

Legislative
Assembly
of Ontario



Assemblée
législative
de l'Ontario

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

PRE-BUDGET CONSULTATION 2017

2nd Session, 41st 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 2017 and commends it to the House.

Peter Milczyn, MPP
Chair of the Committee

Queen's Park
March 2017

**STANDING COMMITTEE ON FINANCE AND ECONOMIC
AFFAIRS
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2nd Session, 41st Parliament

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INTRODUCTION

The Standing Committee on Finance and Economic Affairs conducted its pre-Budget hearings in Dryden, Sudbury, Ottawa, Windsor, and Toronto in December 2016, and in Toronto, Brampton, and London in January 2017.

Witnesses included interested individuals and representatives from associations and organizations, businesses, community groups, municipalities, service agencies, and unions. In total, 157 witnesses appeared before the Committee. In addition, approximately 90 written submissions were received from interested individuals and groups who did not appear before the Committee. The Committee also heard from an expert panel of witnesses, whose testimony is summarized in Section 3 of the report.

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. 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 in Section 4 on page 51 of the report. A list of witnesses, as well as the organizations and individuals from whom written briefs were received, appears at the end of the report.

1. MINISTRY OF FINANCE

Fiscal Strategies

The Committee heard stakeholder recommendations for balancing the budget. The Toronto Region Board of Trade and the Ontario Chamber of Commerce called for fiscal prudence, the former expressing concern about the Province's fiscal outlook, and the latter adding that only one in five businesses is confident in Ontario's economic outlook according to its most recent survey. The Canadian Taxpayers Federation recommended developing a long-term plan for balancing the budget with controlled spending growth that does not rise above the rate of inflation, noting that the Financial Accountability Officer (FAO) has stated that if balance does occur in 2018, it would be based on a one-time sale of assets. The Canadian Federation of Independent Business called for balance this year and in future years; and the London Chamber of Commerce warned against borrowing from reserves to achieve balance.

Proposals were also made for debt reduction. Ben Eisen (Fraser Institute) and the Canadian Federation of Independent Business recommended the introduction of a plan with timelines for debt reduction, while the Canadian Taxpayers Federation recommended legislating that timeline. Mr. Eisen proposed a clear, direct return to the pre-recession debt-to-GDP ratio, noting that the FAO had projected a debt-to-GDP reduction from 41.2% this year to 41.0% in 2020.

Witness program spending recommendations differed as follows:

- reduce spending (Canadian Taxpayers Federation);
- reduce the size of government and the annual growth rate of government and spending (London Chamber of Commerce);
- do not reduce spending (Neighbourhood Legal Services (London and Middlesex)); and
- increase investment in public services (Congress of Union Retirees of Canada, Ontario Public Service Employees Union, and We Own It).

Sheila Block (Canadian Centre for Policy Alternatives) recommended evaluating expenditures in terms of simplicity, efficiency, and the impact on societal inequality.

Service delivery also received attention. CUPE Ontario argued against contracting out public services and work in the public sector. The Ontario Chamber of Commerce proposed expanding alternative service delivery.

The Committee also heard recommendations on public sector wages; the Canadian Taxpayers Federation and the Ontario Chamber of Commerce recommended reducing or containing their growth. The Toronto Region Board of Trade called for a return to the net-zero provision on new public service sector contracts, while the Ontario Chamber of Commerce suggested eliminating the total compensation premium for public sector employees. One individual asked for a reduction in the salaries of upper management staff in all government programs and agencies, especially for those earning more than \$250,000 per year.

Several witnesses made recommendations related to the ownership of Crown Corporations and provincial assets:

- increase the transparency of Crown Corporation divestment (Ontario Chamber of Commerce);
- hold referendums before selling off provincial assets (CUPE Ontario);
- end all privatization (Ontario Public Service Employees Union, We Own It, and two individuals);
- do not sell Crown Corporations and public assets to fund transit expansions (Registered Nurses' Association of Ontario);
- do not privatize such public assets and services as Ontario Lottery and Gaming, the Liquor Control Board of Ontario (LCBO) as well as Ontario's health care and education systems (Ontario Federation of Labour); and
- reverse privatization (Congress of Union Retirees of Canada).

(See Energy: Hydro One for comments on Hydro One.)

Auto Insurance

Insurers, lawyers, and some individuals made proposals for simplifying auto insurance. The Insurance Bureau of Canada recommended using consumer-friendly plain language for auto insurance coverage issues. The Ontario Trial

Lawyers Association asked for a simplified system so that policy holders would retain legal representation to manage disputes, but not typically for benefit claims. The Association also recommended modelling Ontario's system on others in Canada, making the system certain and accessible, and ensuring affordability, early treatment, and full compensation for innocent victims. It also requested establishment of a Serious Fraud Office.

Other Insurance Bureau of Canada recommendations included implementing Electronic Proof of Auto Insurance and integrating the sharing economy with the auto insurance system by, for example, prescribing minimum insurance requirements and standardizing insurance forms.

The Ontario Association of Architects asked for continued provincial regulation of professional liability insurance companies, instead of allowing these companies to be moved under federal jurisdiction.

Other Matters

The Greater Sudbury Chamber of Commerce requested that regional economic analysis be taken into consideration when making budgetary or legislative decisions. The Ontario Federation of Labour called for gender-responsive budgeting. The Ontario English Catholic Teachers' Association asked for policies to reduce income inequality. The Congress of Union Retirees of Canada called for fairer cost sharing among municipal, provincial, and federal governments.

Tax Policy

Corporate and Personal Income Tax

Stakeholder opinion varied on corporate income tax rates, with some business organizations favouring reductions and some unions and social groups calling for increases. Recommendations were as follows:

- reinstate scheduled corporate income tax reductions by 2017-18 (Ontario Chamber of Commerce);
- ensure low rates for scale-up companies (Council of Canadian Innovators);
- make taxes competitive for all businesses (Canadian Taxpayers Federation);
- maintain the corporate tax rate for manufacturing at 10% (Chemistry Industry Association of Canada); and
- increase corporate income taxes (CUPE Ontario, two individuals, and the Interfaith Social Assistance Reform Coalition).

Ms. Block recommended reconsidering the current level of corporate taxation (and other options, such as the GST) with the objective of generating new revenues, arguing that the reduction in the corporate income tax rates had not been successful in increasing investment in Ontario.

CUPE Ontario called for the government to restore the provincial corporate capital tax rate for medium and large businesses to 0.3% for general

corporations and 0.9% for financial corporations and improve corporate tax compliance measures.

The Committee also heard proposals for increasing personal income tax in upper tax brackets. Recommendations on the threshold ranged from \$250,000 to \$500,000.¹ White River Forest Products supported such an increase but called for a tax offset for high earners who make significant domestic equity or manufacturing project investments. The Elementary Teachers' Federation of Ontario recommended personal and corporate income tax measures to enable, for example, fiscal capacity to invest in the economy.

Aviation Fuel Tax

The Air Transport Association of Canada and the Greater Sudbury Chamber of Commerce requested a reduction in the aviation fuel tax rate, with the former calling on the Province to remit the tax for flight schools and review its policy of levying the tax on international travel.

Electricity Distribution

The Electricity Distributors Association called for Transfer Tax rule changes in connection with merger and acquisition deals involving local distribution companies (LDCs) and municipal LDCs. The organisation also asked for Payment in Lieu of Taxes credit changes, and for LDCs and municipalities to be monitored and shielded from any unintended tax challenges arising from mergers and acquisitions.

HST

Homebuilders proposed that the \$400,000 house-price threshold for eligibility for the HST be reviewed to determine whether it is still appropriate given changing housing market conditions.² Canadian Manufacturers and Exporters Ontario recommended eliminating HST input tax credit restrictions. Neighbourhood Legal Services (London and Middlesex) proposed a slight increase in the HST, with protection for very low income families. One individual recommended dropping the HST on homecare services.

Tobacco

The Ontario division of the Canadian Cancer Society urged the government to increase the tobacco tax rate, while Imperial Tobacco Canada recommended maintaining the current schedule of tobacco tax increases. Both organizations requested an action plan to combat contraband tobacco, with the Canadian Cancer Society's national office proposing a refund/rebate system for cigarettes sold on reserve, and Imperial Tobacco, a whole-of-government approach to tobacco policy. The Ontario Campaign for Action on Tobacco proposed raising tobacco excise taxes by at least \$10 per carton. Other recommendations included preventing the tobacco industry from setting discount prices and introducing minimum price legislation for all tobacco industry products for Ontario.

¹ CUPE Ontario, the Interfaith Social Assistance Reform Coalition, White River Forest Products Ltd., and one individual.

² The Greater Ottawa Home Builders' Association and the Ontario Home Builders' Association.

Other Matters

Witnesses discussed a number of other tax issues including recommendations to:

- continue the scheduled Business Education Tax rate reductions (Greater Sudbury Chamber of Commerce);
- have a one-year Employer Health Tax (EHT) holiday for employers, raise the EHT exemption threshold to \$1 million, and provide retailers with flexibility to show environmental levies separately on sales receipts (Retail Council of Canada);
- work with the federal government to introduce airport Arrivals Duty Free and Dual Shop Duty-Free stores (Greater Toronto Airports Authority); and
- tax marijuana products (Ontario Chamber of Commerce, an individual) and share the revenue with municipalities (Ontario Chamber of Commerce).

One individual asked for a financial transaction tax, while CUPE Ontario specified that a financial activities tax of 5% should be levied on finance sector profits and compensation.

Tax Credits

Witness tax credit recommendations focused on manufacturing, apprenticeship, home renovation and energy, wine, film, and other areas as follows:

- introduce an investment tax credit or 100 per cent accelerated capital cost allowance (ACCA) for a minimum of 10 years to specifically apply to upgrading natural resources into manufactured products (Chemistry Industry Association of Canada);
- create a refundable manufacturing 12% tax credit for investment in machinery and equipment and a similar 20% tax credit for initiatives such as training system upgrades; increase the Ontario R&D Input Tax Credit from 4.5% to 10%; and ensure a robust Apprenticeship Training Tax Credit (Canadian Manufacturers and Exporters Ontario);
- make an IT technical support program (ITA Trade 634 A) eligible for the Apprenticeship Training Tax Credit (ApprenticeLMS);
- introduce an Energy Efficiency Home Renovation tax credit that applies only to energy-related improvements (Greater Ottawa Home Builders' Association, Ontario Home Builders' Association, and the Sudbury and District Home Builders' Association);
- introduce a consumer-focused home renovation tax credit for individuals submitting receipts (Ontario Home Builders' Association and the Sudbury and District Home Builders' Association);
- create a tax credit equal to 35% of the wholesale sales in the LCBO for VQA wines to support small and medium wineries (Wine Council Ontario);
- ensure stable film and television tax credits (Cinespace Film Studios);

- maintain the Ontario Computer Animation and Special Effects, the Ontario Film and Television, and the Ontario Production Service tax credits (Computer Animation Studios of Ontario);
- introduce transportation subsidies through the Trillium Benefit to reach low income individuals living in rural areas and outside of bus routes (Ottawa Poverty Reduction Network); and
- make educational services provided by career colleges zero rated to allow the colleges to claim input tax credits (Career Colleges Ontario).

Other Matters

Alcohol

Spirits Canada brought LCBO-related requests including establishing a formal target for spirits sales of 40% of LCBO total net sales by 2021-2022 and reducing the LCBO mark-up on spirits from 139.7% to 135%. The organization also asked that the LCBO's 49% product discount available to foreign diplomats be extended to Spirits Canada on its purchases of Canadian whisky destined for Canadian and Ontario foreign embassies, consulates, and international marketing centre offices.

Brick Brewing Co. Ltd. asked for an increase in the "grace volume" (for small brewer beer tax reductions) as well as a cap so that brewers producing more than 400,000 hl would receive no such incentive. Brick also proposed eliminating all co-pack qualification language to allow brewers to access the small brewer tax incentive. (Currently a small brewer that contracts for co-production with a larger brewer loses access to the incentive.) The Registered Nurses Association of Ontario proposed increasing minimum alcohol prices and linking them to alcohol content.

Financial Services

FirstOntario Credit Union asked that the municipalities, universities, school boards, and hospitals sector be opened to credit unions. Primerica Financial Services stated its appreciation of the announcement by the Hon. Charles Sousa, Minister of Finance, in the 2016 fall economic statement that a new Financial Services Regulatory Authority would be established and the Minister's recognition that regulatory bodies need to evolve to ensure that companies are not unduly burdened, while protecting consumers and investors. Primerica requested that the regulatory framework not jeopardize access to advice for small investors and that any new regulation considered be proven to provide consumer protection. The Insurance Bureau of Canada asked to be consulted regarding the replacement of the Financial Services Commission of Ontario with the Financial Services Regulatory Authority and said that timelines for making the latter operational should be shortened.

Pensions

The Healthcare of Ontario Pension Plan asked the government to ensure that defined benefit (DB) pensions remain part of the social safety net, while Canadian Manufacturers and Exporters proposed that Ontario move away from the current solvency funding regime for private sector DB pension plans to a single going concern valuation approach.

The Ontario Confederation of University Faculty Associations requested greater clarity about criteria for solvency exemption to support the success of a multi-employer jointly sponsored pension plan for the university sector. The Council of Ontario Universities and Laurentian University told the Committee that universities should be exempt from solvency pension payment requirements. Finally, the Ottawa Poverty Reduction Network called for an increase in the Guaranteed Annual Income Supplement.

2. OTHER MINISTRIES

ADVANCED EDUCATION AND SKILLS DEVELOPMENT

Colleges and universities requested specific student service funding in areas including the following:

- services for Indigenous students and students with disabilities (Colleges Ontario, Fleming College, Ontario Undergraduate Student Alliance, and Laurentian University), including provisions to ensure that all students have an understanding of the history of Indigenous peoples (Fleming College);
- career services, international students centres, and academic advising (Ontario Undergraduate Student Alliance); and
- mental health services (Ontario Undergraduate Student Alliance and Wilfrid Laurier University Students' Union), including a reintroduction of the Mental Health Innovation Fund to be directed towards system-wide initiatives to improve mental health care (Wilfrid Laurier University Students' Union).

Colleges

The Committee also heard specific requests from colleges, including many focused on funding. Colleges Ontario and Laurentian University asked for long-term investments and inflation protection for college grants. Confederation College sought funding for its community-based nursing program (BScN) cohort that will start in the fall of 2018. Loyalist College noted the importance of ensuring access to college programs able to bridge to the labour market, which it said the government is facilitating through such measures as improving student assistance. The College also requested a review of the Small Northern and Rural Grants, arguing that small southern colleges have higher per student costs than northern colleges. The Greater Kitchener Waterloo Chamber of Commerce asked for funding allocations for satellite college campuses in rural areas. The College Student Alliance recommended that Post-Secondary Student Support Program funds not be counted as income in the Ontario Student Assistance Plan's needs assessment process, reducing the International Student Recovery fee by \$75 per year, and increasing Aboriginal Student Bursary funding and revising eligibility criteria.

Career Colleges Ontario asked that career college students be allowed to apply for Ontario's part-time loan-assistance program and that tuition cap policies associated with funding programs be applied equally. Colleges Ontario sought funding for building renovations to help reduce carbon emissions, and for

investments in new programs that provide people with skills and expertise for a low-carbon economy. Fleming College asked that deferred maintenance be addressed; CUPE Ontario requested the same, with all related work done in-house.

Universities

University organizations made funding recommendations including the following:

- fund undergraduate growth in high-demand areas, maintain the commitment to expand the number of graduate spaces, and expand the number of graduate scholarships (Council of Ontario Universities);
- create a working group to recommend how best to enhance the Northern Grants, which have not been indexed since 2004-05, and make universities facing declining enrolment eligible for funding protection for the next two rounds of Strategic Mandate Agreements (Laurentian University); and
- reject “punitive performance-based funding” in the renewed university funding model and increase per-student public investment to match the average for the rest of Canada by 2020-21 (Ontario Confederation of University Faculty Associations).

The Confederation also noted that it shared the government’s commitment to improving transparency and accountability in the sector. The Council of Ontario Universities recognized that the Ontario Student Assistance Program (OSAP) reforms and tuition policy announced in last year’s budget significantly helped ensure access to the post-secondary education system.

The College Student Alliance, the Ontario Undergraduate Student Alliance, and the Western University Students’ Council recommended creating an expert panel on the collection, availability, and accessibility of university data related to issues such as experience and graduation outcomes. The Wilfrid Laurier University Students’ Union voiced its support for Bill 76, the *Pathways to Post-secondary Excellence Act (Post-secondary Educational Report), 2016*. The Ontario Confederation of University Faculty Associations proposed creating a new higher education data agency, with the Western University Students’ Council asking that data collection remain a government priority.

The Western University Students’ Council and the Ontario Undergraduate Student Alliance also requested that a permanent sexual violence prevention unit be created in the Ministry.

Other Matters

Several higher education and other organizations recommended funding to promote Work Integrated Learning (WIL) opportunities.³ The Ontario Undergraduate Student Alliance requested a WIL institutional grant similar to the Credit Transfer Institutional Grant. The Council of Ontario Universities asked for support of the Highly Skilled Workforce Strategy. All Aboard St. Marys asked that co-operative education be expanded.

CUPE Ontario and the Ontario Federation of Labour recommended a fully funded post-secondary system of education, with the former rejecting basing the funding of postsecondary education on performance measures. Community Living Ontario sought equitable access to the Ontario Student Grant for people enrolled in Community Integration through Co-operative Education. The Ontario Chamber of Commerce requested access to student loans for children of small business owners. The Ontario Confederation of University Faculty Associations asked for support for a faculty renewal strategy and said fairness for contract faculty could be ensured by strengthening employment and labour law at the conclusion of the Changing Workplaces Review.

The City of Brampton thanked the government for its decision to establish a university in its community. The Greater Kitchener Waterloo Chamber of Commerce sought assurance that faculties of education would reinstate, maintain, and expand their technological education programs for training teachers in skilled trades. Neighbourhood Legal Services (London and Middlesex) asked for better regulation of OSAP-funded private schools. The London Chamber of Commerce and the Council of Ontario Universities called for expanded recruitment initiatives aimed at international students; the Council requested support for the development of an internationalization strategy.

AGRICULTURE, FOOD AND RURAL AFFAIRS

Witness recommendations focused on risk management, challenges to the food and beverage sector, horse racing, fruit and vegetable consumption, and technology for food processors. For example, the Ontario Agriculture Sustainability Coalition and the Ontario Federation of Agriculture called for the preservation of the \$100 million Risk Management Program investment. The Federation also requested commitment to the Self-Directed Risk Management program used by the horticulture industry as well as investment and public policy for rural Ontario growth.

Food and Beverage Ontario asked the government to address numerous challenges facing the sector, including electricity pricing; the Changing Workplaces Review; the *Waste Free Ontario Act*, the provincial food waste strategy; transportation and infrastructure; the workforce shortage; and new technology. The Davies Group requested funding for pilot programs to transition existing, adapted, and new technology to the Canadian food and beverage processing industry, helping to improve productivity and with a focus on small

³ Colleges Ontario, Council of Ontario Universities, Ontario Federation of Labour, Ontario Society of Professional Engineers, Ontario Undergraduate Students' Alliance, and Western University Students' Council.

and medium enterprises (SMEs). Horseplayers of Windsor and Essex County want continued funding for horse racing and input from the horseplayer community on horse racing decisions. The Canadian Produce Marketing Association recommended increasing consumption of fruit and vegetables in Ontario by 20% over the next five years.

ATTORNEY GENERAL

The Wilfrid Laurier University Students' Union proposed expediting certain applications before the Landlord and Tenant Board, noting that many students have been promised accommodations that have not been delivered on time. The YWCA Toronto asked for an expansion in the hours of free legal advice offered to survivors of sexual assault in a pilot project. The Association of Municipal Managers, Clerks, and Treasurers of Ontario called for reforms to Ontario's joint and several liability tort system, which, they argued, places a disproportionate burden on municipalities.

Two recommendations were made pertaining to the Alcohol and Gaming Commission of Ontario's mandate. The Western University Students' Council asked that sexual violence prevention training be incorporated into Smart Serve Ontario (the mandatory training for individuals involved in the sale of alcohol). Spirits Canada expressed support for the provisions in Bill 70 (the *Building Ontario Up for Everyone Act (Budget Measures), 2016*) that will increase the margin for sales of spirits at manufacturers' stores from roughly 13% to 20%, and requested that manufacturers be provided with flexibility regarding where they can locate these stores.

CABINET OFFICE

The Metro Toronto Chinese and Southeast Asian Legal Clinic and the Ontario Federation of Labour recommended more funding for the Anti-Racism Directorate, created in February 2016, with the Legal Clinic proposing that the Directorate track data to identify disadvantaged groups and develop a full picture about poverty and inequality in the province. The YWCA Toronto argued that legislation should be passed making it mandatory for the Directorate to collect and report such data, and requiring all agencies, boards, and commissions to set targets with measurable goals and timelines.

The Ontario Federation of Labour suggested that the Province's anti-racism strategy should create opportunities for racialized workers by increasing access to unionization, raising minimum wage, and improving employment standards.

CHILDREN AND YOUTH SERVICES

Children's Aid

CUPE Ontario and the Ontario Association of Children's Aid Societies asked for additional funding for children's aid societies to provide more support for children and families. The latter also requested that the government enhance funding for the Child Protection Information Network, provide resources for a shared services program for back office functions, and continue the process of restoring

jurisdiction for child welfare in Indigenous communities to Indigenous children's aid societies.

Poverty Reduction Plan

CUPE Ontario proposed including funding for public transit, child care, education, training, and other public services as part of the government's anti-poverty strategy. One individual asked that the Ontario Child Benefit be increased and indexed annually to inflation.

Special Needs

Special needs programs attracted particular attention, with many organizations requesting additional funding for children's mental health services.⁴ The Waterloo Region Suicide Prevention Council asked that the Skills for Safer Living Program, which teaches youth coping strategies to prevent suicide, be offered province-wide. Several groups called for more children's mental health centres and residential beds, as families must presently rely on emergency care to obtain services.⁵ Other organizations maintained that wage constraints in the sector were making it difficult to retain key employees, in turn impacting service levels.⁶

Children's Mental Health Ontario proposed funding to reduce wait times below 30 days, expand youth mental health and addictions centres, retain skilled staff, and develop quality measures. Stella's Place emphasized the importance of funding online, clinical, and peer support services—as well as a network of referral pathways among community partners, emergency departments, schools, and the criminal justice system—to make services more accessible to young adults.

The Ontario Public School Boards' Association asked the Province to sustain funding for its comprehensive mental health and addictions strategy and ensure related programs continue to receive support, including

- ASSIST coaching support for school boards;
- the Kids Help Phone;
- Working Together for Kids Mental Health;
- school-wide promotion of positive social and emotional development to strengthen mental health literacy; and
- the placement of mental health workers and registered nurses in schools.

The Child and Youth Advocacy Centres of Ontario Network asked for operational funding for the existing Child and Youth Advocacy Centres, to be allocated by the four ministries addressing the issue of child abuse.

⁴ Addictions and Mental Health Ontario, Catholic Charities of the Archdiocese of Ontario, Children's Mental Health Ontario, New Path Youth and Family Services, Ontario Public School Boards' Association, Roberts/Smart Centre, Stella's Place, and the Waterloo Region Suicide Prevention Council.

⁵ Children's Mental Health Ontario, Roberts/Smart Centre, New Path Youth and Family Services, and the Ontario Public Sector Employees Union.

⁶ Children's Mental Health Ontario and New Path Youth and Family Services.

CITIZENSHIP AND IMMIGRATION

Businesses and organizations representing business interests appealed to the government to attract more immigrant workers to Ontario, or more workers with specific skills, with recommendations as follows:

- follow Manitoba's lead and permit local communities to nominate a certain number of immigrants via the Provincial Nominee Program (PNP) (Greater Sudbury Chamber of Commerce);
- have the PNP allocate 10% of its spaces to tech talent (Council of Canadian Innovators); and
- support the federal Temporary Foreign Workers Program and try to attract woodworkers, machine operators, and other skilled workers to Ontario (Images 2000/Northwood Collection and Superstyle).

The YMCA Ontario asked that sustained and increased funding be provided for programs designed to integrate newcomers into Canadian society, including child care, language assessment and training, and employment services.

COMMUNITY AND SOCIAL SERVICES

The Ontario Nonprofit Network proposed that the government commit to multi-year funding and increased resources for the whole non-profit and charitable sector, so that the sector could offer what has been called “decent work”—employment that provides benefits such as pensions and is a source of personal dignity and family stability.

Community Services

CUPE Ontario asked that funding for community service agencies be stable, multi-year, and increased by 5% annually.

Family Service Ontario, the Catholic Charities of the Archdiocese of Toronto, and Catholic Family Services of Peel-Dufferin requested an investment in family service agencies, particularly their walk-in mental health clinics. The YWCA Toronto and the Ontario Collaborative Response to Family Violence also recommended increased funding for victims of domestic violence, particularly for shelters, trauma-informed counselling, and hub programs.

The Canadian National Institute for the Blind and DeafBlind Ontario Services proposed an increase in funding for intervenor services for individuals who are deafblind, increasing the salaries for these professionals, and improving their services.

Developmental Services

Several witnesses requested additional base funding for developmental services over the next three years, including a specific investment in residential services.⁷

⁷ Community Living Ontario, Ontario Agencies Supporting Individuals with Special Needs, the Provincial Network on Developmental Services, and CUPE Ontario.

Ontario Agencies Supporting Individuals with Special Needs suggested the government needs to move beyond the current crisis-focused system to one that collects high-quality data, prevents emergency situations, and provides higher wages for workers and long-term solutions to wait lists.

The Sunbeam Centre and Catherine Fife, MPP requested additional resources for the sector so that the recommendations in the Ombudsman's report, *Nowhere to Turn*, could be fully addressed, making particular mention of respite services for caregivers.

Community Living Ontario and the Provincial Network on Developmental Services also proposed an expansion of direct funding or "passport" services, where individuals with developmental disabilities receive a lump sum with which they can select services. The government was also asked to put measures into place to ensure the quality of these services. One individual argued that passport services do not have adequate oversight and have not reduced wait lists. Another argued that some people with developmental disabilities could lose income under the government's social inclusion initiative if they are unable to compete for a job.

One witness proposed that a new advocacy office be created for special needs adults who have experienced abuse. The office should have care coordinators who provide assistance with navigating the legal, medical, and community support network, and ensure that support is consistent, strong, and seamless.

Social Assistance

Many individuals and organizations appeared before the Committee to make recommendations pertaining to Ontario's social assistance programs: Ontario Works (OW) and the Ontario Disability Support Program (ODSP).

A coalition led by the Interfaith Social Assistance Reform Coalition and the Income Security Advocacy Centre proposed a \$1 billion investment in social assistance, including a 10% increase in basic needs and shelter allowance rates and various rule changes such as modifying the definition of spouse to align with family law, treating Employment Insurance and Canada Pension Plan Disability benefits like earned income, and increasing the earned income exemptions.⁸

The Greater Essex Elementary Teachers' Federation of Ontario, the Ontario Public Service Employees Union, and Neighbourhood Legal Services (London and Middlesex) also asked for an increase in the level of income support. The Ontario Association of Social Workers' Hamilton office recommended that the

⁸ Advocacy Centre for Tenants Ontario, Community Advocacy and Legal Centre, Catholic Charities of the Archdiocese of Toronto, Deacon Insurance Agencies, Hamilton Community Legal Clinic, Hamilton Organizing for Poverty Elimination, IAVGO Community Legal Clinic, Injured Workers' Consultants, Jane Finch Community Legal Services, Kensington-Bellwoods Community Legal Services, Legal Assistance of Windsor, Legal Clinic of Guelph and Wellington County, Mennonite Central Committee Ontario, Metro Toronto Chinese and Southeast Asian Legal Clinic, Nipissing Community Legal Clinic, ODSP Action Coalition, Parkdale Community Legal Services, Poverty Free Thunder Bay, Registered Nurses' Association of Ontario, Scarborough Community Legal Services, Schizophrenia Society of Ontario, West End Legal Services of Ottawa, Waterloo Region Community Legal Services, YWCA Toronto, and several individuals.

Ministry of Community and Social Services Amendment Act, 2016 be passed, creating a research commission which would study the cost of living in Ontario and recommend social assistance rates.

Other witnesses put forward suggestions pertaining to particular aspects of social assistance, including the following:

- increase the maximum amounts for awards for pain and suffering and medical costs that people on OW and ODSP can receive (Neighbourhood Legal Services (London and Middlesex));
- remove the \$6,000 limit on gifts and payments, and increase the prescribed asset limits (Community Living Ontario);
- simplify the medical review process and end the current practice that requires ODSP clients to reapply for benefits when their disability changes (an individual);
- review the OW Discretionary Benefit spending envelope and amend its cost-sharing formula (Regional Municipality of Waterloo); and
- reverse the 2014 provision that led to reductions in the Work-Related Benefit (an individual).

The Ottawa Poverty Reduction Network, the Catholic Charities of the Archdiocese of Toronto, and the Registered Nurses' Association of Ontario asked that money for the Basic Income Pilot be included in this budget, provided that measures are taken to ensure that there is no erosion of the social safety net. Neighbourhood Legal Services, London and Middlesex, also offered its full support of this pilot project. CUPE Ontario argued that an increase in social assistance rates combined with improved access to the program would be the preferred option to a guaranteed income.

The Southwestern Ontario Gleaners asked for funding for its free nutritional dehydrated vegetable soup and fruit products, which could be used for community needs such as food banks.

COMMUNITY SAFETY AND CORRECTIONAL SERVICES

Contraband Tobacco

Imperial Tobacco Canada, the Ontario Campaign for Action on Tobacco, and the Canadian Cancer Society, Ontario Division, addressed the problem of contraband tobacco. Imperial Tobacco proposed that legislation be introduced and funding be increased to strengthen law enforcement efforts against illegal tobacco. The Canadian Cancer Society similarly requested that law enforcement efforts be increased (in particular, to intercept off-reserve raw materials for cigarettes such as leaf tobacco and filters), and that enforcement agencies be permitted to keep the proceedings from contraband convictions.

Police Services

The Association of Municipalities of Ontario asked the Province to “modernize” and “bend the cost curve” for policing, and argued, along with Tay Valley Township, that the new provincial grants policy for police services could leave municipal governments with legacy burdens. These organizations also asked for more consultation in the development of funding arrangements for police services.

ECONOMIC DEVELOPMENT AND GROWTH

Accessibility Directorate

The Committee heard a request from the Rick Hansen Foundation for an investment in its strategy to work in partnership with stakeholders to accelerate the shift to a fully accessible society. The Foundation stressed the importance of recruiting, training, and employing people with disabilities as accessibility experts for this strategy. The organization also recommended piloting a certification program to rate such factors as the accessibility of the built environment, supporting accessibility awareness initiatives, and creating an accessibility fund to assist non-public infrastructure projects in embracing, for example, inclusive design principles.

The Catholic Charities of the Archdiocese of Toronto asked that the Province ensure that the *Access for Ontarians with Disabilities Act, 2005* is fully implemented by all government services, especially websites and other information sources.

Regulation and the Red Tape Challenge

Stakeholder recommendations on reducing regulation and the Red Tape Challenge included the following:

- modernize the regulatory environment (Chemistry Industry Association of Canada);
- reduce the regulatory burden for small business, include retail in the Red Tape Challenge, and determine the overall costs of provincial regulations and place a hard cap on these costs; the Federation congratulates the government for passing the *Burden Reduction Reporting Act, 2014* and for introducing the *Burden Reduction Act, 2016*, and commends the government for the Red Tape Challenge initiative (Canadian Federation of Independent Business);
- conduct a regulatory audit and reconfirm commitments to reduce red tape for business, including tourism (Greater Sudbury Chamber of Commerce);
- continue streamlining regulations, and implement an authentic consultation approach to all new and existing legislation; accelerate the progress made under Open for Business and the *Burden Reduction Reporting Act, 2014*, and post all preliminary Regulatory Impact Assessments publicly for comment (Canadian Manufacturers and Exporters Ontario);

- eliminate red tape that troubles physicians and health care workers; there is concern that the government is spending money on new bureaucracy at the LHIN level and through the new sub-LHINs created by Bill 41 (Ontario Medical Association);
- create a centralized and streamlined approvals process for single-family and multiple dwelling projects at the regional/county level, and provide more resources to municipalities for faster permit approval; a more streamlined approach would reduce costs for the purchaser and the developer (Ontario Real Estate Association);
- fast track the Red Tape Challenge and the implementation of the Open for Business Initiative (Retail Council of Canada);
- include MPAC as Red Tape issue (City of Dryden); and
- focus a sector of the Red Tape Challenge on Site Plan Approval (Ontario Association of Architects).

The Canadian Fuels Association warned that businesses will become uncompetitive if they face higher cumulative regulatory compliance costs than competitors in other jurisdictions. White River Forest Products Limited said that approval levels should be streamlined and companies made liable if they breach regulations. All Aboard St. Marys asked for a reduction in regulation to help preserve business and jobs. Trillium Automobile Dealers Association recommended passing Bill 3, the *Cutting Red Tape for Motor Vehicle Dealers Act, 2016*.

The Greater Sudbury Chamber of Commerce recommended an annual analysis of the cost of doing business in Ontario, and a regulatory “concierge service” to assist small businesses with regulatory requirements. Canadian Manufacturers and Exporters Ontario proposed streamlining and enhancing grants and incentives to specifically target SME manufacturers. The Retail Council of Canada asked the government to find additional ways to reduce business costs, make changes that support job creation, and ensure that the cumulative impact of payroll costs do not diminish hiring and investment capacity.

Other Matters

Canadian Manufacturers and Exporters Ontario told the Committee that “the common perception that manufacturing is no longer important and is in great decline is largely wrong.” The organization noted that manufacturing and exporting continued to be the largest sector of the economy in 2014 with approximately \$290 billion in output and almost 750,000 people directly employed in manufacturing, with 1.2 million jobs indirectly dependent on manufacturing.

Images 2000 Inc./Northwood Collection and Superstyle Furniture asked for assistance to support the manufacturing furnishing sector scaling up to customization and transitioning to the new consumer economy, including support for workplace training. Canadian Manufacturers and Exporters Ontario requested recapitalization of the CME SMART program.

The Ontario Public Service Employees Union asked that any future Social Impact Bond (SIB) proposals at the provincial level be rejected. The Ottawa Poverty

Reduction Network recommended cost saving measures such as using municipal or other government facilities for pre-Budget hearings instead of renting hotel space.

The Chemistry Industry Association of Canada recommended maintaining the chemistry sector as a priority within the economic development strategy and maintaining its eligibility for support within the Jobs and Prosperity Fund. The Canadian Urban Transit Research and Innovation Consortium said the Ministry's decision to provide the consortium with \$10 million in funding for industry-led innovation projects in low-carbon mobility was visionary. The consortium also asked for investment in Research, Development, Demonstration and Integration (RDD&I) projects for industry and academic collaborators working on advanced transportation technologies. The organization specifically requested an investment commitment in connection with a business case submitted to the Ministry of Economic Development and Growth.

EDUCATION

Child Care

Many organizations focused on child care expansion with recommendations that included the following:

- invest in universal, accessible, regulated, and publicly funded child care and early learning (Ontario English Catholic Teachers' Association, Ontario Federation of Labour, and YWCA Toronto);
- ensure that the 100,000 new child care spaces being created are public, not-for-profit, and affordable (CUPE Ontario);
- provide an additional \$500 million in capital funding for the creation of new spaces, and \$300 million in operating funding to address such issues as the underfunding of existing spaces and the expansion of spaces (CUPE Ontario, Ontario Coalition for Better Child Care), as well as \$75 million to address immediate issues faced by existing programs (Ontario Coalition for Better Child Care); and
- increase the number of subsidized spaces and provide appropriate and equitable funding for operators (Ottawa-Carleton District School Board).

The Committee also heard recommendations regarding child care fees:

- either increase funding for child care subsidies or adopt a directly-funded child care model similar to the original Quebec \$7/day model (Elementary Teachers' Federation of Ontario);
- ensure that the system meets the needs of all families, regardless of income (YMCA Ontario, Ontario Coalition for Better Child Care) and implement an affordable fee scale (Ontario Coalition for Better Child Care);
- fund data collection and analysis (Ontario Coalition for Better Child Care, Ottawa-Carleton District School Board); and
- ensure that all Early Childhood Educators (ECEs) receive salaries commensurate with their training and responsibilities (Ontario Coalition

for Better Child Care, Ontario English Catholic Teachers' Association) and ensure adequate wages for all child care staff (YWCA Toronto).

Curriculum

The Metro Toronto Chinese and Southeast Asian Legal Clinic asked that an inclusive curriculum be developed. The Ontario English Catholic Teachers' Association recommended funding to integrate Aboriginal education opportunities throughout the curriculum and ensure that students learn about First Nations, Métis, and Inuit cultures and history. Recommendations from the Greater Essex Elementary Teachers' Federation of Ontario included reducing the number of prescribed student outcomes and identifying a set of core learning goals; adopting a random-sample model to measure the appropriateness of the curriculum (also the Elementary Teachers' Federation of Ontario); and, establishing more balance between the focus on literacy and numeracy and subjects such as science, social studies, arts, and physical and health education. Elementary teachers recommended reintroducing design and technology and family studies programs to grade 7 and 8 classrooms.⁹

Early Learning

The Greater Essex Elementary Teachers' Federation of Ontario proposed increasing funding to expand parent access to early learning and care programs for children aged 0 to 3 and reducing the average class size of the full-day kindergarten program to align with other primary grades. The Elementary Teachers' Federation of Ontario said full-day kindergarten class size should be capped at 26 students, all kindergarten classes should be staffed with an ECE (as well as a teacher), and that ECEs should be funded for 30 minutes of preparation time daily, and for professional development.

Equity and Inclusion

The Greater Essex Elementary Teachers' Federation of Ontario asked that classroom resources be provided to support the Equity and Inclusive Education Strategy, and that teachers and other education workers be provided with professional learning that addresses issues such as discrimination and oppression of marginalized students. The Ontario English Catholic Teachers' Association recommended funding for certified teachers to engage in First Nations, Métis, and Inuit-specific Professional Development and for support to ensure that schools with a high percentage of Aboriginal students are provided with adequate resources to meet the needs of this student population.

Additional equity measures proposed by witnesses included the following:

- create an Equity in Education grant to address growing ethno-racially defined learning outcome inequities disparities (Metro Toronto Chinese and Southeast Asian Legal Clinic); and
- conduct a review of the First Nations, Métis and Inuit Education Supplement to ensure that it supports the needs of Indigenous students,

⁹ Greater Essex Elementary Teachers' Federation of Ontario and Elementary Teachers' Federation of Ontario.

while also increasing knowledge and awareness of all students about Indigenous cultures, perspectives, and contributions (Ontario Public School Boards' Association).

The Association also recommended revising the per-pupil amount to be paid by First Nations in tuition agreements to take into account provincial revenues received from Indigenous taxpayers living on reserve, and consultations on appropriate qualifications for Indigenous teachers and support staff.

Funding Formula and Grants

Funding Formula, School Boards and Northern Initiatives

The Committee heard from some witnesses about the need for a funding review, with others focused on initiatives for boards. Both the Elementary Teachers' Federation of Ontario and the Township of Dawn-Euphemia recommended a comprehensive review of the provincial education funding formula. Recommendations concerning boards were as follows:

- update the funding formula and benchmark costs for school boards (CUPE Ontario, Fix Our Schools);
- review boards of education to find greater cost efficiencies (London Chamber of Commerce);
- transfer school boards back to a local system (Township of Dawn-Euphemia);
- maintain full funding for all four publicly funded school systems and link education funding to teacher-directed initiatives that support teachers and students in the classroom (Ontario English Catholic Teachers' Association);
- explore partnership opportunities for boards such as shared-service agreements and shared-facilities agreements (Ontario English Catholic Teachers' Association, Ottawa-Carleton District School Board); and
- acknowledge that rural school boards need a different funding formula than urban schools (an individual).

The Ontario Public School Boards' Association made several recommendations for the North including funding a graduation coach in every secondary school in the region; creating differentiated staffing formulas for Northern school boards to lower classroom ratios; and, creating a transportation subsidy to support experiential learning opportunities for students.

Elementary teachers and the Ontario Public School Boards' Association recommended increasing the funding allocation for educational assistants, behavioural counsellors, and speech and language pathologists, with the latter focusing on needs in the North and also on mental health needs.¹⁰ The Ontario English Catholic Teachers' Association asked for additional funding for services for students with mental health issues. The Elementary Teachers' Federation of Ontario proposed a formula amendment to provide at least one 0.5 FTE qualified

¹⁰ Elementary Teachers' Federation of Ontario, Greater Essex Elementary Teachers' Federation of Ontario, and Ontario Public School Boards' Association.

teacher-librarian per elementary school and for school library learning resources and technology.

English as a Second Language Grants

The Greater Essex Elementary Teachers' Federation of Ontario recommended revisions for English as a Second Language (ESL) grants including extending ESL for students who need the program for more than four years. The Elementary Teachers' Federation of Ontario and the Ontario English Catholic Teachers' Association both called for more funding for English Language Learner (ELL) programs. The former said to ensure that ELL students enrolled in French immersion programs receive additional resources and that school boards spend ESL funding as specified in the grants. The Ontario Public School Boards' Association recommended undertaking a review of French as a Second Language.

Special Needs Funding

Special needs funding requests were as follows:

- provide sufficient funding to ensure that special education classes are properly staffed and resourced (Ontario English Catholic Teachers' Association);
- base the funding on actual student needs (Elementary Teachers' Federation of Ontario);
- introduce a weighting factor that reduces class size in accordance with the number of students with identified special needs integrated into regular classrooms (Greater Essex Elementary Teachers' Federation of Ontario);
- provide dedicated funding for specialized refugee needs and for more special funding supports for those in rural and remote areas (Ontario Public School Boards' Association);
- ensure that occasional teachers receive training to assist them, for example, with addressing student behavioural issues; provide risk assessment training for school administrators. (Elementary Teachers' Federation of Ontario); and
- provide funding, when required, for in-house physiotherapy, speech therapy, and mental health support, as well as for social workers (an individual).

Other Grants

The Ottawa-Carleton District School Board proposed an earlier release of the Grants for Student Needs; the Greater Essex Elementary Teachers' Federation of Ontario asked that community workers (at the school board level) be funded through those grants. The latter said that the Elementary Foundation Grant should be increased to address specific goals, such as providing at least one qualified guidance counsellor per elementary school. The Ontario Public School Boards' Association asked for the re-establishment of the Local Priorities Grant and for more funds for the School Board Administration and Governance grant. Greater Essex Elementary Teachers' Federation of Ontario proposed basing

educational grants on the educational needs of students and providing compensatory grants for schools in disadvantaged communities.

Maintenance and Conditions

CUPE Ontario called for increased maintenance budgets for school boards and dedicated funding to address deferred maintenance in all schools. Fix Our Schools asked that the \$15 billion backlog of disrepair across the 72 Ontario school boards be addressed, including committing at least \$1.4 billion per year for school repairs. The organization recommended developing guidelines for environmental conditions in schools, and proportionally distributing capital costs for maintaining school assets among entities that use the assets, such as municipalities, and provincial and federal ministries. The Ottawa-Carleton District School Board proposed establishing a regular capital funding cycle and providing sufficient facility maintenance funding.

School Closures and Community Hubs

CUPE Ontario asked for an end to the policy of school closures. The Township of Dawn-Euphemia and the London Chamber of Commerce recommended placing a moratorium on school closures. The Township said the moratorium should remain in place until funding is fairly aligned and the pupil accommodation review guideline is rewritten with “democratic respect.” The Ontario Public School Boards’ Association recommended addressing the loss in “top up” dollars in the North where closing schools has severe community impacts.

Views on community hubs differed among education organizations. The Greater Essex Elementary Teachers’ Federation of Ontario recommended increasing the capacity of schools to act as hubs for community services. In contrast, the Township proposed eliminating the \$50 million allocated to helping schools become community hubs. The Catholic Family Services of Peel-Dufferin suggested creating interlocking hubs as a way of generating efficiencies and serving large areas. Fix Our Schools asked for recognition of schools’ value as community hubs when considering the sale of schools. The Ontario Public School Boards’ Association recommended creating six regional community hubs coordinators.

Other Matters

The Committee heard other education-related recommendations. Elementary teachers advocated extending the benefits of smaller classes to grades 4 to 8, with some suggesting capping those class sizes at 24 students.¹¹ The Greater Essex Elementary Teachers’ Federation of Ontario recommended including more emphasis on the role of ongoing teacher assessment of student progress, and engaging education unions as full partners for education reforms.

The Elementary Teachers’ Federation of Ontario asked for funding for non-teaching staff to perform duties such as lunchroom supervision. The Ontario English Catholic Teachers’ Association recommendations included ensuring all certified teachers have access to adequate health and safety training before they

¹¹ Elementary Teachers’ Federation of Ontario and Greater Essex Elementary Teachers’ Federation of Ontario.

are assigned for teaching duty; providing funding for bullying-prevention training programs and professional development for teachers and education workers; and funding adult and continuing education credit courses at the same level as regular day school credit courses.

The Toronto Region Board of Trade recommended educating Ontario students and parents about forthcoming construction job opportunities in the Toronto region. The YMCA Ontario called for funding to develop alternative high school credit programs through partnerships with not-for-profit organizations. The Greater Kitchener Waterloo Chamber of Commerce asked for the expansion of technical programs in secondary schools. An individual sought increased funding for Ministry of Education Parents Reaching Out Grants as well as funding for a three-year pilot project to develop, evaluate, and test replication of a “learn to earn tuition” Citizen Apprenticeship tutor model.

ENERGY

Conservation and Efficiency

The Committee heard differing views on conservation. The Canadian Taxpayers Federation requested an immediate end to spending on conservation programs. The Ontario Forest Industries Association asked to work with the Independent Electricity System Operator (IESO) on matters such as opportunities for energy conservation. The Retail Council of Canada proposed rewarding those who invest in energy conservation with a type of accelerated capital cost allowance. The Greater Sudbury Chamber of Commerce and the forestry association both asked for further expansion of the Industrial Conservation Initiative (ICI), with the former thanking the government for its recent initiatives in this direction. The Canadian Manufacturers and Exporters of Ontario’s ICI recommendations included allowing multi-facility companies to consolidate facilities for the purposes of accessing the program.

Advice was offered on energy conservation in houses and buildings. Ottawa homebuilders recommended upgrading existing housing stock to improve energy efficiency and combat climate change.¹² The Ontario Association of Architects proposed establishing a Deep Energy Retrofit program for existing buildings, with associated low or zero cost loans and “green” mortgages for energy efficient buildings. The Ontario Real Estate Association requested support for voluntary home energy audits instead of proceeding with the proposed Home Energy Rating & Disclosure program, more funding for energy efficiency retrofits, and that the energy audit sector be licensed. The Ontario Forest Industries Association and Resolute Forest Products sought incentive programs for promoting the re-investment of energy efficient manufacturing equipment and processes.

¹² Greater Ottawa Home Builders’ Association.

Electricity

Some business organizations and municipalities made recommendations on the cost of electricity and related matters. The Greater Sudbury Chamber of Commerce said that it appreciated the decision to expand and make permanent the Northern Industrial Electricity Rate Program (NIER), adding that this program and the ICI are essential for the Sudbury region. The Chamber noted that “there is room to expand these even more.” The Canadian Taxpayers Federation asked for adherence to the *Electricity Act, 1998* and for a commitment respecting legally required checks and balances.

Business organizations and a municipality recommended the development and implementation of a plan that reduces the marginal cost of electricity in the province to be in line with jurisdictions with which Ontario competes.¹³ The Chemistry Industry Association of Canada requested that the plan be for industrial electricity rates; the City of Dryden and Resolute Forest Products noted the impact of rates on manufacturers. The Canadian Manufacturers and Exporters Ontario asked for a reduction in electricity rates for all manufacturers; the Canadian Federation of Independent Business requested affordable, predictable, and stable hydro costs for small business. Specific recommendations included the following:

- sell surplus power to Ontario customers at preferred rates, change market rules so suppliers are paid what they bid, reduce costs in utilities and agencies, and allow any capable contractor to bid on system maintenance work (Coalition of Ontario Manufacturers for Competitive Industrial Power Rates);
- implement an electricity rate structure with the following features:
 - applying Time of Uses (TOU) rates to delivery and the Global Adjustment (GA) as well as energy;
 - applying a “Conservation Rate” regime for industrial rates; and
 - implementing rate increases only once per year, not twice as at present (Coalition of Ontario Manufacturers for Competitive Industrial Power Rates);
- implement a tiered-rate electricity pricing system (Canadian Federation of Independent Business, Coalition of Ontario Manufacturers for Competitive Industrial Power Rates);
- expand the Industrial Electricity Rate Incentive (IEI) program to the broader manufacturing sector, increase the deployment of roving energy managers to small- and medium-sized enterprises (SMEs) in manufacturing to help reduce energy consumption, and adopt a manufacturing action plan with an industrial electricity rate as a core component (Canadian Manufacturers and Exporters Ontario);
- cancel Large Renewable Procurement (LRP) I and Feed-In Tariff (FIT) projects where construction has not begun; review contracts, assess cancellation costs, and proceed in the most cost-saving fashion for the

¹³ Chemistry Industry Association of Canada, City of Dryden, London Chamber of Commerce, Retail Council of Canada, and Resolute Forest Products.

- province and consumers; cancel (do not just suspend) LRP II (Canadian Taxpayers Federation);
- expand the Northern Industrial Electricity Rate (NIER) program (Canadian Manufacturers and Exporters Ontario and Greater Sudbury Chamber of Commerce);
- review the current cap threshold for the NIER (Greater Sudbury Chamber of Commerce);
- make the NIER permanent and adequately funded (Domtar, Ontario Forest Industries Association, Resolute Forest Products);
- eliminate the debt retirement charge (Canadian Federation of Independent Business, Canadian Manufacturers and Exporters Ontario); and
- fix the energy poverty in the policies the government has created and act to provide relief to the increasing number of families and small businesses who are struggling to get by (Steve Clark, MPP).

White River Forest Products told the Committee the need for the IESO should be reviewed and the Hydro Quebec model examined, with electricity delivered to consumers at the lowest possible rate. The Electricity Distributors Association proposed that the Rural or Remote Rate Protection (RRRP) program be funded through the tax base, instead of the rate base. CUPE Ontario requested that legislative and tax policy be used to prevent the selloff of Local Distribution Companies (LDCs).

The Greater Sudbury Chamber of Commerce called for regular public reporting and greater transparency on the costs associated with business energy bills. The Canadian Federation of Independent Business recommended requiring the Global Adjustment (GA) fee to be visible on all bills. Some witnesses provided examples of their business electricity bills. For example, the Coalition of Ontario Manufacturers for Competitive Industrial Power Rates presenter said that his industrial electricity bill in December totalled \$42,000; \$24,000 of that was for the GA; \$3,400 was for the electricity charge.

The Canadian Federation of Independent Business said that the GA on one member's bills from October to December 2016 increased 83%, with bill costs rising from \$10,000 to \$16,000 over that period, despite relatively steady monthly consumption. The Federation cited data from a recent member survey indicating that uncertainty over GA costs resulted in 56% of small- and medium-sized businesses increasing prices; 43% delaying investment, including new hires; and more than one in ten considering relocating.

The Coalition of Ontario Manufacturers for Competitive Industrial Power Rates explained its strategy for offsetting rising electricity costs as follows:

- first attempt to reduce costs in other areas by, for example, delaying maintenance, repairs and modernization investments, and curbing wages and benefits;
- next, increase prices, which leads to lost sales and jobs; and,
- finally, relocate to a jurisdiction with lower electricity rates.

Maple Leaf Foods said it could save significant amounts on its electricity bills by relocating, for example, to Manitoba. Spirits Canada told the Committee the cost of electricity impacts its competitiveness, particularly in areas such as bottling, and that it had lost some bottling business to a US competitor.

Recommendations from individuals focused on a number of issues, including delivery charges, particularly in rural areas. Individuals called for a change in electricity policy, an electricity tax credit, and varied in their views on renewable energy, with one recommending getting “back to basics” and one recommending financial incentives for providers to establish their own renewable energy generating sources. Many individuals said they face financial difficulties in paying electricity bills, with one noting that all disposable income was used to pay a bill leaving nothing for emergencies and another commenting that even under equal billing monthly electricity bills totalled approximately \$540.

Hydro One

The London Chamber of Commerce and the Registered Nurses’ Association of Ontario asked the government to stop any further sale of Hydro One; CUPE Ontario and the Ontario Federation of Labour said they opposed the “privatization” of Hydro One; and an individual asked that Hydro One be kept public, with oversight. The Congress of Union Retirees of Canada requested a reversal of the “privatization” of electricity and that generation and distribution of electricity be restored to “public hands,” at a reasonable price. The Ontario Federation of Agriculture asked that proceeds from the sale of Hydro One shares accrue to rural Ontario to offset the cost of electricity distribution.

Gasoline/Fuel Standards

The Canadian Fuels Association recommended putting aside the proposal for a 5% Renewable Fuel Standard for gasoline and supporting the federal government’s efforts to develop a single, national clean fuel standard. Biofuels Consulting Canada and Renewable Industries Canada asked for increased renewable content in gasoline and for specific changes to the Ontario Ethanol Regulation requiring a minimum of 7.5% ethanol and for a 35% greenhouse gas (GHG) reduction by 2018, with further ethanol increases (10%) and GHG reductions by 2020. Both organizations also asked for increased use of renewable diesel and an amendment to Ontario Regulation 97/14 requiring 5% bio-diesel volume and an 80% GHG reduction by 2020.

Green Energy

The London Chamber of Commerce told the Committee that the manufacturing sector is only a small contributor to greenhouse gases (GHGs). The Chamber noted that revenue neutrality “might sound good” but asked that if this policy is pursued, money be invested in efficiencies and not result in a competitive disincentive for manufacturers and companies in Ontario. CUPE Ontario sought assurance that investments in new energy technologies, including green, renewable, and alternative sources of energy, would be accomplished through public ownership of assets. The Canadian Taxpayers Federation proposed repealing the *Green Energy and Green Economy Act, 2009* and returning to an independent, non-partisan planning process. An individual requested suspending

efforts to make Ontario green until Ontarians can afford this and the rest of the continent implements similar policies.

Natural Gas and Propane

Enbridge Gas Distribution proposed shifting provincial transit funds away from diesel where natural gas is an option. Enbridge said the Climate Change Action Plan's provisions to commit up to \$100 million for renewable natural gas (RNG), to introduce a renewable content requirement, and to provide support to encourage sector use of RNG are great starting points. It also asked that the Ontario Energy Board be directed to allow gas utilities to procure RNG as a low-cost GHG abatement option. The Chemistry Industry Association of Canada requested assurance that Ontario manufacturers would continue to maintain long-term access to abundant cost-advantaged natural gas and natural gas liquids feedstock supplies. The Ontario Federation of Agriculture recommended investing at least \$75 million per year for 20 years for rural natural gas infrastructure.

The Canadian Propane Association asked the government to include propane in programs that promote economic action and environmental stewardship, and to ensure a level playing field for competing energy options. The organization also requested support for residents of rural Ontario with programs that reduce energy costs and emissions, such as rebates for converting home heat to low-emission propane.

Other Matters

The Ontario Society of Professional Engineers recommended that the government return to its role of establishing high-level goals for Ontario's energy systems, and leave detailed planning and design to the agencies and organizations established to do so.

ENVIRONMENT AND CLIMATE CHANGE

Cap and Trade

The Committee heard from stakeholders about the possible economic impact of cap and trade and related issues as follows:

- conduct a full cost-benefit analysis of cap and trade for all major economic sectors (Greater Kitchener Waterloo Chamber of Commerce);
- delay the implementation of cap and trade until such an analysis is completed (London Chamber of Commerce);
- conduct an economic impact assessment of cap and trade on consumers (Greater Sudbury Chamber of Commerce);
- disclose the economic impacts of Ontario's cap and trade program on electricity pricing and introduce measures to minimize the exposure of Ontario's manufacturing sector (Ontario Forest Industries Association);
- ensure that cap and trade is revenue neutral (Craig Wright, Royal Bank of Canada, Greater Kitchener Waterloo Chamber of Commerce);

- do not proceed with cap and trade (Canadian Taxpayers Federation);
- cap and trade “has been our biggest friend” (Canadian Urban Transit Research and Innovation Consortium);
- exempt Canadian automotive manufacturers from cap and trade (All Aboard St. Marys);
- do not proceed independently on cap and trade should the federal government go ahead with a carbon tax scheme (London Chamber of Commerce);
- explain what type of financial supports would be available to the business community to help with a transition to the low carbon economy (Greater Sudbury Chamber of Commerce); and
- commit to annual, independent value-for-money audits of all cap and trade-related programs and provide a communications plan to make small- and medium-sized businesses aware of their obligations, if any, under cap and trade (Canadian Federation of Independent Business).

Cap Levels and Allowances

Stakeholders made recommendations for cap levels and allowances. The Canadian Fuels Association requested “realistic cap levels” and adequate free allowances in Ontario’s cap and trade system, to factor this into planning for the post-2020 compliance period, and to maintain emission caps and allowances at the 2017-2019 level. The Ontario Forest Industries Association recommended full emission allocations for facilities that are energy intensive and trade exposed and produce most of their energy from low carbon sources. The Registered Nurses’ Association of Ontario said to make the granting of free or subsidized emission permits highly targeted and temporary. The organization also recommended setting the carbon cap at a level that would deliver GHG reductions on schedule or earlier. The Chemistry Industry Association of Canada and Resolute Forest Products asked that post-2020 plans be shared and warned that a potential risk for significantly increased costs would impact business competitiveness.

Climate Change Action Plan

Some stakeholder recommendations focused on the Climate Change Action Plan. The Canadian Urban Transit Research and Innovation Consortium welcomed the plan and expressed interest in the provisions related to investment in a low-carbon mobility institute for innovation. The Canadian Fuels Association noted plan initiatives to promote energy savings in the building sector and asked that this be expanded to the transportation fuels sector. The Co-operative Housing Federation of Canada, Ontario Region requested that smaller providers of affordable housing, including co-ops, be included in the plan. Enbridge called for the release of the plan’s funds for natural gas transportation, to build public refueling stations, and to convert medium and heavy-duty vehicles as a cost-effective carbon abatement mechanism.

Forestry and Climate Change Strategy

The forestry sector addressed a number of specific issues. Domtar asked that the forestry sector receive recognition and reward for the use of biomass and support for technology development. The company and the Ontario Forest Industries Association asked for recognition that the continued sustainable

harvesting of Ontario's forests provides a positive contribution to Ontario's climate change strategy and economy. The forestry association also requested financial support for the creation of a Forest Products Climate Change Strategy and for incentives that support expanded use of wood products and low carbon bio-energy heating and electricity projects.

Proceeds from Cap and Trade

Stakeholders recommended how cap-and-trade proceeds in the Greenhouse Gas Reduction Account should be used as follows:

- invest proceeds in the lowest cost GHG reductions; energy conservation programs are among the most cost-effective measures (Canadian Fuels Association);
- invest the funds into developing new technology (Ontario Society of Professional Engineers);
- recycle the proceeds equitably via a rebate on electricity bills (Canadian Manufacturers and Exporters Ontario);
- account funds that are to be provided to low-income communities should be directed to ODSP and OW recipients (ODSP Action Coalition);
- provide offset funds to all low-income Ontarians (an individual);
- make funds available to prospective rail customers (Railway Association of Canada); and
- use \$2,000 per vehicle from cap-and-trade proceeds as an incentive for private fleets to convert to low-emission fuels, such as propane (Canadian Propane Association).

The Greater Sudbury Chamber of Commerce, the Registered Nurses' Association of Ontario and an individual asked that cap-and-trade revenues be managed transparently with strong public oversight and details about how the money will be spent.

Environmental Assessments and Compliance

The Residential and Civil Construction Alliance of Ontario recommended following through on the Minister's commitment to reform the Environmental Assessment (EA) system, focusing on the Municipal Class (MCEA) system first. The Ontario Good Roads Association asked for recognition that the MCEA process is a burden; the Toronto Region Board of Trade said to streamline the MCEA process. The Chemistry Industry Association of Canada proposed a further reduction in the time taken to receive Environmental Compliance Approvals. The Ontario Waste Management Association sought continued modernization of the process.

Other Matters

The Insurance Bureau of Canada recommended the establishment of a Climate Adaptation Centre with a central agency. Canadian Manufacturers and Exporters Ontario asked for the inclusion of R&D and innovation within the scope and objectives of the Ontario Climate Change Solutions Deployment Corporation.

The Ontario Waste Management Association requested implementation of the *Waste-Free Ontario Act* and for the issue of Financial Assurance to be addressed. The organization also proposed looking at alternative insurance models that would ensure the financial resources needed for clean-up are available while also encouraging investment. An individual asked the government not to renovate Pickering nuclear power station. Another individual recommended prohibiting landlords from passing on retrofit costs that will save them energy to their tenants.

GOVERNMENT AND CONSUMER SERVICES

The Council of Canadian Innovators recommended that the province's procurement process be further modernized via a simplification of the Request for Proposal process and the creation of smaller projects, as it is presently difficult for small and mid-sized firms to submit proposals. The Ontario Association of Architects requested that the province fully implement Quality Based Selection as the method used in the procurement of architectural services.

The Ontario Real Estate Association and the Ontario Chamber of Commerce proposed that real estate agents be permitted to form personal real estate corporations.

The Trillium Automobile Dealers Association requested that all automobile advertising be regulated.

HEALTH AND LONG-TERM CARE

As the Ministry spending the largest portion of the provincial Budget, Health and Long-term Care attracted recommendations from a broad range of stakeholders.

Drug Programs

The Congress of Union Retirees of Canada, the Registered Nurses' Association of Ontario, and several individuals advocated the development of a provincial pharmacare program. Other groups recommended expanding the province's existing public drug programs, including:

- provide full coverage for eligible cancer drugs taken at home (Canadian Cancer Society, Ontario Division);
- reform the public drug programs in consultation with stakeholders so that coverage is fairer and targets individuals with the greatest needs (Ontario Pharmacists Association);
- expand access to prescription medications for all low-income Ontarians (Schizophrenia Society of Ontario); and
- address gaps in access to medications (as well as devices and supplies) by reducing deductibles (Canadian Diabetes Association).

Home and Community Care

Home Care Ontario, the Ontario Community Support Association, and the Ontario Nurses' Association asked for further investments in home and community care to improve support, decrease wait times, and increase wages and training opportunities for workers in the sector. The Ontario Nurses' Association argued that the Province should move towards a fully public home and community care system coordinated by the Local Health Integration Networks (LHINs), while Home Care Ontario asked for a campaign to educate Ontarians about the options provided by reputable private organizations.

The Ontario Caregiver Coalition, the Schizophrenia Society of Ontario and Baycrest Health Sciences asked for improved access to respite services. Meals on Wheels London requested increased funding for nutrition programs.

The Ontario Community Support Association, the Alzheimer Society of Ontario (and of Windsor and Essex County), and Baycrest Health Sciences drew particular attention to Alzheimer's disease and related dementias, requesting additional funding for the Ontario Dementia Strategy, as well as for adult day programs, respite care, primary care memory clinics, and the integrated delivery of services in dementia-friendly communities.

The Champlain Community Health Centre Network argued that care coordination should be embedded in inter-professional primary health teams. The Registered Nurses' Association of Ontario requested that all initial home health-care visits be completed by a registered nurse (RN).

Hospitals

Many witnesses requested that hospital funding be increased to meet the needs of a growing and aging population, pointing to wait times, occupancy rates, and levels of hospital-acquired infections as signs that more resources should be provided.¹⁴ Some stated that people living in smaller centres were particularly impacted by hospital budget restraints, as they now have to travel longer distances for care; others argued that the transfer of certain hospital services to privately-owned clinics may be increasing costs to Ontarians.

Several organizations made requests pertaining to specialized aspects of hospital care. Class 1 Inc., a medical equipment and system provider, sought funding for ultraviolet disinfection, an infection prevention technology. Runnymede Health Centre wanted approval of an on-site centre of excellence for post-traumatic stress disorder.

All Aboard St. Marys proposed that patients who live outside of Canada be charged higher rates for hospital services, while the Registered Nurses' Association of Ontario recommended a ban on inbound medical tourism.

¹⁴ Ontario Health Coalition, Ottawa Health Coalition, London Health Coalition, the Ontario Hospital Association, Oxford Coalition for Social Justice, Ontario Council of Hospital Unions, Ontario Federation of Labour, Ontario Nurses' Association, Ontario Public Service Employees Union, Sydenham District Hospital Board and Corporation, and several individuals.

Local Health Integration Networks (LHINs)

Several organizations made recommendations pertaining to the recent passage of Bill 41, the *Patients First Act, 2016*. Nursing organizations proposed that all funding for primary health care should flow through the LHINs. The Registered Nurses' Association of Ontario also recommended that the LHINs use organizational models of nursing care that advance care continuity, while the Association of Family Health Teams of Ontario asked that the government work with both the LHINs and primary care teams to transition Community Care Access Centre functions to primary care.

The Ontario Public Service Employees Union asked that LHINs be required to establish democratically elected boards and consult meaningfully with the public, including a system for redress.

Long-Term Care

Individuals and organizations appearing before the Committee proposed that the government investigate various ways of increasing capacity in the long-term care sector. For example, the Champlain Region Family Council Network asked for expedition of the long-term care planning exercise and the removal of barriers to the redevelopment of the existing beds that do not meet current standards, while Runnymede Healthcare Centre called for approval of long-term care beds at its facility.

Other witnesses focused on the care provided in LTC facilities, making various recommendations pertaining to staffing standards:

- enforce the daily four-hour staffing standard (Champlain Region Family Council Network, CUPE Ontario), and ensure the inclusion of 48 minutes of daily RN care (Ontario Nurses' Association);
- improve access to hands-on care, because the care level needs of many residents have increased greatly (London Health Coalition);
- ensure that there is one Nurse Practitioner (NP) for every 150 residents (Nurse Practitioners' Association of Ontario);
- legislate minimum staffing standards so that there is one attending NP for every 120 residents, 20% of staff are RNs, and 55% are personal support workers (Registered Nurses' Association of Ontario); and
- increase the mandated registered dietitian time to 45 minutes per resident per month (Dietitians of Canada, Ontario).

The Champlain Region Family Council Network and Dietitians of Canada made several proposals pertaining to the raw food allowance, requesting that it provide high quality foods, be adequate to meet residents' needs and preferences (including cultural ones), and take inflation into account.

Like home and community care, the long-term care sector is facing pressures related to Alzheimer's disease and related dementias. Baycrest Health Sciences proposed testing a pilot "hub-and-spoke" delivery model, and seeking improved capacity for dementia care in retirement homes with extra beds. The Champlain Region Family Council Network asked for several measures to address

dementia-induced aggressive behaviour in LTC homes, including convening a multi-stakeholder panel, increasing the number of behavioural support units, and ensuring that special training is provided to personal support workers.

Regulated Health Professions

Members of the regulated health professions and their associations made several presentations before the Committee.

The Ontario Medical Association, the Association of Family Health Teams of Ontario, and several physicians requested that the government conclude the current negotiations by increasing funding for physicians, arguing that present funding is not adequate to address the needs of the population.

Nursing organizations asked for increases in the number of registered nurses and nurse practitioners. The Ontario Nurses' Association proposed an action plan to address workplace violence. The Registered Nurses' Association of Ontario also requested the development of a nursing human resources plan, the legislation of an all-RN workforce in acute care within two to five years, and the creation of a permanent roundtable to address population health needs and ensure the full scope of practice for all regulated health professions.

Other regulated health professions issued the following requests:

- recognize the substantial contributions dentists make in subsidizing dental care programs, beginning with an agreement that would see annual incremental increases starting at 75% of current suggested fees, and preserve the future of hospital-based dentistry (Ontario Dental Association);
- expand the scope of practice for pharmacists and provide additional funding to cover the cost of service delivery (Ontario Pharmacists Association);
- continue the Primary Care Low Back Pain pilot project, expand the Inter-professional Spine Assessment and Education Clinic, and fund integrated musculoskeletal care across the health system (Ontario Chiropractic Association);
- expand the scope of practice for speech language pathologists and audiologists to include the communication of diagnoses and the performance of routine medical tasks, and expand the Ontario Infant Hearing Program to include children up to age 18 (Ontario Association of Speech-Language Pathologists and Audiologists); and
- support workforce planning to ensure access for all Ontarians to registered dietitians across the health care system, and promote and continue to fund the EatRight Ontario Dietitian Advisory Service (Dietitians of Canada, Ontario).

Finally, the YWCA Toronto requested that funds be provided to create an independent body to prosecute sexual assault allegations against health professionals.

Specific Programs, Policies, and Health Issues

Dental Care

Several organizations, including the Ontario Oral Health Alliance, recommended that public oral health services be provided to all low-income adults and seniors by 2025.¹⁵ The Ontario Dental Association made a number of recommendations, including that the government work with Ontario dentists to adequately fund Healthy Smiles Ontario and a province-wide emergency adult dental program, and to ensure that dental public health conducts oral health surveys and maintains and expands its focus on dental health education.

Diabetes

The Canadian Diabetes Association and the Registered Nurses' Association of Ontario requested that more funding be devoted to diabetes screening, education, and prevention related to the issue of diabetic foot ulcers. They also proposed timely access to medical devices, foot care specialists or multidisciplinary foot care teams, and professionally fitted footwear that could reduce the risk of foot amputation. The Canadian Diabetes Association also requested introducing a policy to address the needs of students with diabetes.

Emergency Services

The Association of Municipal Managers, Clerks, and Treasurers of Ontario requested reforms to help mitigate the impact of the growing cost of emergency services, while the Region of Peel recommended that its paramedic dispatch service be improved to enable the area to respond to growing demand.

The Ontario Public Service Employees Union asked for expansion of the Public Access Defibrillator Program and creation of a defibrillator registry to allow ambulance dispatch services to identify their location.

Inter-Professional Primary Health Teams

The Champlain Community Health Centre Network, the Registered Nurses' Association of Ontario, and the Association of Family Health Teams of Ontario requested additional funding for the support and expansion of inter-professional primary health teams.

Mental Health and Addictions

Several organizations providing mental health and addictions (MAH) care or advocating for individuals receiving this care recommended that funding be increased for these services to reduce wait times and provide better care. The Canadian Mental Health Association (Ontario Division) expressed support for Open Minds, Healthy Minds, the Province's comprehensive mental health and addictions strategy, and along with the Ontario Mental Health and Addictions Alliance and the Schizophrenia Society of Ontario, requested that funding for the sector increase to 9% of the total health budget. Families for Addiction Recovery asked for a "significant" increase in funding for the sector; Addictions and Mental

¹⁵ Champlain Community Health Centre Network, Congress of Union Retirees, Niagara Dental Health Coalition, Ontario Association of Public Health Dentistry, and the Registered Nurses' Association of Ontario.

Health Ontario requested an increase in base funding for community MAH organizations.

Most of these organizations also requested more specific investments for the “core” basket of MAH services, improved access to various forms of therapy, new supportive housing units, and better data management and performance measurement. The Schizophrenia Society of Ontario also requested that diversion programs be expanded to take people with MAH issues out of the criminal justice system.

Peel Region requested that funding for MAH services match community needs and reflect demographic changes.

The Ontario Public Service Employees Union called for the system-wide use of the Violence, Aggression and Responsive Behaviours Tool (VARB) to help ease the risks faced by workers in mental health facilities.

Nutrition and Food Security

The Dietitians of Canada and the YWCA Toronto requested resources for the Province’s proposed Food Security Strategy to ensure healthy, safe, and culturally acceptable food. One individual asked for funding to educate the public on the role of healthy nutrition as a means of reducing health care costs.

Pregnancy Loss and Sudden Infant Death

Several witnesses drew attention to the issue of pregnancy loss and sudden infant death. One individual proposed establishing early pregnancy assessment clinics, such as the North York General Hospital program, across the province. Butterfly Wings Perinatal Bereavement Services recommended specialized training for medical personnel potentially dealing with perinatal loss. Baby’s Breath proposed that social workers be on call to meet with families prior to discharge after any infant death. These organizations, along with the Home Hospice Association, argued that bereaved families should also have access to specialized community services, including counselling.

Baby’s Breath requested that Bill 141, the *Pregnancy and Infant Loss Awareness, Research and Care Act, 2015*, be broadened to address Sudden Infant Death Syndrome (SIDS) and all infant loss up to one year of age, with funding available to any organization dealing with infant loss. This group also proposed providing funding for research pertaining to SIDS, and recommended that women who have experienced infant loss be granted early and more frequent prenatal visits and ultrasounds for any subsequent pregnancies, along with referral to a public health nurse.

Smoke-Free Ontario

The Ontario Convenience Stores Association proposed changes to the *Smoke-Free Ontario Act*, so that purchasing, consuming, and processing contraband tobacco would be a ticketed offense. They also requested a new age-verification program for retailers handling tobacco and, potentially, marijuana products.

The Canadian Cancer Society proposed strengthening the cessation component of the Smoke-Free Ontario Strategy by increasing awareness and access to cessation support, ensuring that there is a diversity of programming, providing

technical assistance to health care providers, and creating system accountability through performance standards.

Technology

Two individuals recommended that the government take further action on electronic health records, with one suggesting that an eHealth card could be used to prevent duplication of tests and potentially save money. All Aboard St. Marys proposed that technology in general be used more frequently in the health care system.

Other Matters

Witnesses brought a range of proposals relating to other elements of the health and long-term care portfolio, including the following:

- repeal the three-month OHIP waiting period for permanent residents moving to Ontario (Metro Toronto Chinese and Southeast Asian Legal Clinic), and allow international students to enrol in OHIP with the payment of some premiums (Wilfrid Laurier University Students' Union);
- ensure that the response to the opioid crisis includes comprehensive community-based treatment, redirect tax revenue from marijuana sales to mental health and addiction services (Addictions and Mental Health Ontario), and fund supervised injection sites (Registered Nurses' Association of Ontario);
- adopt the recommendations contained in the Ontario Chamber of Commerce's paper, *Care in Our Control: Managing Innovation in Ontario's Multi-Payer Health Care System* (London Chamber of Commerce);
- reinstate the Health System Research Fund and invest in predictable multi-year funding for the Adopting Research to Improve Care program (Council of Academic Hospitals of Ontario);
- work with the Ontario Association of Cardiologists to formulate the Ontario Heart Disease Prevention and Treatment Strategy (Ontario Association of Cardiologists);
- invest in a five-year strategy to reduce the impact of spinal cord injury by engaging people with these injuries, enhancing neurological recovery, and increasing research capacity (Ontario Neurotrauma Foundation, Rick Hansen Institute);
- ensure proper staffing and reasonable hours at blood clinics to provide donors with ample opportunities to donate blood, and ensure funding for the specialized services performed by Public Health Ontario laboratories (Ontario Public Service Employees Union); and
- work with Accerta to streamline the Assistive Devices Program (Accerta).

HOUSING

Affordable Housing

Affordable housing was the focus of many presentations during the pre-budget hearings. Some community groups, such as the Mennonite Central Committee Ontario, the Interfaith Social Assistance Reform Coalition, the ODSP Action Committee, and the Registered Nurses' Association of Ontario, requested a large investment in Ontario's housing programs, while other witnesses simply recommended that Ontario provide more money to the sector (Society of Saint Vincent de Paul Ontario Regional Council, Region of Peel, Tay Valley Township).

More specific policies and actions included the following:

- create a stakeholder panel to address all issues pertaining to housing supply and affordability (Ontario Home Builders' Association, Ontario Real Estate Association);
- conduct a comprehensive review of programs (including the Investment in Affordable Housing Program), tax policies, and legislation to ensure that they facilitate investment in affordable housing (Trillium Housing);
- encourage the building of more affordable housing by endorsing models such as housing bonds and land trusts, and by imposing community investment requirements on under-invested pools of capital in large financial institutions, charities, foundations, and public sector pension funds (Trillium Housing);
- give affordable housing providers appropriate surplus properties for development, or make the provision of affordable housing a condition of the sale of such properties (Co-operative Housing Federation of Canada);
- ensure that all new affordable housing developed with public funds is owned and managed solely by the non-profit sector, and remains affordable over the long-term (Advocacy Centre for Tenants Ontario); and
- address the inequalities within rent control by including units built after 1993 (YWCA Toronto).

Witnesses also requested that funding be provided to increase the capacity of supportive housing, reduce homelessness, and improve accessibility for people with mental and physical challenges or who are otherwise vulnerable.¹⁶

The City of London, the Regional Municipality of Waterloo, and Catholic Charities of the Archdiocese of Toronto requested that Ontario work with the federal government to establish the National Housing Strategy. London and Waterloo asked that the strategy adequately address the needs of various communities, with Waterloo stressing the importance of an indexed permanent capital program to help fund repairs. The Co-operative Housing Federation of Canada called for Ontario to ensure that low-income subsidies for individuals living in housing cooperatives continue, and to earmark a portion of the Investment in Affordable Housing funding for non-profit and co-operative housing.

¹⁶ Regional Municipality of Waterloo, Ontario Agencies Supporting Individuals with Special Needs, the Congress of Union Retirees of Canada, and one individual.

The Ontario Home Builders' Association proposed that Ontario take a leadership role in facilitating greater alignment between all levels of government to improve the housing situation. The Association of Municipalities of Ontario, Legal Assistance of Windsor, the City of London, and Neighbourhood Legal Services (London and Middlesex) asked for additional assistance to municipalities, highlighting rent-g geared-to-income, the Community Homelessness Prevention Initiative, and Housing First programs.

INDIGENOUS RELATIONS AND RECONCILIATION

Indspire requested funding for a conference and for three of its programs that address such issues as supporting post-secondary Indigenous students and providing professional development opportunities for Indigenous and non-Indigenous educators of Indigenous students. The Registered Nurses' Association of Ontario asked the province to work in partnership with the federal government, the Chiefs of Ontario, and Indigenous communities to provide funding for safe water, reliable sanitation, affordable housing, and accessible, high quality health care.

The YWCA Toronto recommended continued investment in programs and actions focusing on reconciliation as specified in the Truth and Reconciliation Commission's calls to action, with a strong emphasis on roles for Indigenous women. White River Forest Products asked that First Nations issues and claims be addressed, and recommended the establishment of regional Economic Development Trusts using a percentage of net government revenues from the development of resources to promote economic development for First Nations.

INFRASTRUCTURE

Policy

The Committee heard infrastructure policy recommendations from a range of witnesses. Homebuilders asked for investment for the expansion and maintenance of core infrastructure; clear priorities for roads, bridges, transit, water and waste water; and good long term asset management plans.¹⁷ They also recommended that infrastructure investment be more strongly coordinated between all three levels of government. The Ontario Chamber of Commerce and the Residential and Civil Construction Alliance of Ontario proposed using Alternative Financing and Procurement (AFP) for projects. The Ottawa Health Coalition asked for assurances that procurement for public hospitals would be fully transparent and recommended against public private partnerships. Additional infrastructure policy recommendations included the following:

- deliver infrastructure investments as long-term and predictable allocations (Association of Municipal Managers, Clerks, and Treasurers of Ontario);
- eliminate the infrastructure deficit currently facing municipalities (Ontario Road Builders' Association);

¹⁷ Greater Ottawa Home Builders' Association and Sudbury and District Home Builders Association.

- make infrastructure funding open and transparent and fund infrastructure by reallocating funding from existing funds, ensuring strict, audited controls on spending programs (Retail Council of Canada);
- maintain the provincial one-third contribution to the municipal infrastructure spending plan, even if the federal government commits to a greater share (Association of Municipalities of Ontario, Association of Municipal Managers, Clerks, and Treasurers of Ontario, and Tay Valley Township);
- include conditions for “as-of-right zoning” in major infrastructure projects, specifically public transit projects (Ontario Home Builders’ Association);
- end the practice of not consulting, not employing, or ignoring engineering oversight for large capital investment projects (Ontario Society of Professional Engineers);
- change the policy of reallocating risk that is resulting in poorly and unfairly worded infrastructure investment project contracts with an unreasonable transfer of project risk (Consulting Engineers of Ontario);
- connect infrastructure companies with community organizations to help build skills and secure employment for local people with the companies (Toronto Region Board of Trade);
- invest in Northern Ontario infrastructure, including the Far North, and work with Indigenous communities and the federal government to gain an understanding of community needs (Greater Sudbury Chamber of Commerce);
- modernize communications infrastructure, including expanded broadband and high speed access (Ontario Chamber of Commerce), and make rural and northern Ontario the focus (Greater Sudbury Chamber of Commerce);
- work with federal counterparts for funding for recreational infrastructure (YMCA Ontario); and
- use some infrastructure funding for natural green infrastructure, such as wetlands (Ducks Unlimited Canada).

Projects

Cities and surrounding areas focused recommendations on local projects. Homebuilders in Greater Ottawa proposed that the right of way for what they described as the “missing link” to connect Highway 416 on the west and Highway 417 on the east be acquired and protected, followed by construction of the link. An additional suggestion was to build the second phase of Ottawa’s LRT.

The Region of Peel requested engagement with the Region and the City of Mississauga to advance delivery of the full-moves interchange at Highway 410 and Courtneypark Drive as part of the ongoing Highway 410 widening project. Peel and Brampton asked for completion of the GTA West Corridor environmental assessment and for identification and protection of a preferred route. Brampton asked for implementation of its Riverwalk project.

The Regional Municipality of Waterloo requested, by mid-2017, approval and the announcement of projects for the remaining Moving Ontario Forward – Outside

the Greater Toronto and Hamilton Area (GTHA) funds and recommended taking into consideration factors such as a region's/large municipality's population, GDP, and transit ridership. Waterloo recommendations also included working with the federal government on issues connected to Phase 1 and Phase 2 infrastructure funding.

The Residential and Civil Construction Alliance of Ontario and the Ontario Good Roads Association called for provincial support for a trial bridge bundling project, which would assist organizations in reaching dollar threshold requirements by bundling together smaller projects in specific geographic regions.

INTERGOVERNMENTAL AND INTERNATIONAL AFFAIRS

The Toronto Region Board of Trade asked that the Province examine membership in the New West Partnership, which it said is reducing interprovincial barriers to trade and labour mobility. The Board also proposed a partnership with the Ministry to assist companies with entering international markets, and recommended that market sector consultants from the Ministry be embedded within the Board's trade accelerator program (TAP GTA).

LABOUR

Apprenticeship

The Committee heard recommendations on apprenticeship support and ratios. The Progressive Contractors Association of Canada requested a continued commitment to employer apprenticeship training support programs. The London Chamber of Commerce asked for a more flexible apprenticeship system. ApprenticeLMS focused on growth within the IT trades and called for the availability of adequate "seats" for registered IT apprentices and for completion incentives. The Greater Sudbury Chamber of Commerce asked that the high journeyperson-to-apprentice ratio be addressed. The Toronto Region Board of Trade recommended redesigning the certification process for the five highest demand occupations for anticipated new construction jobs in the Toronto region, and acceptance of lower apprenticeship ratios, if needed.

Employment Standards

Stakeholders made recommendations related to the *Employment Standards Act* (ESA), the *Labour Relations Act* (LRA), and the Changing Workplaces Review (Review). The Ontario Federation of Labour and the Metro Toronto Chinese and Southeast Asian Legal Clinic asked for continued strengthening and enforcement of the ESA. The Federation made the same recommendation regarding the LRA, and also requested paid leave for domestic violence survivors. The Registered Nurses' Association of Ontario proposed covering all classes of workers and employers under the ESA and LRA, updating the Acts in areas such as sick days, and strengthening labour law, as well as including provisions for non-standard employment.

The Ontario Chamber of Commerce and the Progressive Contractors Association of Canada requested LRA changes to ensure that all contractors, regardless of union affiliation, can compete for work on public infrastructure projects.

The Chamber of Commerce warned that proposed options under consideration with the Review would make it difficult for employers to grow or sustain their businesses and workforce. Similarly, the Canadian Federation of Independent Business recommended public consultations before acting on any Review recommendations to determine potential effects on small businesses and Ontario's economy. The Metro Toronto Chinese and Southeast Asian Legal Clinic, the Income Security Advocacy Centre, and one individual asked for measures such as additional Ministry resources to investigate and audit employers, and an increase in the number of employment standards officers.

Equity Programs

The Ontario Federation of Labour proposed mandating equal pay, benefits, and working conditions for equal work for all workers. It also asked the government to fund, enforce, and expand pay and employment equity law and policy. Ontario Agencies Supporting Individuals with Special Needs called for the implementation of the recommendations in the Gender Wage Gap Strategy Steering Committee Final Report and for full funding of pay equity adjustments. The Metro Toronto Chinese and Southeast Asian Legal Clinic recommended the establishment of an Equity in Employment Secretariat and using provincial investments, allocations, and commitments as leverage to make businesses across Ontario implement equity based hiring practices.

Labour Relations, Jobs and Labour Shortage

Recommendations addressing labour relations, labour shortages, and jobs focused on broad issues as well as the following specific sector issues:

- create a Labour Market Partners Forum to address labour market development issues and opportunities, use broader-based bargaining models to increase access to unionization, and allow workers to meaningfully exercise the freedom of association (Ontario Federation of Labour);
- expand existing retraining programs and develop new programs to assist displaced workers; and focus the Youth Jobs Strategy on paid work with opportunities for advancement, with limited reliance on self-employment (Ontario English Catholic Teachers' Association);
- more fully engage Ontario's Indigenous population in the workforce, address the skills gap, and expand experiential learning opportunities for students (Greater Sudbury Chamber of Commerce);
- create programs to attract and prepare workers for jobs in forestry operations (Domtar);
- develop a platform to measure and forecast labour shortages with a 10-year outlook (Council of Canadian Innovators), as well as a labour market model for the construction sector (Toronto Region Board of Trade); and
- develop a strong labour market strategy for the non-profit sector (Ontario Nonprofit Network).

Arbitration

Municipalities and other stakeholders drew attention to such factors as arbitration costs and the need to reform arbitration. AMO called for interest arbitration reform, noting current municipal advocacy efforts such as joint and several liability reform. It asked the Province to recognize that certain policies, such as interest arbitration, result in extra costs to municipalities. Waterloo recommended that the government work with municipal partners on legislation addressing the efficiency, fairness, accountability, and transparency of decision making in interest arbitration. The Ontario Federation of Labour requested that access be provided to first contract arbitration. The Ontario Public School Boards' Association proposed full funding for agreements with teachers, including any provisions in contract extensions.

Underground Economy

Homebuilders in Sudbury and district recommended support for the RenoMark program (which helps combat the underground construction economy) and that new housing permits be reviewed by Tarion's new-home warranty program.

Wages

Several witnesses called for an increase in the minimum wage to \$15 per hour.¹⁸ The Metro Toronto Chinese and Southeast Asian Legal Clinic requested the re-establishment of the Provincial Wage Protection plan to compensate workers up front for unpaid wages.

Workplace Safety and Insurance Board (WSIB)

The Retail Council of Canada recommended that the WSIB maintain the focus on managing its revenue stream. Canadian Manufacturers and Exporters Ontario support significant rate reductions, given the improvement in the WSIB's unfunded liability. The Ontario Federation of Labour requested broadening WSIB coverage to include all occupational sectors and therefore all workers in Ontario. It also proposed re-establishing support for the Injured Worker Group Funding Program and specifically having it designated to fund the Ontario Network of Injured Workers Groups.

Other Matters

The Ontario Caregiver Coalition asked the government to work with federal counterparts to expand the eligibility of the Compassionate Care Benefit.

¹⁸ CUPE Ontario, Interfaith Social Assistance Reform Coalition, the Mennonite Central Committee Ontario, Ontario English Catholic Teachers' Association, Registered Nurses' Association of Ontario, Society of Saint Vincent de Paul (Ontario Regional Council), and one individual.

MUNICIPAL AFFAIRS

Building Code

White River Forest Products recommended support for new wood building codes to allow for increased use of lumber and engineered wood products, as in British Columbia, Quebec, and Europe.

Legislation and Regulations

Trillium Housing proposed amendments to the *Planning Act* and the *Development Charges Act* for housing development cost exemptions for non-profit controlled housing developments, and for exemptions from the requirements of inclusionary zoning legislation for developments that deliver housing affordability to a minimum of 20% of purchasers or renters.

The Ontario Real Estate Association proposed creating a centralized and streamlined approvals process for single-family and multiple dwelling projects at the region/county level and providing more resources to municipalities for faster permit approval. The Chemistry Industry Association of Canada suggested the government develop and apply a buffer zone regulation for municipalities covering public safety practices and recognizing manufacturing heritage.

Provincial-Municipal Finance

Some witnesses told the Committee that municipalities are struggling financially and made associated recommendations. The Association of Municipal Managers, Clerks, and Treasurers of Ontario proposed giving municipalities more financial flexibility and access to a broader range of revenue sources. The Association of Municipalities of Ontario and Waterloo specifically recommended giving all municipalities the same revenue tools as the City of Toronto, including land transfer tax, parking tax, and alcohol tax.

The Association of Municipalities of Ontario asked for recognition that municipalities face a funding gap, noting that if existing federal and provincial commitments are maintained and municipal revenue and expense sources grow as estimated, there will still be an annual gap of \$4.9 billion to cover municipal operating costs across Ontario between 2016 and 2025. The Congress of Union Retirees of Canada also indicated that municipalities are struggling with a taxation regime that is not based on ability to pay and which they cannot change.

The Association of Municipalities of Ontario proposed that an inflationary increase be added to the Ontario Municipal Partnership Fund (OMPF) this year. The Township of Dawn-Euphemia suggested removing the farmland elements from the OMPF and establishing a new farmland support transfer program to fund the cost of the regulated farmland tax rate to each municipality. Waterloo recommended amending the *Municipal Act, 2001* and applicable regulations to increase the prescribed rate for heads and bed taxation to reflect inflation since 1987; the Ontario Chamber of Commerce requested an increase in the tax to \$100 per bed for institutions.

CUPE Ontario requested increased funding for municipalities, Consolidated Municipal Service Managers, and District Social Service Administration Boards for more one-on-one case planning time with social assistance recipients.

Other Matters

Other recommendations from witnesses included the following:

- reduce the reporting burden for municipalities and partner with them to invest in succession planning and capacity building initiatives (Association of Municipal Managers, Clerks, and Treasurers of Ontario);
- grant municipal applications for the demolition of tax delinquent business properties the same funding support as new or re-construction projects (Dryden);
- create dedicated funding for servicing greenfield land to incent developers to start projects sooner and reconsider changes proposed for the Provincial Growth Plan and Places to Grow (Ontario Real Estate Association);
- provide infrastructure investment funds to municipalities to engage private sector consultants, hire staff, or make investments in software to meet the Province’s requirements for accessing capital under a proposed municipal asset management planning regulation (Ontario Good Roads Association);
- reduce the property tax rate for manufacturers (Canadian Manufacturers and Exporters Ontario); and
- introduce legislation to amend the *Auditor General Act* to enable the Auditor General of Ontario to examine municipal books at his or her discretion (an individual).

NATURAL RESOURCES AND FORESTRY

Forestry

Resolute Forest Products and EACOM Timber Corporation asked for the development of balanced public policy that provides for all three pillars of sustainability—economic, social, and environmental—in the forestry sector. Several sector witnesses requested a commitment to work with the forest industry and affected stakeholders to develop a comprehensive *Crown Forest Sustainability Act* (CFSA) – *Endangered Species Act* (ESA) equivalency initiative.¹⁹ The Ontario Forest Industries Association cited turtle timing restrictions that resulted in people being sent home for months as an example of “unworkable policy,” with socio-economic impacts not adequately assessed. The Association and Weyerhaeuser-Kenora/Ontario Timberlands Division said the forestry sector should not have to operate under both the ESA and the CFSA; some witnesses recommended that it operate under the latter.²⁰ Several in the sector also requested that socio-economic impact assessments be carried out on

¹⁹ Domtar, EACOM Timber Corporation, the Ontario Forest Industries Association, and Resolute Forest Products.

²⁰ EACOM Timber Corporation and the Ontario Forest Industries Association.

any new or revised legislation and policy prior to implementation, citing concern about possible impacts on wood supply and the need to maintain affordable fibre.²¹

Species at Risk/Endangered Species

Resolute proposed striking a balance between the forest management objectives of protecting species at risk, preserving biodiversity, sequestering carbon, and maintaining the fibre supply. Recommendations were also made to develop, in co-operation with industry, workable species at risk prescriptions and to review the Caribou Conservation Plan.²² The Ontario Forest Industries Association suggested a revision to the Forest Management Planning Manual Environmental Bill of Rights posting.²³

Forest Roads Funding Program

Domtar and Weyerhaeuser asked that funding for the Roads Funding Program be restored to its historic level of \$75 million. Some sector witnesses proposed a two-tiered model for the program with continued base funding of \$60 million and the creation of an economic stimulus fund of \$15 million available to sustainable forest licensees (SFLs) who resume operations but do not have a harvest history to qualify for a funding allocation.²⁴

Stumpage Fees, Tenure and Softwood Lumber Dispute

Resolute and the Ontario Forest Industries Association asked that the “fixed” portion of Crown dues on poplar and white birch stumpage fees be adjusted. RFP asked for a rate of \$0.50/m³; the OFIA asked that the rate be at least average when compared to other Canadian jurisdictions. Resolute and Weyerhaeuser asked for government support in the softwood lumber dispute with the United States, including for loan guarantees and adequate market access in any new agreement. Domtar pressed for support for demonstrated efforts for tenure reform; and the Ontario Forest Industries Association, for secure tenure to ensure that companies have reliable access to affordable wood.

Other Ontario Forest Industries Association recommendations included permanently protecting sustainable forest management in Algonquin Park at the approved planned harvest volume level, supporting the Ontario Wood Initiative to promote made in Ontario goods and the Ontario Wood WORKS! Program, and supporting the development of next generation forestry products, chemicals, and low carbon manufacturing technologies.

²¹ Domtar, EACOM Timber Corporation, the Ontario Forest Industries Association, and Resolute Forest Products.

²² The Ontario Forest Industries Association and Resolute Forest Products.

²³ The suggestion was to remove the Overall Benefit Instrument draft text from the posting dated January 8, 2016.

²⁴ EACOM Timber Corporation, the Ontario Forest Industries Association, and Resolute Forest Products.

Water and Conservation

Conservation Ontario recommended that the Ministry address the need for updated floodplain mapping, flood management operations, and maintenance of conservation authority flood infrastructure with associated specific program funding requests. Ducks Unlimited proposed strengthening wetland policy to achieve a net gain in wetlands through, for example, implementation of the Ontario Wetland Conservation Strategy, and asked for a dedicated wetland conservation fund. Conservation Ontario requested continued funding to support the implementation of source protection plans under the *Clean Water Act*.

NORTHERN DEVELOPMENT AND MINES

The Greater Sudbury Chamber of Commerce recommended investing in programs to help solve problems associated with the exploration of remote and deep mines and other challenges facing the natural resource sector. The Chamber proposed enhancing the speed of mining permitting, reducing provincial and federal duplication for processes such as Environmental Assessments, and bolstering supports for exporting. Further recommendations from the Chamber included better communicating to the public Northern Ontario Growth Plan developments; reconfirming the commitment to \$1 billion for infrastructure funding for the Ring of Fire and providing clarity on next steps for the project; and developing an improved strategy for economic development of the Far North.

RESEARCH, INNOVATION AND SCIENCE

Foster Innovation

The Council of Canadian Innovators brought recommendations for helping to foster innovation, including leveraging the Ontario Investment Office to invest in Ontario scale-ups, creating funding vehicles for scale-ups, and ensuring Ontario entrepreneurs, policy-makers, and the general business community understand global intellectual property issues. The organization also proposed that the Ministry work with high-growth companies to identify labour market demands, adjust government resources for universities and colleges accordingly, and work with federal counterparts on talent attraction and retention policies.

London requested that the Ministry work with its network of public and private partners to leverage the City's medical technology expertise. Canadian Manufacturers and Exporters Ontario asked for action to encourage the reversal of previous federal cutbacks to the Scientific Research and Experimental Development (SR&ED) program. The Council of Academic Hospitals of Ontario requested that funding for the Ontario Research Fund be maintained at current levels, and increased once the provincial budget is balanced; Ontario's 24 research hospitals be included as a key sector and innovation cluster; and that the federal investment in experiential learning and research programs be matched.

SENIORS' SECRETARIAT

The Catholic Charities of the Archdiocese of Toronto recommended an expansion of the Seniors Community Grant Program to support programs that specialize in providing outreach to isolated seniors and shelter to elder abuse victims. Canterbury Elder College requested a regular line-item in the Ontario Seniors' Secretariat budget providing seed funding for soft educational programs for those aged 55 and up, directed to communities with lower urban density populations. Canterbury also asked for an additional grant program to offer limited support-on-application to sustain existing developed seniors' educational programs. An individual proposed that benefits provided to seniors be reviewed and improved, especially in areas affecting quality of life such as utility costs, health and dental costs, and taxes.

TOURISM, CULTURE AND SPORT

Several cultural organizations requested improved funding to the Ontario Arts Council, noting that it has not had an increase in several years; others asked that \$25 million be restored to the Trillium Foundation's operating allocation.²⁵ Massey Hall and Roy Thomson Hall asked for a multi-year phased investment to complete the Massey Hall revitalization project.

Cycle Canada argued that small end suppliers in the tourism sector were being unfairly burdened by the \$3,000 insurance fee for the Travel Industry Council of Ontario. They requested that smaller firms be exempt from this fee, and that the government examine other regulations that may be burdening businesses in Ontario.

TRANSPORTATION

Metrolinx

The Residential and Civil Construction Alliance of Ontario proposed that the Metrolinx Board review its investment strategy and that of the Transit Panel and submit recommendations for the current budget cycle. The Toronto Region Board of Trade suggested using data management and pricing features of the PRESTO card to achieve better customer service and system integration. The Waterloo region asked that it be included in the Metrolinx planning area. An individual proposed providing Metrolinx with the funds and the direction to electrify the trains on the UP Express.

Rail

The Railway Association of Canada's recommendations included investing in rail to leverage private sector investments and support government objectives; allocating funds to develop a program in parallel with Quebec's PREGTI, which

²⁵ The Canadian Dance Assembly, Dusk Dances, Orchestras Canada (OC), the Professional Association of Canadian Theatres (PACT), and Theatre Orangeville (TO) made the recommendation pertaining to the Ontario Arts Council, while OC, PACT, TO and the Ontario Nonprofit Network made the recommendation regarding the Trillium Foundation.

aims to reduce greenhouse gas freight transportation emissions; and, providing support to shortline railways. Waterloo requested two-way all-day GO Train service to Kitchener, extending GO Train service from Milton to Cambridge, and full funding of the new GO station at Breslau. All Aboard St. Marys asked for the addition of VIA trains to the two primary rail lines, VIA North Main Line and Niagara Line, with associated train schedule recommendations.

Transit

Witness funding requests for transit included the following:

- restore provincial funding (capital and operating subsidies) for transit (Congress of Union Retirees, Registered Nurses' Association of Ontario);
- hold a transit summit with federal and municipal partners (Registered Nurses' Association of Ontario); and
- introduce a public transit subsidy, particularly for the TTC (an individual).

Other transit recommendations focused on the following issues:

- develop a single transportation authority in the GTHA (Ontario Chamber of Commerce);
- develop a streamlined environmental assessment process for transit with a set six-month deadline and a Ministry report back on whether assessments and consultations are exceeding this deadline (Toronto Region Board of Trade);
- establish a strategic funding partnership with the city and encourage the federal government to bring rapid transit to London (City of London);
- become a funding partner to advance the mobility hubs work in Brampton (City of Brampton) and work with the federal government and the cities of Toronto, Mississauga, and Brampton on cost-sharing agreements for the various transit projects to connect to a multimodal transportation hub at Toronto Pearson (Greater Toronto Airports Authority); and
- increase funding for transit infrastructure and for inclusion of a goods movement strategy in the Greater Golden Horseshoe Transportation Plan (Region of Peel).

Other Matters

Other matters included a request from the Ontario Chamber of Commerce to modernize the Connecting Links funding program; and one from Trillium Automobile Dealers Association to start phasing out Drive Clean. Cycle Canada asked that emissions tests done in other provinces be accepted in Ontario. An individual requested providing improved bus transportation from Sudbury, noting that sometimes there are more passengers than tickets available. A second individual asked that universities and other excluded agencies be eligible for subsidies for the installation of charging stations for electric cars. A third individual asked for a forensic audit of the Lybster Local Roads Board's operations.

3. EXPERT PANEL

The Committee invited three expert witnesses to provide testimony on the Province's economy on January 18, 2017. The witnesses were Sheila Block from the Canadian Centre for Policy Alternatives, Ben Eisen from the Fraser Institute, and Craig Wright from the Royal Bank of Canada. This section provides a summary of their discussion.

Growth Forecasts

According to Mr. Wright, the global growth forecast is in the 3.5% range. Canadian growth this year is 1.8%, an improvement over 1.3% last year, attributable largely to exports, investments, and fiscal policy. The United States GDP forecast is 2.3% for both 2017 and 2018.

Integration of the Canadian and US Economies

Ms. Block noted that the Canadian and the US economies are very integrated; in Ontario's case, approximately 81% of its international exports are destined for, and 57% of provincial imports are from, the United States. Mr. Wright pointed out that Ontario exports are dependent on strong US growth and a competitive Canadian dollar, which, since 2014, has supported exports. However, there is a level of caution about trade partnership following the recent US presidential election. Witnesses discussed whether a "Trump bump or slump" will impact the economy and have a direct impact on provincial trade.

According to Mr. Wright, the Canadian economy has clear downside risks. Major changes in US policy could have direct implications for Canada-US trade; a border "thickening," for example, could restrict access and hamper bilateral trade. This concern is dependent in part on the possible renegotiation of NAFTA and rising protectionism challenging globalization. Changes to the US tax code for personal and corporate income and a lighter regulatory and environmental approach would contrast with the Canadian positions (such as mandatory cap and trade), potentially raising competitiveness concerns. Mr. Eisen noted that Ontario presently enjoys a competitive advantage over a number of US states because of provincial and federal action on corporate taxation, but cautioned that the United States could "entertain significant corporate tax reform." On the upside, however, Mr. Wright argued that provincial exports have benefited from US growth and a competitive Canadian dollar, and the expectation is for increasing exports and an improving investment climate. The Canadian economy would also be strengthened by a firming of prices for commodities such as oil.

Ontario's Situation

Mr. Wright also provided provincial growth estimates, arguing that Ontario will continue to be an economic leader relative to other provinces this year. Provincial growth has been in the 2.5% range over the last three years, decreasing to 2.3% this year but still tied for first place with Manitoba, and moving to just below 2% next year. It is anticipated that employment will continue to support the province's growth, which, on a year-over-year basis, is in excess of 80,000 jobs, with an unemployment rate just below 6.5%. Job gains in the private sector have been primarily in the service sector and through 2016 the tendency has been towards part-time jobs, which was not the case over the past five years. The stronger

employment performance in Ontario is attributed to the private sector more than public sector; and to services more than the goods sector.

Ms. Block drew attention to the diversity in the provincial economy, with different challenges across the regions. She noted that southwestern Ontario has experienced a reduction in manufacturing employment in recent years, while northern communities have dealt with the impact of fluctuations in commodity prices, contributing to unemployment and, in some instances, to precarious work situations. According to Mr. Wright, US GDP growth in the future will be driven largely by job creation and consumer confidence; in Ontario there is also a strong labour market and strong consumer spending, with the province second only to British Columbia in the area of retail spending. International and inter-provincial migration has been high—the first three quarters of 2016 mark the second-best year on record—providing a positive impact on housing statistics. However, he argued that the housing market is expected to slow, in part due to stronger residential prices, regulatory tightening initiatives, and gradual increases in interest rates.

The witnesses also discussed fiscal policy. Mr. Eisen maintained that a return to pre-recession debt levels relative to GDP will require realistic benchmarks and timelines, accompanied by a sustained spending discipline. Ms. Block noted, however, that in a low-growth, low-inflation environment the Province will not be able to grow its way “into a stronger fiscal footing” and is reaching the limits on being able to achieve spending reductions to establish a strong fiscal position. She added that spending constraints have resulted in the deterioration of program spending on a real per-capita basis and believes Ontario requires a meaningful increase in revenues to address this situation. She suggested that new funding could be derived from increasing corporate income taxes and taking advantage of the fiscal room created by the federal government in the reduced GST.

In addition to private sector challenges, Mr. Eisen maintained that there are potential obstacles of concern within government, notably a slowdown in the rate of growth of federal fiscal transfers to the Province, and the possibility of a decrease in equalization receipts. A nominal reduction in the rate of growth of the overall transfer envelope could challenge the Province’s fiscal planning. Ms. Block seconded this concern, and expressed hope that the federal government would meet its commitment regarding the renegotiation of the Canada Health Transfer. In program and service delivery, Mr. Eisen added that the Province’s Financial Accountability Office has addressed various cost drivers, such as the health care system, which require spending discipline.

All three witnesses agreed on the importance of the government’s infrastructure program, noting the low interest environment and the “multiplier” effect of such spending, although there were differences of opinion about the types of infrastructure that should be funded. Mr. Wright remarked that the Province’s objective to deliver a balanced budget in 2017-18 would present options for a more flexible fiscal policy. He added that any improvement on the fiscal side is with a lens to increased productivity and a more competitive trade environment. Mr. Eisen argued that progress toward pre-recession debt levels and a reduction in the debt-to-GDP ratio would benefit the Province by reducing debt service payments and presenting fiscal options, such as tax relief. Similarly, Mr. Eisen observed that a balanced budget would provide flexibility in the event of an

economic downturn, by guarding against a future run-up on the provincial debt and diminishing concerns over increased borrowing and interest costs. Ms. Block noted that while a zero deficit is important politically, whether it is a little above or a little below is less important economically.

4. RECOMMENDATIONS

The Standing Committee on Finance and Economic Affairs recommends that:

1. The Minister of Finance commit in the 2017-2018 Budget to balance the budget by meeting the government's annual savings target as outlined in the 2014-15 Budget, while also making strategic investments to grow Ontario's economy and providing high quality public services.
2. The Minister of Finance commit in the 2017-2018 Budget to continue to maintain a competitive tax environment.
3. The Minister of Finance commit in the 2017-2018 Budget to continuing to reduce the regulatory burden for businesses in Ontario.
4. The Minister of Finance commit in the 2017-2018 Budget to continue to reduce inter-provincial trade barriers.
5. The Minister of Finance commit in the 2017-2018 Budget to continue launching the Scale-Up Ventures program to help growth-oriented firms with the highest potential to scale into large employers by providing them with the tools necessary to get their products to the global marketplace by the end of 2017.
6. The Minister of Finance commit in the 2017-2018 Budget to seizing on the tremendous potential of Northern industries.
7. The Minister of Finance commit in the 2017-2018 Budget to creating regional economic development strategies that foster inclusive growth.
8. The Minister of Finance commit in the 2017-2018 Budget to continue to mitigate increases to residential hydro rates in Ontario.
9. The Minister of Finance commit in the 2017-2018 Budget to continue to mitigate increases to hydro rates for Ontario businesses.
10. The Minister of Finance commit in the 2017-2018 Budget to investing in vital infrastructure projects, creating jobs and economic growth.
11. The Minister of Finance commit in the 2017-2018 Budget to continue to provide Ontarians with local access to health care so they can have the right care closer to home.
12. The Minister of Finance commit in the 2017-2018 Budget to continue to invest in Ontario's hospitals to ensure that all patients have access to high-quality care.
13. The Minister of Finance commit in the 2017-2018 Budget to continue to invest in quality care to ensure that patients receive high quality care wherever they access services.
14. The Minister of Finance commit in the 2017-2018 Budget to continue to make learning accessible for all through a strong public education system.

15. The Minister of Finance commit in the 2017-2018 Budget to continue to modernize child care in Ontario and create more child care spaces.
16. The Minister of Finance commit in the 2017-2018 Budget to continue to make tuition more affordable for students and their families.
17. The Minister of Finance commit in the 2017-2018 Budget to continue to commit to expanding apprentice opportunities.
18. The Minister of Finance commit in the 2017-2018 Budget to continue to invest in a highly skilled workforce strategy to broaden labour force participation and improve productivity.
19. The Minister of Finance commit in the 2017-2018 Budget for Ontario to continue to be a welcoming and inclusive province for refugees and newcomers.
20. The Minister of Finance commit in the 2017-2018 Budget to continue to invest in Ontario transit.
21. The Minister of Finance commit in the 2017-2018 Budget to continue to ensure that Ontario's auto insurance system is fair, affordable and that consumers are protected.
22. The Minister of Finance commit in the 2017-2018 Budget to continue the implementation of Ontario's first five year plan to fight climate change, reduce greenhouse gas pollution and transition to a low-carbon economy.
23. The Minister of Finance commit in the 2017-2018 Budget to continue to support the sharing economy by fostering innovation, and protecting workers, consumers and communities.
24. The Minister of Finance commit in the 2017-2018 Budget to making Ontario's regulatory system more open and responsive.
25. The Minister of Finance commit in the 2017-2018 Budget to developing a targeted and coherent intergovernmental strategy for Ontario's manufacturing sector.
26. The Minister of Finance commit in the 2017-2018 Budget to improving the quality and availability of labour market information.
27. The Minister of Finance commit in the 2017-2018 Budget to beginning the process of developing the Ring of Fire as soon as possible.
28. The Minister of Finance commit in the 2017-2018 Budget to seizing on the tremendous potential of Northern Ontario in both forestry and mining.
29. The Minister of Finance commit in the 2017-2018 Budget to a long term plan to keep demonstration schools open in the province of Ontario.
30. The Minister of Finance commit in the 2017-2018 Budget to addressing the shortage of Francophone teachers in the province of Ontario.

31. The Minister of Finance commit in the 2017-2018 Budget to adequately funding treatment services for children with autism.
32. The Minister of Finance commit in the 2017-2018 Budget to reviewing the Government's species at risk policies and enacting reforms to strike a fairer balance between environmental protection and necessary Northern economic activity, like forestry.
33. The Minister of Finance commit in the 2017-2018 Budget to adequately address issues of safe drinking water on First Nations reserves.
34. The Minister of Finance commit in the 2017-2018 Budget to take adequate steps to address issues relating to on-site electricity generation using diesel on First Nations reserves.
35. The Minister of Finance commit in the 2017-2018 Budget to providing adequate youth mental health resources on First Nations reserves.
36. The Minister of Finance commit in the 2017-2018 Budget to continue improving access to broadband internet for all Ontarians.

LIST OF WITNESSES

Organization/Individual	Date of Appearance
Accerta	Written submission
Addictions and Mental Health Ontario	January 20, 2017
Advocacy Centre for Tenants Ontario	Written submission
Air Transport Association of Canada	December 14, 2016
All Aboard St. Marys	Written submission
Alzheimer Society of Ontario	January 19, 2017
Alzheimer Society of Windsor and Essex County	December 15, 2016
ApprenticeLMS Ltd.	Written submission
Armstrong, Robert	December 14, 2016
Association of Family Health Teams of Ontario	Written submission
Association of Municipal Managers, Clerks, and Treasurers of Ontario	January 20, 2017
Association of Municipalities of Ontario	Written submission
Baby's Breath Canada	January 19, 2017
Barron, Lesley	January 19, 2017
Baycrest Health Sciences	Written submission
Beckett, Lawrence	Written submission
Biofuels Consulting Canada	December 15, 2016
Block, Sheila—Canadian Centre for Policy Alternatives	January 18, 2017
Brick Brewing Co. Ltd.	January 19, 2017
Butterfly Wings Perinatal Bereavement Services	Written submission
Canadian Cancer Society	Written submission
Canadian Cancer Society, Ontario Division	December 14, 2016
Canadian Dance Assembly	Written submission

Organization/Individual	Date of Appearance
Canadian Diabetes Association	January 18, 2017
Canadian Federation of Independent Business	January 18, 2017
Canadian Fuels Association	December 14, 2016
Canadian Manufacturers and Exporters Ontario	January 19, 2017 and written submission
Canadian Mental Health Association, Ontario Division	January 18, 2017
Canadian National Institute for the Blind, Ontario Division	Written submission
Canadian Produce Marketing Association	December 14, 2016
Canadian Propane Association	January 20, 2017
Canadian Taxpayers Federation	December 8, 2016
Canadian Union of Public Employees, Ontario	December 8, 2016
Canadian Urban Transit Research and Innovation Consortium	January 20, 2017
Canterbury Elder College	Written submission
Card, Cheryl	Written submission
Career Colleges Ontario	Written submission
Catholic Charities of the Archdiocese of Toronto	Written submission
Catholic Family Services of Peel-Dufferin	January 19, 2017
Champlain Community Health Centre Network	December 14, 2016
Champlain Region Family Council Network	December 14, 2016
Chemistry Industry Association of Canada	January 20, 2017
Child and Youth Advocacy Centres of Ontario Network	January 20, 2017
Children's Mental Health Ontario	January 19, 2017
Cinespace Film Studios	Written submission
City of Brampton	January 19, 2017
City of Dryden	December 12, 2016

Organization/Individual	Date of Appearance
City of London	January 20, 2017 and written submission
Clark, Steve—MPP	Written submission
Class 1 Inc.	December 8, 2016
Coalition of Ontario Manufacturers for Competitive Industrial Power Rates	January 18, 2017
College Student Alliance	Written submission
Colleges Ontario	December 1, 2016
Community Advocacy and Legal Centre	Written submission
Community Living Ontario	January 20, 2017
Computer Animation Studios of Ontario	Written submission
Confederation College	December 12, 2016 and written submission
Congress of Union Retirees of Canada	January 19, 2017
Conservation Ontario	January 20, 2017
Consulting Engineers of Ontario	January 19, 2017
Co-operative Housing Federation of Canada, Ontario Region	January 18, 2017
Council of Academic Hospitals of Ontario	January 20, 2017
Council of Canadian Innovators	December 8, 2016
Council of Ontario Universities	January 20, 2017 and written submission
Cryderman, John	December 15, 2016
Cycle Canada	Written submission
Deacon Insurance Agencies	Written submission
DeafBlind Ontario Services	January 19, 2017
Derraugh, Dave	January 20, 2017
Dietitians of Canada, Ontario	January 20, 2017

Organization/Individual	Date of Appearance
Domtar	December 12, 2016
Ducks Unlimited Canada	Written submission
Dunne, Alan	Written submission
Dusk Dances	Written submission
EACOM Timber Corporation	December 13, 2016
Eisen, Ben—Provincial Prosperity Studies, The Fraser Institute	January 18, 2017
Electricity Distributors Association	Written submission
Elementary Teachers' Federation of Ontario	January 18, 2017
Elliott, Len	January 20, 2017
Enbridge Gas Distribution	December 8, 2016
Engberts, Carol	Written submission
Families for Addiction Recovery	Written submission
Family Service Ontario	December 15, 2016
Fife, Catherine—MPP	Written submission
Finucane, Drew	January 19, 2017
FirstOntario Credit Union	December 8, 2016
Fisher, Nikki and Karl	Written submission
Fix Our Schools	December 8, 2016
Fleming College	January 19, 2017
Food and Beverage Ontario/Maple Leaf Foods Inc.	January 18, 2017
Glover, Ted	Written submission
Greater Essex Elementary Teachers' Federation of Ontario	December 15, 2016
Greater Kitchener Waterloo Chamber of Commerce	January 20, 2017
Greater Ottawa Home Builders' Association	December 14, 2016
Greater Sudbury Chamber of Commerce	December 13, 2016

Organization/Individual	Date of Appearance
Greater Toronto Airports Authority	Written submission
Groulx, Marguerite	December 13, 2016
Habekost, June	Written submission
Hamilton Community Legal Clinic	Written submission
Hamilton Organizing for Poverty Elimination	Written submission
Healthcare of Ontario Pension Plan	January 18, 2017
Hersee, Devereux	Written submission
Hilton, Ted	Written submission
Home Care Ontario	December 1, 2016 and written submission
Home Hospice Association	Written submission
Horeth, Linda	Written submission
Horseplayers of Windsor and Essex County	December 15, 2016 and written submission
IAVGO Community Legal Clinic	Written submission
Ikonen, Diane	December 13, 2016 and written submission
Images 2000 Inc./Northwood Collection and Superstyle Furniture	December 8, 2016
Imperial Tobacco Canada	December 14, 2016
Income Security Advocacy Centre	December 8, 2016 and written submission
Indspire	Written submission
Injured Workers' Consultants	Written submission
Insurance Bureau of Canada	January 18, 2017
Interfaith Social Assistance Reform Coalition	Written submission
Jane Finch Community Legal Services	Written submission
Johnson, Sjann	December 15, 2016

Organization/Individual	Date of Appearance
Kennedy, Terrence	Written submission
Kensington-Bellwoods Community Legal Services	Written submission
Laurentian University	December 13, 2016
Legal Assistance of Windsor	December 15, 2016
Legal Clinic of Guelph and Wellington County	Written submission
London Chamber of Commerce	January 20, 2017
London Health Coalition	January 20, 2017
Loyalist College	December 14, 2016
Lumley, Murray	Written submission
Maclsaac, Jessie	December 13, 2016
Manson, Trevor	Written submission
Meals on Wheels London	January 20, 2017
Mennonite Central Committee Ontario	Written submission
Metro Toronto Chinese and Southeast Asian Legal Clinic	December 8, 2016 and written submission
Neighbourhood Legal Services, London and Middlesex	January 20, 2017
New Path Youth and Family Services	January 19, 2017
Niagara Dental Health Coalition	Written submission
Nipissing Community Legal Clinic	Written submission
Nurse Practitioners' Association of Ontario	December 8, 2016
O'Shea, Dr. Eoghan	December 14, 2016
Oakes, Georgie	Written submission
ODSP Action Coalition	Written submission
Ontario Agencies Supporting Individuals with Special Needs	Written submission
Ontario Agriculture Sustainability Coalition	December 8, 2016
Ontario Association of Architects	Written submission

Organization/Individual	Date of Appearance
Ontario Association of Cardiologists	Written submission
Ontario Association of Children's Aid Societies	Written submission
Ontario Association of Public Health Dentistry	January 19, 2017
Ontario Association of Speech-Language Pathologists and Audiologists	January 19, 2017
Ontario Campaign for Action on Tobacco	January 19, 2017
Ontario Caregiver Coalition	January 18, 2017
Ontario Chamber of Commerce	January 18, 2017 and written submission
Ontario Chiropractic Association	December 13, 2016
Ontario Coalition for Better Child Care	January 18, 2017
Ontario Collaborative Response to Family Violence	January 19, 2017
Ontario Community Support Association	December 1, 2016 and written submission
Ontario Confederation of University Faculty Associations	January 19, 2017
Ontario Convenience Stores Association	December 1, 2016 and written submission
Ontario Council of Hospital Unions	January 20, 2017
Ontario Dental Association	Written submission
Ontario English Catholic Teachers' Association	January 18, 2017
Ontario Federation of Agriculture	Written submission
Ontario Federation of Labour	January 18, 2017
Ontario Forest Industries Association	December 13, 2016
Ontario Good Roads Association	December 15, 2016
Ontario Health Coalition	December 8, 2016
Ontario Home Builders' Association	December 8, 2016 and written submission
Ontario Hospital Association	Written submission

Organization/Individual	Date of Appearance
Ontario Medical Association	December 8, 2016
Ontario Medical Association, Palliative Medicine	December 15, 2016
Ontario Mental Health and Addictions Alliance	Written submission
Ontario Neurotrauma Foundation and Rick Hansen Institute	Written submission
Ontario Nonprofit Network	Written submission
Ontario Nurses' Association	December 8, 2016
Ontario Oral Health Alliance	December 8, 2016
Ontario Pharmacists Association	December 8, 2016
Ontario Public School Boards' Association	Written submission
Ontario Public Service Employees Union	January 18, 2017 and written submission
Ontario Public Service Employees Union (Southwestern Ontario)	December 15, 2016
Ontario Real Estate Association	January 18, 2017
Ontario Road Builders' Association	Written submission
Ontario Society of Professional Engineers	January 18, 2017
Ontario Trial Lawyers Association	January 18, 2017
Ontario Undergraduate Student Alliance	January 18, 2017 and written submission
Ontario Waste Management Association	January 19, 2017
Orchestras Canada	Written submission
Ottawa Health Coalition	December 14, 2016
Ottawa Poverty Reduction Network	December 14, 2016
Ottawa-Carleton District School Board	December 14, 2016
Oxford Coalition for Social Justice	January 20, 2017
Parkdale Community Legal Services	Written submission
Poverty Free Thunder Bay	Written submission

Organization/Individual	Date of Appearance
Primerica Financial Services Ltd.	January 19, 2017
Professional Association of Canadian Theatres	Written submission
Progressive Contractors Association of Canada	January 19, 2017
Provincial Network on Developmental Services	Written submission
Railway Association of Canada	Written submission
Ramsay, David	Written submission
Region of Peel	January 19, 2017
Regional Municipality of Waterloo	Written submission
Registered Nurses' Association of Ontario	January 19, 2017
Renewable Industries Canada	December 14, 2016
Residential and Civil Construction Alliance of Ontario	December 8, 2016 and written submission
Resolute Forest Products	December 12, 2016
Retail Council of Canada	January 18, 2017 and written submission
Rick Hansen Foundation	December 14, 2016
Roberts/Smart Centre	December 14, 2016
Rocha, Rachelle	December 13, 2016
Runnymede Healthcare Centre	December 14, 2016
Russell, Mervyn	January 19, 2017
Samulack, Rachel	December 14, 2016 and written submission
Scarborough Community Legal Services	Written submission
Schizophrenia Society of Ontario	Written submission
Slade, Fred	December 13, 2016
Social Action Committee, Ontario Association of Social Workers, Hamilton	Written submission

Organization/Individual	Date of Appearance
Society of Saint Vincent de Paul, Ontario Regional Council	Written submission
Soplet, Catherine	January 19, 2017
Southwestern Ontario Gleaners	December 15, 2016
Spirits Canada	December 15, 2016
Staddon, Nicole	Written submission
Staples, Richard Wellesley	January 20, 2017
Stella's Place	Written submission
Sudbury and District Home Builders' Association	December 13, 2016
Sullivan, Mike	January 19, 2017
Sunbeam Centre	Written submission
Suski, Diane	December 13, 2016
Sydenham District Hospital Board and Corporation	January 20, 2017
Tay Valley Township	Written submission
The Corporation of Massey Hall and Roy Thomson Hall	Written submission
The Davies Group	January 20, 2017 and written submission
Theatre Orangeville	Written submission
Toronto Region Board of Trade	December 8, 2016 and written submission
Township of Dawn-Euphemia	January 20, 2017
Trillium Automobile Dealers Association	January 19, 2017
Trillium Housing	Written submission
Versiani, Mariana	Written submission
Viherjoki, Dr. Stephen	December 12, 2016
Waterloo Region Community Legal Services	Written submission
Waterloo Region Suicide Prevention Council	December 8, 2016

Organization/Individual	Date of Appearance
We Own It	January 20, 2017
West End Legal Services of Ottawa	Written submission
Western University Students' Council	January 20, 2017
Weyerhaeuser-Kenora/Ontario Timberlands Division	December 12, 2016
White River Forest Products Ltd.	December 13, 2016
Wilfrid Laurier University Students' Union	January 20, 2017
Wine Council of Ontario	January 19, 2017
Wright, Craig—Royal Bank of Canada	January 18, 2017
YMCA Ontario	January 18, 2017
YWCA Toronto	Written submission

**APPENDIX A – DISSENTING OPINION OF THE PROGRESSIVE
CONSERVATIVE MEMBERS OF THE COMMITTEE**

We would like to thank the individuals and organizations that came forward and provided feedback on a vast range of issues. We would like to highlight particular themes the committee heard throughout the pre-budget consultation process.

Electricity Rates:

Skyrocketing electricity rates in the province continue to be of concern for both businesses and residents. Comments provided by the large majority of committee witnesses confirm that electricity is unaffordable in Ontario. This has resulted in businesses leaving Ontario and people struggling to keep the lights on. We feel that this concern is not thoroughly addressed in the report.

We would like to point to the comments of Michael Patrick, with the Coalition of Ontario Manufacturers for Competitive Industrial Power Rates, and Food and Beverage Ontario/Maple Leaf Foods Inc.

When presenting to the committee Mr. Patrick said “the final and most drastic measure a company takes is to simply relocate to a jurisdiction with lower electricity rates. Of course, we’ve already seen this with the many, many high-profile companies exiting Ontario’s already anemic industrial sector. Ontario has lost over 350,000 manufacturing jobs since 2004, and our farms have shed 40,000 jobs.”

Maple Leaf Foods echoed these concerns by saying “I can tell you that a year ago, I’d get a call maybe once a month from a small-to-medium-sized company saying they were concerned about electricity rates. Now that’s happening at least once or twice a day. I’m getting comments now all the time that, ‘You know what? We’ve had enough. We’re starting to look at the alternatives south of the border.’”

We believe these comments give some insight into the damage that is being done to the Ontario economy and its people. Businesses are packing up and taking good paying manufacturing jobs out of the province and leaving many without work.

Homeowners are experiencing the pain of unaffordable electricity rates as well. While speaking to the committee, Rachele Rocha expressed serious concerns with the affordability of electricity in her rural home. She questioned the delivery charges paid on electricity by saying “how do you live, paying an average bill of five-hundred-and-something dollars a month?”.

These energy rates are not increasing naturally over time. These rates are skyrocketing due to inefficient and poorly planned government policy. The PC Caucus urges the Minister to come forward with a detailed plan to reduce the overall impact of skyrocketing electricity rates, as can be seen in our final recommendations.

Healthcare:

The committee heard from a variety of patients, healthcare workers, and healthcare organizations during its consultations. All parties seemed to share similar concerns ranging from a government not willing to work with its doctors to a bloated and growing bureaucracy riddled with red tape.

The committee heard from the Ontario Medical Association and heard of the challenges being faced by the medical community due to the government cutting funding for front-line care and instead spending money on a new bureaucracy at the LHIN level, creating more red tape for patients.

The committee also heard similar concerns from Dr. Stephen Viherjoki and the London Health Coalition. Dr. Viherjoki told the committee “Doctors across the province are concerned about the choices the government is making in the health care system.” He goes on to say “right now in Ontario, we do not have a government that is willing to partner with doctors.” While the London Health Coalition spoke of growing surgery wait list times and London hospitals struggling to cope with government cuts.

The PC members of the committee have serious apprehensions on how the government is currently approaching healthcare issues. We strongly urge the government to put an end to its unwillingness to work with doctors, cancel the plans for its new bureaucracy, and commit to investing in frontline patient care.

Fiscal Strategies:

The Ontario PC Caucus has serious concerns with how the government will deliver on its promise to balance the budget. These concerns were shared by many of the organizations and individuals the committee met with.

Many expressed concerns with how the government would go about balancing its books. While at committee, the Toronto Region Board of Trade stated “Finally, the board remains concerned about the province’s fiscal outlook. While the government may be able to achieve its promised goal of a balanced budget in 2017-18, analysis from the Financial Accountability Office suggests that this may be only a temporary achievement. In the most recent outlook, the FAO forecasts that the province will run ever-increasing deficits from 2017 through 2021.”

Ben Eisen with the Fraser Institute warned of the seriousness of the fiscal challenges we continue to face. Ontario’s debt burden has grown considerably since 2007 and is expected to surpass \$300 billion next year. A balanced budget, whether artificially or not, does not mean the provincial economy is recovering. Ontario’s debt is projected to rise by \$64 billion over the next five years to \$370 billion.

The Ontario Public Service Employee Union stated, “In the time I have, I can’t talk about the impact of Liberal austerity on every service that my members provide, but I can tell you this: On the front lines of public services, there literally is nothing left to cut. So it was pretty alarming last week when the province’s Financial Accountability Office, which has previously criticized this government for throwing away money by privatizing Hydro One, indicated that the only way the budget can be balanced by next year is through cuts to health spending in the order of \$2.8 billion. This cannot happen.”

We strongly agree with the OPSEU; the government cannot continue its cuts and selling off of one-time assets in order to artificially balance the budget. We

encourage the Minister to work to achieve a balanced budget in a long-term sustainable way.

Conclusion:

Given what was stated above, the Ontario PC Caucus is concerned about the potential negative impact of the 2017-2018 budget. The government has shown a clear pattern of poor policy decisions, waste and mismanagement.

We encourage the Minister of Finance to make proper and evidence-based decisions to improve the province's fiscal and overall situation. These decisions should not be rushed and should not negatively affect the province.

Therefore, we have not only provided a dissenting opinion report but have also included a large set of recommendations – in their original form – for the Minister's consideration.

It is important to note that some of these recommendations were accepted by the Committee.

By acting on these recommendations the province can begin its path to restoring fiscal health and creating a budget that all of Ontario can be proud of.

PC Caucus Recommendations

1. The Minister of Finance commit in the 2017-2018 Budget to not increasing the provincial portion of the Gas Tax.
2. The Minister of Finance commit in the 2017-2018 Budget to not increasing personal income tax.
3. The Minister of Finance commit in the 2017-2018 Budget to not increasing the aviation fuel tax.
4. The Minister of Finance commit in the 2017-2018 Budget to not increasing the Harmonized Sales Tax.
5. The Minister of Finance commit in the 2017-2018 Budget to not increasing the Health Premium.
6. The Minister of Finance commit in the 2017-2018 Budget to not increasing the Business Education Tax.
7. The Minister of Finance commit in the 2017-2018 Budget to not increasing the Ontario Mining Tax.
8. The Minister of Finance commit in the 2017-2018 Budget to including stipulations for a full public cost benefit analysis of any future renewable energy projects in the province of Ontario.
9. The Minister of Finance commit in the 2017-2018 Budget to including a full breakdown of all federal to provincial transfer payments since the fiscal year 2003-2004.
10. The Minister of Finance commit in the 2017-2018 Budget to including a specific date for the completion of two-way all-day GO train service for each individual stop that GO trains service.
11. The Minister of Finance commit in the 2015-16 Budget to sharing gas tax revenue with all 444 Ontario municipalities.
12. The Minister of Finance commit in the 2017-2018 Budget to making Ontario's regulatory system more open and responsive.
13. The Minister of Finance commit in the 2017-2018 Budget to developing a targeted and coherent intergovernmental strategy for Ontario's manufacturing sector.
14. The Minister of Finance commit in the 2017-2018 Budget to improving the quality and availability of labour market information.
15. The Minister of Finance commit in the 2017-2018 Budget to modernizing Ontario's apprenticeship system and the regulation of skilled trades.
16. The Minister of Finance commit in the 2017-2018 Budget to reducing the regulatory burden in Ontario.

17. The Minister of Finance commit in the 2017-2018 Budget to reducing inter-provincial trade barriers.
18. The Minister of Finance commit in the 2017-2018 Budget to reforming joint and several liability in a way that will treat municipalities fairly.
19. The Minister of Finance commit in the 2017-2018 Budget to reviewing the OMPF funding formula and reforming it in a way that treats all municipalities fairly and adequately.
20. The Minister of Finance commit in the 2017-2018 Budget to breaking the stalemate in the Ring of Fire and beginning the process of developing the Ring of Fire as soon as possible.
21. The Minister of Finance commit in the 2017-2018 Budget to seizing on the tremendous potential of Northern Ontario in both forestry and mining.
22. The Minister of Finance commit in the 2017-2018 Budget to addressing the cost of skyrocketing residential hydro rates in Ontario.
23. The Minister of Finance commit in the 2017-2018 Budget to addressing the cost of skyrocketing industrial hydro rates in Ontario.
24. The Minister of Finance commit in the 2017-2018 Budget to reforming and publicly reporting on the progress of reforming hydro sector public pension plans as previously promised.
25. The Minister of Finance commit in the 2017-2018 Budget to including the legislatively mandated reports for the Fish and Wildlife Special Purpose Accounts dating back to and including the year 2010.
26. The Minister of Finance commit in the 2017-2018 Budget to a long term plan to keep demonstration schools open in the province of Ontario.
27. The Minister of Finance commit in the 2017-2018 Budget to not increasing the aviation fuel tax further.
28. The Minister of Finance commit in the 2017-2018 Budget to not increasing the provincial beer and wine tax rates.
29. The Minister of Finance commit in the 2017-2018 Budget to showing a fully detailed plan to reduce our net-debt-to-GDP ratio back to 27% as promised repeatedly.
30. The Minister of Finance commit in the 2017-2018 Budget to restoring the original budget promise of \$230 million of total financial contributions for the expansion of natural gas.
31. The Minister of Finance commit in the 2017-2018 Budget to instructing the Ontario Energy Board to list the cost of cap and trade as a separate line item on natural gas bills across the province.

32. The Minister of Finance commit in the 2017-2018 Budget to addressing the fact that Ontario is the most indebted sub-sovereign jurisdiction in the world, including a plan to combat the over \$300 billion debt.
33. The Minister of Finance commit in the 2017-2018 Budget to make any form of carbon pricing, including a cap and trade system, revenue neutral to the Ontario taxpayer.
34. The Minister of Finance commit in the 2017-2018 Budget to having the Independent Electricity System Operator publicly report on the components that make up the Global Adjustment on electricity bills, both residential and industrial, including the yearly cost associated with each component of the Global Adjustment.
35. The Minister of Finance commit in the 2017-2018 Budget to ending the Debt Retirement Charge a year early, given more than enough money has been collected to pay off the debt it was intended to retire.
36. The Minister of Finance commit in the 2017-2018 Budget to not raising user fees for the people of Ontario including, but not limited to: driver's license fees, camping fees, hunting fees, fishing fees, and vehicle registration fees.
37. The Minister of Finance commit in the 2017-2018 Budget to not implementing road tolls on any existing infrastructure in Ontario.
38. The Minister of Finance commit in the 2017-2018 Budget to addressing the shortage of Francophone teachers in the province of Ontario.
39. The Minister of Finance commit in the 2017-2018 Budget to adequately funding treatment services for children with autism.
40. The Minister of Finance commit in the 2017-2018 Budget to reviewing the Government's species at risk policies and enacting reforms to strike a fairer balance between environmental protection and necessary Northern economic activity, like forestry.
41. The Minister of Finance commit in the 2017-2018 Budget to adequately address issues of safe drinking water on First Nations reserves.
42. The Minister of Finance commit in the 2017-2018 Budget to take adequate steps to address issues relating to on-site electricity generation using diesel on First Nations reserves.
43. The Minister of Finance commit in the 2017-2018 Budget to providing adequate youth mental health resources on First Nations reserves.