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(Hansard)**

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des débats
(Hansard)**

F-42

**Standing Committee on
Finance and Economic Affairs**

Pre-budget consultations

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

Consultations prébudgétaires

1st Session
43rd Parliament
Tuesday 9 January 2024

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43^e législature
Mardi 9 janvier 2024

Chair: Ernie Hardeman
Clerk: Vanessa Kattar

Président : Ernie Hardeman
Greffière : Vanessa Kattar

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LEGISLATIVE ASSEMBLY OF ONTARIO

**STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS**

Tuesday 9 January 2024

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

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

Mardi 9 janvier 2024

The committee met at 1001 in the Holiday Inn Oakville Centre, Oakville.

**PRE-BUDGET CONSULTATIONS
CONSULTATIONS PRÉBUDGÉTAIRES**

The Chair (Mr. Ernie Hardeman): Good morning, everyone. We call the committee to order. Welcome to Oakville. I call this meeting of the Standing Committee on Finance and Economic Affairs to order. We're meeting today to resume public hearings on pre-budget consultations 2024.

Before we begin, are there any questions from the committee? MPP Crawford.

Mr. Stephen Crawford: Good morning, Chair, and good morning, committee. Welcome to Oakville. I have a motion I'd like to present.

The Chair (Mr. Ernie Hardeman): Okay.

Mr. Stephen Crawford: I move that the Clerk of the Committee be authorized to schedule additional witnesses in Welland, Ontario, on January 11, 2024, and that based on the prioritized list of witnesses already provided by the subcommittee, eight additional witnesses from Oakville and seven additional witnesses from Hamilton be invited to appear.

The Chair (Mr. Ernie Hardeman): You've heard the motion. Discussion? MPP Fife.

Ms. Catherine Fife: Good morning, Chair, and good morning, my fellow colleagues. We have no problem whatsoever with adding additional delegations to Welland, as it's currently undersubscribed.

The Chair (Mr. Ernie Hardeman): Further discussion? If not, all those in favour of the motion? All those opposed? The motion is carried.

With that, I just want to point out that the Clerk of the Committee has distributed committee documents, including written submissions, via SharePoint, so the members will have those.

As a reminder, each presenter will have seven minutes for the presentation. After we've heard from the presenters, the remaining 39 minutes of the time slot will be for questions from members of the committee. This time for questions will be divided into two rounds of seven and a half minutes for the government members, two rounds of seven and a half minutes for the official opposition members and two rounds of four and a half minutes for the independent members as a group.

PEERWORKS

COMMUNITY LIVING TORONTO

GOOD ROADS

The Chair (Mr. Ernie Hardeman): I will now call on the first panel to please come forward. The first panel this morning will be PeerWorks, Community Living Toronto and Good Roads. Before we begin, I believe that Community Living Toronto is here and Good Roads is here, but PeerWorks is—

Interjection.

The Chair (Mr. Ernie Hardeman): —just arriving, I'm going to suggest. If that is PeerWorks that just came to the table, thank you very much for being here.

We just want to point out—let me get back here to the script. Each presenter will have seven minutes to make a presentation. At the end of six minutes, I will say, "One minute." Don't stop. That leaves you one minute for the punchline. If you stop, the time keeps going.

With that, I'll also ask each presenter, before you—I shouldn't say "before you speak." When you start to speak, if you would introduce yourself so the Hansard can record the comments being made to the right person.

With that, PeerWorks, the floor is yours.

Mr. Brad Saunders: I'm Brad Saunders with Community Living Toronto, so I don't know that—

Ms. Allyson Theodorou: I'm with PeerWorks.

Mr. Brad Saunders: There we go.

The Chair (Mr. Ernie Hardeman): Okay.

Ms. Allyson Theodorou: Thank you for the opportunity to present to the committee today. I'm Allyson Theodorou. I am the operations director at PeerWorks, which was formerly the Ontario Peer Development Initiative.

I am joined by Andrea Schaefer, who I believe is Zooming in. She is the president of our board of directors as well as a peer support worker at ConnectWell Community Health.

I'm presenting to you today to outline the needs of our community-based peer and family support organizations that include our network of no-barrier mental health and addictions centres, commonly referred to as consumer-survivor initiatives, and front-line peer support workers across the province. I'm also advocating for an increase to PeerWorks' annual budget.

As we continue to share our message with government and the public, we are finding that there is still some education that needs to be done on what peer support is and, particularly, what community-based and family support is. The main thing we would like you to take away from our presentation today is that our unique segment of the mental health and addictions sector requires acknowledgement.

Many of the consumer-survivor initiatives and peer support organizations that make up our membership operate drop-in centres—some in high-risk regions across the province, including many in your own ridings. In many cases, these resources act as a first point of entry for those seeking help in Ontario's mental health and addictions system and also an effective prevention strategy when moderating challenging life events.

We are low-to-no barrier. Our programming operates as a fully non-judgmental space. We don't ask for ID, we don't require an appointment or a referral, and we do not have any wait-lists. Our centres and programs are run by people with lived experience of mental health and addictions for people with those same lived experiences.

Peer support is rooted in the principles of recovery, hope and individual empowerment. Peer support workers come from all different backgrounds and have specialized training for this professional role. Our members support those people who fall through the cracks, who have nowhere to turn, but they can also connect or reconnect people to clinical partners and provide them support while they wait for other services.

I just want to reiterate that peer support programs are low-barrier for many who are experiencing minor to acute mental illness to access help—we turn nobody away.

PeerWorks, with over 50 dedicated members, including organizations and individuals, has been at the forefront of providing essential service to these essential organizations and professionals. Our leadership and support have been in the form of professional development, networking opportunities, administrative support, regional marketing, peer support training and government advocacy for the past 32 years.

As the sole pan-provincial voice for lived experience, community-based peer support programs and front-line peer support professionals, PeerWorks has played a pivotal role in various mental health and addictions initiatives, including the weekly mental health and addictions COVID-19 response planning table.

In May 2023, PeerWorks held its inaugural Queen's Park peer support education day, where our members could interact with you and your colleagues. We want to thank Minister Tibollo for making such kind remarks at our lunch reception and expressing support for the vital role that peer support plays to Ontarians.

Our current operating budget of \$300,000 annually has proven inadequate and unrealistic. The funding provided through a transfer payment agreement with the Mental Health and Addictions Centre of Excellence has not increased since our inception in 1991; in fact, it has decreased. Despite being a recognized leader in the sector,

our organization has been operating on a shoestring budget, hindering our ability to fully meet the demands of our mandate and to support our dedicated members effectively.

Another request that this government is asked to consider is innovating the way that our community-based peer support organizations are funded, possibly leveraging PeerWorks as the single flow-through funding partner for community-based peer and family support organizations and programs.

The current funding model also means that a uniform level of care with standards in service delivery across our segment is impossible to achieve. We understand that under-resourcing in the community-based mental health and addictions sector is not a problem exclusive to our segment. However, we do hope that a review of how CSIs and other peer support programs are funded can be part of a budget commitment designed to enable community-based care models like ours.

The government's commitment to mental health and addictions, as outlined in the Roadmap to Wellness plan, is commendable. The 5% increase to our current operating budget in the 2023 budget was a step in the right direction, reflecting the government's understanding of the importance of community-based care. However, much more is needed to address the persistent challenges faced by organizations like ours.

1010

I've been with this organization for 30 years and I have personally witnessed the power of peer support. I come to work every day knowing that this work changes and saves lives. We hope the government considers our request today, and I'd be happy to take any questions. Thank you.

The Chair (Mr. Ernie Hardeman): Thank you very much for the presentation.

The next presentation will be from Community Living Toronto.

Mr. Brad Saunders: Good morning, everyone. My name is Brad Saunders and I am the chief executive officer at Community Living Toronto.

We are a developmental service agency of 1,200 passionate and dedicated staff, supporting about 4,000 individuals across the city of Toronto where they live, where they work, and for activities during the day. We also provide breaks for parents who need time for themselves from time to time. In the last year we celebrated our 75th year, and as we look back on many years of inclusion and belonging, we look forward also to many more years of innovative problem-solving.

Though it has been a year of celebration in many ways, it's also been a challenging way in others. The developmental services sector across the province is in crisis. Our pre-budget submission focuses on an urgent ask that aligns with others in our sector. We are asking for an immediate 5% critical stabilization increase to our base budgets to stabilize agencies like ours and others.

Approximately 3% of people in Ontario have an intellectual disability and tens of thousands more are connected to them as family, friends and caregivers and providers.

Many depend on ODSP, Passport funding for activities, and the developmental service agencies across the entire province. There is high unemployment for people we support. There are inconsistent supports across the province and many unknowns for aging parents and family members.

For those of you who are in the GTA, we operate services in your ridings. And for those of you outside of the city, you have many agencies like ours that support others in your communities. This is not just a local issue to Toronto.

Inadequate and inconsistent investment from the province over the past two decades is critically affecting agencies that deliver service to these very vulnerable Ontarians. Without appropriate supports in place for people with intellectual disabilities and their care networks, those in crisis are often forced to access services through hospitals; the long-term-care sector; and the shelter system, where people with disabilities are overrepresented, with about 30% of people in the shelter system being identified—or often not identified—as having a developmental disability. These are spaces and places that are in need by many other Ontarians across the province with our already overwhelmed health care system.

To give you some background, between 2005-06 to 2009-10, the DS sector was receiving annual base increases of between 1.67% and 2%—

Interruption.

Mr. Brad Saunders: That's not a fire alarm, is it? Okay, we're good—to address rising costs of care and to keep up with the costs of living. From 2010 until 2018, the sector received no base funding to our operational budgets. So, we went that length of time with no increase to our funding.

In 2018, the government of Ontario committed to a 2% base funding increase to expand services for Ontarians who have an intellectual disability, which was intended to increase over the following years. Unfortunately, this didn't happen.

We also benefited from the permanent wage enhancement for our front-line staff that was provided to essential staff and PSWs during the pandemic.

In that same time, from 2010 to 2018, the consumer price index increased by over 40%. Simply put, our financials cannot keep up with this gap even though we work very hard to spend our taxpayer dollars very wisely and very thoughtfully.

As far as non-profits go, Community Living Toronto is an ambitious and innovative business-minded organization that has and continues to diversify our revenue streams. We are a trusted partner for the city and for developers across the city. We see ourselves as part of the solution for some of our city's most pressing challenges.

We are also looking at addressing the housing situation with a partnership that we've formed with Tridel in MPP Hazell's riding, where we will be building an inclusive rental and condominium community to support about 2,200 new homes for people, with up to 20% of those going to people with disabilities.

We work hard to get this stuff right. We are constantly striving to develop new and modern ways to develop services. We fundraise a lot. A month ago, we raised over \$750,000 at an event called Community Rocks. We had about 1,200 people attend, including Mayor Olivia Chow. And even with these creative endeavours, we cannot make ends meet.

This year, Community Living Toronto is managing a significant budget shortfall. We settled a collective bargaining agreement with our partner CUPE Local 2191 with a 2% wage increase. We also gave stipends for previous years of about \$1,000 each. This cost incurred about \$3 million—\$1.5 million one-time; \$1.5 million ongoing—to cover those costs.

At a time when inflation is more than 7% in the last year and ODSP recipients received a much-needed 6.5% increase and minimum wage rose by 6.85%, we were only able to give our staff a 2% increase that we can't afford. To manage these pressures this year, we've sold properties, frozen hiring and deferred all but urgent repairs and maintenance.

We're also managing retention challenges. Turnover in our sector across the province is between 20% and 30%.

The Chair (Mr. Ernie Hardeman): One minute.

Mr. Brad Saunders: The 20%-to-30% turnover, to give you some context for that—people often depend on their staff to provide activities of daily living for them. Can you imagine, every year, one in five people you get to know, share your hopes and dreams with, who provide personal care with you, is new and you don't know? It's often more frequent than one in five. With that, I'll end.

I would also just like to point out that during the pandemic, we received lots of support from government to support our staff. That has continued for PSWs, with up to \$25,000 being offered to PSWs to be trained, retained and to work in underserved areas. Our sector has received nothing.

With that, I'll end my comments and thank the committee.

The Chair (Mr. Ernie Hardeman): Thank you very much for your presentation.

We'll now go to Good Roads.

Mr. Scott Butler: Thank you, Mr. Chair. Good morning, everyone.

My name is Scott Butler. I'm the executive director at the Ontario Good Roads Association, operating as Good Roads because that's what everyone called us, so we shortened our name. Since 1894, we have been representing the municipal interests of communities across this province. Today, we count 426 of the 444 municipalities as members, as well as an additional 19 First Nations.

I'm here today to talk about a very specific and focused request, and this is dealing specifically with the proposed partnership between the government of Ontario and Good Roads and our municipal and First Nations members to create a program that begins to effectively address the wholly preventable and unnecessary carnage taking place on rural and northern roads across Ontario.

Every year, the Ministry of Transportation produces the Ontario Road Safety Annual Report. It's a big, big data dump, and it gives a really good sense of what is actually taking place on the roads. In 2020, 55% of all the fatalities in Ontario occurred on rural and northern roads—55%. Only 17% of people in Ontario live in these communities.

If we look at what that actually impacts broadly on society, what we begin to see is that 4,200 people are hospitalized as a result of roadway violence in 2020. Bear in mind, this was during the pandemic; the number of people on the roads and the distance being travelled dropped dramatically, and we still saw 4,200 admissions to hospital. They account for almost 43,000 days of hospital stays. That ratio of roadway violence is the same, whether it's accidents, whether it's deaths, rural roads—no matter how we cut it, no matter how we dice it, rural roads are inherently more dangerous than their suburban and urban counterparts. It's beyond doubt.

So what we want to do is leverage the insights in the examples that we have seen taking place in other jurisdictions in the world where they prioritize this. The reason they prioritize this is because it's a really cost-effective way to save lives, and it's a really cost-effective way to save money. If we look, primarily, there are certain states in the United States—Arizona, Kentucky, strangely—Australia, New Zealand, Germany, the United Kingdom, Ireland—all of them have prioritized and come up with plans to specifically identify and address this risk. And we're talking about really cost-effective solutions here—things like guardrails, crash cushions, attenuators, lighting, signage, paint. These are not innovative, expensive solutions, but they're solutions that are really effective.

1020

Municipalities have, I think, traditionally been aware of those risks. Oftentimes, they're aware of them and are reluctant because of a whole series of considerations to take action. Right now, I think our approach to road safety in Ontario when we're looking at rural communities is essentially, "Thoughts and prayers; we hope something bad doesn't happen," and then when it does happen, we feel this obligation to fix it. We're saying, "Enough."

The government has prioritized addressing municipal insurance risks. Every insurer in the country who insures a public entity will tell you one of the leading indicators of risk for municipalities is roadway violence; in fact, it's primarily the only indicator. So, if we can eliminate some of the things that are causing risk to insurance claims to be made, we should be taking that action. They've also identified joint and several liability reform, a more appropriate appropriation of risk as an option to be looked at. What we're saying is, joint and several liability isn't a problem for municipalities if people aren't being hurt in the roadways.

The other thing that is top of mind to the province is health care costs. I mentioned 43,000 days of hospital stays. If we can eliminate a quarter of those, we're looking at an ROI of roughly \$6 direct, just in straight hospital costs—this isn't social cost; this is straight hospital cost. So, what we're proposing is a \$33.6-million program, renewable for

five years, where we give you a clear and transparent insight into what's happening on the roads. We're confident we can leverage the science that is required to begin bending some of those numbers back down where it's in the right trajectory.

When we look at what's actually required, part of this is shifting the mindset of my members, getting them thinking about the risk differently. We've made the investment to do that. We've worked with world leaders to produce Ontario's first road safety auditing guideline. This is the diagnostic element. This gives municipalities the ability to go out and actually assess risk. We've also trained the first 50 road safety auditors in Ontario. This is a practice that has been in place for 30 years in other jurisdictions. What we've seen is the number of people being killed and hurt on those rural and northern roads or on those regional roads going down as this practice takes hold.

We've made those investments. What we need is a partnership from the province to help with the treatment so we can diagnose the problem now effectively. We're committed to moving forward and continuing to build out this capacity locally. We need the assistance of the province to do that. The reason for that is, simply, there are two primary beneficiaries to the program: The first is the people who are not going to be killed and hurt; the second is—

The Chair (Mr. Ernie Hardeman): One minute.

Mr. Scott Butler:—the province of Ontario, which will save literally tens, if not hundreds, of millions of dollars annually in health care costs. We think the time has come. We know the science is there. We're prepared as an association, after 130 years, to finally crack this nut and we want to get on with it. I look forward to the questions. Thank you, Mr. Chair.

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the presentations.

We'll now start the questions. We'll start with the official opposition. MPP Fife.

Ms. Catherine Fife: Thanks to all presenters. I have questions for all three of you. I only have seven minutes, so I'm going to try to get to them all.

Scott, thank you for connecting the infrastructure investment in highway renewal and maintenance with the health care budget. That's a really key piece, and I think you make a compelling argument. Some of our northern members have really, especially with regard to those highways that you referenced—and Highway 11, in particular; every week, there is a fatality on that, every single week.

When you're looking at how the government is prioritizing how they're looking at highways, if it were up to you, what are the top three things you would do to actually invest strategically in road safety?

Mr. Scott Butler: Sure. It's really straightforward. I think the first one is continuing with this diagnostic framework that we've proposed called road safety auditing. That gives us a really clear sense of where the problems are.

Think of public health language. This is what this essentially is—

Ms. Catherine Fife: Yes, and it takes the politics out of these projects too.

Mr. Scott Butler: Yes, and it's independent, the same way a financial audit is independent. We have experts that come in and say, "Look, we think this is a problem and here's a potential solution."

Ms. Catherine Fife: Okay.

Mr. Scott Butler: The second aspect is investment in the hardware. Like I said, this is low-cost stuff, sometimes \$150 a metre. I would give that a lot of emphasis.

Then, the third thing is, I think we need to bring in the most innovative products that we can. The industry in Ontario is somewhat staid. The rest of the world is bringing in new technologies that are more cost-effective, that provide better performance. If we were able to put those devices into place, what we're really looking at is interventions that are going to save lives, are going to save money and, ideally, are going to give people a better sense of safety when they are out on a lot of these roads that are currently dangerous. We know this.

Ms. Catherine Fife: I'm glad you put that on the record. I'm sure that our northern members are going to be quoting your presentation heavily. Thank you very much for that.

Brad and Allyson, the government of Ontario currently has \$5.4 billion in an unallocated contingency fund. This is money that they have squirrelled away. If you had your druthers, if you had your wish, can you make the argument for the return on investment for increasing funding directly into your organizations?

Brad, I'll start with you.

Mr. Brad Saunders: Sure, great question. I think there are two things that we should focus on there: One is, as we've talked about, this critical stabilization funding of 5%. Our organizations are teetering. Fifty per cent of organizations, this year, are expecting a deficit. Seventy per cent are projecting a deficit next year. And we're not in an area where—you can't borrow money. Organizations just can't sustain themselves. I would say that part of that investment, which is about \$145 million on an ongoing basis, be invested into the sector.

The second piece is a focus on the people across the province who are waiting. There is a tsunami of aging caregivers out there who are parents who have cared for and provided support for their adult children throughout their lives, and they are losing hope around what happens to their loved ones when they pass away or when they're no longer able to care for them. I think the province needs to address that and give some level of hope, some level of commitment—whether it's at a certain age or stage of life—that the province will step in and say, "You've done your part around providing support for people with disabilities. We will support you and take it from here."

Ms. Catherine Fife: Yes. Some of those parents, by the time they get to a certain point in their life, all their savings are gone, so then they're also financially destitute. This is where you do find parents with vulnerable adult children

with disabilities—they do end up in some form of care, and that's not necessarily what—

Mr. Brad Saunders: If I may, a volunteer connected with our organization—a mother 90 years old; brother in his sixties. Both went in to support at the same time. One was able to find a group home in a Toronto area agency. The mother went into long-term care. The mother never got to see the friends, the family, and the staff of the other people that would be living in that home. I think Ontario can do better with support to our citizens.

Ms. Catherine Fife: One might even call that cruel, I would say.

Allyson, you're up next.

Ms. Allyson Theodorou: Sorry. Would you mind repeating the question again?

Ms. Catherine Fife: The government of Ontario currently, right now, has \$5.4 billion that they are not investing in health care, in community services, in infrastructure.

As you are on the front line, I want to ask you: If you had your druthers, where would the government of Ontario—how much would they invest and what would the return on investment be for the clients that you serve?

Ms. Allyson Theodorou: That's kind of, for me, a two-part question, because our request, or our ask, is, one, on a request for a budget increase for us which allows us to support our members, to provide professional development. There is a huge backlog of training inquiries in the province for people to become peer support workers. Being able to offer that is great, but the other request is to our members who are offering the peer support.

1030

I think a lot more work needs to be done around the benefits of peer support and how peer support can support people. There are wait-lists right now that I know the government is working on reducing, but there are wait-lists. Peer-supporters are available to be able to provide that support while people are waiting for other services.

Ms. Catherine Fife: Yes. Your budget, though, is only \$300,000 annually.

Ms. Allyson Theodorou: Correct.

Ms. Catherine Fife: You can't stretch those dollars any further.

Ms. Allyson Theodorou: No. We have a very dedicated staff. I've been with the organization, as I said, for 30 years. I believe in what this organization does.

The Chair (Mr. Ernie Hardeman): One minute.

Ms. Allyson Theodorou: As a staff of 2.5 equivalents, we do what we can do. We do the best that we can do, and we've got a very dedicated staff and board that get the work done.

But yes, it's \$300,000 to serve the province of Ontario, and we do know that peer support does reduce hospital stays and does support people, so there definitely is a return on investment.

Ms. Catherine Fife: So you think that if the government fully understood the value of PeerWorks and the work that you do, that would justify an increased investment, which would in turn save the system money down the line.

Ms. Allyson Theodorou: Yes, and I think that there is a lot more awareness about what peer support is and the importance of the investment in peer support now than there ever was before.

Ms. Catherine Fife: Well, you did have a very successful lobby day. They do make a difference, so thank you for doing that, and we'll continue to advocate on our end.

The Chair (Mr. Ernie Hardeman): Thank you very much.

We'll now go to the independent. MPP Hazell.

MPP Andrea Hazell: Good morning. Thank you all for coming in, in Oakville. Thank you for presenting. I have a question for each one of you.

I'm going to start off with Brad. I'm not happy to hear about the financial crisis, because I, too, know and heard from parents of the great work that your organization is doing. So, I'm very sad to sit here this morning and hear about your revenue crunch, because this project is great in Scarborough—and I'm representing Scarborough-Guildwood, of course.

And you're doing this amazing partnership with Tridel, which is going to support people with disabilities getting into their homes. We're also in a housing crisis. And so, can you share more beneficial information on the partnership with Tridel? How is that coming along?

Mr. Brad Saunders: Really good. We have a five-acre piece of property in Scarborough that we are developing into a mixed-tenure inclusive community. There will be about 2,400 units built. Some of those—about 250—will be a rental building; 20% of the whole development will be for people with intellectual disabilities.

The crux of the matter is, though, that housing is just housing for people with disabilities. Unless there are dollars to support that that come from the province, the housing just goes into housing stock that's needed—obviously, as you say, MPP Hazell, it's much-needed across the city.

That return on investment is—I mentioned the family earlier where a 90-year-old mother's 60-year-old son went into a group home. If an investment had been made in that family situation earlier, it is likely that that young man at the time would have been able to live with less support than a group home, because he would have learned skills that he would not have otherwise received at home. He would be maybe living in an apartment with some roommates, with staff coming in.

So, I do think there's a strong case to be made, and we've seen this repeatedly, where if you intervene earlier, give people skills and give them a sense of independence and opportunity, what they need later in life is greatly reduced, saving much-needed resources for others who are more in need.

MPP Andrea Hazell: I want to extend further. You mentioned that during the pandemic—and I didn't hear you clearly because I was scribbling my notes down—you did not receive any funding.

Mr. Brad Saunders: During the pandemic, the province supported our sector throughout the province well, and I don't have anything negative to say about how we

were supported with PPE supplies, with support for staffing, with connections to our ministry, through Minister Smith and Merrilee Fullerton at the time—Minister Parsa now.

What has shifted since then is that we've gone back into more siloed thinking. Our sector is health, and we've seen the crisis in DSWs and PSWs. It's the same pool of staff. A significant investment continues to be made in PSWs and home care and that type of support. Nothing is coming to the developmental services sector, which is disappointing, especially considering what we experienced during the pandemic.

MPP Andrea Hazell: Thank you.

My next question is to Scott. Scott, thank you for coming in. It's fantastic work that you're doing. Thank you for helping to keep the roads very safe.

The Chair (Mr. Ernie Hardeman): One minute.

MPP Andrea Hazell: You mentioned \$33.6 million in grants for programs over five years. Can you detail that and share some of the meat and potatoes in that funding for us?

Mr. Scott Butler: As a point of clarification—and I suspect that I misspoke—we're looking for \$33.6 million per year, renewable for five years, and essentially, that comes down to \$400,000 per rural municipality, to put in place interventions, to do the diagnostic work and to do the treatment work.

MPP Andrea Hazell: Thank you so much.

I have—check on minutes?

The Chair (Mr. Ernie Hardeman): You have 22 seconds.

MPP Andrea Hazell: I'll get you in the next round.

The Chair (Mr. Ernie Hardeman): We'll now go to the government. MPP Crawford.

Mr. Stephen Crawford: Good morning to our presenters. Thank you all for being here today. Certainly, they were some very interesting and great presentations.

I'd like to start out with a couple of questions to the Good Roads association. Infrastructure and roads have obviously played a key role in our province, in our evolution over 130 years—as you mentioned, you've been around since the 1890s. I'm wondering if you could provide some insight into your perspective on, recently announced in the fall economic statement, the Ontario Infrastructure Bank and how that might have any effect on infrastructure in the province.

Mr. Scott Butler: Thank you for the question.

We have lots of ideas and lots of thoughts about the infrastructure bank—both federally and provincially. I think, if properly administered, it could really begin to unlock some potential that has been unavailable to road authorities—municipalities, previously.

There is lots of capital on the sidelines in this province. The challenge we run into, as a jurisdiction, is that we have landed on a governance approach where road authorities don't generate revenue the same way they do in other jurisdictions—things like toll roads, bridge tolls. But we're actively working on an opportunity that would collaborate between local governments, with their need for

infrastructure renewal, and the big pension funds, which are looking for domestic investment opportunities, and the infrastructure banks to actually make some headway on this. This is still very much embryonic at this point, but the discussions we've had with investors have been really positive.

The sad reality is that if you're in a municipal association, it sometimes feels like panhandling—we often come here, we put on a nice face and we try to be friendly, and we ask you for money. That's really what it feels like, running a municipal association at times. It's the same economic model.

The infrastructure bank, if effectively implemented—and I think that's going to be looking at some of the successes that the federal infrastructure bank has had, limited as they may be, as well as many of the shortcomings that the federal bank has had, and figuring out how to avoid those pitfalls and work with partners to come up with something that will be effective. There's no reason it can't unlock a lot of potential and begin making headway on that maintenance backlog. And just to put context on this, we're talking about over \$42 billion in maintenance backlog, just on roads and bridges in Ontario at the local level. A \$3-billion infrastructure bank is going to have to do a lot of lifting if it's going to make headway on the big basket of goods.

Mr. Stephen Crawford: Yes, there's no question we have infrastructure challenges, but also opportunities.

Our government has been committed to the largest infrastructure investment, as you're probably aware, in North America, with the subway expansion in Toronto, electrification of the GO lines, and roads, of course.

Getting back to roads, specifically, and infrastructure: What are the key obstacles you see to getting good, effective, safe roads built in the province of Ontario, and do you have any suggestions or ideas for the government as to how to get this done quicker and safer? And I say that with the point that Ontario had 800,000 people come to the province last year. That is the largest number of people moving to any jurisdiction in North America. That's more than Texas or Florida, with significantly higher populations, so the pressures on infrastructure—be it subways, transportation, health care, education—are critically important. We need good, safe roads. The GTA is one of the fastest-growing cities in North America. What are the obstacles, and what advice do you have for the government?

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Mr. Scott Butler: Well, oftentimes—and I mentioned this sort of panhandling mindset—it comes down to money. For years it's been politically convenient to kick the proverbial maintenance can down the road, and that's why we see a lot of roads in the state that they're in and a lot of the bridges in the state that they're in. Asset management planning—effective asset management planning, depoliticized asset management planning—does provide a way forward. It gives both the finance folks as well as the public works folks an input into the best way to make the most prudent expenditures at the right time.

Those roads are going to be important. As you said, we're a fast-growing region. There seems to be no indication that that's going to slow down any time soon. We're right back in the 1920s when we're looking at this explosive population growth.

Subway investments are great, and I think they're critical for the GTA. For communities in northern Ontario, for southwestern Ontario, for eastern Ontario, the benefits are a little less obvious, and that's why it's important to make investments into roads and bridges, because effectively those assets function as the TTC for Lakeshore, Leamington—communities like this.

I think that sticking to the plans—and the government has put in place regulations required to it—is the best way forward.

Mr. Stephen Crawford: Thank you very much.

How much time is left, Chair?

The Chair (Mr. Ernie Hardeman): You have 1.4.

Mr. Stephen Crawford: I'll pass over my limited time to MPP Anand.

The Chair (Mr. Ernie Hardeman): MPP Anand?

Mr. Deepak Anand: Thank you to each one of you for taking time and coming here advising. I want to start with Community Living Toronto.

Something which I'm very passionate about is skill development and training, and I noticed that, as a part of the government, there was a news release: The government of Ontario announced their \$6.5-million investment to support people with disabilities, and your organization actually got a piece of it with the MyJobMatch program.

The Chair (Mr. Ernie Hardeman): One minute.

Mr. Deepak Anand: Can you advise us what was the impact of that program? And to the committee, through the Chair, do you support such initiatives, such investments, and do you propose such initiatives and such investments for the next budget as well?

Mr. Brad Saunders: Sure. I know I've got about 45 seconds, so: The impact of MyJobMatch has been significant. Unemployment around people with disabilities, particularly people with developmental disabilities, is double-digits: 50%, 60%, 70%. Oftentimes a full-time job is not possible, so people often piece together smaller part-time jobs. MyJobMatch is a tool to do that, so that you can get to 20 hours a week to qualify for ODSP employment supports and organizations supporting them can facilitate that. MyJobMatch, which the province has been really invested in—both ministers have been quite supportive. We've got another round of that where we want to expand it across the province to make sure more organizations are using this—

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time for that.

We'll now go to the official opposition. MPP Wong-Tam.

MPP Kristyn Wong-Tam: Thank you to all the speakers for your presentations. It was very important for us to hear from you. I want to just recognize that you've taken the time to come out to speak to us today, and I think at least two out of the three of you have used the word

“crisis” to describe your sector. If you’re not in crisis, then the situation is dire and it’s heading in that direction.

My questions are for the three of you, and my first one is to Allyson from PeerWorks: Your organization has 50 members. Each of those members obviously operates within their geography, and they have many more clients that they serve. And yet your organization has had a flat-line budget largely since 1991 of \$300,000. My question to you is, how do you do this work? Because the math is just astounding to me.

Ms. Allyson Theodorou: One of the things that we did was we eliminated our office space a number of years ago and went completely to home offices so that we could use money that would normally be used for office space to be put back into our membership and our sector. We have also instituted small membership fees that we do waive for any of our members that the fees are prohibitive. And, as I said, we’ve got a really dedicated staff and board who really just get the work done. We are all people with lived experience who have benefited from peer support. As I said, I know the power of peer support from a personal reason, and so when you know what you do makes a difference—unfortunately, our reason for the pre-budget submissions is we’re getting to a point where that \$300,000 is just not going to be able to continue to keep the lights on for much longer.

MPP Kristyn Wong-Tam: I just have a quick follow-up question for you. Obviously, you’ve eliminated your occupancy rent cost. What else can you eliminate in order for you to meet the budgetary pressures if you don’t see any funding increase from the government in 2024?

Ms. Allyson Theodorou: Actually, there isn’t anything at this point that we can eliminate. We’ve now gotten ourselves down to two full-time staff and one part-time staff, so there isn’t really anything else that we see that we can eliminate at this point.

MPP Kristyn Wong-Tam: So it’s safe to say that you’ll have to eliminate staff, if it came down to it.

Ms. Allyson Theodorou: Yes, the only thing would be to reduce our staff complement, if needed.

MPP Kristyn Wong-Tam: Okay, thank you.

To Brad from Community Living, thank you very much for everything that you do—your organization, your board, your extraordinary team of staff and volunteers. I know that the city of Toronto and all the neighbourhoods and all the families that you support would be in a much direr situation without you being there.

When you describe the fact that to address the budget shortfalls, you have sold properties and froze expenditures, I’m assuming that you’re probably not going to release office space; Allyson has taken a very dire step to address her budget pressure. What else can be done in order for you to meet the budget pressures if the government does not increase funding to stabilize your sector and your organization?

Mr. Brad Saunders: We spent yesterday looking at that issue and diving into great detail as a leadership team. We’re reducing our maintenance costs. We’re reducing the support that we provide people who are in different

areas of the organization that are not directly supporting the front line but provide enabling services toward them, so we’re worried about that. We are actually reducing our office space around the city, which is prudent; it makes a lot of sense.

What we are worried about is we’re going into—our collective agreement, although we just settled it, is up for renewal, and we just received notice to bargain yesterday. So, we’re now going into the next year where we will be negotiating a further increase, and we’re still struggling to pay for the first one. With 80% of our budget going to staff, that’s where the cuts are going to come: within our staffing complement, sadly.

MPP Kristyn Wong-Tam: Ontario families are already struggling with respect to the high cost of affordability, housing. For families who have someone in their lives who is living with a vulnerability, with a developmental disability, those hardships deepen even more so. The fact that your staff has an up to 30% turnover every single year, I can only imagine, adds to that sector instability that you’re experiencing.

With respect to the request of the government of the day, you’re projecting that half of the sector is facing a deficit in 2024. What are you asking, specifically, of the government in the 2024 budget? What do you need in order for you to stabilize your organization as well as the sector?

Mr. Brad Saunders: It’s an immediate 5% investment, what we’re calling critical stabilization funding, just to help us keep the lights on and keep things going. As I mentioned, 70% are projecting a deficit in 2024-25 based on static funding if that continues.

MPP Kristyn Wong-Tam: And if you don’t get this 5% stabilization funding—because there was a promise of 2% in 2018 that did not come to fruition. If you don’t get the 5% stabilization funding, what happens next?

Mr. Brad Saunders: Well, we’ll look at how we manage that. Again, most of our budget goes toward staffing. That’s where the impacts will be greatest felt. We’re already feeling it on the non-staffing, non-direct support areas.

MPP Kristyn Wong-Tam: Thank you. And thank you for all the work that you do.

My question now goes to Scott and to your good organization. I’m very interested in hearing about the innovation that other municipalities, perhaps other territories, are undertaking. But in your presentation, you also talked about the basic things that you need, such as guardrails, crash cushions, lighting, signage, paint. That does not need an infrastructure bank; I imagine most economists and most financial experts will probably say, “Just fund it.”

1050

What type of funding do you need in order for your organization to advocate and to make sure that there is greater road safety in municipalities across Ontario?

The Chair (Mr. Ernie Hardeman): One minute.

Mr. Scott Butler: Well, I should clarify: We’re fortunate, when I hear my colleagues speaking here, we’re not under the pump the same way they are. What we’re look-

ing for is money to be put into the ground, right—to be invested back into the public realm.

The difference between that \$33.6 million a year for the next five years and the broader infrastructure bank is really simple. The broader infrastructure bank will allow for a big renewal, that multi-generational renewal of assets that took place—probably the last time was after World War II. This is really small, tactical stuff.

That said, the innovation I was talking about—guardrails today are much different than they were in 1950, right? Crash cushions operate much differently. Even paint, if you can believe it, is a different product than it was back then. All these things have gone through a really multi-pronged approach to make products better, more durable—

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time.

We'll now go to the independent. MPP Hazell.

MPP Andrea Hazell: I'm coming back to Good Roads. I have one question that I didn't ask: How do you envision the partnerships between the government of Ontario and municipalities in implementing and sustaining, which is crucial, the road safety program? What role do you see municipalities playing in the successful execution of these initiatives, if it's going to work?

Mr. Scott Butler: Well, there's no reason it shouldn't work. Any other jurisdiction that's put the time and attention into making it work has realized the benefits. We would really have to do something unprecedented and spectacular not to see some benefits.

What we're proposing is that we would administer the fund in conjunction with the Ministry of Transportation, in part because we have a 130-year relationship with all these end-users who would be beneficiaries of this program. And we can do it in a fairly agile way. We've done it in the past when MTO has come to us to help deliver money for asset management planning. We were able to do it in a really nimble way. I think that's really the basis of it. Why not take the existing relationship that we enjoy and have developed over the last 13 decades with road authorities and leverage that?

It allows MTO to continue the important work they are doing. They're undertaking one of the biggest expansions of the transportation system in Ontario in many, many generations. This is really simple, low-hanging fruit that doesn't need to preoccupy their time. We can do that and they can enjoy the benefits of it.

MPP Andrea Hazell: It was a good advocacy day for you at Queen's Park as well, so I wanted to acknowledge that.

Mr. Scott Butler: Thank you.

MPP Andrea Hazell: I've got a question, again, for the three of you, but I'm going to start with Allyson. What would be your key points for us to focus on regarding your presentations today? What would you like to leave us with?

Ms. Allyson Theodorou: I would like to leave you with: Peer support really does work, and it is needed—more resources are needed in the province of Ontario for peer support. It helps to support people who have fallen through the cracks or who aren't feeling that they're

getting the support elsewhere. It helps to support people and it can actually help to save the province money by reducing hospital stays and other services, and it works in tandem with those services. So, I would definitely say that that's one of the things, and to please look at your local consumer survivor initiatives and peer support organizations to see the great work that they're doing, and to help us to be able to support our membership and to keep our lights on so that we can continue to do the great work that we're doing.

MPP Andrea Hazell: Thank you.

Mr. Brad Saunders: Sorry. Remind me of the question, please. What we would focus on from our presentations?

MPP Andrea Hazell: Key points.

Mr. Brad Saunders: The sector is in crisis. If we don't receive an injection of an increase to our base budgets, we're going to have to make reductions within. As I started saying earlier, that could be a reduction in community support. We support 600 people where they live, so they go to sleep in facilities supported by our staff and they wake up with us.

The Chair (Mr. Ernie Hardeman): One minute.

Mr. Brad Saunders: We cannot dial that back, so we would look at reducing community supports and other supports just to keep the lights on there.

Mr. Scott Butler: If there's a theme here, it's the fact that the people who are going to save health care dollars are different than who you think they are. They're public works officials. They're people providing peer support. They're Community Living. If you give me my \$36 million, you can take the \$140 million in savings and give it to them.

MPP Andrea Hazell: It goes hand in hand.

How many more seconds do I have?

The Chair (Mr. Ernie Hardeman): You have 29 seconds.

MPP Andrea Hazell: Brad, how long can you sustain your business model without getting this funding that you're asking for?

Mr. Brad Saunders: Our business model needs to be rethought, regardless. However, next year would be very, very challenging for us if we don't receive an increase. I don't know what we'd look like coming out of that.

MPP Andrea Hazell: Thank you for putting that on the record.

The Chair (Mr. Ernie Hardeman): We'll now go to the government. MPP Anand.

Mr. Deepak Anand: Going back to the initial conversation—so if you want to add anything to it—my question was simple: Have you seen any change because of the Skills Development Fund? Number two, what would you like to tell the committee? Should we continue it? Should we not do it? And if we do it, are there any suggestions?

Mr. Brad Saunders: The impact of the skills development grant that we've received around MyJobMatch and some other organizations that we've worked with has been significant. We've developed a platform that's very well supported. We've matched hundreds of employers with

hundreds of people who are job-seekers in jobs and opportunities, and now they're contributing to the economy, participating in their communities. It's fantastic work. And we've been big proponents of—we've actually got a submission in for I guess it's the fourth round of skills development funding, and hope to see it continue because the impacts that we've seen are real and significant.

Mr. Deepak Anand: Thank you very much.

My next question is to PeerWorks.

I do want to acknowledge—and I was looking at your AGM and the report that you have with Minister Tibollo, talking very highly of you. I usually look at it this way when sometimes we talk about the data—one in five or two in 10 or whatever it is: It's not 20% for that individual; it is 100%. For that family, it is 100%. So thank you for what you're doing and providing support through the peers.

In terms of more medical students to enter family medicine—and this is something which we have seen is the trouble right now—the government has increased base funding for hospitals across the province by an average of 4%, as more predictable funding, helping the hospitals with their fiscal planning. What do you propose to the government to—consider to encourage more medical students to enter family medicine and its related fields so that we can help and support more of these organizations?

Ms. Allyson Theodorou: I'm not sure I understand the question, but I'll try answering it.

We find that peer support works alongside other professionals. For example, when you're having a mental health crisis and you go into the hospital, if the hospital doesn't have a peer support worker in their emergency department—and most hospitals don't; some do, and we're seeing more and more. When you have a peer support worker in your emergency department and someone comes in with a mental health crisis, being able to sit with someone, while we know that there are wait times in the emergency department, allows for other people within the emergency department to do their work—why someone is sitting with someone who's in a crisis. We also see peer support workers on different floors in the hospital supporting people.

We are now seeing more and more peer support workers in other areas. I definitely think that allowing there to be more peer support workers across the province in other areas—they're definitely going to see a benefit to and the free-up of services for other areas.

I'm not sure that I answered your question completely.

Like I say, when you're talking about hospitals and peer support workers, being able to have peer support workers in the hospitals is—

Mr. Deepak Anand: It helps.

Ms. Allyson Theodorou: Not only does it help; we've got some peer support workers who work in hospitals, who say that not only are they supporting people who are in crisis, but when you go into a hospital and you're not feeling good—it's difficult to sit in an emergency room when you're not feeling good. Having someone be able to just come over and check in on you and say, "How are you doing? Yes, I know the wait time is a long time"—being

able to just sit and talk with someone alleviates a lot of the stress off of the individual and also the other staff that sometimes get people who get agitated because they've been sitting for so long. The benefits of having peer support workers in the hospital is, yes, unbelievable.

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Mr. Deepak Anand: Thank you.

That's it for me. MPP Dowie.

The Chair (Mr. Ernie Hardeman): MPP Dowie.

Mr. Andrew Dowie: Thank you, Chair. How much time do I have left?

The Chair (Mr. Ernie Hardeman): You've got three minutes.

Mr. Andrew Dowie: Okay. Thank you.

Thank you to all the presenters for being here. I'd like to maybe start with Mr. Saunders from Community Living. I know my local Community Living, or at least one of the two agencies, has been in touch with me regarding, really, the same nature of request indicating that—I believe they've cited that a base budget increase has happened only seven times in the last 30 years and that that total base budget increase has been less than 5%. So clearly this is something that has been going on under all governments and it's something that just seems to be built into the system.

I understand your ask for the immediate 5% to keep the lights on. I would like to know if you can elaborate a bit on what risks you might see for the future if this current pace keeps up where, over the course of 30 years, you only see a 5% increase.

Mr. Brad Saunders: Well, I think we're seeing it. You are right; it has been a decades-long trend of just giving organizations money at some point in the past. Many of us—and probably the organizations in your community too—received individuals from institutions or from community in the 1980s and 1990s and 2000s, and you get an allocation for that individual and then you're just expected to just make it work for the life of that individual.

It's not sustainable. I think we're seeing it in homes that are in need of renovation. We're seeing it in the high turnover rate of staff. We're seeing it at college programs not fully enrolled, or really a dependence on foreign workers coming in to fill gaps that we're seeing in our own workforce. I think what we're seeing, we'll see more of, and more urgently, especially as the labour shortage in the province is felt across many sectors, ourselves included.

Mr. Andrew Dowie: Thank you for that. That actually goes nicely into my second question for you. The same agency, which was Community Living Essex County, indicated that they're hopeful that our government would consider a learn and stay type of program for the developmental services sector because there are so few getting into the profession. I believe I heard in your remarks that you would be supportive of that, and I just wanted to see if I'm correct.

Mr. Brad Saunders: Learn and Stay—our organization and a couple of others have looked at bringing in foreign workers from Kenya to help as one of our streams of support. We're upskilling individuals who might want

to change careers. So, we are looking at all those pieces and are very supportive of anything that's innovative and brings people into this sector.

Mr. Andrew Dowie: Thank you. I understand we don't have much time, so I'll end there.

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes this panel. We thank all three panellists for making their presentations. I'm sure it will be of great assistance as we move forward on preparing the budget.

CENTRE DE SANTÉ COMMUNAUTAIRE
CHIGAMIK COMMUNITY
HEALTH CENTRE

CHILDREN'S MENTAL HEALTH ONTARIO
WOODGREEN COMMUNITY SERVICES

The Chair (Mr. Ernie Hardeman): With that, our next panel is CSC Chigamik CHC, Children's Mental Health Ontario and WoodGreen Community Services, if they would come to the table.

As you're approaching, it's the same as with the former panel: You will have seven minutes to make your presentation. At six minutes, I will give you the signal that there is one minute left. At the end of that, we will stop it and move on to the next. With that, we also ask that the presenters make sure that they introduce themselves as you start speaking.

We do have WoodGreen Community Services, for those watching, attending us virtually. I believe they're on the screen.

With that, we will start with CSC Chigamik CHC.

Ms. Suzanne Marchand: Thank you very much. Good morning. Bonjour. Aanii. My name is Suzanne Marchand. I'm the executive director with the Centre de santé communautaire Chigamik Community Health Centre.

Members of the committee, thank you for having me here today. Chigamik Community Health Centre, meaning "the people's place" in Ojibway, is a non-profit, community-governed organization committed to providing essential health care services to our community. Today I want to impress upon you the critical need to invest in community health for the well-being of our residents and Ontarians.

Chigamik provides a blend of primary health care services, free community programs and community development initiatives. Our model of health care is based on the well-being of a health care system that is community-driven and proactively addresses the social determinants of health. We are co-governed by one-third Indigenous, one-third francophone and one-third other members of our community who experience barriers to care. As a partially designated French-language services organization, services and programs are available in French and English, and are culturally relevant and holistic.

We service the North Simcoe community, where we provide crucial health care services, such as access to primary care through doctors and nurse practitioners, mental

health workers and other allied health and social service programs. We focus on those who face the greatest barriers to care and have been disproportionately affected by chronic diseases, respiratory illnesses, mental health issues and addictions, among others. For many marginalized and vulnerable members of our community, Chigamik serves as the last line of primary care and wraparound services.

Our model of care goes beyond the basic, emphasizing prevention, prehabilitation and addressing systemic community needs. By placing the patient at the centre of their care, we ensure the whole person's health and well-being is being addressed. We bridge the gap by supporting access to basic needs like food and housing, fostering connections between social activities, culture and health, and we recognize the importance of identifying root causes of chronic disease issues and provide support, tools and resources to prevent their progression.

Operating out of the community health hub alongside seven other community-focused organizations, we collectively aim to be a safe, inclusive environment for those facing physical and mental health and addiction challenges. Research has identified that 5% of Ontarians use two thirds of all health care dollars, and the majority of these people have medical conditions that are either caused or worsened by poverty, malnourishment and social isolation. These are the people we serve.

CHCs support individuals who, on average, represent populations that are 68% more complex than the average Ontarian. Yet, through cost-effective interventions that focus on addressing social determinants of health, such as social prescribing, we've managed to save over \$27 million annually by reducing emergency room visits across Ontario for all CHCs. Our innovative services effectively combat hallway health care, keeping those with the greatest barriers to care and poor health outcomes in our communities and not in hospitals. Our evidence-informed, team-based care aligns seamlessly with Ontario's goal of connected and convenient care, ultimately reducing the strain of cost on the acute-care system.

Today, I come before you with a plea for investment to secure the future of Chigamik and community health across Ontario. Chigamik, as a member of the Alliance for Healthier Communities, proposes the Ontario budget invest in three key areas:

Firstly, invest in health human resources for interprofessional primary health care teams with \$165 million over five years to reach the 2023 recommended salaries. Primary health care staff have been paid at or under the 2017 salary rates and are leaving the sector as the cost of living rises. Due to insignificant funding, Chigamik has not been able to bring salaries for their staff to the 2017 rate. To address this issue, we participated actively in the Ontario Community Health Compensation Market Salary Review, conducted in collaboration with 10 provincial associations, representing over 1,300 organizations. Eckler lead this comprehensive salary review, which was released to the province in December 2023.

Secondly, we request a 5% increase in base budget funding for community primary health care organizations

like ours. Operating costs—such as utilities, insurance, rent—continue to rise. As a result, Chigamik finds itself having to make cuts to service delivery in order to pay the bills. In 2020, Chigamik moved from a small office space located in the local strip plaza to a new community health hub, resulting in a significant increase in operating costs. Chigamik is grateful to be operating as a key partner in the community health hub; however, Chigamik has not seen an increase in their base funding as an alliance member in over 11 years.

Lastly, we advocate for an investment in equitable, culturally safe, interprofessional, team-based care. Community-governed primary health care organizations play a crucial role in relieving pressure on the broader health system by offering services rooted in determinants of health, anti-oppression and cultural safety. We provide culturally safe primary care services, health promotion and community development services that help address the social, economic and ecological determinants of health.

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The rationale behind these requests is clear: Comprehensive primary health care organizations alleviate pressure on the health system, support clients in the community and address—

The Chair (Mr. Ernie Hardeman): One minute.

Ms. Suzanne Marchand: —the inequities that impact hospital system use. The time to act is now. The pressures we face are real and increasing. Our staff faces stagnant salaries, and without investment, our ability to deliver essential services is now at risk.

We believe in solutions that align with Ontario's health plan for connected, comprehensive and more convenient care. Investing in wages, base budgets and culturally safe care will not only sustain Chigamik but contribute to the well-being of our communities.

In conclusion, I thank you for providing me this opportunity to advocate for the future of Chigamik and community health. Your commitment to health prevention and promotion is commendable. Now, it is the time to take our health system to the next level through investment in comprehensive primary health care. Thank you. Merci. Meegwetch.

The Chair (Mr. Ernie Hardeman): Thank you very much for your presentation.

We will now hear from Children's Mental Health Ontario.

Mr. Tatum Wilson: Thank you very much for the opportunity to be here. Good morning. My name is Tatum Wilson and I am the CEO of Children's Mental Health Ontario. It is my privilege to be presenting to you today on behalf of the 85 community-based child and youth mental health agencies CMHO represents and the 140,000 children, youth and families our sector serves each year.

As you likely know, there is a crisis in child and youth mental health. Before the pandemic, CMHO research showed that there were over 28,000 children on waiting lists for mental health care, with some waiting as long as two and a half years for treatment, and a further estimated

200,000 children and youth with significant mental health issues received no service at all.

Since then, we know the situation has become even more dire for Ontario's families as demand continues to rise and needs have increased. There has been an increase in self-harm, eating disorders and anxiety and depression amongst children and youth, and as recently as 2022, four out of the top 10 reasons for hospitalization for children and youth are for mental health challenges. Arguably, a hospital should be the last resort for seeking care for mental health issues.

This higher prevalence of more serious and complex challenges creates even higher demand for services across the province. At the same time, like the rest of the health care system, community child and youth mental health is facing a health human resources crisis, which is even worse in northern, rural and remote communities and further exacerbates challenges for equity-deserving populations. This crisis has a significant cost, both on the quality of life and families' well-being, but also on health and social service systems today and in the future.

Because we are here today in Oakville, I want to share a particularly harrowing but also hopeful story with you that illustrates just how significant the impact and costs are. We know of a young person, who we will call Ali, who spent eight months—eight months—in a GTA hospital, mostly in seclusion, because he couldn't get care in the community. Imagine how many times we must have failed Ali and his family as a system for the result to be an eight-month hospital admission. While there, Ali missed school, missing important opportunities for his development and socialization and, in addition, required intensive resources from the hospital and their staff.

We can all agree that hospitals play an important role for stabilization but are not the long-term place for a child or young person for mental health treatment. Luckily, after much work of Ontario Health and, as you'll see, Kinark Child and Family Services, Ali was able to eventually get treated at the Syl Apps Youth Centre here in Oakville, a community secure treatment facility run by Kinark Child and Family Services. However, it took eight months for him to get there. But I'm happy to share that since being moved to the right setting for his treatment and care, Ali is on a much better trajectory. He is attending school regularly, participating in recreation and on an effective treatment path.

I share this story because we should all strive for a system that allows us to intervene earlier so that no family has to experience what Ali and his family did. Not only that, but the economic imperative—complex cases like Ali's can bring costs in health and social services of upwards of \$75,000 a month for one youth. That's almost \$1 million for his eight-month stay alone.

The impact of this crisis is significant on the entire family, where parents and siblings experience high levels of distress and parents and caregivers often also miss work or leave the workforce altogether to care for their children. Since the majority of mental health challenges begin in

childhood and adolescence, by intervening early, we can set up our children for better success for their lifetime.

I have to acknowledge that we are very grateful that the government has taken steps to respond to this crisis and, in particular, this past year, has made historic investments in child and youth mental health. The 5% base funding increase this year from Ministry of Health-funded community mental health and addictions providers has made a significant impact to begin to stabilize services.

In addition, new investments announced by the Premier in July to right-size the children's health sector and allow us to invest in critical service gaps in intensive services—services that Ali could have benefited from, should we have been able to intervene earlier—have been welcome. But even with these new investments, challenges persist, and the health human resources crisis continues to worsen and have an impact on access to care for families.

Part of this, like our previous speaker has just raised, is about wage parity compared to our sector and the hospital and education sector. As an example, we know that staff who work in our sector make close to 50% less for the same work than their counterparts would make in the education system. While we always welcome investments to support children and youth, a comprehensive approach is required in order to reduce the impact of this wage disparity. It is drawing staff away from our sector, which then just further exacerbates the wait-lists. This is why we can't pursue just one-off solutions, and we have to work towards a system-of-care approach.

In addition, there are areas of our system that have been left out of new funding altogether, and these are programs that serve critically important communities and children. Many of our members are funded by the Ministry of Children, Community and Social Services. Critical programs like infant and young parent programs, which support our youngest children and often their young parents, have not received funding increases in almost two decades, yet we know that important opportunities to prevent mental health issues from starting and intervening early occur in the infant and early years.

Our members who work in the youth justice sector have also not received an increase in over 17 years. All of these providers are part of the system supporting youth and need to be adequately resourced. Significant service gaps exist for underserved populations as well, like transitional-age youth, francophone youth, those with diverse identities, and those living in rural and remote communities.

For the 2024 Ontario budget, we are asking the government to continue—because we do recognize the investments that have been made—to partner with us on our strategy to invest \$140 million over four years to stabilize, sustain and system-build, so that every infant, child, youth and family has timely and equitable access to high-quality mental health services. This year we are asking the government to invest \$35 million into community-based child and youth mental health care, to stabilize the system and address critical service gaps, and ensure that this funding is applied consistently, both across the Ministry of Health and the Ministry of Children, Community and Social

Services, to include infant and young parent and youth justice partner organizations.

While new investments will help to close the pay gap and bolster services over time, it is also critical that we start to maximize—

The Chair (Mr. Ernie Hardeman): One minute.

Mr. Tatum Wilson: —the impact of any new investments, including moving forward critical work on a health human resources strategy, an equity plan and a data strategy for community child and youth mental health. We need to measure the impact of these investments. As well, annualized planned increases would go a long way to enabling our sector to plan for the future and make relevant decisions. We want to move from a sector that has to rely on stabilization injections to a high-performing system that is well planned and funded so we don't have to keep responding in crisis.

Applying a system-of-care approach is a critical part of building an integrated child and youth mental health system in the community, able to respond to the mental health needs of infants, children, youth and families, regardless of which ministry they are funded by; a system where no matter where you live, no matter your age, no matter your co-occurring needs, for all races, cultures and orientations, you can find the client-centred, culturally appropriate care that you need, that your child needs and that your family needs. We know you share this goal with us, and we look forward to continuing to partner with the government so we can better respond to the urgent needs of Ontario's infants, children, youth and families.

The Chair (Mr. Ernie Hardeman): Thank you very much for your presentation. We will now go to WoodGreen Community Services, virtually.

Mr. Eric Mariglia: Good morning. My name is Eric Mariglia. I'm the director of public affairs for WoodGreen Community Services. WoodGreen is one of Toronto's largest social service agencies, serving clients across 40 locations with over 75 programs and services. Some of those programs have been replicated in other parts of the province, including in Halton.

For budget 2024, WoodGreen has made recommendations in four key areas: community care programs, community mental health and addiction services, deeply affordable housing and women's economic empowerment.

Firstly, we're asking the government of Ontario to invest \$76.2 million for the community care sector, in line with the Ontario Community Support Association's call. Ontario needs a strong community care sector that can support and alleviate the strain on hospitals, primary care and long-term care. We know that alternate-level-of-care patients are occupying hospital beds when they could better be served in community. This funding will address the growing need for community support services and sustain programs such as adult day programs, Meals on Wheels, transportation, assisted living services and caregiver supports.

WoodGreen's personal support services provide personal care, meal preparation, medication reminders and household support to clients, and we require an additional

\$220,000 to increase our client target by 10%. However, this can't be done without investment.

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WoodGreen provides cost-effective programs that keep clients safely housed, alleviating pressure off of hospitals. Models such as our assisted living cluster care provide seniors, including ALC clients, with a shared living space with 24-hour PSW services. This model has an average cost per bed, per day of \$99, compared to long-term care, where it's around \$201 per day. Given the growing number of patients occupying acute-care settings who do not require it, this model is important as it provides an additional option of care. This is why we're asking for \$970,000 annually to operate 27 more of these cluster care units. However, once again, it cannot be possible without sector-wide investment.

Secondly, we're asking the government to provide a 7% increase towards expanding existing community mental health and addiction services, in line with the Addictions and Mental Health Ontario call. In budget 2023, the Ontario government invested \$425 million, which did help sustain community mental health programs and support staffing and administrative costs. However, it should be noted that many organizations completed their moderation period of Bill 124 in 2022-23 and used the majority of this funding to respond to three years of restricted increases to salary and benefits. To truly expand these services and meet the increased demand that we are seeing, there must be an additional investment.

Many community mental health programs at WoodGreen are above capacity, including our Toronto Seniors Helpline, our Crisis Outreach Service for Seniors, our walk-in counselling, our comprehensive care and integration specialists, and our Social Work and Full Circle. Our programs have experienced a large increase in demand and have a significant complexity of client need. WoodGreen requires an additional \$3.3 million to expand our programs and services, which we could see through a sector-wide investment.

Thirdly, we're asking the government to support the development of affordable housing by providing non-profits with upfront equity through a revolving equity fund, alongside having lower borrowing rates and provincial surplus land. A pre-development revolving housing equity fund would support non-profit housing providers to scale up non-market or mixed-income housing projects. An investment of \$1 billion for a revolving equity fund could create up to 40,000 units of fixed-income housing, the concept being that affordable housing developers would receive the upfront equity in the fund and pay it back to the fund once the building is complete.

Despite WoodGreen's success in developing affordable housing units, our organization still lacks predictable and readily available investment capital to finance and scale up development. Giving upfront equity to non-profit housing providers will allow them to move projects forward to the viability phase, which will unlock financing, incentives and grants from the municipality or the Canada Housing Mortgage Corp., CHMC, or corporate banking

partners to pay for the construction and development. The source of equity could potentially come from something such as land transfer tax, where the province has collected \$1.77 billion through land transfer tax in 2022-23. If the government were to invest \$1 billion from land transfer tax into an equity fund, it could create up to 40,000 units if recycled three times within ten years. By revolving the investment and accelerating the approval process, it reduces the overall cost and time needed to build.

Finally, we are calling on the government to invest \$8.8 million over four years toward Homeward Bound programs to support an estimated 275 single mothers and over 500 children across five southern Ontario communities: Toronto, Halton, Brantford and Brant, Peterborough, and expanding to Durham.

Homeward Bound is a woman's economic empowerment program created by WoodGreen in 2004 that supports single mothers, the majority of which come from the shelter system and many of whom have faced domestic violence, to permanently transition from social assistance to stable employment. Our programs provide safe housing; child care; a fully funded two-year college education in high-demand fields, including—

The Chair (Mr. Ernie Hardeman): One minute.

Mr. Eric Mariglia: —the skilled trades, personal support and social work. It offers job search support and a 14-week internship.

For graduates of the program, the employment rate among participants entering Homeward Bound was 6%, compared up to 87% up to five years after graduation. The proposed investment could leverage up to \$52.8 million in savings for the government over a four-year period, lower social assistance requirements and increase tax revenue.

Thank you for the opportunity to present today, and I look forward to any questions from the committee.

The Chair (Mr. Ernie Hardeman): Thank you very much for the presentation. That concludes the presentations. We now will start with the questions, and we'll start the first round with the independent members. MPP Bowman.

Ms. Stephanie Bowman: Thank you to all the presenters for being here today. I will start with Suzanne from Chigamik and move through the rest.

Suzanne, you talked about 5% of Ontarians using about two thirds of all health care dollars. I don't think I've heard that stat before. It's very interesting. Could you talk a little bit more about that and how your organization is helping to divert some of that money that's spent in the health care system by providing those wrap-around kind of services?

Ms. Suzanne Marchand: Thank you very much for the question. That particular information was conducted through a survey and some research that Chigamik did in partnership with the U of T back in 2019. I think that information is important in that, as a community health centre, our goal is to really help those who face barriers to health care. Our goal is to keep them out of hospital and to provide those wrap-around services. When you're a member or a client with the CHC and you're seeing a primary care provider, whether that be a nurse practitioner

or doctor, you have full access to the entire interprofessional services, which could be a dietitian, could be part of our smoke cessation program, for free. It could be having mental health counselling and services.

When you come into Chigamik or into any other CHC, you have all of those wrap-around services available that your primary care physician—again, either the physician or nurse practitioner can refer you to get all the help that you need that keeps an individual, perhaps, out of crisis, supports them and connects them to the community as well.

Ms. Stephanie Bowman: Great. Thank you.

Tatum, I'll move to you next. You talked about the 85 community organizations that are your members and 140,000 children and youth in their care—and about 28,000, was it, awaiting service? So, again, about close to 25% of your total patients; there's that many people outside of the "system" waiting for that care.

Could you share a story from some of those families that you hear from who are, again, desperate for care for their children and you have to turn them away?

Mr. Tatum Wilson: Sure. I appreciate the question, and again, just a reminder that those were pre-pandemic numbers, and we know that in the isolation of the pandemic, particularly children and youth bore the brunt in terms of their mental health and wellness.

There are stories from all over the province. Some of the anecdotes that I've heard, which sort of become more universal the more you talk to people, are situations where families are going to their primary care provider, not necessarily sure how to get connected to a community provider. They call one, they can get onto a wait-list, and then they end up waiting and then often end up doing things like—again, a child is in crisis, having suicidal ideations, so they go to the emergency room, which sets you on a path of hospital care, which isn't set up to help you manage the care of the child or youth and then also supporting the family with other supports that they might need.

I've also heard stories of families who, at a last resort, are calling the police because they either feel like their family is literally in danger, or it's actually just a place to get a kid somewhere where they will be held and their safety maintained. These stories go across the board.

We also know, for example, some of the children and youth in province need access to out-of-home care, so residential care, and there are whole swaths of the province where there is no access to residential care. These are kids that need care and just cannot get it without either travelling very long distances or just not getting the care that they need.

Ms. Stephanie Bowman: Eric, a question for you: You talked about the funding that you got in the last budget and basically that went to closing the gap from Bill 124, or trying to close the gap, in terms of the impact of that on your staff. I think it's unfortunate to hear that we know that Bill 124 continues to have an impact. It's very disheartening that the government is still appealing the ruling on that bill instead of just moving forward, putting it

behind them, acknowledging it was a mistake and moving forward. Could you talk about what your staff are saying about the impacts that that bill, the fact that it's—

The Chair (Mr. Ernie Hardeman): We'll have to wait for the answer in our next round.

We now will go to the government. MPP Coe.

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Mr. Lorne Coe: Thank you, Chair, and through you, thank you to Suzanne and Tatum for your presentations.

Just before Christmas, I was at Ontario Shores Centre for Mental Health Sciences with my colleagues from health and community and social services. We made an \$8.4-million announcement related to pediatric care; you might have seen it. Part of it was a line to mental health services and accessing mental health services for you. But that's in addition to, as you noted in your presentation, Tatum, the \$3.8 billion over 10 years and what the finance minister spoke to when he introduced his economic statement recently, an additional \$425 million over three years starting in 2023-24. I'm just quoting from the statement so I don't move too far from that: "These investments support the stabilization and expansion of ... services."

The money that I announced, the \$8.4 million, went in part to Ontario Shores Centre for Mental Health Sciences to expand some of the services that they currently provide that you're both well familiar with. But it also went to Grandview children's treatment centre, which will be opening in a couple of months the brand new children's treatment centre, to continue to provide the type of services that they have for years, overall.

I'm interested in your perspective, starting with Tatum, about what you see the effect to be of these types of investments, particularly the \$425 million over three years starting in 2023-24 and focused on the stabilization that you spoke of in your presentation.

Suzanne, I'm going to come back with another question in a different area.

Please, Tatum. Thank you, Chair.

Mr. Tatum Wilson: Thank you, MPP Coe. Thank you very much for the question. As I said, we are grateful for the investments. Our message has been stabilizing, then sustaining and then allowing the system to build. Notwithstanding the gratitude that we have for the investment, we surveyed our members recently about where that—it effectively was a 5% increase for our sector. I think 97% of our members said that that increase was going to wage increases, and a full 50% said that all of it was going to wage increases. The reality is that even in that context of all that money going to wage increases, many of them still had to do staffing and FTE reductions in order to give those wage increases.

So, it is certainly making it better than it would have been without it. However, it isn't really practically expanding the kind of services in the way that we know that we need to, to reduce the wait-lists. Other efficiencies that come from those kinds of funding investments are having a positive impact, but really, what we're doing is we're avoiding further crisis more than doing the kind of system building that we want to do.

It's very much appreciated, but the reality is those kinds of investments end up minimizing risk rather than expanding services. What we would love to do is continue on the path of investment that we've seen so that we can get to a place where we are actually expanding the services in the way that we know we need to.

Mr. Lorne Coe: Thank you.

Supplementary, Chair, through you to Suzanne: Welcome, and thank you for your presentation. I was interested in the aspect of your presentation that talked about the model of care that the Ministry of Health presently has in place. You'll understand that a feature of that model of care now includes some enhancements to the role of health teams, starting with 12 to begin out of the 57 that exist. In my case, that would be the region of Durham.

Do you think that that expansion of accountability and responsibilities for health teams is a significant step in helping to move forward the model of care that you spoke of earlier?

Ms. Suzanne Marchand: Thank you for that question. Chigamik is a member of the North Simcoe Ontario Health Team. We are a core member of that extended health team. The model very much puts the patient at the centre of care. I believe strongly that we are moving in the right direction. However, when four organizations who are all funded very differently come to the table to try to make a bigger impact from a community and a client or patient perspective, we seem to be competing for our own personal needs as opposed to putting the client and Ontarians in the centre of their health care; that's what we really need to do.

We are moving and making some strides. We are a third cohort, which means we've just really been an OHT now for three years. We've finally received some stabilized funding so that we can make some progress and really come together and make some things happen. But we have to be bold and brave at that table. I'm a very loud voice, and I'm anxious to move things forward, but we have to put aside our competing priorities—because we're all funded very differently—to use that money collectively to make an impact on the overall health and well-being of Ontarians.

Mr. Lorne Coe: Thank you for the work you're both doing.

To MPP Riddell, please, Chair, through you.

The Chair (Mr. Ernie Hardeman): Okay. MPP Riddell.

Mr. Brian Riddell: This question is for both of you. I'm sure that you know we're the first government in Ontario's history to [*inaudible*] mental health and addictions, and we are the only government that has ever treated these issues with the seriousness they deserve. We appreciate the support your organizations have provided. I'm just wondering if you could speak more to the effects you think this has had on your communities that you're involved with—to start.

Mr. Tatum Wilson: Thank you for the question. We are very much appreciative of the attention that is being focused, and particularly appointing a Minister for Mental Health and Addictions is quite useful. Again, as I've said, we are grateful for the investments that have been made,

and it's clear that the government is committed to taking the early steps to begin to stabilize the system.

The Chair (Mr. Ernie Hardeman): One minute.

Mr. Tatum Wilson: I know that Minister Tibollo is very keen on things like the youth wellness hubs, which have been a great investment. Many of our members are participating in that.

That being said, a lot more attention on mental health and addictions also means that people are more comfortable acknowledging their own need, and it has then netted out as a greater increase in demand because people are more comfortable talking about it. Again, we're grateful for the investments, grateful for the attention that is focused on it, but the commensurate investments that are required to actually meet the demand will be required to bring that to life and have the full impact that I know everyone wants to have.

Mr. Brian Riddell: Thank you for your response.

Ms. Suzanne Marchand: Thank you for the question as well. From Chigamik's perspective, we are governed through an MSAA, a multisector accountability agreement. One particular area—we have a program called Strong Women Strong Nation—has benefited specifically—

The Chair (Mr. Ernie Hardeman): The rest of the answer will have to wait until the next round.

We'll now go to the official opposition. MPP Wong-Tam.

MPP Kristyn Wong-Tam: Thank you to all the presenters for your very insightful presentations. I'm quite moved by the fact that, once again, we have presenters coming before us talking about the crisis that they see in the sector, the challenges that your sector is facing largely with respect to the cost of service delivery, the extraordinary long wait-lists for clients who try to get the services that they need, and then falling short of that despite all best efforts.

I want to begin by submitting my question to Tatum. When it comes to mental health and children in Ontario, I think this is something that we all take very seriously. In previous deputations and also in the submissions I've seen and your website, I know that that you've oftentimes spoken about the diversion of health care costs. If you invest in mental health, you're going to see some reductions in other emergency-based health care costs. Have you also done that sort of aggregate math when it comes to the diversion of police calls, the diversion to access to court services? And if so, can you share some of those insights with us?

Mr. Tatum Wilson: Thank you for the question. Again, I think it speaks to the comprehensiveness of some of the challenges, but also the ways that we can orient some of our solutions.

We have not done an analysis of police or justice costs. That being said, many of our members are youth justice providers who work with kids and youth as they're coming out of detention and out of the youth justice system. That is an area—again, with respectful acknowledgement, we have seen an increase in community-based mental health funding funded by the Ministry of Health; however, youth

justice has not had that same increase. All of the evidence says, plus just the services that we know that our members who do provide these services—they would say that a proper investment in their services would reduce the likelihood of a child or youth becoming re-engaged in the police or the justice system.

So again, even in the 5% increase—which those members did not receive because they are funded through the Ministry of Children, Community and Social Services—we do know that those investments will go a really long way to help address those challenges.

MPP Kristyn Wong-Tam: Thank you. And in the 5% increase in base funding that the sector received, you mentioned that 50% of those organizations used it largely to keep up with the cost of expenditure when it comes to staff increases. That doesn't necessarily clear the backlog, so the backlog for service continues to grow. The demand for service and the pressures on staff continue to grow. That helped a little bit, but your sector is still facing crisis. Is that correct?

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Mr. Tatum Wilson: That is correct, and the wage disparity between our sector and hospitals and education continues to persist even in that 5% increase in our sector, so very much so.

MPP Kristyn Wong-Tam: And that workforce pipeline, as it tightens with more people leaving the sector and not as many people onboarding, is only going to increase the wait-list for service. Is that correct?

Mr. Tatum Wilson: That is a reasonable assumption.

MPP Kristyn Wong-Tam: Thank you.

My next question is for you, Suzanne. Thank you for the work that you do. I've actually learned a lot just by your presentation. I'm very interested in hearing about the challenges the sector is facing with respect to the stagnation of wages because, obviously, if there isn't any government investment coming in, or inadequate government investments coming in, in the area that you serve, in north Simcoe, I suspect that there are even fewer workforce members to draw upon. Is that also a correct assumption? Please correct me if I'm wrong.

Ms. Suzanne Marchand: Thank you for that question. As I shared at the beginning, we are a three-pillared, board-governed organization that serves a community that is represented by Indigenous, francophones and those facing barriers to health care.

One of our commitments, and I'll speak specifically about the HHR crisis, is that we have primary health care providers, mental health service providers and a francophone navigator. So finding bilingual individuals within our community who are medically trained and certified is very challenging. We have a nurse practitioner who is about two years out from retirement, and we're working very diligently around co-op placements and working with community and NOSM around placements so that we can ensure that we're providing that francophone service in a community that has a need for that service. That is really a key piece for us. We have some very unique members

within our community, and to service and provide those services, that skill set, isn't always readily available.

MPP Kristyn Wong-Tam: Thank you. I read quite regularly about the number of Ontarians who don't have a primary health care physician. Is that a situation that has worsened in your area just because of the smaller population challenges that you have there?

Ms. Suzanne Marchand: I would say that we are going to be, in the next 18 months, probably in quite a conundrum. We have three physicians who are on the brink of retirement and have roster sizes between 1,200 to 1,800 patients. That's a significant amount of individuals within our community who will be displaced without a primary care provider, so it does continue to be of concern.

There's been a lot of great work between our local hospital in terms of recruitment and working with NOSM and the University of Toronto to do some partnerships in terms of having primary care physicians come and visit beautiful Georgian Bay, to attract them there. But we will see that we will continue to see individuals who are unattached.

Our attachment rate is actually at a fairly good rate in north Simcoe; however, access to their primary care physician is anywhere from three weeks to four weeks, given the size of their rosters.

MPP Kristyn Wong-Tam: Considering that, if the investments that you're asking for the government to make will not be made, I gather that the crisis will only ever deepen.

My next question is to Eric. Eric, thank you. I know you're on the screen so my question is to you. I'm just really interested—because I know WoodGreen very well. You do exceptional work in my communities. Thank you for all the organization does.

I also know that you have a very powerful fundraising arm. You've recruited a board of directors who actually do the very best that they can to go off and sell tickets and raise money. I'm just curious to know how much of your budget is actually fundraised, private sector and otherwise, and is that fundraising effort sustainable? Because I'm hearing from charities that it's becoming more and more difficult to raise the dollars necessary to actually feed into the service delivery.

The Chair (Mr. Ernie Hardeman): One minute.

Mr. Eric Mariglia: I would say it's around 10%. It would probably be best to come from our finance team to determine how much of our budget is coming from fundraised dollars.

But you touch upon a really good point. It is becoming increasingly difficult to find philanthropy. We're an organization where a number of our programs and services are run based on philanthropy dollars, including Home-ward Bound, which we just mentioned as a program that is fully run on philanthropy, as well as putting upfront equity for launching feasible development plans as we are trying to build more affordable housing within the sector. So yes, it's becoming increasingly difficult. That's where we, of course, want to work with government, where we can fill in those gaps, as well.

MPP Kristyn Wong-Tam: Thank you very much, and just out of curiosity, very quickly, what does that 10% represent—

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time.

We will now go to the second round, with the independents. MPP Hazell.

MPP Andrea Hazell: Thank you, all of you, for your presentations. My question would be for Tatum. I'm quite intrigued about your aggressive housing plan. I know that we're moving through a housing crisis in Ontario.

My question for you is to explain further to me your proposal for development for the revolving housing equity fund: How will this support the affordable housing crisis that we're in right now and how will you get all the partners that you spoke about on board to bring your project to life?

Mr. Tatum Wilson: I assume that question was for Eric.

MPP Andrea Hazell: Oh, that's for Eric; sorry.

Mr. Eric Mariglia: Thank you so much for the question. At WoodGreen, we are the second-largest housing provider within the city of Toronto. We have a goal of getting 3,000 more units over the next 10 years. We have a lot of experience in developing and we do this with partnering with private developers in order to come up with more mixed-income models of housing. We develop our own land. We work with various levels of government to develop different types of housing, including supportive housing.

The concept of an equity fund is—although we've been successful in finding all the key partners, unlocking city grants, fundraising upfront equity, to kick-start the feasibility of a project is very difficult for non-profit providers who are seeking to develop affordable housing for various vulnerable populations; to fundraise that upfront equity to even get the project started. So, the concept of an equity fund is, instead of just focusing on the next couple of steps, which is seeking financing through corporate bank partners or through CMHC, the province could step in to help not-for-profits who can also work with private developers to do a mixed-income-based model and provide that upfront equity through a revolving fund where it would kick-start the project. That equity would help pay within the feasibility phase for the site plan, the architecture planning, the city permits, the soil testing and all the stuff you need at the beginning. That then unlocks the next phase of getting the city grants, the financing from CMHC or corporate banks to then pay for the construction, which makes this viable. The construction phase gets complete, and then what happens is through collecting mortgage and rent, that payment can be paid back to the fund, which then can be invested into the next build.

So, that's the concept of an equity fund. If you were to recycle that three times and accelerate the approval process, we've calculated that we could do 40,000 units, which was the original target set by the city of Toronto, with a revolving investment of \$1 billion.

MPP Andrea Hazell: Eric, thank you for that detailed information and to get that on the record.

My next question is for Suzanne.

The Chair (Mr. Ernie Hardeman): One minute.

MPP Andrea Hazell: How has the move from a small office space to a new community health centre in 2020—I think I got the year right; in 2020, you made that move. How has that affected your operational costs presently? And I know you've done that for all the right reasons.

Ms. Suzanne Marchand: Thank you. So, operating costs tripled by moving from the strip plaza to the new community-based centre, which was partially funded generously by the government, but not completely. We did have to cut two positions just in order to continue to maintain, and then we entered a pandemic but were able to still keep our doors open and see those in the community who needed health care, and actually took on new clients during that time as well.

MPP Andrea Hazell: Thank you and my last question—Tatum, I got you. You mentioned the crisis being worse in rural and remote areas. Could you elaborate on the specific challenges faced by children and youth in those regions—

The Chair (Mr. Ernie Hardeman): Thank you very much. There will be no time for an answer for that last question.

We will now go to the government. MPP Riddell.

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Mr. Brian Riddell: Yes, I'd just like to finish off on the last question. Would you like me to say it again, or—yes?

Ms. Suzanne Marchand: I'm glad to answer.

Mr. Brian Riddell: Okay, go ahead, please.

Ms. Suzanne Marchand: Thank you. First of all, the fact that we clearly have defined a lead for mental health and addiction is certainly needed within the province and certainly well received. I think the biggest thing is ensuring that primary health care and mental health care work collaboratively to ensure that we're looking at the whole person. We've systematically looked at a person in two parts, and from a community health perspective, we look at the overall well-being, which is the mental and physical health of an individual, which is so paramount.

The funding that we did receive was in a very small line within our MSAA. As a CHC, we unfortunately did not see that injection of the 5% for mental health, although we do provide mental health support. We did receive a small injection in a program which is called Strong Women Strong Nation that runs for Indigenous women for prenatal and postnatal care and support, specifically around mental health. That was very well received, and we appreciate it, and we continue to help those in our community with those funds that were received.

Mr. Brian Riddell: And I have a supplemental—

The Chair (Mr. Ernie Hardeman): Yes, go ahead.

Mr. Brian Riddell: —and it's for Tatum. I was just wondering if you could speak more on the key differences between children's mental health—what, maybe, are some stigmas that we don't get addressed enough or areas that you believe are overlooked?

Mr. Tatum Wilson: It's a good question. One thing that I think has just emerged is we typically, probably

wrongly, assume that eating disorders are issues that primarily affect young women. We know one of the increases in eating disorders recently has also been amongst young boys.

I think we still don't recognize the impact of social media on children's well-being. There is a known increase in anxiety and depression and other disorders since the emergence of active and robustly available social media.

I also think that a big misconception that we have is we often think of mental health and addictions as treating adults and homeless people and things like that, and we forget that—again, I mentioned we have infant providers, so kids who are zero to six who are showing early signs of mental health issues. We know they only get worse if they're not dealt with. I think that has actually been a learning personally for me, that children zero to six can be experiencing mental health issues. And then, certainly what is required in the children's system is not just a focus on the specific child but on the family and the supports that go around them.

So, a lot of misconceptions and a lot of ways in which more comprehensive—again, this system of care that we have been talking about would really go a long way to address those things, because those are things that our members know but that aren't widely known amongst, respectfully, decision-makers or others who are making funding decisions, and the need to focus on some of those underfunded areas specifically.

Mr. Brian Riddell: Thank you for your answer, and thank you to all three of you for what you do.

The Chair (Mr. Ernie Hardeman): You have 4.2 minutes left. MPP Dowie.

M. Andrew Dowie: Je vais poser ma question en français pour M^{me} Marchand. Merci d'être venue aujourd'hui. Je crois que dans vos commentaires auparavant, vous avez fait référence à une étude des salaires. Est-ce que c'était l'étude Eckler qui a été commanditée par une douzaine d'organisations provinciales? C'est ça, l'étude?

M^{me} Suzanne Marchand: Oui, c'est ça.

M. Andrew Dowie: OK, merci beaucoup pour ça.

Je crois que tu viens tout juste de mentionner que tu n'as pas eu la hausse de 5 % comme les autres organismes qui reçoivent les fonds du ministère de la Santé. Alors, est-ce que dans votre communauté, c'est seulement « community health » qui a reçu ces fonds, ou est-ce qu'il y a eu d'autres organismes qui l'ont reçu, mais pas vous autres? Est-ce que tu peux expliquer qui dans ta région a reçu ces fonds?

M^{me} Suzanne Marchand: Les centres de santé communautaire n'ont pas reçu le 5 %, mais on donne des services de santé mentale. Si on a un programme qui reçoit des fonds directement du ministère de « mental health and addictions », c'est là où le 5 % a été reçu.

Dans notre communauté à North Simcoe—Penetanguishene, spécifiquement—on a le centre de santé Waypoint. Ils ont eu le 5 %. Dans notre « community health hub », nous sommes partenaires avec eux puis on travaille beaucoup ensemble. Mais c'est dur parce que le 5 % qu'ils ont reçu—moi, j'ai des infirmières qui marchent de l'autre

côté du corridor pour proche de 20 000 \$ de différence de salaire pour être infirmière dans notre communauté.

Mr. Andrew Dowie: Supplementary, Chair?

The Chair (Mr. Ernie Hardeman): Yes. Two minutes left.

M. Andrew Dowie: Thank you—et merci pour ça. J'entends certainement vos commentaires. Pour la main-d'oeuvre dans les disciplines nécessaires pour offrir les services—si toi, tu embauches quelqu'un et ils ont un salaire plus haut à l'hôpital, ils vont quitter.

Le gouvernement a commencé le programme Learn and Stay qui—si tu fais cette promesse d'opérer dans une telle région, tu restes employé dans cette région. Est-ce que tu a vu des bénéfices de ce programme-là que le gouvernement a institué?

M^{me} Suzanne Marchand: Au moment, on n'a pas regardé ce programme. Pour moi, c'est de retenir les membres de notre emploi, de Chigamik, qui sont notre famille, qui ont toute l'histoire, qui ont un sens de communauté que j'aimerais garder. Au moment présent, je n'ai pas de postes qui sont ouverts, mais je suis vraiment dans une position où on va perdre des membres de notre organisation.

M. Andrew Dowie: Merci.

The Chair (Mr. Ernie Hardeman): One minute.

Mr. Andrew Dowie: One minute. Okay.

Question finale: dans ta discipline, si on change quelque chose, est-ce que ce sera cette question de salaire, ou est-ce que ce sera quelque chose d'autre?

M^{me} Suzanne Marchand: Vraiment, on a un groupe d'individus qui donne un service à notre communauté, qui vient du coeur avec de la passion, qui veut faire une différence dans notre communauté. Je fais le travail que je fais chaque jour parce que je veux faire une différence dans ma communauté. Et puis, faire un changement commence là.

Les membres qui travaillent avec des centres de santé communautaire, c'est ça ce qu'ils veulent faire : c'est de faire un changement dans leurs communautés et faire un impact sur ceux qui sont plus vulnérables dans nos communautés. J'aimerais garder tout le monde, mais sans avoir de l'argent—plus que 11 ans pour nos membres. Le reste des choses montent : c'est plus à remplir un char, d'acheter des « groceries ». Puis, moi, je ne peux pas payer le même montant à mes employés.

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time.

We'll now go to the official opposition. MPP Fife.

Ms. Catherine Fife: Thanks to all presenters.

I wanted to start with you, Tatum, because children's mental health in Ontario is so topical right now. My husband is a high school teacher. Yesterday was their first day back after the break. Four students were off in care for mental health crisis. He said to me, "The kids are not okay." And they're not. So thank you for sharing the story of Ali, because that's one example of how broken the system is.

I remember being in budget committee last year. Your sector said we need 8% minimum just to hold the line, just to stabilize the services and to address the wage increase

and the remedy for Bill 124—and Bill 124 did a lot of damage to this province and really compromised that trust that front-line workers have in the health care and in mental health, and in public service, to be quite honest with you.

You talked about the cost per month for children's mental health without the forethought or the investment that's needed—early intervention. You quoted up to \$75,000 a month. So, I just wanted to give you an opportunity to indicate to the government that, while they did flow 5% last year, the deficit in services and in maintaining the human health resources that we need is at a tipping point. Can you just expand on that a little bit please?

Mr. Tatum Wilson: Sure. Yes, thank you, and thank you for the question. It's no doubt in many ways—I mean, we're talking right now about keeping the doors open and not sort of expanding services, as I've said. These kinds of investments would go such a long way.

CMHO has done its own work. I would also refer you to—the Conference Board of Canada just did a report about national costs, but CMHO's own work says that, for anxiety and depression alone, it costs the economy \$420 million a year because of missed work, leaving the workforce altogether for parents and family, and I believe \$250 million a year in inappropriate hospital system utilization. So really, this is—I mean there's, I think, the moral imperative that we all agree on, but if we want to focus on the economic imperative, that is just as good a reason and just as logical a rationale for doing it.

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And, really, the big issue for us is the wage parity. We have a clinician in one of our agencies who had worked for 37 years and just left to go and work in the education system because he could get paid more there. We have people in interviews who say, "Oh, I'm going to just work here for 18 months because then I'll get the experience and then I can go and work in the education system." And we also have people—child and youth workers—who are two weeks out of school and are working with the most complex, dangerous youth in their organizations, because that's all they can find.

These kinds of investments will improve quality, improve the work experience for staff and really just build a much more robust system to be able to help all of Ontario's children and families.

Ms. Catherine Fife: Thank you very much for that, because you're absolutely right. We'll make any argument for these investments because, whether economic or moral or saving the health care system money or the justice system money, the government right now is sitting on \$5.4 billion in an unallocated contingency fund. This is money that was allocated in last year's budget and didn't get spent, didn't get invested. I mean, we all know that there are places to invest these funds. That money can and should be flowing directly to address the crisis.

Also, we've done some good work in addressing the stigma of mental health. People feel more emboldened or more empowered to talk about mental health now, and that's a long-standing campaign. But we don't talk enough

about the ethics of people having enough courage to come forward in asking for help and that help not being there, and how damaging that can be.

All three of you have talked about the human health crisis and the wage disparity and discrepancy: 82% of those workers are women in these sectors. We don't talk about that enough. But I did want to give you an opportunity, Suzanne, to talk about that retention piece, but also recruiting into what people are calling a broken system and how hard that is for you as a front-line leader.

Ms. Suzanne Marchand: Thank you for that question. We have nursing positions and RPNs. I had 100% turnover in the last five years in those positions, and as I've shared in my comment—it was in French—I did lose a nurse last year who literally walked across the hall to work for Waypoint mental health services as a registered nurse, a new graduate of about a year, for \$20,000 more than we could pay her. So, there was no negotiation. I amicably thanked her for her time and said that I looked forward to working with her as a partner, because that's what we do in a small community. Unfortunately, we take from each other.

The crisis is not just Chigamik's alone; it's all of us who provide primary health care services and support in our small community, whether it's our local hospitals, our FHTs. But we're also bringing new grads in at the top of our salary grids, where people who have been in their roles for 10 and 15 years are making the same amount of money, but it's the only way we can bring them in to support the much-needed individuals.

Ms. Catherine Fife: I want you to unpack that a little bit, because these are two competing systems now in health care, right? You have these private agencies—and the agency nurses has been very topical, especially given the Ontario Hospital Association polling that they put out around how people feel they're being treated by the government and especially in light of Bill 124.

You've clearly articulated it: You cannot compete with these private agencies who are paying so much more, so this is competition within the health care sector. How do you see that playing itself out?

The Chair (Mr. Ernie Hardeman): One minute.

Ms. Suzanne Marchand: Waypoint mental health centre is a mental health hospital, so they are—these aren't even agency nurses; these are full-time positions and there's a \$20,000 disparity, and these are registered nurses. So, we will just continue to see this gap continue. Even during Bill 124, we were not in a position to provide a 1% increase for staff. Our staff are not sitting at the 2017 salary rate that was released in the Eckler study that we participated in as a partner in the allied health—

Ms. Catherine Fife: You couldn't even do the 1%?

Ms. Suzanne Marchand: We did not do the 1%.

Ms. Catherine Fife: Okay, that's pretty powerful. It's the same within education: You can't compete with an education ECE or personal support worker or health care worker. And so, we're setting up two levels of care here, right? Certainly, at the end of the day, then, the services are sort of suffering—

The Chair (Mr. Ernie Hardeman): Thank you very much. That does conclude the presentations, and that does conclude the time for this panel. We want to thank all three presenters for the time you took to prepare and the time you came here to present it. I'm sure it will be of great assistance as we move forward.

With that, the committee is recessed till 1 o'clock.

The committee recessed from 1205 to 1301.

YMCA OF OAKVILLE
COMMUNITY DEVELOPMENT HALTON
SPIRITS CANADA

The Chair (Mr. Ernie Hardeman): Welcome back. We'll now resume consideration of public hearings on pre-budget consultation 2024.

As a reminder, each presenter will have seven minutes for their presentation, and after we've heard from all the presenters, the remaining 39 minutes of the time slot will be for questions from members of the committee. This time for questions will be divided into two rounds of seven and a half minutes for the government members, two rounds of seven and a half minutes for the official opposition members, and two rounds of four and a half minutes for the independents as a group.

Our first panel this afternoon is the YMCA of Oakville, Community Development Halton and Spirits Canada. Welcome. As I said, you will have seven and a half minutes to make your presentation—

Interjection.

The Chair (Mr. Ernie Hardeman): Oh, yes. They get half a minute more than you do. You only get seven minutes for your presentations.

At six minutes, I will say, "One minute." Don't stop, because the punchline is yet to come. At seven minutes, I will cut it off.

We ask each one of you, as you start to speak, to make sure that you introduce yourself so that Hansard can record the proper name for the great presentation you are making.

With that, we'll turn the floor over to the YMCA of Oakville.

Mr. Kyle Barber: Good afternoon, MPPs and community partners. Thank you for the opportunity to speak to you today. My name is Kyle Barber. I have served as the president and CEO of the YMCA of Oakville since 2013, and I had a long career with the YMCA before that.

The YMCA is a charity that has been active in Halton region for more than a hundred years. The Oakville YMCA, specifically, has operated for over 60 years and currently delivers a full menu of child care programs, day camps, and fitness, health, recreation and aquatic programs across 48 sites here in Oakville. We also work as part of a collective alongside a vast network of YMCAs across the province.

I'm sure that many of you on this panel have experienced the YMCA at some point in time.

At the Y, we help people of all ages and backgrounds to lead healthy and active lives by providing them with

access to programs and services that contribute to their livelihood and well-being. We meet people where they're at, and we move them along the continuum towards better health. Our experience as front-line service providers in communities like Oakville and the surrounding area gives us a window into how Ontarians are doing and what they need to thrive.

The two key words I'd like you to take away from my presentation today are "viability" and "sustainability." We need to make sure that as we continue to recover from the pandemic, community organizations like ours are financially and operationally viable and sustainable so we can continue to provide the services that Ontarians need.

Right now, our biggest concern is child care. YMCAs in Ontario are the largest provider of licensed child care in the province, with over 800 sites. We serve 76,000 licensed spaces, and that's about one fifth of all the licensed care in the province. At our Oakville Y, every day, we serve 3,000 children in our programs across 42 locations. We're committed to delivering high-quality, affordable and accessible child care and are working together with the province to deliver the Canada-wide early learning and child care plan. However, the operators no longer have the ability to set fees. We're relying on government funding to ensure we can maintain our programs. With this change, many Ys across the province are finding that the current funding approach is insufficient and is not covering the true costs of program delivery, leaving us with funding shortfalls and creating uncertainty going forward. That's why, as part of budget 2024, we urge the province to deliver on your commitment to develop a new child care funding formula built on full-cost recovery and to ensure our funding for 2024 is enhanced so that our programs can succeed. If the child care system is not properly funded, our child care programs will be at risk. This could mean losing valuable child care spaces in our community, and they're depended on in order for people to go to work.

YMCAs have been working together with the province on the development of a long-term funding formula that ensures all the costs involved in delivering high-quality child care are covered, but the release of the formula continues to be delayed, and frankly, we just can't wait any longer. We urge the province to move forward to release the new formula as soon as possible in order to bring certainty to us and to others in the sector.

Now, also, like other child care providers, we are experiencing significant challenges in our sector with regard to workforce. Workforce shortages are making it difficult to keep current programs running and to consider expansion in the future. We were pleased to see the province release the child care workforce strategy recently, which included enhanced pay for registered early childhood educators, but more needs to be done. We would like to see the province prioritize the recruitment of educators, particularly those who are newcomers, by naming early childhood education as an in-demand profession in Ontario. We would also like to see greater investment in training programs and compensation levels for early child-

hood educator assistants, who we rely on greatly in order to run our programs.

YMCA has worked with 37 different municipalities in order to successfully deliver child care across the many communities we serve. As the service system managers for child care, each municipality brings a different interpretation to provincial guidelines and requires different reporting requirements from operators in their jurisdiction. With some YMCAs working with as many as seven municipalities at a time, varying municipal requirements create a tremendous amount of administrative burden that is resource-intensive and creates inefficiencies. That's why we urge Ontario to provide clear and concise parameters when releasing child care guidelines to municipalities and to take steps to reduce administrative burden faced by operators by streamlining municipal reporting requirements and, therefore, reducing volume.

The other thing that I want to mention today is aquatics. That's another area where we're seeing a workforce shortage. The YMCA remains one of the few places in the province where families can access reasonably priced swimming lessons. We also provide financial assistance to families who can't afford full fees. Unfortunately, as a result of lifeguard shortages, we're not able to deliver a full roster of swimming lessons and many families are left waiting. Water safety is, therefore, a growing concern. That means that young people are missing out on training and the opportunity to gain jobs as lifeguards.

We're proposing a government-funded program to train young people to be lifeguards and swim instructors at no cost. This program would give young people much-needed skills so that they can be hired as lifeguards and swim instructors—

The Chair (Mr. Ernie Hardeman): One minute.

Mr. Kyle Barber:—and it would mean that more families could access swimming lessons in their community, thereby improving water safety for decades to come. For an investment of about \$500,000, we could train 250 young people to be lifeguards and swim instructors this year. We'd be happy to explore this idea further in the coming months.

We're eager to continue to be a solutions-driven-oriented government partner, and we call on the government to continue to support our YMCAs in 2024. Thanks for the opportunity to contribute to this consultation today.

The Chair (Mr. Ernie Hardeman): Thank you very much for the presentation.

We'll now hear from Community Development Halton.

Ms. Rishia Burke: Thank you. I have my screen to share with you. My name is Rishia Burke. I'm the executive director for Community Development Halton. We are the social planning council and the volunteer centre for our community.

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I'm here to talk to you today about the non-profit sector. We're a data-driven organization, so I'm going to give you some data—I'm not going to read all the numbers; don't worry. I want to just touch on the tipping point that our sector finds ourselves at. Ontario Nonprofit Network puts

out a survey every year. The four-year trends in this year's report are dire. The non-profit sector is facing incredible demands on our services, and we are not experiencing growth in our revenue. In fact, charitable giving is down. And the grant grind, the constant source of trying to find funding to do our work, is a really difficult thing. The other piece—and it has already been touched on—is an HR crisis. Recruitment and retention of staff is a huge issue, and volunteerism is on a significant decline across Halton, Ontario and Canada.

In Halton, specifically, 27% of non-profits reported that they can only sustain themselves for less than 12 months—12 months would be generous for most—92% reporting increased costs. People are tapping into the reserves. Many don't have reserves. So the future is rather dim. Human resources—again, job vacancies: 60% are experiencing staffing challenges; 83% have staff turnover; and 45%, at minimum, are saying that they don't have enough volunteers. The impact on our community means that—in the survey findings from ONN, close to 45% of Halton's non-profits indicated they had to scale back their programs and services, which is higher than the provincial average, and approximately 30% said that they have increased wait-lists. So, our services are more limited, and the wait-list to get those services is longer.

Also, ONN is not the only one who's talking about this. CanadaHelps, Imagine Canada, others that are talking about this have some other numbers that are telling the same story. What I wanted to show with these numbers is that the situation is quite dire in terms of charitable giving and increased demand and HR issues and volunteerism, but these aren't just this kind of moment-in-time, post-pandemic issues. These are our longer-term trends—CanadaHelps looking at this over a 10-year trend. This is not fleeting, but a lasting situation for the non-profit sector, and that is a real concern.

I just want to say that the non-profit sector is an economic driver in Ontario, and I don't think we talk about that enough. The sector contributes \$65 billion to our province's GDP, and we employ about 844,000 people. As a sector, we receive less than half of our revenue from government sources. We leverage other private grants and donations, sales of goods and services. Many of us have become very entrepreneurial to survive. Again, lots of people employed, with—a dollar of investment in non-profits generates \$2.18 in GDP impact. The numbers are here for you. We're a really important part of our community, on the scale of the automotive sector, and we don't talk about it very often.

We're also community builders. Non-profits create communities that people want to live in. We are the folks who are helping to weave the social fabric so that when people move into a community and they're looking for that social safety net, the recreation programs, child care programs, settlement services, mental health and addiction programs, anti-violence programming—and we know that gender-based violence is such an epidemic in our community. These non-profits that are struggling are at the heart of all of these.

We are part of what makes our community healthy, but we can't keep doing more with less. The future forecast is for the disappearance of many of our non-profits. This is already happening, and we're really concerned about this. The collapse of the non-profit sector would be very dire for our community.

What we are recommending—and I'd like to just start with, as most important—is establishing a home in government to efficiently work with the over 58,000 non-profits, charities and grassroots groups across Ontario. This has been done in BC as well as Newfoundland. We're asking for an associate minister-level appointment with the Ministry of Economic Development, Job Creation and Trade, supported by a deputy assistant representing non-profits, charities and social innovation, so that non-profit and charity organizations might have a relationship with government. When there are a variety of things coming down the pipes from all of your sectors, all of your silos, in already difficult times, we're not looking, at already difficult times, to try to figure out what they all mean for us—but that we have a point of contact with you, so that we would understand all the changes that are happening across government and that you might understand us better.

We'd like you to future-proof Ontario's social infrastructure with investments that reflect true costs of service delivery:

- a transition to stable, long-term, flexible operational funding for non-profits that reflects the true costs of delivering services and programs, that keep pace with inflation and respond to emerging needs, on par with the public sector delivering similar services and reducing administrative burdens;

- addressing the non-profit human resource crisis to ensure Ontarians have access to community support; for example, allocating funds for a labour force strategy—

The Chair (Mr. Ernie Hardeman): One minute.

Ms. Rishia Burke:—and workforce development plan for the non-profit sector;

- wage parity for people like ECEs working in the non-profit sector versus in the education sector. We can't keep up and compete with what's happening in the private sector. We can't pay and keep people with what we have to work with; and

- enable communities to develop the infrastructure they need.

There's lots of meat here for you to look at, but, for example, non-profits who are trying to help with the accessible, affordable housing crisis that we are experiencing in our community: We have non-profits who want to get into that game, to support, but they can't get the financing and nobody will look at them because they're a non-profit. There are lots of examples here, and I have copies for you. Please, take a look at these recommendations, and I thank you for listening to me today.

The Chair (Mr. Ernie Hardeman): Thank you very much.

We now go to Spirits Canada.

Mr. Cal Bricker: Thank you, Chair and committee members. Good afternoon. I'd like to begin by introducing myself. My name is Cal Bricker and, as of this month, I'm the new president and CEO of Spirits Canada. Jan Westcott, whom many of you probably know, has retired after leading this organization for 25 years. I know we all thank Jan for his professionalism, integrity and commitment to an industry that holds such an important place in the fabric of Ontario.

As was the case with Jan, I'm proud to have the opportunity to represent Canada's storied distilling industry. We create brands that, for 150 years, have been an important component of Canada's national identity. We're proud of our products and the generations of jobs that have been provided for Ontario workers.

The Grain Farmers of Ontario tell us that Ontario distillers are the fourth-largest buyers of corn in the province. We are also one of the largest purchasers of wheat and rye grown right here in Ontario. Overall, our members produce the highest value-add for agricultural products that they use. We then take these Ontario-sourced raw materials and expertly distill and age them for years in barrels. The result is many of the world's leading brands of spirits.

But I'm here today to share with the committee that the competitive success of spirits in Ontario hasn't been because of the market conditions that prevail in this province; rather, it has been despite them. Since the repeal of Prohibition in 1927, the only retail option for all adult Ontarians to purchase spirits has been in the LCBO. You'd be hard-pressed to name one other retail channel that hasn't changed in a century. That's why we're so delighted by the Ontario government's announcement of its intention to modernize the province's antiquated, cost-prohibitive and anti-consumer model for retailing alcoholic beverages. A new, more open marketplace could introduce up to 8,500 new stores where consumer choice and convenience would be the currency of success for retailers.

By trusting adult Ontarians to purchase beverage alcohol, including ready-to-drink distilled beverages, in convenience, grocery and other stores, Ontario is one step closer to joining most of the rest of the world, which left Prohibition-era retailing practices behind generations ago. Government can then focus its limited resources doing that which can't be delegated: that is, ensuring that rules are rigorously enforced, to reward those who participate in the market responsibly and sanction those who do not.

Spirits Canada looks forward to working closely with the Ministry of Finance to make its intention to modernize the system a reality. By competing successfully for business around the world, the distilling sector has learned which prospective models for retailing can work best to modernize the Ontario system. We would be pleased to offer our expertise and resources to policy-makers to ensure that the result of the next two years' consultation is a retail system that delivers equities for all stakeholders who can stand the test of time.

I must also add that constraining spirit sales to the LCBO will only perpetuate the current difficult conditions

that Ontario distillers operate under. Whereas other manufacturers of consumer products can go to Loblaw's if Metro is making demands that are not in their commercial interest, distillers have no recourse. We are forced to sell to the LCBO. This becomes a real issue when the LCBO bureaucrats substitute their own judgment for what should happen in a free market. It's happening today and, if continued, will have a devastating impact on our industry, not to mention severely limiting the assortment of products that are available to consumers.

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I'm using this opportunity to alert you to the issue. We're looking forward to a meeting with the Minister of Finance to outline the problem and recommend potential solutions.

You'll note that I said that the announcement made a few weeks ago is a terrific first step in the modernization process. The reason I characterize it so is because what has been announced to date leaves an unlevel playing field between beer and wine made outside Ontario and distilled spirits manufactured right here at home. An anachronistic model for retailing alcohol embedding discrimination against Ontario spirits driven by Prohibition-era thinking must be resisted. There's no evidence-based public policy rationale for treating spirits differently than beer and wine. It was wrong to do it then, and it's wrong to do it now. Ontario distilled spirits should enjoy the same opportunity in this province as beer from Mexico, Belgium or the US, as well as wine from Italy, Chile and Australia. I must also add that constraining spirit sales to the LCBO will only perpetuate the current difficult conditions under which we operate.

Lastly, I would be remiss if I didn't mention that retail is only one channel for how people enjoy our products. We must not forget the important role played by the hospitality sector. Restaurants and bars are only now shaking off the pandemic. Adding to this challenge is the fact that they continue to be at a disadvantage in selling our products because of the vast tax differential between spirits and other alcohol-based beverages. To help address this issue, we are asking this committee and the Ministry of Finance to finally address the antiquated tax system which taxes spirits at two to four times higher for equal amounts of alcohol compared to wine and beer. We look forward to working with each of you to eliminate this inequity.

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the presentations.

We'll start the first round of questioning with the government side. MPP Crawford.

Mr. Stephen Crawford: Thank you to all presenters for being here today. I really appreciate it.

I'd like to start out my first question to the YMCA. Thank you, Kyle, for being here. Your organization, as we know—I've visited it a number of times—plays a key role in the Oakville community, so thank you for everything you do. You have a great facility here in Oakville.

Is there something that you've seen that you can take from other facilities, perhaps, as a best practice maybe to bring to Oakville?

Mr. Kyle Barber: One of the great things about the YMCA is we do have a very, very strong network. Anybody who has been part of that knows it's really rich. And we do share our data pretty significantly, in a robust way.

As far as best practices go for facility development, one of the things that we do on a regular basis is put our CEOs and our operations people together and look to see what the programs are. That's a great advantage for us, because what's working in one community often works well in another community, and we tend to do smart experiments across the province—across the country. Actually, during the pandemic a lot of our information was coming internationally as well. So, we have a great network, always trying to share, always trying to build best practices and trying to drive new businesses but also new charitable endeavours in different ways.

Mr. Stephen Crawford: I know, as we talked about when I was at your facility recently, that the YMCA evolves. You had a government grant recently that took out an old rock-climbing wall that wasn't being used and built a new child-friendly facility. Can you touch on the success of that? The funding, was that 100% from the Ontario government?

Mr. Kyle Barber: It was 100%, yes, through the Trillium Foundation. That's a great example, in fact, Stephen. We had part of our local facility that was being underutilized prior to the pandemic. We noticed that rock climbing wasn't nearly as big as it used to be for youth, but we did notice that there was a need in the community for families to come and play together. We learned that through a number of other YMCAs that had put big playgrounds in their facilities, and so we were able to see what that impact was in other communities. We were able to apply for funding and build a pretty significant two-storey playground. The success has been exactly as we would have drawn it by looking at other YMCAs, their best practices, their policies for implementation, their scheduling, staff training. All of those things were applied, and our numbers are terrific. It's one of our new stings, we call it.

Mr. Stephen Crawford: In terms of your overall revenue source, what percentage of it would be from government, and what levels of government? Just to get an idea of how much of your income and revenue generated is from user fees versus the various levels of government, could you give us an approximate ballpark breakdown of your revenue?

Mr. Kyle Barber: It's a tricky question in that most people don't realize that about 85% of what our YMCA does locally is child care. Our fitness, health and recreation facilities, aquatics camp, that's only 15% of what we do. People know us for our buildings, but it's our services around the community that actually are our biggest business.

From a government standpoint—this is where it gets tricky—with \$10-a-day child care, or that's what we're moving toward, less and less money is coming from the user, and more is coming through government funding. This is kind of the trick here; we're being regulated with

regard to how much revenue we can gain, because those revenues are set. What we don't have is a good expense model yet. So we're being regulated at this level, but our expenses—we're still really waiting for this formula that can tell us.

From a percentage standpoint right now, we earn all of our revenue. There are no grants that come to the YMCA unless we apply specifically for specific programs. But the government is becoming more and more of our support mechanism because child care is our work.

Mr. Stephen Crawford: Okay. And how—

Mr. Kyle Barber: I hope that answers your question.

Mr. Stephen Crawford: Yes.

Mr. Kyle Barber: As I say, it's a bit tricky. The other part of this is that it's changing pretty drastically over the last couple of years with the implementation of \$10-a-day child care. It has been a bit of a moving target. Because we don't have the formulas, it's really hard to make long-term plans. We tend to be responding to things as opposed to laying out our own logical strategy.

Mr. Stephen Crawford: Thank you.

How much time left, Chair?

The Chair (Mr. Ernie Hardeman): You have 2.2.

Mr. Stephen Crawford: Okay. So we don't have a lot of time. I'd like to go to, if I could, Spirits Canada. Thank you for your attendance here today. We appreciate you, and congratulations on your role here. We know Jan very, very well as an Oakville resident as well. I know he did a great job leading the organization for quite a few years.

Just touching on the alcohol liberalization program that we announced back in late fall, and I know you touched on a few things there, but in the short time here—I'm sure we'll carry on consultations through the ministry with you—are there one or two key items that you would like to see the government of Ontario put into place to help your industry and also consumers?

Mr. Cal Bricker: I mentioned a couple of things. I know we have to run through those presentations reasonably quickly, so some of the detail might not be evident. One thing in terms of the announcement that was done on the privatization side is the, really, focusing on beer and wine and only ready-to-drink sprits. Our position would be, and I think there's an argument for it, absolutely: I don't know why we're differentiating between different alcohol types in retail.

The Chair (Mr. Ernie Hardeman): One minute.

Mr. Cal Bricker: Everybody should be included.

Mr. Stephen Crawford: And would that be the case in other provinces?

Mr. Cal Bricker: It depends. Every province has its own model, but Alberta would be probably the closest to what I would—and I've been involved. I used to live in Alberta; I was involved in that system. They don't differentiate. What ends up happening is the market ends up differentiating. You'll find that they will carry different product types based on what the actual local clientele wants as opposed to sort of mandating it.

Mr. Stephen Crawford: For spirits that are brewed or made in Canada, how are Canadian producers comparing

to international as an overall share of the Canadian market? Are Canadians buying more and more or less Canadian-produced product?

Mr. Cal Bricker: It depends on the type of product that you're talking about. Different ones have different—so tequila is very popular now. There's—

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time.

We will now go to the official opposition. MPP Fife.

1330

Ms. Catherine Fife: Thanks to all the presenters. Cal, I'm just going to start with you. Congratulations on the new gig. Jan did a great job for a long time, so those are big shoes to fill. I would just ask that, after you meet with the Minister of Finance, perhaps follow up with me as the finance critic on the opposition side, because, to date, this government's pattern of establishing policy in the province of Ontario around alcohol modernization has been quite haphazard. I'm pretty sure that I will never get a White Claw at a gas station and sit there and have a drink. I mean, it doesn't make any sense at all to me. So if you have some insights after you meet with the finance minister on taxation policy, I would just like to reconnect after that, okay?

To Kyle: The funding approach for child care clearly needs to be fixed. There are structural issues right now which will compromise the \$10-a-day child care in the province of Ontario.

One of the key factors, which you highlighted in your comments, is retention and recruitment of ECEs into the field. I mean, why would you do that, right? It's an undervalued role in society. It's underpaid in our society, and it's such an important job. So, I just wanted to give you an opportunity, please, to address how that's the missing part of any successful child care strategy, which, as you also pointed out, is strong economic policy. Please go ahead.

Mr. Kyle Barber: My comment would be that, again, I'm pleased with the ECE top-ups that the government announced late in 2023, but it doesn't look after the other people who aren't ECEs. We end up getting those with and those without occurring within our centres. That disparity makes it real difficult.

I was talking to my staff before I came here just to see what's our gap today. We have a little over 400 staff who do this kind of work and today our needs were 32 staff. We were 32 short. The picture I want you to see is that when that happens, we pull people from the administrative side—supervisors, directors and things. They have to come in and fill those gaps so that we can make ratio.

We're really proud of our delivery. We're really proud of the way we can fill in the gaps, but the motivation to move into child care right now is pretty low. If it was to be recognized at a little higher level—and I think we saw, during the pandemic, the need for critical child care. We need to carry that through in the 2024 budget.

Ms. Catherine Fife: Okay. It is economic policy, right? It's productivity. It's the return on investment. Rishia, you mentioned this as well.

That social infrastructure is so key to actually holding the province together. Trying to make that argument to the government when they do have a \$5.4-billion unallocated contingency fund sitting there right now—what a lost opportunity. That’s the importance of these delegations and this discourse: to make the case to put that investment into play to not only better the lives of Ontarians, and children in this instance, but also from an investment perspective to the economy.

Rishia, on your slide, your two recommendations: I’ve never heard the not-for-profit sector come in and actually ask for more government per se. I have to say that; I have never. But I do understand where it’s coming from. It’s true that this government and other successive governments do not understand the importance of the not-for-profit sector.

Can you please explain why this is one of your recommendations, to have that direct relationship to the sector?

Ms. Rishia Burke: Absolutely, thank you. We actually had an event in November where we brought 60 non-profit leaders together and worked our way through this recommendation, so I’m not coming to you with, “These are my ideas.” It comes from ONN and lots of great discussion, because—do we want more government? The reality is, having this small piece of government—we’re not asking for a whole department, but the small piece has proven to be effective in other provinces, and it will make things more efficient. The amount of time that non-profits spend trying to negotiate and figure out all the different things that are happening through government and through every ministry and its impact is super time-consuming. Our non-profit has two full-time staff. There are many non-profits like mine. We don’t have time to navigate your services. And it’s that relationship-building piece, so that the government might understand the actual economic and social-fabric impact that we have in the community.

There was controversy over this, but we believe that the pros outweigh the cons in terms of how we don’t want to lose any autonomy, but we believe a good relationship with government can be a really effective way forward for the non-profit sector.

Ms. Catherine Fife: When you do learn that the government has the money in hand—this is separate than the surplus; most provinces set aside \$1 billion for a rainy day. The fact that this \$5.4 billion, and every year it seems to get larger, is stemming from underfunding in certain areas—can you make the case for strategic investment in the not-for-profit sector, and can you do that in 30 seconds?

Ms. Rishia Burke: I guess the words that I want—the biggest issue that non-profits have is investing in long-term, stable funding. The amount of lost time that non-profits experience in seeking funding to—

The Chair (Mr. Ernie Hardeman): One minute.

Ms. Rishia Burke: —reinvent themselves on a constant basis, to create sustainability, to do the good work that they do for community-building in Ontario is insane. And so, the biggest piece is an investment in looking at how we provide longer-term funding for the non-profit sector.

Ms. Catherine Fife: Yes. I mean, I’ve heard from the sector that the level of exhaustion for chasing limited and small amounts of grant money each and every year on this annualized cycle takes you away from your core business.

Ms. Rishia Burke: Absolutely. It can’t be used for core business, either. It’s only for a project, so overhead like me—we don’t count.

Ms. Catherine Fife: I just want to leave you with this: I believe that both of you, actually, throughout the morning—“tipping point” and “crisis” in the not-for-profit sector is the language that we’re hearing. I don’t think the sector uses those words lightly. I think that—

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time.

We’ll go to the independents. MPP Bowman.

Ms. Stephanie Bowman: Thank you all for being here. Congrats on your new role—very exciting.

I’ll start with the Y. I recall talking with and hearing from the Toronto Y, I believe, that they had only 16,000 of 35,000 licensed child care spots filled because of the staffing crisis, which was largely created by Bill 124—back to the damage done by that legislation. So again, building new buildings won’t help if we don’t have people to work in them.

Could you talk a little bit about the current state in your organization at the Y, like how many spots; what that percentage of filled spots is, of available? And have you seen a change in that in the last year?

Mr. Kyle Barber: I’d start just by saying I’m surprised the outcry isn’t greater. What we see is that we have significant waiting lists, but of course they’re always changing as people find other solutions to their needs. We have been working hard with other YMCAs to come up with ways of recruiting staff and trying to get them equivalencies so that they can move in, as has Toronto.

We haven’t quite had the same types of shortcomings with our staffing as what we see in Toronto—our recruitment has been a little more successful—but I guess the critical point here is that we’re not growing, and the idea of \$10-a-day child care is to grow. What we’re seeing is non-equity, because the people who have the spots are the people who always had the spots, who paid for the spots. The idea of being able to deliver programming to those families who couldn’t afford it before, but who could now, who could then enter the workforce—those are the holes that we’re seeing. There’s no turnover.

From a budget standpoint, what we’re doing right now is the equivalent of what we were doing in 2018, so it’s flat. What we’d love to do is grow, because that’s what the community needs.

Ms. Stephanie Bowman: Certainly in my riding of Don Valley West, I’ve had moms say to me, “Look, if you hear of any spots, let me know.” They’re waiting to go back to work. They want to go back and earn their full income, whereas right now they are constrained. They may or may not be on wait-lists or decide, as you say, to maybe just go off the wait-list because they know it won’t be a solution for them, right? So, it is lost productivity, it

is lost economic activity, and it's lost tax revenue to the government.

1340

Certainly with Ontario being the last province to sign on to the \$10-a-day daycare program, implemented by the federal Liberal government, that has delayed the benefits. We've got, again, families who could have two full incomes working, especially given our labour shortages that we know are—we've got a really tight labour market right now, so we need people to be working and people want to be working.

I would just say, are there any steps that you can recommend that would help—the funding formula, you've talked about the release of that. Could you talk about any other incremental steps, in addition to getting that formula released, that would help accelerate the creation of new spots so we can get those working parents back to work?

The Chair (Mr. Ernie Hardeman): One minute.

Mr. Kyle Barber: I think the one thing I'd recommend would be compensation for those non-ECEs that fill in all the holes of the program. Without those and with this new two-tiered system, there's a lot of pressure on the system, because those without ECEs are feeling like, "What about us?"

And a submission will be made on behalf of YMCA Ontario to this group. It will be on all of our behalf, so it will be sent through separate means.

Ms. Stephanie Bowman: And you mentioned the formula is ready, or you believe it's ready. How long has it been ready and not yet released?

Mr. Kyle Barber: I don't think I could say. I mean, there was a suggested announcement last April. It's kind of a can that got kicked down the street a little bit in that I think things were suggested that they'd be ready. We do have people that are on steering committee and we were expecting things to be, and so it's kind of this—we're on the edge, waiting for it to be. I'm expecting it soon.

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time.

MPP Triantafilopoulos.

Ms. Effie J. Triantafilopoulos: Thank you to all of the presenters who are here today. I'd like to direct a couple of questions to Kyle and Rishia, just to start. I'd like to also thank you for your deep commitment to our community. I know that the work you do is very valuable and it's very tangible and it reaches the people that it should, so you really are community builders as far as I can say and I can attest to in our community, and I recognize that there are still challenges that you've been touching on.

On a more positive note, one of the things I'd like to ask you, Kyle, is what government investments that the Y has received in our community have you seen that have actually provided the most direct impact and success in our community?

Mr. Kyle Barber: Mostly, I would turn to the example that I gave earlier to MPP Crawford: infrastructure—where we've needed to change parts of our facility. One of the things that we learned during the pandemic is that needs changed, and so we've been able to gain funding for

making changes. Some of those are around access. We've had some really great access—and then we've also had some really good seed money for some of the community programs that we deliver. Twelve-years-old seems to be a magic need: You know, what do we do with girls who are 12 or boys who are just entering their teens? And so, some of these funds have been able to be used operationally to test the water to see what kind of programs we can offer and then what we're able to do is keep going with the ones that are really significant. Usually, we can build some kind of a funding model into it, internally. So seed money is super important for us: Try the program, see how it works, figure out a funding model and continue to deliver.

Ms. Effie J. Triantafilopoulos: Thank you.

And a question for you, Rishia: I was really struck by some of the words that you used when you talked about the human resources crisis, the issue around recruitment and retention and also, beyond the high staff turnover, the reality of not having enough volunteers. I think that is probably something that's rather systemic in our society today about challenges that we face without having the support of volunteers. We also know we've got aging demographics—many people that are retiring—and also where we've tried to address some of these issues includes some of the skills training that the government has announced in a number of sectors.

What I'd like to ask you is, when you talk about this point of contact with the ministry, at the current time, are you saying that you have relationships across government, but you'd rather have a more focused relationship? Can you sort of expand on that?

Ms. Rishia Burke: Sure. The recommendation that's coming forward from non-profits is to have a very tailored approach to a relationship with the government. There will be organizations that have specific—you know, health funding or community and social service funding or what have you. They will want to maintain those relationships. But it's that broader non-profit perspective, not the program-specific perspective, that we're looking to develop a relationship as a home in government.

That's a model that's being used. Again, it's being used in BC. They've been working out the kinks there—and Newfoundland, is my understanding, as well. It's worked well for government to be able to understand those broader-based non-profit, charitable sector, social innovation sector organizations and to look at a broader-based human resource development approach that we can be taking. What are the specific needs? There are great organizations that are tracking that information for us across Ontario and across Canada.

To be able to have that point of contact to funnel that information and to be in conversations so that we can have a multi-pronged approach, we would hope that home in government then would reach deep into the broader government to pull the right players to the table for the conversations as they arise.

Ms. Effie J. Triantafilopoulos: Interesting, thank you.

You talked about, obviously, more sustainable, long-term funding. Your current sources of funding, what are

they? What are their different sources and what do you consider long-term sustainable funding?

Ms. Rishia Burke: Great question.

Ms. Effie J. Triantafilopoulos: Is it a tough question?

Ms. Rishia Burke: Well, I'll be really transparent. We're a \$500,000 organization and we have some funding from our regional government and the United Way. The rest of it is membership dollars and social enterprise, so we're hustling contracts to try and pay the bills, to be honest with you. Our funding is a little bit half and half, government and other sources.

The grants that are available, that I'm about to write right now, are for \$10,000, and you know how far \$10,000 goes. They're project-specific. They don't pay the rent. They don't pay for the photocopier. They don't pay for the Internet. They pay for an event or a paper.

So having something that's a minimum of three years, I think, would be something that would be ideal, or something that is not program-specific on an ongoing basis, that recognizes the deep value that each non-profit brings to the community and sustains them longer-term. Three years would be a minimum, but six months to a year funding is—it's time-consuming to write the grant and then to implement and report on something that is small.

We'll keep writing them, I'll be honest. But we also want non-profits to work together. We see so many efficiencies and our local non-profit sector knows how much could be done through collaboration, but we're all competing for those same small pockets of funding, so collaboration sometimes feels hard on the ground level as well.

The Chair (Mr. Ernie Hardeman): One minute.

Ms. Rishia Burke: It kind of sets you up across the sector where collaboration could also provide a lot of efficiencies. If we had core funding, some of that would be easier.

Ms. Effie J. Triantafilopoulos: This is very helpful; a very helpful perspective.

My last quick comment or question is to Cal. First of all, welcome and congratulations on your new role. And as you know, Jan Westcott, with a 25-year career with Spirits Canada, is someone who is well known to our organization. I'd also like to congratulate him on his retirement and, as a constituent of mine, I think it's all the more reason that it's time that we actually thank him and also pass the baton on to you, Cal.

You are no stranger to me as well. We used to both have darker hair in the day.

One of the things I wanted to ask you, because you spoke very specifically about our first steps in terms of modernizing an antiquated and cost-prohibitive system, tell us specifically what you think the areas around discrimination are—

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time, and we will never know the answer.

We'll now go to the official opposition. MPP Wong-Tam.

MPP Kristyn Wong-Tam: Thank you very much. I appreciate that, Chair.

And thank you to our presenters. I found all your presentations immensely helpful and very insightful.

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Rishia, you were speaking about the challenges of capacity in the sector. I recognize that it's not just one organization; it's literally across the board. What we've been hearing from organizations who have appeared before us earlier this morning was the dire nature of what the crisis is right now. I recognize that this is not the first time that this message is being delivered to the government. This is the message that's been delivered in previous consultation meetings, during your lobby days. It's being delivered in your meetings with ministers and MPPs who sit in the government.

I'm just very curious, because I know that the government has been asking you about the resources that you have and where your financing is coming from, but you're citing small one-time grants. You're citing the pursuit of fundraising dollars. You're citing the fact that the well is dry. That's what I'm hearing. But has anywhere in your conversations with government members been a full understanding and a commitment that, "Yes, there is a crisis; we see it, we hear you, and this is what we'd like to do about it"? Have you heard any of that indication yet?

Ms. Rishia Burke: I haven't. I'm hoping that in you asking me that question, you do.

MPP Kristyn Wong-Tam: I'm hopeful too.

Ms. Rishia Burke: Yes. We feel like the small, very squeaky wheel, overlooked. The volunteer sector, they'll get it done; we always get it done.

I think the words that ONN has used, and I urge you to look at Imagine Canada's work as well, but we're using big words: I'm saying "dire." We're using words like "tipping point." The fact is that ONN is projecting into 2026 that at least a third of non-profits in Ontario will be gone. We have a paper coming out on the 19th that looks at the voluntary sector and volunteerism but also looks at revoked charities, and that number has been steadily growing since 2020 in Halton, just specifically, and I'm really concerned about that.

The weight of what's left for those who remain becomes even heavier. I chair the executive directors network for Halton for the non-profit sector, and the weight on these people's shoulders—the first time we met, I honestly thought people were going to cry, just in terms of sharing the weight that they carry in community. And they're tired.

So thanks for asking. I hope we're being heard this time around.

MPP Kristyn Wong-Tam: Thank you. Your claim that a third of the non-profit sector will be wiped out if government action does not come in an immediate form of investments to at least stabilize the sector is quite alarming. Thank you very much for raising this issue.

I want to just acknowledge the emotional work that is being done and carried out in the sector. I cannot imagine how hard it is. I know it's hard for the front-line workers. I also want to acknowledge the hardship that the board as well as the senior leadership is enduring.

You have put forward a recommendation, I think, that has gotten people's attention. Members around the table have asked you about why you are asking for this position: the associate minister-level appointment at the Ministry of Economic Development, Job Creation and Trade, with some type of deputy assistant to help build a relationship, to build a proper comprehensive understanding so government will understand the sector better, will know how to respond to it.

We have an Associate Minister of Mental Health and Addictions, which I believe was a post that was created largely out of the response to the pandemic. I think what I've heard from the earlier morning presenters is that we still have a mental health crisis. We still have a government who is not listening, despite having an associate minister assigned to the work, and there's still mention about the fact that it's still inadequate funding. They're still not adequately heard.

What assurances do you think you will have by asking for this mission to be created that we won't be replicating the problem again?

Ms. Rishia Burke: I'm hoping that if we're able to put this recommendation into place—I hope that it's been heard. It's going to take some work, absolutely, but I also think that you're hearing, maybe for the first time in a long time, a relatively fired-up non-profit sector. And we're not going away. So, if this recommendation is heard and put into place, what I can say is there are a lot of committed organizations like ourselves who are capacity-builders for Halton, and we have the ONN at the Ontario level, Imagine Canada at the national level, who are ready to take this on to make it real and to make it meaningful for us. And so, yes, we're fired up, and I think we can make this work. It won't be perfect—nothing ever is—but we can learn from what has happened on the other side of the country, follow suit and look for best practices as they find success.

MPP Kristyn Wong-Tam: I recognize you're begging for that relationship and understanding with government. Yes, absolutely, I agree that you should have it. You certainly do have it here—well, with Catherine and I, you definitely have it here, and I'm sure others around the table.

I want to speak specifically around the child care crisis, because I think that requires some attention. You mentioned, Kyle, about the sector not growing. We're not seeing more spaces come online, and yet at the same time we know that child care is directly tied to economic development. We're going to see more revenues and lower reliance on social services, and yet we don't see that investment forthcoming.

You've also mentioned the exorbitant amount of red tape that the child care sector is facing with respect to municipal reporting. We have heard multiple times—we actually have the Minister of Red Tape Reduction who could probably take his big scissors and cut some of that red tape right now.

The Chair (Mr. Ernie Hardeman): One minute.

MPP Kristyn Wong-Tam: What is the one message you want to leave the government before we ask you to depart? What is the one message you want to leave the government that has to be done in order to sustain your sector from the child care perspective, and specifically around red tape and funding?

Mr. Kyle Barber: I think if there is one word, it would be “alignment.” When I think of alignment, I'm just thinking about regional alignment and the government's ability to lay out not a single policy, but a policy that has little deflection, because I think one of the difficult things here is that policy is not sharp. I mean, there's no funding formula at all right now, but when that gets laid out, as long as it can be sharp and understood by all parties, and be consistent and aligned—I'm speaking on behalf of YMCA Ontario—

The Chair (Mr. Ernie Hardeman): Thank you very much for that. Time is up.

We'll now go to the independent. MPP Bowman.

Ms. Stephanie Bowman: I will start with Spirits Canada, then come to Rishia after that.

Cal, could you just talk a little bit about your understanding of the consultation period and the work that's about to begin around the next phase of modernization? I think that's why you're here, partially, is to try to advance that. We know that this is a government that can move fast when it wants to. I'll use the child care example as one where they're not moving as fast as certainly many of us would like.

What kind of immediate actions or what kind of results would you like to see quickly, in addition to putting, it sounds like, spirits on the shelves in convenience stores and other retailers? What are the things that you think need to happen before that will happen?

Mr. Cal Bricker: I think the government has to, now that it has announced this intention, put some facts around what this intention actually means when it comes to living in the marketplace. It has to make some decisions about who is going to participate in this. When we're talking stores, which stores? When we're talking rules, what rules?

I'll use Alberta as an example, because they're probably the most recently modernized system that went through this from top to bottom. You had to decide what the rules were for operating the system. For example, is co-op advertising going to be allowed? Are facilities going to be allowed to be in big-box retailers? How are they going to manage this along? Because they all have impacts.

There's one margin pool, and when you move it from one place, it has to go to another place. What's actually going to be the margin that convenience store people, for example, are going to be able to charge on a product? None of these things have been decided, and they're all critical in terms of determining whether people want to get involved in the system and what they want to invest in it, and whether they want to have confidence in it for the future.

So there are many, many things that you have to go through, and it will take some time. If the time is wisely

used, I think we're going to come out with an outcome, as I described, that can be sustainable and where the equities for all the stakeholders that want to be involved in this are going to be met.

Ms. Stephanie Bowman: Okay. Great. Thank you.

Rishia, could you just talk a little bit more about—you've talked about the challenges facing the sector, and having served on some boards in non-profits. I understand the challenges around fundraising and trying to apply for grants and all of those many hats that often you wear as a senior staff member in an organization like yours and others, but as you say, you're not going away. I liked what you said. You're fired up; you're not going away.

1400

We know that, in addition to being an economic driver, the not-for-profit or the charitable sector also is providing much-needed services. That's okay. That's a good thing that government doesn't have to provide it all. We know the community wants to be involved. There are lots of volunteers who want to give their services and time, and you help to enable that.

Could you talk a little bit about the community aspect of this in terms of volunteerism? We know that your stats show that that's decreasing. We see that people are engaging less. Could you talk about the impact that you're seeing in your community and amongst your peers in terms of that kind of softer impact on our community and in our society?

The Chair (Mr. Ernie Hardeman): One minute.

Ms. Rishia Burke: Thanks for the opportunity to talk about this. We are seeing a strong decrease in volunteerism among youth and their desire to volunteer in one-time events, an increase in the number of folks who want to volunteer online. Obviously, that's a pandemic shift. Sometimes, that's possible. There are organizations that are trying to figure that out.

What happened, coming through the pandemic, is that volunteer coordinator positions were often—those were one of the first things to go during the pandemic, and they have not come back. We have people who are managing volunteers off of the sides of their desks, and that is not an efficient, effective way of doing things. There are a number of volunteer centres across the province who have lost their funding, so the capacity-building organization—we're fortunate in Halton, but for example, Hamilton does not have a volunteer centre. So there's not a backbone organization that—

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time for that presentation, and it concludes the time for the panel.

We want to thank all three of you panellists for being here today and preparing for coming here to tell us the story and doing such a great job of bringing it here. Thank you very much.

ONTARIO ASSOCIATION OF INTERVAL
AND TRANSITION HOUSES

MS. LORRIE PEPIN

ELEMENTARY TEACHERS' FEDERATION
OF ONTARIO

The Chair (Mr. Ernie Hardeman): Our next panel is the Ontario association of interval and transitional housing, Lorrie Pepin and Elementary Teachers' Federation of Ontario—the elementary teachers are joining us virtually. With that, as we come forward, I think we have two of the delegations here: the Ontario association of interval and transitional housing and Lorrie Pepin—oh, it's virtual too, so we only have one here in person.

As they're setting it up here, we will start with the presentation from the association of interval and transitional housing. As with all the others and for the virtual panellists, you'll have seven minutes to make your presentation. At the end of six minutes, I will say, "One minute." Then, it will be cut off at seven minutes, and then we'll go to questions. We also ask that you introduce yourself to make sure the name is correct in Hansard to attribute the comments to the right person.

Thank you very much for being here. We'll start with the Ontario association of interval and transitional housing.

Ms. Marlene Ham: My name is Marlene Ham, and I work as the executive director at the Ontario Association of Interval and Transition Houses. Thank you to the Chair and members of the Standing Committee on Finance and Economic Affairs for accepting my request to present to you today. I always appreciate and value this opportunity to educate and provide meaningful and valuable information.

This year, I'm providing the committee with a hard copy of the 2022-23 annual femicide list along with our preliminary provincial snapshot results of sector needs. As this survey is still open to our members, we will be submitting a more comprehensive submission later this month. It will take emotional investment to read through this hard copy of the annual femicide list about the lives of women and children killed last year in Ontario. I don't expect you to read that calendar right now or even today, but I hope when you're ready that you will, because, as MPPs, you have an integral role in supporting systems and services in preventing femicides in Ontario.

OAITH is pleased that the federal and provincial bilateral agreement for the national action plan has been signed, with allocations for 2023-24 being finalized for our member organizations.

Last year, I presented to the same committee asking for a \$60-million investment, and I am here today because that ask remains as accurate as it was last year. To assist the committee in further validating why this investment is needed, I'm going to present to you some of our preliminary data.

First, I want to bring your attention to offsetting revenue required to operate the services of our members who

are contracted to deliver these services. As you can see, not much has changed from last year, with significant amounts of fundraised dollars required to ensure we have an emergency shelter system for survivors and their children. Notably, in this small sample, over 60% had to fundraise to offset the basic costs of delivering shelter services, and they reported an average of nearly \$300,000 per year as the shortfall for this program. As you can see in the chart, this only reflects one program. So financial stability of this emergency response system really is at a tipping point today.

There are many factors that got us here, but today I'm going to focus specifically on workforce stabilization and sustainability. Of the organizations who participated, they reported that 46% of their workforce is made up of part-time, relief and contract positions, yet 80% have indicated they have a relief staff shortage. They are struggling to keep services operating at levels that survivors and their children deserve. Respondents were asked to report on the day they filled in the survey the reason for staff absence. There are more people off due to short-term and long-term leave than those who were on vacation in a two-week period. When the sector relies significantly on relief staff, yet 80% are experiencing a relief staff shortage, how can we expect the system to operate at its best? Based on these conditions, we cannot expect much. Again, we have more staff off due to illness, short- and long-term leaves on a given day between December 15 and January 9.

Job vacancies continue to be a pressing concern for our members. In this small sample of organizations, 77% currently have vacant positions in their organizations. Wages and pay equity have been long-standing barriers for a sector primarily staffed by women. In reviewing data of our lowest-paid employees, I'm sure you will all be surprised to know that our lowest-paid relief workers reported to us in this survey were paid \$21.50 per hour, whereas the highest was \$32 per hour. This accounts for a \$10.50 wage difference to do the exact same job. These workers must be highly skilled, yet there's no value for the skills they offer or the circumstances they must navigate or endure.

We know there has been an ongoing turnover in our sector. We learned that 97% of organizations have had a number of employees who have left their jobs in the last year. Only 3% reported they've had no staff leave. Even more concerning, nearly 40% of our organizational leadership has turned over since 2020. Some organizations have had multiple executive directors in this same time frame.

There are a range of retention and recruitment strategies being utilized. While team-building, professional development and job flexibility are being used the most, the top three barriers to keeping staff are wages, competition with higher-paying jobs and serving complex needs. The strategies we use to retain need to actually address the barriers that we're faced with, but they will need funding to be able to do this.

As one of our members outlined, on the issue of sustainability, our agency has to spend a considerable amount of time fundraising for administrative costs. In terms of

our operations, we are required to fundraise for our shelter operations the most. Our staffing, building occupancy and food costs are increasing exponentially and, without an increase to our funding, we are falling further and further behind.

Additionally, the HR crisis is a major concern. We need to do more with less resources and people. The greatest pressure for us is on our senior management team, who have no choice but to take on multiple roles when we lose middle managers and front-line staff. As a result, I would state we are in a fragile state when it comes to our operations and stability.

I will ask the committee to let the annual femicide list of the 62 lives taken last year be your compass in understanding what happens when systems and services are left—

The Chair (Mr. Ernie Hardeman): One minute.

Ms. Marlene Ham:—without adequate supply of housing, adequate staffing, adequate responses, and investment into preventing men's violence.

In the last year alone, members are reporting lengths of stays in shelter have increased by another four weeks, leaving more women and children struggling to find a place to go when they're in danger. Shelters were designed for six-week stays, but, on average, they are now staying seven months. Our shelter system has now become a temporary housing system.

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In this year's provincial budget, what we must see from the government is that ending gender-based violence is a priority, with clear investments and solutions. Ontario-STANDS, the government's strategy to prevent and respond to gender-based violence, will need to make every dollar count, with intention and purpose, to reduce violence and femicide. We are here to stand with you on costing the solutions and collectively working together—

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time, so we can finish as we start the rounds of questioning.

We will now hear from Lorrie Pepin.

Ms. Lorrie Pepin: Good afternoon, and thank you for this opportunity to share with you the urgent needs of children and youth across Ontario. My name is Lorrie Pepin, and I'm a mother of two young men. I'm also a child protection worker who has been working in the field for over 25 years. I'm here before you now to bring attention to the crisis facing our children and youth across the province.

We are concerned about what is being experienced as a crisis in the system's ability to provide appropriate treatment and care for some of the most complex children in our communities. We are worried for the overall well-being and impact on outcomes for young people who are placed in situations where their basic needs may be met, but not their fulsome needs.

We are witnessing that parents are feeling the need to relinquish parental rights in order to access treatment for their children. It is very concerning to us that young people do not have access to individualized funding for complex needs, yet they are in the care of child welfare. We are

worried that this systemic issue is being made out to be a child welfare sector issue to resolve, rather than addressing the whole-of-government and multi-sector systemic issues that are the root causes to this crisis.

According to the Centre for Addiction and Mental Health, 39% of Ontario high school students indicate that they have a moderate to serious level of psychological stress, which manifests itself as depression and anxiety. A further 17% of students indicate they have a serious level of psychological stress. That means that 56% of high school students in Ontario are experiencing mental illness.

Now, if you're fortunate to live in an urban area where there are multiple mental health professionals available, you are able to access services in a timely manner. However, if you live in a rural area or geographical area where you have limited resources, you could be waiting two and a half years or more. This is an alarming statistic, and we are failing our children and youth. Everyone, whoever and wherever they are, has a deserving and inherent right to timely and good-quality health care, and this includes mental health care.

Ontario is not meeting its human rights obligations. Ontario is failing to address the significant gaps in the health care system with respect to being able to access services in a timely manner, a lack of services available in remote and rural geographical areas, and a shortage of mental health service providers.

When mental health is untreated or there are delays in accessing treatment, it can lead to long-term issues with emotional stability, behaviour regulation, relationship difficulties, substance use and physical illness—in other words, poor outcomes.

This also puts a strain and added burden on other social services, including child welfare. The child welfare sector is in crisis. Children's aid societies across the province are facing huge financial costs as a result of housing children and youth who are experiencing mental illness and behavioural issues. We have a placement crisis, with limited foster homes available. As a result, children and youth are being housed in hotels and unlicensed homes at an exorbitant cost. This is creating unsafe situations for the children and youth, as well as the staff.

When children and youth are housed in these hotels and unlicensed settings, they are not receiving the treatment and services they need to be healthy and achieve success. The cost of these unlicensed placements can be upwards of \$20,000 per week, and they are not funded in child welfare budgets. Child welfare agencies are forced to cut prevention services in order to balance their budgets, and with increasing costs, this is not going to be feasible in the long term.

Let's talk about funding. Spending per capita, adjusted for population growth and inflation, continues to decline overall in social services, and particularly for children and youth. Social services spending, when adjusted for population increases and inflation, is declining each and every year, and projections reflect that government spending in social services will decrease by 4% in 2025.

Why are services and funding declining when our government is sitting on a substantial surplus? Why are we sitting on these funds when we should be investing and spending on essential services that would support positive outcomes for children and youth?

I respectfully ask that the provincial government prioritize the needs of all children and youth in our province by raising the baseline funding for child welfare, mental health and all social services across the province; fund child welfare agencies to cover the costs of complex youth placements; collaborate and meet with front-line staff, labour and the broader child and family service partners to provide meaningful feedback on child welfare tools and provisions in order to align, redesign and transform the system; to take a cross-ministerial approach to implement a child welfare redesign and provide integrated and culturally safe supports to children and youth in their communities; to reinstate the provincial advocate; to review for-profit placement care; to initiate exceptional circumstances funding to address the high-cost placements; and to prioritize the future of Ontario and invest in the needs of our children and youth.

I thank you again for this opportunity to speak on behalf of and advocate for children and youth across the province.

The Chair (Mr. Ernie Hardeman): Thank you very much.

The next presenter will be the Elementary Teachers' Federation of Ontario.

Ms. Karen Brown: I'm the president of the Elementary Teachers' Federation of Ontario. I'd like to start by thanking the committee for the opportunity to speak to you on behalf of 83,000 ETFO members who work in Ontario's public elementary schools.

Over the past six years, Ontario public education has faced unprecedented challenges, including a once-in-a-lifetime, once-in-a-generation pandemic. The lack of adequate resources during the post-pandemic period have impacted everyone in the education system but has disproportionately impacted individuals and families or marginalized communities, including Black, Indigenous, racialized, disabled and low-income.

Violence against educators remains a concerning, pervasive and growing issue. Many school spaces are not safe, especially for those working on the front lines with students whose needs are not being met. Despite these challenges, educators have shown incredible resilience in commitment. They have consistently done their very best to provide the students with high-quality public education.

Ontario's fiscal position provides an opportunity to adequately fund public services and put an end to the chronic underfunding of public education. Under the current government, public education funding has fallen significantly. Between 2018 and 2023, education funding decreased by approximately \$1,200 per student, when accounting for inflation.

The Financial Accountability Office has pointed out the ongoing education-funding gap in the government's fiscal plans, while identifying billions of dollars in unallocated

contingency funds. The government must close this funding gap and support necessary improvement to Ontario's public education system. The money is there. What we need now is political will.

Last year, ETFO commissioned a survey with members about their experiences of workplace violence. An alarming number of ETFO members, 77%, said they personally experienced violence or witnessed violence against another staff member in the 2022-23 school year. Two thirds of members said the severity of violent incidents has increased, and 72% said the number of incidents has increased since the beginning of the COVID-19 pandemic. Forty-two per cent of members have suffered a physical injury, illness and/or psychological injury, illness as a result of workplace violence against them during the previous school year.

Learning is being disrupted and violence is being normalized in schools, because the system is suffering from chronic underfunding, under-resourcing and understaffing, creating environments where students' needs are going unmet.

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Smaller classes improve student behaviour and peer relationships and increase student engagement and achievement in the early grades. Smaller classes means educators have more opportunity to give students individual attention. These factors contribute to increased graduation rates. Grade 4 to 8 classes do not have class-size caps and have the highest class sizes through kindergarten to grade 8. Reducing class size would also improve kindergarten learning and working conditions.

The government should allocate funding to reduce class size and establish a class-size cap of 24 students for grades 4 to 8, and a cap of 26 students for kindergarten classes.

ETFO supports Ontario's integrated model for education, which means that students, whenever possible, should be learning together with same-age peers regardless of their needs. This, however, requires full funding and full support. Students need access to educational assistants, behavioural counsellors, child and youth workers, psychologists, and speech and language pathologists to help them learn and thrive.

Special education funding has simply not kept up with inflationary costs or with students' increasing needs for special education supports. The government must increase special education funding and ensure that special education grants are based on the actual needs of students.

Ontario has adopted an equity and inclusive education strategy. This policy provides an important framework for equity, but more needs to be done to ensure that the vision for equity is realized. Educators need culturally relevant classroom materials that reflect the diversity of their classroom and school communities. Teachers and other education workers also need professional learning to improve their ability to address racism, anti-Semitism, Islamophobia, sexism, homophobia, transphobia, ableism and classism. These forms of discrimination affect our schools and permeate our society. This professional learning should

take place within the instructional day and be fully funded by the provincial government.

We also call on the government to provide additional funding to school boards to hire additional counsellors, social workers and school nurses who will specifically assist families and students from Black, racialized and Indigenous communities, as well as students living in low-income communities.

Many school boards are experiencing staffing crises while at the same time many educators have made the difficult choice to leave the profession. The government must focus on improving working conditions of teachers and educators in order to improve retention—

The Chair (Mr. Ernie Hardeman): One minute.

Ms. Karen Brown: —and recruitment. This means providing funding for smaller classes, adequate front-line staffing to support students with special needs, access to mental health supports for students and educators, and professional learning to support educators. It also means respecting teachers and educators in working with us to improve Ontario's public education system.

We call on the government to make the necessary investments to provide educators, students, families and communities with the supports they need. We will follow up with a written submission with additional details. I'd be happy to answer any questions. Thank you.

The Chair (Mr. Ernie Hardeman): Thank you very much for the presentation.

We now will go to the questions. This round will start with the official opposition. MPP Wong-Tam.

MPP Kristyn Wong-Tam: Thank you to our presenters for your really helpful presentation.

I want to just begin with Marlene. Marlene, thank you very much for all your ongoing work. I recognize that you and the sector come into Queen's Park every year, at least once. You bring us these purple scarves and you talk about the issues that are facing Ontario women-identified people who are on the receiving end of violence with respect to—and sometimes even tragic death. This is where we see the rise in femicides.

I know that you have a very—not necessarily you, but you as well. You have a relationship with all of us at Queen's Park. We know you; you are not new to us. Every year we get together on a grand staircase and we take that photo. The sector comes along and we take that photo. So, it really is sad for me to see you here today once again making this request to a group of individuals that you know well, that you worked well with.

The crisis that you're describing in your sector is pretty alarming, especially with respect to staffing and sustainability, so I'm just interested in knowing what you think needs to change with respect to the budgetary requirements for the sector, your sector, to be stabilized this year and to, of course, grow.

Ms. Marlene Ham: Thank you for the question. I think where things have become really lost over the years—and we're talking about decades—is that the budgeting process for shelters has not ever been based on actual costs, and as years have gone on, they have fallen further and further

and further behind. But what I think is really unique about shelters is that no matter the need, they will find a way to respond, right? Ultimately, that's what they've done by fundraising significant amounts of money. They create beds where they're not funded and they fundraise for those beds, because if someone calls for help, they will do whatever they can to be able to respond.

However, on the flip side, the funding that they've received from government since the 1970s, since the 1980s, since the 1990s has never kept pace with the true costs. So for non-profit organizations, they really need to go through a budgeting process in partnership with government around what the actual costs are to be able to create that sustainability. That's been a lot of the discussion that OAITH has been in, both with the opposition and with government, to get us closer to that state of sustainability.

MPP Kristyn Wong-Tam: Hopefully, we will be able to help you get closer, recognizing that the opposition is not able to control the purse strings, as you know—

Ms. Catherine Fife: We want to.

MPP Kristyn Wong-Tam: We want to—but we want to be able to support you.

In a recent news announcement made by the provincial government, I read that there's going to be an investment of \$162 million. This is part of the federal action plan to end gender-based violence. We don't have a provincial plan to end gender-based violence, but leaning on the federal funding that's coming into Ontario with \$162 million that needed to be secured only with the production of an Ontario plan. Have you seen this plan? Were you consulted on this plan?

Ms. Marlene Ham: Yes, absolutely. We submitted our national action plan priorities to Minister Williams's office in the fall of 2022 and we've been engaged through OAITH to government. We've provided our priorities to them. There is the Ontario-STANDS plan, and that, ultimately, is the beginning to this process of having a strategy here in Ontario, and a number of the priorities that OAITH submitted have been included. They're not just OAITH's priorities. I imagine there are others in there that are reflected. But there's still a lot of work to do in terms of implementation.

MPP Kristyn Wong-Tam: Are you hopeful that the \$162 million from the federal government will flow through to the sector in a timely fashion considering that you submitted your comments to the plan back in 2022—almost two years ago?

Ms. Marlene Ham: Listen, nothing will come soon enough right now. We definitely are at a tipping point. The shelters, our members, are receiving their allocations this month for this year, but there's still a lot of uncertainty around what that's going to look like over the next three years. It is important for government to be able to create that certainty, and I think they can do that in this provincial budget by clearly outlining the investments and the solutions in the actual budget. I think that's what our members really want to see. They want to see their issues and their needs reflected in that budget.

MPP Kristyn Wong-Tam: Fantastic. Thank you. I mean, especially since the money is coming from the federal government, there should be no reason to delay the funding flowing to the sector.

Lorrie Pepin, it's nice to see you on the screen. I recognize that you are probably one of the first deputants we have had today who is not representing an organization. You are representing yourself as a mother, although you have experience in the sector. We have been reading—I know I have—articles that have caught my attention as of late, including children who have been in the welfare system who have found themselves in harm's way from injury as well as even death. A child was killed in the children's aid society office in my community, in Toronto Centre.

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There have been a number of times that have also correlated to these articles—usually an outcry as to why is the government not doing more to protect the children who are in the sector? And then it comes back to, why did the government cancel the Provincial Advocate for Children and Youth? Because there is no one here—

The Chair (Mr. Ernie Hardeman): One minute.

MPP Kristyn Wong-Tam: —who actually speaks for them.

How important is it to reinstate the Provincial Advocate for Children and Youth?

Ms. Lorrie Pepin: It's really critical because the children and youth need to have a voice and to have somebody to follow up on the concerns. When we have a child death review, there are always a number of recommendations that are made, and some of them get implemented, but a significant number of them do not get implemented or they get lost because something new comes along that is prioritized. There really needs to be that follow-through to ensure that all of the recommendations are implemented, and the advocate would be the one who can ensure that happens.

The Chair (Mr. Ernie Hardeman): We'll now go to the independents. MPP Bowman.

Ms. Stephanie Bowman: Thank you to all the presenters today for their presentations.

Karen, I'll start with you. You referenced a statistic that I've certainly heard and I've referenced in the Legislature—the decrease in funding, based on inflation, of the \$1,200 per student under this government. And yet, we continue to hear from the government that they are increasing spending in education. But we also keep hearing about the crisis that we have. We've got a crisis in health care. We've got a crisis in housing. We've got a crisis in education. We've got a crisis in women's shelters and mental health—all the things that we're hearing about today.

What can you say today to the government members, in particular, to help them believe or understand that the decrease in funding per student is real and that it is having an impact on our students' education?

Ms. Karen Brown: Thank you, MPP Bowman, for that question. It's a great question.

Basically, the government continues to underfund. You hear that there are investments within the system, but they're not keeping pace with inflation, so the amount of what they're putting in is still not sufficient to address the current needs.

You heard Ms. Pepin talk about the issues of children's mental health. Through our negotiations process, we had to negotiate with this government special funding for students with special needs, because we know there's a mental health crisis. We know that through the pandemic, there were issues of social isolation. There was a learning gap. There are larger class sizes. It impacts on students, and it impacts on their ability to connect with their peers, one-to-one attention—all the reasons why people pull their children out of the public system. We know all of the things. We need that investment, and we're seeing that now. We're seeing that, and this government has not been making that commitment.

As an organization, it should not be our role to be advocating. Students in Ontario deserve smaller class sizes. We see the incidents of violence occurring because there are not enough social workers, psychologists, support services, educational assistants—the identification process with students with special needs, the long waiting list. We were able to negotiate and put some pressure on the government around some key things in regard to learning and the infrastructure that needs to be in place to support some of our most vulnerable students.

So, we're seeing those outcomes. What we're also seeing is that the government is not providing support, so we're facing the retention and recruitment that you're hearing from my colleagues that I just heard—transitional housing—because of poor working conditions. These are all factors that contribute.

Ms. Stephanie Bowman: I just want to reiterate some of what you were saying about education. Special education is education, right? I think we all see the needs growing, and we certainly do want to understand the root causes and solve those. But in the meantime, we need to make sure that our kids get the education they need. We know that, under this government, education scores have fallen, despite teachers' best efforts and all of the work that you're putting in to educate and care for our children. We know that turnover is affecting it. Could you talk a little bit about that, how the turnover in staff positions is affecting children's education?

Ms. Karen Brown: Yes. Recruitment and retention, absolutely: We know that there are thousands of qualified individuals with teaching certificates, but they're not choosing teaching as a profession. The lack of support—

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time. We'll have to do the rest in the next round.

MPP Anand.

Mr. Deepak Anand: I'd like to start by thanking each of the presenters for taking time and coming and advising, educating and putting these recommendations together.

I'm going to start with Lorrie Pepin. Lorrie, it is great to see somebody who is passionate in working with the

children. I just want to start by saying I'm from Mississauga and we have a very close relationship with the children's aid society in Peel. They have head offices in my riding, and we're actually working with them to put together a youth hub so that the kids, irrespective of whether they're under care or not under care, can come together as one community and can mix with each other.

Something which I'm a little bit more passionate about than anything else is giving help and support to these youth to become financially independent. Our government has been making changes to decrease the barriers faced by people who have been in the child welfare system. For example, we made an investment of \$170 million over three years in the new Ready, Set, Go Program which will provide the necessary support and the life skills for the youth transitioning out of the care, decreasing the barriers they face and in fact increasing the monthly financial support as well.

My question to you is: You're passionate about supporting the youth, and you have an experience as a child protection worker. What impact do you think helping these youth transitioning out of care can have on them and the society at large, and how can we do more?

Ms. Lorrie Pepin: Well, I think, first of all, the funding for the Ready, Set, Go Program was great. Definitely, young people need that support to make that transition out of the child welfare system.

I think the piece that was missing from that funding—and often what we're hearing from the young people is the more critical piece—is that they need the actual support that they have from their workers. These young people do not have family. They often do not have many, if any, community supports, and they rely on their workers. While the funding put money directly into the hands of the young people, it doesn't provide funding for the services that they need from the child welfare protection workers. There's no funding to help those workers to support them. There are a number of extra duties like tasks etc. The administrative burden put on the children care workers, the youth transition workers, is significant, so that's a gap that we would see as needing to be addressed as far as budget and funding in order to provide the most support. We actually are finding that some of the youth are choosing not to be part of that program because they're valuing the support of their worker within the system as opposed to the financial supports, because that support is often cut.

Mr. Deepak Anand: What do you think is the one take-away? How can we make sure that those youth are more engaged and those youth are coming out of the transition and getting into financial independence? What can we do to help and support those youth?

Ms. Lorrie Pepin: Well, I think we need to have the staffing to provide that support to them. Often their worker is like their family, and they're the person that they turn to in a moment of crisis. Quite frankly, we're having the same issue that all of the other guests who have spoken today are speaking to. We have an issue with retention and recruitment and engaged staff. If there was more funding that was provided to provide those services, they would

get a better quality service, more support; they would have more time with their worker, who could do more of the skill-set learning prior to the move into independence.

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Mr. Deepak Anand: Thank you.

My next question would be to Ontario Association of Interval and Transition Houses. Marlene, thank you so much for coming here. I want to start by saying thank you for all the life-saving work that your organization is doing to represent women in our community, whether it's through the crisis line, emergency shelter or the counselling.

It is very sad to see 62 people on this calendar, and I wish there was a time, maybe it's—whether investing through the better character-building behaviour, whatever it takes, so that we don't have to see this kind of calendar being printed and presented. Each one of them—and I always say one in 62 is about 2%, but for them, for their family, that was not 2%, it was 100%. And that goes with almost everything you see around.

My question to you is, just last month, the government announced an additional investment of \$18.7 million, along with the existing four-year \$1.4-billion investment to support 400 service providers in the area of gender-based violence. What else do we need to do? What else can we do? How do these investments benefit the ability of the organization to represent, to provide the services needed to address gender-based violence?

And another thing, which I quickly want to add: If you can—I mean, I always look at the point of time, the point of time this incident happened when one of our valuable Ontarians lost their life; how we could have avoided it by going a little bit backward and avoiding that impulsive point of time. Thank you.

Ms. Marlene Ham: Thank you for the question and, certainly, for the acknowledgement of all of these femicide victims.

We have the piece around the money and the investments. Definitely, it will help, particularly this year, and the money that they're receiving to help stabilize our services right now.

Moving forward, there are measures in the Ontario-STANDS plan that need to be achieved. We need to go in the other direction, right? We need to reduce the number of femicides. We need to reduce the number of instances of gender-based violence.

It's not just about this investment. We have to look at the whole entire system of services and support and how that system is working and functioning together. That's why a national action plan, of course, is important, but it's also why Ontario-STANDS can have some real potential, as long as—and it has to be an across-government approach.

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes your time.

We'll now move back to the official opposition. MPP Fife.

Ms. Catherine Fife: Thanks to all delegations.

Marlene, I'm just going to start with you. Thank you very much for bringing this calendar. I have to say, it was

fair warning for you to give to us to be cautious when you read this, because this should be an eye-opener for every member of provincial Parliament—every politician in Ontario, quite honestly.

In the opening, though, of this, you say, “As we rely upon media reporting to determine when women and children have been killed in Ontario there can be missing information, errors or omissions.” You go on to say, “The Annual Femicide List captures the femicides and criminal justice charges that we are aware of at the time of publication.” But then you do say, “We acknowledge that this is a limitation and doesn't capture all killings or where women are found dead who don't receive any justice at all,” and that you continue to monitor the media.

We have the saying at Queen's Park: In order to address a problem, you have to acknowledge that the problem exists. So I'm asking you, do you think Ontario could do a better job of tracking when women are killed? Because if we had that data—do you feel it would make a bigger difference in how governments of all levels see femicide in Ontario?

Ms. Marlene Ham: Yes, absolutely. Thank you for the question. You're actually touching on one of the inquest recommendations. To be able to pull all of our data together as it relates to gender-based violence and femicide would be incredibly beneficial. It helps us to track outcomes. It helps us to determine if a recommendation can be made. We don't necessarily know if it's going to work or not work, but we don't know until we try. Having a mechanism to be able to evaluate different recommendations that have come forth, whether that be through inquest, whether that be through the DVDRC—whatever body that is through, to have a centralized function would absolutely be something that could help us move the needle.

Ms. Catherine Fife: We often say that if you track it, then you're going to have to deal with it, so this is something that we're very supportive of in the official opposition.

We also have been trying to get the government to acknowledge that femicide is an epidemic. I believe this is also a recommendation. Is it important for us to use this language? Because the language is ultimately key to how people view the importance of an issue.

Ms. Marlene Ham: Femicide is a global epidemic—

Ms. Catherine Fife: But I'm focused on Ontario. I mean, this is what—we're focused on the budget. Is it important for the Ontario government to acknowledge the level of femicides that are happening in this province?

Ms. Marlene Ham: I think it would be validating.

Ms. Catherine Fife: Okay. Thank you very much.

Looking at some of your stats, just to follow the money—this is a very good snapshot of how the provincial budget impacts the Ontario Association of Interval and Transition Houses. If you look at some of those numbers, could you—I just want you to give us a sense of what these numbers mean. You have, under the shelter, that the average fundraised amount—I mean, we are fundraising to keep women and children safe in Ontario. And then you

go on to say, “But the number of organizations receiving the funding”—and then, you go on to the percentage of organizations who need to offset core operating funding, so we’re fundraising for operational costs.

Ms. Marlene Ham: Yes.

Ms. Catherine Fife: Can you tell me what this looks like at a shelter?

Ms. Marlene Ham: What this could look like is fundraising for staffing, fundraising for food, fundraising for utilities, fundraising for all of those basic costs based on the needs that they’re faced with. There has been inflation. There have been rising costs. Then, a number of shelters have what we call unfunded beds, so they have the beds—they create the physical beds—but they might not necessarily receive provincial funding for that, so then they fundraise to cover off those costs. That has been a decades-old problem.

Ms. Catherine Fife: But it’s a problem that you want to see resolved?

Ms. Marlene Ham: Yes, absolutely.

Ms. Catherine Fife: Thank you.

The child witness program, in particular, is an incredibly important program to help children who have witnessed violence or been victims of violence navigate the court system. It has been underfunded for a number of years now. You’re saying that in order to operate that program, 38% is fundraised?

Ms. Marlene Ham: Of those organizations that participated. So, of those 13 organizations that participated, 38% of them are fundraising, on average, \$36,000 to be able to cover off the expenses of that program. There are some organizations that are not fundraising, but we do know that 13 of them out of the 30 are.

Ms. Catherine Fife: Would you say it takes a lot of energy to fundraise when you’re operating an organization like the child witness program?

Ms. Marlene Ham: Absolutely.

Ms. Catherine Fife: Yes, okay. Thank you very much.

I’m just going to move on to Lorrie. Lorrie, thank you for being here today and for identifying first and foremost as a mother of two children but also as someone who has worked in child and youth protection.

My colleague Kristyn Wong-Tam raised this, but the issue that we are hearing more and more from children’s aid societies—not that you’re speaking on their behalf—is that finding foster parents and/or foster living arrangements is increasingly more difficult and that these children are actually being—there’s a contracting out of the service to for-profit operators. Could you share any thoughts that you have on how potentially—now we know—damaging that can be, Lorrie?

1450

Ms. Lorrie Pepin: We’re seeing an alarming trend that care providers, third-party placement providers, are not going through the licensing process. Because there is such a demand, because there are not enough foster homes across the province and we have children who need placements on an emergency basis all the time, these unlicensed homes are opening. They can charge any price, pretty

much, that they wish, because there’s such a need for the children.

I think it goes without saying that if a home is unlicensed, we don’t know that it’s meeting all of the safety requirements that are in the home. We don’t know that the staff in that home have been adequately or properly trained—

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time.

We’ll now go to the independent. MPP Hazell.

MPP Andrea Hazell: Both of you, thank you for your presentation. I’m going to go to the Elementary Teachers’ Federation of Ontario. I’ve got two questions for you. My first question is: There have been numerous safety incidents in schools. What should be done to make sure both our children and teachers are kept safe? What is impacting these numbers?

Ms. Karen Brown: Thank you, MPP Hazell. When you say safety, when I think of safety, there are many issues. I’m going to speak from the perspective of a [*inaudible*]. If that’s not what you’re looking at, please let me know.

When I think about safety, I’m thinking about the issue of violence within the schools. For us, for our younger students, really, it’s a lack of support, a lack of resources, so these students don’t actually have the ability to develop the natural social skills, the self-regulation skills. Perhaps they have not been identified through the system, so there are long waiting lists. They’re in large class sizes. They don’t have the individual attention. They’re acting out. We have, then, administrators oftentimes who are not trained to deal with this.

And so, these are some of the key factors that we see happen. We’re looking at the underlying, the root cause of some of the violence, and it’s students’ needs not being met because of the chronic underfunding that we’re hearing. You’ve heard that from my colleagues in other areas.

In addition, we see some of the emotional outpours and outbursts, because they don’t have—when I was going to school, you had a guidance counsellor who you could speak with. There was a social worker on hand. There might be a nurse. These resources are not there. I think there was a big announcement years ago about nurses in schools; I haven’t seen one.

When you talk about the resources that students need to succeed, we are seeing a government have billions in surplus it’s sitting behind, as opposed to infusing it within the system, and that is causing a great deal of concern in the system. Then, that leads to the issue of retention, where staff are not getting the proper training to deal with some of these students. They’re not getting the proper professional development. The government is implementing new curriculum on a whim, not providing teachers the resources and the supports to be able to deliver this curriculum.

Also, we have our qualified occasional teachers, who don’t have benefits and certain things, and are being thrust within these environments also, where school boards aren’t investing in training for them. They’re coming in not as

skilled as they should be, because there aren't any investments, and it perpetuates.

This is where you see the acting out, and our members are getting injured, and they're getting frustrated and leaving the profession within their first five years. It's a cycle, and it's because of the system, the working conditions and the investments. Our members, who want to deliver good, quality education, need the supports in place to do that. And so, we see the outcome of this, with the violent incidents that are happening.

MPP Andrea Hazell: Thank you for that. If I have a minute or so, I'll come back to you—

The Chair (Mr. Ernie Hardeman): One minute.

MPP Andrea Hazell: Marlene, the wait-lists for women's shelter beds are concerning. I have been speaking to many shelters in my Scarborough–Guildwood area. There is a long wait-list. There is no bed. Women now are waiting in their cars. That's where they're waiting until a bed becomes available.

The rise in femicide is deeply concerning—and thank you for this; this gives me shivers. Can you tell us, how can increased investment in your sector contribute not only to providing immediate shelter but also to implementing effective, preventive measures and supporting survivors in the long term?

Ms. Marlene Ham: The investments are going to, for one, improve quality of service, right? That's an important factor in terms of us getting to better outcomes—

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time.

We'll now go to the government side. MPP Riddell.

Mr. Brian Riddell: My question is for Marlene: Can you identify ways in which the anti-human trafficking strategy is helping victims of this horrific crime in Ontario?

Ms. Marlene Ham: I think one of the shifts we saw, definitely, is we are seeing more organizations getting access to those funds than we have seen in prior years. I think that is important because we do have a really robust service system of supports across Ontario, and so ensuring that we integrate those services, looking at gender-based violence more broadly is critically important. I think that definitely has been a shift that we've seen that has definitely been positive. Some of those investments have gone into violence against women shelters and the variety of different programs that they offer, transitional housing and support program being one of them. Those have all been good and important steps, for sure.

Mr. Brian Riddell: I know we're working at putting one in Cambridge right now and I'd just like to thank you for the work you do. Your calendar is heartbreaking when I look at it, so thank you again for your contributions to this.

The Chair (Mr. Ernie Hardeman): MPP Dowie.

Mr. Andrew Dowie: I want to thank all of the presenters today.

Marlene, I will put you on the spot again because I really am intrigued by what you've put forward with the calendar. I want to echo how important this is, that we have the

awareness of what is happening in our province and to understand that there are real victims, and they continue to grow in numbers and be targeted—this warrants consideration very much.

I have done some digging, when I just heard some of the earlier comments. I know that some of the Ontario programs do predate the national strategy, particularly the Investing in Women's Futures Program, and that one does come out of provincial funds. I believe the opposition was incorrect with that statement.

But I'm hoping you can explain to us how important both that program might be, how it helps—I mean, I know some of the programs that get this in my region, but also the Women's Economic Security Program. Do you have an awareness of how those programs are used in a typical community?

Ms. Marlene Ham: Yes, absolutely. When we're going to respond to gender-based violence as a social issue, we have to look at it from all angles. Our system is to move them into shelter, but then what? We need housing. We need economic security. They need supports going through Family Court and criminal court; their children need support. All of that really needs to be able to come together.

So, the economic security programs are critical. They're critical to help move that needle along for survivors. It might not happen immediately while they're in crisis, but as they sort of move along that process, that might be something that they become engaged in, and for some survivors coming in, that is something that they need immediately, because moving them in, putting them into social housing, putting them on income support programs, that can help in some situations. But access to jobs, access to education, access to skilled training—those are critical components to be able to actually see the improved outcomes as we're working with survivors throughout the variation of programs that are available to survivors across Ontario.

1500

Mr. Andrew Dowie: Thank you, and follow-up?

The Chair (Mr. Ernie Hardeman): You have 2.4.

Mr. Andrew Dowie: Okay. Thank you, Chair.

One of my local transitional houses is named Hiatus House, and I know they've approached me about the importance of offering transitional housing and the length of time so that the victim of violence—intimate partner violence, specifically—does not have to be put into a situation where they go back to their abuser. I'm wondering if you can give us a sense of how is the need in the province for the establishment of housing options that provide that opportunity for women to transition away from those households so that they can rebuild their lives and get back onto the path for success.

Ms. Marlene Ham: Absolutely. I think understanding the emergency shelter system from the transitional housing system—so the biggest issue we have now is there is capital to build that transitional housing, but there's no operating to sustain it. That would be a critical area of need.

We also don't want the pendulum to swing from here to over here. We need both systems operating well so that we don't move the bottleneck in the shelter system over to a bottleneck in the transitional housing and support system. We have to look at ensuring that we have all different types of housing available to be able to make all of that work in cohesion together.

In terms of the period of time, in some transitional housing settings, that could be up to four years—

The Chair (Mr. Ernie Hardeman): One minute.

Ms. Marlene Ham:—and that's very, very helpful for survivors, because the systems that they have to engage in—on average, 11 different systems and services the survivor has to engage in just to leave an abusive relationship, which is atrocious. People should be able to leave a bad situation if they want to without having to have so many systems involved in their life. But those systems are taking longer and longer—Family Court, longer and longer. It doesn't take six weeks to go through Family Court; it can take 10 years to go through Family Court. Right? We need that kind of system and support, particularly for those who need a longer period of time to go through that healing process.

Mr. Andrew Dowie: Thank you.

The Chair (Mr. Ernie Hardeman): Thank you very much, and as long as it takes me to say thank you, your time is now up. So thank you.

That also concludes the time for this panel, so we want to thank those at the table and we also want to thank those virtually for taking the time to prepare and to be with us this afternoon to present your ideas of what we can deal with in the upcoming budget.

COUNCIL OF ONTARIO UNIVERSITIES
ADVOCACY CENTRE FOR
TENANTS ONTARIO
ONTARIO CRAFT BREWERS

The Chair (Mr. Ernie Hardeman): With that, our next panel is the Council of Ontario Universities, Advocacy Centre for Tenants Ontario and the Ontario Craft Brewers association.

As they're coming to the table, as the instructions for all the other panels, there will be seven minutes to make your presentation. At the end of six minutes, I will say, "One minute." At the end of that one minute, I will say, "Thank you," and it will be over.

With that, I do ask, in starting your presentation, that you introduce yourself to make sure we can attribute the comments being made to the person who made those great comments. With that, the first presentation will come from the Council of Ontario Universities.

Mr. Steve Orsini: Great. Well, thank you, Chair and thank you for the opportunity to be here today. My name is Steve Orsini. I'm the president and CEO of the Council of Ontario Universities. So thank you.

I'd like to start off by highlighting the important role that universities play in student success, developing the

talent our economy needs and how we support economic development in communities throughout the province. Universities are responding to the labour market to ensure Ontario has the talent to compete in our global economy. Since 2010, universities have increased STEM enrolment by more than 68% and health care enrolment by more than 38%. In 2021 alone, universities graduated more than 50,000 workers in STEM and health care. Universities are also graduating job-ready, resilient students. For example, university graduates have high employment rates: 90.4% within six months of graduation, increasing to more than 94% within two years; and about 90% are employed in areas related to their education in a university.

To help ensure student success, Ontario universities invest significant sums in student supports. In 2021-22, universities invested more than \$1.4 billion in student services such as mental health and housing, a 22% increase in the last five years. To put this in context, provincial funding for student services totalled just 3% of these costs.

Ontario universities also provide more than \$1.3 billion in non-repayable financial assistance: grants, bursaries, scholarships. To put this in context, this is more than the entire OSAP budget for colleges and universities.

Demand for university education is increasing. Over the last two years, university applications have increased by 11%. The Ontario Ministry of Finance is forecasting population growth in 18- to 24-year-olds. This will further increase demand from Ontario high school students.

Universities have a long history of driving greater efficiencies. According to the government's blue-ribbon panel, its expert panel, salary and benefit costs in Ontario universities per student are lower than almost every other province. The panel went on to say, "A comparison of salary increases with changes in the consumer price index over the past 10 years confirms that ... universities have managed these costs well."

However, current provincial policies are undermining student success and economic opportunity. The current funding cap on domestic enrolment creates a growing barrier for Ontario students to attend an Ontario university. There currently are about 20,000 domestic students who are not funded by the province, resulting in a \$175-million loss a year.

Since 2006-07, Ontario operating funding for universities has declined by more than 31% in real per student terms. Ontario has the lowest funding per student in the country, and operating grants represent about 30% of total operating revenues. And the cut and freeze to tuition over the last five years has reduced the value of tuition by 25%, according to the government's expert panel.

The effective repeal of Bill 124 has had a sudden retroactive impact on universities of more than \$345 million in this year, 2023-24, and \$266 million in the next two years. And there is currently a \$4.6-billion backlog in capital maintenance.

As a result of all of these growing financial pressures, we estimate that at least 10 universities are currently projecting operating deficits this year, in 2023-24, totalling

\$175 million, growing to \$273 million. These financial pressures have led to cuts that are impacting student services and supports. To avoid more cuts, universities need the investments necessary to maintain and enhance the programs and services that are vital to students, such as mental health—

Interruption.

Ms. Catherine Fife: Maybe we should recess.

Interjection.

The Chair (Mr. Ernie Hardeman): Yes, I think we'll just stop for two minutes.

The committee recessed from 1510 to 1520.

The Chair (Mr. Ernie Hardeman): Back to work. It will be somewhat distracting, but we're all going to pay attention to our presenters.

Okay, with that, if the Clerk is amongst us—we need somebody to start the timer here. Where'd the Clerk go? I guess the recording will start and we'll allow the universities to finish up with the presentation.

Mr. Steve Orsini: Thank you, Chair. I'm just going to highlight: As a result of these growing financial pressures, there are at least 10 universities forecasting deficits of \$175 million this year, growing to \$273 million. These financial pressures are resulting in cuts that are going to impact student supports and services. To avoid more cuts, universities need investments necessary to maintain enhanced programs and services that are vital for students, such as mental health, career services, start-up incubation programs, learning supports and extracurricular programs.

We believe the government is aware of the implications of these financial challenges, which is why the province had the foresight to appoint the blue-ribbon panel which laid out a comprehensive action plan late last year. We support the work of the panel and call on the government to immediately implement the panel's recommendations by boosting operating grants by 10% this year and indexing them in the future; allowing tuition increases starting in the fall of 2024 by 5% and indexing future increases while protecting low-income students; and then increasing special-purpose grants for northern and bilingual institutions as well as research and innovation.

Unless action is taken immediately, more and more universities and the students they support are at risk. Therefore, we're asking the committee to recommend that the province urgently address the financial sustainability of Ontario's universities.

The Chair (Mr. Ernie Hardeman): Well, there you go. You didn't need the last minute.

Mr. Steve Orsini: Thank you.

The Chair (Mr. Ernie Hardeman): Okay. The next presenter will be the Advocacy Centre for Tenants Ontario.

Mr. Douglas Kwan: Thank you. My name is Douglas Kwan. I'm the director of advocacy and legal services at the Advocacy Centre for Tenants Ontario. Good afternoon.

As you know, Ontario is facing an unprecedented affordability crisis, and we have seen rental costs doubling year after year and food bank use at record levels, while incomes have largely remained flat and unable to keep

pace with escalating rents and living costs. In Ontario, we have more than 1.7 million renter households. Over half of all renters are living in unacceptable housing. Four in 10 renter households are spending 30% or more of their income on shelter, and 15% spend 50% or more, placing them at higher risk of homelessness. As of last November, the minimum income needed to rent a vacant one-bedroom apartment in Oakville was \$100,000, and \$135,000 for a two-bedroom suite.

Our recommendations fall under three buckets: first, creating new affordable units; second, preserving Ontario's affordable housing stock; and third, enhancing access to justice.

With respect to creating new affordable supply, we have seen the impact of having the private market be the sole driver of supply. Between 2016 and 2021, there was a 36% decrease in units renting for under \$1,000 and an 87% increase in luxury units that rent over \$3,000. To put it plainly, the private market isn't building affordable housing, and these trends are indicative of the role that investors have had on the supply. Academics have also written that any new supply will take a generation for all the new supply to overtake demand and for the stock to age to the point where they become affordable. When that day comes, they will unlikely be affordable due to the rent control exemption for new units first occupied after November 2018.

So, our first recommendation is to invest in developing affordable housing and prioritizing the non-profit community housing sector to own and manage them. We also recommend that all surplus land that is made available should be dedicated to truly affordable housing and that all new affordable housing should have covenants on title to ensure that affordability is tied to the strong upfront incentives.

On preserving our affordable housing stock: We're seeing the loss of our affordable housing. We are seeing more loss than we can create through permissible, and that is because we are seeing demolition and conversion programs at the municipal level that are simply inadequate to preserve the existing housing stock. It is far too easy to tell renters in a rental building to leave due to renovations and purposely wait long enough where their right of return is rendered meaningless. This is the impact of vacancy decontrol: When units turn over, they are exempt from rental control and the landlord can charge whatever the speculative market will bear. That is why we're seeing demovictions, renovictions and own-use applications each year increasing.

CMHC reported in 2022 the impact of vacancy decontrol. Even though the province set a cap of 1.2% due to the affordability crisis, we saw double-digit rent increases—in Hamilton, that meant 26%; in Ottawa, that was 17%; in Toronto, that was 29%, far and above the 1.2% relief that Ontarians needed to get through the pandemic that year. As you can see, there was, and continues to be, a strong incentive to remove Ontarians with stable tenancies.

The introduction of the rent control exemption for new units occupied after November 2018 continues to wreak havoc on families. Ontarians are signing leases believing that they are protected through rent control, and then a year later they are seeing double-digit rent increases. We heard from the Halton legal clinic that a multi-generational family of six renting a home in Oakville saw their rent increase last summer from \$3,450 to \$5,800, simply because their home was first occupied in 2019. Under this rent control exemption, that type of profit-gouging is entirely legal.

With respect to recommendations to preserve our housing, we suggest that the province eliminate vacancy de-control and also close the November 2018 rent control exemption.

A year and a half ago, Bill 23 was passed, and that was meant to increase housing, but it also introduced the idea to preserve housing from renovations and demovictions. It has been 18 months, and we're still unclear on what those protections look like. So, we recommend that the province keep the rental protections that are currently in place at the municipal level and allow municipalities to strengthen them in response to the local community conditions, or, in the alternative, to keep rental protection bylaws at the municipal level completely.

We also recommend that the province establish short-term rental legislation to preserve our existing affordable housing stock, because we're seeing long-term housing or affordable housing being converted to short-term rentals for tenants, and they will not have access to any rental protection under the Residential Tenancies Act.

With respect to enhancing access to justice, our system can play an integral role in relieving the housing and affordability crisis in our communities. We have all heard about the delays at the Landlord and Tenant Board, but little has been said—that the delays and access-to-justice issues have been a result of their own making. They used to offer in-person services across the province. In Halton, they heard disputes from Halton residents at the Burlington central library on New Street. Hearings were scheduled once a week and staffed with mediators. This system allowed for 40 adjudicators at the board to hear 80,000 applications every year with little or no backlog. In the fall of 2020, that changed, with the removal of all in-person services. They scheduled hearings provincially instead of locally, which meant that Halton residents and other small to mid-size regions and municipalities took a back seat to Toronto and Ottawa hearings, and applications involving the same address were heard in separate hearing blocks by different adjudicators.

The change to remote hearings caused a digital divide for people who had disabilities, who had tech challenges, who had language challenges, and for people who were surviving intimate partner violence, whose home is no longer safe for them. What the Landlord and Tenant Board did was akin to moving their ground floor operations to the second floor without providing an elevator.

We're calling on the government to change the Landlord and Tenant Board to improve efficiency, to provide

further access to justice by increasing in-person hearings. We also ask the province to increase social assistance rates so people can afford to live and remain in their housing. We're also asking the province to increase legal aid funding to restore the 2019 cuts, because all Ontarians who are trying to stay housed need access to legal services.

We have additional details in our written submissions, which will follow after our discussion today. Thank you.

The Chair (Mr. Ernie Hardeman): Thank you very much for the presentation.

We'll now hear from the Ontario craft brewers' association.

Mr. Scott Simmons: Good afternoon, everyone. My name is Scott Simmons. I'm the president of the Ontario craft brewers' association. Ontario Craft Brewers represents breweries in every riding, many in rural and northern Ontario—including many in communities represented by the members of this committee.

We have been sounding the alarm that this hugely important sector and the more than 340 craft brewery small businesses in Ontario are at risk. The taxes craft breweries pay must be cut immediately to help stabilize the sector and to avoid seeing this fantastic Ontario industry hollered out.

We are pleased that the government has heard us, with the finance minister recently committing in writing to "conduct a targeted review of alcohol support programs, taxes, fees and markups," as part of last month's announcement about expanding alcohol sales in Ontario. This is a positive first step, but we need action now as breweries are closing every week. It is critical that tax changes that begin lowering craft brewery taxes are included in the upcoming spring budget.

1530

These breweries are truly the lifeblood of many Ontario communities. They are often one of the biggest employers and the biggest tourist destinations in town. Craft beer currently represents 12% of all beer sold in Ontario, yet it represents over 80% of all brewing jobs, currently employing more than 4,500 people and thousands more in hospitality, agriculture and manufacturing. All told, craft beer generates close to \$700 million in annual economic activity.

These breweries have watched profitability disappear due to skyrocketing input costs like hops, cardboard and aluminum cans; beer volume declining from bars and restaurants that never reopened after the pandemic; and debt burden soaring due to unrelenting interest rates. They have been forced to close their doors at alarming rates.

Ontario has the highest craft beer taxes in Canada which means breweries cannot absorb these increases, and taxes are the one thing completely under the province's control. Ontario craft breweries pay the highest beer taxes in all of Canada. They are eight times higher than what Alberta breweries pay. Every other province has a considerably lower rate, which rises much more gradually in proportion as the brewery volume increases.

So here's the choice before you: Continue with the status quo in Ontario's craft brewing industry and the 4,500 jobs

and the \$700 million in economic impact could disappear, but make common-sense, measured and long-overdue changes to Ontario's beer tax system and our industry could be bigger and stronger than ever, benefiting consumers, the industry and the province's bottom line. It's win-win-win.

We recommend three simple yet highly impactful changes to do that:

First, remove the punitive and outdated nine-cent-per-container beer can tax. This can tax has been around for 30 years, introduced at a time when most beer produced in Canada was sold in bottles. Its goal was to limit the import of canned beer from the United States. It is essentially now a tax on small brewers as it does not apply to other canned beverages like soft drinks, and it is also not collected on industry-standard beer bottles which the foreign-owned macrobreweries use for most of their products. The Beer Store also charges these same breweries another 2.2 cents per can to recycle them. That's 11.2 cents per can, \$2.69 a case. All these taxes and fees borne by the brewers should not be confused with the separate 10-cent deposit per can paid by consumers.

The impact of the beer can tax was made worse by the pandemic as brewers were forced to shift sales away from draft beer, which does not have the tax, to almost 100% of sales in cans due to bar and restaurant closures. This means that taxes on craft brewers went up substantially during the pandemic. This tax needs to go immediately.

Second, eliminate the triple indexing of tax increases on Ontario craft brewers. The current method the government uses when implementing a basic beer tax increase results in the rate increasing two to three times higher for Ontario's local producers, versus the large multinational brewers, every time the rates are increased. While we recognize the government has frozen the basic beer tax since 2018, which has been a lifesaver for the sector these past few years, it is important that we address this inequity before any possible resumption. Triple indexing has cost the industry \$68 million in extra taxes over the last 10 years—money that craft brewers could have otherwise invested to grow. We need to change how microbrewers' tax rate is calculated.

Finally, we call on the government to implement a re-structured and more progressive basic tax framework that incentivizes growth for bricks-and-mortar craft breweries of all sizes. As you have heard from the above examples, the current tax structure is cumbersome, complicated, unfair to the smallest brewers and full of red tape. When we look around the country and at all neighbouring US states, Ontario's tax system has fallen behind and is holding the sector back. We need to move towards the model in Alberta and British Columbia that incentivizes growth for bricks-and-mortar craft brewers of all sizes. We need this new tax system to ensure craft brewers can succeed in the recently announced expanded alcohol system that government is envisioning.

It is critical that change happen now to have any impact. Eliminating the beer can tax and triple indexing now in this budget will help stabilize the industry while the new

framework is developed. This year will be a pivotal moment for Ontario's economy and the Ontario-made craft beer manufacturing sector, which contributes thousands of excellent jobs, capital investment and economic benefit, not to mention culture and character, to communities across the province.

The Chair (Mr. Ernie Hardeman): One minute.

Mr. Scott Simmons: Ontario's craft brewers thank the government for its effort and support over these past five years, and we look forward to working with you on these changes to deliver a bright future for Ontario.

Thank you for your time and consideration. I look forward to your questions.

The Chair (Mr. Ernie Hardeman): Thank you very much for the presentation.

That ends the presentations. We'll start the first round of questioning with the independent. MPP Bowman.

Ms. Stephanie Bowman: Thank you all for being here and being patient with the disruption we're all experiencing over there.

I will start with the Council of Ontario Universities. Steve, could you talk a little bit about the impact that the tuition freeze is having on domestic students and universities? In theory, it sounds good for students, because it's keeping their costs low, but we know that it's having, as you've outlined, some devastating impacts on the institutions and your ability to serve your students. Could you talk about how the growing reliance on international students and the funding from that is having an impact on our domestic and Ontario students specifically?

Mr. Steve Orsini: Thank you for the question. You raise a number of important issues here, and one is that the financial model for universities relies on a number of key elements: government operating grants and both domestic and international tuition.

We know with international students, universities have been very responsible in how many we bring in. We want to make sure they have housing and supports. In the last year, we've seen the number of international students enrolled by universities level off, because we need to make sure they have the supports and housing. That is an area where, as a revenue source, we see limitations just by virtue of we're concerned about students; we want them to have supports and housing, so we've been very responsible as a sector.

When you look at operating grants, they've declined by 31% in real per student terms since 2006-07. And when you look at tuition, the government's own expert panel acknowledged that the cut and freeze over five years has reduced its value by 25%. Universities need resources to provide the services that students need to be successful, so the challenge with the cut and freeze and declining operating grants is limiting universities' ability to provide vital services.

One of our fastest-rising costs is mental health. We're seeing more and more students coming in from high schools who need more coaching, more mental health services. So the resources universities would get would get reinvested back in student supports.

The government's expert panel made a number of recommendations that we endorse: (1) Boost operating grants, and (2) allow tuition to increase, but protect low-income students through OSAP assistance. We believe that those recommendations, implemented quickly, will help ensure that students have the services they need to be successful in today's economy.

Ms. Stephanie Bowman: Thank you so much.

I will move on to Douglas. Douglas, could you talk to me a little bit about how the delays at the LTB have been affecting tenants? Certainly, I have a number of tenants and renters in my riding, in Don Valley West, and I do hear from them about their concerns—

The Chair (Mr. Ernie Hardeman): One minute.

Ms. Stephanie Bowman:—whether it's buildings not being sufficiently maintained or rent increases that they feel are for regular maintenance, not above-grade improvements, so those kinds of things that are really affecting their pocketbook today because of affordability.

Could you talk a little bit about how those delays are really affecting tenants today?

Mr. Douglas Kwan: Thank you for the question.

We've seen delays from March 2020—the backlogs were around 23,000—grow in three years to 53,057 as of March 2023, and we anticipate that in the next two months we're going to see an even bigger number at the Landlord and Tenant Board. These delays have created no confidence by either landlords or tenants that the Landlord and Tenant Board can do its job. We're seeing that manifest itself with landlords pulling back their units as long-term units for tenants and become short-term rentals, directly impacting the housing crisis. We're seeing people illegally locked out and not being able to assert their rights. So one situation in Oakville we heard—

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time for that.

1540

We'll now go to the government side. MPP Coe.

Mr. Lorne Coe: Thank you, Chair, and through you, starting with Mr. Orsini—and thank you all for your presentations.

Mr. Orsini, you'll know that in my riding in the region of Durham, there are two universities: Ontario Tech and Trent Durham. From time to time, we do have the opportunity, myself and the other government MPPs in the region of Durham, to meet with the presidents of those universities. We did so recently with Steven Murphy. We covered a range of topics, but one of the topics that we did discuss was labour shortages and the role of universities in trying to address, through particular programs, those labour shortages. Can you expand a little bit on the role of the Council of Ontario Universities relative to that particular topic?

Mr. Steve Orsini: Sure. Universities play a vital role in training the talent we need for jobs and growth. The government has gone to great extents to attract business investment to Ontario, an incredible accomplishment with big battery plants and investments in biotech. They need talent, they need the engineers, they need the scientists—

and that's what universities produce: the highly skilled talent that those companies need. With the declining operating funding and the cut and freeze to tuition and the cap on domestic enrolment, that's going to make it much more difficult for us to meet the business community's economic needs for talent. That is a key concern. We can produce the talent; we need the ability to do so.

Mr. Lorne Coe: Thank you for that answer. I want to transition to skills development. You'll know, Mr. Orsini, that one of the investments that we made in the recent economic statement in skills development and training was more than \$1 billion invested over three years in the Skilled Trades Strategy, as well as \$860 million in the training stream and \$224 million in the capital stream of the Skills Development Fund.

In your response to my earlier question about labour shortages, you spoke about the importance of training in informing the programs that universities do have in place and will have in place in preparing students for the jobs that are available. Can you speak a bit about the effect of that level of investment in the university sector and the outcomes that you anticipate, please?

Mr. Steve Orsini: The economy needs all skills of all talents, whether international or domestic students. The government's efforts to increase skilled trades and apprenticeships are vital to our economic growth. We know that universities produce engineers and architects and planners, but you need the skilled trades and apprenticeships to help develop and build our economy. You need an all-in strategy that looks at all skills of all sorts in all parts of the province, so we think investing in the skilled trades and investing in universities will complement each other. You need both. You can't just focus on one and not the other. We think the government strategy to increase skilled trades and apprenticeships, in combination with investing in highly skilled talent that universities generate, will be a key ingredient to our economic success.

Mr. Lorne Coe: Thank you, sir, for that response.

Chair, through you to my MPP colleagues, please, from the government.

The Chair (Mr. Ernie Hardeman): MPP Anand.

Mr. Deepak Anand: Thank you, again, for coming. As MPP Coe was talking about investing into the Skills Development Fund or investing into the training for the youth, what is your recommendation to the committee? Is it a good idea? And if it is a good idea, should we continue to invest? Or what should we do otherwise?

Mr. Steve Orsini: I think key to our economic success and giving students choice is to make sure they have career pathways, whether it's skilled trades or a university degree and so forth. We think the government needs a comprehensive approach to skills and talent development, which means investing in skilled trades and apprenticeships to make sure we have the people to build as well as to ensure that we have the resources to educate people in highly skilled professions, whether it's engineering, science, artificial intelligence or the one that the economy really needs, which is more physicians and nurses and health care

workers. Those are the careers that universities train and develop, so we need a comprehensive plan—

Mr. Deepak Anand: Thank you.

Mr. Steve Orsini:—skilled trades and highly skilled talent.

Mr. Deepak Anand: Thank you so much. With 1.5 million homes, with four-hour care, with building up the roads, with building up the hospitals, with building up schools, what do you think about Ontario in the future? What do you think about Ontario's growth? What do you think about Ontario in the future?

Mr. Steve Orsini: Ontario has incredible opportunities. Just the fact that students all over the world want to come here because we have a vibrant economy, we have a civil society—it's exciting opportunities. Building our skilled talent and all skilled areas is going to be a key ingredient to our success.

Mr. Deepak Anand: So we're good?

Mr. Steve Orsini: I believe that one of the key ingredients to our economic success, and we hear this from business all the time, is our talent. We need to invest in our talent, and that means the government has an opportunity to implement the blue-ribbon panel report to address a significant challenge that we all face, because we won't be able to deliver that talent without government support.

Mr. Deepak Anand: That's all for me. MPP Dowie?

The Chair (Mr. Ernie Hardeman): MPP Dowie.

Mr. Andrew Dowie: Thank you, Chair. How much time is left?

The Chair (Mr. Ernie Hardeman): Fifty-one seconds.

Mr. Andrew Dowie: Fifty-one seconds, okay.

I will start, and then maybe I'll continue next round, with Mr. Simmons. Thank you for your presentation. I know we have a number of craft brewers in my riding of Windsor-Tecumseh and across Ontario, and I'm hearing of struggles, really, with keeping the business afloat. You could be one of the best-producing craft brewers in the province and still have financial trouble. I'm wondering if you could share with the committee what the impact is of the reduced consumption and what it's going to mean to local economies if left unaddressed.

Mr. Scott Simmons: Well, thank you for the question. In broad strokes, it's a \$700-million industry in Ontario right now, with 4,500 full-time jobs and roughly 9,000 indirect jobs. These are all at risk. And the key thing about craft brewing is that these breweries are literally in every community.

The Chair (Mr. Ernie Hardeman): And you can talk about them the next time around, because the time is up.

We'll go to the official opposition. MPP Fife.

Ms. Catherine Fife: Thanks to all presenters. It's an eventful day today here at pre-budget. I do want to say, Steve, I thought it was very timely, when you were talking about the infrastructure backlog, that the ceiling collapsed, because the language that we've heard today is "crisis," "tipping point," "unsustainable." This is the common theme today.

I want to talk about the blue-ribbon panel, because it was part of your presentation. The government commis-

sioned this work. They did a thorough examination. One of their key recommendations is to boost operating grants, for very good reason. We asked a question in the House on this very issue, and I don't know if you saw it, but the minister came back to us and said, "These universities have reserves galore," essentially—that you have this money and you're not putting it into play; you're not streamlining your resources.

I just wanted to give you an opportunity to get on the record: Are universities in the province of Ontario swimming in cash and just not applying it to operating costs?

Mr. Steve Orsini: Absolutely not. If you look at our total reserves and liabilities—so that only looks at half the issue. You have some reserves. People donate money to universities for scholarships and research. That money is restricted. You can't take that money and plow it into student supports, which we desperately need.

When you look at the liabilities versus the assets, using the ministry's own survey results, we have a net deficit of over \$4 billion. In other words, we're in the hole and we need government to implement the blue-ribbon panel to ensure that we can continue to deliver supports for students.

Ms. Catherine Fife: Yes, okay.

So, the issue with student fees—on the record, we do not support raising student fees, because student fees—two years ago, that became the tipping point where student fees were, I think, covering 50% of the operating funding. We are not in favour of setting up more barriers for students' access, but we are in support of supporting our university institutions and funding them accordingly.

1550

It's not an either-or situation: skilled trades or universities. These are two very important tracks to strengthen the economy and to have people reach their potential. So I'm very happy that you were able to get that on the record around your "non-stop" reserves.

Now, I'm going to move on to Douglas. Douglas, I want to thank you for coming to committee on Bill 23. I remember your deputation very well.

I was going to talk about the LTB. A tenant recently came into my office after waiting almost two and a half years for that date—just said it's broken; it can't be fixed. You can't tinker around the edges and fix it. It's fundamentally broken. I wanted to give you an opportunity to talk about that.

Mr. Douglas Kwan: The Landlord and Tenant Board has, as I said earlier, made decisions to put itself in this situation. We recognize that the government has put investments to try and alleviate what has been happening, but money is just not going to solve it. It's like installing that elevator on the second floor when we know, if you just move it to the first floor, all the problems would be solved—both on an access-to-justice front but also it would remove the backlog, because in-person services allow hallway conversations to take place. In Zoom meetings, only one person can speak, but in hallway conversations, multiple resolutions can occur. I've seen it being

successful—30% of the applications being resolved before they even go in front of their adjudicator.

Ms. Catherine Fife: Excellent.

Mr. Douglas Kwan: And one last thing: Talking about delays, last fall, we know of an Oakville renter who was illegally locked out. It took 42 days to get a hearing and then it was adjourned for another 22 days because the landlord wanted counsel, so that's a total of 64 days before that renter was able to go before an adjudicator about his illegal lockout.

Ms. Catherine Fife: Yes, that's very—these stories are becoming too commonplace, quite honestly.

Also, I wanted to get you on the record: We have called, through our housing critic Jessica Bell, to establish a provincial, short-term registry for Airbnbs and what have you. The impact of these short-term rentals cannot be disputed. They're impacting the available stock of rentals in Toronto, across Ontario, in Kitchener-Waterloo region. Can you just share your thoughts on the importance of establishing a registry for these short-term rentals?

Mr. Douglas Kwan: I think that's a good first start. I think guidance and leadership at the provincial level on short-term rentals is desperately needed because, as it currently stands, municipalities are trying to address it within their own community and they're falling behind. They can't keep up with how advanced those portals are that appear, and they have found various loopholes around municipal bylaws to try and regulate them.

We've seen the benefit of removing short-term rentals from the supply. In 2020, when they weren't allowed to operate, thousands of short-term rentals became available for tenants, and they became sustainable tenancies and homes for them.

We believe that regulating and stronger guidance on the short-term rental piece would increase affordability and supply for Ontarians.

Ms. Catherine Fife: Okay. Thank you so much for your work. I appreciate that.

Scott, I did write a letter on your behalf to the finance minister around the multiple levels of taxation and the rationale around that taxation. To date, I have not received a response. So it's really important that you're here, and I want to thank you, because when I met with some of your members—I mean, these are very aspirational, ambitious people in communities who have a very good working relationship with the agricultural sector as well, and the potential for Ontario's craft brewers I don't think has been realized. I wanted to give you an opportunity to talk about the value of job creation in the sector, because the potential is there.

Mr. Scott Simmons: Well, again—thank you for the comments—it's 4,500 full-time jobs. We're still underdeveloped in this province. We have less craft breweries per capita than any Canadian province, and I feel like we still have room to grow here, under the right conditions. If we could grow another 5%, that's thousands of jobs. And they stay in Ontario. They're people from Ontario, in rural communities, in northern communities, where it's hard to create jobs, generally. There's a huge opportunity that, as

I said earlier, is a win-win-win for everybody: for the craft brewery operators, for consumers and for the Ontario government. I think it's right in front of us; there's tremendous opportunity. We just need to make these changes quickly.

Ms. Catherine Fife: Okay, thank you so much for being here and for your work on behalf of the association—

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time.

We will now go to independent MPP Hazell.

MPP Andrea Hazell: Thank you, everyone, for your presentations. My question is for Steve. The government says they wouldn't provide a tuition increase, unless universities can prove they are operating as efficiently as possible. Do you suppose that the lack of operating funding is itself an impediment on efficient operation of the universities?

Mr. Steve Orsini: So two important parts of your question: The first one is that universities are committed to doing what we can to be efficient. We have a long history of finding efficiencies, shared services, joint procurement, automation. In December, we released a report highlighting what we've done and what we're prepared to do. So we're about belt-tightening. We're finding efficiencies. We're at the point though where it's not going to address the underlying financial challenges. We're into cutting. We're into cutting student services, which is the last thing we want to do.

The other part of your question is how the lack of upfront funds to invest in new technology creates a barrier. If you are barely making ends meet, the last thing you want to do is cut services to students. You're going to be faced with, "Well, how are we going to fund a major, let's say, automation project?" So, one of our key initiatives going forward is we're going to look at, "Can we work together to jointly procure technology, to automate processes?" But the strains in our budget will limit our ability to invest, to invest in new technology. Kids want technology. They want equipment in their classrooms, and we can't deliver that, given our current financial circumstances.

MPP Andrea Hazell: I have a follow-up question. We saw Laurentian University go bankrupt, with major programs being cut as well as funding to the French-language-affiliated school, l'Université de Sudbury. Are we at risk of losing other institutions, particularly in places like the north? Should the government have stepped in to make sure students there were not impacted? How do you feel about that?

Mr. Steve Orsini: Well, I can't speak to any one particular situation, but what I can tell you is that at least 10 universities are facing significant deficits as of today. That's growing into the future. If the current conditions continue, it means less services for students, whether it's mental health, career coaching and the like to ensure that they're successful.

We're going to see more and more institutions facing greater financial distress. And our view is: Now is the time for the government to act. They had the foresight to create

a blue-ribbon panel. The panel has reported. We're urgently calling on the government to implement those recommendations.

MPP Andrea Hazell: Thank you so much.

My next question is for Douglas. Douglas, the 2019 funding cuts to legal aid in our province have been devastating for many legal clinics. How was your clinic managed following those cuts?

The Chair (Mr. Ernie Hardeman): One minute.

Mr. Douglas Kwan: Thank you for the question. At our clinic, we had to lose one staff person and our services were diminished as well. Other clinics, geographical clinics across the province, also experienced cuts to various degrees. It's at a time when we're currently seeing a housing and affordability crisis. Middle- and low-income Ontarians look to us for legal advice and help to maintain their housing, ensuring that they have access to income supports to put food on the table. We're urging the government to reconsider those cuts and return us back to pre-2019 levels, because the need is certainly out there.

I can speak of my staff who are not different from other people who are in the human services sector, who are just demoralized. They're frustrated. They're burnt-out. Because they see the need, they see—

The Chair (Mr. Ernie Hardeman): Thank you very much. We'll now go to the government. MPP Riddell.

1600

Mr. Brian Riddell: My question is for all three of you, and I'll give you the chance to give me an independent answer. The federal carbon tax has put hardships on people from one shore to the other shore in Canada, and I'd just like to know what effects it has had on your associations.

Mr. Steve Orsini: I'll speak just for universities. The carbon tax applies to university operations, but the funding for retrofit and converting to green technologies—our universities aren't eligible, so that's a disadvantage we have. We're going to pay the carbon tax, but we don't get the federal capital funding to retool and refurbish to lower our emissions cost. We would like to reduce our emission cost, but it takes capital.

Mr. Douglas Kwan: I'm going to defer that question to my fellow panel member.

Mr. Scott Simmons: I don't have a lot to add either. Federal taxes on craft beer are a minority of the hardships that they're facing right now. Most of the issues are provincial. So I'll defer the question as well.

Mr. Brian Riddell: How do you feel about the gas tax reduction we've done provincially? It must have helped you somehow.

Mr. Scott Simmons: Yes. We've worked very closely with this government over the last five years. A lot of changes happened during the pandemic that really helped our industry. That initiative is fantastic as well. There's just a lot more to be done to make sure that this industry is viable going forward for the next couple of decades.

Mr. Brian Riddell: If I could ask all three of you for three recommendations to the government that you would like to give us today, what would they be? Your top three.

Mr. Scott Simmons: Well, I'll repeat the ones I said. This government has shown a lot of support for small businesses, and we thank the government for that. These craft breweries are small businesses. We need to eliminate that can tax, we need to eliminate triple indexing, and we need to create a more progressive tax system—somewhat similar to federal excise—that starts, literally, very low for the smallest breweries and then grows gradually. If we had that system in Ontario, I think—to the question I got earlier—we could see this industry double in the next 10 years, which would mean so much for this province and our economy.

Mr. Douglas Kwan: Thank you for your question.

The top three asks, I think, would be: removing vacancy decontrol and the rent exemption for 2018 units, which would go a long way to ensure affordability; supporting and increasing social assistance rates, because the majority of recipients are living in the private market and their rates have not increased for decades—for Ontario Works recipients especially; and building affordable housing, but truly affordable housing, by working with the non-profit sector, ensuring that affordability sticks with whatever building that benefited from any of the incentives that the government introduces.

Mr. Steve Orsini: The government has provided big incentives to attract business investment. We need the talent. And there are three things the government can do very quickly—in fact, urgently: (1) Boost operating grants so we can train the labour force that we need; (2) end the freeze on tuition, but protect low-income students; and (3) boost grants for northern universities and bilingual universities and research innovation, as recommended by their expert panel.

Mr. Brian Riddell: Thank you for your answers, gentlemen.

The Chair (Mr. Ernie Hardeman): You have 3.1 minutes. MPP Dowie.

Mr. Andrew Dowie: I actually wanted to get back to last time with Mr. Simmons—I'm hoping you can speak about the framework of the taxation in the province, the impact on the industry, and how it compares to other jurisdictions that maybe have a bit more viability in their business.

Mr. Scott Simmons: I think where we got cut off before—I was going to talk about what I mentioned later: that the majority of craft breweries are in rural and northern Ontario, and it's great to create jobs and economic development there. So that's the opportunity that we have before us.

Generally, the problem with the tax structure is that it's far too punitive at the smallest end for craft breweries, and 90% of the industry—you've all visited them—are these small community breweries. They are very, we like to call them, romantically inefficient. They are small. It costs them more jobs per hectolitre to produce, more overhead per hectolitre. They don't have the buying power, the efficiencies and the leverage that the multinational brewers have, which are literally millions of times bigger than

they are, so their costs are much higher, and they can't absorb these high taxes.

Prices have hit a ceiling. There's nowhere to go. There is absolutely nowhere to go. Taxes are the only thing that can move, but they need to move because you need to give these small companies a chance to grow. Once they grow, you'll see the economic benefit pay itself back to the province in economic development, more jobs, more taxes being paid, but they're just being stifled right now. Literally, we're suffocating this homegrown industry, which I think would be a shame if another year goes by and there's no change, because we'll see a big chunk of this industry disappear.

Mr. Andrew Dowie: Thank you.

Chair, I've got a question for—

The Chair (Mr. Ernie Hardeman): You've got 1.1.

Mr. Andrew Dowie: —a last question for Mr. Orsini. Thank you for your presentation. I know I've seen some incredible work in Ontario's universities, collaborating with industry. The capital costs of equipment—there's an opportunity to share, everyone pitching in on something that may not be used that often, but everyone can benefit. I wonder if you could elaborate on ways that this could be expanded even further, because I know industry is always asking for that kind of support and a better-trained worker, effectively. Universities can play a great part in that. I'm hoping you can maybe share your thoughts.

Mr. Steve Orsini: Yes, in fact, we had a recent Queen's Park event where we brought in examples right across the province of universities working with the private sector on new technologies: robotics, 3D imaging. I think a lot of universities in your neck of the woods, as well, are working closely with the auto companies, Stellantis and others.

Companies are investing in the technologies in the classroom, and the students are developing new ideas. They're commercializing new ideas. This is something that we're working with the province on: How do we take the knowledge, the ideas, that students are developing—

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time.

We'll go to the opposition. MPP Wong-Tam.

MPP Kristyn Wong-Tam: Thank you very much, Chair. I really appreciate this opportunity. And thank you to all the deputants, who provided some really helpful submissions.

My first round of questions is to Douglas. Douglas, with respect to the challenges that you're citing within the housing sector, the things that you're seeing with respect to the trends of rising homelessness, the challenges for tenants to stay housed, the costs of the crisis around affordability: This is certainly something that I'm seeing in my local community, in Toronto Centre—you know it very well—with respect to the growing encampments, the number of tenants who are literally crying and begging for support and organizing tenant unions, as well as associations to perhaps put on some rent strikes, to fight off demovictions. A lot of these things are just signs of desperation, and they're symptoms that have now come to—the cracks that we can't ignore.

And yet, in your deputation, I recognize that you have asked for a number of key initiatives which are not necessarily new to this committee or to the government. I recognize that you have been to this presentation before. Your organization has been on the front lines advocating for these types of legislative changes in order to curb the housing crisis that we see.

Correct me if I'm wrong, but your presentation today is the same or very similar to the one that you provided last year, the year before and the year before that. Is that not correct?

Mr. Douglas Kwan: Thank you for the question. It's substantially similar to my past presentations.

MPP Kristyn Wong-Tam: Thank you. Because the recommendations that you've provided are very similar—we've heard it before, but the government hasn't taken the action necessary in order to stop the housing crisis, to stop the demovictions, to stop and fix the crisis that we see and the substantial backlog in the LTB, to address and really implement real, full rent control and vacancy control.

Your prediction for 2024: I would hate to see you come back next year with exactly the same presentation, where it falls upon deaf ears. What do you see will happen in 2024 if we don't take the actions that you're suggesting?

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Mr. Douglas Kwan: I don't mind coming back. I always like seeing familiar faces and presenting what renters need from the province.

In 2024, we're hopeful. We have no choice but to be hopeful that things will improve through decisions made by decision-makers who see the crisis the way it is, who recognize that it's unprecedented. Our job is to provide tools and ideas for decision-makers to act upon, and we're hopeful that next year will somewhat alleviate the housing crisis, but even if not, you'll hear back from me.

MPP Kristyn Wong-Tam: We always welcome you back. It's not that I'm trying to discourage you from coming back; I'm hoping that the next time around, you're able to say that, yes, the housing crisis is being adequately addressed.

The top three issues that you identified as a priority for your sector—you called for more deeply affordable housing, real rent control and an increase of social assistance funding. There has been no real indication from this government that there is going to be new money, not necessarily flowing from the federal government, to build deeply affordable and even including supportive housing. We haven't necessarily seen any movement at all around real rent control. And with respect to social assistance funding, I suspect you're not asking for a 5% increase; you're probably looking for the doubling of OW and ODSP. Is that correct?

Mr. Douglas Kwan: We're looking for a substantial increase in social assistance rates because—

MPP Kristyn Wong-Tam: Above 5%?

Mr. Douglas Kwan: Above 5%, yes.

MPP Kristyn Wong-Tam: Okay. Thank you.

To you, Steve: I'm just really curious with respect to the blue-ribbon panel, which I think was a fantastic move

on behalf of the government—I also want to associate myself with the comments that the government had recognized that a crisis was coming down the pipeline. Ten universities are going to be in dire financial challenges.

One thing that you cited which I hadn't heard before, and perhaps it's just because I'm new to the building—I've been at Queen's Park for 18 months. I didn't realize that universities provide more student funding assistance to pay tuition than the OSAP program on its own. How much do the universities provide for that type of funding?

Mr. Steve Orsini: We provide more than \$1.3 billion in non-repayable financial assistance for students, and OSAP, as of last year, was providing close to \$1 billion. I think we expect it to increase in the future, but as of now, in our forecast, we're still providing more than the entire OSAP budget. And to add, every dollar in net new tuition, universities will commit 10% more to that fund for student financial supports.

MPP Kristyn Wong-Tam: That sounds quite extraordinary to me that you are able to deliver more non-repayable loans than the actual province of Ontario with the ability that this government has to raise revenues and to spend in the various sectors. How do you do that?

Mr. Steve Orsini: It's part of our commitment to ensure students have access—those who are qualified but need financial supports. And that's the challenge that universities are facing right now: the mental health demand—the student financial support is making it very difficult to continue with those supports at our current resource levels, whether it's operating, tuition or otherwise. We're going to see less support in the future unless the government implements the blue-ribbon panel.

MPP Kristyn Wong-Tam: And if the government does not move quickly to implement the blue-ribbon panel recommendations, do you think that Ontario's global competitiveness will suffer?

Mr. Steve Orsini: One of the things we hear from the business community all the time is, it's because of our talent. The government has worked really hard on an attractive business climate, but it's also the talent. Without that skilled talent, we're not going to attract the jobs we need, we're not going to be more productive and we won't be as competitive.

The Chair (Mr. Ernie Hardeman): One minute.

MPP Kristyn Wong-Tam: Yes, thank you.

My last question is to you, Scott. I know at Toronto city council, when I was there for 12 years, we had a lot of enthusiasm for our local craft breweries, to the point that there was a working group that was struck up. There was all sorts of work done to speak to the sector to determine what the sector needed, but a lot of what we needed to do to support the industry was not at the municipal level. I mean, obviously, we can change some zoning bylaws and, certainly, we did that, but much of the solutions you need to be viable and to grow and scale up your sector are actually at the provincial level.

You've cited three things that you need it to do in order for this to be successful for your part. To make your invest-

ment of time here worthwhile, what is the number one thing that you need from this government?

Mr. Scott Simmons: The most impactful thing would be the complete restructuring of the tax system, but that's going to take time—

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time and that concludes the time for this panel.

I want to thank all three panellists for having been the most eventful panel that we've had so far. In fact, you were so successful that you brought the ceiling down. Thank you very much.

FEED ONTARIO

ANGEL INVESTORS ONTARIO

GASP

The Chair (Mr. Ernie Hardeman): We'll now go to the next panel. The delegations are Feed Ontario, Angel Investors Ontario and GASP, Grand(m)others Act to Save the Planet, and GASP will be virtual.

With that, as with the previous delegations, if you were not present when we gave the instructions, you will have seven minutes to make a presentation. At six minutes, I will say, "One minute"—if I watch the watch—and then don't stop; finish your presentation. At seven minutes, we'll make sure you stop.

Mr. Mark Lawrence: Do I have to press the button to talk?

The Chair (Mr. Ernie Hardeman): No, they will automatically come on when you start to speak.

With that, we will start with the first presenter, Feed Ontario, and I do ask everyone to introduce themselves for Hansard to make sure we get the name properly for the comments made.

Ms. Ashley Quan: Hi, I'm Ashley Quan. I'm the manager of research and government relations at Feed Ontario. Thanks for having us here today. We're presenting today because we are really concerned.

More and more Ontarians are falling into economic crisis, with one in 19 people in this province relying upon food banks simply to put food on the table. Food bank use grew by 38% over the previous year, which is the largest single-year increase on record and double the increase that we saw following the 2008 recession.

Ontarians' need for emergency food assistance is outpacing the capacity of food banks across the province. Some food banks have already been forced to reduce service or even close completely, and concern is rising about the potential for a network collapse. This situation should be alarming to the government of Ontario. By the time someone walks through the doors of a food bank, they're often on the precipice of homelessness.

Studies show that nearly half of food bank visitors would be homeless without the supports provided by the food bank and one in five food bank visitors report that they have \$0 or less—i.e., they're already in debt—after paying for their housing and utilities costs alone. This has

a significant impact on our communities, as well as a high economic cost to the province.

As detailed in our cost of poverty report, poverty costs Ontario an estimated \$3.9 billion in excess health care costs and \$1.1 billion in excess justice system costs every year. The government of Ontario must take urgent action to prioritize the economic security of working and vulnerable Ontarians to prevent even bigger problems down the line, including a rapid increase in homelessness and higher health care costs.

While every Ontarian is feeling the pressure of the rising cost of living, it is those who are already in an economically precarious position that are now turning to food banks just to survive, and therefore deserve particular focus and assistance in this budget. To start addressing this crisis, Feed Ontario asks that the government of Ontario invest in working with vulnerable Ontarians. I'll highlight some of the top actions here today.

To better support Ontario workers, we have the following three recommendations: First, let workers on social assistance keep more of their income. Right now, high clawbacks on earned income for recipients of Ontario Works act as a barrier to recipients from working more hours as they are essentially taxed 50 cents on every dollar. We recommend increasing the monthly earned income clawback exemption for Ontario Works from \$200 to \$1,000 to match the changes that your government recently made to the Ontario Disability Support Program.

Second, let those on social assistance who paid into programs like employment insurance, the Canada Pension Plan and WSIB keep more of the benefits that they are owed. We recommend that, instead of clawing these payments back dollar for dollar from social assistance, you treat payments from these programs the same as earned income for social assistance recipients.

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Third, we know that one in six people who visit a food bank are workers, and delayed wages are a commonly cited reason for visiting a food bank. The Ministry of Labour plays an important role—

The Chair (Mr. Ernie Hardeman): Excuse me. Could you move just a little back from the microphone.

Ms. Ashley Quan: Oh, sure.

The Ministry of Labour plays an important role in preventing wage theft and recovering wages, yet between 2018 and 2022, proactive workplace inspections dropped by 66%. Last year, the employment rights and responsibilities program saw a 60% decline in funding. We recommend that the government of Ontario increase its investments in worker protections.

And then, to better support vulnerable Ontarians, we have the following three recommendations:

First, we all know that the federal government is in the process of designing a Canada Disability Benefit to help people with disabilities move out of poverty. Many people on social assistance may be eligible to receive this benefit, and it is essential that it is not clawed back. The provincial government should commit to treating the Canada Disability Benefit as a top-up to social assistance, not a cost-

saving measure, by committing to not clawing back this benefit.

Second, due to decades of freezes and minimal increases, social assistance rates today are hundreds of dollars lower in real money than what they were in the 1990s. Not only does this put recipients in deep poverty, it also acts as a barrier to successfully moving off the program. The provincial government should incrementally increase social assistance rates, first to account for inflation since 2018, then to account for inflation since 1996, and then, finally, to meet the poverty line.

Finally, the Ontario government needs to get back into the business of affordable housing. Despite agreements signed through the National Housing Strategy, spending on provincial housing programs is 19% less on average than the period between 2014 and 2018, and construction on new and affordable social housing units has also fallen behind population growth. We recommend increasing investments in housing programs to match spending from previous years and building more social, affordable and supportive housing.

The Chair (Mr. Ernie Hardeman): One minute.

Ms. Ashley Quan: More information on these recommendations can be found in our written submission, which will be sent to the government later this month.

We do recognize the progress that the government of Ontario has made, including unfreezing ODSP rates, changing the earning clawbacks on ODSP and increasing the minimum wage to \$16.55 per hour. However, the scale of the challenge that we are facing is immense, especially after so many decades of disinvestment in Ontario's social safety net. Far more ambitious and urgent action must be taken to help the more than 800,000 Ontarians who are still struggling to put food on their tables. Thank you.

The Chair (Mr. Ernie Hardeman): Thank you very much.

The next presenter is Angel Investors Ontario.

Mr. Mark Lawrence: Good afternoon, MPPs and Chair. My name is Mark Lawrence. I'm the volunteer chair of Angel Investors Ontario. AIO, as we call it, is a not-for-profit umbrella organization providing education, infrastructure and resources to Ontario's angel investors and entrepreneurs. We facilitate, through our investors, high-risk capital investment in Ontario's start-up ecosystem through local, community-based groups of angel investors. Our member groups provide capital and volunteer mentorship to innovative start-ups province-wide, supporting Ontario's new innovation economy.

Ontario's angel investment community represents about 60% of the organized angel investing conducted in the country of Canada, so we're a very important part. Organized angel groups are the most effective means to help entrepreneurs attract critical funding and experienced mentors. Ontario angel groups are proven drivers of economic growth, development and job creation. Our track record over the past 16 and a half years has been absolutely stellar.

AIO fits perfectly with the fall economic statement stating the need for infrastructure, attracting innovation

capital, economic growth and jobs in the province to promote our innovation economy. We are seeking to receive program funding in this budget to support the infrastructure of AIO for three years, and to have grants to grant out to our 18 not-for-profit groups across the province and enable their continued operation—a total of \$6.75 million over the three years.

The angel investor ecosystem requires support to be sustainable, so we can track our outcomes, so we can cover operational costs, such as salaries and staff and rent, but we do not ask for any direct investment into entrepreneurs or start-ups.

We have groups located from Windsor to North Bay, rural to urban. Our angel groups are accredited investors who provide this mentorship and risk capital to start-ups. Quite simply, many start-ups would cease to exist without our support.

Over the past 16 years, our 1,800 angels, who are private citizens, invested their own money of \$800 million into start-ups over those 16 years. They weren't given tax credits or refunded any money; it's their personal money. They started companies, such as Shopify and Wealthsimple, that you've heard of. And angels filled the funding gap. When an entrepreneur asks his family and friends for funding and it dries up, angels support that funding until you can get to the venture capital. There's a big thing we call "the value of death," and we provide that gap. There's no other program.

So, a sustainable ecosystem requires dedicated support and infrastructure. In 2019, we have a tremendous stat. When Ontario funded our organization at the time, every dollar of provincial funding was matched by \$90 from angel investors—a 90-to-1 ratio. That was tremendous.

And these start-ups generate high-paying, high-talented jobs for our economy. Since 2007, our angel investments have helped create and retain about 15,000 net jobs. In northern Ontario, where we operate very effectively, with FedNor funding of \$4.2 million over 14 years, we created 5,126 full-time jobs, about 2,200 part-time jobs, at an average cost per job of only \$627.

So we have priorities. Our priority is to provide angels a networked ecosystem that works and leverages with our existing infrastructure of Ontario regional innovation centres, accelerators, the Toronto Business Development Centre, and our province's Ontario Centre of Innovation. It's through a calculating infrastructure strategy that we can recruit and attract new angel investors. At the same time, we're expanding our DEI process of investing in women-led investors and entrepreneurs, investors of colour, and new immigrants. It's a very important part of the strategy to get those guys investor-ready. We also work with Invest Ontario because we especially invest and like life sciences, advanced manufacturing and other priority sectors.

So we could be a strategic partner for the government with limited downside risks. We could ask for predictable funding and that gets us going for three years.

The main thing that I stress here, talking with the fellow who is in my chair from Ontario colleges and universities,

is that we spend about \$4 billion in research annually at our educational institutions. We're only commercializing 2% to 3% of that, and angels can help in increasing that percentage.

Right now, we are at a critical point. Some of our groups are shutting down and others are cutting back their operations. It's a ripple effect. Entrepreneurship attracts angels. They attract more investors, and suddenly, industry takes note from across the country or outside of the country that we have the talent in a particular area, like Durham and other regions, to come here and put new roots in Ontario. It's a critical part.

We also have an improved family life. Families thrive, dreams are realized and futures advance.

We also help to educate entrepreneurs, investors and immigrant investors. We were recently recognized by the Ontario Securities Commission and were given a one-year project grant to develop a series of investor education programs for our ecosystem, so we are recognized in the industry.

The Chair (Mr. Ernie Hardeman): One minute.

Mr. Mark Lawrence: Other programs which we're asking for which were not in my write-up were—we want to create the Ontario small business and innovation equity credit. Similar to what BC currently has, it allows an individual to invest up to \$250,000 into an eligible small business in certain priority sectors and achieve a refundable income tax credit of 25% of that amount. You can do it on a trial basis. BC does it with a \$40-million cap. We're 60% of that business; they're 5%.

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The other thing we'd like to do is set up a fund like in Anges Québec next door. They have a \$150-million fund seeded by the government which directly invests in angel entrepreneurs and also allows angels to have a diversified portfolio.

So there are two things we can look for from outside the province, and I look forward to questions.

The Chair (Mr. Ernie Hardeman): Thank you very much. Your time has expired.

We will now go to GASP, Grand(m)others Act to Save the Planet.

Ms. Louise Brownlee: Hello. My name is Louise Brownlee. Thank you for the opportunity to address the committee today. I am speaking to you as co-chair of GASP, a grassroots volunteer group of grandmothers who care deeply about the world our descendants will inherit. This week, I'm really thinking about descendants as my daughter Allison is about to have her first child any day now.

Making budget decisions that will ensure a healthy and prosperous future for residents of Ontario is a huge challenge because, like everything in life, balance is important. Ontario's slogan is "Open for Business," but GASP worries that business interests often take precedence over the care of our natural environment: our wetlands, Ontario's waterways, forests.

GASP was relieved when Ontario reversed its decision to develop the greenbelt. GASP represents members from over 10 southern Ontario ridings. We are non-partisan. We

remind all politicians to give priority to a healthy environment. The value of nature is a blind spot in economics, but given the climate crisis, we can no longer afford for nature to be absent from our economic decisions.

The year 2023 was when it became clear that climate change is affecting us here and now. In June, Toronto experienced the frightening consequences of wildfire smoke on its air quality. This high level of pollution threatens the health of the very young and the old. Paraphrasing Ernst and Young, economies can only grow sustainably if they simultaneously manage the growing urgency of environmental degradation and climate change. The bottom line is that Ontario urgently needs to reduce the amount of fossil fuel gases it emits into the atmosphere.

This is not a partisan issue; this is a survival issue. And it will save the Ontario taxpayer billions of dollars in the long run to stop the damage from heat waves, wildfires, floods, droughts, extreme weather events. All public and private sectors must reduce the use of fossil fuels.

Throughout this consultation, you will hear from many business interests. GASP implores you to add a climate lens to every budget decision you make. Will this budget item reduce fossil fuel emissions? Fabulous. Will this budget item help transition to a low-carbon economy? Will it help to adapt to the impacts of the climate crisis? Ignoring the climate crisis will cause harm today and tomorrow. That's why I joined GASP, because this is the biggest issue facing humanity.

GASP supports cost-cutting strategies on three key Ontario budget items: energy, transportation and health care. The first: You can reduce Ontario's energy bill through improved efficiency, investment in renewable energy and adaptation. The cheapest way to reduce costs is to focus on improving energy efficiency in all sectors. A recent RBC report said that Ontario can completely avoid the need for new gas plants and save \$500 million per year by investing in technologies to increase our energy efficiency and shift electricity demand from peak to off-peak periods.

Updating Ontario's building code to include substantial improvements to energy efficiency is a win-win for the taxpayer, creating jobs in Ontario and improving the environment. The taxpayer will have lower household energy bills, and Ontario will create good-paying jobs.

The big budget item in energy, expanding gas plants in Ontario, is a poor investment. The increased fossil fuel emissions from the gas plants will intensify extreme weather, air pollution, and the associated insurance and health care costs. New gas plants would likely be shut down in 2035 anyway, just seven years after they came online, due to the federal clean energy electricity regulations.

Today's Globe editorial praised the Ontario government's support of wind and solar power over the next five years. The government recognizes that access to clean energy attracts new business investment, and GASP salutes this shift. GASP urges the government to offer financial incentives for solar and heat pump installations and the purchase of electric vehicles.

Preserving nature is an important adaptation strategy. Nature provides tremendous ecological services. Trees

absorb carbon, and wetlands absorb flood waters. We want to look after nature during this climate crisis.

We can save transportation costs by investing in green transit and cancelling Highway 413. Transportation is a major source of fossil fuel emissions. New highways contribute to more car dependency, increased emissions and urban sprawl. The proposed Highway 413 is unnecessary. Studies have shown throughout the world how ineffective highways are in response to congestion, because they fill up. A February 2021—

The Chair (Mr. Ernie Hardeman): One minute.

Ms. Louise Brownlee:—Globe and Mail editorial states that Highway 413 has been referred to as a sprawl accelerator. GASP agrees. It's hard to justify, given the climate crisis.

Highway 407 is well maintained, underutilized, and provides easy access to routes across the GTA, so it should be an option to explore. Subsidize truckers to use the 407—it will cost less and be popular, getting trucks off the 400 highways.

Invest in sustainable communities, public transportation, better rail systems to connect major cities. Ontario can reduce its transportation budget by creating denser, walkable neighbourhoods.

And finally, we believe, like our first speaker, that a basic income program will reduce overall health care costs. Reinstate the basic income pilot. Research found that participants were happier—

The Chair (Mr. Ernie Hardeman): That concludes the time for your presentation. We'll now have to go to questions. Hopefully, the rest of your presentation will come out in the question period.

The questions will start with the government. MPP Coe.

Mr. Lorne Coe: Good afternoon, everyone. Thank you very much for your excellent presentations.

I'm going to start with Mark. Mark, thank you for taking the time to drive here today and for your presentation.

My first question centres on the Ontario Infrastructure Bank. You'll know that it was discussed in the most recent economic statement, and its intent is to attract public sector pension plans and other trusted institutional investors to participate in large-scale, critical infrastructure projects, like hospitals and schools, with proposed initial funding of \$3 billion from the government, going forward. Do you see this as an effective strategy to grow investment in the infrastructure sector, from your vast business experience?

Mr. Mark Lawrence: I'm certainly a strong believer of the infrastructure bank and what it's trying to do. It is trying to match government money with people in the industry. Infrastructure is exactly what we need, and it ties into my angel community well, because, really, as I said in my statements, we need infrastructure to support the angel group. We've actually run a number of events across the province with OPG where we put, in OPG, a strong interest in energy infrastructure, with about 50 or 60 entrepreneurs that had IP and technology in energy and 60 angel investors. It's that sort of co-operation with those bankers, like Brookfield and other banks that would invest

in the fund, that can keep the IP that we develop in our province and make our infrastructure projects better and more innovative, and support our Ontario economy. So I think it's something that can trickle down to all parts of the economy, so I'm looking forward to getting it going.

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Mr. Lorne Coe: I think also, I see [*inaudible*] what you proposed today going forward. I'd like you to share a little bit more specificity about the example of what's going on in British Columbia and how you see there might be some correlation to what we're doing as a government and will be doing going forward.

Mr. Mark Lawrence: Well, BC has created a tax credit for investing in specific areas of the economy that they want to specify, like EVs or clean tech and the renewable sector, and so they have a list of companies that are small and start-ups. If you want to invest in there—in BC, it's like \$450,000—they get a refundable tax credit. The government has seen great success with that and they've run it for, I think, close to 20 years. It's something that a government can start with a small trial program and just cap it at \$20 million and build it up. But it certainly brings out investors who need that extra incentive because angel investing is extremely risky business. Is there mentorship? Is there capital? And there's not a guarantee. One out of 10 works.

If you can help the investor get some way to offset that risk then I think you'll get more people investing in the technology and will help that infrastructure that we need here.

Mr. Lorne Coe: Thank you for that, Mark. If you, outside of today, could provide us a little more detail about what they're doing in BC, it would be welcome.

But overall, you see this as a pathway for fostering a stronger economy here in the province but also to attract more investment. Is that correct?

Mr. Mark Lawrence: As I mentioned with our Quebec idea, Venture Ontario is also an important element of your government's strategy. And if they can maybe fund some of that venture fund to get in, that would be a very good thing that might work, along with the infrastructure bank. There can be different ways that we can co-operate and take charge of that.

Mr. Lorne Coe: Thank you, Mark.

Chair, through you to my colleagues, if they have a question, please. Thank you.

The Chair (Mr. Ernie Hardeman): MPP Anand.

Mr. Deepak Anand: Thank you, Chair. I'm going to start with GASP, Grand(m)others Act to Save the Planet. I'm really, really impressed.

I'll tell you, my son is 24 years old. He's finishing his master's. Hopefully, I'll be a grandfather soon; I don't know how many years that will take.

Is there another organization where I can join or can I join you?

Interjection.

Mr. Deepak Anand: I could be, yes. I'm asking her.

Ms. Louise Brownlee: We have grampas in our organization and we have—there are so many wonderful senior organizations in Toronto and throughout Ontario.

Mr. Deepak Anand: Great. Thank you for your passion and commitment to taking care of our planet. I was actually looking at your website also. You primarily work in climate change. But other than climate change, we actually had, about the intimate partner violence—there was another organization who was here. I just wanted to ask you, is there something that you will be increasing, adding more things to it, or are you just going to concentrate on climate change?

The reason I'm asking is, I see for the intimate partner violence, for an example, that one of the key factors I truly believe is, if we can, the moment that any incident happened—and I wish I had kind of a steel wall go right at that moment, put that wall between the two people, or between the two moments or that impulsive decision, and take them back and say, "If you don't take this action right now, this will not be history in a different way."

So, my question is, just out of curiosity—there are other issues as well. Would that be something you would be interested in, and any advice you want to give to the government?

Ms. Louise Brownlee: Well, we're very committed to social justice and equality in every way, but we don't specifically focus on violence against women.

The Chair (Mr. Ernie Hardeman): One minute.

Ms. Louise Brownlee: But we are always educating ourselves on feminist issues, empowerment and agency, and our group does consist of many social workers. We have people who have won the Order of Canada for their work in building women's shelters. But this is not the primary focus of GASP. Our vision is for a green future, a sustainable future. This is the primary driving force for our organization.

Mr. Deepak Anand: How much time?

The Chair (Mr. Ernie Hardeman): You have 22 seconds.

Mr. Deepak Anand: I just want to say thank you for what you're doing, and I wish you the best of success. I wish more people will join your organization.

Ms. Louise Brownlee: Thank you.

The Chair (Mr. Ernie Hardeman): We'll now go to the official opposition. MPP Wong-Tam.

MPP Kristyn Wong-Tam: Thank you to all the pre-senters for your deputations.

Ashley, I'm going to start with you, regarding the issue around food insecurity in Ontario. I recognize it's very significant. Feed Ontario has been to Queen's Park on numerous occasions. You've set up some very successful lobbying and education days for MPPs, and I do recognize that in a smaller, sort of drilled-down way, you are presenting the big picture to us today. In communities across Ontario, we're seeing organizations that didn't necessarily run food banks have now created these smaller food banks, largely in response to the fact that their clients are literally starving. Parents are making decisions where they sometimes will skip a meal so that their children can be fed, or

they're just necessarily making some decisions where they are forced to either pay the rent or to feed themselves.

One of the statistics that you cited is quite alarming: 50% of food bank users would be homeless—I think, just to finish your sentence—if they didn't have access to your services. Is that correct?

Ms. Ashley Quan: Yes.

MPP Kristyn Wong-Tam: I know that food banks are struggling to even keep the shelves filled with food these days.

You also mentioned something to the extent that—we're seeing an increase in health care costs. We're seeing an increase in justice costs. Can you provide some further elaboration on why we would be seeing an increase in those sector costs, with respect to food insecurity?

Ms. Ashley Quan: In 2019, Feed Ontario commissioned a report that was an update to one that we did in 2008 called *The Cost of Poverty*. We looked at, essentially, what poverty costs the province of Ontario in terms of health care costs, justice system costs, lost tax revenue, all that sort of stuff. It was basically looking at the differential in the people in the lowest quintile of income and what their health outcomes were, and what kind of—I don't want to say "health burden." But the health care utilization is much higher when you are in the lowest income quintile versus even the second-lowest one, so if we move people up from the lowest to the second-lowest, how much could we save in terms of health care costs?

You can see that in homelessness, for example—they are much more likely to make heavy use of the emergency room. You can see it with food insecurity. If you don't have enough food to eat or you don't have good-quality food to access, nutrition-related diseases go up, that sort of thing. And then, of course, there are associated issues with crime, as well.

MPP Kristyn Wong-Tam: Your recommendations to this government are largely focused today—what I heard from you is about providing additional supports and increases to the social assistance rates. I also recognize that you've provided one recommendation about addressing wage theft and perhaps wage delays.

In my experience in visiting some of the food banks in Toronto Centre, a community I think you know fairly well, I'm seeing more and more working people, middle-class individuals—teachers, nurses—folks who are making \$80,000 or \$100,000 a year, finding themselves in the lineup for food banks. What would the recommendation be for those individuals, who are not low-income but are just basically the struggling middle class of Ontario?

Ms. Ashley Quan: We do know that one in six people who visit a food bank are workers. They are disproportionately contract workers, temporary workers, that sort of thing. So we do see less of the middle class, but we do see some of that.

I think our recommendations around housing are key—affordable housing, social housing. Obviously, social housing is targeted at the lowest-income, but affordable housing is more for the lower-to-middle class, and we need to build more of that. This government has had a good focus on

increasing market housing, which is important, but when you are looking at the lowest income quintile sections of our communities, they're really best served by social and affordable housing. So we need to get greater investments in that.

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MPP Kristyn Wong-Tam: Fantastic. Thank you.

I want to thank Mr. Mark Lawrence. Thank you for your deputation and also for your written submission. Your organization, Angel Investors Ontario, has been around for 16 and a half years. Right now, you're appearing before this pre-budget consultation committee largely asking for administrative programming dollars, not necessarily funds to sort of capitalize the investor pool.

I'm just curious to know: Has the provincial government ever invested in your organization, and if so, how much and for how long?

Mr. Mark Lawrence: For approximately 10 years, ending about five or six years—at the start of the current government, there were some changes and reductions in some of the funding, and so we were funded for 10 years, about \$6.5 million.

MPP Kristyn Wong-Tam: Okay. So you have not received any provincial funding since five years ago is what you're saying.

Mr. Mark Lawrence: That's correct.

MPP Kristyn Wong-Tam: Five years ago, we elected a new Conservative government. Did it coincide with the election of the new Conservative government?

Mr. Mark Lawrence: It was after that. There are a lot of reductions and efficiencies made in some of the funding envelopes, and we were unfortunately part of one of those. We've been working with them since to correct that and move on.

MPP Kristyn Wong-Tam: By restoring the funding that you would have lost, what would the amount—you cited that the amount needs to be \$6.75 million over three years. How does that compare to the previous funding you received under the previous provincial governments?

The Chair (Mr. Ernie Hardeman): One minute.

Mr. Mark Lawrence: The previous funding was approximately \$650,000 a year, of which we granted out to a much smaller number of groups—about eight groups—about \$50,000. Our umbrella organization only ran on about \$250,000 to \$300,000. So it was very minimalist at that time.

MPP Kristyn Wong-Tam: Okay. Thank you. That's really helpful, just to know that there's a track record where the previous provincial governments have invested in your organization. Your organization has then, in turn, invested in start-ups and incubators, and potentially at some point, they become accelerators and the big monoliths, such as Shopify.

If we do not come back on board, if the provincial government does not come back on board to make that investment and to make you whole, what happens then? Where do you go? Are you going to continue to draw on those angel funds to then capitalize your operations, resulting in less funds there? What are your options here?

Mr. Mark Lawrence: Well, the infrastructure will start to diminish our 18 groups. We've already lost a couple of groups—

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time.

We will now go to the independents. MPP Bowman.

Ms. Stephanie Bowman: Thank you all for being here.

I find it kind of interesting—just an observation. You think about the three groups who are here today, and we've got Feed Ontario talking about how if we can move people up the income quartile, of course, that benefits them; we've got Angel Investors Ontario, who of course can help create those jobs that people can move up into; and we've got Grand(m)others Act to Save the Planet, who are talking about the kinds of investments in green energy that both angel investors as well as—you know, we can all benefit from, in terms of the air we breathe and saving the planet. So the stars aligned for me today in this session. I think it's great.

Okay, questions: I want to just follow up with Mark, picking up on MPP Wong-Tam's comments about the money that was helping you run this organization. California had a history of government investment in venture capital and seed funding, and that has created the Silicon Valley that we know today, right. So while we have to make these trade-offs in providing money for food banks—there are lots of trade-offs—it is important to invest also in our business community, like the organization you represent.

Could you talk a little bit more to help us understand the quantum benefit in BC and Quebec for the impact of the programs that they have there in terms of the economic output and drivers?

Mr. Mark Lawrence: First of all, I want to correct—in Ontario, we have never taken government money to invest directly into companies. That has always been done through other government programs. Currently, in Ontario, it has been done directly through Ontario Centre of Innovation. So they have funds that directly invest in companies, but we do not.

BC has been running for approximately 20 years. I believe they have something like 700 or 800—don't quote me on that number—companies that have been invested in over that period of time. They've steadily built up the amount that they have a tax credit for from, I think, \$15 million up to currently \$41 million or \$42 million; they just increased it by \$2 million. So they've seen some significant success, to the point that they've increased it.

There are a couple of other provinces: Nova Scotia and PEI have much smaller ones. I don't really have the long-term operating data on those, but I can certainly give some details back to this committee on BC stats. I just don't have them with me here today. Sorry.

Ms. Stephanie Bowman: No, that's helpful.

Mr. Mark Lawrence: It's been successful, and all of our 1,800 investors last week, at a group managers' meeting, all voted that this is the number one thing they'd

like to see. Apart from funding, they'd like to see some way to get some tax credit relief.

Ms. Stephanie Bowman: Excellent. Great. Thank you.

Because the member across talked about the infrastructure bank, what kind of investments would people be making in that infrastructure bank to attract private money?

Mr. Mark Lawrence: For that, the infrastructure bank is going to be focusing on clean tech, renewable, heavy infrastructure. They've got an excellent manager, Brian Porter I believe. Those are the areas that the angels like investing in—clean tech, renewable—and there's lots of great IP that is coming out of universities that we can help advance and scale up and then fund and then work to get absorbed by, maybe, one of the funding partners that would match in the government funding.

The Chair (Mr. Ernie Hardeman): One minute.

Mr. Mark Lawrence: Maybe funding partners would put money in. Those are the types of things—build tech.

Ms. Stephanie Bowman: Great. Thank you.

I'm going to turn to GASP, Grand(m)others Act to Save the Planet. Louise, could you just talk again a little more about your idea about providing subsidies for trucks on the underutilized and beautifully empty Highway 407, because that's something that would really, again, make an impact right away today on Highway 401 congestion and utilize an asset that has actually been privatized, and avoid us spending an untold amount of money on the 413, because the government hasn't told us. Could you just talk a little bit more about that, please?

Ms. Louise Brownlee: We just feel it's an opportunity and will save, what, \$6 billion to \$10 billion. Why not move trucks onto the 407? I drive the 407, and quite often it's just about empty as we do a shortcut to our cottage—

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time on that question.

We'll now go to the government. MPP Anand.

Mr. Deepak Anand: I want to talk to Angel Investors Ontario. Thank you. I love the way you talked about the vicious cycle wherein when you invest in the companies—I'll read what you said: "Jobs and local economies improve, families thrive, dreams are realized, and future tech advances." And then they can invest back, and the whole cycle starts again. It's a great idea.

In November, the Ontario Securities Commission, which reports to the Legislature through the Ministry of Finance, announced that they will be investing \$189,000 over two years to support Angel Investors Ontario in the development of education material and outreach for early-stage investing. Can you help us to understand what was the benefit of that and how is that going to help?

Mr. Mark Lawrence: First of all, thank you on the ripple effect. The Ontario Securities Commission, one of their models is to reduce risk. That's not just for them, but it's to reduce risk for investors. There's a lot of people in the whole financial services sector that take advantage of investors, and they would like us to help create materials for potential investors to make sure they don't get taken

by certain scams and also help entrepreneurs to get funding from reputable sources.

One of the materials we're developing—a year and a half ago, we put out a 128-page book about everything angel investing in Ontario. Now we're going to elaborate on it to create information, an investor knowledge base in the whole ecosystem. We're also creating a lot of podcasts and stuff about all the different elements, like what term sheets are, who can sell you stuff, why do you have to put everything through OSC, that if you're a company you have to go through the OSC. So that's the sort of materials—electronic, written—that we try to get out to the ecosystem.

Mr. Deepak Anand: Before I pass it on to my colleague, just quickly: How would you rate Ontario in terms of such investments, or Canada in such investments, compared to other countries? Because this is something which I hear again and again: We need to do more. But what's your opinion about it?

1700

Mr. Mark Lawrence: We've done very well. But typically Canadian investors are still very much risk-averse versus the States, so there's a real tendency for entrepreneurs—if they get frustrated asking for money from an entrepreneur, they're told, “Go down to the States and move your company down there and take your IP.” My passion is to keep IP in the province, keep our investors' dollars in the province and attract people in the province, not the other way. So that's what I'm trying to do.

We have the talent. We just need to have the infrastructure because we're supporting everybody—we're supporting immigrants; we're supporting at-risk people—the whole infrastructure, colleges and universities, but we have to provide that support for angels to provide that support. We have the capacity to do it, but we need a little bit more infrastructure to get people writing the cheques and mentoring. It's a high-risk venture for those investors.

Mr. Deepak Anand: Happy to support you.

Over to MPP Dowie.

The Chair (Mr. Ernie Hardeman): MPP Dowie.

Mr. Andrew Dowie: My question is to Ms. Quan. When I go into the community and I knock on doors, I hear exactly what you're saying: People are incredibly concerned about their ability to pay their bills, and they're desperate for some sort of safety mechanism that allows them to really cover their cost of living.

Recently in the news, we've had this debate, at the federal level particularly, over the carbon tax, and that the whole purpose of the carbon tax is making things more expensive so we consume less for the benefit of the environment. In the end, when we get to 2030, it will be \$170 per tonne. This past year, it was \$60 per tonne, so it's going to continue to increase and drive the cost of goods and services up, that being the services captured in the overhead in order to deliver those services.

I wanted to get your perspective on how affordability and this issue of having food banks may be affected by the costs of goods and services increasing year after year as a

result of the carbon tax. Is this, in your view, a sound government policy for affordability?

Ms. Ashley Quan: I mean, we're not carbon tax experts here at the food bank, but I would say that there are compounding factors. There's no one thing that we can point to that's increasing the cost of living.

I would say that more than half of the people who visit food banks are reliant upon provincial social assistance as their primary source of income, and Ontario Works has, for a single person, remained at \$733 since 2018. So that is something that is within this government's power to change. Unfortunately, we can't do anything about the carbon tax, but we can increase incomes for people to be able to afford things—to afford food, to afford housing.

Housing has also increased rapidly. I think you'd be hard-pressed to find anywhere in Ontario where you can rent something for \$733 a month. That's where I would place, I think, a lot of the increase.

Mr. Andrew Dowie: Chair, how much time is left?

The Chair (Mr. Ernie Hardeman): It's 1.4.

Mr. Andrew Dowie: Thank you for that. I guess I struggle a bit with this, because if government is going to be providing part of the solution, it needs to tax to obtain that fund, whether it's through the cost of goods and services or the income that people earn. I guess I'm struggling to find out how we can actually do both without causing harm to people who are already having a tough go of it today. I'm hoping you may be able to elaborate.

The Chair (Mr. Ernie Hardeman): One minute.

Ms. Ashley Quan: I mean, we don't provide recommendations on how revenue should be generated in terms of who should be taxed and what wealth should be taxed. But I would say that we talked about the cost of poverty. There is a real return on investment in your own budgets in terms of being able to pay for things—if you could decrease health care costs by a few billion dollars, would that pay for itself in terms of the investments that you're making in reducing poverty?

Mr. Andrew Dowie: Thank you. That's all, Chair.

The Chair (Mr. Ernie Hardeman): Thank you very much.

We will now go to the official opposition. MPP Fife.

Ms. Catherine Fife: Ashley, that was a good answer to a federal taxation question. I'm going to focus on some provincial issues.

I'm going to start with you, Mark. You talked a bit about the “valley of death” as it relates to the angel network. Can you give us some sense of what happens, because there's a big angel network, obviously, in Waterloo region, and I have some sense of what happens with that bridging piece that your organization would help those entrepreneurs with.

Mr. Mark Lawrence: Well, we have a lot of incubators and accelerators across the province doing great work on helping take stuff out of universities. They typically would say, for instance, that most entrepreneurs are worth \$5 million. Unfortunately, they're not always worth \$5 million. You put them in front of a bunch of seasoned

angels and they might say they're worth \$2.5 million, or something. And so the entrepreneur keeps on saying, "No, it's not going to be worth it. I'm not going to take any money." His family has put up \$150,000; his best friend, \$60,000, and basically, those companies, they scratch along, but a lot of them just go bust and then that talent goes to other companies. They go and work for a larger corporation and that IP, their knowledge base, gets sucked into it, or sometimes they merge and that's always good. You can have two companies making one product, which makes an organization. We'd love to see merging of entities, but if we don't—there are a lot of entrepreneurs that just die on the vine, and they go back to their job because they don't get paid. Typically, they don't get a salary when they're starting their entrepreneurship.

Ms. Catherine Fife: Yes, and you make a very good point about the commercialization of research as well, because, obviously, we've invested. Especially when that partnership and that collaboration happens at the university or college sector, we've invested as taxpayers into that work. The potential of job creation is there and sometimes as well, with life sciences, the health benefits to people. So I agree with the need for your organization to have that infrastructure funding. In fact, I think that we could call it a competitive edge for Ontario. It is good to hear what is happening in BC. There's a good New Democrat government there, and they listened to the tax credit piece that that sector gave to them. Feedback matters, so I wanted to thank you for being here.

I'm going to go over to the grandmothers. Thank you very much for being here today. Louise, I wish you all the best with your new grandchild. You raised the issue of Highway 413. This is actually a very contentious issue for us in the Legislature. We are not buying what the government is selling on this particular issue, and we agree with you that Highway 413 is harmful in many ways, including the fact that it's going to pave portions of the greenbelt, which, of course, we heard from the Premier he promised not to do.

Also, the other part about Highway 413 is the cost and the secrecy around the cost. Media reports have put it at \$8 billion, but in fact, now we know that if you include the acquisition of land, it will be higher than \$8 billion. What do you have to say to the Premier around the lack of trust, I would say, around Highway 413, how it has been sold to the people of this province, how it has been prioritized as an infrastructure project at the expense of others and certainly the secrecy around the funding?

Ms. Louise Brownlee: We've heard \$6 billion to \$10 billion for Highway 413, and I've been, with our group—we've been on several rallies to protest. We've been on a street corner in Oakville, and we've been in Bolton, and we've walked in Caledon along the road. We're very concerned about the land that it's going to destroy and the farmland. And it's going to affect our waterways, salt on the road. I mean, we're in the midst of a climate crisis. What are we doing adding asphalt into—and it's going to cut through part of the greenbelt.

For the benefits that you're going to get, more highways—which research has shown is called "induced demand"; they just fill up very shortly after you build them. Why aren't we investing in green transit? Highways are a thing of the 1970s. We need walkable communities. We need smart cities. We need trains between regions. There are some great organizations that are talking about a good idea for transportation in Ontario.

Highway 413 just seems to be a boondoggle, and as the *Globe and Mail* called it, it's the sprawl accelerator. As I said, it will use taxpayer dollars to create sprawl. And we wrote a whole tool kit on why sprawl does not work for the taxpayer. It increases infrastructure costs. People end up living in cities in outlying areas where there's no library. It raises taxes for people. It doesn't—

Ms. Catherine Fife: There's certainly, as well, a number of developers that are going to do quite well when that land is sold to build Highway 413.

1710

Ms. Louise Brownlee: Yes.

Ms. Catherine Fife: It surprises me—I'm sure it surprises you as well—that the government is not more cautious around a project like this, given the fact that the RCMP is investigating the greenbelt scandal. I just wanted to say thank you very much for being here this afternoon and for sharing your perspective on Highway 413.

We have no further questions.

The Chair (Mr. Ernie Hardeman): We'll go to the independents. MPP Hazell.

MPP Andrea Hazell: Thank you, everyone, for your presentations.

My first question is to Mark. Mark, I love your organization's aspiration for innovation and creating new jobs, so thank you for the great work that you're doing. I myself was an entrepreneur before I got into politics—woohoo! So, my question to you—and you touched on this a bit, and, just for the record, I want you to elaborate a little bit further on it: What is your organization doing to ensure start-ups by under-represented communities? Can you share any stories? Do you have any stats?

Mr. Mark Lawrence: First of all, we have corporate members from that point of view, unlike other entities. We've been bringing up the number of women represented in our community. It's about 35%, just of our corporate members. They're not paid; it's just who vote for us. We spend probably a third of our budget on programming to track women investors, to attract and make entrepreneurs angel-ready. So we have put them through investor readiness programs of half a day, talking about everything that the angels are looking for.

We've participated in a number of Syrian refugee events, immigrant investor events where we've brought in other people from the community to put some nominal prizes on the table for people. We've taken them through six-week programs. We've worked with some of the Indigenous peoples—working there—and I have personal investments with several Indigenous-based funds across the country, based out of Toronto.

We are spending a lot of time, and we spent a lot of time with immigrants, because there's a big flux of very seasoned entrepreneurs coming into the province, and we have to introduce them to our angel community to get funded and give them mentorship of how to fit into our funding ecosystem.

So, we're spending time on all of it. It's very important for us. We can't do it without looking at all parts of the community.

MPP Andrea Hazell: I have one more question for you. How can we encourage entrepreneurship among our young people? We are seeing a lot of our university graduates moving to the United States for better entrepreneurship opportunities. Are you aware of that?

Mr. Mark Lawrence: We're seeing lots of people going down to the States. It's changed a lot, where US companies are now looking at Canada talent. They can buy it for half as much. They can actually get rent on an office in Ottawa and Waterloo and Durham—great universities in Durham, Toronto, Waterloo, so it comes through entrepreneurship.

The universities are now—at Western, their president's edict is that all faculties learn entrepreneurship, not just the business community, so they want interaction. TMU is doing it. Queen's is doing it. But I think we have to start teaching kids in high school about entrepreneurship as well.

We've got financial literacy, which has been introduced by the education minister, and one of my pet projects is to have discussions with him and to have some curriculum to let people know what entrepreneurship is, that it is a viable pathway for a career. You don't have to join Google. And small businesses are the driver of our Ontario economy, and those are what entrepreneurs need to do. We need to work on that at grassroots level.

MPP Andrea Hazell: Thank you very much. Time?

The Chair (Mr. Ernie Hardeman): One minute.

MPP Andrea Hazell: Ashley, this is for you: Your presentation is not new to anyone in this room. Thank you for reiterating that.

What got me is—over the Christmas break, I volunteered in a lot of food banks in my constituency. The amount of students, and I'm talking about high school students, that are now coming into the food bank for groceries, it's overwhelming. So considering the economic pressure faced by vulnerable individuals turning to food banks, could you elaborate on how targeted investments in education and job training—they are our future, right? How do we help them to break the cycle? Do you have anything of that in your ecosystem—to help those young individuals out of the food bank?

Ms. Ashley Quan: We don't have specific recommendations in our pre-budget submission, but we do know—

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time for that, and that also concludes the presentations for the three representatives.

We want to thank you for all the time you spent preparing to come here today and for helping us form a good budget going forward.

ASSOCIATION OF MUNICIPALITIES
OF ONTARIO

ONTARIO TRIAL LAWYERS ASSOCIATION

ONTARIO LIBRARY ASSOCIATION

The Chair (Mr. Ernie Hardeman): Now we will call the panel that we've been looking for all day, which is the last panel: the Association of Municipalities of Ontario, the Ontario Trial Lawyers Association, and the Ontario Library Association. The Association of Municipalities of Ontario and the Ontario Library Association will be virtual.

You will have seven minutes to make the presentation. I will say, "One minute," at six minutes, and I will stop you at seven minutes. We ask you, as you start your presentation, to state your name so we can address the comments to the right name.

With that, we will start with the Association of Municipalities of Ontario.

Mr. Brian Rosborough: I am Brian Rosborough. I'm the executive director of the Association of Municipalities of Ontario. I'm joined today by my colleague Lindsay Jones, AMO's director of policy and government relations. Thank you for the opportunity to join you this afternoon.

In October 2023, AMO called on the Premier to agree to working together with municipalities to update the provincial-municipal relationship. Current provincial-municipal fiscal arrangements undermine the social and economic prosperity of Ontario, and AMO is outlining this expectation as part of the upcoming spring budget. We're asking the government to agree to sit down with municipalities and work together to build a better Ontario. Ontarians expect orders of government to work together effectively and to respect taxpayers. Municipal councils are concerned about how much more can be raised through property taxes and fee increases. That is what's required in the face of increasingly complex challenges of providing the services and infrastructure needed for a thriving provincial economy.

Ontario's municipalities are critical to the provincial economy and the quality of life of this province. They provide the services that residents and businesses rely on most. Municipal governments invest revenues of over \$60 billion annually in key public services and infrastructure. These investments in Ontario are equivalent to roughly one third of the annual provincial spending plan.

Municipalities respond to changing social and economic pressures. They deliver programs and services that support residents at all ages and stages of life, including public health, long-term care, child care, all emergency services, and much, much more. They also own and operate more infrastructure for the public benefit than the

provincial and federal governments, with a total value of nearly half a trillion dollars.

Municipal investments in services and infrastructure drive growth and build the communities that make this province a great place to live and a great destination for people and investment. Municipal revenues do not grow with the economy or inflation. Limited federal and provincial grants to municipalities don't grow with inflation either.

As of 2021, property taxes in Ontario were already amongst the highest in the country, at \$2,200 per capita. In 2024, many municipalities will need a significant increase in property taxes to address a perfect storm of factors including growth pressures, inflation and recent policy decisions that have driven municipalities to the brink. Ontario municipalities pay for services that typically fall under provincial jurisdiction in other provinces, including health, housing and social services. In 2022, municipal expenditures in these areas outpaced provincial grants by \$4 billion. The financial tools available to municipalities were never intended to support health programs or income redistribution. The result we see in our communities is unmet needs that undermine Ontario's social and economic prosperity.

1720

Ontario is growing. To support the growth, municipalities are committed to doing everything they can to help the province build 1.5 million homes by 2031. Municipalities are accountable for housing-enabling infrastructure and make critical decisions that can unlock housing and meet the demands of Ontario's growing population. Meeting this ambitious target will require significant investments in essential municipal infrastructure, and they need a strong partner in the government of Ontario to ensure that the policy levers and the funding are available to plan, finance and construct the necessary infrastructure to support growth across the province. AMO and our more than 400 members believe that the foundation of our collective prosperity lies in a strong partnership between municipal government and the government of Ontario.

Municipalities and the provincial government have a strong history of collaboration. Most recently, this was demonstrated through the COVID-19 pandemic. That partnership saved lives and safeguarded the economy during unprecedented times.

In 2008, the province and municipalities engaged in the Provincial-Municipal Fiscal and Service Delivery Review to develop a shared vision to help rebalance roles, responsibilities and finances. The result of that review is \$2 billion a year in municipal revenues funding municipal infrastructure rather than provincial social service programs.

Fifteen years later, the time for another discussion about the fiscal partnership is long overdue. That's why AMO is calling on the provincial government to commit to a social and economic prosperity review as part of the upcoming budget, including a joint review of revenues, cost and financial risks, and a detailed analysis of Ontario's infrastructure investment and service delivery needs. We believe

that the time is right for a province-wide conversation, where municipalities and the province come together to re-establish the stability and sustainability of municipal finances province-wide. Working together, we can build a better Ontario. Thank you.

The Chair (Mr. Ernie Hardeman): Thank you very much for the presentation.

The next presenter will be the Ontario Trial Lawyers Association. The floor is yours.

Ms. Laurie Tucker: Good afternoon. My name is Laurie Tucker and I am the current president of the Ontario Trial Lawyers Association, an association of plaintiff personal injury lawyers. Thank you for inviting me here today to speak to the standing committee. I hope to be able to provide information on key issues impacting our members and injured accident victims across Ontario.

The decisions made by this committee, the government and the entire Legislature have real implications for everyday people that will resonate in the province for years to come. This is why our first recommendation is one that we believe everyone can agree with. It's time to restore the \$2 million in care for victims who have been catastrophically injured. While we commend the government for announcing the increase back to \$2 million in the 2019 budget, we are concerned that it has been nearly five years and this increase still has not been implemented. This change would vastly improve the lives of the most seriously injured.

This leads me to our second recommendation, which is to index all accident benefits to the rate of inflation. Injured accident victims and their families are being left in crisis due to inflation and the rising cost of health care services. These benefits have not been increased since the 1990s and are long overdue. It's important to note that other aspects of insurance, specifically those that benefit only insurance companies, have already been indexed to inflation. It's time to say no to the demands of insurance companies and protect those who need care.

The maximum income replacement benefit is \$400 per week, or \$20,800 per year. There has been no increase in more than 30 years. Ontarians are spending their hard-earned income on high auto insurance premiums for lower than minimum wage income protection in the case of an accident. And those providing health care to injured accident victims must work at lower than market rates, and some insurers are refusing to pay minimum wage for PSWs. Both of these factors, along with delayed payments and an unnecessarily bureaucratic system, have resulted in an exodus of treatment providers, particularly psychologists, from the auto insurance system. We recommend taking a common-sense approach to these rates by bringing them in line with the market. This will ensure that accident victims can access the care they need.

Our last recommendation regarding auto insurance won't come as a surprise. It's time to repeal the secret deductible on pain and suffering damages. This secret deductible unfairly penalizes innocent accident victims in favour of insurance companies. It is not in keeping with the transparent and fair auto insurance system that Ontario citizens expect and deserve.

Shockingly, while health care benefits that support the recovery process are not tied to inflation, the secret deductible is. This amount has now ballooned to over \$46,000. This means if a drunk driver hits you and a jury determines that your pain and suffering compensation should be \$45,000, you get zero. Or, if they decide your compensation should be \$100,000, the at-fault driver's insurance company keeps \$46,000 of your pain and suffering compensation, and you are inadequately compensated at \$54,000. How is this fair to injured accident victims who have been paying for their car insurance? It is not.

I want to next address the issue of consumer choice in auto insurance. Consumer choice sounds like a good thing, but what does it really mean? The insurance industry wants you to believe that consumer choice will result in widespread premium savings, that choice is necessary to reduce premiums, but the insurance industry has never been very good at passing along savings. It's smoke and mirrors at best. The introduction of choice in the past has already shown us that, for most, the savings will be nominal or non-existent, and in the end, any savings are almost always short-lived, and soon enough premiums start to increase while the auto insurance product continues to be whittled away. Insurance companies win while Ontarians lose.

We are also concerned that the vast majority of consumers do not understand their coverage and will drop vital protection to save a few dollars, especially the most vulnerable Ontarians, those who are struggling to keep up with the rising cost of everything. They will choose lower premiums and be left with wholly inadequate coverage in the event of a serious crash. That is not the way car insurance, especially mandatory car insurance, is supposed to work. The reality is that by increasing consumer choice you eliminate important protections that are integral to the auto insurance product, and injured accident victims end up relying on the public purse at an unfair cost to taxpayers while insurance company profits continue to rise.

We strongly encourage the government to avoid making any further aspects of auto insurance optional and to look for other solutions to address premiums. These solutions can be found in our written materials.

Pivoting from auto insurance reform, I would now like to talk about the need to restrict civil juries in Ontario. The current system is not working. In more than 95% of car accident cases it's not the injured accident victim asking for a jury to decide their case; it's the insurance company for the at-fault driver. With such a high percentage, you have to ask yourself why. Well, the answer is simple: Delays in the court serve to benefit insurance companies—period, full stop. The delay continues to grow in getting to trial in civil jury cases. And that secret deductible that I mentioned? It continues to increase. So, you can start to see the trend that civil juries in motor vehicle cases only support the insurance industry, all at a cost to the justice system and taxpayers.

That's why we recommend restricting civil juries in Ontario to only those cases which trigger a public interest and engage community values or a person's character,

such as defamation, medical negligence or institutional sexual abuse. Ontario is behind the times on civil juries when we should be leading. Restricting civil juries in Ontario will build on the modernization of the courts that the government expedited during the pandemic. It will bring us in line with other provinces and common-law jurisdictions and it will improve access to justice, all while saving the province and litigants substantial costs and delay. The time has come, and we urge the government to take this important step.

1730

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time.

We now will go to a presentation from the Ontario Library Association.

Ms. Michelle Arbuckle: Thank you so much for having me today. My name is Michelle Arbuckle. I'm the executive director of the Ontario Library Association, and I'm here today representing the Ontario Library Association and the Federation of Ontario Public Libraries. Collectively, our members work within over a thousand library branches across this province.

Again, thank you for having me. Apologies for not being there in person; Mother Nature had other thoughts. But I am here today to talk about three priority areas: (1) the Ontario digital public library, (2) the First Nations Salary Supplement and, finally, (3) our Public Library Operating Grant.

I did want to start by thanking the provincial government for two years ago, when we were provided a \$4.8-million grant to provide high-speed Internet to over 100 rural communities. In some cases, that's the only place to get Internet in a community, making public libraries the destination for people to get online.

Millions of Ontarians rely on local public libraries to connect to their communities, to work, to learn, to find or to train for a job, and to connect to their communities and their government services. But building on that foundation, it's time to empower Ontarians with online resources that they need to succeed no matter where they live. Alberta and Saskatchewan already have a model that works quite well, and the Ontario public libraries are proposing something similar: the creation of an Ontario digital public library.

Imagine, if you will, if you could give equitable access to a common set of online resources, giving people across the province, no matter where they live, access. You could give your constituents and all Ontarians the tools that would allow them to do in-depth job and career skills training, to improve their language skills, for their children to get tutoring and homework help, and also something that's becoming increasingly important in this world: accessing quality health information. This is a proven model, and we are requesting a funding level of \$15 million annually, which would provide all Ontarians access to those high-quality digital tools.

We know that these resources work well and are in demand, because you can find them already at many large libraries across Ontario. My own public library already

provides access to LinkedIn Learning, curriculum-based resources, language learning, children's resources in multiple languages and high-quality online research databases. The cost for an average mid-size library is approximately \$41,000 a year, but many libraries are not able to provide access to those tools, because it's just cost-prohibitive for them to do so on their own. This is especially true in small or rural libraries, where they have fewer online resources. People don't have access to the same information, simply based on where they live in this province.

But by leveraging volume purchasing and through annual provincial investment, as well as existing public library infrastructure, the Ontario digital public library could provide a core set of high-impact digital resources to every public library and every Ontarian, at a cost savings overall of up to 40% when compared to the current library-by-library subscription model, which means that every library in Ontario would benefit. Larger libraries can reinvest that money into other programming, and smaller libraries can deliver programs for the first time in some cases. It's a great solution, because we already have the infrastructure and support systems in place to provide access, to help people navigate those resources.

To summarize my first priority: the creation of an Ontario digital public library, for which we are requesting a funding level of \$15 million.

My second ask is for an annual investment of \$2 million for the First Nations Salary Supplement. The current status in Ontario, as many of you might know: We have 133 First Nations communities. Out of those 133, only 39 currently have—sorry, there's a typo on my slide—public libraries. Public libraries are destinations for those communities, sometimes the last gathering place where their languages, stories, culture and artifacts are stored.

As you know, public libraries overall rely on municipal grant funding to fund their operations, but those are not available for First Nations public libraries, and often they rely on one-time grants, which is not sustainable. The librarians running those institutions have to make a choice between books on the shelves or a salary, and that salary is often far below a living wage, so ultimately the choice comes down to staying in their community, below a living wage, or leaving in order to support themselves and their families, which frequently forces First Nation public libraries to close. But with an annual \$2-million investment, we can ensure First Nation communities across Ontario can continue to stay open to collect their stories, their culture and have a community gathering place, and also have a staffed librarian with a livable wage.

Our final ask is a Public Library Operating Grant. I've made reference to that a few times, about how libraries are funded. Public libraries are very grateful for the continual support through this Public Library Operating Grant, which has been happening for over 25 years now. Unfortunately, in that time—over 25 years—there has not been an increase to that funding from the province to our funding level. So we're asking for an increase to that Public Library Operating Grant.

Ontario public libraries are a key community gathering place that support job creation, job skills, education—and for our vulnerable communities as well. And with so many competing priorities, libraries are asking for an increase to the Public Library Operating Grant so that we can continue to support all Ontarians.

To summarize, our three priority areas will help to provide—

The Chair (Mr. Ernie Hardeman): One minute.

Ms. Michelle Arbuckle:—equitable access to digital tools across the province, keep First Nation public libraries open and staffed, and allow public libraries to continue playing a pivotal role and a necessary role in our communities. Thank you for your time.

The Chair (Mr. Ernie Hardeman): Thank you very much for the presentation. That concludes the presentations.

We now will start with the questions, and we'll start with the official opposition. MPP Wong-Tam.

MPP Kristyn Wong-Tam: Thank you to all the presenters. You've been very patient, waiting for your turn. It has been a very long day.

I want to start with a question to you, Laurie. Thank you for your 21-page submission. Obviously, we did not hear from you on every single point, but you do provide some pretty rich elaboration on what it is you're asking for and a very clear rationale to why.

I recognize that you are not here, and your organization is not here, for the very first time. These are not new submissions to the government, but they are important ones. Just out of curiosity, how many times have you submitted to the government, whether it's this government or the previous government, your recommendations? Including the elimination of the civil juries, which of course are timely, bulky and sometimes what we've seen is not necessarily adjudicating in fair ways, how many times have you, over the years, also submitted to this government or the previous government your request to reform the licence tribunal? You've also cited some issues around procedural fairness around that, so just curious about that.

Ms. Laurie Tucker: Thank you for those questions. With respect to civil juries, this is an issue we've been raising with the government for many years now. It became particularly important during the pandemic, as we saw the backlog in the courts increase significantly. So that's been many years that we've been asking for that.

The request to reform the Licence Appeal Tribunal, which I didn't address in my submissions but is in our written submission—that has become a significant problem, in particular over the last year. There are issues of lack of impartiality, not adequate training for adjudicators and unfair decision-making at the LAT. All of that is very concerning. We included it in this year's pre-budget submission because we think it's become an urgent issue, and we hope that the government will investigate.

MPP Kristyn Wong-Tam: Thank you for pointing that out. You know, you didn't necessarily provide it in terms of your verbal submission, but you've now flagged

for us and on the record here very specifically around the impartiality that one would expect from a tribunal system.

We know that the tribunal system in Ontario overall is seeing crisis in many of the tribunals. The Landlord and Tenant Board gets the most attention, gets the most headlines, but what you're citing is also very, I would say, concerning, around adjudicators being recruited from insurance companies, then overseeing hearings where they may have an active financial interest. That's what I'm seeing in this document. What would be the recommendation to that? Can you just sort of quickly explain what it is in this document that you are here to ask us about?

Ms. Laurie Tucker: We at the Ontario Trial Lawyers Association have started to discuss what we would propose to the government in terms of reforming the LAT, and that's a really difficult question. I think it requires collaboration and discussion with stakeholders.

1740

The system is not working. There is a significant lack of public confidence in the LAT. At this stage, what we're asking for is an investigation, discussion with stakeholders. It really needs to be a collaborative process to have a dispute resolution tribunal that is fair to both parties, both insurance companies and injured accident victims whose benefits have been denied.

MPP Kristyn Wong-Tam: Thank you very much. I'm going to encourage all the members to just take a thorough read of these 21 pages. It's pretty significant.

I want to make sure I get some questions over to our friends from AMO. Thank you very much for your appearance today to this committee. You were asking for something that of course we've heard before with respect to a structural change to the funding formula, making sure that municipalities across Ontario have the ears and the interest of the government, so therefore you are a partner where you are going to be sincerely consulted, and where you're being worked with as opposed to being worked over.

I want to just ask you to elaborate a little bit further: What does this new relationship that you're asking for look like? How do we reset it so you come to the table with the provincial government as a partner, as opposed to an insubordinate?

Mr. Brian Rosborough: Thank you very much for the question. As I mentioned in my opening comments, the Ontario municipal sector is a \$60-billion sector in this province, so we consider ourselves to be a very important partner when it comes to public policy and public investment.

The essence of our presentation is that municipal governments, in every part of Ontario, share the same objectives as any government of Ontario, including this one: prosperity, better access to opportunity, and that is something that we need to work together on in order to accomplish.

We had a very good presentation just a moment ago from our friends at the library association. Public libraries are at the very foundation of what kind of society we will be and what kind of workforce we will have in the future. By and large, that's a municipal responsibility and the request is for some additional provincial funding, which

would be very helpful. These are core to the fabric of our society, to both social and economic prosperity, along with many, many other services that municipalities deliver.

In order for communities to be sustainable, we need a new fiscal arrangement, and we've recently seen tremendous progress with the city of Toronto in its conversations with the province. That new deal included a commitment of the government to work with the city of Toronto in 2025 to take a look at the fiscal framework, and that's something that we believe is necessary for the sector as a whole in municipalities, in rural and remote communities, large urban and small urban—really, everybody.

We have consistently worked in partnership with governments of Ontario in the past. We believe that if we're going to have good, well-informed public policy in Ontario that affects communities and municipalities, we need to work on that together. So we're asking the government to sit down with us, take the time to do the analysis and work through what kind of new arrangements will benefit all municipalities, help build strong communities and really provide the foundation for prosperity in Ontario.

MPP Kristyn Wong-Tam: I don't think what you're asking for is extraordinary. It seems to be a working relationship that at minimum you should have. That's a very simple baseline.

I do not have time for an additional question to Michelle. I just want to thank you, Michelle, for appearing before us today. I do want to highlight in your presentation that you said there has been no increase in funding in 25 years. I'm hoping that there will be some new funding for you in this budget. Thank you very much.

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time.

We'll go now to the independents. MPP Bowman.

Ms. Stephanie Bowman: Thank you all for being here. I'm going to start with AMO. Brian, I believe a couple of years ago, when development charges were produced, you or AMO estimated that it was about a \$5-billion or a \$6-billion impact to the revenues of municipalities across the province. The government, at that time, promised to make municipalities whole so they could continue to deliver the services and infrastructure etc. that they need. Can you provide any update on how you're progressing with being made whole on that money?

Mr. Brian Rosborough: I'm happy to answer the question and thank you for it.

One of the arguments that we have made in terms of the financial impacts of municipalities—which you got right; about \$1 billion a year over the next five or six years—would be to not implement some of the aspects of Bill 23, to reverse some of the aspects of Bill 23. That has very much been a part of the conversation that we have been promoting. There are aspects of Bill 23 which are simply unworkable for municipalities, in part because they reduce the amount of infrastructure investment that's available to support very aggressive housing targets.

So, we were very pleased in December when Minister Calandra announced that the government would be reconsidering certain aspects of Bill 23 and has opened up a

conduit for conversations with municipalities and with AMO around just that. We will be looking at those aspects of Bill 23 which are not productive in terms of supporting housing growth, and pursuing changes to those and the elimination of some of those details.

My colleague Lindsay has perhaps more detail on that if you want, but that, in essence, is sort of where we are today on that.

Ms. Stephanie Bowman: That's helpful. Thank you. I certainly think, when the government walked back some of their boundary changes because of the \$8.3-billion greenbelt scandal, maybe that's a sign that there will be some more reversals here.

Again, I just want to commend you for highlighting the kind of relationship that you want and stepping back to take a broader view of how the province and municipalities work together. I think that's a really constructive recommendation, and I hope that that does move forward.

Laurie, I will move to you now. I've met with some of your members and we've talked about some of these issues over the past year. I know they're not new issues. I'm wondering if you have any new glimmers of hope that some of this might be responded to this year. Again, I think there is opportunity to—whether you want to use the words “reduce red tape” or “streamline”—make things easier to get through the courts for claimants, lawyers and insurance companies. Do you have any indication that there will be some movement here that will benefit people who are facing very challenging circumstances?

Ms. Laurie Tucker: Thanks for the question. I think we always remain hopeful and optimistic. We appreciated the collaboration. We appreciate that government comes to us as an important stakeholder to get our views on issues like insurance reform—

The Chair (Mr. Ernie Hardeman): One minute.

Ms. Laurie Tucker: —issues like the elimination or the restriction of civil juries. I don't have anything more specific to point to that, but we always appreciate the opportunity to be asked for our views, to collaborate—not just by government, but by other members like yourself. And we appreciate having a seat at the table.

Ms. Stephanie Bowman: Great, thank you.

Just in my last 30 seconds—the poor libraries are getting left to the end again here. Michelle, I do hope the digital public library gets funded. We heard about it last year. This is, certainly for me, as my second time at these hearings, a repeat ask—another repeat ask. And certainly we know that there are great benefits because people who go to libraries read and we know that that helps their education, and that, of course, advances their opportunity to reach their full potential. So thank you for your work.

The Chair (Mr. Ernie Hardeman): Thank you very much. That ends the time.

We now go to the government. MPP Riddell.

Mr. Brian Riddell: My question is for AMO. Our government is working to fix the housing crisis with actions like the Building Faster Fund and removing HST on new purpose-built rental housing. Are you supportive of these

measures, and what else needs to be done to make these homes more affordable in Ontario in your opinion?

Mr. Brian Rosborough: I'll start, and then I'll turn it over to my colleague Lindsay.

We're very appreciative of the Building Faster Fund. It will make a very important contribution to the work of building 1.5 million houses, which municipalities are equally committed to.

The HST is also a very helpful move. The minister's announcement in December that aspects of Bill 23 will be reconsidered is also a very, very helpful move.

But I will ask my colleague Lindsay Jones, who's got some more expertise on this file than I, to contribute as well.

1750

Ms. Lindsay Jones: Thanks so much, Brian.

As Brian said, AMO and municipalities are very appreciative of the investments that the government has made, in particular when it comes to housing-enabling infrastructure. As you know, municipalities are responsible for the water, waste water, stormwater, roads, bridges, emergency services—all of these elements that support housing. And municipalities are making incredible investments into the kind of housing-enabling infrastructure that is required to support growth, but we can't do it alone. With both the very ambitious immigration targets that the federal government has set as well as the ambitious 1.5 million new homes target, we really need all governments to step up and work together on this.

So, we are very supportive of these signals with respect to development charges and potentially considering some changes to Bill 23, but more needs to be done, both at the provincial but also the federal level, when it comes to making the investments in the infrastructure that we need to support growth.

Mr. Brian Riddell: Thank you for your answer.

Now, I'd like to ask Laurie a question. If I gave you the opportunity for three items that you feel are the most important to improve, what would they be?

Ms. Laurie Tucker: I would say that that would be the restriction of the civil juries, the elimination of the secret deductible and the increase in the benefits under the accident benefits and the rates to bring them more in line with inflation and market values.

Mr. Brian Riddell: Okay. Thank you very much for your answer and for everything you do.

Ms. Laurie Tucker: Thank you.

The Chair (Mr. Ernie Hardeman): MPP Crawford.

Mr. Stephen Crawford: Thank you to the presenters today. I'd like to ask a couple of questions to the Ontario Trial Lawyers Association. Thank you for your input. I know my colleague just asked you a few questions about what could be done.

Our government is committed to helping Ontarians live a more affordable life. We are going through an affordability crisis throughout North America and throughout the Western world right now, obviously, with inflation and all these issues and prices going up—although it is coming

down, which is definitely a positive trend. Nevertheless, a lot of costs have gone up and there's an affordability crisis.

We've supported drivers through a reduction in the gas tax. We've had a gas tax cut. We have eliminated the licence plate sticker renewals, the tolls on the 412 etc. Insurance is another component, and that is a complicated issue, as I'm sure you no doubt are aware dealing with that issue, and I'm assuming you've probably talked to FSRA through their consultations, I think.

In terms of looking at where the costs are in the pie, in terms of where people are spending their money through the insurance claims, there's a fairly large component of it—two areas you didn't touch on: number one is fraud, and number two is in the battling and legal costs. There are many claimants that sue for fairly insignificant amounts of money. I just wanted to get your thoughts on if we should be reducing the tort on smaller claims potentially and thereby lowering the cost and having more care as an insurance vehicle rather than cash. Because I know people have talked about that as well. Do you think that would be something that should be looked at in terms of reducing automobile insurance costs?

Ms. Laurie Tucker: Thank you for that. That's a lot to unpack, but I'll do my best.

First of all, I'll address the issue of fraud. Fraud is an important issue to everyone. It should be important to all Ontarians. We took part in a submission on fraud. At the time, it was clear that fraud in auto insurance is not clearly defined and therefore we don't know the scope of it, and so our primary submission was, "Let's define what we mean when we talk about fraud and then we can define the scope of it and then we can solve the problem." So I would continue to encourage that work.

I think fraud can be a bit of a buzzword that maybe attracts more attention in some cases than it should. Fraud should be eliminated in the system or reduced as much as possible, but we don't know what the scope of the problem is. Nobody knows what the scope of the problem is.

With respect to the other questions about legal costs, first of all, legal costs—that's an access-to-justice issue. I think, as much as we talk about legal costs, we also have to talk about insurer profits. The target set by FSRA for insurance companies is 5%, and in 2022, insurance company profits exceeded 27%—sorry, that's actually 2021, and in 2022 it was 23%. So if insurers want to help reduce premiums, they should be looking at those profits.

The Chair (Mr. Ernie Hardeman): One minute.

Ms. Laurie Tucker: With respect to the idea that there are insignificant claims—

Mr. Stephen Crawford: Can I go on the assumption, then, that you're suggesting that legal costs are not a big component of the costs of insurance?

Ms. Laurie Tucker: Legal costs are a component.

Mr. Stephen Crawford: Do you have any idea what percentage that would be?

Ms. Laurie Tucker: I do not.

If I could just quickly try to address the question of the insignificant claims, there is a threshold test that claimants must meet. They must have a permanent and serious

impairment in order to proceed with their claim. The problem is, once they pass that test, which is intended to keep out the smaller insignificant claims, then they also face this deductible. So they've proven they have a permanent and serious impairment, and then even though they've proven that, they lose that first \$50,000, that \$46,000, that secret deductible. So I think it's not really fair to say that there are a lot of insignificant—

The Chair (Mr. Ernie Hardeman): Thank you very much. We'll have to come back to that in the next round.

We will go to the opposition. MPP Fife.

Ms. Catherine Fife: Thanks to all delegates who came forward.

I'm going to start with you, Laurie, because you just said something that—I remember when I was first elected, the insurance lobby was very strong, like incredibly overpowering, very strong. You just talked about FSRA that sets 5% for a reasonable profit for insurance companies, and yet, you cited in 2020 profits were at 27%, and in 2021 it was at 23%?

Ms. Laurie Tucker: In 2021 and 2022, yes.

Ms. Catherine Fife: In 2021 and 2022. The determination of what's a reasonable amount of profit in the insurance sector, which is obviously mandated across the province in some areas—what do you think about that? What's the commentary? Why would FSRA not be more strong on that? Because they are supposed to be also working for the consumers in Ontario.

Ms. Laurie Tucker: I mean, that's a really good question. It's concerning when profits far exceed the target, and yet premiums continue to go up. We are concerned about affordability. We are concerned about the whittling away of the insurance product when premiums continue to increase and when insurers call for measures like they do. They continue to be a very strong lobby with a lot of clout and money behind them.

We want a robust insurance system in this province. We want insurers to be profitable; otherwise, they won't insure Ontarians. We just want there to be a fair balance for injured accident victims.

Ms. Catherine Fife: Yes, that's a fair point.

In the first part of your presentation, you talk about that in 2019 the government announced a return to the benefit limit of \$2 million for medical rehabilitation and attendant care for victims. Every year, you commend them for that announcement, but it hasn't been enacted now. It's almost five years. This is now a full broken promise, I would say. When you do meet with the government, when you do have those exchanges asking for something that they promised to do five years ago, what do they say back to you?

Ms. Laurie Tucker: That's a good question. I think there is a commitment on the part of the government, and they've shown that, that they want to restore to the \$2 million. It was \$2 million; it was reduced by a previous government to \$1 million. There has been this commitment. I don't know why it's taking so long. I would love to know that because—

Ms. Catherine Fife: Okay. We'll try to find out. I mean, if they want to do it, they can do it. They have a majority government. I thank you once again for a very thorough presentation.

Moving over to AMO, please: Brian and Lindsay. The city of Waterloo is proposing a 7% tax increase this year. The reason that they cite, and I'll read it from their correspondence: "The significant legislative changes that the provincial government introduced over the past two years have had impacts, particularly in the city's planning, building and development services. Meeting the new provincial Planning Act requirements means that the city needs additional staff. Specifically, the province has mandated that not meeting a 90-day timeline for reviewing and approving housing applications will result in the city having to return the application fees, which are substantial."

1800

The city is basically saying that because the provincial government has brought in some of these timelines—they're very costly. I know municipalities are having a hard time finding staff to do this work.

Lindsay or Brian, can you please comment on whether or not this is a common experience that you are hearing from across the province?

Ms. Lindsay Jones: I'm happy to take that question.

It really is a bit of a perfect storm when it comes to the financial pressures that municipalities are facing this budget season, and I think that we will very much be seeing increases in property taxes and user fees as a result of all of the various factors. There's no question that many of the provincial changes in the land use planning frameworks as well as the development charges frameworks have contributed to this, but it's not just that; it's also where we find ourselves in terms of the economic context. Municipalities, unlike the provincial and federal governments, have revenue sources that do not grow with either the economy or with inflation. In the context of historic inflation, we find ourselves needing to find ways to pay for increasing costs without increasing revenues.

Ms. Catherine Fife: That's a really good explanation. Thank you for that.

Even the city of Waterloo has reduced their services and expenditures by \$1.6 million, and they're still looking at a 7% increase. They make the point that they can't do the heavy lifting that the province should be doing.

I do appreciate, as well, your point around the economy.

We did see record job losses in December. We lost 48,000 jobs in the month of December, and 20,000 of those were in construction. That was the biggest one-month job loss since COVID shutdowns. So we're missing out on opportunity around job creation as well. Do you agree with that, Lindsay?

Ms. Lindsay Jones: Absolutely. Part of what it is that we are wanting to accomplish with our social and economic prosperity review is to really look at those fundamental building blocks of how it is that, as provincial and municipal governments, we are able to make the investments in the foundations of our economic prosperity. This relates

not just to infrastructure and services, but also very much to the kinds of social services that are critical to be able to support our population. Some of the additional—

The Chair (Mr. Ernie Hardeman): One minute.

Ms. Lindsay Jones:—pressures that are facing municipalities are the increasingly complex social roles that we are being asked to take on. Waterloo, I think, in particular, has devoted a not-insignificant portion of its budget towards addressing challenges like homelessness. These are fundamentally provincial areas of responsibility, and while municipalities essentially subsidize the province to the tune of around \$4 billion annually with respect to these responsibilities, we can't afford to be doing it any longer.

Ms. Catherine Fife: No. And I just want to say, the city of Waterloo is a changing demographic. They're trying to meet those needs of the community. I think using a stick to incentivize streamlining housing approvals is counterproductive to the collective goal of building more homes, and certainly that's playing itself out in Waterloo.

Chair, I have no further questions.

The Chair (Mr. Ernie Hardeman): We'll now go to the independents. MPP Hazell.

MPP Andrea Hazell: Thank you for your presentations. It's at the end of the day. Thank you for coming in and waiting. You're the last.

My question is for Brian and Lindsay—I'm going to give you two questions, just to get your response very quickly.

This government mandated audits before committing to covering the Bill 23 shortfall and has now cancelled these audits. Has this been an effective use of municipalities' time while facing major budget shortfalls?

My second is, what impact have the reversals of the greenbelt and official plan amendments had on your municipalities? Do you expect consistent and well-defined policies from this government, moving forward?

Mr. Brian Rosborough: I'll start with the second question. We really are looking at outcomes here. What we have been asking for is to sit down with the government and take a look at policy decisions which we thought were not serving communities well, not serving the province well. We have to actually commend the government for reversing decisions that it made in error. All governments make mistakes, and owning up to them, I think, is a worthwhile enterprise and needs to be recognized. Our goal is strong, sustainable communities, well-planned communities, and that's what we see going forward: an opportunity to do that.

Beyond that, we have asked: On the issue of the audits, I will say that the decision that the government announced in December to not proceed with the audits but at the same time to reconsider some of the key aspects of Bill 23, which we found very problematic, is actually encouraging for us. Ultimately, we'd like to sit down with the government, with the new minister, who has indicated clearly his commitment to working with municipalities, and forge a new partnership, a new framework, where municipal know-how and capacity and eagerness to solve Ontario's problems is brought to bear into the conversation and we can sit

down and figure out how to build a strong, prosperous, inclusive Ontario where opportunity for economic participation is expanded broadly and we have the building blocks in place for real social and economic prosperity.

MPP Andrea Hazell: Thank you for those explanations. I want to ask you one more question.

Time?

The Chair (Mr. Ernie Hardeman): You have 1.5.

MPP Andrea Hazell: The Toronto new deal will save Toronto billions on highway maintenance. The Conservative government in the 1990s downloaded many provincial highways to municipalities, which have been a budget strain since. Should the government take responsibility for these highways again, and how will that benefit you if that does happen all across the board?

Mr. Brian Rosborough: Well, what we've asked for is to sit down with the government of the day and take a good look at the fiscal arrangements, including infrastructure, including the costs of maintaining that infrastructure that once was the responsibility of the provincial government, but, more importantly, what kind of infrastructure investment is needed in future so that municipalities can underwrite the provincial economy with strong local economies. What we would like to do is have a careful, objective reckoning of the fiscal relationship, the service delivery relationship and the infrastructure investment situation to better understand exactly where the gaps are and how an appropriate order of government can make sure that the resources are in place in order to make the investments that are needed.

MPP Andrea Hazell: Thank you very much.

Laurie, I want to ask you this question—we don't have a lot of minutes, but you'd get on record, and I hope I got the right amount here—regarding the recommendation to restore the \$2-million care benefit. Could you provide concrete examples of how this increase would directly impact individual lives and well-being? Are there any specific cases or scenarios that you can highlight the significance of this adjustment?

Ms. Laurie Tucker: That adjustment is most important for young, catastrophically injured individuals, so—

The Chair (Mr. Ernie Hardeman): I'm afraid there's no further time to answer the question.

Now we'll go to the government side. MPP Dowie.

Mr. Andrew Dowie: You know what? Perhaps you can conclude before I ask my following question.

Ms. Laurie Tucker: Thank you. I appreciate that.

The younger a person is when they suffer a catastrophic injury—because that's what we're talking about, the \$2 million for catastrophic—the longer they have to live with that injury. Imagine a 20-year-old who suffers a quadriplegic-type injury, the \$1 million just simply will not cover their attendant care and medical needs over the course of their lifetime. Even the \$2 million falls short sometimes, but it is certainly a much better amount that's available—and it's up to. It's not like everyone who is catastrophically injured receives \$2 million, but it's available to those who need that much.

Mr. Andrew Dowie: I'll ask my next question of Brian and Lindsay. Thank you for being here. First, I want to send my thanks to your president, Colin Best. He mentioned that, "Municipalities are committed to working with the province to increase housing supply and improve housing affordability. Including income as a measure of affordability in Ontario is essential to making home ownership and rental housing more affordable for more people." That was in the context of the Affordable Homes and Good Jobs Act.

Really what that did, that changed the definition of affordable housing that would have qualified for those development charge discounts and exemptions and brings the test of income into the mix so that that could be a determining factor, so it matched definitions used throughout the country.

1810

My first question is about whether that change alleviates the vast majority of the fears that AMO had expressed in the past.

Ms. Lindsay Jones: Thank you so much for that question.

It is true; AMO was very supportive of the change in definition, both with respect to ensuring that the measure was effective in targeting the creation of affordable housing, but also in responding to the feedback that municipalities provided.

It is absolutely the case that AMO supports measures to make housing more affordable for individuals who cannot afford market rates, but it is not the only challenge with Bill 23. Bill 23 also made ineligible for development charges very costly elements such as the cost of studies that municipalities need to undertake to ensure that infrastructure is built safely, the cost of land to purchase lands that infrastructure needs to sit on, as well as changes to a variety of other technical elements, but also including the cost of providing housing services to individuals who cannot afford housing. All of those ineligibilities are very significant with respect to their impacts. They contribute to that \$1-billion annual figure. So we are very appreciative of Minister Calandra's indication that he is open to understanding and revisiting some of those elements that are really not about targeted measures to support the creation of affordable housing but are more about overall discounts that apply to the building of all houses, including those for significantly-higher-income individuals.

Mr. Andrew Dowie: Chair, how much time is left?

The Chair (Mr. Ernie Hardeman): You have 3.2 minutes.

Mr. Andrew Dowie: I have a follow-up on this question, because I go through it at home. I'm a former municipal councillor. I served for eight years—as I know a couple around the table have served in the past—and one item that I always struggled with was finding cash flow for expanding our services, our infrastructure. The county that my municipality is part of, the county of Essex, chooses not to assess development charges for arterial roads and major roads and highways, but then part of the answer is we need senior government funding in order to actually

build up that infrastructure. So that revenue tool that exists to assess development charges is not used, and their philosophy is that it should be paid for from upper levels of government.

My question is related to how important of a tool development charges are given that some municipalities use them, some don't and choose not to, and probably—I know one of the reasons why we went down this road, as a government, was the cost of a house. And so government was making the cost of a house more expensive—and how can it be more affordable? This is just one of those dichotomies where we want to find housing for our residents, but making the housing more expensive is something we want to try to avoid.

I'm hoping you can elaborate on that balance between making a house more expensive to capture the infrastructure costs and keeping those costs low and putting it on the taxpayers' dime to provide development-related expenditures.

Ms. Lindsay Jones: Thank you so much for that question. Your question with respect to the importance of development charges is key. Development charges are

very much a key part of the municipal financing tool kit, but municipalities understand that they are not the only way that infrastructure and other costs can be financed.

What we're asking for, as part of our social and economic prosperity, is the opportunity to sit down and have that conversation with the province with respect to everything that is required—to invest in our prosperity and how we can best pay for it.

The Chair (Mr. Ernie Hardeman): One minute.

Ms. Lindsay Jones: I think that that is where we'll ultimately be able to come up with innovative solutions to these challenges and evolve the overall fiscal framework that currently exists between the province and municipalities.

The Chair (Mr. Ernie Hardeman): Thank you very much. That concludes the time for this presentation and this panel and this day of hearings. Thank you again to the presenters of this panel. Thank you to all the presenters today.

The committee is now adjourned until 10 a.m. on Wednesday, January 10, 2024, when we will resume public hearings in Hamilton, Ontario.

The committee adjourned at 1816.

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