-secondary, and I'll pass it over to my colleague shortly on that portion of it. Can you speak to me a little bit about the challenges that you're having investing in Ontario on the research and development side?

Mr. Don Fusco: What is the essential element to growing the R&D is actually having the production bases from these organizations so that they're tied to it. For instance, Nova Chemicals has a number of production facilities in Sarnia. One of them is actually a dedicated pilot plant for developing some of the new products. The more production facilities that we can anchor in Ontario, that helps. Working closely with the post-secondary education institutions, the colleges and the universities, to look at what are opportunities—even the Ontario Centres of Excellence—to look at new innovations, including making more plastics recyclable from the resins that are being created, would tie that better. So stronger and tighter linkages between industry and the academics.

Mr. Dave Smith: I'll pass over to my colleague.

The Chair (Mr. Amarjot Sandhu): Thank you. I apologize, there is no time left. Thank you so much for your presentation.

Mr. Don Fusco: Thank you.

WINERY AND GROWER ALLIANCE OF ONTARIO

The Chair (Mr. Amarjot Sandhu): Moving along to our next presenter from Winery and Grower Alliance of Ontario. Please come forward. Please state your name for the record. You will have seven minutes for your presentation.

Mr. Aaron Dobbin: Thank you. Hello. My name is Aaron Dobbin. I am the president and CEO of the Winery and Grower Alliance of Ontario. I'm pleased to have the opportunity to present to this committee as part of your pre-budget consultation.

WGAO's members make more than 85% of all the wine that is produced in Ontario, including the majority of wine made from 100% Ontario grapes. We are proud of the grape and wine industry that we have built in Ontario, an industry that supports 18,000 jobs in our province, supports hundreds of family-owned businesses and attracts over two million visitors a year to the province. By our very nature, we are tied to the land and our province. We are a value-added agricultural industry rooted in rural Ontario, based on craftsmanship that we can all be proud of.

We are also very important to the province, but also to specific areas of the province, particularly Niagara, Prince Edward county and Lake Erie North Shore.

All of that being said, our industry faces several serious challenges. Even within our own borders, we compete in a global market against highly subsidized competitors. Simply put, we do not compete on a level playing field, even in our home park. Our competitors, supported by hundreds and hundreds of millions of dollars in annual subsidies, dominate at the LCBO.

VQA has an 8% market share at the LCBO. Compare that to 99% for South America—Chile and Argentina. Their market share in their own countries is 99%. In Italy, their domestic market share is 85%; in France, 70%; and the United States, almost 65%. Even in the great wine producing country of Russia, its domestic market share in its country is 50%. Spanish wineries alone, the home of \$7.95 Toro Bravo, which you may have seen in the LCBO, receives over \$400 million a year in subsidies, much of that spent to promote and sell their wine abroad.

Just this week, the EU announced that it will be increasing its subsidies for export promotional activities by 10%. The playing field just tilted even further. The reality is, this is in response to the Americans and the tariffs that the US federal government has placed on European wine. But what's going to end up happening is those European wineries are going to look to countries where they already have a significant foothold and look to expand their sales in those countries that are open for trade with them. Canada and Ontario will be prime targets for this increased subsidy.

In addition to these challenges, our industry has been subject to massive changes over the past five years, including the Ed Clark process, and the past two years of retail modernization hanging over us. These changes are making it difficult to predict the future and subsequently have had a chilling impact on capital investment in our industry. Uncertainty and international subsidies make it difficult to plan and succeed.

I want to be clear, though: If done right, retail modernization will benefit everyone in our industry. If not done right, the government risks creating a system where imports dominate and a small number of retailers hold all the power, potentially devastating the local industry. We need the government to keep working with us and get this right, and the sooner we understand things are going in the right direction, the faster we can get companies to start investing in Ontario again.

I also want to stress that any solution cannot be driven by big beer and the master framework agreement. As the government of the day learned from the Ed Clark process, wine is very different from beer, and our industry needs solutions that recognize that reality. We are committed to working with the government to ensure all aspects of our industry are able to thrive in a new retail environment.

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We understand that the government has inherited the beer framework agreement, which creates significant challenges for it when they're trying to change the retail environment. We understand those challenges. We understand that there are price tags potentially associated with that. But it is very important that, as we move forward, the wine industry gets its fair time with the government. We have had a number of good conversations with the government. We just need to ensure that those conversations are in parallel with beer, and we are not left with a fait accompli as a result of the beer discussions.

In the meantime, the government's one-year transition program for the VQA support program was extremely

welcome. We share the government's belief that it is essential to transition to a sustainable and effective framework for our industry that enables wineries to realize a fair margin on their work as part of retail modernization. However, if a long-term solution is not in place soon, we believe that another year of transition will be necessary, to continue to support the sector while the government conducts its review of beverage alcohol.

I also want to take this opportunity to congratulate the government on the significant progress it has made on red tape reduction, and the announcement in the fall economic statement regarding legislative and regulatory modernization for the alcohol sector.

The government has taken a number of actions on red tape that are helpful to our industry, including hours of operation for our stores and putting in place the 72-hour rule for farmers' markets. These small but important changes help us to better serve our customers, and to operate in a cost-effective manner while maintaining the high standards necessary to ensure public health and safety. We look forward to further progress on red tape reduction with Minister Sarkaria, and are eager to work with the government on other opportunities, including pricing and pricing, which are so popular in BC.

In the fall economic statement, Minister Phillips announced that the government would be modernizing the legislative and regulatory framework that governs our industry. We are very supportive of this initiative. We believe that in the context of expanding retail options, it will be very important that the LCBO be treated like any other retailer, and it should no longer be able to determine its own rules while other retailers must abide by the rules set out by the AGCO.

Finally, I'd like to thank the government for responding to last year's pre-budget submission on tax issues. We would ask that the proposed tax increase that was paused to June 1 be permanently paused.

Thank you for your time, and thank you for visiting us in Niagara.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll start with the government side. MPP Oosterhoff.

Mr. Sam Oosterhoff: It's good to see you again, Aaron. Thanks for coming before the committee this morning. Thanks so much for all of the work that you and your organization do with many wineries across Ontario, but, of course, here in the Niagara region as well.

I just want to make sure that we get on the record—and I appreciate all of the things that are included in here. I just want a little bit of clarification for the sake of the committee and for the government.

Here, you say, "We need the government to keep working with us and get this right...." Later on, you say, "If a long-term solution is not in place soon," we need a "sustainable and effective framework for our industry." Those are broad terms. Can you just flesh that out a little bit more on what that actually means?

Mr. Aaron Dobbin: I think the key for us will be ensuring that whatever is put in place for retail modernization—so beer and wine in corner stores and grocery

stores—needs to ensure that we are able to realize the margins we need that make it possible for us to make a profit when we're making wine.

It is very broad. We have had some very good conversations with the government on the specific elements that we believe will be required to do that, and we want to continue to work with the government to continue to explore those.

Our only challenge right now is that the VQA support program, the transition program, is in place for up to this year, but it will start impacting our sales for 2020 and how we organize that.

To the government's credit, when we brought this up in September of last year, the government reacted very quickly and put in place the transition program. We just want to signal now that if something is not in place within about the next four or five months, we are definitely going to need to have a conversation about another year of transition.

Because I think the government's expectation is that, once we understand what retail modernization is, retail modernization will include within its framework whatever takes the place of that transition program.

The Chair (Mr. Amarjot Sandhu): MPP Cho.

Mr. Stan Cho: How much time do we have left?

The Chair (Mr. Amarjot Sandhu): You have a minute and 30 seconds.

Mr. Stan Cho: I'm going to have to speak very quickly.

It's nice to see you again, Mr. Dobbin. I appreciate you talking to two specific measures that the government has taken to help your industry; specifically, the 72-hour rule, as well as extending the transitional funding.

For those who don't know the 72-hour rule: Previously, people who were selling their wine at a farmer's market, for example—for the unsold wine, would have to take it back to their location within 24 hours and then go back the next day with unsold inventory. This is the kind of thing that makes no sense for the industry.

The government has received criticism that this government only cares about alcohol. Do you feel that's the case here? Is it just about alcohol for your members?

Mr. Aaron Dobbin: No. Particularly because of the nature of our industry, we have significant impacts, at the regional level, on the economy. I think the government has been very helpful in addressing our ability, not as alcohol producers, but as value-add agriculture. I think this government actually gets the fact that we are value-add agriculture—things that are helpful on tourism, but also things that just help us better serve our customers. Like I said, we're in a very tough economic environment with very heavily subsidized competition, and every little thing helps. In terms of alcohol, I think this government actually gets—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We'll have to move to the opposition side now. MPP Gates.

Mr. Wayne Gates: Maybe you could talk a little bit on the challenges with small and medium-sized wineries. As

you know, we put forward a bill, when the Liberals were there, on the unfair taxation—with international wines coming in and they're not paying that tax, which means that they have an unfair advantage over small and medium-sized wineries. When you talk about wineries, everybody always thinks they're making lots of money, and that's not completely accurate, particularly in the small and medium-sized wineries—and how it is important to us.

That's one question. I'll try to do a few, and then you can answer them at one time.

Obviously, there are big concerns when you know that countries like Italy and even Russia—you can mock Russia, but at the end of the day, they're still subsidizing their wine industry because they understand how important that industry is to their local economies—or the economy, in our case, in the province of Ontario. Why would we not level the playing field? If they're going to do it, then why wouldn't we do it—or at least charge them a cost to come into our market?

And then the one that has always stood out—and we've argued this for years with the LCBO: a fair part of the shelf space at the LCBO. We go there and we see more and more international wines, at the expense of local wineries. That's obviously a big issue and has been for a long time.

I think the one the government should be listening to is—these are 100% grapes grown in Ontario. A lot of those grapes, I'm proud to say, are grown right here in Niagara. I think that in itself should get the government saying, "How do we protect this industry? It's important." It's important for jobs. There are some really good-paying jobs in the wine industry. There are also some good jobs created in the tourism sector. I think you touched on how about two million people are tied to the tourism sector. We've gone from about 1.8 million tourists up to 2.7 million now who are coming to Niagara-on-the-Lake. They're not just coming for the wine—but I would say that 94% of them are coming for the wine, and they do the theatre and the other stuff.

So could you please talk about a level playing field, how we get more shelf space for our local wineries, how we protect our small and medium wineries—as well as our bigger wineries, but I think the small and medium wineries are being hit extremely hard right now. Maybe you can touch on them, and if there's time left, I think my colleague has another question.

Mr. Aaron Dobbin: On the small and medium-sized wineries: I just want to caution folks, as well, that we've fallen into a false language in Ontario. We tend to talk about large, medium and small wineries in Ontario. The reality with our international competition—there are seven wineries in California, and each winery itself makes more wine than is made in all of Canada. That's seven wineries, right? In the grand scheme of things, we actually don't have large wineries in Canada, and that's part of the problem. The scale is gigantic.

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In terms of the level playing field, the challenge we really have in this country is that we have to do things in a

way that abides by WTO rules and our international trade obligations. What ends up happening is that our European and South American counterparts are very happy to cut cheques to companies for tens of millions of dollars. In Canada and in Ontario, we don't have that same—

The Chair (Mr. Amarjot Sandhu): I apologize to cut you off. That concludes our time. Thank you so much for your presentation.

TAYKWA TAGAMOU NATION

The Chair (Mr. Amarjot Sandhu): Moving on to our next presenter, from Taykwa Tagamou Nation: Please come forward. Please state your name for the record. You will have seven minutes for your presentation.

Chief Bruce Archibald: Chief Bruce Archibald.

Deputy Chief Victor Linklater: Deputy Chief Victor Linklater.

The Chair (Mr. Amarjot Sandhu): You may start.

Chief Bruce Archibald: Wāciye. Hello. Good morning, committee members. My name is Chief Bruce Archibald, and alongside me is Deputy Chief Victor Linklater. We are here on behalf of Taykwa Tagamou, a nation of 700 members, with 140 living in the community. We are located in northern Ontario within the area of Treaty 9. We have practised traditional land use and trade with our neighbour nations from time immemorial.

Before we begin, I'd like to acknowledge that we are meeting on the traditional territory of the Anishinabek, Ojibway, Chippewa and Haudenosaunee peoples.

We are honoured to be here today to discuss Ontario budget 2020 and to provide insight on how upcoming budgetary and policy decisions will impact our community. Our comments are a reflection of the vision that our community has for continued investments, economic growth and creating equal partnerships between proponents, Ontario and our nation.

We have invested in economic development for our community and are proud to have true partnerships with the natural resource industry. Investing in the north is a good economic policy for Ontario as it brings increased development, job creation and capacity-building. We have successfully partnered with Detour Gold and Ontario Power Generation to demonstrate our strong economic partnerships. Through our partnerships, we have proven that TTN is a viable partner and demonstrated how strong economic policy and partnerships can benefit all of Ontario.

TTN wholly owns successful companies called Coral Rapids Power and Island Falls Forestry. In hydroelectric, Coral Rapids Power is partnering with OPG to plan, construct and operate a 25-megawatt hydroelectric generating facility on New Post Creek. In forestry, TTN has negotiated a historic, long-term forestry agreement, an achievement that secures our ability to successfully harvest our territory. In mining, our partnership with Detour Gold provides opportunities in education and business and employment for our members to gain skills and experience.

Through these investments made in the north, our First Nation has created positive, successful and beneficial partnerships with proponents. However, despite our best efforts at becoming true partners, we struggle daily with the ability to continue these successes due to a lack of in-house technical support, capacity infrastructure and, often, full accountability from proponents.

On average, our band office receives 20 permit notifications per week. The Ontario public service departments collectively employ roughly 60,000 employees. In at least three OPS ministries, these employees prepare and review these notifications. To put this into a comparative context, TTN has one full-time employee to review and respond to each notification. Although these notifications provide the start of an open dialogue and acknowledgement of development within our traditional territory, our chance to fully participate and exercise our Aboriginal treaty rights is limited by the short ministry deadlines.

A lack of in-house technical support to identify impacts on our traditional territory poses significant risks for our community, who still rely on the land to this day. This simply sets us up for failure before we even begin.

In regard to capacity, we have applied to the New Relationship Fund on different occasions. However, the Indigenous Economic Development Fund's overall budget is simply not enough. It's a system designed for our communities to fight for the same small pool of resources. It is also a proposal-based system, which does not work for our community, with our current capacity and time constraints.

It can't work like this anymore. We require a system where we could work together and align our priorities, as partners—a system that would provide economic growth and a healthy return on investment for both parties.

The solution must also involve proponents coming to our nation, from the onset, with the intention of full partnership. There must be an understanding that free, prior and informed consent is not just an idea, but an obligation. Based on our successful partnerships, it is clear that we are not here to halt progress, but to ensure it is equitable, environmentally sound and provides benefits to our community.

We trust, in good faith, that proponents will commit to building equal partnerships. That means Ontario must not simply advocate for proponents to engage with our nation, but to ensure they do so in a meaningful way, through all stages of development. Right now, through budget 2020, we have the opportunity to fix these issues.

In short, we are asking Ontario to:

—invest in streamlining the current notification systems through a whole-of-government approach that fully supports the United Nations declaration of free, prior and informed consent;

—provide an expanded New Relationship Fund budget that is based on capacity and volume needs, with predictable and sustainable funding, that is not proposal based; and

—ensure the accountability of the proponent to commit to equal and transparent partnerships within our traditional territory through strong policy.

The Chair (Mr. Amarjot Sandhu): One minute.

Chief Bruce Archibald: With Ontario's continued commitment to be for the people and open for business, we should all be excited about the prospect of working together in more streamlined and meaningful ways. Together, as meaningful partners, budget 2020 can be the beginning of a brighter future for all our future generations. Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll start with the opposition side for questioning. MPP Mamakwa?

Mr. Sol Mamakwa: Meegwetch, Chair. Kitchi meegwetch to Chief Archibald, and also Deputy Chief Linklater, for the presentation.

Certainly, I think your asks are pretty clear, as outlined on the last page. Also, your front page looks pretty cool. That's kind of how I grew up as well, seeing those types, when my parents and my grandparents did the moose hide.

But going back to some comments that you have with free, prior and informed consent. I know that's one of the things I've been struggling with, a position of treaty relationships. Sometimes, the systems that are there, whether it's provincially—Ontario needs to act as a treaty partner rather than treating us as a stakeholder. Certainly, we've been trying to move in a direction whereby Treaty 9—it was signed by Ontario. Actually, it's the only numbered treaty that Ontario has signed, and they have to act as such and treat us as partners.

I'm wondering if you can give some thoughts and some background on the position of being a signatory to Treaty 9, and what the relationship is that you want to try and create with this government, the province of Ontario.

Chief Bruce Archibald: Thank you. When our ancestors before us signed the treaty in 1905, I think the original intent was—what the elders had told us is that we never gave up our land. We signed that treaty to share with all of Ontario, in regard to the resources that are within our territories over there. I believe that's something that has not been on the table for the last probably 100 years or so, since the time the treaty was signed.

I think now is the time, as you're the government of today, to fix those wrongs that were done to the people on how this treaty is being implemented. I think it's time that we could come to the table and sit across from each other or with each other and work out some kinds of solutions on how we can move forward in a positive and meaningful way on what the treaty meant to the people back in 1905.

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I'm glad the question came up, because that was something that I really wanted to mention or talk about. We have to start building our relationship now, in the spirit of reconciliation. It's time that we have to sit at the same table and come up with solutions for our people, because our people are struggling out there in regard to services, health and also economic development.

Mr. Sol Mamakwa: Thank you very much. I'm also very happy that you've outlined your asks. I think one of the things that I've known about programs, especially First Nations programs, is sometimes we provide these file

folder programs. File folder programs could mean that they come with no facilities. I think—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We'll have to move to the government side now. MPP Skelly.

Ms. Donna Skelly: Thank you for your presentation. I have a map of the Far North of Ontario in front of me. Whereabouts is your community?

Chief Bruce Archibald: Our community is about 15 kilometres east of Cochrane, Ontario.

Ms. Donna Skelly: Cochrane, okay. You'll have to find that on there for me.

Chief Bruce Archibald: It's about an hour, or about 100 kilometres northeast, of Timmins, Ontario.

Ms. Donna Skelly: Okay, so you're not quite as far north as I was—it's actually farther south than I'd realized.

One of the most impactful parts of our pre-budget deliberations was something that MPP Mamakwa facilitated, and that was a trip to Sioux Lookout. We are getting an idea of the unique struggles that face First Nations communities.

What are your thoughts on the Ring of Fire?

Chief Bruce Archibald: My thoughts on the Ring of Fire are that it's probably a good thing for Ontario and also for the people, as long as they're at the table in an equitable way as partners. I think that might be the problem in trying to move those projects forward.

But that's a little ways out of our territory. I don't like to speak on behalf of other First Nations in regard to what they want to do in their traditional territories, but I feel that in order for a project like that of that magnitude, the communities have to be at the table and be really involved right from the onset.

Ms. Donna Skelly: I don't mean to cut you off, but we unfortunately only have four minutes and I don't want to monopolize all the time. I'm going to be sharing it with MPP Smith.

Twenty seconds: advice to give this committee—the government side—on how to work collaboratively with First Nations communities.

Chief Bruce Archibald: I think by better communication, like what you did when you visited those communities in Sioux Lookout: Come to the north, visit our communities and listen to the people. That's where we get our direction from. That's the message that we're bringing today, being able to sit down and to talk to the people and listen.

Ms. Donna Skelly: Okay. I'm going to hand it over.

The Chair (Mr. Amarjot Sandhu): MPP Smith.

Mr. Dave Smith: Thank you very much for your presentation. I greatly appreciated it. Meegwetch. I'm in Williams Treaty territory, Treaty 20. I have a great working relationship with Chief Emily Whetung. Actually, she has brought forward a number of similar concerns to what you had here in terms of a lack of staffing and so on to do all of the consultation.

What she suggested to me—I'm asking your opinion on this now. She suggested that perhaps what we should be trying to look at is centralized administration of this, by

First Nations, by treaty area itself. You're looking for about seven employees, about \$575,000 yearly in expenses. Do you think that there would be any value in having that collaboration with others in Treaty 9 and having a central office specifically dedicated for it from all of those First Nations?

Chief Bruce Archibald: It's kind of hard to say yes or no. I think the struggles and maybe the hurdles that we might face is that communities have different interests in different areas. In our case, we're located right in the heart of many different kinds of resource developments within Treaty 9. I think it would be beneficial to have some kind of tribal council advocate on our behalf, maybe. I think a good idea would be to leave it to those First Nations to deal with any kind of resource development within our territory, because some of these tribal councils—

The Chair (Mr. Amarjot Sandhu): Thank you. I apologize to cut you off. That concludes our time. Thank you so much for your presentation.

DISTRICT SCHOOL BOARD OF NIAGARA

The Chair (Mr. Amarjot Sandhu): Moving along to our next presenter from the District School Board of Niagara. Please come forward. Please state your name for the record. You will have seven minutes for your presentation.

Mr. Kevin Maves: My name is Kevin Maves. I'm a trustee for the District School Board of Niagara. With me today is superintendent of education John Dickson.

Good morning, Mr. Chair and committee members. Welcome to our great city of Niagara Falls. Thank you for allowing us to present this morning.

I've been a trustee for over 20 years with the District School Board of Niagara. During that time I have served as both board chair, vice-chair and currently the DSBN's finance committee chair.

School boards have a responsibility to promote student achievement and well-being. As local trustees who are on the ground, we hear first-hand about the needs of our students, their families and school communities. That is why we felt it was important for us to appear before you today and talk about the importance of sustainable and equitable education funding. School boards believe this is a foundational factor in setting the conditions that promote and sustain student achievement and well-being. Public school board trustees are committed and dedicated to public education. We do this because we care about our students, our community and our future.

Provincially, we know that education is the second largest funding line, and rightly so. Appropriate funding should provide students with a range of program options that allow them to pursue a pathway that supports their interests and strengths. The top funding pressures for most school boards across the province continue to be special education and supports for mental health, student transportation, and facilities and capital-related costs.

Here locally, the District School Board of Niagara is comprised of over 36,000 students and we span a large

geographical area, spanning from Fort Erie to the Hamilton-Wentworth border. We are very proud of our students, teachers and education workers. Our success rates in grade 3 and grade 6 reading and writing have experienced strong gains over the past five years. Success rates in these areas exceed 80% and all exceed the provincial averages.

Our students' journey in math has been particularly inspiring. Identified as an area of concern at the DSBN and across the province, our board has directed a significant amount of effort and resources to improving student learning in this critical area. The hard work of students and teachers has been evident. Scores have increased in grade 3 and grade 6 math, as well as grade 9 academic and applied mathematics. In fact, DSBN results in math are as much as 12 points above the provincial averages.

We believe in the limitless potential of all children. We invest in this potential by funding programs and resources, as guided by our strategic priorities with our strategic plan. Over and above the funding model provided by the province, DSBN funds the following initiatives. Number one would be instructional coaches. Number two: Last year we made an infusion of \$1 million for additional Specialist High Skills Majors equipment in all of our secondary schools. We also 100% fund math, reading, Indigenous and special education additional qualification courses for all our teachers. We've implemented WiFi access in all of our classrooms in all of our schools. We continue to provide supports for the DSBN Academy students. We also recently added an annual base line technology allocation plan to ensure that within five years all schools will have the same base line of technology and a standard that is equitable for all students across all schools.

Funding for these initiatives comes from the board's ability to use 1% of our accumulated surplus annually, as well as an additional \$1.8 million from investment income. With the recent announcements by the provincial government requiring school boards to prepare a plan to eliminate use of accumulated surplus to balance the budget, these programs are at risk. As well, the ministry also implemented a cash management strategy to help reduce the province's borrowing costs. This cash flow change affects our ability to generate additional investment income to support these critical programs and initiatives.

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Our board understands the government's intention to reduce the provincial deficit. We support the goal of fiscal responsibility and have made every effort to find efficiencies in our organization, while protecting front-line services. The projects supported through the use of internally appropriated accumulated surplus funds allows us to protect our front-line services to students, and we respectfully request the government to continue to permit this needed practice. DSBN's budget development is driven by local needs, and we need to have the autonomy to ensure our budgets reflect our biggest local needs.

Thank you again for the presentation. If you have any questions, we'll try and answer them. Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll start with the government side. MPP Oosterhoff.

Mr. Sam Oosterhoff: Thank you very much, Mr. Maves and Mr. Dickson. Thank you so much for all of your hard work and dedication to our kids' education. I have to say, on behalf of the government but also the ministry, we're very proud of the partnership that we have with school boards across the province and recognize the critical role that you play in the provision of local education and the need, of course, to reflect the needs of your local area. We appreciate the advocacy, as well, that you're bringing to this committee, and I know I speak on behalf of my colleagues in that regard. Thank you for all the work that you've done to bring these suggestions forward.

As you know, since our government came to office, we increased the education budget from 2018-19 to 2019-20 by \$1.2 billion, which is a significant increase in the overall education budget—the first time, in fact, in Ontario's history that the education budget has topped \$30 billion, so it's quite a significant expenditure item, as you know, and it's one that we believe, of course, is important—to invest in our kids' education and give them the skills and knowledge they need to succeed, not just today but tomorrow.

A few areas that you mentioned are ones that are priorities for us in our government and at the ministry, as well. For example, you mentioned mental health funding. We've increased mental health funding to upwards of \$40 million for boards across the province, recognizing the significant increase in challenges that mental health is creating in our schools. As well, you mentioned special education. I know the DSBN received an increase in special education funding this year, bringing that total up to nearly \$56 million. Something that you mentioned, also, and I want to thank you for your leadership in this—I know DSBN has done a phenomenal job in the Specialist High Skills Major program, and that's something we're committed to expanding.

As well, an area that I know you've taken leadership on is with regard to concussions. I know DSBN co-hosted a concussion summit.

Could you speak a little bit about the importance of making sure that these types of investments continue, and the type of impact that increased investment in mental health, special education and awareness around concussions, such as what we included in the updated health and physical education curriculum released last year—what sort of impact do those types of changes have on your students?

Mr. Kevin Maves: Well, I can speak to the first part a little bit, and then I'll defer to my colleague, Mr. Dickson. On the concussion piece, I know our director of education was part of Rowan's Law that was presented by the province, and he's been instrumental, I think, in being a part of that. We have run the concussion summits—I believe it has been three, four years now—and we've—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Kevin Maves: With that, I'll just turn it over to Mr. Dickson, if you'd like to comment on the other part.

Mr. John Dickson: Yes. Clearly it has had a great impact on our students in a number of different areas, particularly, as you mentioned, with special education and students with mental health needs. The initiatives that we're able to do, when we're able to adapt the funding to meet the local needs, have been very impactful in supporting those students.

Mr. Sam Oosterhoff: Okay, thank you very much.

Another area I know that you've mentioned, as well—you have significant success here in DSBN in the math curriculum and explaining those concepts and also making sure that you have great scores. I want to commend you on that. But I know it's something that is a challenge across the province. We have seen EQAO scores decline. I'm just wondering if you could speak a little bit more about the importance of—well, math in general, but we've increased the \$200-million math strategy, trying to make sure that we're upgrading skills and—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We'll have to move to the opposition side now. MPP Gates.

Mr. Wayne Gates: Good morning, Bart, and my good friend, John. Not that you're not my good friend, Bart, but I just thought—I know John a lot better. He worked with my wife for a number of years.

I can say that, as a principal, you were one of the most respected principals—and even in the job that you have now—in all of Niagara. I commend you on the job that you've done over the number of years. I have nothing but the utmost respect for what you do for our kids and our future.

Mr. John Dickson: Thank you.

Mr. Wayne Gates: To the government side: I just want to make sure that my colleagues understand that per capita funding, per student, is going down in Ontario. Education is an investment in our future for our kids and our grandkids, and per capita, per student, the funding is going down. So when they try to tell you that they're investing in education, that's not the case, and our funding is at the bottom of funding in Canada. I'll get on with my questions. I just wanted to make sure that my colleagues got that part of it correct.

The independent Financial Accountability Officer has determined that the projected growth in ministry spending is well below the core education cost drivers in this province. How will the DSBN deal with this deficit?

Mr. Kevin Maves: Every year that I've been on the board, we've always continued to run a balanced budget. That's why we did talk about those two items: the use of the cumulated surplus and the investment income. In short, both of those are in peril from this government. We've asked if they could reconsider that.

Those are some of the ways we've always put back, at budget time. As far as I can recall, we've never cut at budget. So that gives us some flexibility, because the Grants for Student Needs are quite enveloped, and it

doesn't leave much for spending outside of those envelopes. As long as we have those two mechanisms, we're able to put back and augment what the government gives us. Plus, we run various conferences—the Connect conference, the concussion conference—and that money, international education, goes right back into our system.

That's what we've been coping with. As long as we have those tools available, we'll at least be able to put back special initiatives, like I mention in the report.

Mr. Wayne Gates: Any of the stuff that you presented to the government—is it common knowledge? Can we get copies of those documents that you've given to the government?

Mr. Kevin Maves: Contained in this report? We would be happy to send it to your office.

Mr. Wayne Gates: Okay. The other one, again, is something maybe that you guys would know. It is my understanding that the Parents Reaching Out Grants have been reduced drastically to \$1.25 million. School councils will no longer be applying directly to the minister for funding. Rather, school boards will be allocating the money, up to a maximum of \$1,000 per council per year.

Does the DSBN have adequate funding for this program?

Mr. Kevin Maves: I can't answer that at the moment. I could get you the answer—unless Mr. Dickson knows.

Mr. John Dickson: Underpinning all of this, of course, is the great relationship that school councils have with their schools and with the board, and looking at how we can support them in the different initiatives.

As you know, each year, through our parent involvement committee, we run a conference that, quite honestly, we've heard from other folks, is second to none.

So we receive lots of input from our communities. We have lots of community partners that are at that table that can help to run these things. We continue to work with individual schools and school councils to achieve their needs.

Mr. Wayne Gates: My last question is, I understand we got some good news around Forestview school with portables that had been there for years. When did that—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. That concludes our time. Thank you so much for your presentation.

Looking at the time on the clock, this committee stands in recess until 1 p.m., when we'll continue the public hearings on the pre-budget consultation. Thank you.

The committee recessed from 1159 to 1301.

The Chair (Mr. Amarjot Sandhu): Good afternoon. Welcome back to the Standing Committee on Finance and Economic Affairs. As a reminder, each witness will receive up to seven minutes for his or her presentation, followed by eight minutes of questioning from the committee divided equally amongst the recognized parties. Are there any questions before we begin? MPP Smith?

Mr. Dave Smith: Thank you, Mr. Chair. I'm seeking unanimous consent to allow for another presenter, Dr. Jim Jeffs, from the Ontario Dental Association. Since the

Ontario Dairy Association has cancelled, we have a slot that's open.

The Chair (Mr. Amarjot Sandhu): Is there agreement? Agreed.

Mr. Dave Smith: Thank you.

The Chair (Mr. Amarjot Sandhu): Just to confirm, the new presenter will have the 3:30 slot. Thank you.

GRAPE GROWERS OF ONTARIO

The Chair (Mr. Amarjot Sandhu): We'll move on to our next presenter, from Grape Growers of Ontario. Please come forward. Please state your name for the record, and you will have seven minutes for your presentation.

Ms. Debbie Zimmerman: First of all, I have a cold, so I apologize if I sound a bit nasally, but welcome to Niagara. My name is Debbie Zimmerman. I am the CEO of the Grape Growers of Ontario. We are the growers who represent all of the processing grapes in the province of Ontario, not just a few select growers. That includes over 500 farm families who grow and process grapes in the province of Ontario. We understand the business of growing grapes and continue to advocate on behalf of our growers and farmers for both our sector's future and our growth, and hopefully success, as we go forward.

We've been an organization since 1947, as a regulated marketing board. That's when the Grape Growers of Ontario was actually formed. We've undergone significant changes over the years. We've grown from five wineries to 190 wineries located in three designated viticultural areas across the province. You may be familiar with these: Niagara, obviously, Prince Edward county, Lake Erie North Shore, and emerging regions. Believe it or not, we can grow grapes north of the 49th parallel, in areas like Norfolk country, Huron, Bruce and counties throughout eastern Ontario, as emerging regions.

Ontario is the largest grape-growing province in Canada, producing over 85,000 tonnes. For example, in 2017, we just got barely over 80,000 tonnes in 2019, compared to 33,000 tonnes that are grown in the province of British Columbia. The harvest for 2019 was the second largest harvest in our history, a real success for our growers, despite facing some very, very difficult challenges. In fact, some growers are still attempting to get their icewine grapes off as we speak, so it was an interesting season.

The value of tonnage, amazingly enough, has gone from \$24 million in 1988 to \$115 million—our highest—in 2017. It's a great accomplishment for us and something we are very proud of. Everyone in Ontario should be proud of what has happened to our industry.

Our Ontario grape and wine industry creates about 18,000 jobs, and that number is a little bit old, with a potential to double in the next decade if things go well. The Niagara region alone receives 30 million visitors, compared to California's Napa Valley, with only 3.5 million visitors annually. The local grape and wine industry contributes about \$5 billion annually to the economic impact of the province of Ontario, with a potential to double that in the next few years, as well.

We are an important economic driver for this province. We've been partnering with the Ontario government for some time. I want to thank our MPP, Sam Oosterhoff. He has been phenomenal in promoting and assisting us as we move forward in our sector. That is a rare thing today.

The government of Ontario continues to make great strides in supporting our sector. The past year's investments and reductions in regulatory burdens have led to further growth and success across our sector.

Reducing red tape: I'll give you a couple of examples, including the by-the-glass licence—believe it or not, you couldn't have a glass of wine by the glass without getting charged—and the flexibility to extend the allowed service hours from 9 p.m. to 12 a.m. seven days a week.

Allowing authorized wineries to sell their wine at farmers' markets and return unsold products to their on-site retail store within a 72-hour period rather than 24 hours: That meant a lot to our wineries.

Adding a new grape variety called "marquette" to the list of permitted grape varieties to be eligible for VQA approval was very important to our growers.

Allowing Ontario wineries to produce wines using grapes from different vintages or harvest years was also a major step for us.

Together, these changes have led to increased sales and economic growth.

In anticipation of the government's plans to make alcoholic beverages more widely available, the grape grower community is grateful for the \$15 million in transition funding during this period of uncertainty. This has gone a long way to stabilize the sector as we work with the government to modernize the regulatory framework. While the review is ongoing, we are requesting that the transitional funding, until there is a better solution, continue into the next fiscal year until the new regulatory and tax framework is in place.

Looking ahead for us: Following the government's commitment to expand the retail channels for the sale of alcohol, the 2019 fall economic statement announced further detail on how the province plans to modernize the legal framework that regulates the manufacturing and sale of alcohol in the province, including:

- reorganizing existing provisions to clearly separate the LCBO operational function from the AGCO regulatory function;

- removing or changing provisions to modernize the existing liquor framework to reflect the changing retail landscape we face in Ontario; and

- enabling retail expansion to ensure there is the necessary regulation-making authority to enable future decisions.

With its plan to modernize the sector, Ontario has an opportunity to both expand consumer choice while strengthening Ontario's grape and wine industry. A successful plan needs to have a balanced approach to mitigate unintended consequences that could undermine the contribution of Ontario's tourism, agriculture and economic sector. What we're saying is: Put Ontario first.

Interruption.

Ms. Debbie Zimmerman: That's me. I apologize. Sorry. I hope that doesn't get caught in Hansard.

I'm going to have to jump ahead. The following are really the highlights: What we're asking is—Ontario-grown grapes are an Ontario product. Treat them as such. Current tax subsidies currently are benefiting the treasuries of other countries. We want that to stop. We need to elevate Ontario wines rather than treat them like an import in our own province. We are not looking for a handout; just equitable treatment for Ontario wine as a domestic product.

The plan to expand—

The Chair (Mr. Amarjot Sandhu): Thank you. I apologize to cut you off. We'll have to go to the opposition side for questioning. MPP Gates.

Mr. Wayne Gates: Debbie, how are you?

Ms. Debbie Zimmerman: I'm well. Thank you.

Mr. Wayne Gates: I can say, on behalf of the three NDP people who are here: We enjoy working with the wine industry. Not only do we work with you; we're actually customers.

Ms. Debbie Zimmerman: Thank you very much. We appreciate that.

Mr. Wayne Gates: I've got a couple of questions here, but I'm going to let you touch base even further on your last points, which I think are probably one of the most important points that you made during your presentation.

What is the number one priority for the grape growers for the future growth of this important industry in the province of Ontario, obviously relating to jobs and tourism and all that it does? What do you need?

Ms. Debbie Zimmerman: What we need, as I mentioned, is to stop being treated as an import in our own province. We need the tax support to go to 100% Ontario-grown, not to a product that contains 75% imported and 25% domestic. That is the future of our industry: 100% Ontario. Without this industry, we would not have the kind of economic success in this region and in the province of Ontario for the future. So we need the government of Ontario to signal that Ontario matters going forward.

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Mr. Wayne Gates: So very similar—and I don't usually do this, but the federal government had just come out with a program that talked about supporting local businesses, local industries. This would probably fall very close to this. We have a product here that is second to none. We produce some of the best wines in the world, if not the best wines in the world. But we need support, that it's being treated fairly, and probably right now we can't say that's happening. Is that accurate?

Ms. Debbie Zimmerman: Well, I would say the one important role for the federal government right now is to ensure that the excise tax that is currently being challenged by the World Trade Organization—if we can't continue to keep that, that we have a support program that will continue to give us the same benefits we're currently getting. Every other country in the world supports their agricultural products, their domestic products. It seems foreign to me that we continue to have a program where a

considerable amount of a bottle of wine can get a benefit, but that is shipped out of this country into countries around the world.

Mr. Wayne Gates: I'm agreeing 100% with you. My next question is, we know that the government will be expanding alcohol sales. What does that look like in the minds of the grape growers while protecting Ontario VQA wines?

Ms. Debbie Zimmerman: It's putting Ontario first, and it's creating a program that gives Ontario a leg up in its home market. We own less than 10% of our domestic share for VQA wines in Ontario. That's going to say that the imports own the rest of that marketplace. This government has gone a long way to start that conversation. We're working very closely with them to make sure, as we proceed, that those 18,000 jobs, our 500 farm families and all the spinoff businesses are continuing to grow for the future.

Mr. Wayne Gates: I think something that hopefully the current government is listening to is that we have an opportunity in the province of Ontario to grow this industry—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Wayne Gates: One minute? So that's something that we should take a serious look at, particularly in our area, where our manufacturing has gone this way, and we have an opportunity for other industries to pick up that slack.

I've got one more question, quickly. We understand that the VQA support program was extended for an additional year with a \$15-million program which included small cidery and small distillery support programs. I know that the industry is looking for a long-term, sustainable solution. What does that solution look like from the grape growers?

Ms. Debbie Zimmerman: We are pursuing that through various options right now with the government of Ontario on what is going to be trade legal, first and foremost. We are having those ongoing conversations. Whether it's through a tax benefit, credit, subsidy, call it what you will, there are many options available that other countries are currently using. Interestingly, Australia has a program that is probably something we could mirror, and the same as British Columbia.

Mr. Wayne Gates: Thank you.

Ms. Debbie Zimmerman: You're welcome.

The Chair (Mr. Amarjot Sandhu): We'll move to the government side now. MPP Oosterhoff.

Mr. Sam Oosterhoff: First of all, thank you so much, Debbie. It's always nice to see you.

Ms. Debbie Zimmerman: Nice to see you.

Mr. Sam Oosterhoff: I appreciate all the hard work that your industry does, and I want to thank you for that. I'm wondering if you could speak about a couple of different things. Explain the perversity of the tax structure with regard to how you are taxed as though you were an import and that markup for my colleagues on the committee who might not be as well versed in some of the intricacies of this system, and then if you could speak a

little bit more about the importance of 100% local Ontario wines versus an ICB blend. Not a lot of people know the differentiation.

Ms. Debbie Zimmerman: Right. So right now, as we enter a sale through the LCBO, it's like we're coming through the United States. It's as if our sale goes through the US and comes back into Ontario and goes through the LCBO. We're charged a 35% import tax. That import tax is what we're asking the government of Ontario to review in our home market. That's why we welcome the review of the modernization of retail and the opportunity to take a look at that. It's a long-standing problem for us. We don't believe we should be taxed at the same rate as imports in our own province.

Many other countries in the world are already coming into our marketplace with a subsidy to get here. We're looking at a variance of that and whatever that looks like going forward. We're willing to work on things that are trade legal, obviously.

Mr. Sam Oosterhoff: I'm just going to interrupt you because I have a question that I really want to get out as well.

Ms. Debbie Zimmerman: Sure.

Mr. Sam Oosterhoff: I know for my colleagues, especially on the government benches, revenue is also something that we think about as government to pay for our vital services. I know one of the concerns that has come up is a question around, "Well, that's lost revenue to the government," but I know I've seen modelling that indicates that the increase in industry growth, as well as the expanded market, would actually allow that to be made up in quite a short period. Could you speak to that?

Ms. Debbie Zimmerman: Yes. I was commenting earlier that people probably don't realize the value of what we contribute to the economy. I mentioned earlier the billions of dollars that we contribute. But there is a methodology which we can look at, because not only do we have a current policy that advances a bottle of wine, which you asked me to comment on, that is currently made with 75% imported and 25% domestic; it gets a tax value break of about \$61 million.

We're quite prepared to work with our partners on this, so as we grow our market, the government would decrease their support to that other product. If you want to have a look at it at the LCBO, it's called the international Canadian domestic product—I think it's called IDB, international domestic blend instead of ICB, but's listed at the LCBO. We're saying, "Transfer that benefit back to Ontario." We think that's fair and reasonable. It was a policy that should have expired in the year 2000—

The Chair (Mr. Amarjot Sandhu): One minute.

Ms. Debbie Zimmerman: It did not. However, this is an opportunity to work together as an industry so we all benefit.

Mr. Sam Oosterhoff: Right. My point behind that is that if these tax changes were made so that the import tax no longer was applied to the industry, that amount of money could be recouped through cracking down on some of the inadvertent subsidies towards other countries through the taxation structure—

Ms. Debbie Zimmerman: I guess fundamentally I see that role for the government, to facilitate the expansion of an Ontario business that has brought so much to both Niagara and Ontario in terms of reputation, jobs and economic benefit.

Mr. Sam Oosterhoff: Fantastic. Thank you very much.

Ms. Debbie Zimmerman: Thank you.

Mr. Sam Oosterhoff: I was going to turn it over to MPP Cho.

The Chair (Mr. Amarjot Sandhu): MPP Cho, you have 15 seconds.

Mr. Stan Cho: In 15 seconds, first of all, for the record, I'd like to point out, Debbie, that I did drive the grape harvester better than Sam Oosterhoff. That's for the record.

Ms. Debbie Zimmerman: Yes, you did. In a straight line, you did.

Mr. Stan Cho: Thank you very much. What I'm hearing is that this is not about alcohol; this is about agriculture, this is about job creation—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. That concludes our time. Thank you so much for your presentation.

Ms. Debbie Zimmerman: Thank you.

ONTARIO DAIRY COUNCIL

The Chair (Mr. Amarjot Sandhu): Moving along to our next presenter from the Ontario Dairy Council: Please come forward. Please state your name for the record. You will have seven minutes for your presentation.

Ms. Christina Lewis: Great. Thank you, Chair. I'm really pleased to be here today representing the Ontario Dairy Council. My name is Christina Lewis and I'm president of the Ontario Dairy Council. I do thank you for the strategic positioning of my presentation on your agenda. It's only fitting, I think, that wine and cheese go back to back. That's kind of funny on your agenda today. Thank you.

Ontario Dairy Council is the voice for the dairy processing industry in Ontario. This growing industry proudly and consistently provides high-quality, nutritious and delicious dairy products locally, nationally and even around the globe. Ontario's dairy processors contribute approximately \$6 billion each year to the Ontario economy and we employ about 8,000 people. The impact of our sector is indeed significant.

The Ontario Dairy Council members are dairy product manufacturers who make the full range of dairy products, from milk, cream, yogurt, ice cream, butter and cheese to powders and even ingredients. These companies range from very small artisanal companies to on-farm processors, mid-sized companies, co-operatives and large multinational corporations. These members of Ontario Dairy Council process about 98% of the three billion litres of fresh milk that's produced on Ontario farms every year. While the products they manufacture are primarily made with bovine milk, or cow milk, they also manufacture

dairy products using about 100% of all of the sheep, goat and buffalo milk that's produced in Ontario as well.

Not only does ODC provide a strong, united voice for dairy processors in this province, we also keep our members up to date on current industry issues. We facilitate access to technical expertise. We provide continuing education offerings. We organize important networking opportunities, as well. One of our goals is to help develop progressive policy within government and regulatory bodies, to ensure that dairy processors can continue to innovate and invest in Ontario in a way that's responsible to consumer interests.

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ODC has been an important voice for dairy processors to the government on a variety of policy-related issues that do affect consumers. Our interest with consumers is connected through our ability to consistently supply safe and high-quality dairy products at an affordable price to consumers.

We look forward to working with the finance committee to find more ways to help expand our industry in Ontario. While there is a multitude of opportunities, I will share three today.

The first one is related to dairy tariff rate quotas. The Canadian government has secured three trade deals in the last six years, which has resulted in nearly 10% of our market being lost to our trading partners. That's significant. All dairy processors in this province will feel the impact, from the small artisanal ones, right up to the large multinational ones. Dairy processors in Ontario and across Canada are still waiting for the federal government to fulfill their promise to provide fair and full compensation to processors to help offset this impact. Dairy processors are impacted the most by these agreements, more so than any other stakeholder on the dairy supply chain. As such, and in addition to the compensation that we've been promised, we are asking that all dairy tariff rate quotas—TRQs—are allocated to processors who are making dairy products in Canada. I recognize that this is a national issue, not a provincial issue. We know that you have lots of friends, counterparts, colleagues at the federal level. This is one of the most significant issues in our industry right now, and we just ask our Ontario government representatives to remember us when you have trade conversations. Remember what our needs are, how we're impacted. Remember this when you're having conversations with your federal counterparts.

The second issue that I wanted to touch on is the "cut the red tape" initiative. ODC is always interested in innovative thinking that aims to simplify, streamline and reduce redundancy in regulations so that dairy processors can continue to innovate, thrive and expand in this province. Of course, food safety can never be jeopardized. As such, we are supportive of this government's "cut the red tape" initiative, and we are truly appreciative of the efforts so far in this area and the changes that have been made. We do appreciate that. We are wanting to work with the government in this area. We recently submitted seven regulatory change ideas to the government for consideration. Some

of these are already on the table for discussion, so we appreciate that as well. We will continue to work with the government to find more ways to help streamline regulations where possible. One simple example of a regulation that we put up for consideration in this round is related to the package size of fluid milk products. Fluid milk is perhaps the only product, whether food or consumer good, that actually has a regulation that dictates what size the packages can come in. Whether you think about other beverages, food products, shampoo, laundry detergent etc., fluid milk products are the only product we know of that is regulated by package size. We want these rules to be revoked so that we can compete on a level playing field with other beverages that are not regulated by package size.

Lastly is the lack of skilled labour issue that I want to talk about. We're not alone in trying to fill skilled labour jobs. Cheesemaking, in particular, is problematic for us. We took it upon ourselves to do two extensive surveys to quantify the need for skilled cheesemakers. We know that we need at least 200 in the next 10 years. Unfortunately, we don't have a supply and we don't have the training resources here. We've partnered with two colleges, an English one and a French one. They are well under way to developing two extensive one-year programs in Ontario. The curriculum is done. Online training is available. They need about \$2.4 million per school to build their own labs. Ontario will be the centre of excellence for cheesemaking training in North America. There's nothing like this in North America.

The Chair (Mr. Amarjot Sandhu): Thank you. Your time has come up now. We have to move to the government side for questioning. MPP Oosterhoff.

Mr. Sam Oosterhoff: Thank you so very much for being here. As the son and grandson of dairy farmers, in the past, I really appreciate all the work your industry does. Along the supply chain, it's a huge value-add, and of course something that we recognize as generating enormous amounts of economic activity here in the province of Ontario. I just want to thank you for coming in for your presentation.

I'm glad to see that we're moving on some red tape issues. I know some of my colleagues had some comments, but I just wanted to extend my thanks.

Ms. Christina Lewis: Thank you. You're welcome.

The Chair (Mr. Amarjot Sandhu): Further comments? MPP Piccini.

Mr. David Piccini: Thank you very much for the work you do. As a representative of a number of proud dairy farmers in my riding, I can't thank you enough for your advocacy.

You spoke on how a lot of this is federal jurisdiction. Now, if we're to take back a message to our ag minister—because you're right; we do have federal counterparts that we meet with on a regular basis—what are the top two asks you'd like to see the province push the feds for? I think it was the compensation piece, but—

Ms. Christina Lewis: Yes. One of the three issues is definitely federal, for sure, and that is the trade issue.

Certainly, dairy tends to be one of the concessions the government makes in these trade deals, and dairy has been impacted significantly. They have promised that they will provide compensation to the industry, and they've done that significantly on the farm side, but not on the processor side yet. They still say that there's something coming, but we want to keep it front-of-mind for them.

The other piece, which will help offset the impact, will be to allocate the TRQs to the processors, rather than giving it to their customers. That would certainly help.

Mr. David Piccini: Yes, that's a vital piece. You still feel we can sign robust free trade agreements while preserving supply management?

Ms. Christina Lewis: Absolutely. They're good for Canada, for sure. We just tend to get a couple of more challenges.

Mr. David Piccini: Thank you very much.

Ms. Christina Lewis: You're welcome.

The Chair (Mr. Amarjot Sandhu): MPP Smith?

Mr. Dave Smith: Thank you very much for that. When you were talking about the three different trade deals that Canada had signed—up until the USMCA, I really didn't know very much about class 7 milk. Fairlife milk is produced now in Peterborough, so I've heard a lot about it and have learned a lot about it.

I'm most interested, actually, in the size of product that can be sold. Could you elaborate a little bit on that, on how changing that regulation would help you?

Ms. Christina Lewis: Sure. Fluid milk packaging is regulated under Reg. 753 of the Milk Act, and it says that for milk under 750 millilitres, we can do any size. Then it has to be either one litre, 1.5, two, three or four litres. That's it; nothing in between is legal.

There are so many plant-based beverages on the shelf now, which is fine. They have no regulations. Pop, soda, sport drinks, energy recovery drinks: There are no regulations on any of those. If we wanted to put a 1.89-litre on the shelf to compete with a beverage in that category, we're not allowed to. So it just allows us a little more flexibility to innovate and compete.

Frankly, I'm not sure that there's a good argument to keep them. There's no food safety reason to have those types of regulations. They are just historic. They're old, they're outdated and it's probably time to modernize.

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

Ms. Christina Lewis: You're welcome.

The Chair (Mr. Amarjot Sandhu): We'll move to the opposition side. MPP Arthur?

Mr. Ian Arthur: Good afternoon. Thank you so much for your presentation. Does this mean those ubiquitous milk containers in the fridge for the bags, with all the colourings from the 1950s, might actually disappear?

Ms. Christina Lewis: The four-litre bags?

Mr. Ian Arthur: The one-litre-bag container that everyone has four or five of.

Ms. Christina Lewis: There's a long story there as well. Until last year, it was actually illegal to put milk in a jug on the shelf in Ontario. We were only allowed to use

the four-litre bag. The only exception to that rule was that you had to have a written agreement with the Minister of the Environment to be allowed to put a jug on the shelf, if you would agree to have the retailer collect a deposit, and you go back and take your jugs back. You can imagine what the retailers would think of that. So it has really been impossible. We've made big moves in the last year to improve on that.

Mr. Ian Arthur: On a more serious note, I want to talk about the skilled labour shortage. The cheese industry in Ontario is remarkable, and it was only a few years ago that an Ontario cheese was named the global supreme champion, I think was the title—Lankaaster.

Ms. Christina Lewis: That's the one in the UK, right? Glengarry cheese?

Mr. Ian Arthur: Yes, Glengarry Fine Cheese made a cheese called Lankaaster that won the world cheese competition.

My background is that I used to be a chef. We tried to use only Ontario cheeses on our menu, just because they were so absolutely incredible and dynamic, and many of them coming from single sources now, and that sort of thing.

You talked about the demand—200 cheesemakers—and a little bit about what you need to be able to put that into action. What colleges are you working with? What kind of programs are out there, and how do we get people into those jobs?

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Ms. Christina Lewis: After we did our research, we actually reached out to every college in the province. We hoped to find one great partner, and these two colleges came back with a proposal to give us an English college and a French college. So we're working with La Cité in Ottawa and Conestoga in Cambridge. They're going to develop the exact same curriculum in two languages in the province.

Initially, we were looking at upgrading skills with our own people and training within, but now we're looking even beyond that and trying to figure out how to get people out of high school to come in and find a career in cheese-making, because the opportunities are certainly there.

Mr. Ian Arthur: It's really quite cool, actually, what they do.

Ms. Christina Lewis: It's exciting.

Mr. Ian Arthur: I want to talk a little bit about the differences in regulations between Ontario and Quebec, and the sorts of cheeses that you are able to produce and make in Quebec versus Ontario. I know there are far more restrictions on unripened cheese, especially, and those sorts of things. Why do those differences exist, and would you like to see some of those regulations lifted as well?

Ms. Christina Lewis: We haven't explored that at this point. Those pieces are food safety regulations. We thought we would stay away from food safety first. Those regulations are in place by our regulators for a reason up till now. We've been looking at some of the more operational and paperwork type changes, things like

that—things to reduce the regulatory burden. But you're right; there are differences.

Mr. Ian Arthur: But for instance, if you're training cheesemakers in Ottawa, and they can go a couple of kilometres away and actually make far more in terms of the types and variety of cheeses, it's going to be hard to actually retain them here in Ontario if they have a better work environment a couple of kilometres away.

Ms. Christina Lewis: They will be trained in all of the opportunities, for sure. The need for 200 is just Ontario. We need way more than that in Canada, and there is no training to this degree anywhere in North America. Hopefully, we'll be able to provide people with skilled labour across the country and retain as many as possible in Ontario.

But you're right; they may move.

Mr. Ian Arthur: That's very interesting. That's all I have. Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you so much for your presentation.

Ms. Christina Lewis: Thank you.

HOSPICE NIAGARA

The Chair (Mr. Amarjot Sandhu): I would like to call on Hospice Niagara. Please come forward. Please state your name for the record, and you'll have seven minutes for your presentation.

Ms. Carol Nagy: Carol Nagy. Good afternoon. Welcome to Niagara Falls, for those committee members who are from out of town. I want to acknowledge MPP Oosterhoff, who's a supporter of hospice palliative care, particularly with his Bill 3, the Compassionate Care Act—we thank you for that and for your support—as well as our MPPs from across the region, who are very aware of the need for hospice palliative care and the situation in our current hospitals. I thank you for your support as well.

I have passed out a folder with all of the information that I'll be speaking about today.

The problem: Hospices and community palliative care play an important role in ending hallway medicine. Right now, too many people are spending their last hours, days and weeks in hospital beds in hallways, simply because there is not enough hospice bed capacity and community palliative services to support them at home.

The fact is only 3% of Canadians die suddenly. The rest of us will know that end of life is coming, and we will need health and social care. Dying is not only a medical event; it is a physical, social, psychological and spiritual life event impacting ourselves and family members. The number of people dying in Ontario is about to spike.

Hospice palliative care plays an important role in ending hallway medicine. In Niagara, for example, we have the fourth-largest average of hallway medicine conditions in Ontario. We have the fourth-largest emergency department provider in Ontario, with approximately 200,000 emergency room visits and urgent care visits annually. Twenty per cent of our ALC, or alternate-level-of-care, days are patients occupied waiting for transfer out

of hospital. In 2017, we had the highest acute palliative care cost in Ontario at \$118 million.

The hospice bed count in Niagara is three beds per 100,000 people, well below the Auditor General's recommended four to seven beds. Niagara Health's only four designated end-of-life beds are closing in 2026.

Community-based hospice palliative care happens in people's homes and in hospice residences at a fraction of the cost of hospital care. Cost of end of life in the hospital is approximately \$1,100 per day. In a hospice, it's \$470 per day, and hospice at home is \$80 per day.

Hospice at home is coordinated care provided by a pool of trained staff and volunteers to provide practical help and support the success of home care for people living and dying with chronic illnesses. Bereavement support continues to help adults and children cope with their loss.

Right now across Ontario 16,000 trained volunteers help over 20,000 people stay home and support the well-being of their family. More than half of the family caregivers reported that volunteer support averted a trip to the emergency room, saving the system \$10 million in unnecessary emergency room visits.

Hospice residences are for people who need more care than can be provided at home, but do not require the high cost of hospital care. For those who choose to die at hospice, the cost of a hospice bed, as I said, was one third the cost of a hospital bed. Since 2017, nearly 15,000 people, either discharged from hospital or bypassed by hospital, go to hospice, saving the Ontario taxpayers \$140 million and freeing up over 204,000 hospital beds.

Clients and caregivers give high-quality ratings to the quality of care they receive by hospice organizations and their volunteers. For example, in Niagara:

- 98% ranked the care of their loved one as excellent;
- 100% felt that they received respect and dignity at end of life; and
- 100% felt that they were included in care-planning and all the decisions made about their care.

The hospice community is ready to help this government control costs and end hallway medicine, to avert crises in hospitals and provide the care that people want, where they want to have it. This sector needs some additional supports, which are outlined in your package. These include both investments and cost-free measures that will help realize system savings, efficiencies and improved patient and caregiver experiences. They include:

- a new funding formula to jump-start community residential hospice projects and to acknowledge local funding realities;
- capital and operating funding to open more hospice residences, both stand-alone and co-locations, ensuring quality care in a home-like setting. The gap to meet the present demand is 225 beds, and that number will grow with the aging population;
- support and to grow the capacity of hospice at home and residential hospices to provide bereavement services to support the well-being of both parents, children and patients, pre-empting more serious mental health illnesses; and finally

—to allow hospices access to capital and equipment renewal funds for older hospices.

I want to paraphrase Rudy Cuzzetto in his opening of the Mississauga hospice that is on a long-term-care site: Increasing capacity in hospice palliative care in communities moves Ontario toward a truly modern, integrated health care system, one that supports close partnerships and collaborations between hospitals and home, community, long-term care and palliative care, and ensures that every person can receive the high quality of care they expect and deserve. In Niagara, we have a local integrated solution for this, and I hope the committee is interested in hearing that.

In conclusion, we experience dying and death, all of us. It touches each person multiple times. We need to support people to live well until their last breath. This is a measure of our humanity and of our society. Hospice and community palliative care is the most cost-effective way to ease health care costs in our congested hospitals. Helping families stay well through bereavement is compassionate and keeps our society functioning well. Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll start with the opposition side this time. MPP Shaw?

Ms. Sandy Shaw: Thank you very much for your presentation, Carol. I would just like to say that our Niagara-area MPPs have met with you, and they had nothing but praise to say about the important work that you do. I think it needs to be underscored that hospices are running across the province of Ontario, primarily funded by donations and run by trained volunteers. I think if we're talking about improving our health care system, hospice needs to be integrated—really integrated—as part of a continuum of care.

The evidence of that is so great. We've had Brampton declare it a health care emergency. The hospital in Timmins just told people not to come to their emergency ward. In my riding, the Hamilton General Hospital said they've hit a wall, that they have 100 unfunded beds, where they're treating people in hallways and in examination rooms. So we are in a crisis in health care.

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I really appreciate you coming here with solutions, not only to provide what is just and humanitarian, to give a wonderful place for people to spend their last days, to give respite to families—you're not only offering the right thing to do; it's also the right thing to do in terms of our health care and our savings in our health care and hospitals.

I just want to ask very specifically, though—we also know that we have a crisis in long-term care. It really is my understanding that we have had zero long-term-care beds created in Niagara, really, up until now, in 2019. Some of these announcements are re-announcements of Liberal promises, which is fine if these beds get built and if the hospices can be a part of that. Can you talk to me a little bit about your local integrated solutions and if those would be possible, if we don't start building long-term-care beds in Ontario?

Ms. Carol Nagy: Thank you for your question. In Niagara, one of our solutions is along with long-term care. We have an opportunity to advantage two long-term-care developments in our region. We have been working with the Ministry of Health and the Ministry of Long-Term Care, along with those two providers, which are not-for-profit providers, in our community so that we can build two hospice 20-bed residences, as well as all of the community supports at the same time, on the same property—co-located—as the long-term-care beds. This is a solution going forward that makes sense. It reduces the capital cost for hospice organization, it integrates the back end or provides potential for that in many communities so that our operating funds are also reduced, and it provides an opportunity for hospitals, long-term care and hospices to coordinate services so that the right people are in the right beds at the right time.

Ms. Sandy Shaw: Yes. I couldn't agree with you more. I agree that what you're proposing is a solution.

I'd like to also, if I may, just say that I have a very personal connection to the notion of palliative care. I also have a private member's bill that was passed in the House unanimously at second reading, which is the Nancy Rose Act. That is specifically about pediatric palliative care. I think people may be shocked to know that we don't even address adult palliative care properly, but there's no coordinated strategy in the province for kids, for end-of-life care for children.

In the province, we have Emily's House. We have Roger Neilson House. McMaster Children's Hospital has a hospice. I am going to be visiting those; I've visited some and I'm going to be visiting some.

I just want to make sure that we understand that when we build palliative care beds, dealing with children and families with children, your end of life is not the same. We really need to understand that it's not just about smaller equipment and smaller beds; it's about the different kinds of supports that families need when they have the most unimaginable news.

Do you have any suggestions for me on moving my Nancy Rose bill forward, and to make sure that we do finally build—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off.

Ms. Sandy Shaw: Oh, pardon me. That was a speech. Sorry about that.

The Chair (Mr. Amarjot Sandhu): We have to move to the government side now for their time of questioning. MPP Oosterhoff.

Mr. Sam Oosterhoff: You can answer her, if you would like.

Ms. Carol Nagy: Thank you. Yes.

Pediatric palliative care is so important. Children shouldn't be dying in hospitals either. We have a coordinated effort in this region, and across regions, where we are trying to meet that gap. We do need a dedicated resource for children's palliative care. It needs to be an expert site with experts who are available, who can then help other communities to build and retrofit their rooms for children.

But the expertise needs to come to every community in Ontario.

Mr. Sam Oosterhoff: Carol, thank you so very much. The work that you do is just phenomenal. I couldn't agree more that palliative care has to be part of the solution and has to be one of the streams that is being examined as we try to alleviate the pressures on our hospital system, and on our health care system more broadly.

I think it's terrible that we have such a low number of beds even here in Niagara. I think it's commendable that you're moving forward with this type of project. The more we can do to bring this onto the public's radar and create impetus for it also more broadly—because there's a consensus. There are not a lot of issues where there is consensus politically. I would say greater access to palliative care is definitely one of those issues that all political parties agree on. We've definitely made sure that's something everyone can get behind.

I know that Minister Elliott, as well—and I have spoken many times—and there will be more increases in not just funding but also allocations of capital builds. I know sometimes the attached operating funds can be the hookup, but I'm wondering if you could speak a little bit more to the value-for-money piece here, because I think that's a key piece of the puzzle, right? When you're spending thousands of dollars every day in a hospital bed, when you could be spending \$400 or even \$80 at home—that's a significant amount of savings. How far do you think we would extrapolate that? How many people do you think there are today who, unfortunately, are in a hospital bed who should be in a palliative setting?

Ms. Carol Nagy: It's a complex question. In Niagara, we've worked to look at the solution to that. Part of it is working together with our system to make sure that everybody is identified when they need to be. There are 80,000 people in Niagara that we can help, either in a hospice bed or to keep them at home. That's kind of a three-fold increase from what we're doing now. You would not get that kind of result for the money if you were looking at only hospital beds. One of the advantages of hospices is that we have armies of volunteers who are extremely well trained, who are able to help us provide services. Many of them are running the groups and are doing the companioning, and that allows us to be far more cost-effective as a sector than any other sector. But at the same time, we need to look at supporting the clinical aspects of our program so that we are not in a crisis, so that our hospice can continue to operate. We should not be fundraising for clinical costs. They should be provided, and then we will continue to fundraise at the rate we do. This is not about turning to the province and saying, "We want to be 100% funded"; this is meaning, "Give us a leg up and let us continue to be successful in our model of fundraising so we can provide all of the other components of the programs."

Mr. Sam Oosterhoff: That's fantastic.

One other question I had—not actually a question, more of a comment—is about, in HCPO's additions here, they note the red tape pieces when it comes to cost-free measures. I think those are some really good ones that I would

love to take up with the ministry as well, because of course the capital funds are important—don't get me wrong, but if—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. That concludes our time. Thank you so much for your presentation.

Ms. Carol Nagy: Thank you.

YMCA OF NIAGARA

The Chair (Mr. Amarjot Sandhu): Moving along to our next presenter, from YMCA Oakville: Please come forward. Please state your name for the record. You will have seven minutes for your presentation.

Mr. Kyle Barber: Hi, my name is Kyle Barber. I'm the president and CEO of the YMCAs of Niagara and of Oakville. Thank you, committee members.

The YMCA of Niagara is a charity. We provide services to communities across this region, including St. Catharines, Niagara Falls, Welland, Port Colborne, Fort Erie, Grimsby and many others in between. Our YMCA has considerable scope and scale, and we are the leading delivery agent of many programs and services across the region: child care, EarlyON, employment and immigration services, day camp, fitness, recreation, health and aquatics. Most people who live in Niagara have been impacted through a direct relationship with our YMCA.

Our YMCA ensures accessibility for all. Last year, over 3,000 donors gave charitable gifts to our Y. Over \$1.2 million was awarded in financial assistance to make our programs accessible to those who otherwise could not afford program fees. That's a subsidy for over 12,000 people across Niagara.

Like many other YMCAs, we're at the centre of our communities, and we help people of all backgrounds, ages and abilities to live engaging and healthy lives. There are 17 YMCA associations operating programs and services all over Ontario. Collectively, we connect with over 1.2 million people in 125 communities across this province. We've been operating in Niagara since 1859.

Today at our local YMCAs, there are children learning and playing at licensed child care while their parents are at work; there are people who are unemployed receiving training and support to find a job and earn a livelihood at our employment centres; and there are people of all ages and abilities making use of our facilities to improve health and to connect with others. We all know that social isolation can reduce quality of life. The YMCA is a trusted and valued community anchor where we want everyone to feel welcome.

Thanks to our financial assistance program, finances are not always a barrier to participation. The work that we do every day benefits residents of Ontario by helping people achieve positive economic, social and personal outcomes. We are proud to be a government partner, and in budget 2020, we call on the government to continue to support our YMCAs.

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The first way we would like your support is through investments in social infrastructure. Investments in social

infrastructure cultivate physical, social and mental well-being and will build a healthy Ontario. Our centres are examples of social infrastructure that reduce health care costs, create jobs and make all communities more livable. Across Ontario, there are 13 YMCAs that have submitted applications for infrastructure funding under the community, culture and recreation stream. We understand that we're not the only applicants, yet we believe so strongly in the power of these projects that we urge the government to prioritize these projects so that our social infrastructure plans can become a reality.

The next issue I want to draw your attention to is child care. YMCAs are the largest provider of licensed child care in Ontario, with more than 76,000 licensed child care spaces available at approximately 800 locations across the province. We are the number one choice of families for child care. We believe that child care should be accessible, affordable and high quality. We are pleased to have the government's ongoing support for operating funding, including fee subsidies, special-needs resourcing, wage enhancement grants and administration. Working families often struggle to afford child care, and these important funding commitments must continue.

We also want child care to be accessible. We commend the government on your commitment to create up to 30,000 new child care spaces in the next 10 years, including 10,000 new spaces in schools, but we urge the government to also consider creating more child care spaces in communities—that's not necessarily in schools—so that parents can choose the location that best suits their needs. Many of our community-based programs have long wait-lists, and we would like to be able to expand to new neighbourhoods.

We are also seeing a shortage of registered early childhood educators, which is creating a large administrative burden on our operators who are trying to find staff to support programs. We have a provincial work group comprised of child care leaders from across the province, and this group is recommending that we prioritize the placement of registered ECEs in child care programs that serve our youngest kids—that's infants and toddlers—while expanding the types of qualifications that would be acceptable for those leading programs for older children. Due to the current regulated requirements related to educator qualifications, locally, in Niagara, we're challenged to meet community demand for care. The YMCA in Ontario will be bringing forward recommendations to this effect separately to the Ministry of Education in the coming months.

One of the things that's top of mind for me and my team here at our Niagara Y is the transformation of employment services that is impacting our communities across Ontario. Eight YMCAs are delivering employment services at 25 different locations, and collectively we serve more than 100,000 people each year. Last year, at our Y in Niagara, we delivered programs to 1,700 clients and achieved a positive outcome; that is, we connected clients to employment, education or further training more than 89% of the time.

We are supportive of the government's employment service transformation and agree that many improvements to the employment service system can and should be made in order to improve outcomes for clients and employers alike. But we are concerned about the potential impacts of the changes, particularly as they are happening very quickly. One potential outcome is the contraction of service providers in our community. As service system managers in prototype regions are appointed and service contracts enter a transitional phase, we will need to plan for the very real potential that we may not be providing these services at this time next year and that our employment centres may risk closing, which would result in disruptions for clients and staff layoffs. Some of the staff employed by these programs have been delivering programs for decades. We are concerned that these closures could cause disruptions within the community, which would have negative impacts on our local economy and on the workers themselves. We're requesting that the government earmark funds for wind-down costs in the event that these service contractions occur. This would help to minimize disruption in affected communities.

We also think that it's very important for government to slow down a bit, to carefully evaluate the success of the first phase before moving on to the next. We would like to see formal feedback loops in place, including consultations with clients, employers, service providers, the SSMs and organizations that were excluded from the process, before plans move ahead in regions. We recommend that the government take time to fully evaluate the learnings from the prototypes.

In closing, I'd like to thank you for the opportunity—

The Acting Chair (Mr. Kaleed Rasheed): Sorry to cut you off. Thank you so much for your presentation.

We will start with the government side. MPP Piccini.

Mr. David Piccini: Kyle, thank you very much for being here today, for your presentation, and for the work you've done in Cobourg, of course, serving our community. YMCA is an asset and a gem in the community of Northumberland, and of course, around Ontario. So I certainly appreciate the work you're doing

I appreciate the approach you've taken to employment services. I know, as in any case, that transformation, while it has the potential to be something very good, transformation of anything gets people, from time to time—I mean, they worry about the outcome and how that transformation is going to look.

Given that that process started in our ministry, the commitment to looking at prototype areas—we've seen some really positive collaboration that has occurred as a result.

I did make an offer, when I was down in Toronto and spoke to the Y and various reps on the service transformation, to sit down with ministry officials to explain the rationale into selecting the service system managers. If that hasn't occurred or if you're looking for that, I'm happy to take that back to the ministry, to relate the point that you made about that communication is happening. It's certainly not out of a lack of willingness from government.

We are willing to communicate and work with service system managers.

Your point about looking at the results of these three prototype areas is taken, and of course we will look to it. I'll take that back and off-line.

Talk to me about the need, though, for revamping and having a look, from what you've seen on the front lines—I know there is a lot of excitement over local providers in our area at being selected as a prototype—and about what you see that pathway looking like, to better service the vulnerable and those in need.

Mr. Kyle Barber: I would say that, especially here, what we see in Niagara is that the collaborative spirit is alive and well. It's a system that doesn't have a fractured history.

I think the YMCA has done a lot of good work in being a central figure in bringing different groups together, and we house various delivery agents under the same roof. So although there's some fracturing, the system works fairly well.

We've worked with the SSMs, the applicants. We know who those are, and we've had good relationships with them. So we're hopeful that those discussions can continue, and that it will be seen as a transformation utilizing some of the current delivery agents to assist into the future.

What really worries us is the idea that we'll be faced with a quick shutdown. We don't see it happening, but it's always a risk. A lot of long-term employees have spent a lot of their career doing this kind of work.

Mr. David Piccini: We'll certainly take that back and look at the runway as we transform the system.

Given the increase we've seen in OW and ODSP, and some of the challenges I've seen from constituents on the ground, do you think the government is right in the approach to looking at how this is delivered, and efforts to get more people working who are able to?

Mr. Kyle Barber: Yes. Yes, we think it's an excellent program on behalf of the government. Being on the front line, we see such great stories and it intermingles so beautifully with the other things that we do. We think that any time you can build efficiencies into the system, it's certainly a good thing.

Mr. David Piccini: Okay. Thank you very much, Kyle.

Mr. Kyle Barber: Thank you.

The Acting Chair (Mr. Kaleed Rasheed): Any further questions? Seeing none, we will move to the opposition side.

Mr. Wayne Gates: Thank you very much and—

The Acting Chair (Mr. Kaleed Rasheed): MPP Gates.

Mr. Wayne Gates: I appreciate that. I jump in too quick.

The Acting Chair (Mr. Kaleed Rasheed): That's okay.

Mr. Wayne Gates: I've only got four minutes; I've got to talk. Let's be honest.

Yes, service transformation is an interesting word. The way I look at it, it really means cuts in most cases, and job loss. You talked about it with the employment centre and

how successful that program is. There is potential to lose jobs there—let’s be honest here—and these are long-term employees who have worked there for a long time.

The second part of my question is—as you know, I met with you not that long ago in Fort Erie. Because of financial strains in your organization, although there was a lot of work done after the fact, you closed the Y in Fort Erie.

Mr. Kyle Barber: That’s right.

Mr. Wayne Gates: And it was because of funding—a Y that has provided daycare, provided for a lot of low-income families in Fort Erie—quite frankly, not people who want to be on ODSP or any of those things. They were families that used that Y to actually help them have employment—and some challenges in Fort Erie around employment. They were using that Y and because of financial needs in your organization, you had to sell it. You worked a deal with the community, with the mayor, with volunteers and all that, and we were able to have it—not the same as it is today, but we got it done.

1400

My question to you is: In the rest of the Y’s, how many people are using the Y? When I was a kid, I used to go to the Y, but I didn’t have a lot of cabbage. My family didn’t have a lot of money, but the Y would still allow me to use the Y at a reduced rate. Is that happening still today with Y’s across the province of Ontario, and has that increased over the last number of years?

Mr. Kyle Barber: Yes, and thanks for your help in the past. For the YMCA, across the province, about 23% of our usage would be subsidized in some way. I don’t have the totals as to what that means from a dollars standpoint, but, as I mentioned, it’s the centre of most communities.

The funding of YMCAs does become a problem, in that infrastructure is more and more expensive to operate. We see that through just the expanded cost of development of these facilities, the care and even the costing of being able to operate them. From a capital standpoint, really, YMCAs do need partnership to move forward in this day and age. To be able to charge the fees that would enable you to reinvest in expensive facilities would take the cost beyond the ability to afford things like aquatics and the like.

For YMCAs, where we used to be able to run very independently, the costs have taken that beyond our ability to do so. Closing a YMCA in a community like Fort Erie, where we’d operated since 1905, was an extremely painful—

The Acting Chair (Mr. Kaleed Rasheed): One minute.

Mr. Kyle Barber: Okay.

Mrs. Jennifer (Jennie) Stevens: Thank you. I—

The Acting Chair (Mr. Kaleed Rasheed): MPP Stevens.

Mrs. Jennifer (Jennie) Stevens: Oh, sorry. I apologize, Chair. I’m usually better than that.

The Acting Chair (Mr. Kaleed Rasheed): That’s okay.

Mrs. Jennifer (Jennie) Stevens: Thank you for coming. I only have one minute, so I’m going to kind of

piggyback on what MPP Gates had alluded to. I’m just wondering, you had mentioned about your employment services and a possible closing of that service. I’m just wondering if you can elaborate on why that might close, what could contribute to it closing, first of all.

Second of all, you also stated right near the end you need the government to slow down. When you said “slow down”—I’ve said it since 19 months ago: “Slow down. We’ve got to make these decisions properly and make sure we’re getting them out to the public properly.” But when you said that, I’m just wondering if you’re alluding to maybe slowing down on making decisions about your employment services—

The Acting Chair (Mr. Kaleed Rasheed): Sorry to cut you off.

Mrs. Jennifer (Jennie) Stevens: Darn. I was trying to talk fast.

The Acting Chair (Mr. Kaleed Rasheed): Thank you so much for your presentation this afternoon.

Mr. Kyle Barber: Thank you.

PATHSTONE MENTAL HEALTH

The Acting Chair (Mr. Kaleed Rasheed): If I may request Pathstone Mental Health to please come forward. Please introduce yourselves. You will have seven minutes for your presentation, with a one-minute warning. Please go ahead.

Mr. Shaun Baylis: I’m Shaun Baylis, with Pathstone Mental Health, the children’s lead agency in Niagara.

Ms. Sarah Cannon: And I’m Sarah Cannon. I’m here representing the family voice and perspective. I come here today as a mother of two children who have both dealt with significant mental health disorders, as well as a wife who lost her husband and the father of her children to mental illness when he took his life.

As a mother, I continue to be struck by the need to prove a return on investment to early intervention and treatment, when really it should just come down to what is the right thing to do, considering our children and youth are dying at alarming rates due to mental illnesses. We hear more and more of the epidemic of youth deaths caused by suicide. Suicide claims more lives each year than all of the childhood cancers combined, yet we would never make a child diagnosed with cancer wait upwards of 18 months for treatment, knowing that withholding early treatment could ultimately cause their illness to become fatal. And yet, in this sector, we seem to sanction that.

When my youngest daughter started to exhibit symptoms of anxiety and depression, she was placed on multiple waiting lists. As she sat on all these waiting lists without any services, her condition became worse, as most illnesses left untreated will. She was then placed on different, longer waiting lists for different programs, because her case had become more complex. Before ever getting off a wait-list and into any treatment, I found her hanging in her bedroom, which ultimately led to her needing to be hospitalized.

My oldest daughter, as well, has struggled since she was five, and we have done all we can to access community-based treatment programs that would support her. But, again, her condition became so severe she required hospitalization, and has just been discharged after a 43-day stay in hospital. I do not know what the actual costs to the province of those hospitalizations were, but I do know a recent report by a Canadian health institute states that mental health disorders are among the top 10 most expensive conditions to treat in hospital.

In a time where we are trying to end hallway medicine and design health services that wrap around patients in their homes and communities, why do we continue to not adequately fund community-based services that would not only keep our children and youth out of hospital and decrease costs to our health system, but will increase their capacity to cope and heal from their illnesses? As a mother, and also a voter, this does not make any sense to me. Where will we have the largest return on our investment provincially? Through an investment to our community-based mental health care.

I truly hope that we can realize, as a province, that an investment in community-based mental health care for our children and youth is needed, required and integral to not only saving our province money, but saving the lives of the children and youth who represent our future. Is this not the greatest priority we have in this province? Should we not care for and protect our children and youth? When will we adequately fund our community-based services and when will we change the conversation to include that some of these risks and some of these costs are not just measured in dollars and cents?

My ask today is that we invest in the foundation of the community, in our children and youth, in our community-based system, so that our system and our children and youth and families don't crumble underneath an inadequately funded system.

Mr. Shaun Baylis: We know the basic stats, that one in five children are suffering from mental health issues. We know one out of four parents, basically, are missing work, which is costing a half a billion dollars. Pathstone is looking at 7,000 kids a year, and that's only 40% to 50% of the kids who are suffering from mental health issues in Niagara. Some 70% of adults have mental health issues stemming from childhood trauma. We have wait times across Ontario at around six months. When children and youth fail to get the help they need, the results are devastating and can be fatal, eventually leading to a lifespan of using ER, rehab and treatment centres.

Our current and former provincial governments continue to reinforce a knee-jerk reaction to a funding crisis. For example, Ontario hospitals are highlighting their urgent need for immediate funding to deal with the current hallway medicine. A story was published on Wednesday by the CBC, which has come out to identify that capacity issue. Two days ago, our St. Catharines Standard quoted our MPP as stating, "We're facing a health care crisis in Niagara."

I do understand there is no one solution to ending the overcrowding of ERs; I was a psychiatric emergency room

manager. It is a complicated and complex matter. However, the provincial government can continue to throw money at this particular hospital crisis and are unlikely to see much change.

We all need clean water, and when a river is polluted, we as a community have options. We can build a water treatment facility, we can attempt to filter our water and have it all built up, with a huge cost. However, a root analysis would suggest to locate the source of where the toxins are coming from. Say it is coming from the industrial company that is upstream, where they have inadequate treatment for toxins and it is being dumped into the river. Common sense is to move upstream to the inflection point and correct those toxic treatment practices, go to the source, and eliminate the toxins.

We know that 70% of all adult mental health/addiction issues stem from childhood trauma. We also know that when you combine the treatment for depression, anxiety and substance abuse, it is the number one cost to our Niagara hospital system. Since this is the case, our investment case is we need to go to the source of where the problem is. We need to go to the inflection point as to where we can change the trajectory of our current health care challenges that are costing our government and taxpayers due to high hospital costs and operating costs of the adult mental health treatment and rehabilitation centres.

Our children's treatment centres have been chronically underfunded for the past 15 to 20 years. Our children who are on wait-lists due to being ill will become critically ill, and the unintended consequences are that they will die by overdosing or intentionally kill themselves, or ultimately in the future will be using our adult treatment services and going to the ER.

Children and youth mental health and addiction services are the inflection point for prevention, early identification and early intervention for the adult mental health and addiction population.

1410

We need our politicians and our current government to wake up and develop an intentional, sustainable funding strategy to ensure we move the investment needle upstream to children, youth and families. Help our children and youth stay healthy at the onset of mental health challenges. Change our current reactionary, knee-jerk investment strategy to sustainable funding for our children and youth.

Children's mental health and addictions is where new and sustainable investments will change the trajectory. Make the CEOs and the boards of directors accountable by ensuring the investment funding is going directly to hiring front-line mental health and addiction professionals.

The Acting Chair (Mr. Kaleed Rasheed): Thank you so much for your presentation. We will start with the opposition side. MPP Burch.

Mr. Jeff Burch: Thank you very much for your presentation. Just full disclosure, my wife works at Pathstone. It's very incredible work that is done.

I appreciate you talking about the trajectory of the system. We hear a lot about hospital funding, which is so important, but as we talked about with long-term care, if we don't have the proper investment there, those people end up in the hospital. It's very much the same with mental health services, especially related to children. I just want to give you an opportunity to talk a little bit more about putting money into the front end of the system with mental health so that we don't have these kids ending up in the hospital later on. Specifically, what can we do right now in the short term and what outcomes and impacts would we be able to see in the short term?

Mr. Shaun Baylis: You need to put a stake in the ground that basically you're going to invest in youth and children mental health. Bottom line, if you don't, you're going to still have the same problems in 10 years with regard to the emergency department. You've got a whole wave of kids now—we have more than ever—that if we don't get the treatment to them, they're basically going to go into hospitals and rehabs as adults. It is the inflection point. It's so simple. To me, it's a no-brainer.

And then we need to invest about \$150 million in our children because by investing \$150 million we can create a savings, probably annually, of up to \$260 million. We need to ensure that organizations, CEOs and boards of directors make that money go directly to the specific area, as has been indicated, to front-line workers. If you don't do that, they'll spread it to other aspects of the challenge they have. What the result will be is you'll reduce your wait-times, it will help hallway medicine in terms of reducing its cost. Save that half a billion dollars with regard to the people who are off work because of children with anxiety and it will save our youth and families from a lot of grief.

Mr. Jeff Burch: Great. Thank you. I think my colleague has a question as well.

The Acting Chair (Mr. Kaleed Rasheed): MPP Gates.

Mr. Wayne Gates: Good afternoon. I'm going to say the same thing Jeff did. You guys do incredible work there.

Mr. Shaun Baylis: Thank you.

Mr. Wayne Gates: I know you supported my motion that went to Queen's Park about a year ago on additional funding for mental health. It actually came during the crisis, where we had young people taking their lives at the Burgoyne Bridge. Unfortunately, that funding hasn't come through. I don't know why it's being held up. My colleague Sam Oosterhoff supported the bill, talked on the bill. We need that funding. I believe that we need it 24/7.

I go to the emergency room at 8 o'clock at night. I see a doctor. In a lot of cases, what's happening in Niagara is they say, "Take this prescription. Go make an appointment." As we know, the wait-times to go see anybody are as long as my arm. Now, my arms aren't that long because I'm not that tall, but they are long.

The reality is, as we found out, two of our youths had nowhere to go, got no help that night and proceeded to go to the bridge. We need 24/7 funding for mental health. To

your point, that would get us out of our hallway medicine. We would get the young people who need help immediately—they will get that attention immediately. If there's anything you can do, it's to continue to put pressure on the government to get that money to Niagara. It would take care of Welland, St. Catharines, which you're fully aware of, and Niagara Falls.

What I like about your presentation—I've been here since 9 o'clock this morning. I want to say, the passion that you showed today means that you have something right here, that you care about the kids, you care about the families, you care about the community. I want to compliment you on that because, to me, showing that passion—hopefully the government will see that passion. We have a lot of passion on this issue of mental health in Niagara. You guys do incredible work. I know you expanded a bit on outreach as well with Pathstone, but it's not 24/7. I think it goes to—

The Acting Chair (Mr. Kaleed Rasheed): Thank you so much. Apologies to cut you off. We will now move to the government side. MPP Oosterhoff.

Mr. Sam Oosterhoff: Thank you very much for your presentation. I wish to extend my condolences and thank you for your courage in coming forward and speaking about this in front of the committee. I completely concur with the challenges that are being faced, and I recognize the work that you've done but also that there is so much work that needs to be done.

I don't want to act as if we've solved anything because we have put more money into the system; as you know, this year, an additional \$174 million. It is more than has ever been spent, but I take your point that the need far outstrips the resources. There is definitely a need for an incredible amount of resources, and that is why last spring they appointed a minister, Associate Minister Tibollo, who is dedicated solely to mental health and addictions. Even to your point with regard to the centres and the Ministry of Health, the Ministry of Health has a \$63-billion budget, and unfortunately it's not necessarily possible for people to allocate as many resources or time as they should be to examining some of the issues. I don't mean this in a negative way. It's just that, from our perspective—this is the finance committee—it does come down to dollars and cents and how those are allocated as well.

What are some of the most efficient uses of those dollars? Because there is going to be a limited budget. Whether it's two hundred, three hundred—I don't know what that's going to look like. Finance and this report are going to inform that.

I'm just wondering how that can be most effectively allocated so that, like you talked about, it is going into the front line. Because there are a lot of different organizations—I run into them all the time—that are always—everybody wants money for this. And don't get me wrong, I wish we could give money to everybody, but we want to make sure we get the best bang for our buck so that we're helping as many kids as possible, so those situations don't happen, like Mr. Gates talked about, that they go to the bridge. What's the best way?

Ms. Sarah Cannon: Before you answer, I want to just point out that after my daughter's suicide attempt and after a hospitalization, it wasn't until she accessed community-based mental health services that she actually was treated and healed.

Mr. Shaun Baylis: I think that agencies have to demonstrate how they're going to allow quicker access to treatment. Usually, that's front-line work. That's where it needs to go. A lot of times, the money will go to base funding or the expansion of other things. To me, that's where the government says, "What did you do with that money? What was it that you accomplished?" Make us accountable. They have to demonstrate it. Programs have to be evidence-based.

Mr. Sam Oosterhoff: So when you say "us," you're referring to community-based organizations?

Mr. Shaun Baylis: Yes. Organizations and hospitals should be accountable that the money they receive goes directly to that specific program, and show evidence that that program is working.

Mr. Sam Oosterhoff: Okay.

Mr. Shaun Baylis: We have programs that represent the Ministry of Health. They would be the ones looking at our targets and have we fulfilled that responsibility or not. And if we're not, the money should be removed from us.

Mr. Sam Oosterhoff: And sent to someone who is meeting those targets—

Mr. Shaun Baylis: Who is doing it.

Mr. Sam Oosterhoff: —and clearly they're actually dealing with that.

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Sam Oosterhoff: You had a point?

The Chair (Mr. Amarjot Sandhu): MPP Skelly.

Ms. Donna Skelly: I want to thank you. I know how hard it is to come and appear in front of a bunch of strangers and to share that story. It means something. It meant something to each one of us here. You really are driving home a very important point.

My question to you is—we have limited resources—if you could make a change tomorrow, what is it we have to do? We've heard too many stories about kids dying. What can we do tomorrow?

Mr. Shaun Baylis: Put a stake in the ground and make sure there's sustainable funding that's annual, and move towards those types of evidence-based programs that give quick access to families to have treatment.

Ms. Donna Skelly: Okay. Thank you so much.

Mr. Shaun Baylis: Thank you.

The Chair (Mr. Amarjot Sandhu): Any further questions? Seeing none, thank you so much for your presentation this afternoon.

ONTARIO BEEKEEPERS' ASSOCIATION

The Chair (Mr. Amarjot Sandhu): Now I will request Ontario Beekeepers' Association to please come forward. Please introduce yourself. You will have seven minutes for your presentation, with a one-minute warning.

Mr. Dennis Edell: Hi, everybody. I'll say hello to our local MPPs Oosterhoff, Stevens, Gates and Jeff Burch. Hello. My name is Dennis Edell. I'm on the board and on the executive of the Ontario Beekeepers' Association. I not only head up the committee on issues and have been active on the board for seven years, I've been a beekeeper, off and on, for about 40 years, and also I'm a beekeeper in Jordan, Ontario. A small-time beekeeper, but I do represent the 3,100 beekeepers in Ontario.

Since 1881, the Ontario Beekeepers' Association has represented the interests of Ontario beekeepers and the business of beekeeping in Ontario. Today, due to new interest in beekeeping, we have 3,100 beekeepers in Ontario, more than any other province. Of that, 1,400 are OBA members, which represents a record number of members for the OBA.

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As you know, Ontario beekeepers supply farmers with honeybee colonies. They need to pollinate a wide range of crops. Some are very important in Niagara, including apples, apricots, asparagus, blueberries, pears, squash and canola. That production would not be possible without managed honeybees providing pollination services to those farmers.

In 2018, we had 100,400 colonies produce 3,700 tonnes of honey, with a value of \$34 million, which makes us a very small player in the agricultural industry. But at the same time, the value of pollination by Ontario's honeybees is about \$900 million—a very small organization, dollars-and-cents-wise, but extremely important to Ontario's production of fresh fruits and vegetables.

We're a membership-based not-for-profit organization that operates without access to market-based support payments. With very limited funding, we deliver an incredible amount of value to Ontario in programs that focus on educating and informing beekeepers, improving the skills of beekeepers to make them better beekeepers and able to deal with some of the challenges of beekeeping today.

Today, Ontario beekeepers face unprecedented challenges.

The loss of forage and declining honey production: Due to production, increased acreage of corn and soy throughout the province has basically eliminated a lot of those wonderful marginal wildflower areas that used to provide great nectar and nutritional forage.

Chronic exposure to highly toxic, systemic, water-soluble pesticides is probably the biggest challenge facing Ontario beekeepers today.

Mites and disease compound the issue of pesticides that weaken colonies, making them more susceptible to mites and diseases, which can be managed by beekeepers, but makes it even more of a challenge when we're managing weaker hives.

Climate change is also—we have unusual weather patterns, as we know, unique weather events, and we have invasive species coming in, including the small hive beetle.

Global trade: Ontario and Quebec now have the highest proportion of cheaper, adulterated honey on their shelves than any other province.

I could tell you about all the things that we do as the OBA, but it's in our letter, so I'll leave it up to you, in the limited time today, to educate yourselves on that.

For many years, the government of Ontario has helped Ontario beekeepers. Let's be clear on that. We've appreciated the help that we've gotten in Ontario: a world-class inspection program; a provincial apiculturist, who has been of tremendous help and support to Ontario beekeepers. We have received transfer payments over the years of approximately \$115,000—not a lot of money, given the value of this industry.

Moving forward, we need more help from the government. I'm sure you've heard that from every person today. But just to give you a perspective from beekeepers: We need help with our training programs. We need to upgrade training programs. We have new beekeepers coming in and new challenges, new techniques, new treatments that beekeepers need to stay on top of if they're to be effective and efficient and stay in business. We need support for market development of 100% Ontario honey. We've gotten great support from Foodland Ontario; we need more. We need support for local beekeeping associations; support for the breeding of our own homegrown, Ontario, disease-resistant bees and queens; and we need better crop insurance products. Crop insurance products, right now, have a dismal uptake amongst beekeepers.

Other things that we need support on: Pesticide exposure from the overuse of pesticides continues to be a serious problem for beekeepers in Ontario. No matter what you may have heard, Ontario beekeepers will tell you that that is the most pervasive problem amongst beekeepers. We've seen failing queens. We've seen weakened colonies. We've seen colonies crash in the fall. We know, from generational beekeepers—this is second- and third-generation—they will tell you that the problem is the growth of corn and soy and the use of seed treatment on almost all corn and soy crops.

Yet, in spite of this threat, the government of Ontario seems to be backing off of class 12 legislation. In the last omnibus bill, they talked about stopping the tracking of the use of pesticides. Why would you not want to know what kind of chemicals are going into the environment in Ontario?

Farmers still do not have price signals. They really don't understand what they use when they buy pesticide-treated seeds, because it all comes as one package. They don't know what the cost per acre is and they don't know what the yield advantage is.

The Acting Chair (Mr. Kaleed Rasheed): One minute.

Mr. Dennis Edell: One minute—this is a perfect situation for pesticide manufacturing plant companies.

The Pollinator Health Action Plan needs to be brought up to date. We need one person or one group or one ministry that looks after all these environmental issues, especially on pesticides, and includes OMAFRA and

environment. Right now it's being bounced back and forth between both of those ministries.

I'll leave it right there to take questions.

The Acting Chair (Mr. Kaleed Rasheed): Thank you so much for your presentation. We will start with the government side. MPP Oosterhoff?

Mr. Sam Oosterhoff: It's always nice to see someone out from the west end here in Niagara Falls. I guess we both made the journey. I just want to thank you for your presentation today.

I have to note that it says here in the letter that the Ontario Beekeepers' Association has been around since 1881, so you would be—not you, but this would be one of the oldest agriculture industry associations in the province, I would imagine.

Mr. Dennis Edell: Yes, it's an old vocation.

Mr. Sam Oosterhoff: Yes, it's phenomenal. I'd also like to note that our Associate Minister of Mental Health and Addictions is a beekeeper. That's what he does. Ask him about this. He goes out on the weekend and he does beekeeping. He has a lot of colonies in the back there. Maybe he'll be here one of these days and we can chat. You can connect on that and he can speak with a little more expertise. I'm afraid I don't have that much expertise on this.

I hear you, especially with regard to the pesticides. There is a bit of a tension there. My brother's cash-cropper family has been farming for a long time, and they struggle with it as well. They know that these pesticides are damaging components of the supply chain, particularly in pollination, and they have worries about that. They also need to still have yields and figure out how the pesticides impact that. There's not really an easy solution, and I just want to say that I do take your point with regard to that, but there are some challenges there.

Something that I was shocked by was that it said that imported honey products continued to show a "Canada No. 1" label. I don't buy foreign honey—at least I don't think I buy foreign honey; I always try to buy Canadian honey—but this, to me, is hugely concerning. Who is governing that?

Mr. Dennis Edell: The federal government made a rule to get rid of that. That's a designation in terms of the class of the honey, in terms of the colour or whatever. It has nothing to do with the origin. But they use that label, and you can find on the shelves honey that comes from Argentina that says "Canada No. 1," because it's not country of origin. But it's confusing to the consumer and sets up a dynamic that we don't like. It's in the process but it's taking way too long to work itself through the food chain to get onto shelves.

Mr. Sam Oosterhoff: Have there been conversations with the feds around this?

Mr. Dennis Edell: Yes.

Mr. Sam Oosterhoff: Do you do this presentation every year? Do the beekeepers do presentations—

Mr. Dennis Edell: We have tried to.

Mr. Sam Oosterhoff: Okay. I just wanted to check if there was a particular issue—

Mr. Dennis Edell: I think that the issue that we can get involved with here in Ontario is the dumping—I don't want to use the word "dumping," but low-priced honey that is finding itself on the shelves. We've got honey coming from Argentina that's way underpriced compared to what Ontario honey producers can produce.

Mr. Sam Oosterhoff: And it's not marked as such?

Mr. Dennis Edell: It may be, but it's still way too cheap and it should be looked into.

The Acting Chair (Mr. Kaleed Rasheed): One minute.

Mr. Sam Oosterhoff: Could you speak a little bit about what that looks like, then? Because it says getting involved with the Canadian Food Inspection Agency—

Mr. Dennis Edell: Well, CFIA gets involved in adulterated honey, and they do testing of adulterated honey, but hopefully some consumer protection parts of the Ontario government can also look at whether or not the low-priced honey does constitute dumping, in which case we can go back to the feds and get that right.

Mr. Sam Oosterhoff: The impact of neonicotinoids and all that conversation: Is that something, combined with pesticides, that's still increasing? I know it went through a surge. It seems like a couple years ago everyone was talking about that.

Mr. Dennis Edell: The origin of the class 12 legislation is the fact that at the time of legislation, 100% of all corn in Ontario and 65% of the soy was being treated, even though OMAFRA's experts say that only 15% of the acreage actually needs those—

The Acting Chair (Mr. Kaleed Rasheed): Thank you so much. Apologies to cut you off. We will move to the opposition side. MPP Burch?

Mr. Jeff Burch: Thanks for your presentation. I appreciate it. I have two questions, and the first has to do with—you raised an educational component. You may recall—it was a number of years ago, actually—that MPP Stevens and I were on a city council, and they had a practice of exterminating honeybees that were found in houses and other places. Through education, we made it so that municipalities had to call a beekeeper to get the queen and rescue that hive.

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It seems to me a lot of work can be done locally with education, through municipalities and perhaps conservation authorities. First of all, can you comment on that?

Mr. Dennis Edell: I think we should congratulate ourselves in Niagara for having probably the best commercial beekeeping course in Canada, at Niagara College, and that's helping to upgrade skills for beekeepers. It's also helping to get the next generation of beekeepers trained up. Beekeeping is much more scientific than it has been in the past, as families pass it on to the next families. In farm families, who have their own little business within the farm itself, it's the perfect opportunity.

Mr. Jeff Burch: Right. Secondly, I just want to give you an opportunity to talk about pesticides a little bit more, that being such a large issue in Niagara, and neonicotinoids, if I said that right, and other pesticides.

You raised a really good point about legislation that has recently been passed, where it makes it more difficult for us to ask what kind of chemicals are being put into the environment.

I hear Mr. Oosterhoff's point about that balance that we find between cash cropping and beekeeping, and that's a good point. But why would you not want to know what kind of chemicals are being put into the environment? Can you comment on that, and how that affects beekeeping in Ontario?

Mr. Dennis Edell: Yes. As I said before, it's not the use of pesticides. Do we want to take that tool away from farmers? It's the overuse of pesticides, when you have 95% or 100% of corn having seed treatments when it only really requires 15% of the acreage. That's overuse of it. When they introduced class 12 legislation, the government did set a goal of reducing that by 80%. We're at 25% now, so we're not there yet.

Plus, farmers are now starting to substitute for neonicotinoids, because they can see that the federal government may ban it, and that it's being banned in other countries. So, they're starting to substitute it, so we're not tracking that either.

Environment is not tracking new chemicals. And now, with the proposed omnibus bill, they're saying, "Well, let's stop tracking. We don't need sales reports anymore." Why you would do that, I don't know, because you are supposed to have legislation that has a target. So, to measure the effectiveness of that legislation you need to have that information.

Mr. Jeff Burch: So from the point of view of the Ontario Beekeepers' Association, those environmental regulations that inform the public about what kind of chemicals are going into the environment are not red tape. They're actually a crucial protection for the environment?

Mr. Dennis Edell: Right, and they're attached to the goals of the legislation, so we should be tracking how we are doing in terms of what the intent of that legislation was.

Mr. Jeff Burch: Great. Thank you very much.

Mr. Dennis Edell: Thanks, Jeff.

The Chair (Mr. Amarjot Sandhu): Any further comments? MPP Shaw, 30 seconds.

Ms. Sandy Shaw: I just want to say that I'm from Hamilton, and we have Humble Bee. We're actually showing that you can do beekeeping in a downtown setting, and it's a very popular product in Hamilton.

Mr. Dennis Edell: Yes, and you just had a big dance there. They have the Humble Bee ball each year. It's great.

Ms. Sandy Shaw: Exactly. That's right. Thank you very much.

Mr. Dennis Edell: My pleasure.

The Chair (Mr. Amarjot Sandhu): Thank you. That concludes our time as well. Thank you so much for your presentation.

ONTARIO CRAFT WINERIES

The Chair (Mr. Amarjot Sandhu): Moving along to our next presenter, from Ontario Craft Wineries: Please

come forward. Please state your name for the record, and you will have seven minutes for your presentation.

Mr. Richard Linley: Thank you for the opportunity. I'm Richard Linley, president of Ontario Craft Wineries. Welcome to the Niagara region. I appreciate the invitation to appear today as part of your committee's pre-budget consultations. As in prior years, we welcome the opportunity to present to this committee as well as the Ministry of Finance.

OCW represents, as some of you might be aware, over 100 VQA wineries across the province, with the vast majority being small to medium-sized enterprises. Unlike other beverage alcohol sectors, VQA wines are 100% Ontario-grown and -produced in the region and across Ontario. Our industry accounts for over 11,000 direct and indirect jobs tied to 100% Canadian wine, and we are driving economic development in the agricultural, manufacturing and tourism sectors.

First, I'd like to thank the Ontario government for the work that they have undertaken over the past year to strengthen and support Ontario's local craft producers. Last September, Minister Hardeman and MPP Sam Oosterhoff announced one-year transition funding of over \$15 million for our industry. This investment has helped small wineries with key business decisions while the government continues to conduct its review of the beverage alcohol sector.

Specifically, the transition funding extended support for the following initiatives. The VQA support program, to help Ontario wineries increase competitiveness and innovation. This helps support wineries for other VQA wine business at the LCBO, as well as tourism development initiatives. We also receive funding for marketing and tourism and export development, all important for job creation, as well as performance measurement and research and development initiatives, including our annual wine and grape performance study, which provides a detailed annual overview of the financial state of the industry.

Minister Hardeman also announced changes to reduce red tape for our sector, making it easier for wineries to market their products. We support any open-for-business initiative and would like to see more of these in the future to help us compete in the global marketplace and give our hard-working winery members greater opportunities for success.

The operative words are "part of last year's funding announcement," and this is where I'd like to focus our priorities today: transition funding, while the government continues to conduct its review of our sector. We support the government's review and we recognize that it has inherited a difficult system that is badly in need of reform. Ontario Craft Wineries have long advocated for increasing market access for our members through new retail channels, and we continue to ask the government to work with the industry to develop policy options that will grow our industry and keep us competitive in the future marketplace.

We have said it before, and I want to emphasize it again today: If we are to transition away from our current

funding programs, it must include tax reform. This means creating a 21st-century tax structure that will unleash the potential of the local wine and grape industry. Without addressing our import tax problem and the 6.1% wine basic tax, many wineries may not survive to take advantage of the future distribution opportunities that may result from any future reforms, so for this year's pre-budget submission, tax fairness for local wine is our top priority as we transition through the beverage alcohol review. We need tax changes urgently to give our industry the certainty we need to be supportive of a broader suite of reforms, and give consumers the choice and convenience they crave. With our proposed changes, we are confident we can reach our full potential, allowing wineries to continue to invest and create new, good jobs in Ontario. If not, rural jobs and family farms are on the line.

Our first priority is import tax relief, first and foremost. Taxing Ontario wine like international imports is just plain wrong. Wine from Ontario is not imported, period, and it makes no sense to treat it the same as wine from other countries. This punishes local producers and hurts Ontario wineries and growers. Only in Ontario are domestic wine producers asked to compete under the same markup structure as imports, a challenge exacerbated by the fact that there is a monopoly on retailing in the province. The current situation continues to leave very thin and unsustainable margins for our members at the LCBO and in grocery channels. We believe that the current support program for VQA wine sales would be more effective in leveraging investment and supporting job creation and growth if it were a permanent tax credit program. The precedent for a provincial tax credit already exists and is best accomplished with a tax structure similar to the one for the Ontario Craft Brewers.

Second, the basic wine tax: We are asking that the government eliminate the 6.1% basic wine tax charged on VQA/100% Ontario-grown wines and cellar-door sales. Thank you to MPP Wayne Gates, who put forward a private member's bill on this in the last Parliament, and MPP Sam Oosterhoff, who was also very supportive. This tax punishes smaller wineries that sell their own wine at their own wineries, where the LCBO and the government plays no role. No other Canadian winery or retail product pays this type of tax on top of sales tax. Simply put, it is a tax on tourism and the family farm.

To quote one of my members on this issue, "The 6.1% tax that has been applicable on all wine sold in the province of Ontario has been a thorn in my side since my small, quality-oriented winery, devoted to award-winning VQA wine production, opened almost 10 years ago.

"Knowing that there is not another wine producing region in this country that is subjected to the same fee is an outrage.

"This leaves me with very little room for diversion and a challenge to find profit.

"With the ability to retain the 6.1% wine fee within my business, I would use the funds to improve my infrastructure by relocating my production building to a more suitable space on the property.

“Additionally, I’d improve my economies of scale and improve quality, with less energy inputs.

“Long term, I’d improve the retail experience with major improvements to the customer service area, including potential food service and better tasting areas.

“When these funds are put back into the hands of VQA-producing wineries, positive results will be seen.”

I’ll conclude by saying that these two measures, the two I just mentioned, would help Ontario wineries and growers thrive, and bring the province’s beverage alcohol policies into the 21st century. Including these recommendations in budget 2020 would truly show Ontario is open for business, and help us grow, create jobs, and boost economic development and tourism in rural communities.

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I want to thank the committee members for the invitation to appear today. I welcome any questions you may have. Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We’ll start with the opposition side for questions. MPP Gates.

Mr. Wayne Gates: How are you, buddy?

Mr. Richard Linley: Good. You?

Mr. Wayne Gates: Quickly, on your recommendation number 2, on the wine basic tax: You know—as I know; it was a bill I put forward—that the Liberals could have done it when they were in power, and so I’m challenging the Conservatives, including my good colleague over there, Mr. Oosterhoff—they could get it done immediately. They have a majority government now. That would certainly help your industry. I want to get that out, that there is an opportunity to get it done and get it done by the PCs.

I asked the grape growers this question earlier today. However, I would like to hear the insight from the craft wineries. The VQA support program was extended an additional year, with a \$15-million program which included small cidery and small distillery support programs. I know that the industry is looking for a long-term, sustainable solution. What is that solution?

Mr. Richard Linley: Right now, our proposal to the government is a tax credit approach. The challenge with the current programs is not an issue of the government’s making; it’s the fact that we’ve had programs that have been subject to renewals every couple of years, so when we get up against the renewal date, it creates a lot of uncertainty. If wineries don’t have that program, they will sell less to the LCBO, based on the way the program works. It creates a lot of uncertainty around planning and sales horizons in terms of which channels you will optimize and use, based on your winery’s strategy.

Our focus right now is trying to get something permanent in place so that wineries can better plan around their sales year. That will also give more confidence to the growers, as well, in terms of the types of grapes we’re buying from them, and knowing where we’re going in the year ahead. That has been our focus, on getting a permanent structure.

Mr. Wayne Gates: And even decisions of people who want to get into this industry—they have to know there’s some certainty.

Mr. Richard Linley: Exactly.

Mr. Wayne Gates: There are some good jobs there. It’s a growing industry. It’s certainly creating a lot of tourism in my riding, in particular in Niagara-on-the-Lake. But they even just opened one up in, I think, St. Catharines. Ridgeway is becoming very popular. It is creating jobs, so I understand why we need that.

I’ll read this out again, but I actually did it in the front: I introduced a bill during the last government with the assistance of the Ontario Craft Wineries, which would have eliminated the basic tax for wineries on retail sales at the winery. I understand that you support this legislation. However, how do you believe this fits into the overall strategy of further sustainability and the growth for your industry?

Mr. Richard Linley: Good question. Currently, we have the Deloitte benchmark study, which looks at the general health of the industry each year. One of the biggest challenges for the industry has been profitability among small and medium-size wineries. Our recommendation to the government was eliminating the 6.1% at on-site cellar door simply because a lot of those small wineries are not focused on the LCBO; they’re focused on cellar-door or farm gate sales. If we can put a little bit more money into their pockets to make them profitable, we think they will be more competitive and then be able to do more with the money in terms of job creation or reinvesting in their business and scaling up. That has been our focus for the 6.1%.

Mr. Wayne Gates: I appreciate that. The last question: How can alcohol sales be expanded while also protecting Ontario wines?

Mr. Richard Linley: Our focus has been on taxation, so making sure the industry is taxed competitively in their home market, and then we feel distribution is an easy discussion at that point. If we have the competitive tax structure to compete with imports, which, I’m sure you heard from my colleagues, are heavily subsidized by their home markets, then we think that’s an easier conversation. That’s where our focus has been, on the taxation component.

The Chair (Mr. Amarjot Sandhu): Thank you. I apologize to cut you off. We have to go to the government side. MPP Smith.

Mr. Dave Smith: I’m hoping you can give me a breakdown. I get that there’s the grape growers association and there’s the craft wineries association. How many of your members grow their own grapes versus purchasing them from somebody else, as a percentage?

Mr. Richard Linley: We have 105 members. All of them, except for maybe two, would grow their own grapes. A requirement as part of your licence with the AGCO is that you have to have five acres of vineyards to grow your own grapes.

Mr. Dave Smith: I’m thinking of exclusively growing your own, because—

Mr. Richard Linley: In terms of being vertically integrated and not relying on independent growers?

Mr. Dave Smith: Yes.

Mr. Richard Linley: I don't have that off the top of my head. It really depends year to year, because wineries will supplement depending on demand. If they have enough to get through the year, if they're a 10,000-case winery, they will rely on their own grapes, but they may decide to buy independent grapes to allow them to take advantage of other channels. It's a tricky question, and it changes year to year.

Mr. Dave Smith: Thank you.

The Chair (Mr. Amarjot Sandhu): MPP Oosterhoff.

Mr. Sam Oosterhoff: Thank you so much for coming. It's great to have you here. Thanks for also acknowledging the government's support of the industry. I know there's more work to be done.

I just want to make sure that something is on the record. Everyone wants tax breaks; everyone wants less tax. But I think people need to understand just how heavily taxed your industry is. This is not just a 13% HST. You're talking a ridiculously high tax in comparison with pretty much every other product in the agricultural industry. I think it's because of this Prohibition-era concept that wine isn't value-added agriculture; it's somehow this "sin tax" approach that I don't think is accurate or reflective of the industry, which is very much small family farms and value-added agriculture with tourism components.

Could you break down for my colleagues on the committee just how drastic the taxation level is? For a \$20 bottle of VQA wine, what percentage of that is actually tax when you pay that 20 bucks?

Mr. Richard Linley: I have an example here. Revenue distribution of an average retailing selling price of a \$13.95 bottle of VQA wine: Provincial and federal revenue is 54% and supply revenue is 46%. On an average bottle of wine that we sell at the LCBO, the government takes more than half.

Mr. Sam Oosterhoff: More than half—

Mr. Richard Linley: Right, and also that doesn't take into account our costs of production.

Mr. Sam Oosterhoff: Right. Just to extrapolate on that, if you have a hypothetical \$10 bottle of wine, you're getting \$4.60, but then you still have all your operating costs, all your—

Mr. Richard Linley: Exactly.

Mr. Sam Oosterhoff: So your profit is very, very slim. That's really the fundamental issue here. There won't be an industry if you can't maintain a margin. You can expand all you want and you can sell all you want, but if you can't maintain a margin, especially with cost pressures from increased labour costs, the carbon tax, you name it, the cost of transportation—all these impacts. That's really what it comes down to.

Mr. Richard Linley: That's what it comes down to. Exactly.

Mr. Sam Oosterhoff: I appreciate that, because I think not a lot of people know that when they're buying a bottle

of wine. They might think this bottle of wine, a \$20 bottle of wine, so they're making \$20. It's not the case.

Mr. Richard Linley: Just on VQA alone, we pay over \$200 million a year in consumption taxes, so that doesn't take into account other taxes that wineries would pay. That's just on sales alone.

Mr. Sam Oosterhoff: Thank you.

The Chair (Mr. Amarjot Sandhu): MPP Skelly.

Ms. Donna Skelly: Quick question: If we remove the tax, would it have any implications at all on our trade agreements? I know Australia is already challenging Ontario in the WTO.

Mr. Richard Linley: There are lots of ways to support the industry without making changes to the taxation model. For example, the craft beer tax approach is trade-compliant, because the program is available to craft brewers both locally and internationally. The way we're approaching it, and this is the way it's done around the world, is that you can provide support for your industry as long as there's no taxation differential. There are creative ways, like our VQA support program we currently have now, to provide support to the industry to make it fair. But as long as we have a—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. That concludes our time. Thank you so much for your presentation.

Mr. Richard Linley: Thank you very much. Cheers.

AMAPCEO

The Chair (Mr. Amarjot Sandhu): Next I would like to call on AMAPCEO. Please come forward. Please state your name for the record, and you have seven minutes for your presentation.

Ms. Cynthia Watt: All right. Good afternoon, committee members. My name is Cynthia Watt, and I'm the vice-president of AMAPCEO. With me today is Anthony Schein, senior adviser to the president.

AMAPCEO is a member-driven union of professional employees dedicated to providing outstanding representation and member services. We protect members' rights, defend Ontario's public services and advocate for better working conditions for all workers. The majority of AMAPCEO members work for the Ontario public service. You will have met some. They work in every ministry, and in agencies, boards and commissions in over 130 communities across the province and in 11 cities outside Canada.

We also represent members in seven bargaining units in the broader public sector: the Financial Services Regulatory Authority of Ontario; Health Quality Ontario, recently absorbed by Ontario Health; the Ontario Arts Council; Public Health Ontario; Waypoint Centre for Mental Health Care; and the former offices of the Ontario Child Advocate and the French Language Services Commissioner, now part of the Ontario Ombudsman's office.

Our membership is educated, professional and diverse. They are problem-solvers who take great pride in working hard and offering creative, evidence-based solutions to

public policy issues. They are passionate about serving the public interest.

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As a non-partisan union, AMAPCEO has a long and proud history of working in a constructive, problem-solving manner with governments of all stripes. We have worked successfully on legislation and policy initiatives and have negotiated free and fair collective agreements with governments led by Premiers Bob Rae, Mike Harris, Ernie Eves, Dalton McGuinty and Kathleen Wynne. We look forward to a similarly constructive relationship with the current government.

Prior to my election as AMAPCEO's full-time vice-president in 2015, I began working in the Ministry of Training, Colleges and Universities almost 21 years ago, primarily focused on Ontario's colleges.

For decades, Ontario has been caught in a budgetary loop. Newly elected governments accuse their predecessors of all manners of budgetary malfeasance. The newly elected government then proclaims that because of budgetary constraints, its hands are tied with regard to progressive policy. Meanwhile, deficits continue and Ontario's debt grows. All that changes is the precise mix of the deficit recipe, the relative proportion of which is a result of revenue constriction and spending growth.

In terms of expenditures, we can only repeat what we have said in the past: Ontario runs a lean operation. On a per capita basis, expenditures are the lowest in the country, and our public service is the leanest. The lynchpin of the government's current approach of expenditure reduction—legislatively limiting compensation increases—is fraught with difficulty, as court challenges and strikes in the education sector make clear. Consequently, AMAPCEO recommends repealing Bill 124.

It is commonplace to point out that Ontario has a revenue problem. This should not be at issue. The question is how to solve this problem. In our budget submission last year, AMAPCEO expressed concern about the prospect of significant downsizing in the public sector. It is a fact that the OPS is already a lean organization. Based on population, Ontario has fewer public servants than other provinces. The OPS rate of 4.5 full-time-equivalent positions per 1,000 Ontarians is more than 1.5 public servants per 1,000 residents lower than the next-most-efficient public service in Canada, which is in British Columbia. We have a nice table in our budget submission that points out where all the other provinces are at.

To put this in perspective, if the OPS were staffed at the same rate as BC's public service, the OPS would be 37% larger and would boast more than 90,000 FTEs. Although already a lean operation, the government's data shows that the number of actual full-time equivalents in the OPS decreased by 1,000 between March 31, 2018, and March 31, 2019.

This decrease in staff size takes us to the hiring freeze implemented just days after the government's election victory on all but essential-services positions. Should the freeze continue for the rest of this government's term, this will result in a significant reduction in the size of the OPS.

Along with such a reduction will come a marked reduction in the quality of public services Ontarians rely on. I'd also suggest that it creates a generational gap, and we can come back to that in questions if you're interested. AMAPCEO recommends an end to the hiring freeze and committing to stabilizing the size of the Ontario public service.

Since the time of the Bob Rae government, Ontario has used various legislation and hard bargaining to achieve compensation outcomes that it has asserted were fair. Over the past decade, our own members in the Ontario public service received zero across-the-board increases for four years, and in the remaining six years our wage increases were below the consumer price index. These were all freely negotiated settlements. Despite this long period of fair settlements, the current government has embarked on a mission to legislatively further constrain wage settlements for AMAPCEO members and throughout the public service.

Premiers Harris, Eves, McGuinty and Wynne were all, for the most part, able to achieve their bargaining agenda at the table. There was one exception to free and fair collective bargaining under the McGuinty government, the Putting Students First Act, 2012, which placed significant limitations on the rights of workers in the education sector to collective bargaining. Ultimately, Ontario's Superior Court of Justice ruled that the act violated the Charter of Rights. Not only did this court process tie up valuable legal resources, it led to the government having to pay out millions of dollars in compensation to the impacted employees, thereby obliterating any presumed cost savings.

No one knows for certain how the current court challenges will be decided. The chance that the government's wage-control legislation will be found unconstitutional injects significant uncertainty into the government's budget projections. It is simply the wrong way to move forward. Far better for the government and for unions, and ultimately the public, for the government to set bargaining mandates and freely bargain with unions. Again, we recommend that the government repeal Bill 124.

Annually, numerous budget submissions remind the government that it needs to look at both sides of the ledger as we move towards a balanced budget. AMAPCEO remains agnostic about which revenue tools should be utilized, but we submit that numerous economists, from the former TD Bank chief economist, Don Drummond, to the Centre for Policy Alternatives, have outlined a range of revenue tools, from sale and sin taxes to modifications to the corporate tax code, which would resolve the structural deficit that Ontario faces, without requiring ever-deepening cuts to the public services Ontarians rely on.

Thank you again for the opportunity to present today. We're happy to take questions.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll go to the government side. MPP Skelly.

Ms. Donna Skelly: I'm sorry, I didn't catch your name.

Ms. Cynthia Watt: It's Cynthia.

Ms. Donna Skelly: Thank you, Cynthia, for your presentation. Are you able to quantify your ask today? I'm

not sure whether you're asking for 37%—do you want the sector to match BC or not? That's just a figure you—

Ms. Cynthia Watt: That would be a dream. No, we're not asking for that. What we are suggesting is that the government needs to look at the benchmarking of how many full-time-equivalent employees it has against how many are in our population, and benchmark that against the rest of the country.

In the report that's before you, on page 7, we have done this research to show you that Ontario is the leanest. In fact, we're leaner than it was at the time that this snapshot was taken. As we continue to do this, the number of public servants available to provide service, and all the supports that it provides to government, will become more and more difficult and strained.

Ms. Donna Skelly: Have you been able to identify what your association believes is a proper increase in numbers, and add a dollar amount to it?

Mr. Anthony Schein: If I may—Anthony Schein, also with AMAPCEO. We certainly wouldn't presume to tell the government what the proper size is. I think the point that we're hoping to get across here is that it's a bit of a myth that the size of the public service is bloated. In fact, it has been shrinking consistently over time, and it is, as Cynthia pointed out, the leanest in the country.

The hiring freeze that has been in place over the last 18 months is a fairly blunt instrument. It has not taken into consideration the actual needs of the ministries, of the ministers and the public services that Ontarians need.

Ms. Donna Skelly: Time is really short, so if I cut you off, it's not to be rude. We just try to stay within this four-minute timeline. My only other question is—you talked about revenue sources. Are you talking about asking the corporate sector to increase its tax contribution?

Ms. Cynthia Watt: There are many different vehicles through which revenue could be generated. We're not taking a stance on what the solution would be. In fact, what I might argue is that our members are the professionals that provide the support to all of the ministers, and that they're very well positioned to help the government itself figure out how to increase the tax base, if the tax base is the solution, or if it's a fee-for-service type of thing. Our members are best positioned to do that.

But I guess where we're going is, to become entrenched and say that we have an expenditure problem and not understand that actually it's both—we have an expenditure but a revenue problem as well.

Ms. Donna Skelly: Okay. I'm going to hand it over to my colleague.

The Chair (Mr. Amarjot Sandhu): MPP Smith.

Mr. Dave Smith: Basically, my question is around that as well. How do you define government revenue? What is it?

Ms. Cynthia Watt: Well, it's multiple things. It's the tax base. I don't have, in fact, the budget in front of me. It's all the different line items that are listed in the revenue. It's the money that comes in for licences—fishing licences—

Mr. Dave Smith: Right. So it's taxes and fees. So what you're suggesting is that we should increase taxes and fees.

Ms. Cynthia Watt: I think it should be looked at, where it might be appropriate. To just assume that they're not at appropriate levels is not the place to stay. I think they need to all be looked at in isolation and then as a collective.

At the end of the day, it's about what it is that we want as Ontarians, what kind of services, and what that will cost. If things move to fee-for-service—I think about the health care system and a simple thing: vitamin D tests. Now you have to pay to have the vitamin D test. For many people who suffer from different medical things, it costs money, and they may not be able to afford that. But now that decision—

The Chair (Mr. Amarjot Sandhu): Thank you. I'm sorry to cut you off. We'll have to go to the opposition side now. MPP Arthur.

Mr. Ian Arthur: Good afternoon, and thank you so much for your presentation. I'm glad that you focused on this, because I have not heard a single government member, in this committee or in the Legislature, address the difference in per capita spending on individuals in Ontario.

I think that a conversation about the sort of province that we would like to be a part of, and how much we're willing to pay for that, needs to be had at some point. We are 18% below the national average in terms of what we are willing to pay for right now. So thank you for bringing it up.

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It is a myth, this efficiency myth that there are endless efficiencies to be found. We simply spend less, and then they try to say it's because of broken or bloated bureaucracy that people aren't receiving the services they need, but the reality of the situation is that we are not spending as much as any other province. When you look at traditionally Conservative provinces, some of highest per capita spending is Alberta, and that has very little to do with the Notley government. It was highest before Notley came in, and it continues to be the second-highest—and Saskatchewan, with Conservative governments, again. The per capita spending, at some point, will need to be addressed.

That's more statement than a question, but if you would care to elaborate on why your members also believe that, I would be happy to listen.

Ms. Cynthia Watt: Well, I think it's simple. They are living the life of a lean government that's been lean for many years, where now we've lost over a thousand members in the last couple of years. So they are becoming overworked, which leads to decreased productivity and increased sickness. This is not how a workforce should be taken care of. Quite simply, if you're going to continue to do all the same things and you have less to do the same things, then people will be doing more. That's highly problematic, because it also compromises the quality of the services being provided.

Our members provide services to ministers. That's a big part of their job. That's not all that our members do, but they are the brains behind all the work that comes across ministers' desks that informs all the decisions, all the legislation. All that work is done by our members, and there are fewer and fewer of them, which creates more and more pressure, which means you're going to get less and less of the product that you need to make the best decisions. They're apolitical. We take great pride and our members take great pride in being apolitical, completely courageous in advice and completely loyal in execution. That is the mantra.

Mr. Ian Arthur: I completely agree. I think there needs to be a re-characterization. The values of this Conservative government, they do not believe that Ontarians deserve to have money spent on—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Ian Arthur: Anyone else like to chime in?

The Chair (Mr. Amarjot Sandhu): MPP Shaw.

Ms. Sandy Shaw: Yes. I will pick up where MPP Arthur left off. That is what we're seeing. We're seeing that we are bottom of the pack in this country, and we're a wealthy province—bottom of the pack on spending on what matters to people.

The other myth is that this government is reducing the deficit. They've increased the deficit under their watch. In fact, what we need to acknowledge is that they are spending big. They're just not spending it on things that matter to everyday Ontarians. They've wasted \$223 million cancelling green energy contracts at a snap of a finger. That is a myth, and I'm glad you brought it out here.

But in the short time we have left, I'm going to give you a choice. You can talk about the generational divide, or you can talk about the wage freeze. Some of your members are direct service workers that are not earning the kinds of money that—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. That concludes our time.

Ms. Sandy Shaw: I am so sorry—so sorry.

The Chair (Mr. Amarjot Sandhu): Thank you so much for your presentation

NIAGARA HOME BUILDERS' ASSOCIATION

The Chair (Mr. Amarjot Sandhu): Our next presenter is the Niagara Home Builders' Association. Please come forward. Please state your name for the record, and you have seven minutes for your presentation.

Mr. Chuck McShane: My name is Chuck McShane.

The Chair (Mr. Amarjot Sandhu): You may start.

Mr. Chuck McShane: Mr. Chair, members of the committee, good afternoon. My name is Chuck McShane, and I serve as the executive officer of the Niagara Home Builders' Association. We are proudly affiliated with both the Ontario Home Builders' Association and the Canadian Home Builders' Association.

Our association is the voice of the residential construction industry in Niagara, and it includes 135 member companies. Here in Niagara, the new housing, land development and professional renovation industry is vital to our local economy. We support over 1,500 jobs in the new housing and renovation sectors, paying in excess of \$867 million in annual wages. The annual investment value of the sector represents \$1.8 billion across the Niagara region.

This coming budget provides a critical opportunity to take additional steps to implement the Housing Supply Action Plan. The residential construction industry is a key partner for the government to work with. Our members provide the necessary housing supply to meet Ontario's growing population, support highly skilled job creation and stimulate economic growth.

The Ministry of Finance projects that there will be 2.6 million more people living in Ontario by 2031. The real elephant in the room that is not receiving enough attention is that in order to welcome all these new neighbours, we will need to build one million new homes across the province over the next 10 to 12 years. We therefore are very supportive of the initial efforts to implement the Housing Supply Action Plan and, more specifically, we are supportive of the More Homes, More Choice Act, Bill 108.

Our industry continues to face a variety of interrelated challenges that affect our members' ability to build the necessary supply of housing to meet growing demand. Some 95% of Ontario's new housing supply is built by the private sector. New home prices reflect both market conditions and the legislative framework set forth by government policy through municipal approvals, provincial legislation and regulatory frameworks.

The Niagara Home Builders' Association strongly believes that a healthy housing system exists when a region has the right mix of housing choices and supply that is able to address all residents' shelter needs through the full cycle of their life. A properly functioning housing system should provide stability to both renters and owners at prices people can afford and in the sizes that meet their needs. High home prices and rents have affected all parts of Ontario, including right here in Niagara, where a lack of supply has made ownership more difficult and quality rental housing hard to find.

In an environment where housing of all types and tenures is becoming more expensive, we believe that the provincial government has an important opportunity to consider the impacts of planning, fiscal and labour policy decisions on housing supply, which ultimately affect the prices.

I think the pre-budget process is an ideal time to remind MPPs that our industry contributes billions of dollars to the provincial treasury through income and corporate taxes, and that new homes have a land transfer tax and HST levied on them. An average \$500,000 new single-family home in Niagara has \$23,000 payable to the federal treasury with the HST, and \$13,000 payable to the provincial treasury. On average, on a new home in Niagara, you

have \$36,000 in HST alone, plus land transfer taxes, plus \$34,000 on average in development charges, and a whole host of other fees and taxes. When all of these are added up, they equate to over 22% of the price of a new home. That's without purchasing the property, one piece of building material, digging the hole or pouring the foundation.

In the time that I have left, I quickly want to address a local infrastructure priority that I believe is required sooner than later. Here in Niagara, we have been pumping sewage uphill in order to send it downhill. The proposed new waste water treatment plant in south Niagara Falls would not only eliminate the pumping stations, it would also free up capacities at the existing plants, as well as extend the lifespan of those plants. With that being said, I believe the stakeholders would certainly welcome a partnership with the provincial government for this project, which will not only help our region achieve the growth numbers that have been put forth by the province, but, as well, help to bring the housing supply numbers up, which will certainly help create housing affordability.

I have one other comment that is extremely important to our industry, and myself, as well, and it's the skilled trades. I'd like to start by thanking this administration for all of the incredible work that has been achieved in the past 18 months. Minister Lecce and now Minister McNaughton have done some incredible work in promoting the trades and making it easier for those who want to find a career within them, from changing the ratios to the changes in the College of Trades and promoting that being a tradesperson is nothing to be ashamed of—in fact, it's something to be proud of. However, there is much more work for all of us to do.

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I believe we need to spend the time and effort to not only educate our youth at an earlier age, but parents as well, about the benefits of working in the trades. Previous administrations had spent more time and resources on promoting post-secondary education instead of having a balanced approach and realizing that post-secondary education is not meant for all. Without the trades, we have nothing but diplomas with no walls to hang them on, no frames to put them in and no facilities to be educated in. I believe it's time that we stepped up and provided more opportunities for those who want to be a tradesperson.

Thank you. I look forward to your questions.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll start with the opposition side this time. MPP Gates.

Mr. Wayne Gates: I'll get into it right away. I know that the home builders have been a regular opponent of expanded apprenticeship and journeyman ratios in the skilled trades. The home builders and this government like to say that a 1-to-1 ratio would increase the number of apprentices in the province. However, we know that it will also decrease the number of journeypeople on the job site. How do the home builders and, quite frankly, this government account for this? Will there be jobs for apprentices once they've done their apprenticeships?

Mr. Chuck McShane: Thank you for your question. Of course there will be, Mr. Gates. You're well aware that we have a shortage of journeypeople right now in the province. We also plan on bringing over two million people into this province, who are going to need more tradespeople to do work on their houses and to do work on their plumbing and their electrical. To build facilities, to build care facilities, we need more tradespeople.

A 1-to-1 ratio will bring more into it, instead of holding the kids back. We see what happens when these kids get out of school and get they can't get an apprenticeship: They end up pushing buggies at Walmart and they can't get out of that rut. We need to provide more opportunities and get them into the trades sooner.

They're great-paying jobs. You know that as well as I do. The average age of a mason is 67 years old.

Mr. Wayne Gates: Okay. Thank you, sir.

Along with the tight ratios, the home builders were the main opponent of the College of Trades an organization that worked to ensure that skilled trades professionals of this province were properly trained, licensed and that that licence was properly enforced on the job site.

Last year, we saw a young man killed on a job site, being forced to do electrical work he was not certified to do, and he was not supervised at the time. Is the type of job site the home builders want to see in our province?

Mr. Chuck McShane: First of all, Mr. Gates, I'm not aware of that job site. I'm not sure whether it was a residential job site. However, we do know that accidents do happen and have happened in many large facilities. In fact, when you were at General Motors, there were millwrights who got hurt there and journeypeople who got hurt there. In fact, a full journeyman—and I know it for a fact, because my brother-in-law was on shift that day—was crushed in a machine and died. So it has nothing to do with the ratios; it has to do with the journeyman actually being in charge in a 1-to-1, in a hands-on, because we know that if we go to a 3-to-1 ratio of journeyman to apprentice, on any job site, that apprentice is running to get coffee, getting a left-handed monkey wrench and going to get a bucket of steam, or sweeping floors. The journeymen are doing all of the work. I've heard it from the youth.

Mr. Wayne Gates: Well, in this particular case, he obviously wasn't.

Also, when you talk about health and safety—as I'm the health and safety critic for our party I've noticed that the Minister of Labour has put out accidents that have happened with residential home building. It's interesting to me that the falls report—and there is a number of other industries. But in your industry, the number of falls—not just in your industry but in the province—from November 1st to the 30th, was 12, and 10 of those happened in residential home building, which is really concerning to me.

The other thing I want to say really quickly, because I only have a minute, is that the government has a terrible track record so far on workers' health and safety. These are the things that are really going to hurt your industry: They've moved safety training out of the classroom to

online. They cut the number of hours of safety training that workers must complete. They extended the deadline for completing safety training, leaving workers at risk for a longer time. They lowered the supervisor's requirements for apprentices. It means that less-experienced workers will have less support on the job, opening the door to allow workers with less training to complete tasks currently restricted to—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We have to move to the government side. MPP Smith.

Mr. Dave Smith: Prior to the changes to the ratios—and this is something that was significant feedback from the small, rural companies that I work with frequently. In order for a plumber to have two apprentices, they actually had to have five journeymen. There are not very many small, rural plumbing companies that actually have five journeymen. What we were seeing in rural Ontario was that individuals were not getting into the trades as a result of that.

What we know is that you tend to live where you work. If you don't gain that experience, then, if you don't work in rural Ontario, you leave and you migrate to the urban centres. So we were seeing a significant decrease, then, in the rural population as a result of that.

Do you have any feedback for us on the change of the ratio, especially with respect to plumbers, so that it's now 1 to 1? Have you heard any feedback from your members?

Mr. Chuck McShane: There's some fabulous feedback. Mr. Gates always comes up with this health and safety thing. Twelve of those accidents, I'm sure, could have been roofers that weren't working on brand new houses, that don't follow—or are members of our association that we have strict rules on. I would guarantee that probably 10 of them are.

Mr. Gates continually says "health and safety, health and safety." Our health and safety regs have increased in the last 10 to 15 years. We have truck drivers that deliver drywall who have to take one day working at heights courses and so forth. So when Mr. Gates says that safety is not there, and he accuses the home building industry of not training people properly, he's absolutely wrong.

Mr. Gates also continues to state that he wants housing affordability, but he continues to bang the housing industry. So I don't know what Mr. Gates is looking for.

I didn't expect to come here for a debate, but obviously that's what we were doing. I came here to share some facts and what the government is doing, and how we can—I thought it would make Mr. Gates happy—get more people into the trades. Let's get people working. Let's get them off of our coffers, off of the social handouts. That's what we need to do. With 2.3 million people moving into our country within the next 10 years, we need to do that.

Mr. Dave Smith: Currently, we've got a shortage of about 150,000 skilled labourers, right now. As you said, the average age of a masonry journeyman is in his sixties. I believe the stat is that 58% of our tradespeople are over the age of 55, and within 10 years of retirement.

By reducing the ratios, is that going to attract more people into the trades so that we cut that shortage?

Mr. Chuck McShane: It certainly is. The smaller companies—the gentleman that is that journeyman, that wants to live the dream and start his own company, can hire somebody. There's enough work out there. We are booming, and it's hard to get trades. It's really hard to explain, but when I talk to these youth—

Mr. Dave Smith: We only have a couple of seconds left, so there's one more thing I want to add to it. Our high schools right now are directing most of the kids to go off to post-secondary education, with university in particular. There's a devaluing of getting your hands dirty. I pay more per hour per plumber than I do for a lawyer. You get paid while you're getting your plumbing ticket.

Mr. Chuck McShane: That's correct.

Mr. Dave Smith: And you make more money than a lawyer does—

Mr. Chuck McShane: And you don't come out with school debt, either.

The Chair (Mr. Amarjot Sandhu): Thank you. I apologize to cut you off. That concludes our time. Thank you so much for your presentation.

Mr. Chuck McShane: Thank you so much.

NIAGARA POVERTY REDUCTION NETWORK

The Chair (Mr. Amarjot Sandhu): Next, I would to call on Niagara Poverty Reduction Network. Please come forward. Please state your name for the record, and you have seven minutes for your presentation.

Mr. Ryan Hilimoniuk: Yes, thank you. It's Ryan Hilimoniuk, and I'm presenting on behalf of the Niagara Poverty Reduction Network.

Just a quick introduction, for the members of the standing committee here, just a quick backgrounder on the Niagara Poverty Reduction Network itself: The network is a community round table of businesses, organizations and residents who share the collective vision that all residents of Niagara live above the poverty line.

Today, I'm here to present for you some recommendations that the network itself, in collaboration with external partners, feels to be quite pertinent in moving forward on a poverty reduction strategy, and in particular, for the budget allocations going forward into 2020.

I want to cover three themes in particular. The first one would be social assistance and income security, the second one being affordable housing and homelessness, and thirdly and lastly would be the continued integration of publicly funded transit in the region of Niagara.

So on social assistance and income security, consistent with the Income Security Advocacy Centre, NPRN proposes three recommendations that we hope would be considered going forward in this budget consideration, the first being increasing social assistance rates to reflect the real cost of living consistent with inflation and, in particular, the specific costs individuals incur on a daily basis. These would include housing costs based on average

market rents, utility costs, the cost of a nutritious food basket, transportation, as well communication devices, including telephone and Internet. This relates to an increasing issue of loneliness and the impetus for individual communication, so we built that into our measurement as a very important measurement as well. In addition to those personal basic needs, persons with disabilities require specific additional needs as well. We also would recommend including that in your overall considerations in the average costs.

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Secondly, to maintain the current definition of persons with disabilities for the purposes of the Ontario Disability Support Program. There is a definition at the federal level that is being proposed, and we would recommend not adhering to that definition as it is overly constrictive and it would disentitle persons with disabilities from ODSP eligibility—so to be very careful with that consideration as well.

Thirdly, to ensure sufficient funding, inter-ministerial collaboration and administrative alignment so that OW and ODSP recipients receive wraparound services such as the child care, housing, mental health treatment, addictions treatment and employment supports necessary to achieve personal goals.

On the second theme, affordable housing and homelessness, NPRN urges the government of Ontario to consider and move forward with an all-of-government approach to break down departmental and ministerial silos in order to ensure that current programs are addressed in a very effective manner and that the silos do not get in the way of productive funding allocations. On this note, I would also put forward a recommendation to continue investment in the Community Homelessness Prevention Initiative, the CHPI. This alignment and fiscal allocation toward this are very important in the community of Niagara, given a quite noticeable and startling increase in the amount of displaced persons and homeless individuals.

The CHPI investment itself is quite important for building indicators and also tracking where increased funding is quite important on that basis. Specifically, I refer to a 2020 article that was presented earlier this year that did make the argument that Niagara has consistently been underfunded with regard to the CHPI. The figures that were put forward in this article were between \$2.5 million and \$4 million since 2013. So we would recommend or urge that an examination of the funding formula is considered going forward and to rectify any variants if it does so happen to be the case to the degree expressed by the report.

In closing, I would just like to propose a third theme. Much funding has taken place and much progress has also taken place on inter-regional transit; however, going forward, the impact of this on labour mobility throughout the region is very important to consider. We would also urge that funding remains on this basis going forward to ensure that individuals are able to show up to jobs where they are available and to ensure that individuals can fulfill employment needs and facilitate a standard of living for themselves and their families.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll start with the government side for questioning. MPP Skelly.

Ms. Donna Skelly: Thank you. I didn't catch your name. I know it's not Aidan Johnson because I—

Mr. Ryan Hilimoniuk: No trouble. It's not Aidan Johnson; it's Ryan Hilimoniuk.

Ms. Donna Skelly: Ryan?

Mr. Ryan Hilimoniuk: Yes.

Ms. Donna Skelly: Nice to talk to you, Ryan.

Mr. Ryan Hilimoniuk: Thank you.

Ms. Donna Skelly: Aidan and I worked together. In fact, he had his office right across from me at city hall. You couldn't find two people more opposed in terms of our politics, but we were very, very good friends, and I have the utmost respect for Aidan. He's passionate and very good at what he does. Please tell him that I said hello.

Mr. Ryan Hilimoniuk: Will do.

Ms. Donna Skelly: One of the issues I wanted to talk about is the lack of affordable or attainable housing—not only in the Niagara region, but it's clearly an issue right across Ontario. I'm wondering if you can share examples.

There was one particular community—I do not know how they do it, and my colleague across, MPP Shaw probably would agree with me, but there is an organization called Indwell that provides truly affordable housing units. I'm talking about one-bedroom units at \$500 a month with brand new kitchens, brand new suites, clean, affordable, with the wraparound services. I don't know how they do it, but it's an incredible organization. Have you identified providers in this region that you look at that could perhaps be replicated elsewhere?

Mr. Ryan Hilimoniuk: There are providers. The price points on their side is definitively a major consideration on their side too, to build at the appropriate level to, obviously, make a profit. The not-for-profit sector is a difficult area when it comes to housing and building, given that a lot of the builders do have a significant profit motive behind them, so trying to organize a dedicated group of not-for-profit organizations in collaboration with the private sector is definitely the way to go on it.

Ms. Donna Skelly: A key challenge?

Mr. Ryan Hilimoniuk: It is the key challenge, as well, to alignment of those interests. I cannot name specifically any providers. I referenced Tamarack Homes as being a major player in that field. The really critical point is incentivizing private sector builders to collaborate with the not-for-profit sector to provide affordable housing.

Ms. Donna Skelly: If I could, this is a not-for-profit organization and I sound like I'm their pitchman. I don't mean to be, but I'm sharing with you. It's called Indwell. Really, I would check out what they do. They provide incredible housing for some of our most difficult residents, and the services and the level of care is incredible. It's extremely affordable. At one point, I think they were adding an extra \$50 or \$100 month, and that provided a hot meal a day. This is something I would say to look at. They're always looking to expand, if I could offer that to you.

Mr. Ryan Hilimoniuk: Okay.

Ms. Donna Skelly: The only other question I have is about transportation, and the need for transit in Hamilton. We are doing everything we can to get all-day GO. How important is that, and what type of transit are you referring to?

Mr. Ryan Hilimoniuk: At the moment, we've been fortunate enough to have the GO Transit system integrated right into southern Niagara, which is fantastic. There is a regional transit system as well, and then there are, in some municipalities, individual transit systems as well.

The key issue that is of concern is the tighter integration of these transit systems. For example, if you have a manufacturing facility that's located in Smithville, and there's a trades worker who lives in Niagara Falls, to take a cab to work would be unimaginable. You also don't want to sit on the bus for three hours, presumably, when you have commitments like kids to get to school in the morning—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We'll have to go to the opposition side now. MPP Stevens?

Mrs. Jennifer (Jennie) Stevens: Welcome, Ryan. Thank you to this round table—exercise I guess I'm going to call it.

Poverty has many faces, as we know, especially in St. Catharines; we're well aware of this. It has faces. It has many causes and roots on why we have such a strong face of poverty within the Niagara region.

You mentioned affordable housing and how you wanted an all-government approach, and current funding is all the same. Can you maybe elaborate on that, on what you're looking for, especially if you could fine-tune it down to the Niagara region?

You also touched on the CHPI program. I've worked hand in hand with the city of St. Catharines with the economic development department, EDTS, and they're really well aware of this. So can you maybe fill in the blanks there for me? Would you mind?

Mr. Ryan Hilimoniuk: Absolutely. On one level, these are very distinct issues, affordable housing and homelessness. However, they are intensely related issues as well, and I would speak to this notion of communities or individuals or families at risk, which is why the CHPI is so critical because it gives you an effective monitoring tool to basically identify these communities or individuals or families at risk before it's too late.

1530

The whole idea of a whole-of-government approach is to not operate in silos, to integrate the key departments that are of greatest relevance to communicate with one another to ensure that the essential mechanisms and policies are in place, that you have an effective safety net to prevent the worst. The most undesirable outcomes are people slipping into a state of poverty or slipping into a state of homelessness.

That's essentially the crux of what I'm talking about when I refer to inter-ministerial or inter-departmental collaboration, to close those gaps so no one slips through.

The outcome of that is more effective, more resilient policy, arguably.

Mrs. Jennifer (Jennie) Stevens: Just bringing it down to almost a zero level, or trying to, anyway. When we institute all of these programs and you integrate them together, we probably will come to a very good grounds, like zero poverty within the Niagara region.

This program that you're alluding to reminds me, similar to—it's almost like the veterans program that they have, I believe, somewhere in the States, and they're trying to do it in Ontario through the command. It's basically tagging and finding out where these people are and following them and giving them an individual status.

You did also mention—

The Chair (Mr. Amarjot Sandhu): One minute.

Mrs. Jennifer (Jennie) Stevens: Thank you. You also mentioned the services for mental health and addictions. Again, there's all different ground roots of why we have these problems within different communities. Like I said, they have different faces.

One thing you did touch on was that your group, your reduction network, focuses on individuals and makes them feel like part of the society. Can you maybe elaborate on that and how you work with them hand in hand? And how can we—the government, especially, if they're listening, how can they help the poverty reduction within all of Ontario, not only within Niagara itself?

Mr. Ryan Hilimoniuk: Absolutely. The community round table model which NPRN, Niagara Poverty Reduction Network, consists of is a very effective model for carrying forward this sort of grassroots, collaborative work because—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. That concludes our time. Thank you so much for your presentation.

ONTARIO DENTAL ASSOCIATION

The Chair (Mr. Amarjot Sandhu): Moving along to our next presenter, from Ontario Dental Association: Please come forward. Please state your name for the record, and you will have seven minutes for your presentation.

Dr. Jim Jeffs: Thank you. Dr. Jim Jeffs.

The Chair (Mr. Amarjot Sandhu): You may start.

Dr. Jim Jeffs: I'm here today to request your support for the Ontario Dental Association's dental care programs. The lack of funding of government-sponsored dental programs has been problematic for decades, but it has now reached a crisis. The funding shortfall is having a negative impact on access to dental care, and will continue to do so at an increasing rate. We need your help.

During the 45 years that I've practised dentistry in Niagara region, I've seen an increasing number of dentists struggling to treat all patients in government-sponsored dental programs. Today, dentists provide care to children from low-income families through the Healthy Smiles Ontario program, adults through the Ontario Disability

Support Program and Ontario Works, and patients requiring emergency and complex care in hospitals through the Ontario Health Insurance Plan.

Currently, dentists are reimbursed at an average of 42% of their normal fees, while their office overhead is up to 75%. To put this in perspective, dentists get reimbursed \$42 for a \$100 filling while they pay \$75 for overhead expenses. The reimbursement is \$33 less than the cost of doing the treatment.

In spite of this, we know that 75% of Ontario dentists do participate in the Healthy Smiles Ontario program and treat over 250,000 kids every year. Without your support, many dentists may not be able to continue to provide the service demanded by the 500,000 kids eligible for the program. In some municipalities, like Port Colborne, it is very difficult to receive treatment. The sad thing is, this lack of funding actually means even more money is wasted. Without properly funding programs, we can expect to see an increase in dental emergencies seen in hospital emergency rooms and physicians' offices.

In January 2017, a report of the Ontario Oral Health Alliance stated—these are quotes right out of their report—“Every 9 minutes someone goes to an ER in Ontario because of dental pain:

“—across the province in 2015 there were almost 61,000 visits to hospital emergency rooms (ER) for oral health problems;

“—the most common complaints were abscesses and dental pain;...

“—however, at the ER, people can only get painkillers, not treatment to solve the problem. So many will return to ER....

“This is a costly and inappropriate use of hospitals' emergency medicine resources:

“—at a minimum of \$513 per visit, the estimated cost for dental complaint visits to ERs in Ontario was at least \$31 million in 2015....

“Every three minutes someone goes to a doctor's office in Ontario because of dental problems:

“—people are also visiting physicians' offices for dental problems. In 2014, there were almost 222,000 visits for dental complaints;

“—but physicians are not trained to deal with diseases affecting teeth and gums so they cannot provide treatment;

“—at a minimum cost to OHIP of \$33.70 per visit, the total estimated annual cost to the system was at least \$7.5 million, with no effective treatment provided.”

At the 2014 rates for visits to hospitals and physicians' offices, this has a cost to the health system of almost \$200 million in the past five years, and only to treat symptoms, with no actual treatment performed.

I could speak a bit too about the seniors program, because it has issues too, but time doesn't allow it. As a member of the seniors dental stakeholders group of Niagara's public health unit and a retired dentist, I have no pecuniary interest in the funding of dental programs. I only want the disadvantaged to receive the treatment they need in the most timely, cost-efficient and sustainable manner.

I have supplied a document from the Ontario Dental Association that explains the problems with the dental programs. The ODA is asking for a \$50-million investment, phased in over a two-year period, to at least fix the Healthy Smiles Ontario program, so the government can help ensure that all the 500,000 eligible children and youth get the care they need. This is a reasonable first step.

I can say a few words, if I have time now, about the seniors program. The problem there is that most of the units in Niagara are based on preventive work. They don't have facilities to do treatment, so there has to be a huge amount of cost, a number of dollars spent so that they can treat people. For example, in Port Colborne, nothing can be done there. Any seniors from Port Colborne have to take a taxi to St. Catharines or Welland or somewhere else, because there's just no facility that can treat them, yet you have 5,000 dental offices that can treat seniors, and they're just around the corner. It would be interesting to know the cost of treatment once these community health centres and public health units have been fixed up so they can do restorative work, compared to what it costs to actually pay dentists a fair fee so they can do the treatment.

If you have any questions, I'd be happy to—

The Chair (Mr. Amarjot Sandhu): Thank you. We'll go to the opposition side for questioning. MPP Stevens?

Mrs. Jennifer (Jennie) Stevens: Thank you for coming today. I find it very interesting, because I was at my dentist last week, and as my mouth was open he was talking to me about this Healthy Smiles program and how in St. Catharines and across Niagara, dentists are finding it so difficult. They don't want to cancel this program, because it's so important to children to make sure that they have the proper dental work done at a young age, so that when they become young adolescents and as they become older—middle age, active, of course, and seniors—these programs are not taking up the hallways in our health care, and our wait times in our hospitals will diminish.

However, you did mention that 42% of the overhead for Healthy Smiles—the dentists are struggling. Would you like to comment on that? What increase would help this to make sure that it's almost like a universal dental care? I know I campaigned on that when I was running in the last provincial election. Universal health care, I think, is much-needed. Can you comment on that?

1540

Dr. Jim Jeffs: Before there is universal health care, there has to be more—

Mrs. Jennifer (Jennie) Stevens: Dental care, sorry.

Dr. Jim Jeffs: Okay, dental care. There has to be more money available just to treat the situation as it is now. That's the problem.

When I first started in practice, there was payment at 90%. Over the years, it's gone down and down and down. And it's fine if—I practice in Fonthill. It's a wealthy community. There wasn't a huge issue as far as people needing dental care that didn't have the money. But if you're a young dentist and you're just out of school and you owe a couple hundred thousand for education, and you buy your practice and you have that money, there's a limit to how

much free work you can do. You're getting a small percentage. Basically, the Ontario government is paying 58%, and dentists are paying the rest. It's not sustainable. It cannot go on forever.

Mrs. Jennifer (Jennie) Stevens: Right. That doesn't include the specialists, if they have to give them anaesthesia for a difficult child, right?

Dr. Jim Jeffs: That's right.

Mrs. Jennifer (Jennie) Stevens: Also, our seniors dental program: I'd like you to maybe elaborate on it again. You said that if it happens in Port Colborne, they would have to take a taxi or something to St. Catharines. It's happening all over Ontario. I'm sure it's the same in Hamilton, it's the same in Kitchener, in Kingston and the Islands. I'm sure it's all over Ontario. I hope that you can maybe enlighten, and help move, kind of, this seniors dental program to a nice place. Maybe the government can take notes on what you might suggest on what would improve our seniors dental program, besides making it a universal dental program.

Dr. Jim Jeffs: The simplest thing is to utilize existing dental offices—there are 5,000 dental offices, many of them just around the corner from the senior—instead of having the senior have to make a trip somewhere and then it's a problem of accessibility for people having disability problems and being able to move, and the cost of trying to get there, unless the government is going to pay for a taxi service. It is truly a matter of utilizing what's already there. So, as I mentioned before, there should be a cost analysis: What's it really cost to do all this work to treat seniors, which then gives them less accessibility to care? This is not the right approach.

Mrs. Jennifer (Jennie) Stevens: And it doesn't help with our hallway medicine, either, and our wait times at our hospitals, right?

Dr. Jim Jeffs: No, that's right. Exactly, yes.

Mrs. Jennifer (Jennie) Stevens: And just to go back to the Healthy Smiles program, I would love to see that we can maybe increase that, so that the dentist will continue—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We have to move to the government side for their time of questioning now. MPP Oosterhoff.

Mr. Sam Oosterhoff: Thank you very much, Dr. Jeffs. Always nice to have you here. It's nice to see you again. Happy new year again.

Dr. Jim Jeffs: Thank you.

Mr. Sam Oosterhoff: It's always great to have your glowing endorsements, and I appreciate all of the advice that you've given over the years.

I just want to ask you a little bit more about, I guess, what the impact would be on our health care system if that Healthy Smiles program were not in place and what that would look like when it comes to making sure that kids have the supports that they need. It's a program that the government supports, that we believe is important. I appreciate your interest in having that increase to the percentage. I'm just wondering if you could speak a little bit more about the importance of the program as a whole, and the work that it does to prevent people from entering

hospitals, of course, and then also speak a little bit more about if the actions that you're suggesting were taken—you mentioned 75% of dentists currently accept patients under the Healthy Smiles program.

Dr. Jim Jeffs: That's correct, yes.

Mr. Sam Oosterhoff: What percentage of uptake do you think it would increase to if those actions were taken? Would we see 100%, 90%, 85%? I'm just curious what the numbers behind that are.

Dr. Jim Jeffs: Impossible to say. That's like crystal ball gazing. There's really no way to say. But the more children that are treated at an early age, then they end up going to the dentist, don't mind going to the dentist.

As a matter of fact, it's interesting to note that dental pain, next to the common cold, is the most common reason kids miss school. They don't go to school because they have toothaches. That should never happen today. With preventive dentistry, there should never be a child that's crying in pain. It's really sad to see it.

If there were better coverage, there would be healthier kids, happier kids, really.

Mr. Sam Oosterhoff: So if you could speak a little bit more about—you mentioned that there are 500,000 kids that are eligible for the program, but only 250,000 utilize it. Is that because they don't have issues that they need checked out? Is it because of the 25% of dentists who currently don't provide coverage? Do you think if that 25% was eliminated, we'd have all 500,000 instantly taking advantage of this? Why do you think that's the case?

Dr. Jim Jeffs: It's a matter of knowledge, really. In Ontario Works, for example, there are a lot of people who are eligible—I don't have the figures; public health can give them to you—but it's only something like 30% who actually use it. They just don't seem to use it. It has to be a matter of advertising by government or the Ontario Dental Association on the importance of dental health to get parents to take their kids to the dentist at a young age. As far as what it would cost dollar-wise, I don't know.

Mr. Sam Oosterhoff: How long did you work in dentistry?

Dr. Jim Jeffs: Forty-five years.

Mr. Sam Oosterhoff: What would you say was the biggest change that you saw in public policy towards dental health over the course of those years?

Dr. Jim Jeffs: Initiating any type of care program. As a matter of fact, when I started in practice, it was the dental association that actually looked after the dental care program. At that time, they paid 90%. To make it more efficient, government took it over. At that point, it has gone down less and less. Never did I think I'd see the day when it doesn't even cover the cost of having work done.

Mr. Sam Oosterhoff: So the dental association started off initially as a charitable, pro bono approach and then—

Dr. Jim Jeffs: Exactly. I'm not sure what the structure was, but dentists were reimbursed at 90%. Then, as I mentioned, government took it over. It looked like a good program—

Mr. Sam Oosterhoff: Which years? Which government took that over?

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. That concludes our time. Thank you so much for your presentation.

IMPERIAL TOBACCO CANADA LTD.

The Chair (Mr. Amarjot Sandhu): Next, I would like to call on Imperial Tobacco Canada Ltd. Please come forward. Please state your name for the record. You will have seven minutes for your presentation.

Mr. Sébastien Charbonneau: My name is Sébastien Charbonneau. I'm the director of government and regulatory affairs for Imperial Tobacco Canada. Thank you very much for the invitation to be here today.

My remarks will focus on two issues: one that is getting a lot of attention, vapour products; and then illegal tobacco.

Let me start with the former. To be perfectly clear, our company does not want youth using any of our products, be they tobacco or vapour. Yet, we do acknowledge the seriousness of the issues around youth use, and we are committed to work with regulators to help enforce existing laws. But in terms of solutions, we do not believe the attention is focused where it should be right now.

To explain that further, keep in mind that youth are already prohibited from buying vapour products. Also, the candy and confectionary flavours that are causing much of the concerns are already prohibited by federal law. Despite that, youth are accessing vapour products, including flavoured ones, that should not legally be sold. Clearly, there is an issue with the enforcement of existing laws, which begs the question of how imposing more laws will actually change the outcome.

Also, there is a very real risk that some of the measures proposed will severely curtail the availability and appeal of those products as a reduced-risk alternative for adult smokers. Therefore, the critical issue governments must address is how youth are accessing vapour products, including from unregulated sources. Once that's known, those furnishing these products to youth should face severe penalties. Our written submission details other measures to help prevent youth access.

I'd like to address briefly the so-called vaping-related illness. To set the record straight, despite nicotine vapour products getting all the attention, the US cases have been confirmed by the Centers for Disease Control to be tied to black market THC products mixed with vitamin E acetate, an ingredient that is banned in Canada. As for the one Canadian case with any published detail, it suggests it may be tied to a black market product again, using an ingredient Health Canada has specifically given clear direction not to use, and that product was also possibly mixed with THC.

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Ultimately, there is a need for a fact-based discussion around vaping if government believes in the role it can play in tobacco harm reduction. If that is the case, then these products must remain an affordable, accessible and appealing option for adult smokers, while at the same time ensuring they do not fall into the hands of youths.

Now let me address illegal tobacco, which should be getting far more attention than it is. To put things in perspective, there are around 25 illegal cigarette factories operating in Ontario. Those are supplying cigarettes outside existing legal, regulatory and tax frameworks. The illegal market share in Ontario is about 40%, and the estimated tax loss for the province is at least \$750 million annually.

Also, law enforcement agencies have repeatedly demonstrated the clear links between illegal tobacco trafficking, organized crime, and other criminal activities, including drugs, weapons, money laundering, human smuggling and even terrorist financing. Illegal tobacco is, arguably, one of the most lucrative criminal enterprises in Canada today, and it is suggested it is eight times more profitable than cocaine trading.

Clearly, this is a problem that needs to be addressed, especially with the government continuing to fight deficits. Fortunately, the measures needed are well known and were recently detailed in a report from the Ontario Chamber of Commerce, which I invite you to consult.

First, the government should keep tobacco taxes at the current level until there is clear progress in reducing the size of the illegal market in the province.

Second, the province needs to implement new enforcement measures. Quebec offers a proven model that has seen its illegal tobacco rate drop from 40% to around 12% today, in the span of about 10 years. If Ontario experienced a similar drop, it would recoup over \$500 million annually.

But some may argue the Quebec approach will not work in Ontario. We beg to differ. But even if that is the case, there are lessons that can be applied here. The chamber recommends a made-in-Ontario solution based on the learnings from Quebec.

What is clear is that doing nothing benefits only the organized crime groups engaged in illegal tobacco trafficking, and that is worth keeping in mind whenever there is hand-wringing over the latest incidents of gang and gun violence.

Last but not least, the province needs to demand action from the federal government. The federal Liberal government has not even mentioned illegal tobacco since taking office in 2015, despite international bodies identifying it as one of the primary sources for the proceeds of crime and money laundering.

The US is also taking notice, and there is a bill before Congress that would allow the US to impose sanctions on countries that are deemed to be state sponsors of illegal tobacco. By its lack of action and, in some cases, possible tacit, laissez-faire attitude, Canada fits the definition, or could fit the definition, in this bill.

In closing, there is some urgency around this. The federal government imposed plain and standardized tobacco packaging and products that will make it virtually impossible for consumers, retailers and law enforcement to now differentiate a legal from an illegal product.

I will stop here, as both of these issues are well covered in our written submission that you received. Thank you for

your time today, and I now look forward to any questions you may have.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll go to the government side for questions. MPP Skelly.

Ms. Donna Skelly: Thank you for your presentation. I want to talk about vaping. I understand that you're suggesting that the product that is available in Canada is not nearly as dangerous as the product being sold south of the border, but it's not necessarily a safe product, still, in Canada.

Mr. Sébastien Charbonneau: Again, the products that were the cause of the illnesses in the US were clearly black market products that were using ingredients that are not legal for use in legal products in Canada.

Ms. Donna Skelly: What?

Mr. Sébastien Charbonneau: I'm not suggesting that vapour products are harmless, but the controlled products following Health Canada's guidelines are certainly not the cause of the illness that we've heard about in the US.

Ms. Donna Skelly: My concern is, as a mom, I don't know what we're going to see 10 years down the road as a result of these. We didn't know what we didn't know, when they were on the market, when they were first introduced. What is in a vaping product in Canada?

Mr. Sébastien Charbonneau: I cannot speak for all products. I'll speak for ours, but they are essentially four basic ingredients: water, glycerol, propylene glycol and flavouring agents—and nicotine, the fifth.

Ms. Donna Skelly: But you do have flavouring agents?

Mr. Sébastien Charbonneau: Yes.

Ms. Donna Skelly: Do you think it might be a wise thing to remove those flavouring agents? That is one of the reasons why young people are—

Mr. Sébastien Charbonneau: They are food-grade flavouring agents.

Ms. Donna Skelly: But they're a flavouring agent.

Mr. Sébastien Charbonneau: They are flavouring agents, and the flavours are—

Ms. Donna Skelly: They appeal to children.

Mr. Sébastien Charbonneau: I'm sorry?

Ms. Donna Skelly: They appeal to children.

Mr. Sébastien Charbonneau: They are forbidden. Flavours that are deemed to be attractive to youth are forbidden by federal law. Therefore—again, I will speak for our products—we do not market nor do we have any flavoured nicotine liquid for vaping that is containing any of the prohibited flavours or attributes that are forbidden by federal law. We're talking about tobacco flavouring, menthol flavouring or some fruit flavouring.

Ms. Donna Skelly: Thank you. I'm just going to pass it over to MPP Cho.

The Chair (Mr. Amarjot Sandhu): MPP Cho.

Mr. Stan Cho: Thank you for appearing here today, sir. I appreciate your time. Can you talk a little bit about the measures other jurisdictions have taken to combat contraband tobacco and what that has resulted in in outcomes, maybe in terms of revenue and for the citizens of those jurisdictions?

Mr. Sébastien Charbonneau: Again, the best case study in Canada is Quebec. Quebec has made, for the past 10 years, a concerted effort to address the illegal tobacco trafficking networks that are essentially operated by organized crime groups. They've made some legislative change, for instance, in Bill 59, which was passed by the National Assembly in November 2009 which was changing and empowering all law enforcement officers in the province of Quebec to enforce the Tobacco Tax Act in the province. Further to that, they also funded an enforcement unit dedicated specifically to the investigation of illegal tobacco trafficking rings throughout the province of Quebec. That unit is still in place. Those are the primary two reasons.

The third reason, and very relevant to the finance committee, is fiscal prudence. The province has maintained a certain balance to be able to compete with illegal tobacco market price.

Mr. Stan Cho: Thank you very much. I think we're out of time, so I'll pass—

The Chair (Mr. Amarjot Sandhu): Thank you. I will go to the opposition side. MPP Shaw.

Ms. Sandy Shaw: Thank you, Mr. Charbonneau. There are two parts I want to focus on, beginning with illegal tobacco. We just finished a tour. In northern Ontario, we visited Indigenous communities. I would like to also remind all of us here that tobacco is something that is a sacred product for Indigenous communities, a part of ceremonies. Indigenous communities showed us how to grow tobacco. I want to remind us that that's what we're talking about.

In the spirit of talking about truth and reconciliation and the way we represent Indigenous communities, I'd like to let you know that words matter. In your document, on page 11, you make this connection between—and I'll read it: This "illegal manufacturing, which involves 50 illegal cigarette factories and approximately 300 smoke shacks located on some First Nations territories." This is loosely or directly making a connection to First Nations communities and identifying them as being engaged in criminal behaviour. You talked about human trafficking. Those are some pretty loose words.

I would like you to explain to me directly the link between someone with a little smoke shack, that we see in these communities, and human trafficking rings across the province. I would just say that I think you need to be really careful with the implications that you're making with our First Nations communities.

Mr. Sébastien Charbonneau: The statements I made are not my statements; they are very well-documented and public source documents by law enforcement communities throughout Canada. That being said, I understand the rights of First Nations to produce tobacco, and everything else that you've said. That is not what we're discussing. We're discussing tobacco products that are sold outside of legal, regulatory and tax frameworks by non-authorized sellers. I'm not talking about individuals who are selling or producing tobacco for First Nation communities on First Nation communities. I'm talking here about very

well-known organized crime groups that are trafficking those products and selling them without paying taxes or following any of the existing laws and regulations.

1600

Ms. Sandy Shaw: Again, I would just say, I think we need to be careful with our language and be very specific about what we're talking about, because First Nations communities have already suffered a lot of stereotyping and a lot of language that has impugned them for hundreds of years, so—

Mr. Sébastien Charbonneau: We're not talking about this about at all.

Ms. Sandy Shaw: So then I think maybe you need to be more precise in this presentation—

Mr. Sébastien Charbonneau: This is an organized crime group problem—

Ms. Sandy Shaw: Thank you.

Mr. Sébastien Charbonneau: —not a First Nations problem.

Ms. Sandy Shaw: Okay. Thank you. The second thing I want to talk about is the idea of tobacco control. We had a presentation from the Canadian Cancer Society, who said that, really, one of the ways that this government could increase revenue, as opposed to reducing taxes on vaping products to kids, could be a cost-recovery fee on the tobacco industry. In the States, the FDA has implemented that since 2009, and it's my understanding that they've raised something like \$712 billion in revenue in doing this. Can you explain why a cost-recovery fee, which would raise money for the province and would, in fact, as evidence shows, prevent people from either starting smoking or would help them to quit smoking—it's a tobacco control product—why you wouldn't support that for the province of Ontario?

Mr. Sébastien Charbonneau: We're not opposing taxation of tobacco products. In fact, 70% of the legal price of tobacco is taxes.

Ms. Sandy Shaw: What about the—

Mr. Sébastien Charbonneau: And governments actually collect \$8 billion in tobacco tax throughout Canada every year.

The Chair (Mr. Amarjot Sandhu): I apologize to cut you off. That concludes our time. Thank you so much for your presentation.

NIAGARA REGION PUBLIC LIBRARIES

The Chair (Mr. Amarjot Sandhu): Moving along to our next presenter, from Niagara Falls Public Library: Please come forward. Please state your names for the record. You will have seven minutes for your presentation.

Ms. Alicia Subnaik Kilgour: Thank you. My name is Alicia Subnaik Kilgour. I'm the CEO and chief librarian for the Niagara Falls Public Library.

Ms. Cathy Simpson: I'm Cathy Simpson, Niagara-on-the-Lake Public Library CEO.

Ms. Joanne DeQuadros: My name is Joanne DeQuadros. I'm the chief librarian of Thorold Public Library.

Ms. Julianne Brunet: And I'm Julianne Brunet, the chief executive officer for the Welland Public Library.

Ms. Alicia Subnaik Kilgour: Hello, and thank you so very much for the opportunity to participate in this pre-budget consultation. As I have said, my name is Alicia Subnaik Kilgour, and I'm the CEO at the Niagara Falls Public Library. Today, I'm presenting with some of our regional library CEOs to address continued and sustained support to the public library sector.

There are 12 library systems in the Niagara region. Our libraries are vital community hubs serving seniors, youth and families across the Niagara region. Together, in a spirit of co-operation, we work together to serve the people in our communities. Together, we have opened up reciprocal borrowing to leverage our collections, and we readily embrace opportunities to further share costs for resources, programming and services.

I want to take a moment to thank you for maintaining all direct library sector support funding for Ontario public libraries, including the Public Library Operating Grant, as well as funding for shared resources. Today, we wish to advocate for continued funding and support for the library sector. My colleagues will offer some more information on opportunities for continued and further support for libraries through the creation of an Ontario digital public library and further support for the provincial interlibrary loans system.

Cathy will start.

Ms. Cathy Simpson: As Alicia stated, we are encouraged that the 2019 budget maintained all direct public library funding. What our communities need now is a further investment in their public libraries to meet the growing needs for equal access to modern and digital resources. Public libraries, especially in small and rural communities, are struggling to meet the lifelong learning needs of their residents. Through two new, multi-year investments, the Ontario government will level the playing field and ensure that all Ontarians have access to modern, cost-efficient resources and services. The first investment helps to deliver on the province's broadband action plan by creating a provincially supported Ontario digital public library.

Most public libraries serving smaller communities, especially rural communities, can't afford the digital resources that larger cities can. The high cost of e-books and online learning resources put them out of reach for smaller communities.

For example, here in Niagara, St. Catharines Public Library has a collection of over 6,200 e-books and e-audiobooks, while in Niagara-on-the-Lake, our collection totals 770. This is typical throughout the province, where surveys of holdings show smaller communities have access to less than half the number of e-books and a third the number of online databases available to residents in cities.

Ironically, rural communities have a greater need for e-resources, as their residents borrow twice as many e-books per capita as urban residents. The long distances that rural residents travel to get to their public libraries make

borrowing e-books and using online learning tools much more attractive.

But borrowing e-books and using e-learning tools is only possible for those who have Internet access. In Niagara-on-the-Lake, we recently started loaning Internet WiFi hotspots, and demand is outstripping supply. The hotspots are being heavily used by migrant farm workers and others living in rural areas that have low-speed and sometimes no Internet access.

Ontario's broadband action plan recognizes this struggle and that providing equal access is critical to delivering on the government's priorities, which include local economic development, access to government services, online learning for students, and improved quality of life for all Ontarians

Through an ongoing multi-year provincial investment, beginning with less than \$5 million in the first year, the Ontario digital public library will leverage the province's significant buying power to give all Ontarians equal access to a common set of e-learning and digital resources at their local public library.

Ms. Julianne Brunet: Thank you, Cathy.

The first investment also assists in delivering connectivity services to library visitors, and supports library staff as they help local residents effectively use technology and digital resources.

Niagara libraries welcome and serve patrons from all walks of life. Our public libraries provide important community spaces where seniors, youth and families can gather, connect and learn.

Those who live and work in our communities use our libraries every day to connect to the digital world. As Cathy mentioned, reliable connectivity in rural areas is certainly a problem. Whether it be using our public computer terminals or connecting to our free high-speed wireless Internet using their own personal devices, tens of thousands of visitors use these services every year within the region. Library staff regularly provide in-house access to the Internet and online resources to users who may be unsheltered, cannot afford technology or related services, or are unable to access the resources they need due to poor infrastructure.

To manage demand, some libraries in the region lend out laptops and tablets for personal use in the library. Funding provided by the province through the connectivity grant ensures that all of our libraries can continue to offer these valuable services to our patrons.

The Chair (Mr. Amarjot Sandhu): One minute.

Ms. Julianne Brunet: Libraries across Niagara provide free or low-cost technology courses to library users that help to bridge the gap and the digital divide. The Welland Public Library provides one-on-one tech assistance, introductory tablet and phone courses, and programs that teach basic computer literacy skills.

Your investment will ensure that local public libraries can continue to support local residents in their efforts to access the extensive resource base.

In Niagara Falls, the library logged 122,661 free WiFi sessions and over 62,000 computer sessions in 2019 alone.

By supporting connectivity and technology in public libraries, front-line staff can continue to bridge the digital divide and ensure fair and equitable access for all.

Ms. Joanne DeQuadros: Thank you, Julianne.

The second key investment is completing the transformation of interlibrary loan services. Interlibrary loan is the provincially funded service that allows—

The Chair (Mr. Amarjot Sandhu): Thank you. I apologize to cut you off. We'll have to go to the opposition side for questioning. MPP Gates.

Mr. Wayne Gates: Hey, how are you? Is there anybody there that would like to add anything? I don't think you spoke at all. Is there something that you'd like to raise?

Ms. Alicia Subnaik Kilgour: Just to support what Joanne was saying, that continued and additional support for the interlibrary loan service and program would ensure that all Ontarians continue to have equitable access to materials. It will also allow us to leverage our provincial collections.

Mr. Wayne Gates: Anybody else? Joanne, do you want to say something else? You probably weren't done.

Ms. Joanne DeQuadros: No, I wasn't. Thank you.

Thorold was impacted by the loss of interlibrary loan. We are a smaller library system. We're still in transition from that. We're trying to meet the challenges this has brought on for us. Moving to the new model meant increased expenses such as postage, packaging materials and staff time. These expenses continue to be absorbed at our municipal level.

1610

Mr. Wayne Gates: Okay. You guys all good? All right.

What I want to say, right off the hop, is that in particular, I can talk about Niagara-on-the-Lake, to start off with, and then Niagara Falls, because my family has been to that library a hundred times. These are the hubs of our community. You think about Niagara-on-the-Lake. I don't know the stats for everybody else but I think the stat is 90% of the residents in Niagara-on-the-Lake, in Virgil—you've got to name them all, you have to name all the residents. I don't have the stats for the other location, but I think it's like 90%. It is the hub of the community. I just happen to have my office there. I'll do a plug for that. Our office is there once a week.

It's incredible, the work that you do down there, how busy it is—young people, middle-aged people, families, seniors. I just want to say you do a great job. On behalf of my colleagues here, I know, I want to say thank you and keep up the great work.

I'm going to ask one question, and then turn it over to Jeff. The role of the libraries in our communities is changing, and both the Niagara Falls library and Niagara-on-the-Lake—and Welland and Thorold, which I added—have done a wonderful job adapting to these changes, particularly in serving underprivileged children and youth. The current government cut funding for specialized training for librarians nearly in half. How have these cuts affected your ability to provide service for children and youth in our community?

Ms. Alicia Subnaik Kilgour: At our library in Niagara Falls, we have experienced the impact of homelessness and poverty, as well as the opioid crisis in our communities. This places extra stress on our resources for additional training and staff development, which are key in our need to continue to meet our evolving community. But with decreased resources, we are constantly trying to find ways to make ends meet. Essentially, our provincial funding has been frozen for just over 22 years. In the course of that time, and with our additional stresses we're feeling as our communities are growing, our libraries are at our end. A lot of that is then transferred to our municipal level for funding. But libraries are struggling to make ends meet.

We feel that a continued support of the public library sector gives us an opportunity to continue to meet the needs of our community, build better communities and ensure that all Ontarians have equitable access.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll move to the government side. MPP Oosterhoff.

Mr. Sam Oosterhoff: First of all, thank you so very much for coming and for your presentations. I grew up going to the library every week, and absolutely love the work you do.

My riding has five municipalities and five-and-a-half library boards. I have 92,000 residents in my region, which is west Niagara. We're a little over 60% of the geographic area, but only about 22% of the actual population, so kind of an interesting situation. There are 14 library branches. With 14 branches and five boards, my municipalities—I've had conversations with them and with the CEOs from my municipalities about combining resources and making sure that we can maybe work towards generating some savings there.

I know, for example, in Pelham, we have a CEO and a deputy CEO for each of those library boards, and the salaries make up a significant portion, obviously, of course, of the operating costs at those locations. There are conversations about where those savings could be generated, if there were executive-level positions that were filled for multiple municipalities or combinations.

I know the region of Waterloo, for example, has a system that extends around their more rural areas. Cambridge and Waterloo have their own, but then the region, as well, in some of the external areas, has more savings. What do you think about something like that, where there could be some back office collaboration so that in my sort of situation, instead of having five boards with all the layers of administration that go along with that, there could be combined resources, if municipalities voluntarily decide to move in that position?

Ms. Alicia Subnaik Kilgour: I feel that there are a number of models for library services, including a regional system. I think it is important to note that, while there are 12 library systems in the Niagara region, over the years, even though we're not an official regional library system, we continue to share resources and leverage our collections. With the establishment of the library co-operative, LiNC, we actually have our own courier services that move in between the branches to continue to deliver materials to each branch.

I have the opportunity now to say, too, that all of us here have been trained as librarians, which means that we all have our master's of library and information science. I do want to mention that that is a skill and a skill set that we bring to a world that is changing every day and evolving.

I understand what you're saying from more so a streamlining opportunity. I feel that our library systems have always embraced opportunities for collaboration and continued discussion. I feel that our library systems would always embrace the opportunity for more consultation and further discussion at that board level.

Mr. Sam Oosterhoff: Would there be interest, do you think, in moving to more of a regionalized model, where you have one CEO and multiple directors, perhaps, in the various areas? This is just sort of hypothesizing, but what sort of interest from a cost-savings perspective and streamlining—

Ms. Alicia Subnaik Kilgour: Today you're seeing that there are four of us, representing four library systems. I cannot speak for all of the library boards, but I feel that if that is something that is being considered that the discussion should really start at our library board levels, because we also want to honour the Ontario Public Libraries Act, which is the legislation in place that basically governs how—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. That concludes our time. Thank you so much for your presentation.

POSITIVE LIVING NIAGARA

The Chair (Mr. Amarjot Sandhu): I would now like to call on the next presenter, from Positive Living Niagara. Please come forward. Please state your name for the record, and you have seven minutes for your presentation.

Mr. Glen Walker: My name is Glen Walker. I'm the executive director for Positive Living Niagara. I'm also co-chair of the Overdose Prevention and Education Network of Niagara. I really appreciate the opportunity to come before you today and talk about the opioid crisis and the substance-use crisis that currently exists here in the province of Ontario, and in particular here in Niagara, where our overdose rates and our hospitalization rates are amongst the highest in the province of Ontario.

Positive Living Niagara has been in the harm reduction business for 25 years now. We have certainly been the leader in education around harm reduction and keeping people safe. We were one of the second programs in the province to distribute naloxone to save lives here in the region.

To give some context, if you look behind me at all of the chairs that are in this room, if you double the number of seats in this room, that's the number of overdoses that we've reversed at our consumption and treatment service. If you look at just that number of chairs there, that is the number of people who passed away last year alone in Niagara from overdosing, and that number is not going down. We have to continue this fight.

Part of the reason why I'm here today is really to talk about some of the work that has been going on. The organizations here in Niagara region really took steps several years ago to create our Overdose Prevention and Education Network. That's over 30 organizations together, including all of our EMS, our policing and all of the organizations providing support, really trying to coordinate our efforts in fighting this opioid crisis that we're dealing with and ongoing substance-use challenges within Niagara, and to advocate across the country and province.

We were very fortunate to make a strong case to create a consumption and treatment service, or safe injection site, in St. Catharines and in Niagara, where, of course, we did have a significant challenge with overdoses. We were really pleased to operate a site now for over a year. In front of you, we have just some of our statistics, but we reversed over 205 overdoses at that site. We're at just under 10,000 visits to the site itself. With that, we've been able to make 1,800 referrals to service.

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Part of the challenge, I think, when the government came in was—what's the value of a consumption and treatment service? Where's the treatment component? Our model here in the Niagara region has always been about connecting partners together, getting a relationship between people who are really in need to people who could provide support and service. Our consumption and treatment service has been able to build on that success by having our addictions services, our primary care workers, our hepatitis C program and case management services all available at that location to refer people to service.

What's interesting, from an economic standpoint, is that we've only had to transport 3% of all those people who have overdosed to hospital. We haven't been sitting in emergency room waiting areas and taking up time using emergency staff on an ongoing basis.

Most importantly, I think, for us, is that the people who come to use this site are generally under-housed and poorly housed. These are the people who are injecting out in public—in the streets, between parked cars, down in our parks—and now they have a place to go. We're connecting with them, and we're really working at connecting them to service.

As we look forward, what we're really trying to say is that consumption and treatment programs are working. They certainly warrant further investment. I think that was a big question with the governments. Will they work? Will people use them? What value is there? I think we've got clear demonstration, particularly at our site, that, yes, they are of value, they are a valuable tool, and I think we need to use that in our arsenal against this crisis we're facing.

Certainly, when we look at the resourcing issue, we really want to speak to the fact that additional resources need to be funnelled into community outreach services to provide addiction harm reduction and prevention services.

What we're finding here in Niagara, as we start to plan our mental health and addictions network, is that having people come to the building isn't the way they work. What we want are the services and programs to go to people. We

want the upfront services, as well. Let's invest in prevention and early intervention programs so that someone who, perhaps, has a wound or isn't able to get treatment is able to get early care so that they don't end up with an abscess or they don't end up with endocarditis and are in the hospital for months and months, but rather we can upfront and treat them right off the bat.

So we really are looking at how we can get prevention and early intervention on the table when we talk about funding resources. It's really about how spending some money upfront is going to save us a lot more when it comes to funding hospitals, emergency rooms etc. and how we release that burden.

Also, we are really trying to look at how we can stem the tide of people getting into substance use. I think one of the things that we've haven't been really good at here in the province of Ontario is funding basic harm reduction and prevention programs for young people, and getting into our school system and spending more time on that. It's critical that we start to talk about those issues with our youth and try to intervene. So, again, investment in those sorts of programs is critical for us.

When we talk about Niagara, one of the things we are really proud of is the fact that we are working collaboratively together, organizations are sharing resources and that we're able to work off of each other's skills, talents and abilities. I think we've had phenomenal support from the different levels of government, including this one, when it comes to funding resources. But clearly we're not there. We need more. The challenge when you have people accessing service for the first time is, you have to have the service there for them to use. Those services are getting overwhelmed, and we need investment in that. Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll start with the government side for questioning. MPP Smith.

Mr. Dave Smith: Thank you very much for this. Right now, Peterborough has one of the highest percentages per capita of overdoses, so we're doing a fair bit of research right now into consumption and treatment sites.

I have some specific questions about your specific site. You said that you had 10,004 visits to the site. How many of those were unique clients and how many—just so I have an idea of how many actual people versus how many visits.

Mr. Glen Walker: We have over 200 individuals actually using the site. What's really important with that is that people who use this site live within about a four-block radius, so I think it's really indicative of the fact that there was a huge need here in St. Catharines for that service. In Peterborough, you're seeing exactly the same issue.

Mr. Dave Smith: The 202 overdoses reversed—I'm assuming that they're not all unique clients as well? Do you have any idea of how many?

Mr. Glen Walker: They're not all unique, but the majority are actually unique individuals. Only about 15%, 20% would be crossovers where we've had that happen.

Mr. Dave Smith: So would I be safe in saying that it's probably 150 unique individuals?

Mr. Glen Walker: Yes, I think it would be realistic to say that. Yes.

Mr. Dave Smith: What treatment services do you have right on site versus referrals to a satellite location?

Mr. Glen Walker: At Positive Living Niagara, we have case management services, which work with people to connect them to service. We have some basic wound care that is being provided by the paramedics who staff our site. We're also in the process of developing a pilot project for more intensive wound care. We have an addictions worker three days a week at the site. We have a substance use treatment program operated in our area that connects people to primary care coming in one day a week. Our hepatitis C program is also on site one day a week, and we have a public health nurse there one day a week, who is looking at various types of testing and vaccinations and does some minor wound care.

Mr. Dave Smith: For the services that aren't on site, roughly how far away would be the furthest? With the exception of a detox bed.

Mr. Glen Walker: Actually, detox is two blocks away. We actually help walk people down, drive people down to those sites. We also have some mental health services in the neighbourhood as well, and we're extremely well connected in that neighbourhood. We're part of the neighbourhood association, and we've been a very welcome member to the community, which has been really fantastic for us, unlike in some other areas in the province.

Mr. Dave Smith: With respect to transitional housing, then, because for the most part—I don't want to sound like I'm categorizing anyone. Please don't take it that way. But we have a number of people who are homeless or very insecure in terms of their housing. Do you have transitional housing available specifically for your clients, or are you tied in with someone else for transitional housing, or is transitional housing something you even have access to?

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Glen Walker: Well, that's an excellent question, and the answer is all our housing programs tend to be just jam-packed. Transitional housing, for the most part, is full. There are a number of housing coordinators in our community, actually, to help connect people to service. The consumption treatment service isn't allowed to provide programming outside, but certainly we are connected to various housing providers and—

Mr. Dave Smith: One last question, because we're really short on time.

Mr. Glen Walker: Sure.

Mr. Dave Smith: Square footage: How big?

Mr. Glen Walker: We're about 2,000 square feet.

Mr. Dave Smith: Thank you.

The Chair (Mr. Amarjot Sandhu): We'll move to the opposition side. MPP Stevens?

Mrs. Jennifer (Jennie) Stevens: Thanks, Glen, for coming in today. It's a pleasure to see you. You talked about—and this sheet here really does sum it all up. Thanks for saving lives.

Mr. Glen Walker: You're welcome.

Mrs. Jennifer (Jennie) Stevens: I have been the MPP for a year and a half, but have advocated for consumption treatment service since 2008, I think, when I was a city councillor. We noticed that in our community, within the Niagara region as well as Niagara Falls and MPP Burch's riding, it's something that's very well needed. Can you talk a bit more about the benefits of funding community supports for prevention and harm reductions? Can you elaborate on that?

Mr. Glen Walker: Yes. I think for us, as I said, we've been operating with community outreach. We have two vans go out five nights a week, distributing supplies. Within that, in the other seat of our van, is an addictions worker or the public health nurse. We actually have one of the physicians from the hospital who is volunteering and goes out in that van. We go right into people's homes. I think when we talk about outreach, that's where you can get people connected. You're not having to say, "Oh, we're coming back in a week," or, "We'll put you on a wait-list." We're there, we help right away, and there's somebody there with the skills and expertise.

I think this is a model that we really need to emulate more across the province of Ontario, to deliver in-home, really sound services that can form relationships with people. There's so much distrust with people who are substance users. They don't go to the hospital until they're on death's door. We want to get them connected and feel trusted to use those services right away.

Mrs. Jennifer (Jennie) Stevens: Great. Just, I've got to get a couple in here, as well: Has funding of the CTS been a sound investment in curbing the overdose crisis in St. Catharines, across the region, and reducing death and saving lives?

Mr. Glen Walker: Yes, absolutely. I would say that, at this point, just with the number of overdose reversals we've had, the fact that people are getting off the street, we're connecting them to service—it's a really good investment in our community. Our naloxone program actually is another great investment in community. We've been able to have—I think we're starting to see maybe some impact on reducing some of the overdose crisis through these types of programs.

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Mrs. Jennifer (Jennie) Stevens: Absolutely. We're seeing that Ottawa's site is struggling to operate right now. The feds' money has dried up, and now the province continues to refuse to fund these sites. I think that having you here today, and MPP Smith, elaborating on how these safe injection sites or CTS are so important to save lives—maybe you can elaborate a little bit.

The Chair (Mr. Amarjot Sandhu): One minute.

Mrs. Jennifer (Jennie) Stevens: Thank you. How can we get those most in need engaged in the services that you have within St. Catharines? Maybe MPP Smith can take that back to his community. I think that you are probably a pillar and an expert on what has happened in St. Catharines and how it has transformed.

Mr. Glen Walker: We're more than open to having anybody come and talk to us at any time about this issue.

It's really about forging a tie with people who are actively using through a trusted service. So your needle exchange program that sees these people right off the bat—we've blended that program, which has been operating for 25 years, with our CTS so that when we opened the doors, my staff, the reputation, followed in. It's really about developing rapport and relationship as much as you can. That means getting people on the ground, talking to people in the streets. We're in St. Catharines walking around the community, connecting with people—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. That concludes our time.

Mr. Glen Walker: Thank you.

The Chair (Mr. Amarjot Sandhu): We appreciate your presentation.

NIAGARA DISTRICT CUPE COUNCIL

The Chair (Mr. Amarjot Sandhu): Our next presenter is from Niagara District CUPE Council 9102. Please come forward. Please state your name for the record. You will have seven minutes for your presentation.

Mr. Kyle Hoskin: My name is Kyle Hoskin. I'm with the Niagara District CUPE Council. Today, I just wanted to talk about a few of the different types of cuts that are affecting the municipality of Niagara. I also sit with the Ontario municipal employees coordinating committee, so I do a lot of research with municipal cuts.

I want to start off talking about the libraries. The 50% cut to the SOLS funding has definitely impacted the library services here in Niagara. I know that I've gotten word that the hours have been cut in Pelham. I know that Fort Erie and Welland are both having some budgeting issues in balancing.

Child care: Bill 66 changed how the formula for private daycare is—the spaces; it really hasn't changed the funding. But we did see some funding changes in Niagara on child care which have significantly hampered the ability of Niagara's public spaces to be funded.

Niagara Region Housing in Niagara has received a 30% cut. The conversation on the side of the Niagara region is that they don't actually know how they're going to maintain the current stock of public housing they currently have. Niagara is also on the top-10 list of least-affordable municipalities to live in in Canada, so having that cut to public housing is significant. They already had plans to build new housing, and they can't do that now.

Autism funding: We had one of the best autism programs in Niagara with Bethesda. That program, by the time the transitional funding and the new funding formulas are in place—at this current time, I can tell you that the autism program is almost depleted. There is almost no staff left. This is leading parents to find ways to fund almost \$95,000 worth of autism. People are double- and triple-remortgaging their houses just to pay for this funding.

Child care services: I know that FACS is facing some budgetary issues, as are any of the family-and-children-service-type providers in this province. Many of them are

provided by CUPE members, and they are all struggling on funding issues.

We lost our cancer bus here in Niagara, which was a huge, huge loss. Public health: We received a 5% down-load of funding from the province. It used to be, I believe, 75% to 25%; I believe it's now 70% to 30%. I know we've lost all of our dietitians. Our sexual health is potentially under threat. We're also seeing some gapping and vacancy issues.

Mental health is another major issue, especially with Niagara having one of the areas that is second-worst for incidents in North America—that would be the Burgoyne Bridge issue. That is causing significant hardships in our community. Not having adequate funding for mental health issues is obviously creating significant hardships and budgeting issues in Niagara.

I just want to talk about those different cuts and how that's actually affecting our municipality here, and then I want to highlight how the province has also thrown away opportunities like cap-and-trade, which was generating revenue for the province, and a three cent per litre beer tax. We've also lost money in different types of deals like the Aviva deal, and \$231 million in the green energy contracts we cancelled.

I also wanted to highlight that revenue per person in Ontario is \$10,415 but the revenue per person in Canada is averaging \$12,373. We are 10th out of 10th in revenue generation. We also happen to have the glory of being 10 out of 10 in spending, at \$9,829 per person. Canada averages \$11,862. Under current estimates, the Financial Accountability Office expects that \$1,070 will further be cut, which represents 10% over five years. Worryingly, it's also expected that there will be a \$4.8-billion shortfall by 2022 on the actual funding of services in Ontario.

Having said all of this, how do we get out of this and how do we capitalize on all this and actually balance the budget and reduce the deficits? All of these cuts are not doing it. It's actually expected that the deficits are going to continue to increase. I've seen reports—obviously, we expected that it would be \$15 billion a year, but we found out that was a lie. It's \$7.4 billion this year, expected to rise to \$9 billion a year.

It's worth noting that this current government was voted in on the fact that people wanted a change from the Liberal government that taxed and spent, and they wanted balanced budgets. It's not happening. So how are we going to do that?

I'm advocating here—and I'm just going to flat out say it. There are opportunities to increase our corporate taxes. A 1% increase in corporate tax per year will generate \$1.6 billion in revenue. We could increase our top-tier marginal tax rate up to what it was previous to 1980, at 32.16% for the province, and we could be generating \$2.1 billion in further tax revenue. This is a tax only on the top 1% income earners, and this would alleviate the pressure on the 99% of workers in this province who are struggling and happen to be voters of both parties sitting at this table.

We could also eliminate the lower tax rate on capital gains for individuals and corporations and generate another \$1.5 billion. We could enforce already existing

provincial sales tax laws on corporate tech giants like Netflix and Amazon. They're already there; we're just not enforcing them. There are millions of dollars in revenue in that.

That is the gist of where I'm going with this. We need to find ways to generate revenue in this province rather than just looking simply at cutting services and cutting taxes. It's not working. We have a deficit problem and it definitely needs to be fixed.

I can tell you that from my personal experience in this community, I have talked to supporters of all three major parties in this province and they're not happy. They recognize that the way the Liberals spent—and they just raised the deficits—hasn't changed. They have no confidence in this government's ability to reduce the deficit and reduce the debt. If this government wishes to remain in power that needs to change. We need to reduce the deficit and we need to tackle our debt problem. It's a serious problem that's got to be faced in 2022. Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you. We'll go to the opposition side for questioning. MPP Burch?

Mr. Jeff Burch: Thanks for showing up, Kyle. We really appreciate it. You've covered a lot of ground.

I want to hone in where you started with your presentation, which was really about poverty and the impact that the cuts are having here in Niagara and across Ontario. I'm going to hone in on something that I think you know a lot about, which is the importance of living wages in our public services. We had a situation municipally, but it also relates to the PSW recruitment issue and other issues here in Niagara, where we had a garbage collection situation where, specifically, employees were not protected in a contract. There were no specifications on service levels and on wage levels and things like that. That led to some terrible recruitment problems, which led to horrible service problems. We ended up spending a whole whack of money on trying to fix problems, when we could have spent that money just paying people a living wage and a proper wage. That, of course, relates to poverty and all the rest of it.

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I'll just throw in that, as you know, our median rent rate for a one-bedroom apartment in Niagara has skyrocketed to \$910 a month now, which in Niagara is a big deal.

Can you kind of tie those things together? I know that you have done a lot of great work fighting in our community for living wages—and just how that ties in to poverty and the impact those cuts are having.

Mr. Kyle Hoskin: I can tell you that the biggest thing that affected the living wage, and how minimum wage and wages are affected in this province, was definitely Bill 57, I believe it was, the rollback of Bill 148. In that specific situation, the workers here in Niagara weren't protected under the equal work for equal pay. That led to significant recruitment problems, as the employer went the other way and decided to disrespect the workers and actually pay more to people who just got hired.

Overall, the simplicity of living wages—we live in an economy that is consumer-based. People need money to

spend. When they spend money, the government generates revenue. I don't understand the logic in rolling back minimum wages and not implementing living wages and things like UBI to give money to the poorest and the most hard-done-by in our communities to actually spend. It just makes good sense in allowing people to spend money in our communities, and allow them to flourish. Not only do you have less disgruntled voters and less rage or upset in your community, the communities are much more healthy.

The Chair (Mr. Amarjot Sandhu): One minute. MPP Shaw?

Ms. Sandy Shaw: Thank you for your presentation. I just want you to comment a little bit on the cuts and the downloading of costs to municipalities that you have just talked about. I think it really needs to be underscored that municipalities across this province are faced with two choices: They can either raise taxes for people or they can cut services. News flash: There is only one taxpayer, so dumping your costs down the way isn't going to change things. Can you comment on that, please?

Mr. Kyle Hoskin: I think the downloads that the province has decided to put upon the municipalities is singly the worst decision that has been made yet by this government, because ultimately the costs have to get paid.

What we're seeing here in Niagara is, we have seen a 6% increase in land taxation, but we've also seen a reduction in services, because services have to be cut and a 6% increase in land taxation had to go along with it, not including the land taxation increase from the municipalities themselves. So you could be seeing anywhere from 8% to 10%.

Downloading the cost—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. We'll have to go to the government side for their time now. MPP Oosterhoff?

Mr. Sam Oosterhoff: Thank you very much, Kyle. It's very good to see you. Thank you so much for coming before the committee this afternoon, and for participating—I have only been here today—in what I understand has been a fulsome conversation with stakeholders from across the province about budget 2020 and what stakeholders want to see in that budget—and of course, recognizing that you're representing the Niagara District CUPE Council. CUPE, as a whole, is Canada's largest union, and so I recognize that.

I'm very pleased, of course, that at the Ministry of Education, we were able to get a voluntarily settled deal with CUPE last October in those labour negotiations. I'm so very, very happy to see that.

I really appreciate all the hard work that your union has done and that the members of your union do across this province in many, many different sectors, from health care, municipalities, school boards, universities, developmental services, you name it. Your members are very engaged and very involved, and I appreciate that.

I just want to put things into a little bit of perspective. The second a child is born here in the province of Ontario, they owe \$26,000 in debt, and they also owe another \$20,000 of federal debt. Together, they owe almost

\$50,000 in debt the second they're born. That's something that we saw the former Liberal government more than double, over their 15 years in office.

We've seen significant expenditure growth in areas under the Liberals, and we also saw a significant increase in taxation levels. Ontario has technically the second-highest top marginal taxation bracket at 53.5%, only next to, I believe, Nova Scotia, at 53.6%. So 0.1%—

Interjection: Newfoundland.

Mr. Sam Oosterhoff: Is it Newfoundland? Newfoundland—my apologies. So, it's comparable.

We've seen past administrations raise taxes. Obviously, the health premium tax came in under the former government. We saw increases in various levels of taxation around things like—the HST, of course, was something in 2010 that increased a significant amount of revenue for the province as a whole.

I think we have seen the failed experiments that the Liberal government brought forward when it came to taxation policy and a tax-and-spend approach. A lot of that, I think, was simply because they didn't allocate funds responsibly and realize value for money in the way that they did allocate those funds. Of course, to this day, we're paying the impact of that.

With a \$360-billion deficit, people don't realize that of our \$163-billion Ontario budget, three quarters is spent on just a few items: \$64 billion on health care, that's an increase this year north of \$2 billion; \$30 billion on education—it's the first time in the province's history that we've crossed that \$30-billion threshold, by a \$1.2-billion increase this year—\$17 billion on social services; and \$13 billion to service our debt. As the fourth-largest line item—

The Chair (Mr. Amarjot Sandhu): One minute.

Mr. Sam Oosterhoff: —it's \$2 billion more than the next-largest, which is creditors. So it's of course important that we recognize the increase in expenditure but also realize that there needs to be value for money with regard to that.

I think it's important that—what you also raised is the unfortunate result of seeing runaway public spending.

Interjections.

The Chair (Mr. Amarjot Sandhu): Order.

Mr. Sam Oosterhoff: When governments spend beyond their means, the unfortunate result of it is the fact that governments have to be able to also—

Interjections.

The Chair (Mr. Amarjot Sandhu): Stop the clock.

I'll request of all the members that—it's the government side's four minutes. They can utilize their time however they want, so please don't interrupt the member. Thank you.

Mr. Sam Oosterhoff: I just want to also really quickly note that we have gone down from \$15 billion to \$9 billion in deficit. Part of the reason for that is we've seen that 76% of the job growth in Canada was in Ontario. We've seen increased job growth and increased income taxes as a result of that.

We are working our way towards a budget balance so that we can make more investments in the critical services

that Ontarians depend upon and that, of course, they expect their government to be investing in going forward. We're looking forward to getting to that point—

The Chair (Mr. Amarjot Sandhu): Thank you. Sorry to cut you off. That concludes our time.

Thank you so much for your presentation.

LANSDOWNE CHILDREN'S CENTRE

The Chair (Mr. Amarjot Sandhu): I'm calling on the last presenter of the day, Lansdowne Children's Centre. Please come forward.

Interjections.

The Chair (Mr. Amarjot Sandhu): Order.

Please state your name for the record, and you will have seven minutes for your presentation.

Interjections.

The Chair (Mr. Amarjot Sandhu): Order.

Interjections.

The Chair (Mr. Amarjot Sandhu): I'll ask the members to be respectful to the witness. The witness is here for their presentation, so please, if you can listen to the witness. Thank you.

Ms. Rita-Marie Hadley: Thank you. My name is Rita-Marie Hadley. I'm the executive director of Lansdowne Children's Centre.

Ms. Donna Skelly: So you're used to dealing with children.

Ms. Rita-Marie Hadley: I appreciate that it's the end of a trying day. Actually, try to imagine that I'm a cute little kid or a parent of a child who is just struggling to get by, living with a physical, communication or developmental challenge, because I really want to be their megaphone. I want to channel them today.

I note that all of you have children's treatment centres in your communities. You have Ron Joyce Children's Health Centre in Hamilton. Five Counties serves you in Peterborough. Everyone in Ontario has a great children's treatment centre, and we function very much as a provincial system.

I'm talking to you here today to try to make sure that I can give some certainty to kids who live in Brant, Haldimand-Norfolk, Six Nations of the Grand River and the Mississaugas of the Credit so that we can be in the pipeline to support the capital needs that we have. You'll be hearing from my counterparts, no doubt, in the round tables locally around the budget preparation. You may already have heard some of the issues. We all look to take accountability so that the kids whom we support aren't going to be burdened with future debt. We're very much conscious of the questions you're looking for, saying, "What does this budget need to have?" We think we have some solutions.

We've provided our annual report to give you a sense of who we are. We're not a large urban area. We are a rural and urban mix, with great rurality—I know Niagara is quite spread out. It does create unique challenges, and we think that we've been fairly creative. In fact, I would say that the folks who work with children are among the most

dedicated and are in it because they see the potential in kids. They want, like all of us, what's best for their kids.

It can be because children have a chromosomal anomaly, cerebral palsy, muscular dystrophy or autism—we have a range of those services in addition to being a children's treatment centre, which means we provide rehabilitation services from birth until school-leaving.

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We also have 10 other government services under our roof. We function as a hub. That has allowed us to be quite efficient. We're a victim of our own success, as we have grown during the 22 years at our current site, unlike Five Counties, which is spread out among the five counties. Brantford is the largest municipal source of population in our area.

During the time that we have been there, we've tripled the number of kids we serve annually, and doubled the staff. Our staff of 250 do not fit in our 25,000 square feet, and so the whole notion of the unacceptability of hallway medicine has come to haunt us. We have hallway therapy. We have therapy on the floor in the kitchen, where the kids have their services. While they're nimble and our staff can be like ninjas getting down on the ground to do it, it's not acceptable.

No one wants to think that their child has not done the best they could because they didn't get the right service at the right time. Sadly, when we're crowded, we have to ration service and kids also have to wait for services. That's something that we feel is eminently doable, while addressing your priorities for the budget. In fact, the—

Interruption.

Ms. Rita-Marie Hadley: Oops.

Interjection: Are you okay?

Ms. Rita-Marie Hadley: Oh, I'm fine. Prop problem. It will come out.

We have been able to grow and to make some good economies by having been around since 1952. The Rotary Crippled Children's Centre is what we were in the 1960s when we camped out in the hospital. We went into an elementary school added on, and we've occupied that while growing. But the result of being too crowded there means that we now have 1,900 kids waiting for service. If you think what that's like, if it's your own child you'll be ardent and advocating for them.

What I want you to think about is how many school buses full that means. I've got my little "accessible" sticker on the back there. If each school bus has 72 spots on it, that means we would have 27 buses full of kids who aren't getting service. It can be addressed by having the appropriate facilities, and we're working through that with our ministry. However, our Ministry of Children, Community and Social Services is not a capital ministry, which means it will need all of cabinet to prioritize funds coming through the pipeline, just as has been the case for Grandview in Durham, for Ron Joyce in Hamilton, for the Children's Hospital of Eastern Ontario in Ottawa and ErinoakKids for Halton and Peel.

So we want to put you on notice that we're doing our homework. We'll do our fundraising and we can leverage

municipal and federal funds and a gift of land to make sure it's the best use of the taxpayer dollars.

I wanted to be able to say that we can focus on making life more affordable by making sure that we minimize the extra costs that families of kids with special needs have to bear. It's anywhere from 2.5 to 20 times as high as the typical cost for routine health care just because it's special needs. It's at a premium. And children grow, so if you have orthotics or a wheelchair that fits one year, you grow and you need another one soon. It's like that for a range of appropriate and adaptive services.

We can focus on preparing people for jobs by making sure that families can work. If they don't have the ability to have their child in service or to get respite, they don't participate in the labour market. By not being there, they are having economic issues for their own family, but they're also not putting their talent into what employers need, and our employers are struggling to get all the talent.

We are also an economic driver by providing services locally that employers need in order to attract talent. They say, "Okay, my child is using these services in this community. If I'm relocating, I need to know that they'll have access to that." And, as a provincial system, we do honour each other's place on a wait-list so if a child is coming from Peterborough and Five Counties, we look at how long they've been waiting. We put them in that place.

We believe that healthier and safer communities are also achievable by planning for appropriate space. We don't meet the Accessibility for Ontarians with Disabilities Act space requirements, so my staff members and clients who are in wheelchairs don't fit into some of our spaces. That's stigmatizing. We don't meet the standards. That's because we're in a 1960s cinderblock school that has been added to.

We know how we can address that. We're not suggesting that it's easy to come up with the funds for that, but by planning for it and putting it in the pipeline, we know we'll leverage other funds. We've got parents, families and community donors who are behind us to make this happen.

The Chair (Mr. Amarjot Sandhu): Thank you so much. We'll start with the government side. MPP Cho.

Mr. Stan Cho: Thank you, Ms. Hadley, for being here today and for that beautiful presentation. I've got a soft spot for special-needs kids, because my better half happens to be a special education teacher. She works really hard at that. I hear first-hand how much of an influence some of the right measures taken can have in somebody's life—

Ms. Rita-Marie Hadley: Such significant partners in the education system to us, yes.

Mr. Stan Cho: Absolutely. Of course, my mom's been an ECE for many decades, so—

Ms. Rita-Marie Hadley: Oh, well, there you go. We've got a whole crew of them at our place.

Mr. Stan Cho: That's right. I also appreciate that you came in here with a solid—it looks like you created a business case. Five of the six pillars in our fall economic statement are—

Ms. Rita-Marie Hadley: Yes, I can't hit the sixth one, exactly.

Mr. Stan Cho: Well, the sixth being red tape, you did touch on it, and I—

Ms. Rita-Marie Hadley: Well, I've got a whole list of what we're doing to be more efficient.

Mr. Stan Cho: Wonderful. And that's a part of it, right? Government financing is quite complex, and we have a huge responsibility. What I love about your presentation is that you just didn't talk about the dollars; you talked about the outcomes. That has to be part of the conversation. Like my colleague outlined earlier, we do face difficult fiscal situations, so that's part of it. We have this responsibility not just to help our children today and preserve those programs and services for today, but we have to make sure that when they have kids, those services are sustainable and just as world-class as they were when we were here. I appreciate the lens you have here, because it's all-encompassing.

You also touched on cross-ministerial work, and I feel your frustration, because the silos in government are concrete-reinforced. This is a challenge for us that we are cognizant of on the government side. So my point in saying all of this to you is I would love to hear the specifics. Please feel free to submit those to the committee at any time, on the red tape, on the frustrations you face with those barriers between cross-ministerial communication, and any outcomes. That's where we have to start from, right? We have to start from the outcomes of these students and work backwards.

In the remaining time, if you would like to expand on some of barriers that you faced, how government can help, and just maybe talk about what your metrics of success are here based on the students.

Ms. Rita-Marie Hadley: I'll give you some quick examples. We actually did it by doing the research and being published. We researched a transdisciplinary method of providing services. That was because we have physical therapists, occupational therapists, speech therapists, social workers, developmental pediatricians and autism therapists. Sometimes a child needs all of that, and it can be slow and frustrating to be on wait-list for one and then sequentially do another.

Our research that got published is our method that we now use to have an arena assessment with all of those professionals together. It has cut the time that a family has to wait. The family still says, "This is my highest priority." We have a single plan of care that's guided by the parents. It reduces the documentation and reduces the cost for our service. In some cases, it's their child that's still very complex, but by doing that in a collaborative way—

The Chair (Mr. Amarjot Sandhu): One minute.

Ms. Rita-Marie Hadley: —we're able to do that. Our research brought a team here from Singapore to look at how we're doing it. It brought a team here from Australia.

That innovation in little Brant county and Haldimand-Norfolk allows us to be more efficient. That's within our means, but the trouble is, our space doesn't fit that. We were created under the Ministry of Health as a public

hospital and ambulatory hospital, so we probably, maybe, don't fit perfectly into our ministry. It doesn't really matter, but we need to be funded for the appropriate space, because that way we could be more of that efficient service.

Mr. Stan Cho: Absolutely. MPP Smith, I'd like to—

The Chair (Mr. Amarjot Sandhu): MPP Smith.

Mr. Dave Smith: Thank you very much. I think I'm recognized as an advocate for a lot of our special-needs groups. I introduced Bill 53, the Special Hockey Day proclamation for 2019. On February 19, I'm going to put a plug in for Challenger Baseball and bring them into Queen's Park.

Ms. Rita-Marie Hadley: We're Wayne Gretzky's home, so we love hockey and all other sports too. He played ball in Brantford too.

Mr. Dave Smith: I just wanted to point out to you that there are nine years left for the ICIP program. You actually would qualify under the—

The Chair (Mr. Amarjot Sandhu): Sorry to cut you off. We'll have to move to the opposition side now. MPP Burch.

Mr. Jeff Burch: Thanks for being here. I just want to clarify a few things. Your project that you refer to is \$31 million. Can you specify specifically what you're asking for from the provincial government, from the budget? Also, if you could just talk about—you say in your hand-out that it's going to benefit all of Ontario, not just specifically one area. So could you also talk about that as well?

Ms. Rita-Marie Hadley: In reference in saying "all of Ontario," I'm looking for equity for the kids in our area, because I could point to others where they do have the new buildings. That was what I meant, to clarify.

Our building, using a traditional funding formula for our ministry, would look at 10% of the cost being the responsibility—furniture, fixtures and fit-outs being the requirement to be fundraised by the local community. We have a feasibility study that is looking at our ability to produce those funds, and we'd be looking at provincial funds in line with what is provided to other children's treatment centres. For the construction, we are working with a team that has designed a number of the other children's treatment centres.

We're looking at a gift of land from our municipality. Our expression of interest on that land went in two years ago. It's a remediated brownfield, similar to what the Ron Joyce children's centre was built upon. We're adjacent to a priority community where there's a high use of our services. The amenities in that building would have a therapeutic pool like the Niagara children's treatment centre has, but it could also be a neighbourhood resource. While that's where physiotherapy can occur and recreation that is supported around kids with disabilities, it's also a boon to the neighbourhood.

Federally, we've been working with our member of Parliament as well. He himself was formerly the chair of our board and helped us to create our foundation because his child lives with special needs. We're fortunate to have a community that understands what we need, so that's why

we're thinking of leveraging and that's why we expect that those costs could be borne at other levels as well. But we are early days.

We can't wait. I've submitted a number of business cases and a space optimization plan from 2006 that we could grow by 10%, but beyond that, people would be hotelling and we couldn't do our services. I think we've done very well to have outlived that, but we really have no additional space. Kids are suffering because of it.

Mr. Jeff Burch: Great. Well, good luck. It sounds like a great project.

Ms. Rita-Marie Hadley: Thank you.

The Chair (Mr. Amarjot Sandhu): Thank you so much for your presentation.

That concludes our business for today. Thank you to all the committee members and all the committee staff for travelling away from your families for the last six days for the purpose of pre-budget consultations.

As a reminder, the deadline for written submissions is 6 p.m. Eastern Standard Time today.

The committee is now adjourned until 9 a.m. on February 11, when we'll meet for report writing. Thank you.

The committee adjourned at 1702.

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