

Legislative  
Assembly  
of Ontario



Assemblée  
législative  
de l'Ontario

# STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

**PRE-BUDGET CONSULTATION 2015**

1<sup>st</sup> Session, 41<sup>st</sup> 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 and commends it to the House.

Soo Wong, MPP  
Chair of the Committee

Queen's Park  
April 2015

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS  
COMITÉ PERMANENT DES FINANCES ET DES AFFAIRES ÉCONOMIQUES  
Toronto, Ontario M7A 1A2

STANDING COMMITTEE ON FINANCE AND ECONOMIC  
AFFAIRS  
MEMBERSHIP LIST

1<sup>st</sup> Session, 41<sup>st</sup> Parliament

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## INTRODUCTION

The Standing Committee on Finance and Economic Affairs conducted its pre-Budget hearings in January 2015 in Fort Frances, Sudbury, Ottawa, Cornwall, Fort Erie, London, and for two days in Toronto at Queen's Park.

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

In total, 168 witnesses appeared before the Committee during the hearings in January. In addition, about 155 written submissions were received from interested individuals and groups who did not appear before the Committee.

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

This report is an overview of the main issues raised by presenters during the pre-Budget consultation. Details of submissions by witnesses and their responses to questions by Committee Members can be found in the *Hansard* of the Committee's Proceedings. A list of witnesses, as well as the organizations and individuals from whom briefs were received, appears at the end of the report.

## THE ECONOMY

### Economic Outlook

The Ministry of Finance's fall *2014 Ontario Economic Outlook and Fiscal Review* (Economic Outlook) indicates that despite a challenging global economic environment, "there are positive signs that Ontario's economic expansion is gaining momentum . . . supported by a resurgent US economy." In 2014, solid gains were posted by major economic indicators, including real gross domestic product (GDP), exports, and household consumption.

The Ministry of Finance (MOF) is projecting Ontario's real GDP will grow 1.9% in 2014, and 2.4% annually over the 2015-17 period. This compares to an average private-sector forecast of 2.0% in 2014 and 2.5% annually over the 2015-17 period. Recent developments in the economy—such as falling crude oil prices and a lower Canadian dollar—have caused some forecasters to adjust their projections. Since the release of the Economic Outlook, four of the "big five" banks—the lone exception being the CIBC—have revised their 2014 GDP forecasts upwards, albeit modestly.

In 2014 employment gains in Ontario amounted to 37,700 net new jobs or 0.6%, and the unemployment rate declined from 7.7% to 7.0% over the course of the year. The MOF expects employment growth to pick up in 2015 alongside improving output growth and business confidence; employment is forecast to rise by 90,000 jobs or 1.3% in 2015 and increase by an average of 103,000 jobs or 1.4% annually in 2016 and 2017.

Although Ontario exporters have increasingly looked elsewhere to market their

products, the United States remains Ontario's largest trading partner. Solid growth across many key sectors in the US is expected to generate strong demand for Ontario exports. In 2014 US employment gains averaged 260,000 jobs per month, which has supported stronger household consumption. US motor vehicle sales rose 5.8% to 16.4 million units in 2014, their highest level since 2006, and the MOF projects a further increase of 2.4% in 2015. Other key US sectors, including residential construction and industrial production, are also expected to perform strongly over the next few years. Overall, the MOF expects Ontario's exports—in real terms—to increase by 3.6% in 2014 and by an average of 3.7% between 2015 and 2017.

Rising supply and softer global demand caused crude oil prices (using the West Texas Intermediate [WTI] price as the benchmark) to fall substantially during the second half of 2014, from \$107 per barrel in mid-June 2014 to below \$45 per barrel by the end of January 2015. The downward pressure on crude oil prices could persist if supply growth, especially in the United States, remains strong. In 2014 monthly US oil production surged to its highest levels since 1986 and is expected to increase further in 2015. Significantly lower oil prices, if sustained, are expected to provide a net boost to Ontario's economy.

The Canadian dollar depreciated against the US dollar throughout much of 2014, falling from around 94 cents US at the beginning of the year to 86 cents US by year-end. More recently (early February 2015), the Canadian dollar has been trading near 80 cents US. The Canadian dollar has been impacted by the relative strength of the US economy and US monetary policy. As a result of a rebounding US economy, coupled with the expiration of its monetary stimulus program—known as quantitative easing—the US dollar has appreciated against many currencies. Slow global economic growth has lowered commodity prices, further weakening the Canadian dollar. A lower Canadian dollar is expected to stimulate growth in Ontario exports as goods become cheaper when priced in US dollars.

The Bank of Canada (the Bank) has recently lowered its key policy rate to 0.75% (from 1.0%), the first change to the target for the overnight rate since September 2010. In its January 2015 *Monetary Policy Report*, the Bank judges that “the risks to the projected path for inflation [which the Bank targets at 2%] are roughly balanced.” According to the MOF, the yield on three-month Canadian treasury bills is expected to average 1.2% in 2015, up from 0.9% in 2014, and is forecast to climb to 2.0% in 2016 and 3.0% cent by 2017.

Many market observers suggest that interest rates in advanced economies could remain lower for an extended period of time. The MOF expects the yield on 10-year Government of Canada bonds to average 2.9% in 2015, up from 2.2% in 2014. Yields are projected to increase to 3.5% in 2016 and to 4.2% by 2017.

## **Fiscal Situation**

The Ontario government has targeted eliminating the deficit by 2017-18. The deficit was \$10.5 billion in 2013-14 and is forecast to rise to \$12.5 billion in 2014-15. The MOF notes that in spite of a challenging global economic environment, there are positive signs for renewed economic growth.

In the Economic Outlook, the province's revenue projection for 2014-15 has been revised downward (as compared to the 2014 Budget) to \$118.4 billion, mainly due to a lower-than-projected level of tax revenue. Expenses have also been revised downward to \$130.2 billion for 2014-15, due largely to a lower-than-

expected interest on debt expense.

Net provincial debt (the difference between liabilities and financial assets) was \$267.2 billion in 2013-14 and is forecast to rise every year over the medium term, reaching \$322.5 billion by 2017-18. The province's net debt-to-GDP ratio stood at 38.4% in 2013-14 and is expected to peak at 40.4% in 2015-16 before declining to 39.4% by 2017-18. The government continues to maintain a target of reducing Ontario's net debt-to-GDP ratio to its pre-recession level of 27%.

## **MINISTRY OF FINANCE/TREASURY BOARD SECRETARIAT**

### **Fiscal Strategies**

Calls to balance the budget and reduce the debt came from some in industry, as well as from some citizens and chambers of commerce. Proposed strategies included restraining public sector growth, reviving balanced budget legislation, legislating annual debt reduction measures, improving the efficiency of government programs, and instituting alternate delivery of public services through partnerships with the private sector. The Canadian Taxpayers Federation advised the Ministry to permanently cap spending at 1% below the growth rate in provincial GDP.

Other witnesses were more concerned with maintaining public services. Neighbourhood Legal Services urged the Ministry not to balance the budget at the expense of the poor by reducing much-needed resources and programs. Another suggestion was to delay the balanced budget deadline while finding new sources of revenue.

The need for a more progressive tax system was raised by the Registered Nurses Association, which is opposed to tax cuts and seeks sufficient fiscal capacity to deliver essential health, social, and environmental services. The Committee also heard that such a tax policy is required to maintain infrastructure. The Income Security Advocacy Centre said that Ontario has the lowest government expenditure per capita in Canada and recommended significant investments to address poverty reduction effectively and enhance income security.

### **Tax Policy**

The Chemistry Industry Association asked that the manufacturing tax rate remain at 10%, and that the province match any move by the federal government to extend the accelerated capital cost allowance provisions on manufacturing machinery. CUPE advised increasing the corporate tax rate to 14% (the 2010 level) from the current 11.5%, and restoring the capital tax to 0.3% and 0.9% for general and financial corporations, respectively. To help balance the budget, the union also called for the elimination of corporate deductions for meals and entertainment expenses, the exemption from the employer health tax on the first \$450,000 of payroll, the lower rate of tax on capital gains for individuals and corporations, and the tax preference for stock options.

Canadian Manufacturers & Exporters recommended that property tax rates for manufacturing and industrial facilities be reduced to those of commercial establishments wherever disparities exist, and that MPAC assessments consider comparable properties outside of North America, to help keep Ontario manufacturers competitive. Some northern Ontario municipalities are concerned

that MPAC is shifting taxes from industrial rate payers to residential property tax payers, which can bankrupt small communities in the north.

The government was requested by the Municipality of Brooke-Alviston to set the rate of the assessed value for wind turbines at \$3 million per turbine, and to consider the re-introduction of property taxation for power dams.

The Dundas Federation of Agriculture asked the government to amend the eligibility requirements under the Farm Property Class Tax Rate Program, as stated in Regulation 282/98, to accept those missing a Farm Business Registration (FBR) in the previous year into the program without the property owner going through the appeal process.

The Air Transport Association of Canada and the National Airlines Council of Canada told the Committee that the increase in the aviation fuel tax introduced in last year's budget is making the industry uncompetitive; Ontario has the highest aviation tax among neighbouring jurisdictions. Along with a representative of the Canadian Owners and Pilots Association, they recommended deferring the further phase-in of tax increases, which would result in higher costs for essentials and health care in remote communities.

The industry organization for bioscience recommended making tax credits available for capital gains incurred by individual investors in private companies, for contract research commissioned by and conducted for Ontario-based companies, and for research and development wages. They opposed replacing the research and development tax credits with a program that only rewards incremental research and development spending.

## HARMONIZED SALES TAX

Policy makers were urged by Robert Armstrong to treat home care and related medical support services as health care, thereby exempting them from HST. Neighbourhood Legal Services proposed a modest increase in the HST, provided that protection is built into the income tax rebate system to protect very low income individuals and families. Both the Canadian Manufacturers and Exporters Association and the Retail Council of Canada argued for the elimination of restrictions on the HST input tax credit. In contrast, CUPE sought suspension of the phase-in of HST input tax credits for large businesses, energy, telecom, and meals and entertainment. The Committee was told by the Investment Funds Institute that the HST more than doubled the tax paid by Ontario mutual fund investors on the management expense ratio charged by Canadian mutual funds.

## OTHER TAXES AND TAX CREDITS

Anthony Raymond advocated tax increases for those earning more than \$100,000 in taxable income, and a reduction in rates for those earning less than \$40,000. The Ontario Graduate Students Alliance asked for a one-time tax credit equivalent to a 25% refund on eligible information technology purchases up to a maximum of \$4,000. Home builders' associations proposed a home renovation tax credit to combat the underground economy in home renovations.

The Ministry was advised by Neighbourhood Legal Services to increase the provincial gas tax while the price of gas is below a certain level and by the Canadian Cancer Society to raise the tobacco tax in order to lower smoking rates and save lives. The Ontario Real Estate Association urged the Ministry to reject a municipal land transfer tax as a new revenue tool for municipalities, and

requested fair treatment for real estate organizations when it comes to forming personal real estate corporations. The Ontario Federation of Agriculture wanted the province to ensure that farm families with established family farm corporations prior to any farmland transfer would benefit from the land transfer tax exemption.

A new tax was proposed by CUPE on financial services, similar to the one in Quebec, while FilmOntario asked for protection of the film industry's tax credits. The Committee heard a proposal from Apprentice LMS Ltd. to apply the apprenticeship training tax credit to information technology technical support agents for a maximum of 24 months with the employer being eligible to collect upon the completion of level 1 exams.

Fuel Industries wants the Ministry to examine the scope of the Ontario Interactive Digital Media Tax Credit (which has contributed to the industry's growth of 40% since 2007), currently under review, to ensure it targets intended groups, as there have been instances of manufacturing and financial service companies qualifying. Additionally, it was suggested that the application process be made more efficient, especially regarding the length of time it takes to claim and receive the tax credit, and the need for established partners to prove themselves with each new project.

## **Other Matters**

### **PENSION REFORM**

The Canadian Federation of Independent Business urged the government not to proceed with a mandatory Ontario Retirement Pension Plan (ORPP). Failing that, they recommended that the Plan be made voluntary or an exemption be made for employers with RRSPs, group RRSPs, PRPPs, or defined contribution pension plans that meet the goals of the ORPP. The Federation recommended that the ORPP minimum earnings threshold be \$30,000 and that smaller firms with fewer than 20 employees be exempted from the Plan. CUPE held a different position, calling for the ORPP to be made universal.

The Dundas Federation of Agriculture asked that the ORPP not create a disincentive for hiring and retaining employees, while the Municipality of Brooke-Alviston labelled the ORPP a tax opposed by rural Ontario. Flight schools asked to be exempted from the ORPP, noting that they were small operators who could not afford what they believed would result in a 4% increase in wage costs. The Ontario Restaurant Hotel and Motel Association calculated that the plan would result in a 1.9% cost increase, leading to restraint in the hiring of younger workers. The Retail Council of Canada said that ORPP implementation details would be critical for the retail sector.

The Greater Kitchener Waterloo Chamber of Commerce sought to defer introduction of the ORPP pending an analysis of its impact on foreign direct investment, job creation, and Ontario's competitiveness; while the Investment Funds Institute and Primerica expressed concern that the Plan would force Ontarians to contribute less to private savings and more to government mandated savings, even if it is not in their best interests. Canadian Manufacturers & Exporters asked for a less prescriptive approach to retirement income security. They advised the government that if it goes ahead with the current model, it should implement offsets equal to or greater than the additional cost to employers, in order to avoid adverse economic impacts. Examples of offsets included tax credits, regulatory burden reductions, or maintenance of the

small business deduction on corporate taxes.

Legislation creating uniform criteria for all public sector pension plans was called for by Pierre Drouin, along with an annual reduction of the employer contribution rate until it reaches 5%, for a maximum of 25 years. The Committee was advised through a written submission from Trillium Housing that pension plans funded by the province should be encouraged to invest a percentage of their portfolios in socially and environmentally positive opportunities in Ontario.

Professor Ian Lee from the Sprott School of Business at Carleton University argued that there is no justification for the ORPP as there is sufficient retirement income for the bottom 40% of the population. He added that the plan does not actually address low-income Canadians because for those who receive the Guaranteed Income Supplement (GIS), there will be what Professor Lee described as a GIS “claw back,” \$1 for \$1, from every future ORPP dollar that they receive.

### THE LCBO AND THE BEER STORE

The union representing workers at the Beer Stores indicated that the sale of 12- and 24-packs is central to the livelihood of 6,000 union members. The union opposes transfer of these products to the LCBO, on the grounds that such a transfer would increase the price of beer, but not government revenues. The Committee was informed by the union that while craft beers have equal access to the 447-store distribution system of the Beer Store, the LCBO has no mandate to provide retail access to all qualified brands, with the result that smaller craft beers would be squeezed off of the LCBO’s shelves. Labatt Breweries of Canada wants the LCBO to increase its share of locally-made beer.

The company told the Committee that if the government were to tax the Beer Store, an unintended result will be that locally brewed beer would be subject to greater taxes than beer brewed by other companies in other countries. Canada’s National Brewers want the Ministry to consider the facts on how the Beer Store operates, including recent changes to create a more inclusive and representative ownership structure. The association representing convenience stores told the Committee that the province would generate more revenue by allowing convenience stores to use the LCBO as their wholesaler, as they can provide more access points for LCBO products.

Noting that three non-VQA authorized wineries in Lambton County are unable to sell their product at farmers’ markets because only VQA wines may be sold there, the Municipality of Brooke-Alvinston asked for this to be changed.

### ANTI-SMOKING MEASURES

The National Coalition Against Contraband Tobacco and others advised the Ministry that a ban on menthol tobacco announced in November will be a boon to the illegal tobacco industry unless action is taken against contraband products. They called for stronger enforcement and measures to increase public awareness in areas where contraband sales and use are prevalent. They recommended the introduction of new anti-contraband tobacco enforcement measures similar to those in Quebec, where municipal police forces are able to investigate and prosecute contraband tobacco offences. New regulations governing raw leaf tobacco were described by the coalition as a first step in curbing the manufacturing of illegal cigarettes. Additional regulations for other manufacturing components such as filters (acetate tow) or manufacturing

machines were proposed. The Ontario Convenience Stores Association recommended additions to the *Smoke-Free Ontario Act* to prevent youth access to tobacco, but were concerned that provisions in Bill 45, the *Making Healthier Choices Act, 2014* will bolster the market for illegal tobacco. The passage and implementation of Bill 45 and a public education campaign on contraband tobacco were supported by the Canadian Cancer Society. Imperial Tobacco asked the government to recognize the negative impact of excessive taxation of tobacco products on contraband and to avoid any further tax shocks.

## CARBON TAX

The Chemistry Industry Association of Canada and some representatives from the aviation industry oppose carbon taxes, in light of competitive challenges they currently face. CEM Engineering, also opposed to these taxes, recommended that if they proceed, the government should exempt customers generating less than 10 MW of electricity for their own use, providing the efficiency of natural gas utilization exceeds 65% on an annualized basis. Trillium Automobile Dealers Association asked that the carbon tax be parked, while Canadian Manufacturers & Exporters asked to be consulted, in order to avoid unintended consequences for the economy. Michael Fragomele stated that a carbon tax should target the energy sector, the greatest contributor to greenhouse gases.

## HST EVASION

The underground economy in the renovation sector, facilitated by cash payments, is viewed as a serious problem by homebuilders associations in Sudbury, Ottawa and Niagara. To deal with the issue they want to work with inter-ministerial taskforces or stakeholder groups, and they proposed a consumer-focused tax credit similar to the federal government's "home renovation tax credit." They also recommended information sharing across ministries to detect those operating in the underground economy, and a province-wide campaign highlighting the risks to the health and safety of workers and shoddy workmanship brought about by such activity.

FirstOntario Credit Union and Central 1 Credit Union pointed out that they are focused on supporting their members and giving back to their local communities. They asked the Ministry to increase their deposit insurance limit to \$250,000 per member, at no cost to taxpayers. The increase, which brings the limit to the North American average, would level the playing field with banks. They also asked that their tax rate be maintained (because they are capitalized differently than banks). Trillium Housing recommended expanding the language in the *Credit Unions and Caisses Populaires Act, 1994* by adding "and their community" to "its business is carried on primarily for the benefit of its members."

The Canadian Automobile Association sought assurance from the Ministry that there will be a fair and equitable system for towing set out in the regulations to Bill 15, the *Fighting Fraud and Reducing Automobile Insurance Rates Act, 2014*. The Ontario Trial Lawyers Association suggested to the Committee that the Ministry is using unreliable data on the auto insurance sector and stated that there is no value to the accident benefit product except for the 500-600 people who are catastrophically injured each year.

Oliver Publishing Inc. wants the government to recognize licence training for the professions as a key component of its labour strategy. It asked the government to delay the entry of the Financial Service Commission of Ontario into the financial services market as an educator, pending completion of the Minister's

expert committee on the adequacy of regulations and proficiency standards for financial planners.

The province was urged by Neighbourhood Legal Services to lobby the federal government to increase the Child Tax Benefit and to make necessary changes to strengthen and expand the Working Income Tax Benefit.

The Ontario Home Builders Association indicated support for extending the gas tax rebate to all municipalities providing it assists economic growth opportunities for municipalities.

## **OTHER MINISTRIES**

### **ABORIGINAL AFFAIRS**

Additional funding was sought by the Couchiching First Nation for schools that educate large populations of First Nation children to assist them in completing their studies and to provide the best education for all students in Northwestern Ontario, which would assist with economic development. The Committee was informed by the First Nation that the 2012 Keewatin decision of the Supreme Court of Canada provides some clarity to Treaty 3 communities surrounding the province's role in accommodating the treaty's rights. The government was asked to consult before making changes in policing and health, and to make available more resources for the police services and others within the justice system.

The province was asked by the Couchiching First Nation to facilitate First Nations' occupation of the land, rather than over-regulate the process, and to engage in more resource development dialogue. The First Nation told the Committee that it should not have to turn to lobbyists to attract the province's attention when negotiating on energy contracts or other matters and the province's assistance was requested in putting First Nations issues' on the federal investment agenda. With a \$5 million annual funding gap, partially offset by \$950,000 in Ontario lottery funding, the Couchiching First Nation underlined a need for local industry jobs and indicated that provincial services, particularly daycare, are underfunded. The province was encouraged by the Rainy River District Social Services Administration Board to meet the needs of Aboriginal people living off reserve.

### **AGRICULTURE, FOOD AND RURAL AFFAIRS**

The Ontario Federation of Agriculture (OFA) wants the fundamental precepts of the Open for Business strategy to be embraced in all government actions in order to reduce the deficit and meet the Premier's Agri-Food Growth Challenge targets. The OFA and the Rainy River Federation of Agriculture recommended an immediate funding increase of \$50 million for agricultural research (bringing the total up to \$150 million per year), to provide more adequate risk management capacity. They asked the government to continue its efforts to have the federal government support the Risk Management Program (RMP); to develop knowledge and technology transfer processes between the Ministry and the farm community; and to provide assistance to grow matching funds from farmers and farm organizations for research programs.

The Committee was told by the Winery and Grower Alliance of Ontario that more jobs and investments in the Ontario wine and grape industry will result in new

sustainable government revenues. To achieve this, The Ministry was asked to support the sector by leveraging the LCBO and its large network of staff and management. Any increases in the minimum prices of wine and across the board mark-ups should impact domestic and imported wines in the same manner, so the competitiveness of Ontario wines is not affected. The Wine Council of Ontario asked that Government programs and oversight concerning VQA and vintners be consolidated within one ministry (preferably OMAFRA). The Council asked that support programs for VQA be made permanent, and that the province allow private wine retail stores that are trade compliant.

According to Food and Beverage Ontario, some of the government's assistance in leveraging opportunities for the food and beverage processing industry should be in the form of tax credits, rather than government grants. The Ontario Craft Cider Association wanted a level playing field with the Ontario craft breweries through the implementation of a program similar to the Ontario Microbrewery Strategy.

Farmer Kim Jo Bliss from Northern Ontario asked that the requirement for abattoirs to remove specified risk material to prevent bovine spongiform encephalopathy be eliminated.

## **ATTORNEY GENERAL**

The John Howard Society made a number of requests beginning with a commitment by the Ministry to work with community partners on the development of an inter-ministerial strategy to improve the administration of bail and reduce remand rates. They also recommended an investment in pilot projects at selected courthouses to apply "ladder of release" and other key evidence-based bail report recommendations, including expansion of support for the Bail Verification and Supervision Programs and transitional housing funding for those being released from provincial detention centres awaiting trial who could be safely released on bail, if they had a fixed address.

The United Counties of Stormont, Dundas and Glengarry consider Bill 31, *The Transportation Statute Law Amendment Act* as a positive step that will assist municipalities in collecting fines imposed on offenders at no cost to the province. To this end, the counties also recommended collaboration with the federal and municipal governments to develop other means of reducing the number and amount of defaulted *Provincial Offenses Act* fines.

## **CHILDREN AND YOUTH SERVICES**

The Committee was asked by Neighbourhood Legal Services to implement the recommendation from the 2012 social assistance review that child support received by those on social assistance be deducted at a rate of 50% (instead of the current 100%). They also asked for accelerated progress toward the goal of reducing child poverty by 25%, and a focus on paid work (rather than self-employment) for the Youth Jobs Strategy.

The Ontario Association of Children's Aid Societies requested accelerated implementation of the new funding model for agencies entitled to significant increases and a review of the impact of the model on service delivery in the north, including the availability of services to support children and families in the north. The Committee heard from the Association that Aboriginal children's aid societies cannot manage within the new model and a new strategy is needed

from the Ministry.

Additionally, the Association argued that subsidies are needed to support adoption as an option for youth up to the age of 21, for the cost of providing protection services for 16 and 17 year olds, and to enable families to adopt older youth and children with exceptional needs.

## **COMMUNITY AND SOCIAL SERVICES**

Seaway Valley Community Health Centre asked the province to continue investment in Ontario's Poverty Reduction Strategy, drawing on the social determinants of health in developing policy and prioritizing investments. They also requested the Ministry to extend public dental programs to cover low income adults and seniors. The Association of Ontario Health Centres sought increases to social assistance rates, the minimum wage (recommending an increase to \$15 an hour), and the Ontario Child Benefit. It also supported universal Pharmacare and advocated for a plan to end homelessness. Two options put forward were to make an immediate, monthly payment of \$100 for each adult receiving assistance, or improve rates to reflect the actual cost of living as determined by an expert review panel including representation from those with lived experience. The Social Assistance Reform Network of Niagara and others called for investments in dental, drug and vision care for low income workers.

The House of Lazarus, an outreach mission, testified that the costs of transportation and hydro, and food security are major concerns in rural communities, and suggested a financial supplement for food for those on a fixed income or below the poverty line. The Social Development Council of Cornwall & Area asked the Ministry to consider the expectations placed on poverty reduction initiatives in relation to funding, and recommended sustainable funding for place-based initiatives developed by social planning councils.

## **ODSP**

The ODSP Action Coalition and numerous supporters urged the government to provide a \$100 increase in amounts paid to social assistance recipients to allow the purchase of healthy food, shelter and rent. Additionally, the coalition urged a reversal of the proposed cut to the work-related benefit of \$100 per month for Ontario Disability Support Program (ODSP) recipients and their adult dependents with earnings from employment or self-employment.

The government was asked by Jennifer Eastham, a volunteer with the Canadian Mental Health Association (Ottawa) to restore the funds taken by cuts to the Special Diet Allowance and the Community Start Up and Maintenance Benefit, and by the Association to restore vision benefits as well as disability related supplies and assistive devices formerly provided under ODSP. Some ODSP recipients proposed an expert panel (with participation by recipients) to advise on appropriate criteria for determining the level of income support for Ontario Works (OW) and ODSP. And in some cases, program recipients indicated, a 25% increase in ODSP is needed to bring its purchasing power up to 1993 levels; they also asked for transportation funding.

Jennifer Eastham said that she is unable to turn the electricity on during the day due to the high rates. She described a situation where some months she pays rent and hydro first, and has little leftover to pay for food and advised the Committee that cuts to the transitional health benefit will force her to stop

physiotherapy for her back issue, which she felt would worsen and end up costing the (health care) system in the long run. Ms. Eastham told the Committee that the cuts in the Special Diet Allowance have made it difficult for those with conditions such as leukemia, hyperglycemia, diabetes, and lactose intolerance to obtain the right types of food. As a result many end up in hospital, which also raises the cost of health care.

## DEVELOPMENTAL DISABILITIES

In partnership with and supporting those with developmental disabilities, the government was asked by the Hub for Beyond 21 Foundation to implement a stable funding platform (outside of its funding to Developmental Services Ontario). Among other things, this could assist caregivers with a comprehensive respite care system and provide day support services and long term employment supports for the developmentally disabled. Community Living Ontario sought assurance that new funds promised by the government, would flow as planned and be used effectively. The Income Security Advocacy Centre asked for an end to the practice of limiting benefit increases to only certain members of the benefit unit and for an efficient process for medical reviews.

## OTHER

The Ministry was asked by Neighbourhood Legal Services to restore the Community Start-up and Maintenance Benefit funding for municipalities, and to provide one-time capital fund announcements made in the areas of poverty reduction and homelessness as soon as possible. Building Hope Saving Lives, an initiative to create a new home to replace a 99-year-old single family home, requested a one-time capital allocation of \$1.93 million.

Northwest Community Legal Clinic stated that resolving the implementation problems with the Social Assistance Management System (SAMS) is crucial. It was recommended that the Ministry work closely with service providers to hear what the issues are and follow up with repairs to the current platform or design an alternative. The Ontario Municipal Social Services Association raised a number of issues in connection with SAMS implementation. The Ministry, it was suggested, needs to have a realistic understanding of the expectations and demands on the staff of Consolidated Municipal Service Managers and District Social Services Administration Boards.

Transparent reporting of Family Responsibility Office finances, more employee training, smaller caseloads, and an adequate skip trace program were recommended to the Committee by Carmina Falkiner. DeafBlind Ontario Services asked to be exempted from new funding guidelines and for increased funding for intervenor services.

## **COMMUNITY SAFETY AND CORRECTIONAL SERVICES**

The fairness of the 3%, 6%, and 9% recognition pay bonus being received by all police and fire department personnel was questioned by the mayor of Cobourg, who noted that what started out as incentive pay is now universal.

## **ECONOMIC DEVELOPMENT, EMPLOYMENT AND INFRASTRUCTURE**

### INFRASTRUCTURE

The Municipal Engineers Association requested predictable multi-year funding to

assist municipalities in addressing infrastructure needs. It asked the Ministry to take timelines for infrastructure project planning, design and construction into consideration when structuring grant program criteria. In addition, the association recommended knowledge transfer to aid municipalities in developing and implementing asset management plans and flexible funding solutions while recognizing the unique financial challenges facing each municipality.

The Ontario Society of Professional Engineers support the continuation of over \$130 billion in infrastructure investment but cautioned that the intersection of climate change and public infrastructure is a critical issue that cannot be ignored by policy makers. The Consulting Engineers of Ontario stated that assurances have been provided by Ministers Murray and Duguid that the wording in Bill 6, the *Infrastructure for Jobs and Prosperity Act, 2014* will be changed to include engineers.

Fort Frances, a gateway community to the United States, urged the province to re-establish the Connecting Link Program, which enabled the town to maintain a vital local link to the provincial highway network at acceptable and safe standards, with 90% government funding. The Northwestern Ontario Municipal Association (NOMA) asked the government to recognize that small northern communities face limits in terms of generating revenue to pay for their share of large infrastructure projects and capital purchases. The Ministry was advised to include rural transportation in infrastructure investment.

The Committee heard from the United Counties of Stormont, Dundas and Glengarry that the permanent \$100 million Ontario Community Infrastructure Fund is great news for smaller communities without public transit. They recommended that the province emulate the process developed by the federal government and administered by the Association of Municipalities of Ontario (AMO), for the disbursement of infrastructure funds.

The Township of Dawn-Euphemia told the Committee that the current infrastructure funding model tends to support the rehabilitation and replacement of existing infrastructure, while ignoring new municipal infrastructure needs. The Committee heard from the Sudbury & District Home Builders Association that a key priority should be the expansion of core infrastructure including roads, bridges, transit, water and waste water, and it was recommended that there be better coordination of investment among all levels of government. The Provincial Building and Trades Council considers it imperative that all three levels of government continue to invest in infrastructure in Ontario; they argue that the federal government must share some responsibility for the infrastructure deficit.

The Ontario Construction Secretariat said that it is too early to slow capital investments in order to address the provincial deficit. The Progressive Contractors Association of Canada sought an increase in dedicated funding for infrastructure projects, especially in southern and southwest Ontario. Cement industry representatives asked the Ministry to use life cycle assessment, which properly accounts for capital and maintenance, when evaluating investment in infrastructure. They acknowledged that the province has been doing a monumental job in addressing the infrastructure gap.

The Ontario Good Roads Association wants the Ministry to standardize asset management plans using the Municipal Infrastructure Data Standard and to replicate the Municipal Bridge Data Collection Program for other prioritized asset classes. The Ontario Undergraduate Student Alliance asked the Ministry to bring

investments for deferred maintenance up to a level of at least 1.5 % of the current replacement value of all infrastructure. Additionally, the alliance wanted infrastructure funding extended to spaces associated with student support and services, health services, residences, and other “non-academic” spaces. The Federation of Urban Neighbourhoods of Ontario supported continued provincial investment in core infrastructure but wanted increased funding for urban areas, with an emphasis on “green” infrastructure.

The Ontario Chamber of Commerce asked the Ministry to leverage the power of Alternative Financing and Procurement (AFP) as it undertakes \$130 billion in infrastructure spending over the next 10 years. The Registered Nurses of Ontario called for a moratorium on Public-Private Partnerships (P3s), while CUPE is also opposed to P3s and AFPs, calling them failed models. The Consulting Engineers of Ontario supported the adoption of the qualifications-based selection procurement model and also asked for core infrastructure investment protected by dedicated revenue streams.

## OTHER

The province was urged by the Thunder Bay Chamber of Commerce to continue investments in Northwestern Ontario’s health research sector. The House of Lazarus informed the Committee that rural communities are in need of gainful employment opportunities through collaboration between governments and corporations. The Dundas Federation of Agriculture wanted rural communities to have access to a range and quality of services similar to their urban counterparts.

According to the City of London, investment in key and emerging sectors is the route to fostering job creation. The city sought continued investment in advanced research and its commercialization, coupled with efforts to ensure that the benefits of research funds are shared across the province. A request was made by the city to enhance the Southwestern Ontario Development Fund, and another by the Chemistry Industry Association of Canada for recognition of the bio-hybrid chemistry cluster in Sarnia as a key industry sector, in accordance with the *Better Business Climate Act, 2014*. The Canadian Manufacturers & Exporters, seeking to revitalize the province’s manufacturing sector, recommended the adoption of a consultation approach that seeks input from stakeholders at the policy development stage. Futurpreneur Canada wanted the province to reinvest in a partnership, by providing \$500,000 over two years for the company’s plans to assist young entrepreneurs in taking over small businesses from retiring owners.

## EDUCATION

### FUNDING AND CLASS SIZE

The Ontario English Catholic Teachers Association asked the Ministry for funds to cover cost increases, improve programs, compensate teachers and education workers, and provide classroom resources. The Association advised the Ministry to link funding as much as possible to teacher-directed classroom initiatives.

The Ministry was asked by the Ontario English Catholic Teachers Association to fund adult and continuing education credit courses at the same level as regular day school credit courses and to ensure funding and access to English language learning programs. Additional recommendations made by the Association included amending funding and class size regulations to eliminate the kindergarten-grade 1 combined classes, limiting full-day kindergarten classrooms to 20 students. The Committee also heard that amendments to the Grants for

Student Needs and the class size regulation are needed in order to include partially integrated special education students in the count for class size.

Pierre Drouin, appearing before the Committee, recommended that the pay grid system be respected, the new two-level pay system be phased in in September 2015, and that junior kindergarten classes be staffed exclusively with early childhood educators. Regarding the pay grid system Mr. Drouin gave the example of his teaching assignment: he could be qualified as category three in history by the Qualifications Evaluation Council of Ontario, but he teaches mathematics, an area in which he is not qualified.

## EARLY CHILDHOOD AND SPECIAL EDUCATION

A recommendation was made by the Catholic Teachers Association to increase the student number threshold for an early childhood educator in a full-day kindergarten classroom to 20, and to ensure there is a teacher and an early childhood educator in the classroom at all times during the instructional period.

Speaking to the closures of child care centres and the shortages of spaces, the Ontario Coalition for Better Child Care, advocating for universal public and non-profit early childhood education, said that there are regulated spaces for only 20% of children up to the age of five. It said that there have been many closures of college child care programs and a shrinking number of public child care spaces. In this context, it asked the Ministry to provide a \$300 million fund annualized to address the immediate crisis and \$100 million for the shortfall of child care spaces. The Catholic Teachers' Association recommended that the Ministry invest in universal, publicly funded and regulated not-for-profit child care services.

The Committee was told by the Association that removal of the cap on the Special Incidence Portion (SIP) of the Special Education Grants is necessary, as is adjusting the SIP for inflation. Additionally the Ministry was asked to establish clear benchmarks for the caseloads of special education teachers and re-establish the weighting factor as a component of the SIP funding.

## OTHER

The need for measures that provide a safe school environment for all students, teachers and education workers was identified by the Catholic Teachers Association during the hearings along with requests for continued funding for bullying-prevention training and programs, and for professional development for teachers and education workers. Strategies to address the health and safety of LGBTQ students in schools were requested.

The Committee heard from the Association that credit-based courses should be delivered by teachers who are members of the bargaining unit under the same legislative and contractual terms and conditions of work as regular day school teachers. It also asked the government to expand (or develop new) retraining programs to assist displaced workers.

## ENERGY

### ELECTRICITY RATES

Some representatives from industry, chambers of commerce, and individuals sought the restoration of competitive electricity rates, some noting that HST and

delivery fees pose a significant financial stress for businesses, those living in poverty, and for seniors, while others pointed to the negative impact on the economy. The Canadian Federation of Independent Business noted increased electricity rates and the Canadian Manufacturers & Exporters sought a reduction in the cost of the electricity system by increasing capacity utilization.

The Ministry describes the Northern Industrial Electricity Rate (NIER) program as one which assists Northern Ontario's largest industrial electricity consumers in reducing costs, sustaining jobs, and maintaining global competitiveness. The Northwestern Ontario Associated Chambers of Commerce emphasized that making reliable affordable energy a top priority would enable the processing of minerals in the area, rather than having them shipped elsewhere. Making the NIER program permanent and ensuring that an appropriate power transmission infrastructure is in place were recommended. The Couchiching First Nation testified that economic development is restricted by energy costs and that rates paid to Hydro One cannot be justified given the rental rates received for transmission corridors on the reserve.

Restoration of farm and industrial electricity rates in the 2015 Budget was proposed by the Ontario Federation of Agriculture, as was removing half the provincial share of HST on power bills in 2016, and the other half in 2017. The debt retirement charge should be eliminated in the 2018 Budget.

## RENEWABLES

The Ministry was urged by Stelio Pneumaticos to stop the commercialization of renewables as the industrial benefits do not compensate for the loss of jobs resulting from high power rates. The Cement Association of Canada proposed the government work with major industrial users by making Ontario's surplus power available to Ontario businesses. Bergeron Electric Limited indicated that \$2.7 billion is wasted every year because of the *Green Energy Act* and asked the Ministry not to approve any more wind or solar system projects. For systems approved but not connected, the Ministry should, according to the company, stop the projects and buy them out. On the other hand, the Ministry was encouraged by the Ontario Federation of Agriculture to facilitate the development of renewable energy through bio-digestion or purpose-grown energy crops.

## NATURAL GAS

Enbridge Gas Distribution Inc. asked that the province move quickly to expand access to natural gas. The company seeks support for the expansion of natural gas infrastructure to under-serviced towns and villages through measures referenced last year by the Premier including a two-year \$200 million natural gas access loan and an economic development grant. The government was asked by the Ontario Federation of Agriculture to immediately announce program details on the grants and interest free loans to municipalities for expanding natural gas pipelines in rural Ontario. It was recommended by the Federation that the Ontario Energy Board be directed to work with the utilities to set a rural rate for new customers on natural gas. A low interest loan program was proposed by the OFA to assist households with the costs of hook-up and installation of gas furnaces and appliances.

The International Association of Heat and Frost Insulators testified on the benefits of mechanical insulation audits for government-owned buildings, with the goal of finding energy and cost saving opportunities. Financial incentives were suggested for commercial and industrial enterprises that choose to install

mechanical insulation as part of energy efficiency initiatives.

## DEVELOPMENT OF OIL AND GAS RESOURCES

The Ontario Petroleum Institute requested the Ministry to encourage and support development of oil and natural gas resources in the province as part of its long-term energy plan. It also asked for updating of decades-old geological studies, and a tax credit to encourage drilling for untapped oil and natural gas. Funding was also requested for the Ontario Oil, Gas and Salt Resources Library, which is currently supported by the industry.

The Canadian Fuels Association urged consultation on key issues before making changes in the budget and noted the importance of interprovincial cooperation to avoid a regulatory patchwork. It also expressed support for the Ontario-Quebec initiative to exchange electricity capacity and encouraged the province to seek ways to reduce the all-in industrial electricity cost to a level that is competitive with key competing North American jurisdictions.

The Power Workers' Union recommended that the province retain full ownership of Hydro One along with its transmission and distribution operations. They also asked that Hydro One and OPG be encouraged to pursue strategic partnerships with electricity operators in other jurisdictions, sell and export outside of Ontario, and pursue new strategic partnerships focusing on the development of idle properties, such as the conversion of Nanticoke generating station to dual fuel.

The Ontario Federation of Agriculture recommended that instead of selling Hydro One Distribution (as recommended in the Clark report), the province divide it into eight to 13 provincially owned regional local distribution companies, with customer-dominated boards setting rates to attract new business in their areas.

## ENVIRONMENT AND CLIMATE CHANGE

The Town of Fort Frances sought assurance that Northern municipalities will be funded for recycling costs to the pre-stated goal of 50%. The Ontario Waste Management Association (OWMA) asked the government to re-introduce legislation to address on-going issues with the current waste diversion programs. The association supports rigorous environmental standards with proper oversight and agrees with Drummond Report recommendations on the use of different forms of service delivery such as Delegated Administrative Authorities or other arms-length bodies, particularly for Waste Diversion Ontario and the Hazardous Waste Management Network. The United Food and Commercial Workers Union told the Committee that if the Beer Store is no longer a viable business model due to the transfer of sales to the LCBO or as a result of an imposed prohibitive franchising fee, the Ontario Deposit Return Program will be lost, as LCBOs are not built to handle the return of empties.

The Committee heard from the Canadian Society for Professional Engineers that prioritizing economic growth and addressing climate change are not mutually exclusive options. The Society recommended that decisive action be taken for climate change vulnerability assessments, a central component of the 2011 report Climate Ready Adaptation Strategy and Action Plan. Earth Rangers, a children's conservation organisation, proposed a partnership with the province on the basis of a three-year provincial investment of \$1 million. The province was asked by the Ontario Federation of Agriculture to fund the Ontario Drinking Water Stewardship program, and the Trillium Automobile Dealers Association asked for

a start to the phase-out of Drive Clean.

## **GOVERNMENT AND CONSUMER SERVICES**

A broad range of stakeholders made recommendations for this Ministry. One, from John-Philippe Theoret, was for the adoption of the Community Contribution Company (C3) model, which is designed to bridge the gap between for-profit businesses and non-profit enterprises. Another, from the Thunder Bay Chamber of Commerce, asked the province to make payments within 30 days to small businesses providing products and services to the government. In cases of complex contracts with longer payment terms, it was proposed that an immediate 25% payment be made while due diligence is being performed.

NOMA told the committee that the closure of a Service Ontario office in downtown Toronto may require a citizen to travel a few extra blocks to find the service they require; whereas the closure of a Service Ontario office in Rainy River requires an extra hour or more of travel to obtain services, often during hostile weather circumstances. Trillium Automobile Dealers Association asked for increased consumer protection through the regulation of all automobile advertising. The Ontario Real Estate Association wanted a province-wide registry of former marijuana grow operations and clandestine laboratories.

## **HEALTH AND LONG-TERM CARE**

Representatives from the Ontario Medical Association (OMA) said that Ontario doctors re-iterated their offer for a two-year freeze on fees and described the cuts to medical services (5% in 2012 and another 4% planned) as an unsustainable pattern. They asked government to accept responsibility to fund new doctors to treat existing patients and to enable doctors to provide extra care that will be needed to treat Ontario's growing and aging population. Several of the OMA representatives highlighted the impact of doctor shortages. For example, Dr. James Stewart, a North Bay physician and OMA representative said in Sudbury there are approximately 19,000 unattached patients without access to primary care, including children and the elderly. He added that there are 57,000 unattached patients in the north east LHIN. Doctors asked for recognition that they are employers and that their OHIP billings are calculated before expenses.

The Ontario Hospital Association requested provincial-level health system capacity planning to ensure that patient needs are met. The Registered Nurses' Association of Ontario recommended that the Ontario government work with the other provinces to persuade the federal government to negotiate a health accord. It supports universal home care and pharmacare, evidence-based clinical practices, and a legislated ban on inbound medical tourism. The Ontario Nurses' Association called for hospitals to be directed to comply with Regulation 965 under the *Public Hospitals Act*, which specifies that every hospital must have a Fiscal Advisory Committee (FAC) that must make recommendations to the hospital board on hospital operations and staffing.

The Ontario Hospital Association believes that the Ministry should continue to strengthen Health System Funding Reform by improving its design and operational implementation, and by linking funding models to policy outcomes, such as greater system integration. Stakeholders, particularly in smaller and rural areas, such as the Cornwall Health Coalition and the Cornwall District and Labour Council, noted the negative impact of wait times and patients having to travel long distances for medical services. They called for local, accessible health

care in their communities.

## **LHINS and Related Service Providers**

### **CCACS**

The Ontario Nurses' Association suggested reforming Community Care Access Centres (CCACs) by expanding the current care coordination practice so that it coordinates the complete care needs for patients and integrating direct home care delivery into the CCACs' mandate. It also recommended implementing a policy of wage parity to build nurse staffing capacity in the community sector to address the complexity of care being delivered. In contrast, the Registered Nurses' Association of Ontario recommended phasing out CCACs and transitioning their 3,500 care co-ordinators into primary care through a labour management strategy that retains their salaries and benefits.

### **PRIMARY HEALTH CARE ORGANIZATIONS (PHCOS)**

The Registered Nurses' Association of Ontario wanted to anchor the health system in primary care by expanding the inter-professional primary care delivered in nurse practitioner-led clinics, community health centres (CHCs), Aboriginal health access centres (AHACs), and family health teams. The Association of Ontario Health Centres said that staff retention and recruitment challenges faced by PHCOs could be addressed by funding a four-year strategy to bring all health care professionals in inter-professional primary health care organizations up to the 2012 recommended salary range. The Association of Family Health Teams of Ontario said that CCACs are able to poach primary care nurse practitioners (NPs) because of salary differentials (with the salary gap estimated at 30%). The Registered Nurses' Association of Ontario called for equity in rates of compensation and benefits for Registered Nurses and Nurse Practitioners in community health care settings when compared to their counterparts in hospitals and CCACs.

The Ontario Community Support Association and the Seaway Valley Community Health Centre urged the government to extend its commitment to increase the community care budget by 5%, with a portion of those funds going to provider agencies. The Ontario Community Support Association proposed using some of the funding for infrastructure and investing in technology to implement common assessment tools; the Association of Ontario Health Centres suggested increasing base funding allocations by 2%, with additional annual cost-of-living increases.

AHACs appearing before the Committee noted funding inequities between CHCs and AHACs. They requested \$8 million to ensure funding equity and a further \$2.1 million in IT funding. A representative of the Shkagamik-Kwe Health Centre said that her organization had to fund an IT (data) project through its health services funding. The Association of Ontario Health Centres recommended addressing funding inequities and providing annual cost-of-living increases for AHACs.

### **HEMOCARE**

The Ontario Health Coalition believes that home care should be reformed to create an equitable public home care system. It asked the government to ensure that all patients with demonstrated need are admitted to home care, and that wait lists reflect the total need for care. The Ontario Association of Community Care Access Centres suggested aligning investment with population needs, and

undertaking long-term provincial capacity planning. Additional suggestions from Home Care Ontario were to convene an expert panel to examine models of funding care at home, appoint an assistant deputy minister responsible for home care, and develop a public awareness campaign to highlight elements of care for seniors.

The province was asked by the Ontario Community Support Association to re-establish the Personal Support Worker (PSW) wage enhancement implementation table, to provide funding for PSWs in the home and community care sector who are currently not receiving the wage enhancement, and for an analysis of unmet costs to employers in the implementation of this wage enhancement. The Association also requested resources to address waitlists for Attendant Outreach Services. Home Care Ontario asked for measures, including investment in hours of home care respite for families and tax benefits for those who purchase from reputable (home care) providers.

The Ontario Caregiver Coalition focused on the critical role of unpaid caregivers in long-term health-care system sustainability and urged implementation of a self/family-directed respite care program.

The adoption of electronic health records in home and community care and investing in innovative technologies in all parts of the health care system were proposed by VON Canada.

It also recommended introducing a comprehensive approach to palliative care, expanding services to enable dying at home for all who seek that option.

## **Hospital Funding**

Representatives of the Ontario Nurses' Association (ONA), the Ontario Council of Hospital Unions, and others called for a restoration of hospital base funding. Some ONA representatives argued that funding should cover the cost of inflation and population growth; the Niagara Health Coalition believes that access to vitally needed hospital services has been compromised. The Niagara Health Coalition (supported by the Ontario Health Coalition) insisted that the plan to close five local hospitals and replace them with one must be stopped. The Cornwall hospital urged timely funding allocations, saying that it received its funding letter more than nine months after the start of the fiscal year. It also suggested averaging hospital performance levels over multiple years to avoid significant annual funding level fluctuations.

The Committee heard from the Sudbury Chapter of the Ontario Health Coalition that contracting-out diagnostics and surgeries from hospitals to private clinics threatens single-tier health care, drives up costs, and threatens patient safety. The Registered Nurses' Association of Ontario and representatives from the Ontario Health Coalition called for the end of P3s for hospitals. The Sudbury Chapter of the Ontario Health Coalition drew attention to a report from the Auditor General of Ontario saying that public-private infrastructure projects can be expensive. The Council of Academic Hospitals of Ontario asked the government to maintain its commitment from the 2014 Budget to invest in the Ontario Research Fund.

## **Nurses and Nursing**

Noting Ontario's ratio of 71 registered nurses (RNs) per 10,000 population compared to 83.6 per 10,000 in the rest of Canada, ONA nurses warned that

adding one patient to a nurse's average caseload in acute care hospitals is associated with a 7% increase in complications and patient mortality. Accordingly, they asked that the Ministry develop a multi-year nursing human resources plan to address the RN-to-population ratio gap. They also cited specific nursing cuts. For example, the ONA region 1 representative said that Health Sciences North in Sudbury has given notice that as many as 34 full-time-equivalent RN positions will be lost and that further cuts announced or expected include 20 RN positions in the Sault Area Hospital.

The ONA also called for the immediate establishment of a focus group of frontline nurses to discuss violence in the workplace with the Minister, a plan of action that would include provincial standards for the prevention of such violence, and employer risk assessments.

### **Long-Term Care (LTC)**

Stakeholders including the ONA, the Ontario Association of Non-Profit Homes and Services for Seniors, the Ontario Health Coalition, the Niagara Health Coalition, the Champlain Region Family Councils Network, and the Christian Labour Association of Canada called for a required minimum care standard of 4 hours per resident per day of hands-on care in long-term care facilities. Estimates of the current number of hours of direct nursing and personal care per day per resident varied from 2.8 to 3.15 hours. Some of the stakeholders drew attention to lengthy wait times for long-term care facilities.

According to the Champlain Region Family Councils Network, reporting takes up more than half of the day for PSWs or nurses working in long-term care facilities. It suggested mandating the Ministry to work with stakeholders to identify ways to reduce the burden of reporting so that more LTC resources can be committed to direct resident care. The Registered Nurses' Association of Ontario recommended that there be a minimum of one nurse practitioner per 120 residents in facilities.

The Committee also received recommendations from the Champlain Region Family Councils Network about the mix of residents (LTC homes house the elderly, as well as younger people with developmental disabilities, mental illness, and drug and alcohol-related problems), resident safety issues, and the adequacy of the Behavioural Support Ontario program to deal with patients such as those with dementia. Suggestions included expediting the creation of secure special units and allowing LTC homes to fast track individuals with behavioural problems to the appropriate mental health care facility. Additional proposals from the Champlain Region Family Councils Network included addressing the lack of long-term care beds and addressing inflexible admission policies. Several witnesses, including the Federation of Urban Neighbourhoods noted that a shortage of convalescent and long-term care facilities results in costly hospital beds being occupied by patients who should be accommodated in the community.

The Ontario Long Term Care Association requested more money for nursing and personal care, program and support services. It also suggested relaxing the restrictive 24/7 registered nurse requirements and recognizing the ability of PSWs and registered practical nurses to work to their full scope of practice. The Ontario Association of Non-Profit Homes and Services for Seniors requests included additional funding for the Other Accommodation envelope, the raw food per diem, and development of a funding framework to determine home and

community care funding at the regional level.

## MENTAL HEALTH AND ADDICTION SERVICES

Addictions and Mental Health Ontario and representatives from the Canadian Mental Health Association called for the government to increase the capacity of the community mental health and addictions system through investments that will guarantee a core basket of services and supports to individuals in need. This would include timely and equitable access to local programs and services; early identification, prevention and intervention services; 24-hour 7-day a week mobile crisis intervention teams; ongoing support in navigating systems and services; safe and affordable housing units; and employment and education opportunities.

Family Service Ontario, Family Service Thames Valley, and the Counselling and Support Services of Stormont, Dundas, and Glengarry asked that the Ministry provide funding directly to LHINs to divert people with mental health and addiction problems away from costly emergency department services to quick access mental health walk-in counselling services. Other recommendations from representatives of the Canadian Mental Health Association included promoting workplace mental health by adopting the voluntary National Standard for Psychological Health and Safety in the Workplace within the public service and government-funded agencies; supporting community-based programs, such as Mental Health Works, to address the mental health needs of employers and employees in the workplace; adopting a “Health-in-all Policies” approach to ensure that government policies are fully integrated; and leveraging inter-ministerial partnerships for a more integrated and coordinated mental health and addictions system. The Committee heard from Children’s Mental Health Ontario that wait time reductions have resulted in quicker access to children’s mental health services but that more needs to be done for high acuity cases, including investment to reduce wait times for long-term counselling and therapy.

## OTHER HEALTH MATTERS

The Ontario Hospital Association asked that the government, Canada Health Infoway, and other hospital partners work to identify different strategies for procuring IT infrastructure, including enhanced investment. Cornwall Community Hospital noted that like most hospitals across the province, it has an aging IT system but said that hospitals receive no dedicated funding for IT improvement. Health Sciences North requested a PET scanner. Halton asked the government to address offloading delays and to provide enhancements to the Central Ambulance Communications Centre (CACC) to ensure that the needs of Halton’s paramedic services are met.

Family Service Ontario, Family Service Thames Valley, and the Counselling and Support Services of Stormont, Dundas and Glengarry, advocating on behalf of male survivors of sexual abuse, described a three-year pilot program to provide support services for the survivors. The program is run in partnership between four agencies and the Ministry of the Attorney General. Program funding is due to end soon. The organizations requested an initial \$2 million in annualized funding for the program and consultations to assess the costs of providing the service across the province.

For patients suffering from Parkinson’s disease, the Committee was asked by Parkinson Society Ontario to reduce wait times for neurologists specializing in movement disorder; attract, retain and increase the number of these neurologists; adopt the service delivery model from McGill University’s Movement

Disorders Clinic program (an interdisciplinary team, including specially trained Parkinson's nurses who triage patients and become the primary contact for patients waiting to see a neurologist); link patients in remote areas to neurologists through teleconferencing; and better educate family physicians on the signs and symptoms of Parkinson's disease.

The Multiple Sclerosis Society of Canada said that investment is required to maintain current MS services (there are nine hospital based-MS clinics) in Ontario, and for Vitamin D testing. The Canadian Diabetes Association recommended a strong focus (within the Ontario Diabetes Strategy) on healthy weights, better supports, and tools for diabetes self-management, and a provincial policy for the care of children with diabetes in schools. Public funding was sought by ACTION Ontario for a herpes zoster vaccine to reduce incidences of shingles in older adults. The Ontario Lung Association requested an investment of up to \$21 million over the next four years.

Prostate Cancer Canada noted that PSA tests are covered for men in eight out of 10 provinces, and that Ontario publically funds precautionary screening of other types of cancers with similar outcomes. It requested equal and fair access to PSA testing in Ontario.

The Canadian Hearing Society proposed partnerships between key stakeholders and ministries to identify citizens with hearing loss, and ensure that those who move through the justice system and are in need of mental health and addiction services are not wrongfully confined. Dr. Thomas Baitz, a physician, addressed the issue of cost to the health care system resulting from patients not showing up for appointments. He said the government must encourage wise utilization of resources and that doctors need more information and education to achieve this.

The Committee heard from chiropractors in Sudbury, Cornwall, Fort Erie, London and Toronto. Citing the success of two pilot projects in treating lower back pain (LBP) in patients and reducing costs to the health care system by helping to prevent unnecessary patient referrals for MRIs and to surgeons, these chiropractors asked for funding for a province-wide roll-out of comprehensive LBP models of care. They also recommended that inter-professional primary care teams be funded to hire chiropractors to support comprehensive musculoskeletal programs. Many of the chiropractors had participated in that care team model. Dr. Amy Brown, a chiropractor who appeared before the Committee in London, noted that when she began practice OHIP covered a portion of a chiropractor's fees. She said that it became difficult for patients with no extended health benefits plans through their employers to pay for chiropractic care when OHIP coverage was discontinued.

The Ontario Association of Optometrists also noted that OHIP only covers optometry services for children, seniors and those who are granted eligibility for annual eye exams because they have been diagnosed with a specific disease, such as diabetes. The Association said that it costs an optometrist significantly more to deliver a comprehensive eye exam than the fee paid by OHIP but that optometrists continue to provide eye examinations for those eligible for public coverage, often at a loss. The Association asked that optometry be considered as the primary eye care provider in Ontario, drawing attention to what it calls a significant gap in eye health and vision care.

Funding was requested for an additional 40 physician assistant positions per year. Dietitians of Canada requested funding for the operation and promotion of

the EatRight Ontario dietitian advisory service, improved access to dietitian services in home care, and development of a comprehensive, coordinated food and nutrition strategy for Ontario. The Ontario Collaborative Group on Healthy Eating and Physical Activity asked for the implementation of recommendations from the Ontario Food and Nutrition Strategy and the Healthy Kids Panel. The Canadian Cancer Society requested funding for take home cancer drugs and expansion of the school-based HPV vaccination program for boys.

The Ontario Pharmacists Association sought regulatory approval and funding to expand the number and type of immunizations and vaccinations that it can administer; to treat patients for common, self-limiting ailments; and to expand its smoking cessation program. Canada's Research-Based Pharmaceutical Companies asked for timely regulatory approvals for innovative medicines and a permanent vaccine fund. The Ontario Association of Cardiologists urged the government to address what it perceived as negative impacts associated with the January 2015 unilateral cuts to physicians, especially as they affect cardiologists. The Association said that the cuts began to take effect on February 1, with a 3.15% cut in fees across the board. The Association wants the government to allow the EO78 code to be billed by all medical specialists for congestive heart failure patients using new criteria that have been developed. It also asked the Ministry to fund an extensive list of diagnostic tests and other initiatives. The Ontario Dental Association requested discussions with government on the following topics: oral health care needs for low-income individuals; mandatory fluoridation of municipal drinking water; hospital dentistry; and, issues affecting dental OHIP providers.

## **LABOUR**

The Committee received several recommendations to fix what the Ontario Chamber of Commerce referred to as a broken interest arbitration system. The Ontario Hospital Association asked that arbitration take fiscal restraints for hospitals (and the province) into account and requested reforms to the *Public Sector Labour Relations Transition Act* (PSLRTA) to facilitate the cost-effective integration of health services. The Association of Municipalities of Ontario (AMO) said that Ontario's Legislature must restore balance to the interest arbitration system. Municipalities such as Brooke-Alvinston and the City of London recommended changing the *Arbitration Act* so that awards are based on the ability to pay, streamlining the arbitration process to ensure completion within 12 months, and requiring arbitrators to provide a clear, written explanation of how the health of the community was considered in a decision.

The Ontario Public Service Employees Union asked for new legislation requiring public consultation and evidence that privatization will lead to improved services, before privatizing or contracting out those services. The Christian Labour Association of Canada and the Progressive Contractors Association of Canada urged the Ministry to ensure fair and open construction tendering for all publicly funded construction projects. They recommended amending the *Ontario Labour Relations Act* to prevent municipalities and other public employers who are not in the primary business of construction from being classified as construction industry employers.

The Provincial Building and Construction Trades Council of Ontario, the Income Security Advocacy Centre, the Canadian Mental Health Association, Community Living London and St. Clair College also raised the issue of wages with the Committee. Representatives from the Canadian Mental Health Association and

The Income Security Advocacy Centre asked that the minimum wage be raised to \$15 an hour to bring a worker's income to 10% above the poverty line. The Provincial Building and Construction Trades Council of Ontario wanted the Ministry to establish fair wages for the industrial, commercial, institutional, sewer and watermain, and road and heavy construction sectors.

Canadian Manufacturers & Exporters sought the establishment of a Royal Commission to review the first principals upon which the Workplace Safety and Insurance Board (WSIB) was established and to identify what type of workers' compensation is needed to meet the needs of employers and employees in a way that is sustainable. Repealing or amending mandatory WSIB coverage for owners, directors, and independent operators in the construction sector was recommended by the Canadian Federation of Independent Business in Sudbury; it also asked the government to introduce legislation to eliminate the 72-month lock-in provision in the *Workplace Safety and Insurance Act* (WSIA). Recommendations were made by The Staffing Edge in connection with the review of WSIB's experience rating system, including re-working how expected costs and rebates/surcharges are applied, ensuring that compliance does not entail a burdensome reporting structure, and continuing a focus on prevention programs.

Other proposals included one from the Interior Systems Contractors Association of Canada for the introduction of prompt payment legislation that would compel owners and developers to pay for construction work within 30 days of it being certified as complete, and one from the Ontario Society of Professional Engineers for the provision of more incentives for co-op positions, bridging programs and on-the-job training to address underemployment. The Income Security Advocacy Centre requested that all workers be able to access paid sick days, equal pay be received for equal work (by expanding protections for temporary workers), and equal access be guaranteed to programs and services for all workers, regardless of immigration status. Initiatives recommended by the Migrant Workers Alliance for Change to help protect workers without permanent resident immigration status included ensuring protection from recruiters, updating the *Employment Standards Act* to expand protection for migrant workers, and strengthening health and safety protections.

The Northwestern Ontario Associated Chambers of Commerce (NOACC) and the Thunder Bay Chamber of Commerce raised the issue of the skills gap and asked for a reduction in journeyperson to apprentice ratios.

## **MUNICIPAL AFFAIRS AND HOUSING**

### **AFFORDABLE HOUSING**

Some housing advocates, mental health service providers, nurses, health centres, and representatives from other organizations supported measures to increase affordable housing, including the implementation of Ontario's Long Term Affordable Housing Strategy. The Co-operative Housing Federation of Canada wants expiring federal housing assistance for low-income households to be maintained (including the rent-geared-to-income (RGI) subsidy); Neighbourhood Legal Services urged the province to push the federal government to design and implement a federal housing strategy. Northwest Community Legal Clinic noted that the cold climate in northern Ontario sometimes results in housing being lost due to high heating costs, rather than rent arrears.

Some stakeholders spoke of the need for a range of housing options, including supportive and supported housing, rent supplements, and short stay crisis safe beds for vulnerable populations, such as those with mental health and addiction needs. The Canadian Mental Health Association and Addictions and Mental Health Ontario called for further investment in the Housing First model that combines housing with supportive services. A representative from the Co-operative Housing Federation of Canada asked that co-ops be promoted as a sustainable long term resource for affordable housing, and recommended building more of them.

Habitat for Humanity (which said that it receives no government funding) had a number of specific requests, including allowing it to become a direct delivery partner to help solve affordable housing issues, and direct funding for its model. More specifically, the organization requested that funding be streamed away from the Investment in Affordable Housing (IAH) and directly to Habitat for Humanity and other affordable housing providers. The government was asked to make land and surplus school properties available for affordable housing, to implement a housing benefit, and provide increased funding for rent supplements.

## PLANNING, ZONING, DEVELOPMENT CHARGES, AND THE BUILDING CODE

Some charitable and not-for-profit housing interests urged the government to enact inclusionary zoning legislation to make a percentage of housing units in new developments available at below-market rents, with a “density bonus” for developers. Incentives to municipalities to waive development fees for charitable home projects were also suggested.

Halton Region asked for amendments to the *Development Charges Act, 1997* that would include all services funded by a municipality, remove the 10% discount for all services, replace the ten-year average historic service limits with a service level that is forward looking, and remove mandatory exemptions.

The Ontario Home Builders’ Association asked for reforms to parkland dedication policies, density bonus provisions, and a new development charges framework that ensures fairness, transparency and accountability for charges collected from new home buyers. The Ministry was asked to strike a better balance between the taxes levied on new homes (primarily development charges for infrastructure), which are passed onto consumers through increased home prices, and taxes generated from the broader population that also benefits from new and upgraded infrastructure.

The Ontario Lung Association recommended modifying the Building Code to protect new homeowners from elevated radon levels. The Canadian Cancer Society suggested adopting the National Building Code’s guidelines on radon mitigation, and initiating a public education campaign on radon.

## PROVINCIAL-MUNICIPAL FINANCE

AMO asked for the streamlining of responsibilities between municipal and provincial government and for simplified accountability measures. NOMA, AMO, and representatives from some of the municipalities that appeared before the Committee argued against further reductions to the Ontario Municipal Partnership Funding (OMPF). The Ontario (and Dundas) Federation of Agriculture said that Ontario must address the mismatch between municipalities

benefitting from provincial uploads and those facing OMPF funding cuts. The Dawn-Euphemia Council asked for the re-instatement and full funding of the farmland component of OMPF transfers. NOMA requested that the provincial payment in lieu of taxes for universities, hospitals, and correctional institutions (the “heads and beds” payment) be increased and updated annually (it has been unchanged at \$75 per student and bed since 1987).

The Ontario Waste Management Association (OWMA) asked the government to consider the OWMA’s proposed regulation which clarifies and refines the assessment methodology applied to landfills, following MPAC’s changes to the methodology.

The Ontario Public Service Employees Union said that the government should either increase provincial transfers to municipalities or phase out the use of property tax revenue to support education funding in order to allow municipalities to redirect that revenue towards municipal services. The Toronto Association of Business Improvement Areas (TABIA) referred to a report commissioned by TABIA that noted that the business education tax (BET) varies tremendously between businesses and regions in Ontario and that there is no correlation between the BET rates in a school board’s district and revenue available to the board. The TABIA presenter said that the education levy on residential properties across the province is uniform and drew attention to an advisory panel appointed by the government in July 1997 which recommended a uniform education tax rate on all businesses. TABIA asked the government to address and rectify BET anomalies.

The Ontario Good Roads Association suggested starting consultations on own sourced revenues for municipalities; an individual, Pierre Drouin, called for legislation mandating municipalities to give taxpayers what he described as the true financial picture of the municipality; and the Township of Woolwich wished to explore revenue tool opportunities similar to those granted to Toronto. The City of London requested the province to work with the municipal sector to identify and implement low cost, high impact measures to improve the fiscal health of municipalities and to continue uploading the cost of social services. It also asked the province to partner with it and invest a one third share of \$40 million (\$8 million a year for five years) to service industrial land to attract jobs to London and Southwestern Ontario.

AMO and some individual municipalities called for changes to moderate pay increases for police and emergency personnel, and to modernize service delivery. They also advocated for legislative changes that would end union interference in the off-duty volunteer firefighting activities of Ontario’s firefighters. These “double hatters” are full-time, professional firefighters who work as volunteer firefighters during off-duty hours. AMO said that the International Association of Fire Fighters (IAFF) forbids this practice and can put firefighters “on trial” for violating union rules. AMO did not specify the nature of the legislative change but added that a simple change to provincial law would prevent this type of union interference. Other municipal finance recommendations focused on infrastructure, including moving to multi-year infrastructure funding, providing resources and knowledge transfer for asset management plans, and moving to a zero infrastructure deficit. Halton Region sought improvements to the Ontario Disaster Relief Assistance Program to ensure responsiveness to the needs of communities impacted by such disasters as severe weather events.

## **NATURAL RESOURCES AND FORESTRY**

Some forestry industry representatives, First Nations and other stakeholders commented on forest management and control of the wood supply. The economic development organization in Rainy River asked for Ministerial confirmation that the wood supply allocated to the closed Resolute Forest Products mill in Fort Frances would be made available to any new owners of the mill. It proposed that the Ministry move to a crown management unit similar to the Sapawe Forest arrangement, with an allocation for a pulp mill in Fort Frances. The Town of Fort Frances, the Couchiching First Nation and the Engage Fort France Young Professionals Network urged the government to inform Resolute that wood supply from the Crossroute and Sapawe Forests would be reserved, pending a decision on the Fort Frances mill. The Couchiching First Nation said that immediate dialogue should begin over structuring tenure of the Crossroute forest, where at least 14 First Nations, including Couchiching (a Treaty 3 First Nation), should be accommodated.

NOMA said that it is important to ensure that there is an ample and affordable fibre supply available to the mills that require it. Resolute and Ainsworth Engineered Canada LP said that it is critical to maintain a stable fibre supply to the forest industry. The NOACC urged the government to conduct socio-economic impact assessments of all legislation, regulations, and policies that could reduce the provincial fibre supply and/or reduce access to the land base.

The forestry company AV Terrace Bay Inc. asked that the province honour all its wood supply commitments. Ainsworth Engineered requested that the calculation of stumpage fees (fees paid for the right to harvest timber) be modified, and that the Ministry desist from increasing the minimum stumpage paid for poplar and white birch. Forestry companies appearing before the Committee wanted the Ministry to continue supporting the forest roads program and to restore annual road program funding levels to \$75 million. The Ontario Forest Industries Association also asked government to address the *Endangered Species Act* policy that it said shrinks Ontario's renewable fibre supply.

Ducks Unlimited Canada requested a one-time investment in Northern Ontario's wetland infrastructure, an annual investment for conserving southern Ontario wetlands, a re-commitment of resources to habitat and associated targets for the Great Lakes, an investment for wetland science, and an increase to (or maintenance of) its transfer payment.

## **NORTHERN DEVELOPMENT AND MINES**

NOMA, the NOACC, and some forestry company representatives appearing before the Committee requested the NIER program be made permanent and properly funded, so that Ontario's electricity rates would be comparable to those in jurisdictions where Ontario manufacturers compete.

Some lodge owners in the north complained about high electricity bills and their lack of access to the fibre optic line running through their region; they requested a revision to school board tax rates to reflect the lack of services available for their lodges.

NOMA, the NOACC, and the Thunder Bay Chamber of Commerce asked the government for infrastructure support for the Ring of Fire project, more specifically, to help the Eagles Nest development implement an east-west road

and transmission corridor. The Ontario Society of Professional Engineers believes that engineers should play a central role in the development of the Ring of Fire. The Couchiching First Nation noted that there will be a new gold mine near Rainy River and feared that because technical skills, science, and math are not being delivered effectively in northern high schools, First Nations people will not be able to capture opportunities from this project.

## **RESEARCH AND INNOVATION**

The Ontario Chamber of Commerce asked the government to create the frameworks necessary to accommodate disruptive innovation. Requests from the Ontario Bioscience Innovation Organization (OBIO) included 3- year funding for its program to address the need for access to the right capital for growth, and the creation of a health-science innovation capital fund. The Ontario Society of Professional Engineers wanted measures to re-invigorate further the advanced manufacturing sector. Canadian Manufacturers & Exporters asked for increased incentives for research and development, a recapitalization of a program that helps manufacturers improve productivity, and for the government to work with employer groups to raise awareness and streamline approvals for the Canada-Ontario Jobs Grant. The government was also asked by the Sarnia Lambton Chamber of Commerce to focus on a bioeconomy strategy and enable the manufacturing sector to take advantage of global markets.

Auto 21 Inc. requested financial support for the Canadian Automotive Research Initiative, a program that it has developed in conjunction with the auto industry to address product development by assisting auto industry companies directly. Auto 21 Inc. says that the auto industry is facing a large innovation challenge because average fuel economy requirements around the world will double over the next 10 years requiring, for example, innovation to create light weight car components. It noted that about 70% to 80% of parts in a car are developed by parts companies, many of which are headquartered in Canada. The company believes that Canadian parts firms are the country's best opportunity to contribute to what it terms the fuel economy race and to win future business.

The Greater Kitchener Waterloo Chamber of Commerce proposed that the government establish a separate ministry for the provincial manufacturing industry, noting that ministries exist for agriculture, northern development and mines, natural resources and forestry, and tourism.

## **SENIORS' SECRETARIAT**

St. Paul's L'Amoreaux Centre, an organization that provides support to seniors, recommended steps to enable older adults and their care givers to report abuse, improve the help available to older adults to stop abuse, inform, and educate adults and the general public about elder abuse prevention, and improve the coordination of existing services working to prevent elder abuse. Funding was requested for a provincial advocate responsible for coordination, advocacy and education; a mechanism to support mandatory reporting; built-in safeguards to assist older adults at risk of losing their home or services; crisis intervention services; a central repository of resources; and, a provincial seniors' help phone staffed by experts in elder abuse.

## **TOURISM, CULTURE AND SPORT**

Highlighting the importance of public funding in the arts, representatives from Orchestras Canada and the Kingston Symphony Association asked for sustained support, and growth in funding for the arts commensurate with growth in the provincial economy. Some of the representatives noted that the Ontario Arts Council is the best vehicle for arts investment. The Ontario Museum Association also asked the government to invest adequate resources and engage with them in a transformative dialogue. Over time, the Association indicated that museums would be seeking sustained and increased investment commensurate with their contribution to communities and the provincial economy.

## **TRAINING, COLLEGES AND UNIVERSITIES**

### **UNIVERSITIES**

The Ontario Graduate Students' Alliance asked the government to examine the external barriers placed by funding agencies that prevent students from working. The Ontario Undergraduate Student Alliance recommended eliminating the Ontario Tuition and postsecondary education tax credits and reinvesting savings through funding initiatives such as removing interest from repayment of Ontario Student Assistance Program (OSAP) loans, adjusting the OSAP living allowance to reflect the cost of living in university communities, and extending eligibility for the Ontario Tuition Grant to four non-consecutive years regardless of when a student graduated from high school. In addition, students want OSAP to reduce its expected parental contribution by harmonizing with federal contribution criteria.

The Council of Ontario Universities requested continued funding for growth and maintaining the current level of per student operating support; matching provincial support for federal programs that enable successful research; and enhancing the internationalization of universities so that Ontario can continue to attract the world's best students and researchers.

The Ontario Confederation of University Faculty Associations brought closely targeted funding requests that included increasing per-student investments and bringing Ontario's student-faculty ratio to the Canadian average by 2020-21, improving minimum standards for equal pay and access to benefits for contract faculty, and ensuring that the regulatory framework governing the transition of single-employer pension plans (SEPPs) to jointly sponsored pension plans (JSPPs) will result in fair and sustainable pension solutions. Wilfrid Laurier University drew attention to its proposal to the government for a greenfield campus in the Town of Milton and said that it anticipates a provincial contribution of 70% of total project costs. The Committee also received recommendations for continued or increased support for other institutions including the Northern Ontario School of Medicine, and Lakehead University (for itself, and for its joint proposal with Georgian College to the Ministry's Major Capacity Expansion program).

### **COLLEGES**

The College Student Alliance asked that targeted eligibility criteria for Ontario's 30% off tuition grant for aboriginal ancestry students be amended to better reflect current realities, and that the student-owned vehicle asset exemption be removed from the OSAP needs assessment process. Neighbourhood Legal Services called for better regulation of OSAP-funded "private schools,"

suggesting that some charge exorbitant tuitions and that some students are neither ready, nor qualified for the schools.

Colleges Ontario said that it wants to help more people access today's labour market and find meaningful jobs. St. Clair College recommended redefining how employment information, small business and career services are being delivered in communities. It said that there are several ministries funding a plethora of service providers, which the College believes has resulted in inefficient service delivery. It suggested streamlining services in order to allow colleges and universities to respond more quickly to the needs of employers.

Colleges Ontario made a number of requests, including a new special purpose Graduation Transition to the Workplace Grant; a new competitive fund for college-based industry experts to solve industry-defined applied research challenges in local communities; funds for pilot projects to improve student retention and completion rates; an increased classroom fee for apprenticeship training; and a two-year extension of the sustainability fund for colleges at risk of falling into deficit, while the Ministry reviews the college funding formula.

The Committee was told by St. Clair College that per student funding for full-time students at colleges needs to increase. (The College noted that 2005 data indicate that the funding is approximately 60% of per student funding for universities). Both Colleges Ontario and St. Clair College urged the government to introduce three-year degrees at colleges, invest in study-abroad programs for college students, and drop the plan to apply an international student recovery fee to offshore activity. Additional requests from Algonquin College included new funding for applied research; including IT infrastructure in capital funding; and investing more to reduce and then maintain the level of the college's deferred maintenance liability.

## **TRANSPORTATION**

The City of London urged the government to invest in transit and transportation to attract investment and asked that Moving Ontario Forward funds be made available to London for future rapid transit infrastructure needs. The Canadian Automobile Association (CAA) said that it is imperative that the government maintain its funding commitment to Moving Ontario Forward as originally projected, regardless of any reduction in HST collection associated with lower fuel prices.

AMO requested passage of Bill 31, the *Transportation Statute Law Amendment Act (Making Ontario's Roads Safer), 2014*. The Federation of Urban Neighbourhoods called for major new funding to maintain and improve public transportation systems, with an emphasis on replacing fossil fuel use with electric vehicles. The Niagara Home Builders' Association supported the widening of the QEW to include High Occupancy Vehicle (HOV) lanes, and a longer term commitment to extend highway 406 south and east to the QEW as the first phase of an eventual Mid-Peninsula Corridor.

The Association also supported extending daily GO Train commuter service to Niagara Falls. The City of London called for advancing the high speed rail (HSR) plans between Toronto-Kitchener-London-Windsor and funding HSR implementation from Toronto to London. Brampton, Guelph, Kitchener and Waterloo made a case for two-way urban commuter rail on the CN North Mainline. The Railway Association of Canada said that it is necessary to create a

level playing field between short line rail and trucks. It requested funds for rail infrastructure investments and offered to develop, with the Ministry, the programs required to direct those investments. The Ontario Road Builders' Association asked for tenders for projects to be called as early in the year as possible and urged provincial action on the transportation infrastructure deficit and traffic congestion.

## RECOMMENDATIONS

The Standing Committee on Finance and Economic Affairs recommends:

1. That, as part of the reviews of the Credit Unions and Caisses Populaires Act, the Minister of Finance consider amending Ontario Regulation 237/09 section 103 (1) to allow Ontario credit unions to better attract deposits and have more access to capital for community-based loans needed to grow Ontario's economy, by changing the amount of insurance on any one deposit from \$100K—the lowest insurance amount for unregistered deposits in Canada—to \$250K the North American average.
2. That the Minister of Finance commit in the 2015-2016 Budget to making Ontario's regulatory system more open and responsive.
3. That the Minister of Finance commit in the 2015-2016 Budget to developing a targeted and coherent intergovernmental strategy for Ontario's manufacturing sector.
4. That the Minister of Finance commit in the 2015-2016 Budget to improving the quality and availability of labour market information.
5. That the Minister of Finance commit in the 2015-2016 Budget to modernizing Ontario's apprenticeship system and the regulation of skilled trades.
6. That the Minister of Finance commit in the 2015-2016 Budget to balancing the budget by 2017-18.
7. That the Minister of Finance commit in the 2015-2016 Budget to reducing the regulatory burden in Ontario.
8. That the Minister of Finance commit in the 2015-2016 Budget to reducing inter-provincial trade barriers.
9. That the Minister of Finance commit in the 2015-2016 Budget to reviewing the OMPF funding formula and reforming it in a way that treats all municipalities fairly and adequately.
10. That the Minister of Finance commit in the 2015-2016 Budget to providing information and support to enable Ontario businesses to take full advantage of the Canada-E.U. Comprehensive Economic and Trade Agreement (CETA).
11. That the Minister of Finance commit in the 2015-2016 Budget to breaking the stalemate in the Ring of Fire and beginning the process of developing the Ring of Fire as soon as possible.
12. That the Minister of Finance commit in the 2015-2016 Budget to seizing on the tremendous potential of Northern Ontario in both forestry and mining.
13. That the Minister of Finance commit in the 2015-2016 Budget to continue to mitigate increases to residential hydro rates in Ontario.

14. That the Minister of Finance commit in the 2015-2016 Budget to continue to mitigate increases to industrial hydro rates in Ontario.
15. That the Minister of Finance commit in the 2015-2016 Budget to reforming hydro sector public pension plans as previously promised.
16. That the Minister of Finance commit in the 2015-2016 Budget to balance the budget by meeting its annual savings target as outlined in the 2014-15 Budget, while also making strategic investments which will grow Ontario's economy.
17. That the Minister of Finance commit in the 2015-2016 Budget to pursuing an industrial economic strategy that attracts anchor investments to Ontario and leverages jobs and capital investments that lead to economic growth and opportunities for Ontarians by partnering with the private sector.
18. That the Minister of Finance commit in the 2015-2016 Budget to investing in vital infrastructure projects Ontarians rely on that will grow Ontario's economy.
19. That the Minister of Finance commit in the 2015-2016 Budget to continue to modernize childcare in Ontario.
20. That the Minister of Finance commit in the 2015-2016 Budget to ensuring every Ontarian has access to a financially secure retirement.
21. That the Minister of Finance commit in the 2015-2016 Budget to continue to provide Ontarians with local access to health care so they can have the right care closer to home.
22. To the Minister of Finance, that the government, in its fiscal year 2015-16 budget, develop a provincial program to support and encourage the use of underutilized schools as community hubs by facilitating partnerships between school boards, provincial ministries, municipalities, and not-for-profit organizations and service providers.
23. To the Minister of Finance, that the government, in its fiscal year 2015-16 budget, continue implementation of Healthy Smiles program and maintain preventative dental care in the Ontario Public Health Standards; and maintain the program benefits of CINOT in the new program, Healthy Smiles.
24. To the Minister of Finance, that the government, in its fiscal year 2015-16 budget, undertake long-term provincial health capacity planning.
25. To the Minister of Finance, that the government, in its fiscal year 2015-16 budget, continue the development of a strategy to address recruitment and retention of healthcare professionals in community-based primary care.

26. To the Minister of Finance, that the government, in its fiscal year 2015-16 budget, make an annual investment of \$30 million to provide programming for children and youth mental health programs, to alleviate wait times for children and youth in need of mental health supports, with an agreed upon amount specifically earmarked to set up benchmarking of program efficacy.
27. To the Minister of Finance, that the government, in its fiscal year 2015-16 budget, announce targets, timelines, and dedicated funding for reducing poverty, homelessness, and child poverty in Ontario, and keep its promise to reduce child poverty by twenty-five percent within five years.
28. To the Minister of Finance, that the government, in its fiscal year 2015-16 budget, propose changes to the *Condominium Act* for the primary benefit of condo owners and buyers; and that these changes include new consumer protections for home buyers, governance reforms, and a new independent tribunal that will allow all disputes between condo stakeholders to be resolved quickly and cheaply, instead of long and costly lawsuits in court.

## LIST OF WITNESSES AND WRITTEN SUBMISSIONS

Presenter	Date of Appearance / Written Submission
ACTION Ontario	Written
Addictions & Mental Health Ontario	January 30, 2015
Ainsworth Engineered Canada LP	January 20, 2015
Air Transport Association of Canada	January 22, 2015
Algonquin College	January 22, 2015
Amy Brown	January 28, 2015
Anishnawbe Mushkiki/Gizhewaadiziwin Health Access Centre	January 20, 2015
Apprentice LMS Ltd.	January 27, 2015
Armstrong, Robert/Swant, Lisa	January 22, 2015
Association of Family Health Teams of Ontario	January 30, 2015
Association of Municipalities of Ontario	Written
Association of Ontario Health Centres	January 29, 2015
Auto 21 Inc.	January 28, 2015
AV Terrace Bay Inc.	January 21, 2015
Baitz, Dr. Thomas	January 23, 2015
Bergeron Electric Limited	January 23, 2015
Bliss, Kim Jo	Written
Browne, Angela	January 27, 2015
Campbell, Jim	Written
Canada's National Brewers	January 30, 2015
Canada's Research-Based Pharmaceuticals Companies (Rx&D)	Written
Canadian Airports Council	Written
Canadian Association of Physician Assistants	January 22, 2015
Canadian Automobile Association (CAA)	January 30, 2015
Canadian Beverage Association	January 30, 2015
Canadian Cancer Society, Ontario Division	Written
Canadian Coalition for Farm Animals	January 27, 2015
Canadian Diabetes Association	Written
Canadian Federation of Independent Business, Sudbury Chapter	January 21, 2015
Canadian Fuels Association	January 30, 2015
Canadian Hearing Society	Written
Canadian Manufacturers & Exporters	January 29, 2015
Canadian Mental Health Association, Ottawa Branch	January 22, 2015

<b>Presenter</b>	<b>Date of Appearance / Written Submission</b>
Canadian Mental Health Association Middlesex	January 28, 2015
Canadian Mental Health Association, Sudbury/Manitoulin Branch	January 21, 2015
Canadian Propane Association	Written
Canadian Taxpayers Federation	January 29, 2015
Card, Cheryl	Written
Catholic Charities of the Archdiocese of Toronto	Written
CEM Engineering	January 27, 2015
Cement Association of Canada	January 22, 2015
Central 1 Credit Union	January 29, 2015
Champlain Region Family Councils Network	January 22, 2015
Chemistry Industry Association of Canada	January 22, 2015
Chief Administrator Officer for the City of Windsor	Written
Children's Mental Health Ontario	January 27, 2015
Christian Labour Association of Canada	January 27, 2015
City of Kitchener	Written
City of London	January 28, 2015
CLAC	Written
Coalition of Ontario Manufacturers for Competitive Industrial Power Rates	January 29, 2015
Coggon, Jennifer	Written
College Student Alliance	January 28, 2015
Colleges Ontario	January 30, 2015
Community Living London	January 28, 2015
Community Living Ontario	January 30, 2015
Community Living Tillsonburg	January 28, 2015
Consulting Engineers of Ontario	January 29, 2015
Co-Op Housing Federation	Written
Co-operative Housing Federation of Canada (Ontario Region)	January 30, 2015
Cornwall Health Coalition and Cornwall & District Labour Council	January 23, 2015
Cornwall Hospital	January 23, 2015
Couchiching First Nation	January 20, 2015
Council of Academic Hospitals of Ontario	January 28, 2015
Council of Ontario Universities	Written
Council of the Municipality of Dutton Dunwich	Written
Counselling and Support Services of Stormont, Dundas, and	January 23, 2015

<b>Presenter</b>	<b>Date of Appearance / Written Submission</b>
Glengarry	
CUPE Ontario	January 29, 2015
Danco, Bernadette	Written
Dawson, Hillary	Written
DeafBlind Ontario Services	Written
Dietitians of Canada	January 28, 2015
Dietitians of Canada (Ontario)	Written
Drouin, Pierre	January 22, 2015
Ducks Unlimited Canada	January 22, 2015
Dundas Federation of Agriculture	January 23, 2015
Earth Rangers	January 23, 2015
Eastern Ontario Wardens' Caucus (EOWC)	Written
Edelstein, Fran	Written
Enbridge Gas Distribution Inc.	January 30, 2015
Engage Fort Frances Young Professionals Network	January 20, 2015
Falkiner, Carmina	Written
Family Service Ontario	Written
Family Service Thames Valley	January 28, 2015
Federation of Urban Neighbourhoods (Ontario)	January 22, 2015
FilmOntario	Written
Financial District Business Improvement Area/Toronto Association of Business Improvement Areas	January 30, 2015
FirstOntario Credit Union	January 29, 2015
Food and Beverage Ontario	January 28, 2015
Ford, Adrienne	Written
Fragomele, Mike	Written
Fuel Industries	January 22, 2015
Futurpreneur Canada	January 22, 2015
Grain Farmers of Ontario	January 23, 2015
Greater Kitchener Waterloo Chamber of Commerce	January 28, 2015
Greater Ottawa Home Builders' Association	January 22, 2015
Habitat for Humanity Ontario Gateway North	January 21, 2015
Haehnel, Terry	Written
Halton Region	Written
Hamid, Dr. Sasha	January 23, 2015

<b>Presenter</b>	<b>Date of Appearance / Written Submission</b>
Hamilton Community Legal Clinic	Written
Home Care Ontario	January 30, 2015
House of Lazarus	January 23, 2015
Imperial Tobacco Canada Ltd.	Written
Income Security Advocacy Centre	January 30, 2015
Ingleside Foodland	January 23, 2015
Interior Systems Contractors Association of Ontario	January 30, 2015
International Association of Heat and Frost Insulators	January 27, 2015
Investment Funds Institute of Canada	Written
John Howard Society of Ontario	Written
Kingston Symphony Association	January 23, 2015
Kristen French Child Advocacy Centre	January 27, 2015
Labatt Breweries of Canada	January 28, 2015
Lakehead University	Written
Lee, Ian	January 22, 2015
Local Authority Service	Written
Lurie, Steve	Written
Marx, Donna (Conference Call)	January 22, 2015
Mayor of Cobourg	Written
Mayor of Richmond Hill	Written
Migrant Workers Alliance for Change	Written
Mole, Jeff	January 27, 2015
Multiple Sclerosis Society of Canada, Ontario Division	January 27, 2015
Municipal Engineers Association	Written
Municipality of Brooke-Alvinston	January 28, 2015
National Airlines Council of Canada	January 22, 2015
National Coalition Against Contraband Tobacco	January 23, 2015
Neighbourhood Legal Services	January 28, 2015
Niagara Health Coalition	January 27, 2015
Niagara Home Builders' Association	January 27, 2015
Noojmowin Teg Health Centre/Shkagamik-Kwe Health Centre/ N'Mninoeyaa Aboriginal Health Access Centre	January 21, 2015
Northwest Community Legal Clinic	January 20, 2015
Northwestern Ontario Associated Chambers of Commerce	Written
Northwestern Ontario Municipal Association	January 20, 2015

<b>Presenter</b>	<b>Date of Appearance / Written Submission</b>
ODSP Action Coalition (Sudbury)	January 21, 2015
ODSP Action Coalition (Toronto)	January 30, 2015
ODSP Written (see Note 1)	Written
Oliver Publishing Inc.	January 21, 2015
Ontario Agriculture Sustainability Coalition	Written
Ontario Association of Cardiologists	January 30, 2015
Ontario Association of Children's Aid Societies	January 30, 2015
Ontario Association of Community Care Access Centre	Written
Ontario Association of Non-Profit Homes and Services for Seniors	January 29, 2015
Ontario Association of Optometrists	January 30, 2015
Ontario Bioscience Innovation Organization	January 29, 2015
Ontario Campaign for Action on Tobacco	January 29, 2015
Ontario Caregiver Coalition	January 30, 2015
Ontario Chamber of Commerce	January 29, 2015
Ontario Chiropractic Association	January 29, 2015
Ontario Coalition for Better Child Care	January 29, 2015
Ontario Collaborative Group on Healthy Eating and Physical Activity	Written
Ontario Community Support Association	January 29, 2015
Ontario Confederation of University Faculty Association (OCUFA)	January 30, 2015
Ontario Construction Secretariat	Written
Ontario Convenience Stores Association	January 29, 2015
Ontario Council Of Hospital Unions	January 21, 2015
Ontario Craft Cider Association	Written
Ontario Dental Association	Written
Ontario English Catholic Teachers Association	January 29, 2015
Ontario Federation of Agriculture	January 29, 2015
Ontario Forest Industries Association	January 20, 2015
Ontario Good Roads Association	January 28, 2015
Ontario Graduate Students' Alliance	January 27, 2015
Ontario Health Coalition	January 29, 2015
Ontario Health Coalition Sudbury Chapter	January 21, 2015
Ontario Home Builders' Association	January 29, 2015
Ontario Hospital Association	January 30, 2015
Ontario Long Term Care Association	January 22, 2015

<b>Presenter</b>	<b>Date of Appearance / Written Submission</b>
Ontario Lung Association	January 27, 2015
Ontario Medical Association	January 22, 2015
Ontario Medical Association, District 9	January 21, 2015
Ontario Medical Association, Fort Erie	January 27, 2015
Ontario Medical Association, London	January 28, 2015
Ontario Municipal Social Services Association	Written
Ontario Museum Association	January 29, 2015
Ontario Nurses' Association	January 22, 2015
Ontario Nurses' Association, London	January 28, 2015
Ontario Nurses' Association, Ottawa	January 29, 2015
Ontario Nurses' Association, Region 1	January 21, 2015
Ontario Nurses' Association, Region 4	January 27, 2015
Ontario Petroleum Institute	January 28, 2015
Ontario Pharmacists Association	January 30, 2015
Ontario Public School Boards' Association	Written
Ontario Real Estate Association	January 30, 2015
Ontario Restaurant Hotel & Motel Association	January 30, 2015
Ontario Road Builders' Association	Written
Ontario Society of Professional Engineers	January 29, 2015
Ontario Trial lawyers Association	January 30, 2015
Ontario Undergraduate Student Alliance	January 29, 2015
Ontario Waste Management Association	Written
Ontario Waterpower Association	January 22, 2015
Ontario Public Service Employees Union	January 29, 2015
Orchestras Canada (Fort Frances)	January 20, 2015
Orchestras Canada (Sudbury) (Conference Call)	January 21, 2015
Parkinson Society Ontario	January 22, 2015
Pneumaticos, Stelios	Written
Power Worker's Union	Written
Primerica	Written
Progressive Contractors Association of Canada	Written
Prostate Cancer Canada	January 30, 2015
Provincial Building and Construction Trades Council of Ontario	January 29, 2015
Psutka, Kevin	January 22, 2015

<b>Presenter</b>	<b>Date of Appearance / Written Submission</b>
Quesnele, Jairus	January 21, 2015
Railway Association of Canada	January 22, 2015
Rainy River District Social Services Administration Board	January 20, 2015
Rainy River Federation of Agriculture	Written
Rainy River Future Development Corporation	January 20, 2015
Raymond, Anthony	Written
Registered Nurses' Association of Ontario	January 29, 2015
Resolute Forest Products	January 20, 2015
Retail Council of Canada	January 30, 2015
Sac Bay Lodge	Written
Sam Bruno PET Scanner Steering Committee	January 23, 2015
Sarnia Lambton Chamber of Commerce	Written
Scales, Albert	January 27, 2015
Seaway Valley Community Health Centre	January 23, 2015
Services Employees International Union	January 28, 2015
Snakehead Games Inc.	January 27, 2015
Social Assistance Reform Network of Niagara	Written
Social Development Council of Cornwall & Area	January 23, 2015
St. Clair College	January 28, 2015
St. Paul's Community Services and Housing	Written
St. Stephen's Community House	Written
Sturgeon Lake Lodge	Written
Sudbury & District Home Builder's Association	January 21, 2015
Tembec	Written
The Hub for Beyond 21 Foundation	January 23, 2015
The Staffing Edge	Written
Theoret, Jean-Philippe	Written
Thunder Bay Chamber of Commerce	Written
Thunder Bay Symphony Orchestra	Written
Toronto Community Housing	Written
Town of Fort Frances	January 20, 2015
Township of Dawn-Euphemia	January 28, 2015
Township of Whitewater Region	Written
Township of Woolwich	Written

<b>Presenter</b>	<b>Date of Appearance / Written Submission</b>
Trillium Automobile Dealers Association	January 29, 2015
Trillium Housing	Written
United Counties of Stormont, Dundas, and Glengarry	January 23, 2015
United Food and Commercial Workers Union Local 12R24	January 22, 2015
Violence Against Women Services, Elgin County	January 28, 2015
VON Canada	Written
Wesley, Jeff	January 28, 2015
Wilfrid Laurier University	Written
Wilson, Thomas	Written
Wine Council of Ontario	January 27, 2015
Winery & Grower Alliance of Ontario	January 27, 2015
Young Lake Lodge	Written

**The witness list was prepared by Sylvia Cheng, Legislative Learner**

**Note 1: Approximately 122 copies of an ODSP form letter with different signatures.**

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

## Introduction

The 2015-2016 budget is a critical moment for Ontario.

The province is already experiencing debt and deficit levels that are higher than any other point in history. Not only that, but they are going to continue to grow.

By 2017/18, the net debt will stand at about \$325 billion, Ontario's Auditor General Bonnie Lysyk stated upon release of her 2014 annual report. "That's about \$23,000 for every single resident of Ontario," she wrote, adding the consequences of high debt include:

- the "crowding out" of other spending—by 2017/18 the government expects to spend nearly one out of nine dollars of revenue on servicing debt when in 2007/08, only one out of twelve dollars of revenue collected was required to service debt;
- greater vulnerability to a rise in interest rates, which have been at historically low levels over the past few years—should there be a spike in interest rates, the government would have considerably less flexibility to provide public services, because a much higher proportion of its revenue would ultimately be required to pay interest on the debt, as was the case a decade ago; and
- a possible downgrading of the province's credit rating, which would lead to higher future borrowing costs.<sup>1</sup>

As the debt rises the province enters perilous, uncharted waters. It will ultimately mean less business investment and, as a result, fewer jobs.

That's not what the Ontario PC Caucus wants and, more importantly, it's not what Ontarians deserve.

Not only is the debt scheduled to increase, but hydro prices are higher than any other point in Ontario history with no sign of slowing down. These skyrocketing electricity rates are crippling both families and businesses.

Families are having a tougher time putting food on the table while businesses have to consider closure or relocation. For small business owners, the reality is they are being hit on both fronts, at home and at work.

Meanwhile, this Liberal government has decided that the best way out of the hole is to keep digging. With an upcoming payroll tax, in the form of an Ontario Retirement Pension Plan (ORPP), and a potential carbon tax, Ontario is at a breaking point.

Ontario businesses and families can't afford more taxes and they can't afford more debt.

These concerns were expressed in numerous deputations to the Standing Committee on Finance and Economic Affairs but are not necessarily reflected in the Liberal-dominated Committee's final report. The Ontario PC Caucus would like to illustrate some of those concerns raised.

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<sup>1</sup> Office of the Auditor General of Ontario, *Annual Report 2014* (Fall 2014), p 39-40.

We would also like to take the opportunity to commend the Committee on adopting a few of our recommendations and including them in the final report. However, we are concerned that many key recommendations were rejected. We encourage the Minister to act on the recommendations at the end of our dissenting opinion report.

## **Affordable Energy**

The testimony provided by countless groups shows beyond a doubt that hydro rates are skyrocketing in this province. In fact, to use the word affordable and energy together seems a disservice to the province's ratepayers. We feel that this concern is not thoroughly addressed in the report.

Specifically, we would like to make reference to the comments of Trudy McCormick, the Executive Director at the Northwest Community Legal Clinic, and Jennifer Eastham, a volunteer with the Canadian Mental Health Association's Ottawa Branch.

When McCormick presented in Fort Frances she said "tenants who previously juggled paying the rent and paying for food are now juggling between feeding their families, keeping the heat on and paying their rent...utility bills are higher than the rent in some cases."<sup>2</sup>

Even more startlingly, Eastham said "because I live on ODSP, I can't have my electricity on during the day because the full hydro rate is on. I try to reduce my amount of hydro by turning off my power between the hours of 6 a.m. and noon, and 3 p.m. and 7 p.m. I wear many sweaters to stay warm and not get sick. Because I have underlying conditions where I have to use a CPAP machine, the cost of hydro is even more expensive. My monthly bill can be up to \$250 a month, depending on my daily schedule."<sup>3</sup>

The PC Caucus believes that these comments illustrate the residential energy crisis currently ongoing in Ontario. The people of this province should not have to choose between keeping the lights on and feeding their families.

As a result, we encourage the Minister of Finance to make significant strides to reduce the overall impact of high hydro rates as can be seen in our final recommendations.

However, it is not just homeowners that are experiencing the burden of high hydro rates. Ontario's businesses are feeling similar pressures, as illustrated by Richard Groves, Vice President of AV Terrace Bay Inc.

Groves put the issue succinctly and properly when he said "the province of Ontario has some of the highest energy costs anywhere and we need to deal with some of that. The package that was put together at our particular facility is not as great as if you were in Quebec."<sup>4</sup>

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<sup>2</sup> Deputation of Trudy McCormick, Northwest Community Legal Clinic, *Standing Committee on Justice Policy* (Hereafter "Committee"), Fort Frances, January 20<sup>th</sup>, 2015.

<sup>3</sup> Deputation of Jennifer Eastham, Canadian Mental Health Association, *Committee*, Ottawa, January 22<sup>nd</sup>, 2015

<sup>4</sup> Deputation of Richard Groves, AV Terrace Bay Inc., *Committee*,

This quote should serve as an eye-opener for the Minister. This local businessman came to the Committee to illustrate the fact that skyrocketing hydro rates make it more attractive to conduct his business in a rival jurisdiction. If hydro rates are not addressed, we will not only lose out on investment into the province and the jobs that come with that, but we will continue to see jobs leave the province like Xstrata Copper did a just a few years ago.

It is important for the Committee to make the distinction to the Minister of Finance that these energy rates are not rising organically. These rates are being forced higher due to inefficient and poorly planned government policy. Proof of this can be found, again, in the Auditor General's 2014 annual report, alluding to the government's Smart Meter Initiative:

"In the decade since the Ontario government announced Smart Metering, peak demand has remained essentially unchanged, but the Ministry has approved significant increases in new power generation, such as renewable energy, creating power surpluses in Ontario. The overall financial impact has been that other jurisdictions are able to buy this surplus power from Ontario at a price considerably lower than what it actually cost Ontario to produce this power. The total cost of producing the exported power was about \$2.6 billion more than the revenue Ontario received from exporting that power between 2006 and 2013."<sup>5</sup>

Again, this view is supported by testimony heard before the Committee.

Michael McSweeney, President of the Cement Association of Canada, made direct reference to the fact that "Last year, the Ontario government spent over a billion dollars paying competitive jurisdictions to take surplus power."<sup>6</sup>

The government should review its energy policies with a view to finding ways to reduce the overall cost burden on Ontario's families and businesses. Mr. McSweeney also stated that "high power rates discourage industrial renewal here in Ontario and limit job growth."<sup>7</sup> The Ontario PC Caucus agrees with this particular assessment and encourages the Minister to address the issue of hydro rates in Ontario.

The Committee also heard from the Coalition of Ontario Manufacturers for Competitive Industrial Power Rates. They suggested that Ontario's high energy rates hurt our competitiveness and job growth across the province. They recommended reintroducing farm/industrial energy rates in four phases, as they say it will grow provincial revenues with minimal impact on Ontario's fiscal plan:

1. Commit in the 2015 budget to reintroduce a farm/industrial energy rate in the 2016 budget
2. In 2016, reduce the Ontario portion of the HST on home and business energy bills by 50%

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Sudbury, January 21<sup>st</sup>, 2015.

<sup>5</sup> Office of the Auditor General of Ontario, *Annual Report 2014* (Fall 2014), p 367.

<sup>6</sup> Deputation of Michael McSweeney, Cement Association of Canada, *Committee*, Ottawa, January 22<sup>nd</sup>, 2015.

<sup>7</sup> *Ibid.*

3. In 2017, eliminate the remaining portion of the HST on home and business energy bills
4. In 2018, use the debt retirement charge to further reduce Ontario's farm/industrial rate.<sup>8</sup>

The Ontario PC Caucus also wishes to make it fully known that concerns about skyrocketing energy costs were raised by a variety of groups. Many of those who raised the issue represented large businesses and employers and include: the Cement Association of Canada, the Chemistry Industry Association of Canada, Food and Beverage Ontario, the Ontario Federation of Agriculture, and the Ontario Chamber of Commerce.

However, it is critically and equally important to recognize that these same concerns were also raised by groups that represent individuals and those on social assistance, on arguably the complete opposite side of the spectrum from large business associations. Those groups include: the Canadian Mental Health Association, the House of Lazarus Food Bank, Couchiching First Nations, and the Rainy River Social Services Administration Board.

This evidence should persuade the Minister that the time for action on energy rates is now. The PC Caucus firmly believes that if no action is taken, Ontarians, regardless of their income levels, will continue to suffer.

### **Ontario Retirement Pension Plan (ORPP)**

The concerns of the Ontario PC Caucus with the ORPP are simple; the Minister of Finance and the Associate Minister of Finance have not conducted or released a cost-benefit analysis of the ORPP.

This is especially critical given that Ministry of Finance documents released to the Standing Committee on Justice Policy in the gas plant scandal investigation reveal an internal analysis that suggests for every \$2 million in revenue taken from Ontario paycheques, it will cost Ontario 18,000 jobs. If the ORPP is similar in scope to the Canada Pension Plan (CPP), this could mean a loss of up to 150,000 jobs in the province.

It is not sound policy to undertake a wide sweeping and systemic change to the pension system in Ontario without a thorough understanding of the impacts of that change.

If anything, the pre-budget consultations conducted by the Committee constitute the largest single consultation conducted on the ORPP. Many groups raised concerns about the ORPP's impact on jobs and other retirement plans and the PC Caucus feels it is important to illustrate some of those concerns in this report.

Gary Rygus from the Retail Council of Canada, which represents retail stores across the country said, "There is a limit to the payroll contributions that retail businesses in this province can be expected to pay without there being a

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<sup>8</sup> Deputation of Steve Morrissey, Coalition of Ontario Manufacturers for Competitive Industrial Power Rates, *Committee*, Toronto, January 29<sup>th</sup>, 2015.

significant economic impact.”<sup>9</sup>

We agree whole heartedly with Mr. Rygus and are worried that the Government does not know what exactly that impact is. Mr. Rygus went on to say that “...retailers will have no way to recoup these costs except by increasing prices or by decreasing staff or new hires.”<sup>10</sup> Quite simply, the ORPP will cause layoffs or a higher cost of living.

Frank Notte from the Trillium Automobile Dealers Association also raised concerns about the future of employment in Ontario stating that the “...payroll tax, as we call it, will make it more expensive to hire people, and that’s not a good thing. So we’re very concerned.”<sup>11</sup>

More than just individual employers expressed concern. The Canadian Federation of Independent Businesses made clear references to its various members who, at an 86% rate, oppose the ORPP while another 70% will have to freeze or cut salaries and over 50% will have to layoff workers.<sup>12</sup>

It’s also worth noting the Committee’s report fails to mention a recent study of 12,000 households by the revered McKinsey Institute which counters the Liberal-promoted myth of a retirement savings crisis. It shows 83 per cent of Canadians are on track to maintain their standard of living post-work life.<sup>13</sup>

Again, if a true economic analysis had been conducted, the Liberal Government would realize that this pension plan has many unintended consequences that not only run contrary to their mandate but call into question the legitimacy of the plan.

Lastly, the Ontario PC Caucus feels it is important to illustrate the comments of the non-partisan, academic Dr. Ian Lee from the Sprott School of Business at Carleton University in Ottawa, whose comments are omitted from the actual Committee report.

Dr. Lee clearly illustrated technical problems with the ORPP beyond job losses. He described issues with Guaranteed Income Security and Old Age Security claw-backs as well as the myth of under saving for retirement. He stated:

“It will be clawed back...from every future Ontario pension plan dollar they get. In other words, you are not going to be benefiting the low-income seniors.”<sup>14</sup>

Dr. Lee dismantled not only the alleged purpose of the ORPP but also the particulars of the plan’s implementation. Ultimately, he illustrates that the pension plan will not help Ontario’s most vulnerable and is not good public policy.

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<sup>9</sup> Deputation of Gary Rygus, Retail Council of Canada, *Committee*, Toronto, January 30<sup>th</sup>, 2015.

<sup>10</sup> Ibid.

<sup>11</sup> Deputation of Frank Notte, Trillium Automobile Dealers Association, *Committee*, Toronto, January 29<sup>th</sup>, 2015.

<sup>12</sup> Deputation of Plamen Petkov, Canadian Federation of Independent Business, *Committee*, Sudbury, January 21<sup>st</sup>, 2015.

<sup>13</sup> Mckinsey and Company, *Building on Canada’s Strong Retirement Readiness*, February 2015, p 5.

<sup>14</sup> Deputation of Dr. Ian Lee, Sprott School of Business at Carleton University, *Committee*, Ottawa, January 22<sup>nd</sup>, 2015.

## **Carbon Tax**

The Ontario PC Caucus again wants to draw attention to the lack of focus in the original report on a potential carbon tax in the province of Ontario. In the Committee's report only one paragraph is devoted to the issue despite numerous groups raising concerns.

Groups that raised concerns with the carbon tax and its implementation included: the Trillium Automobile Dealers Association, the Air Transport Association of Canada, CUPE, the Canadian Fuels Association, the Canadian Federation of Independent Business, the Chemistry Industry Association of Canada, CEM Engineering, the Canadian Taxpayers Federation, and the Canadian Beverage Association.

Again, the overwhelming sentiment here is that the carbon tax, or any carbon pricing scheme, must be accompanied by a full cost-benefit analysis. The Ontario PC Caucus joins that call in that a carbon tax must not be included in the 2015-2016 budget, especially without a public cost-benefit analysis or consultation of concerned groups.

## **Conclusion**

With all of this in mind, the Ontario PC Caucus is concerned about the potential negative impact of the 2015-2016 budget. There are issues that go far beyond just debt and deficit including the ORPP, energy rates, and a potential carbon tax. When these issues are combined with the fiscal reality that the province now faces, it is clear that this is a pivotal budget for the people of Ontario.

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 and others amended so that they resembled a shell of their former versions.

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.

## **Recommendations**

1. The Minister of Finance commit in the 2015-2016 Budget to not increasing the provincial portion of the Gas Tax.
2. The Minister of Finance commit in the 2015-2016 Budget to not increasing personal income tax.
3. The Minister of Finance commit in the 2015-2016 Budget to not implementing a mandatory provincial pension plan.
4. The Minister of Finance commit in the 2015-2016 Budget to including a cost benefit analysis of the Ontario Retirement Pension Plan.

5. The Minister of Finance commit in the 2015-2016 Budget to not increasing the aviation fuel tax.
6. The Minister of Finance commit in the 2015-2016 Budget to not increasing the Harmonized Sales Tax.
7. The Minister of Finance commit in the 2015-2016 Budget to not increasing the Health Premium.
8. The Minister of Finance commit in the 2015-2016 Budget to not increasing the Business Education Tax.
9. The Minister of Finance commit in the 2015-2016 Budget to not increasing the Ontario Mining Tax.
10. The Minister of Finance commit in the 2015-2016 Budget to including stipulations for a full public cost benefit analysis of any future wind projects in the province of Ontario.
11. The Minister of Finance commit in the 2015-2016 Budget to amending Ontario Regulation 237/09 section 103. (1) to allow Ontario credit unions to better attract deposits and have more access to capital for community-based loans needed to grow Ontario's economy, by changing the amount of insurance on any one deposit from \$100,000 – the lowest insurance amount for unregistered deposits in Canada – to \$250,000 the North American average. The regulation would then read:

Deposit insurance limit

103. (1) For the purposes of paragraph 2 of subsection 270 (2) of the Act, the Corporation shall not insure the amount of any one deposit that exceeds \$250,000. O. Reg. 237/09, s. 103 (1).

(2) Despite subsection (1), the Corporation shall insure the amount of any deposit made to any of the following under the Income Tax Act (Canada):

1. A registered retirement savings plan.
  2. A registered retirement income fund.
  3. A registered education savings plan.
  4. A registered disability savings plan.
  5. A tax-free savings account. O. Reg. 237/09, s. 103 (2).
12. The Minister of Finance commit in the 2015-2016 Budget to amending the Education Act to prioritize Community Enterprises in the school transportation procurement process.
  13. The Minister of Finance commit in the 2015-2016 Budget to making the Ontario Retirement Pension Plan voluntary instead of mandatory.
  14. The Minister of Finance commit in the 2015-2016 Budget to including programs that encourage Ontarians to invest in voluntary pension plans that are not the Ontario Retirement Pension Plan.

15. The Minister of Finance commit in the 2015-2016 Budget to including a full breakdown of all federal to provincial transfer payments since the fiscal year 2003-2004.
16. The Minister of Finance commit in the 2015-2016 Budget to exempting RRSPs, Group RRSPs, PRPPs and Defined Contribution (DC) plans from the mandatory portion of the ORPP by defining them as comparable plans.
17. The Minister of Finance commit in the 2015-2016 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.
18. The Minister of Finance commit in the 2015-2016 Budget to acknowledging that the construction of Pan Am Games facilities are both late and over budget.
19. The Minister of Finance commit in the 2015-16 Budget to sharing gas tax revenue with all 444 Ontario municipalities.
20. The Minister of Finance commit in the 2015-2016 Budget to making Ontario's regulatory system more open and responsive.
21. The Minister of Finance commit in the 2015-2016 Budget to developing a targeted and coherent intergovernmental strategy for Ontario's manufacturing sector.
22. The Minister of Finance commit in the 2015-2016 Budget to improving the quality and availability of labour market information.
23. The Minister of Finance commit in the 2015-2016 Budget to modernizing Ontario's apprenticeship system and the regulation of skilled trades.
24. The Minister of Finance commit in the 2015-2016 Budget to balancing the budget by 2017-18.
25. The Minister of Finance commit in the 2015-2016 Budget to reducing the regulatory burden in Ontario.
26. The Minister of Finance commit in the 2015-2016 Budget to reducing inter-provincial trade barriers.
27. The Minister of Finance commit in the 2015-2016 Budget to reforming joint and several liability in a way that will treat municipalities fairly.
28. The Minister of Finance commit in the 2015-2016 Budget to reviewing the OMPF funding formula and reforming it in a way that treats all municipalities fairly and adequately.
29. The Minister of Finance commit in the 2015-2016 Budget to providing information and support to enable Ontario businesses to take full advantage of the Canada-E.U. Comprehensive Economic and Trade Agreement (CETA).

30. The Minister of Finance commit in the 2015-2016 Budget to breaking the stalemate in the Ring of Fire and beginning the process of developing the Ring of Fire as soon as possible.
31. The Minister of Finance commit in the 2015-2016 Budget to seizing on the tremendous potential of Northern Ontario in both forestry and mining.
32. The Minister of Finance commit in the 2015-2016 Budget to developing a system to allow funds from those who die before receiving their ORPP contributions in retirement to be transferred to a spouse or next of kin.
33. The Minister of Finance commit in the 2015-2016 Budget to addressing the cost of skyrocketing residential hydro rates in Ontario.
34. The Minister of Finance commit in the 2015-2016 Budget to addressing the cost of skyrocketing industrial hydro rates in Ontario.
35. The Minister of Finance commit in the 2015-2016 Budget to reforming hydro sector public pension plans as previously promised.
36. The Minister of Finance commit in the 2015-2016 Budget to including a full cost-benefit analysis of any carbon pricing scheme being considered by the government including, but not limited to, a carbon tax, a fee and dividend system, or a cap and trade system.
37. The Minister of Finance commit in the 2015-2016 Budget to include a list of possible ways to help reduce emissions without increasing taxes in the province including the estimated cost and emission reductions of each alternative method.
38. The Minister of Finance commit in the 2015-2016 Budget to including the legislatively mandated reports for the Fish and Wildlife Special Purpose Accounts dating back to and including the year 2010.

**APPENDIX B – DISSENTING OPINION OF THE NEW DEMOCRATIC PARTY MEMBER OF  
THE COMMITTEE**

The Ontario NDP Caucus does not agree with the majority report issued by the Standing Committee on Finance and Economic Affairs because its findings fail to reflect the concerns presented by Ontarians over the course of the 2015 Pre-Budget Consultation process. The report also fails to acknowledge the challenges imposed by the results of the 2014 Budget, and the implications it will have on the Province's fiscal capacity for 2015 and beyond.

In 2014 the Liberal government introduced a Budget which it insisted was the "the most progressive budget in decades." Scrutiny shows that the 2014 Budget was a trojan-horse campaign plan which contained deep and wide-ranging cuts to public services, ramped up P3s which are little more than wasteful sweetheart deals for well-connected consortia and bad deals for Ontarians, failed to address fundamental fairness, and set out a plan to sell-off valuable public assets.

Experts have said the 2014 Liberal budget will mean firing 100,000 people<sup>15</sup> and could mean "the biggest Ontario cuts since Harris."<sup>16</sup>

Instead of investing, the 2014 Budget will cut 6% out of most ministries. Already the Liberals have begun firing nurses, slashing \$500 million out of schools,<sup>17</sup> cutting funding for affordable childcare in 18 communities across Ontario, and closing ONTC bus stations across the North. There are also untold cuts coming through attrition, and backdoor privatization of public services such as IT.

The Liberals are wasting public dollars on P3 projects. Ontario's Auditor-General reported that more than \$8 billion has been wasted on P3s. Instead of putting Ontario's infrastructure needs first, P3s put well-connected construction consortia first. Not only does it raise serious questions about the government priorities, but this kind of systemic waste threatens Ontario's capacity to build and maintain infrastructure now and in the coming years.

Instead of making life more fair, the 2014 Budget is ploughing ahead with new HST loopholes that will cost billions, and will allow wealthy, profitable corporations to write the HST off when they go to a sporting event, or wine and dine their clients. It will be up to hardworking Ontarians to make up the difference for the lost revenues.

In addition to slashing public services and giving no-strings attached handouts to wealthy corporations, the 2014 Budget sets the stage for a fire-sale of public assets. The Clark Panel (Premier's Advisory Council on Government Assets) was created as a result of the 2014 Budget, and is recommending that the Liberals privatize significant parts of Ontario's hydro distribution and delivery system, and opens the door to selling OPG Hydro Dams. These are assets which belong to the people of Ontario and the Liberals are planning to sell them off.

Given the long-term negative impact of these policy decisions, the Ontario NDP Caucus believes that the 2015 Budget process must adequately address these challenges before any further damage is done.

## **Recommendations for the 2015 Budget**

Ontario cannot cut its way to prosperity, and slashing services is only going to make life harder for people across our province. The 2015 Budget must reverse the damaging cuts that were

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<sup>15</sup> "[t]he Liberal plan by 2017, I wouldn't be at all surprised if that involved the public sector about 100,000 lower." "Don Drummond." The Agenda. TVO. CICA, Toronto. 25 June 2014. Television.

<sup>16</sup> Wynne's Budget Fortells Biggest Ontario Cuts Since Harris (Bloomberg.com)

<sup>17</sup> 2015-2016 Education Funding Consultation Guide, pg 5

central to the 2014 Budget.

This leaves the question about how to maintain balance while investing in services. The 2015 Budget should close the HST loophole which will begin to open in July 2015. This will increase revenues, and will not incur any new costs. Additionally, U.S. federal corporate tax rate is 35% and American state corporate income taxes typically bring the combined total up to about 40%. In comparison, Ontario's combined corporate tax rate is 26.5%, meaning there is room for Ontario to adjust its Corporate Tax Rate while maintaining a highly competitive combined corporate tax rate.

The 2015 Budget should scrap the existing P3 model and proceed with more affordable public procurement. Any alternative models should only be considered if Ontario's Financial Accountability Officer can provide a clear case that they are more affordable and provide better value to Ontarians.

Finally, the 2015 Budget should make it clear that our shared public assets will not be put on the auction block. Ontarians deserve to see the benefits of nearly a century of investment, and we should ensure that public hydro assets are used strategically to keep power affordable and reliable. Our energy system should serve Ontarians, not a handful of Enron-style Energy speculators.

The 2015 Budget should stop cutting, invest in services, and make life more fair for Ontarians.