

Legislative
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Ontario



Assemblée
législative de
l'Ontario

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

PRE-BUDGET CONSULTATION 2014

2nd Session, 40th Parliament
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The Honourable Dave Levac, MPP
Speaker of the Legislative Assembly

Sir,

Your Standing Committee on Finance and Economic Affairs has the honour to present its Report on its Pre-Budget Consultation 2014 and commends it to the House.

Kevin Daniel Flynn, MPP
Chair

Queen's Park
March 2014

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

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2nd Session, 40th Parliament

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INTRODUCTION

The Standing Committee on Finance and Economic Affairs conducted its pre-Budget hearings in January 2014 in Kitchener, Oakville, Peterborough, Sarnia, Thunder Bay, North Bay, Kingston, and for one day in Toronto at Queen's Park.

Witnesses included representatives from associations, community groups, organizations and unions, and interested individuals. The Committee also received presentations from municipalities and their associations, as well as local administrative bodies and service agencies exercising delegated authority and/or receiving transfer payments.

In total, 156 witnesses appeared before the Committee during the hearings in January. In addition, about 125 written submissions were received from interested individuals and groups who did not appear before the Committee.

The pre-Budget consultation provides an important forum for citizens, stakeholders, and local government partners to discuss their social, economic and program related concerns with elected representatives. The submissions to the Committee are a vital part of the political process by which governments are held accountable for their decision making and administration by the electorate.

This report is an overview of the main issues raised by presenters during the pre-Budget consultation. Cost estimates provided by witnesses for their proposals have been included wherever possible. Details of submissions by witnesses and their responses to questions by Committee Members can be found in the *Hansard* of the Committee's Proceedings. Committee recommendations are listed on page 27 of the report. A list of witnesses, as well as the organizations and individuals from whom briefs were received, appears at the end of the report.

THE ECONOMY

Economic Outlook

The 2013 fall *Ontario Economic Outlook and Fiscal Review* (Economic Outlook) indicates that the province is in a period of restrained growth with real Gross Domestic Product (GDP), the measure of economic activity, projected to increase modestly by 1.3% in 2013 and 2.1% in 2014, before improving to 2.5% in 2015. Ontario's GDP at market prices was \$675 billion in 2012-13, which was 3.0% higher than the previous fiscal year. Gains in exports and business investment are expected to lead economic growth over the medium term. Household spending is projected to grow moderately, in line with growth in household income.

Job creation is forecast to strengthen over the medium term, with employment gains averaging 1.5% a year over the 2013-16 period. The unemployment rate is expected to decline steadily from an average of 7.5% in 2013 to 6.6% by 2016 due to anticipated solid employment growth.

Housing starts in 2013 are estimated to have totaled 59,000 units, down from a recent peak of 77,000 units in 2012. Existing home sales are expected to be essentially unchanged in 2013, following a 2.1% decline in 2012. Demand for new homes in Ontario will continue to be sustained by growth in the population. Housing starts are projected to average 62,500 units per year between 2013 and 2016.

The Canadian dollar has edged down from close to parity in 2012 to an average of 97 cents US in 2013. More recently, the Canadian dollar has depreciated further, dropping to 90 cents US in late January 2014. There is a wide divergence of views on the outlook for the currency over the medium term. Private sector forecasts for the Canada-US dollar exchange rate in 2016 range from a high of 103 cents US to a low of 93 cents US.

Short-term interest rates have remained relatively low as central banks around the world maintain accommodative policies to support growth. Long-term interest rates have begun to rise as global financial markets anticipate the gradual reduction of exceptional monetary stimulus. The timing and pace of the adjustments are uncertain and, as a result, longer-term interest rates are likely to remain volatile. However, both short- and long-term interest rates are expected to rise over the medium term.

Although the markets for Ontario exports have become more diversified in recent years, the United States remains by far Ontario's largest trading partner. It was the destination for about 78% of the province's international merchandise exports in 2012. Ontario exports of motor vehicles and parts to the United States totalled \$54.5 billion and accounted for about 34% of Ontario's merchandise exports in 2012. US motor vehicle sales are expected to reach 15.6 million units in 2013, up 8.0% from 2012, and to increase to 16.4 million units by 2016, providing a buoyant market for Ontario exports. In the United States, real GDP is projected to increase by 1.6% in 2013 and to average 2.8% growth over the 2014-16 period.

Employment is expected to improve modestly, with the unemployment rate declining from 7.5% in 2013 to 6.1% by 2016.

Fiscal Situation

The Ontario government plans to eliminate the deficit by 2017-18. The deficit was \$9.2 billion in 2012-13 and is forecast at \$11.7 billion for 2013-14. Global economic uncertainty is holding back economic growth in Ontario and dampening the outlook for provincial revenues. In response, the government will look to drive savings through an expenditure review and consider other tools, as necessary.

Net provincial debt (the difference between liabilities and financial assets) was \$252.1 billion as at March 31, 2013. Net provincial debt is projected to be \$272.1 billion as at March 31, 2014. The Province's net debt-to-GDP ratio is expected to rise due to the projected deficits and public investments in capital. The ratio is projected to peak at 40.5% in 2015-16, then decline to 38.9% by 2017-18 as the deficit is eliminated.

MINISTRY OF FINANCE

Fiscal Strategies

Calls to balance the budget were made by industry groups and citizens. Strategies proposed included restraining public sector growth, reviving balanced budget legislation, and moving forward with recommendations from the Drummond report. One focus was maintaining the current path to fiscal balance without sacrificing public services. Witnesses urged the province to expand wage restraint measures across the broader public sector and close related loopholes, conduct a fundamental review of public services being delivered, recover tax evasion losses, and work with the federal government to reform the Equalization Program.

Alternatively, some presenters wanted a focus on generating additional revenues, as opposed to cost cutting, to achieve a balanced budget. In particular, a labour representative suggested that low corporate tax rates in Ontario are a reason for Ontario's low revenues and proposed a reversal of corporate tax cuts to bolster provincial income.

Tax Policy

Stakeholders disagreed regarding the ideal approach to corporate income taxes. Industry and business advocacy groups propose maintaining current corporate tax rates while anti-poverty and labour representatives suggest raising them. Some witnesses recommended restoring corporate tax rates to 2009 levels.

Stakeholders also brought conflicting advice on personal income tax policy. Anti-poverty, labour, and student groups want a 2% increase to the current personal

income tax rate for income exceeding \$250,000. Many witnesses urged the government to pursue a more progressive taxation system.

Concerns were raised about the current property assessment system in Ontario. An agriculture industry group proposed implementing the recommendations in the Special Purpose Business Property Assessment Review as soon as possible. Housing advocacy groups recommended merging the multi-residency property class with the residential class so that the property tax rates on multi-residential properties are reduced to match the residential rate.

Stakeholders such as IT groups, municipalities, an airline, and an apprenticeship implementation organization advocated the reinstatement of the Apprenticeship Training Tax Credit (ATTC) for specific IT contact centre trades (Technical Support Agents, Sales Agents, and Customer Service Agents: trade codes 634A, 634D, and 634E respectively). Many witnesses, most notably homebuilder associations, called for the creation of a broad-based, consumer-focused tax credit similar to the federal government's now-expired Home Renovation Tax Credit. Some witnesses, including Canada's largest trade and industry association, the Canadian Manufacturers & Exporters (CME), remain skeptical about the province's "play or pay" approach to incentivizing businesses in the area of R&D investment. An incremental approach was proposed as an alternative.

Representatives from homebuilder associations asked the province to commit to a regular review of the new housing HST threshold at least every five years. The Committee received many suggestions regarding the funding of infrastructure and transportation, although retailers cautioned against the use of new tax sources such as a parking space tax and a regional sales tax for funding this infrastructure. Sharing this sentiment, stakeholders from the automotive industry suggested a dedicated fund for infrastructure based on the corporate tax and HST collected on fuel sales. (See Transportation section for additional information.)

Other Matters

Recommendations for auto insurance reform were proposed, including utilizing the Quebec model of capping auto insurance claims so that insurance premiums are more affordable, or implementing a time limit for insurance companies to process claims.

A public health board advocated putting stronger harm reduction policies in place for OLG casinos, such as a casino social contract that would hold relevant entities accountable for harm reduction policies. An industry group wanted better terms for spirits sales, such as ensuring that products such as spirits, which cannot be sold through private sales channels, have the lowest LCBO product mark-ups. The same group suggested reducing the LCBO's mark-up on spirits by two basis points (from 139% to 137%); the savings would be used to help fund facility and infrastructure improvements. Another industry group urged the government to pilot an expansion of the LCBO "agency store" model that allows retail stores (usually grocery stores, general stores, or tourist outfitters) to sell beverage alcohol. They also urged the government to initiate a comprehensive consultation

process engaging all relevant stakeholders in modernizing Ontario's alcohol retailing system.

Business associations and representatives from the insurance industry called on the province to introduce Pooled Registered Pension Plans (PRPPs). They reject the idea of establishing a mandatory Ontario Pension Plan. Labour groups, on the other hand, oppose the introduction of PRPPs in Ontario.

Tobacco sector representatives encouraged the government to move swiftly with the implementation of regulations for the *Supporting Smoke-Free Ontario by Reducing Contraband Tobacco Act, 2011* and to act on the commitments made in the 2012 and 2013 Budgets on contraband tobacco. They asked the province to maintain the current rate of taxation on tobacco products. In contrast, major health agencies advised the government to raise the tobacco excise tax.

OTHER MINISTRIES

ABORIGINAL AFFAIRS

A witness from the Association of Ontario Midwives requested funding be made available, through the existing Ontario Midwifery program, to Aboriginal midwives who provide care in Aboriginal communities. Northwestern Ontario's Chamber of Commerce recommended engaging Aboriginal communities in skills training programs and opportunities. The Children's Aid Society for the Region of Waterloo urged the province to address faults in the funding model for Children's Aid Societies serving Aboriginal children and families. It wants the government to work with Aboriginal child welfare experts to map a clear plan to support the designation of Aboriginal agencies that will take on the child protection mandate.

AGRICULTURE AND FOOD

Agriculture industry groups proposed raising the \$100 million cap on the Risk Management Insurance Program (RMP). A greenhouse industry witness asked for the further reduction in emphasis on sales-based caps in the determination of producer benefits. Flowers Canada (Ontario) requested that all programs currently offered to food agriculture (such as the RMP, the marketing initiatives fund, and crop insurance) be made available to ornamentals. Furthermore, the witness made funding requests for \$10 million for the Ornamental Horticulture under the Self-Directed Risk management Program (SDRM), \$2 million for the pickOntario buy local campaign, \$1 million in research funding for the horticultural sector to increase pest management, and \$150,000 to hire two production specialists to periodically meet with farmers for the purpose of improving production techniques.

A presenter from the Organic Council of Ontario asked the province to identify “organic” in the agriculture budget as a specific program stream. The presenter noted that in 2010 Quebec invested specifically in organic agriculture. The presenter seeks the reinstatement of an organic crop lead at the Ministry of Agriculture and Food, along with support staff, and for the government to promote R&D in the organic sector.

The Municipality of Brooke-Alvinston urged the government to preserve jobs in the horse racing industry. Another witness called for slot machines to return to the Sarnia racetrack. A presenter from Racing Under Saddle Ontario requested that the OLG provide wagering on “racing under saddle” (or Trot Monté-style racing) at all of its 11,800 distribution outlets to provide a new revenue stream for both government and industry.

Witnesses from the gas and agriculture industry called on the government to pursue combined heat and power (CHP) projects that focus on efficiency or regional capacity needs, including a new program targeting greenhouse operations. (See the Infrastructure section for a request to expand natural gas infrastructure in rural Ontario.) An agriculture industry group requested increased funding for university-based agricultural research to \$100 million per year.

ATTORNEY GENERAL

One witness asked the government to support the proclamation of the *Unclaimed Intangible Property Act* (passed in 1989), and invited the province to adopt the British Columbia model that allocates unclaimed property funds to a foundation at a local level that supports non-profit services. An advocate group for immigrants sought increased funding for Legal Aid Ontario, arguing that designated funding should be provided to cover legal aid in the immigration and refugee law areas. The Association of Municipalities Ontario (AMO) petitioned the government to explore proportionate liability (with regards to municipal liability) in road cases where a plaintiff has some negligence.

CHILDREN AND YOUTH SERVICES

Representatives from the Children’s Aid Societies (CAS) asked that funding be restored to the level provided in 2012-13 and for accelerated implementation of the new funding model. They also proposed that agencies scheduled for funding reductions be compensated, either financially or with greater transition time allocations. Additional CAS requests include one-time bridge funds to effect the transfer of mandate from non-Aboriginal CASs to newly established Aboriginal CASs, the extension of adoption and permanency subsidies to youth up to age 21, the enactment of legislative changes to offer protection services to youth up to age 18, and the implementation of extended health and dental care up to age 25.

A youth residence association requested enhanced child assessment procedures, to address the issue of inappropriate assessment resulting in multiple placements of

children. The association also asked the province to conduct a funding comparison for in-care services and a comprehensive funding review for the child welfare sector. The Association of Day Care Operators of Ontario asked for an immediate five-year moratorium on regulatory or legislative changes aimed at licensed child care programs (both existing and new) and for a focus on enhancing the safety of unlicensed environments. A group advocating on behalf of persons with intellectual disabilities recommended more capacity-building funding for resourcing programs to better serve special needs children.

Family service agencies and groups affiliated with Legal Aid Ontario urged the province to commit to increasing an indexed Ontario Child Benefit (OCB) by \$100 per year for the next five years with no further restructuring of Ontario Works (OW)/Ontario Disability Support Program (ODSP) rates for people with children. Witnesses from a teachers' association and a labour group called for a strengthened Poverty Reduction Strategy to meet the original goal of a 25% reduction in child poverty.

CITIZENSHIP AND IMMIGRATION

A group advocating on behalf of immigrants would like the province to maintain investment in initiatives that benefit immigrant workers, such as Bridge Training. The group seeks targeted funding for francophone agencies to facilitate the settlement and integration of French-speaking newcomers. Additionally, it said that sufficient resources should be provided to immigrant and refugee-serving agencies in Northern Ontario to address service burdens created by the closure of Citizenship and Immigration Canada (CIC) offices in the North.

COMMUNITY AND SOCIAL SERVICES

Eliminating poverty, and in particular social services rate reform, received a great deal of attention from witnesses. They suggested that the government aim its new poverty reduction strategy at adults, as well as children, and focus on meeting its poverty reduction target. The government should review and implement appropriate recommendations from the Commission for the Review of Social Assistance in Ontario. One stakeholder suggested abandoning the “surveil and punish” delivery model for social services and a move, instead, to an audit model, similar to Revenue Canada’s, with an added appeals process. Other recommendations included transforming the system to reflect the cost of living, promoting cross-ministry collaboration to help people find work and access programs, working within the sector to reduce red tape, providing employment benefits for all people on low income, and ensuring that everyone on social assistance has enough income for nutritious food, shelter, transportation, and other needs. One stakeholder suggested expanding the vulnerable persons’ registry.

Community support services advocates urged the government to recognize infrastructure costs and inflation as legitimate operating costs. One said that support service providers should be allowed to use a small portion of targeted funding for infrastructure, which is defined as items such as wages, rent, electricity, gasoline, and supplies. Other requests included funding a two-year pilot project in partnership with family service agencies to show how couple's counselling can help prevent domestic conflict. Several groups recommended extending dental and drug coverage to all low-income people. One group advocating on behalf of immigrants sought increased investment in violence against women services.

The government was urged to address the lengthy waitlists for adults with developmental disabilities. Suggestions included ensuring adequate funding to reduce waitlists, using private sector agencies for residential placements, and addressing over-regulation of the developmental services sector. Agencies stress the need for respite services for families and requested additional funding for the Passport and Special Services at Home (SSAH) programs. The government was asked to maintain program independence for the ODSP and not to combine it with OW. Other recommendations include increasing ODSP employment and community participation opportunities, providing people who volunteer with a participation allowance, and creating a commission for disability system transformation. A digital technologies company recommended providing education and apprenticeship opportunities for people with disabilities who have little or no job experience as well as accessible and inclusive hiring solutions.

Concerns about the adequacy of ODSP and OW payments prompted many to urge rate reform. Rate increases of \$100 in the basic needs allowance (or variations on this) were proposed, often with advice to fully index the rates. The Interfaith Social Assistance Reform Coalition estimates that raising the OW single person's monthly rate by \$100 would cost \$177 million annually. Rate reform advocates further recommended OW and ODSP rule changes to make the pursuit of child support voluntary and to treat child support payments as earned income, with an exemption for the first \$200 received per month. A community legal centre asked that Canada Pension Plan disability benefits be treated as earned income.

Several groups advocated reinstating full funding for the Community Start-Up and Maintenance Benefit (CSUMB) and re-establishing CSUMB and the Home Repairs Benefit as mandatory, appealable benefits. Other requests included enhancing the Special Diet Allowance (SDA), doubling the shelter allowance and providing additional funding for discretionary benefits (a commonly cited figure is \$15 per person). Advocates for the deafblind community sought to ensure that this group's needs are met. WoodGreen Community Services requested funding of \$1.9 million per year for 5 years, for operating costs of its Homeward Bound program.

COMMUNITY SAFETY AND CORRECTIONAL SERVICES

The Regional Municipality of Waterloo called for Budget funding for computer infrastructure to assist the province and municipalities in collecting the \$1 billion in *Provincial Offences Act* fines. The Waterloo Region Crime Prevention Council urged the province to support implementation of the Crime Prevention Framework with funding that can be utilized to support community-based crime prevention.

CONSUMER SERVICES

A real estate company called for the province to engage in sale leasebacks of government-owned unencumbered property (property with free and clear title) and the Regional Municipality of Waterloo urged the province to allow municipalities to purchase and dispose of property for economic development purposes. The Ontario Real Estate Association (OREA) proposed that real estate salespeople be allowed to incorporate by making the necessary legislative changes to the *Real Estate and Business Brokers Act, 2002*. Also, OREA would like the *Municipal Act, 2001* amended to require municipalities to register remediation work orders on title of former marijuana grow operation properties or clandestine labs.

An automobile dealers association sought the removal of an exemption for manufacturers in the *Motor Vehicle Dealers Act* regarding advertising regulations. This representative would like manufacturers to be subject to the same “all-in” pricing and other requirements that currently apply to dealers.

ECONOMIC DEVELOPMENT, TRADE AND EMPLOYMENT

The Ontario Chamber of Commerce (OCC) sought continued funding for its Global Growth Fund. The Kitchener-Waterloo Chamber of Commerce asked for the establishment of a Ministry of Advanced Manufacturing and the development of a manufacturing strategy focused on increasing productivity and innovation. Sarnia’s Chamber of Commerce proposed the province support the manufacturing and industrial sectors with measures such as capital improvement incentives.

EDUCATION

One teachers’ association recommended eliminating kindergarten-grade combined classes, requiring full-day kindergarten classrooms to have at least one certified teacher with classes capped at 26 students, and increasing the threshold for an Early Childhood Educator in a full-day kindergarten classroom to 20 pupils. Another teachers’ association supported reducing class size for full-day

kindergarten and sought an increase in funding for kindergarten learning resources and equipment. The Association of Day Care Operators of Ontario urged the province to follow recommendations from the Drummond report not to expand the full-day kindergarten program.

The Ontario English Catholic Teachers' Association (OECTA) called for education funding to be linked to teacher-directed initiatives that support teachers and students in the classroom. They also requested that Student Achievement initiatives funding be reallocated to the classroom to directly support student achievement on a day-to-day basis. The Elementary Teachers' Federation of Ontario asked for increased funding for educational assistants, behavioural counsellors, psychologists, and speech and language pathologists. It also requested more funding for English Language Learner (ELL) programs and English-as-Second-Language (ESL) teachers, a requirement for school boards to spend the ELL funding as specified in the grants, funding for professional development to support teaching strategies in smaller classes, and funding for the health and safety training of principals and educators.

OECTA called for the removal of the cap on the Special Incidence Portion (SIP) of the special education grant, an SIP inflation adjustment, and more funding for special education programs to acknowledge need rather than overall enrolment levels. They also requested amendment of the Grants for Student Needs (GSNs) and a class size maximum for the exceptionalities included in the class as defined in Regulation 298 of the *Education Act*. An anti-poverty group proposed that the province pilot a 2014 economic development strategy using supported uptake of Parents Reaching Out grants. Labour groups, including the provincial federation, called for the adoption of a random sampling model for the Education Quality and Accountability Office (EQAO) testing.

ENERGY

Manufacturing stakeholders called for a reduction in the electricity rates paid by their members. The City of North Bay specifically asked for a hydro discount for small- and medium-sized manufacturers similar to the discount received by large users of hydro. An agriculture industry group requested a low interest loan program be provided to assist households with hook-up costs and the installation of gas furnaces and appliances, and a rural delivery rate be set for new customers on new rural lines that reflects the lower density. An industry group advocated the development of off-peak electricity pricing incentives to encourage expansion of the Ontario greenhouse vegetable sector. AMO recommended bringing provincial energy costs in line with neighbouring jurisdictions.

Witnesses representing industry groups and municipalities across the province urged the government to expand the natural gas and electricity infrastructure. An industry representative asked the province to provide investment dollars that are an appropriate share of the capital costs associated with infrastructure investment, with the remainder being paid for by the gas/electrical utility companies.

The Canadian Renewable Fuels Association supports implementation of a biodiesel mandate; the Canadian Fuels Association opposes it and proposes instead that the government consider core competitiveness prior to tabling regulations on greenhouse gas emissions and urges consultation with industry on key issues before new policies or tax measures are put in place. An agriculture industry representative encouraged the province to facilitate the availability of additional energy generation through bio-digestion or purpose-grown energy crops.

The waste management industry proposed that the province harness the economic value of waste, review and overhaul Ontario's waste diversion regulations, and review opportunities for the use of different forms of service delivery. The witness also recommended restructuring financial assurances for waste management facilities and moving to a risk-based pooled fund model.

The Trillium Energy Alliance (the Alliance) urged the province to amend the *Electricity Act, 1998* to require all new and existing power purchase proposals to contain a minimum 50% equity participation of a local renewable energy community enterprise or a public utility, and to ensure that all remaining grid capacity will be set aside for development of community energy projects and/or public utilities. The Alliance also sought a \$5 million investment for the development of community enterprises for community energy.

ENVIRONMENT

One witness representing the food services industry suggested working with other provinces to standardize regulations on waste management systems. The beverage industry requested to be provided input and control over waste reduction programs commensurate with their financial contribution if Bill 91, the *Waste Reduction Act, 2013*, proceeds. Representatives from the automotive industry and magazine publishing industry also requested input in the consultation process. AMO urged the province to pass Bill 91.

The government was advised to amend the *Public Lands Act* to prohibit the disposition of publicly owned waterfalls and crown land for energy projects for financial gain. The Registered Nurses Association of Ontario (RNAO) urged the government to set ambitious toxics reduction targets and to ensure that people are informed about the existence of toxins in the environment, homes, workplaces, and in consumer products.

One witness sought the elimination of required emission testing for vehicles less than eight years of age, and the automobile dealers association asked the province to remove the Drive Clean emission testing requirement for dealers selling used vehicles.

HEALTH AND LONG-TERM CARE

General health care recommendations included requests to undertake broad public discussions about the future of health care, invest heavily in health care, keep health care not-for-profit, streamline services, and work with other provinces and territories to try to resume Health Accord negotiations with the federal government. Stakeholders also recommended committing to a health system capacity plan, prohibiting medical tourism, improving patient navigation through the complex health-care system, and providing Ontarians with access to integrated inter-professional primary care. Others asked for a culture of safety in healthcare and to address local and accessible health care needs in small and rural communities. A social planning council suggested investigating the role played by ancillary industries such as the drugs and insurance industries in increased health care costs. Reduction in the layers of management in healthcare was also recommended.

A regional health centre asked the government to extend the mitigation funding period of the Health Systems Funding Reform (HSFR). Social workers sought to ensure that cost-effective social work services remain an integral part of the health care system. A fertility treatment advocate requested government financial assistance for infertility patients for in-vitro fertilization (IVF). The Canadian Cancer Society says the human papillomavirus (HPV) vaccination program should be extended to boys. One chamber of commerce believes that demolition costs of healthcare structures deemed to be in excess of use should be part of the capital development costs for new facilities. A lab services provider asked for increased efficiencies in lab testing by better aligning the services provided by community, public health, and hospital laboratories. Related requests included moving public health lab work into the community, allowing diabetes patients to obtain regular blood work without a physician requisition, and providing \$3 million in annual funding for four mobile testing units.

Research and Innovation

Research and innovation in healthcare also received attention. Suggestions included implementing a comprehensive health and research innovation strategy, aligning research strengths and capabilities in hospitals with health system priorities, and developing an investment framework for health research enterprises. The Council of Academic Hospitals of Ontario requested renewed investment in the Adopting Research to Improve Care Program (ARTIC).

LHINS and Related Service Providers

A number of witnesses focused on the LHINs and related service providers. Some registered nurses (RNs) ask the government to continue support for the LHINs. Other stakeholders argued for an assessment of what LHINs deliver in comparison with what they cost. A nurses' association believes that case managers and care co-ordinators in Community Care Access Centres (CCACs) should be transitioned into primary care. Another urged continued support for CCACs, to ensure protection of vulnerable populations at home. A healthcare

union said CCACs should be mandated to issue one care standard for home care clients.

Homecare

The Ministry was asked to develop a personal support worker (PSW) strategy that ensures the recruitment and retention of high quality PSWs for homecare. Many witnesses called for a PSW wage increase; in one case, for a \$16 per hour minimum wage and an associated PSW pension plan. PSW training improvement recommendations included standardizing and monitoring training, and auditing colleges that provide PSW programs.

Broader homecare issues included requests for a homecare action plan, for a family-driven respite program, support for informal caregivers, and passage of Bill 21, the *Employment Standards Amendment Act (Leaves to Help Families)*, 2013. Some called for increased financial efficiency in the sector including full public disclosure on the use of previously-announced funding. Health care coalitions want assurance that public funding is used for front-line care and that homecare will be an equitable, public system. One coalition said that homecare funding should not be drawn from hospital budgets.

Hospital Funding

Health care coalitions, hospital unions, and nurses urged a moratorium on cuts to hospital services. A nurses' association said additional funding for hospital base budgets must increase from zero percent. Some stakeholders asked the government to stop what they describe as P3 hospital privatization. One speaker asked that Central Ambulance Communications Centre issues and offloading delays be addressed. Other recommendations included increasing hospital funding to at least the provincial average and ensuring that hospitals have a functioning Fiscal Advisory Committee. Advocates for rural and small hospitals requested special protection for those hospitals' beds and services. One asked for a decision on moving forward with the \$67 million new hospital 'campus of care' initiative in Wallaceburg. Another wants hospital services be returned to Prince Edward County based on the needs of the community

Independent Health Facilities (IHF)

Health coalitions and the Ontario Council of Hospital Unions object to the expansion of Independent Health Facilities (IHF). They say if reorganization of hospital services is planned, it should be governed by the *Public Hospitals Act*. They oppose the transfer of hospital surgical and diagnostic work to IHFs.

Nurses and Nursing

The Committee heard from registered nurses in many centres who all urged the government to implement a multi-year funded plan of action to hire more than 17,500 RNs. Nurses say that Ontario has the second lowest ratio of RNs per 1,000 population and note associated implications for patient care. While the RNs did

not provide a costing estimate, they say funds could be diverted from the budget, including from healthcare, for the positions and that savings would accrue from a decrease in RN overtime that is now so prevalent due to staffing shortages. One association believes the role of RNs should be expanded to include functions such as ordering lab tests and prescribing medications. It also recommended funding supervised injection services in Toronto and Ottawa. Nurse practitioners (NPs) say there is an NP recruitment and retention crisis that must be addressed.

Long-Term Care (LTC)

Stakeholders, including healthcare unions, nurses and health coalitions, pressed for the implementation of a required minimum care standard in long-term care homes of four hours per resident per day of hands-on care (some set a short term goal of 3.5 hours). RNs want phased-in minimum NP staffing standards in homes, starting with a ratio of one NP per 120 residents. Nurse practitioners set the goal at one NP per 150 residents.

More generally, witnesses recommended long-term care minimum care standards to provide accountability for public funds, improve outcomes, and protect against harm. One health coalition called for a 3% increase in funding for the sector. Other suggestions included addressing the deficit of LTC beds, rebuilding homes, developing a strategy for small homes, and streamlining LTC paperwork. One health care union asked for the *Freedom of Information and Protection of Privacy Act* (FIPPA) to be amended to include CCACs and LTC homes under the Act.

The Ontario Association of Non-Profit Homes and Services for Seniors requested funding for a number of recommendations related to staffing increases, the implementation of in-house behaviour care expertise in every home, more designated behaviour units to care for residents with severe aggressive behaviours, and behaviour-related training for all care staff. The total funding request is for \$135.8 million per year (\$4.77 per bed per day) for LTC homes.

Behavioural Supports Ontario (BSO) was cited as a good model. Requests included staffing all LTC homes with a BSO (or similar) team and using the BSO model for training staff in effective alternatives to physical and chemical restraint methods. The Ontario Long Term Care Association says that it would cost \$61 million to pay for a BSO team in every home.

Anti-poverty, mental health, and Alzheimer patient advocates asked that funding for dementia clients and their families be made a priority, with policies for provision of dementia care in the community. For those seeking placement in a LTC facility, the request was to establish a fair and standardized wait time for long term care so that persons with dementia have equal access.

Palliative Care

Palliative care recommendations included funding the expansion of palliative care in hospitals, allocating funds received from probate taxes and funeral HST to improve palliative care services, and allowing hospitals to explore private sector

relationships to partially fund the costs of establishing new palliative care wards. One witness suggested supporting a small, 3-5 bed model of palliative residential care for rural Ontario. Hospice Palliative Care Ontario asked for \$250,000 per year over the next three years for project management of commitments agreed to with the Ministry; for multi-year funding for 80% of operating cost for residential hospices; for a one-time investment of \$500,000 to complete an online hospice palliative care volunteer training system; and for a multi-year funding investment of \$4 million in Ontario's visiting hospice programs.

Mental Health and Addiction Services

Witnesses asked the government to move forward with a mental health and addictions strategy and for follow-up to the Select Committee on Mental Health and Addictions report. Specific funding suggestions for the sector included increasing the mental health share of health spending to 9% and increasing social spending by 2%; continuing to increase community and mental health and addictions funding to the LHINs by at least 4% annually for the next 10 years; and, allocating \$27 million for each of the next four years to rent supplements and housing allowances in order to end homelessness for those with mental health and addiction problems. There was a focus on investing in community services, for example quick access mental health walk-in clinics that can be offered by community-based agencies to divert people away from Emergency Departments.

Other Health Matters

Dietitians sought a comprehensive food and nutrition strategy for Ontario, funding for the EatRight Ontario dietitian advisory service, improved access to dietitian services in homecare, and a focus on training an adequate number of dietitians in light of impending retirements. The Canadian Cancer Society urged development of a "healthy in all" policy that engages all stakeholders for healthy eating and active living across ministries. It also urged the government to support quick passage of Bill 131, the *Youth Smoking Prevention Act, 2013*, to promote and maintain funding for the Smoke-Free Ontario strategy, and to implement a public education campaign on contraband tobacco.

Other suggestions included providing youth the opportunity to participate in daily physical activity in school and enacting healthy food policies. The Canadian Beverage Association asked the Committee to note its disagreement with the Healthy Kids Panel report's assertions that sugar-sweetened beverages are uniquely responsible for rising rates of obesity among children and that the location of their sale must be regulated in order to address this issue.

Several witnesses discussed matters related to the Ontario Health Insurance Plan (OHIP). Recommendations include acting now to stop OHIP fraud, eliminating the three-month wait for OHIP for immigrants, and adding dental care to OHIP. Health coalitions and Canadian Doctors for Medicare urged a moratorium on expanded user fees for seniors regarding medication co-payments.

Cardiologists asked the government to maintain the current level of funding support for existing cardiology services in the next Physician Services Agreement (PSA). They recommend reversing the cuts in ECG-related fees implemented in the last PSA, which accounted for \$17 million of the overall \$54 million cardiology cuts. Cardiologists asked to be involved upfront in discussions about funding issues and requested support for various measures that will lead to savings, such as a congestive heart failure (CHF) pilot project aimed at reducing hospitalization re-admittance and improving patient outcomes.

Pharmacists and the Medical Reform Group requested a comprehensive pharmacare strategy. Pharmacists want permission to administer an expanded number of immunizations and vaccinations, treat common ailments, extend pharmacist-provided smoking cessation to all Ontarians, and to receive modest compensation for such types of healthcare provision.

Groups made recommendations on behalf of those with specific conditions or injuries. The Parkinson Society of Ontario asked for a coordinated response for movement disorder issues and for \$50,000 to assess opportunities for improved health outcomes for those with such disorders. Spinal cord injury advocates seek funding to address wait lists and demand for community-based attendant outreach services. The Multiple Sclerosis Society of Canada advises that MS therapies should continue to be accessible and affordable. One witness recommends development of a comprehensive strategy to address the implications of acquired brain injuries. A home respiratory services association requested the reintroduction and expansion of the Short-Term Home Oxygen Therapy Program. Audiologists want patient access to government funding for audiological assessments in audiologist owned and operated clinics. One individual suggested adopting the US testing system for diagnosing and treating Lyme disease.

INFRASTRUCTURE

Diverse witnesses urged the government to continue or increase investments in infrastructure. Homebuilders asked the government to maintain the commitment announced in last year's budget of an extended three-year \$35 billion investment in core infrastructure, including roads, bridges, water, waste water and public transit. Engineers recommended continued commitment to a long-term infrastructure strategy and asked for associated dedicated revenue streams. They also asked for standardized decision-making when determining whether traditional or alternative financing and procurement is to be used for public infrastructure projects. One company recommended that the government focus on long-term financing loan programs for municipalities to renew infrastructure and to ensure the longevity of assets by, for example, implementing realistic asset management plans for all projects and securing seven-year contractor and performance warranties for them.

Municipalities requested predictable infrastructure spending with dedicated funds (not tied to specific projects) and measurable criteria for municipalities to apply or be considered for funding. Those in small rural and northern areas recommended

changes to the Small Rural and Northern Infrastructure Fund. Requests included the need to establish a fair and equitable system for distributing the funding, consideration of per capita funding for fund allocation, the introduction of a streamlined application process, and flexible funding rules to meet different needs. One municipality recommended assisting small northern Ontario rural municipalities by offering joint or coordinated infrastructure construction projects where these municipalities could benefit from the buying power of the province.

Colleges asked that an investment of \$250 million over three years for college capital be a priority in any planned infrastructure program. They also requested that the threshold for Infrastructure Ontario's involvement in college capital projects be increased to \$100 million, matching the threshold for universities. The agriculture sector urged the government to commit to a long-term, public-private sector partnership to expand natural gas infrastructure in rural Ontario. It estimates it would cost the government about \$70 million a year to finance about 35% of the purchase and installation of pipe over 20 to 25 years (at a targeted rate of 5,000 kilometers of pipe per year).

LABOUR

Several groups requested raising the minimum wage to \$14 per hour, with many also advising that the wage be indexed to inflation; some suggested introducing a schedule for wage changes so that businesses can prepare. Other recommendations included creating a commission with oversight responsibility for the minimum wage. Opponents of a significant minimum wage raise say that a catch-up provision is not necessary and that the wage should be tied to a quantifiable measure such as the Consumer Price Index (CPI). Proposed alternatives to raising the wage included increasing personal income tax exemption, investing in skills training, and focusing on poverty reduction strategies.

Greenhouse vegetable growers asked for a fair process, noting that their businesses depend on unskilled labour and are subject to competition from outside jurisdictions with much lower wage rates. Farmers joined them in requesting a special agricultural minimum wage. Advocates for the restaurant and food services industry requested that the liquor-server minimum wage remain unchanged from the January 2014 level and that the student or under-18 wage differential be preserved.

Organized labour advocates requested respect for the unions. Recommendations included reforming labour relations to ensure greater competition and co-operation, protecting workers' right to organize without fear of reprisal (one suggests bringing back card certification to assist with this), protecting the collective bargaining process, and protecting union dues collection. The Ontario Public Service Employees Union asked the government to develop legislation to make union organizing and collective bargaining easier, not harder. Others

recommended covering homecare services under the *Hospital Labour Disputes Arbitration Act*.

Stakeholders, including a chamber of commerce and a union, urged the government to ensure fair and open tendering of all public projects to qualified contractors regardless of union affiliation. Some sought legislative reforms to ensure that collective bargaining rules for construction businesses do not apply to municipalities and school boards. One case cited, and under appeal, involves two regional workers who joined a union under circumstances that resulted in their region being certified as a unionized workplace. Regional infrastructure projects could then only be contracted out to construction firms who are signatories to the union. On a different matter, the construction industry asked the government to commit to making prompt payment legislation (Bill 69, the *Prompt Payment Act, 2013*) a priority.

Changes to the arbitration system were also requested. Chambers of commerce and municipalities say they seek all-party support to restore balance to the system so that decisions are transparent and factor in municipalities' "ability to pay." This would include having arbitrators explain how the fiscal health of a community was considered when making a decision.

Members of the Committee heard requests for skills development to address the skills gap. Proposed measures include investing in programs like the Canada Job Grant, working with the federal government to ensure that key employment and training programs in Ontario are not lost as a result of the Canada Job Grant, creating a space for employers in training, helping businesses plug the skills gap through immigration selection, and introducing broader incentives for training and up-skilling in the workplace (not covered by the Apprenticeship Training Tax Credit).

The Canadian Federation of Independent Business and a chamber of commerce asked the government to reduce apprenticeship ratios to 1:1 (1 journeyman to 1 apprentice), with a later goal of 1:3 (the ratio in Alberta and Saskatchewan). Agencies serving immigrants recommended apprenticeship and skills training opportunities for historically disadvantaged groups. Internship conditions were raised by students. One group asked for the public sector to discontinue unpaid work terms, and for a ban on tuition fees related to work terms. It also recommended more co-ops and placements as part of academic programming at colleges and universities, and additional enforcement officers dedicated to enforcing the *Employment Standards Act* for young workers and shutting down illegal, unpaid internships.

Equity issues that witnesses raised included promoting equal opportunities by establishing an Employment Equity Secretariat and supporting Community Benefit Agreements. Other recommendations were to establish an equity and anti-racism directorate, to fully fund the pay equity adjustment owed to female public sector workers, and to strengthen migrant worker protection by extending workplace health and safety coverage to live-in caregivers.

Witnesses raised several issues related to the Workplace Safety and Insurance Board (WSIB). The Retail Council of Canada urged the WSIB to focus on managing revenue streams and to achieve a zero unfunded liability. Construction associations called for a delay in any consideration of the full indexation of partial disability benefits until the system is fully funded in 2027. They also want oversight of the *Workplace Safety and Insurance Act* transferred from the Ministry of Labour to the Ministry of Finance. The Canadian Federation of Independent Business asked for the introduction of legislation to eliminate the “benefits for life” provision and the repeal of mandatory WSIB coverage for owners and operators in construction. The Kingston Homebuilders’ Association and others say increased WSIB premiums are driving renovators underground.

Union and worker support groups view matters differently. They asked for measures such as mandating universal WSIB coverage for all workplaces, restoring full indexation for injured workers on partial benefits, restoring the value of eroded benefits, and disallowing the current practice of ad hoc indexing. Other requests included basing wage loss benefits on actual wage loss and not through “deeming,” and commissioning a study on coverage with a view towards increasing coverage and addressing implementation issues.

MUNICIPAL AFFAIRS AND HOUSING

Affordable Housing

A wide range of social, community development, housing and church groups called for investment in affordable housing and in the Ontario Long-Term Affordable Housing Strategy. The Interfaith Social Assistance Reform Coalition called for significant new investment in affordable housing. Community bonds were proposed by one individual as a source of financing. Housing groups suggested making government lands and surplus schools available for affordable housing. Some want private sector involvement in developing housing options; others say the province must build more co-op housing. The Ontario government was asked to negotiate with the federal government to replace expiring federal housing assistance and to sign on to the Investment in Affordable Housing (IAH) for Ontario program.

Many witnesses commented on the the Community Homelessness Prevention Initiative (CHPI). They asked that the province-wide \$42 million in one-time CHPI transition funding be made permanent with advice from some to index it to inflation. Other suggestions were for adequate CHPI funding to compensate for the loss of the Community Start Up and Maintenance Benefit (CSUMB); for other forms of CSUMB replacement funding; and, for emergency hostel services to be fully funded based on need (rather than from CHPI funding).

Others expressed concern about specific groups’ housing needs. Recommendations included ensuring funds for supportive and affordable housing for seniors, and for those with multiple sclerosis. There was a request to fund

3,500 rent supplements to enable community mental health and addiction providers to implement Housing First across the province, and for a 10-year plan to fund sufficient supportive housing for those with mental health issues. Advocates for the homeless asked for the consolidation of housing and homelessness programs and adequate core funding for support services for those vulnerable to homelessness. Among measures sought by the Federation of Rental Housing Providers was the re-introduction of regulation under the *Municipal Act* to prohibit rental apartment licensing schemes.

Planning, Zoning, Development Charges and the Building Code

Witnesses also addressed the issue of inclusionary zoning. Recommendations included enacting inclusionary zoning legislation and granting municipalities the authority to implement inclusionary housing programs that specify an affordable housing percentage for all new housing developments of a minimum size. One stakeholder recommended applying inclusionary zoning to rural farmland converted to suburban land. Another stakeholder believes the private sector should be further engaged in developing a range of housing options that includes inclusionary zoning.

Homebuilders' associations recommended ensuring that land use planning policy is aligned with long-term infrastructure policy. They say municipal implementation documents, including official plans and zoning, must conform with planned infrastructure to create investment-ready communities. One association asked for assertive enforcement of the *Planning Act*. Another said that a strong framework for land use planning decisions will result in the early resolution of issues, fewer disputes, and fewer appeals to the Ontario Municipal Board (OMB).

The Regional Municipality of Waterloo asked that the amendment to the *Development Charges Act* made for Toronto and York Region for the subway extension be applied to the Waterloo Light Rail Transit (LRT) project. The Region requested that the 10-year forward-looking level of service be the baseline for calculating development charges for transit and other services. Additional proposed amendments were to eliminate the 10% mandatory discount on development charges for all services, and to include all services funded by municipalities as eligible for development charges.

The Canadian Cancer Society proposed changes to the *Ontario Building Code*, including adopting the *National Building Code* standards regarding radon mitigation and establishing and maintaining a registry of buildings containing asbestos in Ontario.

Provincial-Municipal Finance

Municipalities recommended an increase in the provincial payment in lieu of taxes for universities, hospitals and correctional institutions (the "heads and beds" payment) to more accurately represent the costs of providing service to these institutions and an automatic annual update. The City of North Bay believes the levy per rated capacity should be \$140. Many municipalities addressed Ontario

Municipal Partnership Fund (OMPF) cutbacks. One township said the new households-based funding formula discussed by the Finance Minister does not account for the higher number of rural (compared to urban) roads and bridges per household requiring maintenance. The City of North Bay says the OMPF funding decline has resulted in pressure of almost 1% a year on the tax levy and has made forecasting difficult; it requested increases to the Northern Communities Grant. CUPE believes that OMPF funding should be restored to 2008 levels.

Municipalities like Brooke-Alvinston cited added pressures from increased Ontario Provincial Police (OPP) costs. It wants clarification of whether municipalities' policing costs will decrease under the 2015 OPP formula changes for municipalities' billing. AMO advised the Committee that a successful OPP billing change must involve municipal finance expertise, various ministries, the validation of OPP costs for activity centres, and reflect the differing fiscal health of municipalities. Rural municipalities said the combination of reduced OMPF funding and rising policing costs leaves them the choice of unduly raising taxes or reducing service levels.

NATURAL RESOURCES

The forest industry and others requested permanent protection of a minimum of 26 million cubic metres per year of accessible fibre for industry use. Witnesses expressed support for proposals contained in Bill 13, the *Ontario Forestry Industry Revitalization Act (Height of Wood Frame Buildings), 2013* which would allow the use of wood in mid-rise construction for buildings of six storeys or less. One company asked for a new one-time road and forest maintenance funding program in the amount of \$12 million, distinct from the existing Provincial Roads Funding Program. The fund would be available to disadvantaged areas for a five-year period to support forest road construction and forest maintenance. The Ontario Forest Industries Association asked for the Provincial Roads Funding Program to be restored to its initial funding level of \$75 million per year. It also asked that the *Ontario Forest Tenure Modernization Act, 2011* be amended to remove any references to the creation of Local Forest Management Corporations, for the maintenance of wood supply commitments that are being utilized by their holders, and for competitive Crown stumpage charges for poplar and birch (forest companies pay Crown charges for every cubic metre of timbre they harvest).

Conservation Ontario requested an additional \$8.4 million to help it address responsibilities for flood management and prevention. The Ontario Forest Industries Association requests a full review of the Caribou Conservation Plan and a delay in implementing the Caribou Range Management policy until the review is completed. The Ontario Petroleum Institute recommends the development of Ontario's oil and natural gas resources. The Canadian Natural Gas Vehicle Alliance encourages participation in a Great Lakes project for marine liquid natural gas (LNG).

NORTHERN DEVELOPMENT AND MINES

The City of North Bay asked that the Northern Industrial Electricity Rebate (NIER) program be made permanent and that eligibility requirements be re-evaluated to expand benefits to smaller industrial electricity users. It sought a similar eligibility requirement re-evaluation for the Global Adjustment. The City asked for additional measures to ensure affordable energy pricing in Northern Ontario.

Chambers of commerce and the Northwestern Ontario Municipal Association recommended support for the development of the Ring of Fire mineral belt in Northern Ontario. Requests included investments in the transportation, energy and technology infrastructure necessary for project development, and for reliable and affordable energy so that associated mineral processing occurs in the region. The province is asked to take the lead, in conjunction with the Ring of Fire Development Corporation, in determining infrastructure requirements, including those for adjacent service communities such as Greenstone and Pickle Lake. Witnesses also recommended the government ensure that road, energy, and telecommunications infrastructure needs are met for First Nation communities whose traditional territory encompasses the Ring of Fire development area. The Ontario government was urged to exert greater pressure on the federal government to play a stronger role in development of the Ring of Fire. An additional request was to develop other mining ventures, besides the Ring of Fire, in a timely fashion. On a separate matter, the North Bay Taxpayers' Association proposed the establishment of "Tax Free Zones" in northern Ontario. The Association also recommended "Municipal Land Incentives" that encourage and offset development and initial investment costs to spur business growth and employment in the region.

RESEARCH AND INNOVATION

Organisations focused on innovation asked the government to expand the Capital Access Advisory Program (CAAP) from its pilot year, to accelerate the adoption of innovative technologies developed by human health technology companies, and to determine a vision and integrated approach for the bio-economy. It was recommended that the latter include partnering with Ontario feedstock providers and global technology. The government was also requested to provide access to capital and foster risk-sharing for the commercialization of first generation technologies in the bio-economy.

The Thunder Bay Chamber of Commerce asked the government to continue investment in knowledge sector building at Lakehead University, the Northern Ontario School of Medicine, the Thunder Bay Regional Research Institute and the Thunder Bay Regional Health Sciences Centre. An insurance company recommended the encouragement of private investment, and that public funds support start-ups, younger companies, and the commercialization of innovation. Canadian manufacturers and exporters urged the government to act to offset federal cuts to research and development.

TOURISM, CULTURE AND SPORT

The Tourism Industry Association of Canada recommended the government to continue investing in tourism through existing programs and funds. More specifically, it asked that current budgets for the Ontario Tourism Marketing Partnership Corporation, Celebrate Ontario, and the Tourism Development Fund be maintained, and that the Convention Development Fund continue. Other tourism-related requests included supporting workforce development and skills training in the industry, funding small tourism business development and improvement, allocating funds for the Resource-based Tourism Working Group, and working with the industry to attract new investors. Music Canada asked the government to continue the Ontario Music Fund and to support the Minister of Tourism, Culture and Sport in implementing the Live Music Strategy. Magazines Canada asked the government to continue support for the digital and print magazine media.

TRAINING, COLLEGES AND UNIVERSITIES

Universities

Student groups raised the issue of tuition fees and tuition grants. Requests included increasing the amount of tuition offset by the 30% Off Ontario Tuition Grant to 35 percent (at an estimated \$70 million cost); extending Aboriginal students' and students with dependants' eligibility for the 30% Off Ontario Tuition Grant to four years regardless of high school graduation date (at an estimated cost of \$4 million for Aboriginal students and \$15 million for students with dependents); and reducing tuition fees for all students by 30 percent over three years (at an estimated combined cost of \$954 million over three years). Both university and college student groups suggested ending tuition and education tax credits and allocating associated funds to financial assistance programs or tuition reduction. One student group suggested reducing tuition fees by 50 percent for graduate students in the research, thesis-writing, and placement portions of their degrees.

Others witnesses made additional grant and scholarship suggestions. The Canadian Federation of Students suggested using funding for the Higher Education Quality Council (HEQC) to double the number of Ontario Graduate Scholarships. Some witnesses suggested progressively lowering the Ontario Student Opportunity Grant "debt cap" to \$6,300 (at an estimated cost of \$121 million) and allowing a portion of funding already allocated for the expansion of graduate education to be used for operating grants for international PhD students. The Ontario Undergraduate Student Alliance asked for an increase in the Ontario Student Assistance Program (OSAP) living allowance by \$250 per month (at an estimated cost of \$90 million).

Student groups also focused on cooperative learning opportunities (co-ops). Suggestions included creating information resources to help more employers

understand the benefits of participating in co-ops; creating financial incentives for employers to participate in co-ops; and setting a goal of increasing co-op placement opportunities by 10 percent in underrepresented disciplines over the next five years.

The Council of Ontario Universities advised maintaining funding for Early Researcher Awards, reinstating the Research Excellence program of the Ontario Research Fund, and fulfilling the commitment to match federal research infrastructure dollars through the infrastructure portion of the Ontario Research Fund. The Ontario Federation of Agriculture requested an immediate increase in funding for university-based agricultural research to \$100 million per year.

Teaching-related recommendations included creating 200 new teaching-focused faculty positions across Ontario (at an estimated cost of \$18 million annually); hiring 9,300 new full-time faculty members by 2020 (at an estimated cost in 2014-15 of \$117 million); providing financial or other incentives for teaching-stream faculty appointments; and, undertaking a study of contract faculty (described as “precarious academic workers”). It was additionally recommended that per-student funding for teacher training programs be restored. Wilfrid Laurier University requested provincial approval of a Wilfrid Laurier satellite campus university in Milton. Other stakeholder requests included investing in new university buildings and restoring funding for deferred maintenance and the repurposing of old buildings.

Colleges

The Canadian Federation of Students recommended a \$250,000 cap on university salaries and a \$200,000 cap on college salaries, generating estimated savings of \$17 million per year. The College Student Alliance asked for an increase in promotional and informational programs aimed at increasing awareness in government grant and credit programs. Colleges Ontario suggested creating a new special purpose grant – the Graduate Transition to the Workplace Grant- at a cost of \$10 million annually.

Colleges Ontario also made several broader funding requests, including increasing core operating funding by \$83 million in 2014-15; providing \$30 million for instructional equipment; providing \$61 million in net funding to address critical repairs and for some infrastructure renewal; and, providing, at a minimum, the additional \$26 million funding that the government has committed for enrolment growth. The College Student Alliance asked the government to meet the national per-student funding average by the 2015-2016 academic year.

Witnesses also focused on apprenticeship issues. Requests included providing a funding increase of \$10 million to support apprenticeship and pre-apprenticeship programs, increasing funding to the Ontario College of Trades and the Ontario Youth Apprenticeship Program, broadening access to apprenticeship training, and improving retention in apprenticeship programs. The Human Resources Professionals Association suggested a partnership with the Ministry to develop an educational campaign targeted at high school students to draw attention to

opportunities for apprentices and master journeymen. Colleges Ontario recommended raising the enrolment cap on basic post-secondary high-demand programs from the current level of 15 per cent of the total enrolment in basic post-secondary programs. It also wants colleges to be allowed to use a portion of set-aside funds for institutional priorities, such as supports for students at risk and recommends an additional investment of \$25 million for the Student Success Fund.

Career Colleges Ontario recommended ensuring equal access OSAP funding for students at career colleges, applying the Second Career program tuition funding cap universally, and applying a cost-of-living increase to that cap. The North Bay Literacy Council urged the government to keep literacy and basic skills as a priority area of focus and to continue funding related programs. When asked by the Committee, the Council said it would appreciate an additional \$50,000 in funding.

TRANSPORTATION

Witnesses recommended investment in Ontario's transportation network. Some called for a discussion on how adequate, sustainable support for transit can be secured. As noted earlier, others commented on proposed revenue-related solutions. Some suggested that new revenue tools (in addition to bonds, P3s, leasing and concession agreements) are required and raised the following points: new revenues must be dedicated and administered transparently; new revenue tools must not impact Ontario's competitiveness; and any new revenue sources for transit and transportation infrastructure must be extended to the rest of Ontario. The Sarnia Lambton Chamber of Commerce believes that road and transit system improvements are the responsibility of municipalities and not the province. The Oakville Chamber of Commerce, which calls for new, dedicated, revenue tools to invest in transportation infrastructure in the Greater Toronto Hamilton Area (GTHA), says all four modes of transportation (road, rail, water, air) should be considered. Others focused on funding for integrated public transportation planning and development throughout south-western Ontario, as discussed below.

Roads

Specific requests related to highways include solidifying the commitment to construct Highway 7 and ensuring a formal decision on the Niagara-GTA highway. One individual recommends easing congestion by encouraging private industry to set up car-pooling services, assessing special fees for driving in highly congested areas, and significantly increasing traffic fines. The Canadian Automobile Association asked for provincial regulation of the towing industry, standards and safety criteria to protect tow truck operators and motorists, and for consideration of a tribunal process for fee disputes in the towing industry. Other road-related recommendations included ensuring that systems are in place to help

mature drivers transition away from driving if and when the need arises, and embarking on test pilots with academics for intelligent transportation systems.

Rail

Local municipalities, a chamber of commerce, and other organizations urged the government to support two-way GO Train services to and from the Kitchener, Guelph and Waterloo region to Toronto, and allocate funding for the project in the 2014 provincial capital budgets. The City of Kitchener recommendations included securing inbound two-way all-day GO Train service from Union Station to the Guelph-Waterloo region, fast-tracking the Integrated, Strategic Regional Transportation initiative, and installing an inbound commuter bus from Union Station to the Waterloo region in 2014. The Regional Municipality of Waterloo asked the government to commit to the start of passenger rail service to and from the city of Cambridge along the Milton line and to commit to track infrastructure improvements for the North Mainline and the Milton line. The Regional Municipality of Halton noted that delays to all-day GO service to Milton and Georgetown and electrification of the Lakeshore GO line will impact implementation of the Growth Plan.

Other Matters

A poverty action group asked the government to address the issue of high fares and to underwrite the cost of transportation in new housing developments so that families can function without a car. Students recommended improving public transit and providing an incentive for municipalities and local transit authorities to establish or improve student discounts. The Cornwall and District Labour Council believes the government should re-regulate the intercity bus industry. The Canadian Natural Gas Vehicle Alliance asked the government to recognize that natural gas is an important alternative for heavy vehicle fleets and to focus policy development efforts on the commercial vehicle sector. It urged collaboration with industry and the federal government to give commercial vehicle fleet owners the information they need to evaluate natural gas as an option.

RECOMMENDATIONS

The Standing Committee on Finance and Economic Affairs recommends that:

- 1. The Minister of Finance commit in the 2014-2015 Budget to balancing the budget and quickly using tools including an across the board public sector wage freeze to reduce the provincial debt and the tax burden on employers.**
- 2. The Minister of Finance commit in the 2014-2015 Budget to reducing the regulatory burden in Ontario by a minimum of one-third over three years.**
- 3. The Minister of Finance commit in the 2014-2015 Budget to reducing inter-provincial trade barriers and commit the Government of Ontario to begin negotiations to join the economic partnership of British Columbia, Alberta, and Saskatchewan.**

LIST OF WITNESSES AND WRITTEN SUBMISSIONS

Presenter	Date of Appearance / Written Submission
Acrobat Result Marketing Ltd.	January 14, 2014
Advocacy Centre for Tenants Ontario	Written
Agar, Greg	Written
Alliance Against Poverty	Written
Alliance iCommunications	January 20, 2014
Alliance of Ontario Food Processors	January 20, 2014
Alliance to End Homelessness (ATEH)	January 23, 2014
Alzheimer Society of Ontario	Written
Alzheimer Society of Thunder Bay	January 21, 2014
Anglican Church of Canada: Diocese of Toronto	Written
ApprenticeLMS Limited	January 14, 2014
Apprenticeship Training Tax Credit (ATTC) for IT Contact Centre Trades Petitioners (19 organizations – See Note 1)	Written
ARCH Disability Law Centre	Written
Association of Day Care Operators of Ontario	January 14, 2014
Association of Family Health Teams of Ontario, Association of Ontario Health Centres, and Nurse Practitioners' Association of Ontario	Written
Association of Municipalities of Ontario	Written
Association of Ontario Midwives	January 16, 2014
Automotive Industries Association of Canada	Written
AV Terrace Bay Inc.	January 21, 2014
Bavington, Edward J.F.	January 14, 2014
Bazak-Brokking, Joanne	January 15, 2014
Bioindustrial Innovation Canada	January 20, 2014
Brain Injury Services of Northern Ontario and Provincial Acquired Brain Injury Network	Written
Brick Brewing Co. Limited	January 13, 2014
Building Up Our Neighbourhoods / Peel Poverty Action Group	January 14, 2014
Bush, Shirley	Written
Campaign for Adequate Welfare and Disability Benefits	January 14, 2014
Canadian Automobile Association (CAA)	January 16, 2014
Canadian Automotive Partnership Council (CAPC)	Written
Canadian Beverage Association	January 22, 2014
Canadian Cancer Society	Written
Canadian Doctors for Medicare	Written

Presenter	Date of Appearance / Written Submission
Canadian Federation of Independent Business	January 16, 2014
Canadian Federation of Students – Ontario	January 22, 2014
Canadian Federation of University Women	Written
Canadian Fuels Association	January 16, 2014
Canadian Gas Association	Written
Canadian Manufacturers and Exporters	January 14, 2014
Canadian Media Production Association	Written
Canadian Natural Gas Vehicle Alliance	January 20, 2014
Canadian Red Cross	Written
Canadian Renewable Fuels Association	January 23, 2014
Canadian Restaurant and Foodservices Association (CRFA)	January 16, 2014
Canadian Vehicle Manufacturer's Association	Written
Card, Cheryl	January 20, 2014
Career Colleges Ontario	January 16, 2014
Catholic Charities of the Archdiocese of Toronto	Written
Central 1 Credit Union	January 16, 2014
Central LHIN Mental Health and Addictions Network	Written
Chemistry Industry Association of Canada	Written
Christian Farmers Federation of Ontario	Written
Christian Labour Association of Canada	January 13, 2014
City of Kingston	January 23, 2014
City of Kitchener	January 13, 2014
City of London	Written
City of North Bay	January 22, 2014
CLAC	Written
Clairvest	Written
Coalition of Ontario Manufacturers for Competitive Industrial Power Rates	Written
College Student Alliance	Written
Colleges Ontario	Written
Collingwood General and Marine Hospital	Written
Community Commonwealth Association	Written
Community Counselling Centre of Nipissing	January 22, 2014
Community Development Halton	January 14, 2014
Community Legal Assistance Sarnia	January 20, 2014

Presenter	Date of Appearance / Written Submission
Community Living North Perth	Written
Community Living Ontario	Written
Community Living Tillsonburg	January 20, 2014
Conceivable Dreams	January 13, 2014
Conservation Ontario	Written
Consulting Engineers of Ontario	January 16, 2014
Co-operative Housing Federation of Canada	January 16, 2014
Cornwall and District Labour Council	January 23, 2014
Corporation of Loyalist Township	Written
Council of Academic Hospitals of Ontario	January 23, 2014
Council of Ontario Construction Associations	Written
Council of Ontario Universities	Written
County of Perth	Written
CUPE Ontario	January 16, 2014
Davidson, Lindsay	Written
De Quintal, Steve	Written
DeafBlind Ontario Services	Written
Dean, Betty	January 22, 2014
Dietitians of Canada	January 13, 2014
Dietitians of Canada (Ontario region)	Written
Dolphin Digital Technologies Inc.	January 13, 2014
Dunne, Alan E.	Written
Durham Region Home Builders' Association	January 15, 2014
E.J. Nock Realty Consultants Ltd.	January 14, 2014
Economic Development Advisory Committee for the City of Kitchener/Waterloo Region Homebuilders' Association	January 13, 2014
Elementary Teachers' Federation of Ontario (EFTO)	January 16, 2014
FAIR Association of Victims for Auto Insurance Reform	Written
Family and Children's Services of the Waterloo Region	January 13, 2014
Family Service Ontario	Written
Federation of Rental-housing Providers of Ontario	January 16, 2014
Federation of Urban Neighbourhoods (Ontario)	Written
Film Ontario Interactive	Written
Flowers Canada Ontario	January 13, 2014
Gamma-Dynacare Medical Laboratories	January 16, 2014

Presenter	Date of Appearance / Written Submission
Grand Valley Construction Association	January 13, 2014
Greater Kingston Chamber of Commerce	January 23, 2014
Greater Kitchener Waterloo Chamber of Commerce	January 13, 2014
Greater Toronto CivicAction Alliance	Written
Greater Toronto Marketing Alliance	Written
Halton Housing Alliance	Written
Halton Poverty Roundtable	January 14, 2014
Hamilton Organizing for Poverty Elimination	Written
Harry Stones Pizza Burger and Ale House (Anthony Tsotros)	Written
Holland Marsh Growers' Association	January 13, 2014
Hospice Palliative Care Ontario	Written
Housing Study Group	Written
Hudson, Brian	Written
Human Resources Professionals Association	Written
Imperial Tobacco Canada Limited	Written
Income Security Advocacy Centre	January 16, 2014
Institute of Marriage and Family Canada	Written
Interfaith Social Assistance Coalition / Homelessness and Housing Umbrella Group	January 13, 2014
Interfaith Social Assistance Reform Coalition	January 23, 2014
Interior Systems Contractors Association	January 14, 2014
Invidiata, Christopher	January 14, 2014
Kawartha Childcare Services	January 15, 2014
Kingston Health Coalition	January 23, 2014
Kingston Homebuilders' Association	January 23, 2014
London Economic Development Corporation	January 20, 2014
London Health Coalition	January 20, 2014
Love, William	January 22, 2014
Magazines Canada	Written
March of Dimes Canada	Written
Martyn, John	January 15, 2014
Mckendrick, Paul	Written
McMaster Students Union	Written
Medical Reform Group	Written
Middle Childhood Matters Coalition Toronto	Written

Presenter	Date of Appearance / Written Submission
Molly Maid International Ltd.	January 14, 2014
Multiple Sclerosis Society of Canada	Written
Municipality of Brooke-Alvinston	January 20, 2014
Municipality of Callander	January 22, 2014
Music Canada	January 16, 2014
National Airlines Council of Canada	January 23, 2014
National Farmers Union	Written
No Casino Peterborough	January 15, 2014
Nichols, Charles	Written
North Bay Literacy Council	January 22, 2014
North Bay Regional Health Centre	January 22, 2014
North Bay Tax Payers' Association	January 22, 2014
North Western Ontario Associated Chambers	January 21, 2014
Northumberland Community Legal Centre	January 15, 2014
Northwestern Ontario Municipal Association	January 21, 2014
NOTO	Written
Nurse Practitioners' Association of Ontario	Written
O.D.S.P. Action Coalition	Written
Oakville Chamber of Commerce	January 14, 2014
Olmstead, Kathryn Bateman	January 14, 2014
Ontario Association of Cardiologists	January 14, 2014
Ontario Association of Children's Aid Societies	January 23, 2014
Ontario Association of Community Care Access Centres	Written
Ontario Association of Non-Profit Homes and Services for Seniors (OANHSS)	January 23, 2014
Ontario Association of Private Audiology Clinics	Written
Ontario Association of Residences Treating Youth	January 15, 2014
Ontario Association of Social Workers	Written
Ontario Bar Association	Written
Ontario Bioscience Innovation Organization	January 16, 2014
Ontario Campaign 2000	Written
Ontario Campaign for Action on Tobacco	Written
Ontario Caregiver Coalition	Written
Ontario Chamber of Commerce	January 16, 2014
Ontario Collaborative Group on Healthy Eating and Physical Activity	Written
Ontario Community Support Association	January 15, 2014

Presenter	Date of Appearance / Written Submission
Ontario Confederation of University Faculty Associations	Written
Ontario Convenience Stores Association	January 14, 2014
Ontario Co-operative Association	Written
Ontario Council of Agencies Serving Immigrants	Written
Ontario Council of Hospital Unions	January 22, 2014
Ontario Disability Program Coalition	January 21, 2014
Ontario Early Years Centre Provincial Network	Written
Ontario English Catholic Teachers' Association (OECTA)	January 16, 2014
Ontario Federation of Agriculture (OFA)	January 16, 2014
Ontario Federation of Labour	January 16, 2014
Ontario Forest Industries Association	Written
Ontario Fruit and Vegetable Growers' Association	January 23, 2014
Ontario Greenhouse Vegetable Growers	January 20, 2014
Ontario Health Coalition	January 16, 2014
Ontario Home Care Association	Written
Ontario Home Respiratory Services Association	Written
Ontario Homebuilders Association	January 16, 2014
Ontario Long Term Care Association	January 16, 2014
Ontario Municipal Social Services Association	Written
Ontario Nurses' Association (ONA) – Kingston	January 23, 2014
Ontario Nurses' Association (ONA) – Kingston Region 2	January 23, 2014
Ontario Nurses' Association (ONA) - Kitchener	January 13, 2014
Ontario Nurses' Association (ONA) - Oakville	January 14, 2014
Ontario Nurses' Association (ONA) - Sarnia	January 20, 2014
Ontario Nurses' Association (ONA) – Thunder Bay	January 21, 2014
Ontario Nurses' Association (ONA) - Toronto	January 16, 2014
Ontario Petroleum Institute	January 20, 2014
Ontario Pharmacists' Association	January 16, 2014
Ontario Public School Boards' Association	Written
Ontario Public Service Employees Union	Written
Ontario Real Estate Association	Written
Ontario Rehab Alliance	January 22, 2014
Ontario Trial Lawyers Association	January 14, 2014
Ontario Undergraduate Student Alliance	January 20, 2014

Presenter	Date of Appearance / Written Submission
Ontario Waste Management Association	January 14, 2014
Ontario Waterpower Association	Written
Ontario's Cattle, Hog and Horticulture Payment	Written
Organic Council of Ontario	January 13, 2014
Parkinson Society Ontario	Written
Patrons of our County Hospital	January 23, 2014
Peel District School Board	Written
Peel Poverty Action Group (PPAG)	January 14, 2014
Peterborough and District Labour Council	Written
Peterborough Community Legal Centre	January 15, 2014
Peterborough County – City Health Unit	January 15, 2014
Peterborough Health Coalition	January 15, 2014
Peterborough Poverty Reduction Network – Community Education and Engagement	January 15, 2014
Peterborough Poverty Reduction Network – Research	January 15, 2014
Poverty Free Kitchener-Waterloo Action Group	January 13, 2014
Poverty Free Thunder Bay	January 21, 2014
Provincial Council of Women of Ontario	Written
Racing Under Saddle Ontario	January 14, 2014
Regional Municipality of Halton	January 14, 2014
Regional Municipality of Waterloo	January 13, 2014
Registered Nurses Association of Ontario	January 16, 2014
Reichert, Marianne	Written
Retail Council of Canada	January 14, 2014
Ryerson, John	Written
Sarnia and District Labour Council	Written
Sarnia Lambton Chamber of Commerce	January 20, 2014
Sarnia-Lambton Economic Partnership	Written
Scarborough Health Coalition	January 15, 2014
Service Employee International Union (SEIU)	January 13, 2014
Social Planning Council of Cambridge and North Dumfries	January 13, 2014
Social Planning Council of Kitchener-Waterloo / Community Information Centre of Waterloo Region	January 13, 2014
Spinal Cord Injury Ontario	Written
Spirits Canada	January 23, 2014
St. Catharines Curling Club	Written

Presenter	Date of Appearance / Written Submission
Strata Works Canada Ltd.	January 13, 2014
Stuart-Savage, Catherine	January 13, 2014
Swirsky, Hilda	Written
Templeman, Bill	January 15, 2014
The Empire Life Insurance Company	January 23, 2014
Thunder Bay and District Labour Council	January 21, 2014
Thunder Bay Chamber of Commerce	January 21, 2014
Thunder Bay District Injured Workers Support Group	January 21, 2014
Thunder Bay Health Coalition	January 21, 2014
Toronto Mental Health and Addictions Supportive Housing Network	January 16, 2014
Tourism Industry Association of Ontario	January 15, 2014
Township of Enniskillen	January 20, 2014
Trillium Automobile Dealers Association	January 16, 2014
Trillium Energy Alliance Inc.	January 15, 2014
Waterloo Region Crime Prevention Council	Written
Waterloo Regional Labour Council / Poverty Free Kitchener Waterloo	January 13, 2014
Weight Watchers Canada, Ltd.	Written
Wellesley Institute	January 16, 2014
Wesley, Jeff	January 20, 2014
West, Chris	January 14, 2014
Wesway	January 21, 2014
Wilfrid Laurier University	January 13, 2014
Woodgreen Community Services - Oakville	January 14, 2014
Woodgreen Community Services - Peterborough	January 15, 2014
Zycom Technology	Written

Note 1: Electronic submissions expressing substantially the same position and grouped under this heading were received from the following organizations:

CMN Global Inc., Compute, Intrafinity Inc., Metafore IT Solutions, The Mezzanine Group, Nationwide Appraisal Services Inc., Next Dimension Inc., Panvista Mobile, Porter Airlines Inc., Pulse Services Inc., Quartet Service Inc., Ricoh Canada Inc., Shift CRM Inc., Tenet Computer Group, Triella Technology Transformations, Upstream Works Software, Venture Computers of Canada, Vertex Solutions Corporation, Windmill Software Inc.

(List compiled by Nolan Wilson, Legislative Learner)

APPENDIX A

DISSENTING OPINION OF THE
PROGRESSIVE CONSERVATIVE MEMBERS
OF THE COMMITTEE

Ontario PC Caucus Dissenting Report

The Ontario PC Caucus is pleased that the Standing Committee on Finance and Economic Affairs chose to adopt three key elements of our Leader's million Jobs Plan. The recommendations to lower taxes, lessen the burden of red tape, and increase interprovincial trade, will certainly do their part to get Ontario's fiscal house in order, and bring jobs back to this province. But we must ask, is this enough?

This morning 600,000 men and women in Ontario woke up without a job. Heinz. Kellogg. Caterpillar. These are all companies that recently announced they're shutting their Ontario operations and heading for greener pastures. Oh, they're still making ketchup, cereal, and earth moving equipment. They're just not making them in Ontario.

With Ontario boasting the highest energy prices in North America, the highest payroll taxes in Canada, 86 consecutive months with unemployment higher than the national average, and a government about to raise the gas taxes and raise corporate taxes, is it any wonder companies are abandoning Ontario in record numbers? In addition, other companies are bypassing Ontario, as they search for a place to set up shop.

What happened to this once-powerful province; the envy of all Canada?

Ontario, once the engine of Confederation, has become a 'have-not' province, relying on equalization payments from the federal government. We had a low debt-to-GDP. Low unemployment. Cheap hydro. Less red tape. But look at what's happened over the last decade.

Hydro rates have tripled and the government has recently told us they will increase a further 50% over the next few years.

For the first month of 2014, PC caucus MPPs toured Ontario in a series of pre-budget consultations and finance roundtables. They met with business groups, social groups, and individuals. After visiting almost 30 cities, from Sarnia to Kenora and Timmins to Cornwall, a definite theme arose. Expensive energy.

When speaking to the energy policies of the current administration during his testimony to the Committee, Kevin Marriott, Mayor of Enniskillen, said the following:

"They continue to be the main reason for losing manufacturing jobs...something has to be done. To see the bleeding of jobs from that is heart breaking, to say the least."

Expensive energy. The perfect formula for killing jobs in Ontario.

Affordable Energy

We certainly knew that energy was going to be a big issue given the current government's commitment to increase Hydro rates by 50% over the next five years, and the Liberal plan to add .10/litre to the price of gasoline to pay for transit in the GTA. We were not disappointed.

“The need for reliable and affordable energy is a top priority”, claimed Charla Robinson of the Thunder Bay Chamber of Commerce, during the pre-budget consultation process. Her statements were echoed by North Bay Mayor Al Macdonald. “[The proposed gas hike] is an awesome program if the idea is to drive manufacturers and companies out of the province...[and]hydro costs are driving them out of the province – not just northern Ontario; they are driving them out of the province.”

In many ways the Green Energy Act (GEA) put the desires of the renewable power industry ahead of the needs of Ontario businesses and electricity consumers.

For instance, when you neutralize the municipality (the public’s only forum to fight a rezoning), toss around phrases like dirty coal (which stifles naysayers), and put a ‘green’ label on it (which minimizes opposition), you've got a perfect storm for procedural abuses, failed fiscal oversight, and gross misuse of taxpayer dollars.

In addition the Feed-in-Tariff (FIT) Program pays out massive subsidies for wind and solar contracts to produce power we don’t need.

This continues to drive up the cost of electricity – it rose 26 per cent between 2008-2010; it is projected to rise another 46 per cent by 2014.

As a result of these skyrocketing energy prices, manufacturing plants, forestry mills, and mineral processors close and move to where they find cheaper power. In Timmins, a city of 43,000, Xstrata Copper axed 670 employees and moved just across the border to set up shop in Quebec, where hydro is cheaper. It affected another 4,000 employees province-wide.

In total, Ontario has lost 300,000 manufacturing jobs in recent years. This has resulted in even lower demand for hydro, and we now generate far more power than needed. Unlike a commodity, you can’t store electricity. So we pay the U.S. and Quebec to take this surplus power off our hands. We’ve paid them \$1.8 billion over the past six years; \$420 million in the first 10 months of 2011 alone. Their industries use this cheap power to compete even harder with our manufacturers, and so the downward spiral continues.

If the province stays on this current path, hydro bills are going to increase dramatically.

Auditor General Jim McCarter delivered a scathing indictment of the Liberal Government’s energy policy. He found that wind generators operate at 28 per cent capacity and that wind output was out of phase with electricity demand during certain times of the day. Solar generators operate at just 13 per cent capacity. And the FIT Program, with its overly-generous payments, will cost taxpayers \$4.4 billion more than the previous Standard Offer Program.

In 2010 wind and solar accounted for 1,700 MW and the target for them is to produce 10,700 MW by 2018. The very problem that has sent our hydro bills skyrocketing and gutted our manufacturing sector is about to get six times greater.

The AG also told us that billions of dollars were committed to renewable energy without fully evaluating the impact through a comprehensive business-case analysis. No independent, objective, expert investigation had been done to examine the potential effects of renewable-energy policies on prices or job creation.

Even Dr. Patrick Moore, co-founder of Greenpeace, weighed in recently with his comment that the wind power industry is “a destroyer of wealth and negative to the economy.” He went on to say that wind farms are “ridiculously expensive and don’t work half the time.”

Next, look for the words ‘Global Adjustment’ on your hydro bill. Simply put, Global Adjustment covers the spread between market price and guaranteed price paid to generators, plus the cost of paying standby gas plants *not* to produce electricity, as well as paying for conservation programs. This will be the hottest energy topic for the next several years. One North Bay manufacturer showed that the Global Adjustment, nonexistent on their 2009 hydro bills, is now \$1,700/month, while their electricity charge is \$1,400/month. Another company’s annual Global Adjustment is seven figures – for a line-item they never factored into their budgets. The Global Adjustment is expected to increase *tenfold*, from \$700 million in 2006 to \$8.1 billion in 2014. This will certainly cause more Ontario manufacturers to close up shop and move to cheaper locales.

Also, watch for the Smart Meter charges to hit home. Environment Commissioner Gord Miller weighed in recently, reminding us that reducing peak demand was the prime driver for introducing smart meters in the first place, yet there is no data to show if it’s helping consumers conserve. The computer system that runs the Smart Meters cost \$250 million, and the bill is now due. Your local utility will be adding .75/month to repay that purchase. And where a traditional meter costs .65 to read, these electronic meters cost \$1.50 plus another .90 for the towers and controllers. In addition, your local utility will be adding a \$1.50 monthly fee to pay for their share of the \$1 billion spent on the actual Smart Meter units. Total it all up and you’ll see a further \$4.00/month added to your bill this year.

Let’s not forget the cancellation of the Oakville power plant and cancelling, demolishing, and relocating the Mississauga power plant. These cancellations were nothing more than political ‘seat savers’ and will cost taxpayers \$1.1 billion. That bill will come due this year, followed by the bill for the new plant. This comes at a time when industry experts are questioning the reliability of the GTA power grid.

Recommendation

The path the current government is on will continue to be destructive to Ontario. This is why the Ontario PC Caucus recommends that the Ministry of Finance implement this portion of our leader Tim Hudak’s Million Jobs Plan: Commit to providing cost-efficient and reliable energy, end expensive subsidies for wind and solar power projects that drive up costs and punish both manufacturers and Ontario's families with high electricity bills.

The recent retreat by the Energy Minister to reduce FIT subsidies and give token input to municipalities is an admission their energy plan is a failed social experiment. But reducing the subsidies will NOT solve the problem. The Liberals will still be spilling water, venting steam, and draining jobs into Quebec and the U.S.

“...If there’s not something drastically done in the relationship to the supply of our hydroelectric power – we’re spiralling out of control, and we’re going to experience substantially more losses than what we’ve seen to date. That is a real concern.”

– Miles Peters, North Bay Ratepayers Association

Eliminate the College of Trades

The PC caucus also thinks it is important to attention to a new tax aimed at trades people. Despite its name, the College of Trades is not a school to train skilled workers. Rather, it's a Liberal-created oversight body that has imposed a trades tax through a mandatory membership fee. Its intention is to regulate a wide range of trades people – from hairdressers to construction workers to electricians – and charge them a hefty annual registration fee. Created by provincial legislation in 2009, the College of Trades, which was up and running in 2013, is a regulatory body to oversee the trades, similar to the Ontario College of Teachers or College of Physicians and Surgeons of Ontario. Again, this is simply another layer of bureaucracy that's going to cost trades people between \$100 and \$200 annually and employers between \$600 and \$700 each year. We heard from a barber in a northern riding who said he was intimidated by one of the inspectors, who demanded he stop cutting his customer's hair until he was finished talking. He had pulled up in his shiny new College of Trades car, and sported his College of Trades uniform, and all he was there for was to collect the \$120 dues, so they could afford to fund this new body and collect more dues from other unsuspecting trades people. It serves no other purpose. Collect money; use it to hire more people to collect more money.

Recommendation

The PC Caucus recommends that the Ministry of Finance implement this portion of our leader Tim Hudak's Million Jobs Plan: Commit to changing the apprentice-to-journeyman ratio to one-to-one and abolish the College of Trades, which is nothing but a tax on workers and a costly bureaucracy that gets in the way of new job opportunities.

Conclusion

The current government has a proven track record of avoiding the bold, but necessary, decisions that will put Ontario back on the right fiscal paths. The shift away from taking action to balance the budget began with the previous Liberal premier, and continues with Kathleen Wynne. It is now clearer than ever that the Wynne government has no plan to balance the budget, or to create jobs. When our Leader Tim Hudak cleared the decks of all pending legislations when the house resumed last September, he did so with the understanding that the Premier would

put forward a plan to tackle the debt and create jobs. It is now five months later, and Kathleen Wynne has yet to table her jobs plan.

This is why the PC Caucus has put two additional recommendations, to complement the Three already adopted by the Committee. All five recommendations are taken from our Million Jobs Plan. These are solutions that will fix the problems that are at the core of Ontario's fiscal catastrophe. We are proud that our leader Tim Hudak, has demonstrated the right kind of leadership to get Ontario working again. And we strongly advise the government to adopt our recommendations in their upcoming budget; they are filled with bold ideas that are necessary to build a Better Ontario.

APPENDIX B

DISSENTING OPINION OF THE
NEW DEMOCRATIC PARTY MEMBERS
OF THE COMMITTEE

Dissenting Opinion of the Members of the New Democratic Party

New Democrats will not support new taxes or tolls that will make life more expensive for middle class families.