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**Official Report
of Debates
(Hansard)**

Tuesday 12 June 2012

**Journal
des débats
(Hansard)**

Mardi 12 juin 2012

**Standing Committee on
Finance and Economic Affairs**

Strong Action for Ontario Act
(Budget Measures), 2012

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

Loi de 2012 sur une action
énergique pour l'Ontario
(mesures budgétaires)

Chair: Bob Delaney
Clerk: Valerie Quioc Lim

Président : Bob Delaney
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS**

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

Tuesday 12 June 2012

Mardi 12 juin 2012

The committee met at 0900 in room 228.

**STRONG ACTION FOR ONTARIO ACT
(BUDGET MEASURES), 2012
LOI DE 2012 SUR UNE ACTION
ÉNERGIQUE POUR L'ONTARIO
(MESURES BUDGÉTAIRES)**

Consideration of the following bill:

Bill 55, An Act to implement Budget measures and to enact and amend various Acts / Projet de loi 55, Loi visant à mettre en oeuvre les mesures budgétaires et à édicter et à modifier diverses lois.

The Chair (Mr. Bob Delaney): Good morning, everybody. Welcome back to our resumption of consideration of Bill 55, An Act to implement Budget measures and to enact and amend various Acts.

QUALITY EARLY LEARNING NETWORK

The Chair (Mr. Bob Delaney): Our first presentation isn't here yet, but I understand the Quality Early Learning Network is here. Would you please come forward? I don't know if there's an advantage to getting either the first or the last word in, but you certainly will have the first word today.

You'll have 10 minutes to offer your thoughts towards the committee, followed by up to five minutes of questioning. In this rotation, the questioning will come from the official opposition. Just begin by stating your name for Hansard and continue.

Ms. Joan Arruda: My name is Joan Arruda. I am the CEO of Family Day Care Services. However, today, I am sitting here in my capacity as co-chair of the Quality Early Learning Network.

The Quality Early Learning Network represents 18 multi-site, not-for-profit child care agencies across the greater Toronto area, Halton, Hamilton and London. The QELN member agencies deliver varied services, including quality home- and centre-based child care, Ontario early years centres and children's mental health and special needs services. As organizations, we bring expertise, leadership and years of experience supporting families with their child care choices aged zero to 12 years.

Employing more than 3,150 early childhood educators, our members provide not-for-profit early learning and care for more than 35,000 children and their families.

Our agencies are governed by strong volunteer boards of directors with close ties to our communities, who ensure the highest standards of accountability and effectiveness.

The QELN is a strong supporter of full-day early learning for four- and five-year-olds. Our network was very involved in the policy and legislative process leading up to the passage of the Full Day Early Learning Statute Law Amendment Act, 2010. The QELN applauds the government for implementing full-day learning for four- and five-year-olds across Ontario and for providing a flexible system where community-based child care can continue to be involved in providing seamless care for children and families.

Attention must now be focused on ensuring that Ontario's children and families have access to quality, affordable, sustainable and equitable child care throughout the ages of zero to 12.

The issue is, QELN as a network recognizes the current fiscal challenges facing the province. In light of this economic environment, we applaud the government's commitment to provide stabilization funding for licensed child care under the Ministry of Education. The government's pledge to find the dollars necessary to support child care through a successful transition to full-day learning is commendable and critical to the survival of community-based, not-for-profit child care in Ontario.

In February 2012, the QELN submitted a paper to the government entitled Solutions: How the Ontario Government Can Rescue and Ensure the Viability and Quality of the Province's Child Care System. An important first step was to provide the child care sector with \$287 million in emergency funding to shore up existing non-profit and public child care services. The Solutions paper sets forth recommendations for short-, mid- and long-term actions. Our recommendations are based on several critical assumptions, including: Full-day kindergarten is a positive initiative, the transformation and viability of the child care system will require significant additional investments and a new base funding model, and child care should be delivered through non-profit and public agencies.

The QELN members were pleased with the government's response to work through the funding challenges and commit to modernizing the current system.

Given the immediate challenges posed by the implementation of full-day learning, the QELN welcomed the government's announcement to provide additional assistance to child care operators to ensure the child care

sector remains strong and can help families experience a seamless transition to full-day kindergarten.

We commend the government for working with the NDP to strengthen the 2012-13 budget and committing to provide \$90 million in 2012-13, \$68 million in 2013-14 and \$84 million in 2014-15 for new support to the child care sector from within the Ministry of Education's existing budget allocation. The total allocation of \$242 million over three years is critical to the future success of child care in Ontario. QELN members see this as a commitment on the part of the government to work through our funding challenges as a first step to ensure the stability of our sector during this transition.

With the implementation of full-day kindergarten well under way, with year three starting September 2012, this additional funding, coupled with a review of the current child care funding model, is urgently needed and cannot be delayed any further.

Child care service providers need to see Bill 55 passed in order for our sector to adapt to the changing environment as a result of the impact of full-day learning, and for us to continue to ensure accessible, quality, affordable, sustainable and equitable child care is available for children aged zero to 12 in Ontario. The QELN is committed to ensuring a viable child care system that works for Ontario families.

Thank you very much.

The Chair (Mr. Bob Delaney): Thank you very much. Mr. Fedeli.

Mr. Victor Fedeli: Thank you for your presentation, Ms. Arruda. Are there any new asks in here, or is this strictly acknowledging what is in Bill 55 today?

Ms. Joan Arruda: No, there are not any new asks. We originally would have liked to have seen more. We are commending the government for working with the NDP and coming up with the dollars, through the Ministry of Education. We are, however, concerned around the passage of Bill 55 and the impact of the delay, and we do need to see it passed so that we can move forward.

Mr. Victor Fedeli: Thank you, Chair.

The Chair (Mr. Bob Delaney): Thank you very much for coming in nice and early and for being our first presenter today.

Ms. Joan Arruda: You're welcome. Thank you.

ASSOCIATION OF MUNICIPALITIES OF ONTARIO

The Chair (Mr. Bob Delaney): The clerk advises that the Association of Municipalities of Ontario would like to go next, and that seems to be okay with our first scheduled deputation, the Chiefs of Ontario. So can I now call the Association of Municipalities of Ontario to come forward? Good morning, and welcome.

Mr. Gary McNamara: Good morning, Mr. Chair and committee members.

The Chair (Mr. Bob Delaney): You'll have 10 minutes to make your remarks, followed by up to five minutes of questioning. This round of questioning will go

to the NDP. Begin by stating your names for Hansard, and proceed.

Mr. Gary McNamara: I'm Gary McNamara. I'm the president of the Association of Municipalities of Ontario. I'm joined by Pat Vanini, the executive director. I thank you for this opportunity to represent municipal government interests on Bill 55.

As I scan the fiscal horizon and digest the related policy initiatives, I find myself returning to a consistent municipal position. The position is simple: no new responsibilities, unless they come with a dedicated and full funding source. In the language of provincial-municipal relations: no new downloads, no new costs. Our hands are more than full.

Let us all remember that for every tax dollar collected in this province, municipal governments receive nine cents while the federal and provincial governments collect the remaining 91 cents.

Much is expected of those nine municipal cents. Those pennies are the municipal share that builds roads, bridges and transit. They also provide police, fire and ambulance services. They offer child care, housing, immigrant settlement services and much more.

Municipal property tax dollars deliver infrastructure and service investments that are critical to the success of Ontario's economy. In fact, these investments derive more tax return to the province and federal government through corporate taxes, income tax and sales tax than municipal governments see through new business and residential growth.

With just those nine precious pennies, sustaining our existing responsibilities is our number one priority. It is also our number one challenge within the current provincial-municipal fiscal framework.

The uploading of the social assistance costs have been incredibly important to us. Provincial taxes are now funding most of the income redistribution on social programs. This is how it should be. We applaud the government for taking this big step forward several years ago.

At the same time, municipal governments hold the fiscal responsibility for all social housing. There is a significant exposure, given the condition of stock as well as the end of the federal operating and funding agreements, beginning in 2014.

On top of this are the ever-increasing housing waitlists and the pressure to develop new affordable housing. This is the time for the three orders of government to come together to build a long-term approach. Those nine cents that we receive will not solve this particular problem.

So now is not the time for what some are saying are backdoor downloads. The budget bill does not amend any legislation to directly transfer services to us. However, some of the expense management measures in the budget's addendum are creating program changes that will likely put pressure on municipal governments.

Delivering a package of program changes to us does not serve our common taxpayer, not when we collect just

nine cents of every dollar and not when Ontarians still pay the highest property taxes in the country. Let me give a couple of examples.

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Program changes to social assistance include a capping of health and non-health-related discretionary benefits, eliminating the community start-up and maintenance benefit—CSUMB—within a new consolidated housing program, and cancelling the home repairs program. These changes may negatively affect the people living in our communities, our neighbours who, for a variety of reasons, find themselves in need of simple things, like a transit ticket to look for work, or emergency food or dental care. We are told that flexibility within a revamped, hard-capped health and non-health discretionary benefit is workable. We are told the same when it comes to the housing CSUMB program. Assuming amounts and caseloads stay the same one year to the next, let me give you an idea of the change in funding: the city of Hamilton, \$1.8 million; the region of Waterloo, \$ 3.8 million. From where we sit, it is difficult to accept that the program changes will not result in less support for individuals and families in the human service support system, but the province says it is doable.

Our message has and will continue to be: Province, do not expect municipal governments to make up any difference should that not be the result, because our hands are really full.

A similar concern can be expressed about the elimination of the Bear Wise program. MNR's bear relocation program trapped and removed nuisance bears away from urban areas across Ontario. The program is to be eliminated. Ontarians are to call 911 for police assistance. Instead of provincially paid wildlife officers, highly paid police officers will be deployed to do the job, municipal forces and contract OPP. Ironically, this change occurs at the very same time that the Ministry of Community Safety and Correctional Services is holding consultations about police services and costs, about core and non-core police duties. Wildlife control is not a core police function. Creating a gap and relying on others to fill it doesn't address the problem.

On the issue of labour relations, AMO is encouraged by some of the steps the government has taken in the bill related to interest arbitration. However, it has stopped short of achieving a balanced system, one that is truly transparent and accountable for all parties, including arbitrators and particularly for taxpayers.

One of the major challenges with the current legislation is the ability-to-pay criteria. The bill must be amended to reflect that an arbitrator is required to take into account criteria reflective of the current economic state in a municipality. The criteria need to include factors such as the total compensation costing of the entire settlement, including present and future liabilities, and the employer's ability to pay in light of its fiscal situation with considerations of a council's service priorities, among other matters.

The Drummond commission also advised the government to put a stronger fiscal lens in the criteria. I ask that

you study the appendix of this submission, which highlights all the requested amendments related to interest arbitration. I urge you to bring them forward as part of your deliberations.

Earlier I mentioned the positive upload of \$1.5 billion of social service costs to the province by 2018. We are pleased to see it unaltered. It means for some municipalities that they have some revenue room to help with growing operational costs such as salary and benefits, and also with capital improvements. For some, it means reducing Ontario municipal partnership funds. Some understand that the social program grants component would go down as the upload progresses. That makes sense.

What is of grave concern is the possible change to the funds of its other three grant components. For many municipalities, their property tax base does not provide the financial capacity to raise property taxes or introduce service fees to make up for any significant loss. The government is reviewing the OMPF formula as part of the \$75-million proposed reduction over the next three years, reaching about \$500 million in 2016. How this will be undertaken and the impact to over 350 affected municipalities is yet unknown. We are anxious about this and we are providing our best input to the provincial decision.

This brings me to infrastructure. We asked for a permanent road and bridge program, particularly for smaller municipalities without the tax base to finance these assets. We understand the one-year delay given the province's fiscal circumstances, yet people who work and live in rural and northern Ontario are in as great a need for adequate transportation as people who live in urban areas. So we'll be patient for a bit longer, but at the same time, we know that the economy is stimulated when we make infrastructure investments. We know that no order of government has the fiscal capacity, even in good times, to help municipal governments with their \$6-billion annual need. But we also know what happens when we do nothing: Things just get expensive to fix.

In summary, we understand the provincial fiscal challenges. We municipal governments have our own. We are facing stalled or declining growth. Closed factories and shuttered sawmills limit property tax revenues.

No new responsibilities, no new costs—this is our ask. With just those nine precious pennies, sustaining our existing responsibilities is our number one priority. Our hands are full doing what we do now.

However, let me close with one more important thought. Municipalities are open to having discussions on coordinating activities that deliver a clear benefit to the Ontario taxpayer and the municipal taxpayer. This includes the fiscal revenue framework. To solve our common challenges requires new thinking, new ideas, and a commitment to open and candid consultation with municipalities. I look forward to that ongoing discussion. Thank you, Mr. Chair.

The Chair (Mr. Bob Delaney): And thank you very much. Ms. Forster?

Ms. Cindy Forster: Actually, Ms. Armstrong has a question.

Ms. Teresa J. Armstrong: I was interested when you pointed out about the Bear Wise program, the relocation program that the MNR has. One of our MPPs from up north—Kenora—Rainy River—asked that question in the House because she, of course, experiences every day the complaints from people and the fact that it's a safety factor; it's not just about the money issue.

How do you feel about that being reallocated to the police and having that be part of their core services? Do you have any concerns about the bear safety issue overall?

Mr. Gary McNamara: We're all concerned, obviously, but again, we're going through those challenges right now where we're trying to define what core and non-core policing is all about. We're cognizant of the fact in terms of, on average, policing ranges from 30% to 40% of the operational budget of most municipalities. Is adding those additional costs to that core business really where we want to go, as we're struggling to define that?

Ms. Teresa J. Armstrong: My main concern when we talk about redefining what core business is—and perhaps they're going to take the bear program to include that at par as the core—if the police or the OPP are responding to a bear call when there are actual domestic issues or situations where people's lives are in danger from violence, let's say, as an example, the bear—obviously, people's lives will be an issue, but perhaps that's where the MNR have the expertise in that area.

That was just one of my concerns about redefining that and having the police deal with bear issues. Thank you.

The Chair (Mr. Bob Delaney): And thank you very much for having come in this morning to make your deputation.

I suppose, as a very strong president of AMO, it's now become known as McNamara's Band. Thanks very much for your time this morning.

Mr. Gary McNamara: Thank you very much.

CHIEFS OF ONTARIO

The Chair (Mr. Bob Delaney): Our next deputation is the Chiefs of Ontario: Angus Toulouse, Ontario regional chief. Good morning, and welcome. We're delighted to have you join us today. You'll have 10 minutes to make your presentation to the committee, followed by up to five minutes of questioning. This round of questioning will come from the government. Please begin by introducing yourself for Hansard and then proceed.

Chief Angus Toulouse: *Remarks in Ojibway.*

Angus Toulouse, Ontario regional chief from Sagamok Anishinabek and of the Crane clan.

Good morning, members of provincial Parliament. If this budget bill is passed as currently presented, it will have a destructive impact on First Nations in Ontario. This budget clearly does not address the needs of First

Nations peoples, particularly in the areas of access to social services, health care and education.

Recently, on May 8, 2012, Premier McGuinty wrote a letter to Prime Minister Stephen Harper regarding the Ring of Fire development. While the letter is entirely self-serving about how the Ring of Fire represents the best hope for Ontario and Canada to grow economically to stay in the chase with the economies of China and India, the letter does provide proof that the Premier and others in the government in Ontario seemingly know the hardships faced by First Nations people in Ontario.

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In his letter, Premier McGuinty states: "Canada needs to deal with the acknowledged and widespread problems of inadequate First Nations' social and community infrastructure. To this end, there needs to be immediate investment in First Nations communities ... in the Ring of Fire area so that a healthy and skilled First Nations ... will be ready to participate fully in the many opportunities presented by this development.

"Most urgently, increased federal support for basic education leading to skills training and investment in addictions treatment programs are needed now. Your 2012 budget takes some important first steps to improve First Nations education on reserves. Cliffs Natural Resources has invested in drug treatment programs in the region. This should be supported by addictions treatment investments on reserves by your government." Again, these are quotes from the letter that Premier McGuinty wrote to Stephen Harper.

My read of these statements is that the issues and challenges facing First Nations peoples in Ontario are everyone's responsibility to remedy—except for the government of Ontario. First Nations peoples have the right to expect equitable access to government services pertaining to social services, education, health care, drinking water and infrastructure. This expectation is premised on First Nations' contribution to the provincial tax base, federal transfers and resource revenue generated from First Nations territories.

Regardless of the HST exemption, First Nations peoples pay taxes: income taxes, property taxes and other taxes. This contributes to the overall revenue base of Ontario. Secondly, the transfer payments from the federal government are provided to Ontario based on a population count that includes all of First Nations peoples. Thirdly and most importantly, the province of Ontario generates significant revenue from the resources extracted from First Nations' traditional territories. The treaty relationship establishes the way in which the lands and resources are to be shared between First Nations and the crown. Despite this, much of the revenue generated for Ontario from the shared revenue or shared resources does not make its way to ensuring accessibility to services required by First Nations.

Ontario has a duty and an obligation to consult with First Nations on any matters related to their economic and social well-being. This will lead to development of viable solutions as unilateral decision-making does not work.

First Nations in Ontario were not consulted on Bill 55, even though it is aimed at affecting some of their most basic economic, social and treaty rights. There are impacts of social assistance and a bunch of cuts on First Nations; the social assistance funding cuts announced in the budget will have significant impacts on First Nations. The 2012 budget funding cuts are proposed to begin this fiscal year with the following specific actions being proposed to moderate growth in social assistance expenses.

(1) Ontario Works non-health- and health-related discretionary benefits: The funding formula will be revised for discretionary benefits to determine the maximum amount eligible for provincial cost-sharing. The revised funding formula will combine the health- and non-health-related discretionary benefits and cap benefits at \$10 per case. This change will occur on July 1, 2012. Health-related discretionary benefits include dental care for adults on Ontario Works and adult children of Ontario Disability Support Program clients; eyeglasses for adults on Ontario Works and adult children of ODSP clients; a portion of the cost of prosthetic appliances; funerals and burials; and any other special service item or payment authorized by the director of Ontario Works.

Health-related discretionary benefits were based on actual costs, and costs are covered for the client. This will no longer be the case as these benefits will be capped at \$10 a case.

Funerals and burials will also be capped for costs exceeding \$2,250. Any costs above this amount will be capped at \$10 a case. This will put undue hardship on First Nations, especially in the north, where a funeral can cost up to approximately \$17,000, and this cost would include flying the body home for burial. The cost may well exceed the cap of \$10 a caseload for just one funeral and one burial.

Non-health-related discretionary benefits include vocational training and retraining, travel and transportation that is not for health-related purposes, moving expenses and any other special service item or payment authorized by the director of Ontario Works. It appears that First Nations will be greatly impacted if the new formula combines both the health- and non-health-related discretionary benefits. Health-related discretionary benefits were based on actual costs, and costs are covered for the client.

With these two discretionary benefits combined, there will not be enough funding supports available. First Nations have argued that the funding for non-discretionary benefits was not enough to meet the needs of the clients at \$8.75 per case. Now, with both benefits combined, it will decrease necessary services even more. Even at \$10 per case, this only works out to \$100 per month. If there are 10 clients on social assistance, this is not enough funding support to cover both the health- and non-health-related discretionary benefits.

One First Nation has a caseload of approximately 320 clients. Their discretionary benefits will total approximately \$39,000 after July 1, 2012, based on their caseload, yet their 2011-12 fiscal year discretionary benefits

totalled approximately \$349,000. Again, this is only one example, and it must be stated that all First Nations will face the same issue. Many clients will go without services as many First Nations are unable to cover this type of expense.

Communities with smaller caseloads will be unable to cover the cost of a basic funeral and burial or any other item required for health purposes under this new funding model. This revised funding formula that combines the two benefits and caps the funds at \$10 per case also does not mention a northern allowance, where costs are far higher than in other parts of the province.

(2) Home repairs: These dollars are provided as a mandatory benefit through the ODSP and as a discretionary benefit through Ontario Works. Home repair funding may be provided if there is no other funding available. The recipient could be forced to vacate the home if there is a risk to the health or well-being of a recipient, or if extensive damage will result to the home if the necessary repairs are not undertaken.

With the removal of this benefit from social assistance, there will be no further support funds available for home repairs. The government is suggesting other programs that can be used. For First Nation communities the existing Residential Rehabilitation Assistance Program, RRAP, provided by the CMHC, is suggested. The RRAP program is already being delivered to First Nations and currently is inadequate to meet the existing needs of First Nations. It also does not allow repairs to be made on an as-needed basis, but rather on an all-or-nothing approach.

(3) Community start-up and maintenance benefit: These dollars provide funding for eligible Ontario Works and Ontario Disability Support Program clients to assist with costs to establish a new residence, prevent eviction or discontinuation of heat or utilities, and maintain an existing residence.

The Chair (Mr. Bob Delaney): Chief, just to advise you, you've got about a minute left.

Chief Angus Toulouse: Okay. These benefits are proposed to be discontinued as of December 2012, but again, the government is planning to replace this benefit with a new consolidated First Nations housing and homelessness program and community start-up.

Again, it's really going to be problematic, but there are a number of other obvious areas: social assistance rates, employment service integration, issues with the Ontario child benefit—no increases. There are obvious impacts on First Nation education that are also identified.

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Just by way of conclusion, First Nations have been and are willing to work with Ontario to address the fiscal challenges but, as always, expect to be fully involved and engaged on any initiatives impacting their aboriginal and treaty rights, with respect for these rights and jurisdictions upheld and free prior and informed consent observed. This includes any measures impacting First Nations directly in social services; health, including health services; home care; education; resource development, and economic development.

We know that not addressing the current disparity of First Nations—

The Chair (Mr. Bob Delaney): On that note, I'm just going to have to stop you. Mr. Naqvi.

Mr. Yasir Naqvi: Good morning, Chief. So good to see you again. I'm not going to ask you a question. I wanted to give you my time, so maybe perhaps you can have the opportunity to talk about First Nations education. I know that you are a strong champion of equitable education for First Nations, something that is very important to me as well, so I wanted to give you my five minutes to you so you can speak to that, perhaps.

Chief Angus Toulouse: Thank you for that. We welcome the generalized provincial support and willingness of the government of Ontario to work with First Nations and the federal government to improve the quality of First Nations education and outcomes. However, missing from the statement is any financial support for achieving the desired education benefits.

The Drummond report, if you recall, recommended provincial funding support as an investment and eventual cost benefit for the provincial economy and provincial revenues overall. As far as First Nations are concerned, the crown has responsibilities and obligations to contribute to the well-being of First Nations people. We haven't drawn any distinctions between federal or provincial governments, since both governments benefit greatly from the treaty relationships. As was certainly stated by Justice Linden in his report, we are all treaty people. Thank you.

Mr. Yasir Naqvi: Thank you very much. Meegwetch.

The Chair (Mr. Bob Delaney): Thank you very much for having come in to join us this morning.

NATIONAL COALITION AGAINST CONTRABAND TOBACCO

The Chair (Mr. Bob Delaney): Our next presentation is the National Coalition Against Contraband Tobacco. Please come forward. Good morning, and welcome.

Mr. Gary Grant: Good morning, Mr. Chair. Good morning, everybody.

The Chair (Mr. Bob Delaney): You'll have 10 minutes to make your remarks this morning, followed by up to five minutes of questioning. This round of questioning will come from the official opposition. Just introduce yourself for Hansard, and continue.

Mr. Gary Grant: All right. I'm Gary Grant and I am the spokesperson for the National Coalition Against Contraband Tobacco. I'm also a retired Toronto Police Service officer and currently chair of Toronto Crime Stoppers. I'm also one of the coalition's 15 members, as Crime Stoppers is a member of the coalition.

Our membership represents businesses, retailers and other organizations that are concerned about the social impacts of contraband tobacco in Canada. We work to raise the profile of illegal cigarettes among politicians, the media and the public.

I'm very happy to be here today to discuss Bill 55. This budget commits to a number of important actions that will help to reduce the incidence of illegal cigarettes in Ontario.

First, we think that it's important to outline what I mean by contraband tobacco. We refer to cigarettes and other tobacco products where taxes have not been paid. It is extremely cheap, with a baggie of 200 cigarettes often costing less than a movie ticket. It's also sold through a criminal distribution network, much like a drug dealer system, really, that connects cigarettes to kids without the hassles of checking for ID or travelling out of the way.

This dangerous combination of low price and easy accessibility has made illegal cigarettes a prime source for youth smoking. In fact, a recent study by the Centre for Addiction and Mental Health flagged the easy accessibility of contraband tobacco as a major reason for Ontario's relatively high teen smoking rate.

We are also concerned about how illegal cigarettes finance some of Canada's least desirable elements. The RCMP estimates that contraband tobacco is the cash cow of more than 175 criminal gangs, who use the proceeds to finance their other activities, including guns, drugs and human smuggling. For 39 years, I worked for the Toronto Police Service, and I know first-hand about the dangers of well-organized and well-financed criminals.

I think that stopping kids from smoking and limiting funding to organized crime are reasons enough for government to take action on this important problem, but it also brings important fiscal implications to the public purse. Contraband tobacco costs governments in Canada roughly \$2.1 billion in taxes annually. That's a lot of money, particularly in an era of fiscal restraint and budget tightening. So there are many reasons to act.

Fortunately, in this budget, the government has committed to a number of positive steps that demonstrate that it is taking this problem seriously. The budget committed to new legislation to provide additional anti-contraband enforcement tools. Measures being considered include increased fines, tickets for those caught with small amounts of illegal tobacco, allowing for vehicles suspected of being used to smuggle tobacco to be stopped and searched, as well as proven best practices from other provinces.

The budget also reinforced the government's commitment to implement Bill 186, which was passed last year. Bill 186 created a special fine for possession of illegal cigarettes and allowed police to seize those cigarettes without needing to call a revenue officer.

We're encouraged that Ontario is willing to learn from how other jurisdictions have tackled the problem of contraband tobacco. For example, Quebec has had success by allowing municipal police forces to investigate and prosecute contraband tobacco offences, with proceeds from fines even being kept by the city. This keeps law enforcement organizations close to the problem and gives them the tools they need to address it. This legislation has proved successful enough that in its recent budget, Quebec moved to expand it even further.

The National Coalition Against Contraband Tobacco is also pleased that Ontario recognizes there must be greater intergovernmental and interdepartmental co-operation to coordinate the anti-contraband tobacco activities. The problem of contraband tobacco crosses borders and ministries, and the government's response must be nimble. There is a real opportunity for Ontario to take a leadership role in this regard, reaching out to other provincial and state governments, particularly Quebec and New York state, as well as First Nations leaders, to address this important issue.

In conclusion, this budget is taking some important steps in addressing the problem. We look forward to working with the government and other stakeholders in the coming months to turn words into action. Together, we can tackle contraband tobacco in Ontario, which will provide the province with significant revenue, hurt organized crime and keep cigarettes out of the hands of our youth. That's something worth working towards.

Thank you. I'd be happy to answer your questions.

The Chair (Mr. Bob Delaney): Thank you very much. Mr. O'Toole.

Mr. John O'Toole: Thank you very much, Gary, for your contribution in an ongoing sense and your success as the—I believe that you were deputy chief of Toronto when you retired?

Mr. Gary Grant: At one point, yes.

Mr. John O'Toole: Yes, that's good. You bring that expertise and that objectivity to it as well, so I commend you.

You're more or less complimenting them, and I'm not sure why. I can't find anything in the budget particularly addressing any real problem to any great extent. It's a large budget, a large deficit, a large debt. Don Drummond said things; they completely ignored them.

What in this budget are they doing to deal with this contraband tobacco issue in real action? I think there's a stalemate between—I hope they're not intervening, as a former police officer with the OPP, not doing anything about it. Really? I mean, I think there's a hands-off policy. Could you comment without getting into too much trouble on that?

Mr. Gary Grant: I've spoken to our OPP officers and municipal police chiefs. In the past, they felt that their hands were somewhat tied because of the lack of ability to enforce. For instance, if an OPP officer pulled over a van with a load of contraband cigarettes, they would have to sit on the side of the highway until an RCMP officer was available to attend or an Ontario revenue officer. It meant a lack of action. There were a lot of times when the municipal and provincial services did do it, but Bill 186 and what's being talked about in Bill 55 are a step in the right direction. It's certainly not going to take the step that's needed, which is really closing down all the illegal manufacturing plants that are, 90% of them, in Canada, in Ontario and in Quebec.

Mr. John O'Toole: Are they mostly in Ontario, these shops?

Mr. Gary Grant: They're in Kahnawake, Akwesasne and Six Nations. They produce approximately 90% of the illegal cigarettes.

Mr. John O'Toole: I sort of think it's like a Neville Chamberlain statement—peace at any price—and they're just ignoring it, actually, at the plight of our youth.

You said here two things that I'd like you to comment on. One is that teen smoking in Ontario is disproportionately affected by this very issue of cheap cigarettes. The other one is, Quebec seems to have liberated its police to take the proper, lawful steps necessary—comment on what Ontario's not doing, because most of what I see is that it's just doing nothing, basically.

Mr. Gary Grant: What we haven't done yet is go to the point where police can stop and may lay the charges themselves. I think Bill 186 is moving towards that, and fines for possession and whatnot. To be able to do what is done in Quebec, to have our Ontario police services to be able to stop, seize and investigate themselves, lay the charges, would go a long way in encouraging local police services and the OPP to tackle the problem because they would have the tools to do it.

Mr. John O'Toole: I guess the other thing is, often I think that because First Nations—it's an issue, as we said before, of two jurisdictional concerns; federally, it comes under the Indian Act and provincially, they deliver some of the programs and some of the money. This seems to be part of this problem. With contraband, you immediately see in Akwesasne—and a whole bunch of issues. Quite honestly, I hear them blaming Stephen Harper most of the time, that he has to step in and take some action. Is there any validity to that? And what would you like to leave with this committee? The Liberal members here are the only ones that are going to pass any amendments. They won't agree with anything we say. But leave with them what action they can take—and I mean this respectfully—to help the teenagers to not get hooked on smoking. Because you could help them. I'm sure they're looking for an amendment that's a measured response to this challenge.

Mr. Gary Grant: It's like the drug-dealing initiative: We can stop the small fry on the corners that are selling it and buying it; we can stop the middlemen that are transporting it; but until you go after Mr. Big, and that's the people that are illegally manufacturing and selling it and smuggling it into the province—there are many legal cigarette manufacturing plants on native lands. They pay their federal tax, but the crime gets committed when it's brought off the reserves and provincial tax isn't paid and it's brought across the provinces. But there are also, the RCMP estimates, about 50 illegal manufacturing plants on native land who are just ignoring brazenly all the laws. They're intimidating their own people because the stakes are so high and the money to be made is so good that there are about 50 factories that are manufacturing cigarettes with absolutely no regulation at all.

If both levels of government worked together to enforce the laws of the land as far as tobacco is concerned—and that includes the manufacturing of them and

the production of them and registering and knowing where the cigarette paper comes from, the machines that make it, the filters, because they have to get onto those lands somehow. We really have to tackle the main problem. It's going to take, as we discussed, interdepartmental, intergovernmental, complete co-operation between all levels to tackle this problem.

Mr. John O'Toole: Thank you very much for your contribution.

The Chair (Mr. Bob Delaney): Thank you very much for having come in with your very interesting presentation this morning.

Mr. Gary Grant: Thank you, Mr. Delaney.

The Chair (Mr. Bob Delaney): We are just awaiting the arrival of the Insurance Brokers Association of Ontario, so I would kindly request that committee members stay in close proximity to this room. For the moment, we are in recess.

The committee recessed from 0944 to 0946.

INSURANCE BROKERS ASSOCIATION OF ONTARIO

The Chair (Mr. Bob Delaney): Ladies and gentlemen, we'll bring the Standing Committee on Finance and Economic Affairs back to order. Our next presentation will be the Insurance Brokers Association of Ontario, who are already seated, ready and raring to go. Thank you for coming. As is usual in our committees, we're running a little ahead of schedule, so no waiting; it's immediate service.

You'll have 10 minutes to make your remarks, followed by up to five minutes of questioning. This round of questioning will come to you from the NDP. Please begin by stating your name for Hansard and then proceed.

Mr. Randy Carroll: I'm Randy Carroll, chief executive officer of the Insurance Brokers Association of Ontario. With me is Arthur Lofsky. Arthur does a lot of our grassroots work.

On behalf of IBAO, I want to thank the committee for having us here to discuss Bill 55, the 2012 budget measures bill.

The Insurance Brokers Association of Ontario represents over 12,000 insurance brokers, who assist over five million consumers across Ontario with their insurance needs. Our priority is to protect the interests of consumers, from the purchase of a policy right through to when they may need an independent advocate at the time of claim.

Our brokers are licensed and educated experts whose prime concern is that of their consumer. Insurance is a complex risk management product, and we believe, and the law requires, that consumers should get and need expert advice tailored to their own individual circumstances for proper risk mitigation. A broker's prime responsibility is to advocate and serve their customer, often giving a different perspective from the insurance companies.

I'm here to express IBAO's strong support for schedules 3, 11 and 31, all of which relate to providing statu-

tory authority to levy administrative monetary penalties, AMPs, for certain contraventions of the Insurance Act.

IBAO is pleased to see the government following through on its 2011 budget commitment to implement an AMP system. IBAO has been advocating strongly for an AMP regime in insurance here in Ontario, because we believe it is essential for better compliance and, ultimately, better consumer protection.

Last year, IBAO submitted a brief to government discussing AMPs, entitled Administrative Monetary Penalties: Why They Must Be Included in the Insurance Act.

Currently, the Insurance Act provides the Financial Services Commission of Ontario, or FSCO, with very limited remedial tools to use in addressing statutory breaches by regulated entities. Such matters may be addressed by a range of administrative remedies, the most commonly used being a cease-and-desist order, often in conjunction with an undertaking, which is regarded by many as a slap on the wrist; or FSCO may require the matter to be prosecuted in the quasi-criminal stream, which is a harsh and uncompromising route.

Under the current legislation, FSCO has no power to levy monetary fines for statutory breaches. This can only be done by the criminal courts if the individual or entity is charged with a quasi-criminal offence.

While each approach may be appropriate in certain circumstances, IBAO's position is that the overwhelming majority of regulatory breaches, whether intentional or unintentional, likely occur in the zone between the two extremes. FSCO does not currently have the tools to operate within this zone.

If the goal of remediation is to work collaboratively with an entity to modify risk management practices, then a more appropriate opportunity to accomplish this goal would be in the context of an AMP framework. AMPs will allow FSCO to impose monetary fines that reflect the proportionality of the statutory breaches, sending a very strong monetary message to the specific party and the industry.

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AMPs have been adopted in many regulatory contexts in Canada, including the insurance sectors in BC, Alberta and Saskatchewan. Federally, as well as here in Ontario, they're included in securities and mortgage brokerage regulation.

Well-conceived and implemented AMPs afford the regulator a range of remedial options, so that regulatory standards may be maintained with appropriate measures. Where they've been applied to the insurance sector, AMPs have enhanced the regulator's ability to deal with these issues. In addition, they have enhanced the credibility of the regulator in the eyes of the industry and the public, strengthening collaborative and cooperative interaction with the industry, which, of course, promotes the consumer's interest.

To conclude, these legislative amendments to the Insurance Act, if passed, will begin the process of implementation of an AMP system. It will be a vital step in the modernization of the insurance regulatory regime

and we believe will lead to better compliance and more effective regulation.

I'll be pleased to take your questions.

The Chair (Mr. Bob Delaney): Ms. Armstrong?

Ms. Teresa J. Armstrong: Good morning.

Mr. Randy Carroll: Good morning.

Ms. Teresa J. Armstrong: And thank you for your presentation. I don't know if you remember—

Mr. Randy Carroll: I do.

Ms. Teresa J. Armstrong: Yes. Good to see you again.

Mr. Randy Carroll: Good to see you again.

Ms. Teresa J. Armstrong: One of the areas in your presentation, where it says, "FSCO does not currently have the 'tools' to operate within this 'zone'"—

Mr. Randy Carroll: Right.

Ms. Teresa J. Armstrong: You've made some suggestions of how to accomplish that. Is there any movement towards the government looking at putting those tools in place so that they do have those tools to impose those things?

Mr. Randy Carroll: I don't think we've seen—well, we haven't seen as much movement as we'd like. We made our proposal for AMPs well over a year ago. As I said within the presentation, there's a minimum, which is really just cease and desist, and then there's criminal. We need something in the middle. We need FSCO and the superintendent to have the authority to actually enforce, and enforce through penalty, if needed.

Ms. Teresa J. Armstrong: Right.

Mr. Randy Carroll: When you've got insurers who find themselves offside, whether by mistake or whether purposely, they're both treated the same, and there's got to be a middle ground so that there's more flexibility back to the regulator. That was all built into the proposal that we had put in.

We also included what we call a bright-line test, which actually gives the regulator an opportunity to follow a stream and determine whether they should take the lesser or the greater direction to impose penalty.

Ms. Teresa J. Armstrong: How long ago was your presentation report presented?

Mr. Randy Carroll: September 9, 2011.

Ms. Teresa J. Armstrong: Okay. And have you had any correspondence back on that presentation?

Mr. Randy Carroll: I don't believe so. We were really pleased to see that it was in the budget. We have talked to FSCO and have encouraged FSCO to do what they can to implement, as well.

Ms. Teresa J. Armstrong: One last question. For some of us here—I've been asked to ask the question that—to expand in layman's terms what the kinds of breaches are and examples, and what the penalties would be.

Mr. Randy Carroll: Okay. I can give you two really good examples. We've had a situation in the past couple of years where I would determine an honest mistake was made in regard to premium rounding, and the consumer was actually disadvantaged. The insurance company, the

way that we followed the process, admitted their guilt voluntarily. They actually brought forward the fact that they had made a mistake and brought forward a solution to make the consumer whole.

On the other end of the scope, we've seen an insurance company who blatantly disregarded filed rates and rules, and they actually altered the premiums that were supposed to be offered to the consumer.

In both of those circumstances, the penalties were the same.

Ms. Teresa J. Armstrong: So there's not a differentiated—

Mr. Randy Carroll: So there's not any—

Ms. Teresa J. Armstrong: —intent and non-intent.

Mr. Randy Carroll: Correct, right. We felt that the insurer that actually came forward to say, "We've made a mistake; we want to make the consumer whole," should not have been dealt with in the same fashion as an insurer that actually made a blatant mistake—not a mistake but an intentional—

Ms. Teresa J. Armstrong: Intent, yes.

Mr. Randy Carroll: —work-around of the filed rates and rules that were there.

Ms. Teresa J. Armstrong: And when those breaches occur financially, does that get put back onto the consumers for the insurance costs of that, of doing business that way?

Mr. Randy Carroll: I don't have an answer to your question. I'm not 100% sure. I'm not sure. I can't answer that.

Ms. Teresa J. Armstrong: Just one final question: What would be the average amount of a penalty that you would pay for breaching something like that?

Mr. Randy Carroll: Currently, what we've seen is anywhere between \$50,000 and \$100,000 as penalties. When you take a look at what's available in other provinces, it ranges from a minor breach of \$25,000 to a maximum of \$1 million.

It was really interesting. We had an opportunity to ask five CEOs at our CEO panel two years ago what they thought would be an appropriate maximum fine. Every one of them landed on six figures plus.

Ms. Teresa J. Armstrong: All right. Thank you.

The Chair (Mr. Bob Delaney): And thank you very much for coming in this morning. See? You're all done before you were scheduled to start.

Mr. Randy Carroll: I need to know how you actually get through these things on time and ahead of schedule. I could use a little bit of advice on my committees. Help me out with that if you can.

The Chair (Mr. Bob Delaney): Thank you very much. The committee will take that as a compliment. It's been a good group and it's been a pleasure to work with them—and it's been a pleasure to have you.

Mr. Randy Carroll: Thank you.

The Chair (Mr. Bob Delaney): I would like to ask our committee members to get here a little bit before our scheduled first deputation at 3:30, so we are in recess until routine proceedings are done.

The committee recessed from 0957 to 1531.

ASSOCIATION OF IROQUOIS
AND ALLIED INDIANS

The Chair (Mr. Bob Delaney): Good afternoon, everybody. We are here to resume and to complete our hearings on Bill 55, An Act to implement Budget measures and to enact and amend various Acts.

Our first presentation of the afternoon will be the Association of Iroquois and Allied Indians. Gordon Peters, Grand Chief, come up and have a seat. You will have 10 minutes to make your presentation, following which there could be up to five minutes of questioning. In the rotation, the questioning will come from the government side. Would you please begin by introducing yourselves for Hansard and then just proceed.

Grand Chief Gordon Peters: Good morning—or good afternoon, I should say. I thought it was morning.

With me this afternoon is Stan Cloud, who is involved with social services within your organization as well. He will respond to any specific, detailed questions with respect to the discussion that we're having. I will read into the record the statement that we have.

Mr. Chairman and committee members, on behalf of the Association of Iroquois and Allied Indians, I would like to focus my remarks on the proposed changes to Ontario Works through Bill 55, An Act to implement Budget measures and to enact and amend various Acts. In particular, I will speak to the potential impacts of the bill on First Nations families and individuals within First Nations territories, as well as our citizens within the urban areas.

While I appreciate the opportunity to address this matter, the truth is that I never believed we would come to a committee to deal with Ontario Works, especially after the massive Harris cuts of the mid-1990s. I'm also surprised to be here based on a commitment made by the federal government—that should say “in 2008” instead of “in 1998”—to develop a strategy not only to reduce poverty but to eradicate it.

I thought we had learned that OW cannot be examined simply as an issue of numbers. What we're really talking about are the limitless and potentially devastating impacts on human lives. What we are talking about is the way Ontario treats First Nations on the subject of OW. This government has demonstrated time after time that those who are least able to fight back are the ones punished for Ontario's deficit.

The OW program is punitive from the outset. Not only is there no rational methodology to determine the current fiscal supports offered by the program, but OW makes no distinction for the particular circumstances of recipients. It makes no distinction whether an individual resides in the north or the south, on reserve or off reserve, or has the skills and education to find and retain an occupation. From day one, the program was designed to punish the very recipients it purports to help.

Additionally, former Premier Mike Harris cut OW by 22.6% in one budget alone. Since then, Ontario has done nothing to bring funding levels back to an appropriate state, despite the poverty reduction strategy. Even during the recession that shook the world financial markets, there were no additional supports for those to hold or obtain employment.

Now the government of Ontario is proposing severe cuts to Ontario Works for relatively little budgetary gain. From freezing the general social assistance rate at 1% to slashing the community start-up and maintenance benefit entirely, First Nation recipients are being further victimized so that Ontario can reach its own objectives.

As with other issues specific to Ontario's relationship with First Nations, there has been no dialogue prior to these proposed changes. Under the 1965 Indian welfare agreement, there was an initial understanding that First Nations would work together with Ontario and Canada to support families and individuals. Since its creation, however, there has never been an opportunity to discuss how to best offer that support. Additionally, the government of Canada continues its refusal to fund its fair share under the agreement, adding an additional layer of stress on First Nations programs.

As First Nations, we continually ask ourselves, “How did we lose control over the lives of our people? Who determined that we should be subjugated to other governments so that they can achieve their objectives?” This sentiment was never more evident than when First Nations were forced into OW in 1996, experiencing both a slash in funds and the resulting liability when jobs were created. Since then, the Liberal government has acknowledged that problems exist with respect to OW and the 1965 welfare agreement. Yet despite all the promises from successive governments, the pattern of paternalism continues. Bill 55 is simply another act of aggression by the Ontario government against First Nations.

Our recommendations: The current approach to adjust the OW program punishes those least able to defend themselves and tramples all possibility of sincere dialogue. Based on this unfortunate strategy at deficit reduction, I believe that the corrective actions are self-evident.

The association recommends the following:

(1) The sections of Bill 55 related to OW must be removed until meaningful dialogue occurs and mutual resolution is reached by all parties.

(2) Ontario should begin to explore options to change OW after the social assistance review commission has released its findings on the state of social assistance in Ontario. Until these findings are known, adjustments to OW are not feasible, nor are they practical.

(3) If Ontario is serious about its poverty reduction strategy, it must begin a full and structured dialogue with First Nations in the immediate future.

(4) Ontario should work with First Nations to explore other options to locate savings. As governments with a vested interest in our economy, citizens and the future of this region, it is incumbent upon us to find avenues to generate or save funds.

The course you currently hold will further punish those most vulnerable, including our citizens. We urge you to make the right choice by removing the proposed changes to Bill 55 and begin a meaningful dialogue with First Nations.

Mr. Chairman and committee, we thank you for considering these concerns. I would like to draw your attention to the appendix of this submission, where a listing of the three primary impacts on First Nations is provided. I will leave you to read this at a later time; however, I am happy to take questions on those and other issues that you have.

The Chair (Mr. Bob Delaney): Thank you very much.

Grand Chief Gordon Peters: Short and to the point.

The Chair (Mr. Bob Delaney): Indeed.

Grand Chief Gordon Peters: I think the idea for us was being able to ensure that there is some way of being able to deal with this prior to the decisions on the budget.

The Chair (Mr. Bob Delaney): Brevity, it is said, is the essence of wisdom.

Mr. Naqvi.

Mr. Yasir Naqvi: Good afternoon, Chief. Thank you very much for coming this afternoon and sharing your views about aspects of Bill 55.

I do want to assure you, as you mentioned in one of your recommendations, the work of the social assistance review that is going on and the recommendations that they will be making to the government—obviously, we have a lot of work ahead of us to make sure that we design our social assistance programs such that (1) we are helping people to the fullest and (2) of course to engage First Nations communities and make sure that their needs are being met as well. I really do appreciate you raising that point, which is a valid one.

I asked this question earlier today, when Chief Toulouse was here from the Chiefs of Ontario and I wanted to get your views as well, and that's in regards to First Nations education: what your views are, what needs to be done to ensure that we are engaging First Nations youth as well and giving them meaningful opportunities to get the education they so very much deserve in our communities.

Grand Chief Gordon Peters: Thank you. Let me respond to your first comment, because I think it's important as well. It's important because I know the social services review commission uses the word "reform." To me, reform means that there are going to be massive changes. It doesn't seem logical that we would embark upon a course of these negative changes when there's an attempt to be able to reform the system.

Secondly, with respect to education, I think it's primary that First Nations communities need to be able to take on their own responsibility for education, to exercise their own jurisdiction over education. I think all peoples have the right to be able to educate their own children. The fundamental premise of being able to do that is based on the acknowledgement that we need to be able to have our own languages and our own cultures, that are at

the primary part of that, but also the academics and the technology that's required.

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Mr. Yasir Naqvi: Chief, thank you very much for coming. We really appreciate your time. Meegwetch.

Grand Chief Gordon Peters: You're welcome.

The Chair (Mr. Bob Delaney): Thank you very much for having come to share your thoughts with us today.

CANADIAN CANCER SOCIETY,
ONTARIO DIVISION

The Chair (Mr. Bob Delaney): Our next presentation will be from the Canadian Cancer Society, Ontario division. Good afternoon, and welcome this afternoon.

Ms. Joanne Di Nardo: Thank you. Good afternoon.

The Chair (Mr. Bob Delaney): Just to quickly recap the ground rules, you'll have 10 minutes to make your presentation, followed by up to five minutes of questioning. The rotation this time will see your questioning come from the opposition. State your names for Hansard and then continue.

Ms. Joanne Di Nardo: My name is Joanne Di Nardo, senior manager, public issues.

Ms. Rowena Pinto: Rowena Pinto, vice-president of public affairs and strategic initiatives.

Ms. Joanne Di Nardo: Mr. Chair and members of the committee, thank you for this opportunity to present on behalf of the Canadian Cancer Society, Ontario division.

We would like to take a moment to speak to you about the cancer prevention measures presented in the Ontario budget on March 27, 2012. We urge the members of this committee to consider healthy kids with regards to the passage of budget Bill 55. Today, we'll speak to tobacco control and indoor tanning.

Tobacco products cause 30% of cancer deaths, including 85% of lung cancer deaths. Smoking rates in Ontario remain unacceptably high, including among youth, and we must do everything we can to reduce smoking among that cohort.

High prices are the single most effective measure to reduce tobacco use, especially among youth, who we know are more price-sensitive, due to limited disposable income. Research has shown that when more adolescents can afford to smoke—and more can today in Ontario, as a result of being able to access cheap contraband cigarettes—more of their peers in turn start smoking. This increased visibility of smoking among young people, and the increased potential for peer pressure to smoke, are trends that reinforce each other, and that results directly from low prices. As we know, contraband products are selling for as little as \$5 to \$6 for a bag of 200 cigarettes in this province.

Tobacco use continues to be the leading cause of preventable disease and premature death. The government's smoke-free Ontario strategy has made the province a leader in tobacco control. Ontario remains committed to reducing smoking among youth and other vulnerable

persons, and we look forward to the goal of achieving the lowest smoking rate in Canada here in Ontario.

As part of this commitment, we believe the government is taking the necessary steps to increase fines on those convicted of selling tobacco to youth and to impose stronger sanctions for repeat offenders of Ontario's tobacco-related laws through the implementation of Bill 186.

The availability of cheap illegal tobacco makes it easier for non-smokers, especially youth, to start smoking, and removes an incentive for smokers to quit, undermining policies already put into place to reduce smoking. A public education campaign on contraband tobacco, to explain the impact this illegal product has on health and to communicate the fact that contraband is the currency for other illegal activity, is key to a successful contraband control strategy.

We are encouraged by the following amendments to the Tobacco Tax Act, effective in the fall, that include:

- increasing fines for those convicted of offences related to illegal tobacco;
- enabling law enforcement officers to ticket those found with smaller amounts of untaxed illegal tobacco;
- impounding vehicles used to transport illegal tobacco;
- providing for the use of court-authorized tracking devices;
- forfeiture of items seized as evidence of a contravention of the Tobacco Tax Act;
- authorizing a vehicle to be stopped, detained and searched if there are reasonable and probable grounds to believe that it contains raw leaf tobacco and, if there has been a contravention, to seize that tobacco.

We are encouraged by:

- the strengthening of the registration system for retail dealers;
- replacing Ontario's yellow tear tape with the federal stamp;
- adopting best practices that have proven to be effective in other provinces; and
- strengthening other provisions to improve the effectiveness of the statute in meeting the government's commitments.

To effectively address illegal tobacco, we encourage and support joint tobacco enforcement and administration agreements between Ontario, other provinces and jurisdictions, First Nations and various federal agencies, including the federal government.

Ms. Rowena Pinto: The second issue we would like to speak to you about today is indoor tanning. The society was here at Queen's Park on April 26, 2012, with a young woman and cancer survivor, Kate Neale, as she helped us plead the case for indoor tanning restrictions and regulation of the tanning industry.

For six years, the Canadian Cancer Society has put forward the following recommendations to government:

Prohibit youth under the age of 18 from using indoor tanning equipment.

Restrict indoor tanning promotions and marketing targeted to youth.

Maintain a registry or licensing system for indoor tanning equipment in use in Ontario, with fees put towards enforcement.

Introduce mandatory and comprehensive training that is specific to Ontario for all staff operating indoor tanning equipment. Training would include operation procedures, maintenance and how to identify people with fair skin who are at greater risk of developing cancer.

Ensure the health risks associated with UV radiation-emitting devices are displayed prominently and in clear view of clients at all indoor tanning facilities.

Diseases such as cancer are taking a significant toll on an already strained health care system. Skin cancer is mostly preventable and is often treated by a dermatologist or family doctor with costs directly billed to OHIP. In 2011, Cancer Care Ontario estimated the cost of skin cancer to the province of Ontario would exceed \$344 million. In 2011, it was estimated that 5,500 Canadians were diagnosed with melanoma and 74,100 with non-melanoma skin cancer.

But what will be the cost of enforcing and enacting such legislation? We strongly believe that by enacting legislation that will protect young people from the dangers of indoor tanning and enforcing such legislation—the costs associated would be minimal if not cost-neutral. Fees collected by a licensing or registry system would offset the costs of an effective enforcement strategy. A few years ago, the city of Toronto did an estimate of what it would cost to enforce such legislation in Toronto, which has a high number of tanning salons compared to the rest of the province. An estimated cost was only \$21,000 a year.

Jurisdictions around the world are taking action to protect young people from the dangers of indoor tanning, and it's time for Ontario to do the same. France, California, Australia, the United Kingdom, Nova Scotia and, recently, British Columbia, Quebec and Newfoundland and Labrador have introduced government legislation to restrict youth from using indoor tanning equipment.

We know that indoor tanning causes skin cancer. The world's foremost authority in identifying the causes of cancer, the International Agency for Research on Cancer, classified ultraviolet radiation devices, including tanning beds, as known carcinogens—in the same category as tobacco and asbestos. Tanning bed use before the age of 35 increases a person's risk of developing skin cancer by 75%. Melanoma skin cancer is also one of the most common and deadliest forms of cancer amongst people ages 15 to 29 and is one of the most preventable.

A poll conducted by Ipsos Reid in April 2012 on behalf of the Canadian Cancer society found that 52% of youth indoor tanners say that their parents pay for their tanning bed use, 24% of youth indoor tanners say that parents first introduced them to tanning, 21% of youth in grade 12 are using tanning beds, 11% of youth in grade 11 are using tanning beds, and 8%—1 in 10—of youth in Ontario are using a tanning bed, up from 5% six years ago. Legislation is really needed.

If that's not enough, I just want to give you an excerpt of Kate's story. As a teenager growing up in Belleville, Kate Neale wanted to be tanned. Against the wishes of her parents and regardless of the fact that she had very light and sunburn-prone skin, Kate started indoor tanning at the age of 16. In the beginning, she tanned two to three times a week, but soon ended up going for 12 to 16 minutes in the highest UVB pressured bed, sessions up to 16 times per month. The recommended maximum tanning time on this particular bed was 12 minutes. However, the salon allowed customers to tan in this bed for up to 30 minutes.

She started working at a tanning salon. She signed a contract saying that in return for maintaining a tanned appearance, she would receive 12 free indoor tanning sessions and one spray tan a month. She worked at the salon for two and a half years.

In May 2011, while visiting her parents, Kate's mother noticed a freckle on her daughter's stomach that had changed. A visit to the dermatologist and a biopsy later confirmed that the freckle was actually melanoma, the deadliest form of skin cancer. Over the next few weeks, Kate underwent three more biopsies for skin lesions on her right breast, leg and arms.

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She says, "I'll never forget going to the surgeon's office with my mom. He thought she was the patient. When he realized that I was the patient, he told me I was the youngest person he'd ever treated for melanoma. I was"—

The Chair (Mr. Bob Delaney): Just to remind you, you've got about a minute left.

Ms. Rowena Pinto: Okay—"I was only 21." Just based on this experience alone, we need to protect the health of young Ontarians. Therefore, with regard to the passage of Bill 55, we urge you to consider the quick passage of Bill 74, introduced by France Gélinas on April 26, 2012. Thank you.

The Chair (Mr. Bob Delaney): Thank you very much. Mr. O'Toole?

Mr. John O'Toole: Yes, thank you very much. I'll be sharing my time with my colleague Vic. Thank you for your presentation—two very important themes; I would say, probably universal agreement with you. Your advocacy is very much respected.

You said in here—and this is your information—that tobacco use remains unacceptably high in Ontario, including amongst youths. This morning we had a presentation from another presenter, Gary Grant, who represents the National Coalition Against Contraband Tobacco, and he said the same thing.

What advice would you leave for the current members of the government side to move forward with—your last recommendation is encouraging Ontario to work with other provinces and jurisdictions, First Nations and federal agencies. Leave that for them to deal with, because you need to tell them.

Ms. Joanne Di Nardo: We know that some discussions are already occurring with other jurisdictions. We

look to other jurisdictions like Quebec, who have implemented some of the measures that we recommend through our policy recommendations, but we strongly believe that price needs to increase. We know that youth are price-sensitive. This is a health issue. Contraband is an issue that people don't understand, so connecting all contraband measures to a public education strategy, a campaign here in this province, would effectively look to reduce the existence of contraband.

Mr. Victor Fedeli: Thank you very much.

Interruption.

Mr. John O'Toole: It's your cellphone.

Mr. Victor Fedeli: I don't think so. It's been there.

Thank you very much, Chair. My question is for Ms. Pinto. On the presentation you made on page 2, where it spoke of a Toronto cost of \$21,000, would you have any data to show what an Ontario-wide cost would be?

Ms. Rowena Pinto: No, we haven't done the estimates. That was actually done by the city of Toronto. They were looking, at one point, to passing a bylaw. Granted, it is probably true—we're not exactly sure, because currently, tanning salons do not need to register to actually run tanning equipment here in Ontario. It is estimated that there are approximately 86 tanning salons in Toronto. This is probably higher than any other place in Ontario, so it would be assumed that in other jurisdictions, the price for enforcing would be much lower.

Mr. Victor Fedeli: Thank you very much. I think Mr. O'Toole has covered my questions about the cheap contraband cigarettes, so Ms. Di Nardo, you're off the hook with me. Thank you very much, especially for the compelling story that you told about Kate. That kind of makes everybody sit up and check themselves over for those little freckles. I noticed here it was a freckle. I looked again to see: Was it a blotch of freckles? It was a freckle. Who doesn't have a freckle? I'm starting to sit here in a worried state.

Mr. John O'Toole: An aging spot.

Mr. Victor Fedeli: Yes; when you have about 15 on your face that weren't there a year ago, it makes you think. Thank you very much for the diligent work that you do. I don't think you would find one person in this room who is not affected, who hasn't had a family member, a friend, a loved one, affected by cancer. So thank you very kindly for your complete and diligent work with the Canadian Cancer Society and marketing the adverse effects of smoking and tanning salons.

Ms. Rowena Pinto: Many thanks.

The Chair (Mr. Bob Delaney): All of us with fair skin and Celtic genes paid very close attention. Thank you very much for having come in.

ONTARIO ASSOCIATION
OF PROFESSIONAL SEARCHERS
OF RECORDS

The Chair (Mr. Bob Delaney): Our next presentation will join us by teleconference. It's the Ontario

Association of Professional Searchers of Records: Bob Read, senior director. Mr. Read, are you on the line?

Mr. Robert Read: Yes, I am.

The Chair (Mr. Bob Delaney): You'll have 10 minutes to offer your presentation before the committee. Sitting before you are members of all three parties in the Legislature. Following your presentation, there will be up to five minutes of questions coming to you. The question rotation this time will bring you questions from members of the NDP caucus. Please state your name for Hansard and then proceed.

Mr. Robert Read: Great. Thank you very much. My name is Robert Read. I'm a director with the Ontario Association of Professional Searchers of Records, short form OAPSOR for this presentation.

OAPSOR is comprised of professional searchers of public records, servicing largely the legal profession across Ontario. Our members have expertise in searching the property records of Ontario to assist in the closing of real estate transactions, environmental reviews, litigation proceedings and various other disciplines.

I also sit on the County of Carleton Law Association real estate lawyers committee, whose members are also very concerned about the closing of the land registry offices. I just learned yesterday that this was the last day of public consultation and, in turn, have only been able to inform the committee this morning.

I am here to address section 5 of schedule 61 of Bill 55. Section 5 repeals section 5 of the Registry Act, which will result in the closing of all the local land registry offices. The closing of these offices will have major disruptive effects on the real estate industry in Ontario, as well as hinder the general public's ability to access the real property database POLARIS as well as the valuable information kept at these offices that has not been automated. The cost to the end user will increase astronomically if these offices are closed.

As you are most likely aware, the records in land registry offices have been automated from the paper system into an electronic format. You probably don't know that this job of converting the records has not been completed. We can only guess that the officials at MGS have indicated that the job is complete, but we at OAPSOR wish to tell you without hesitation that you have been misinformed.

On page 2 of the letter sent to the ministry—attached to this submission—there is an exhaustive list of reasons why the information that has not been brought forward is still vitally important in the closing of real estate transactions. Real estate is a multi-billion-dollar business in Ontario. The closing of land registry offices will delay the closings of deals for reasons listed in that letter. This government would have to repeal half a dozen other acts to justify the closings of these offices at this time. Ensuring there is compliance with these acts, such as Planning Act, Business Corporations Act, Environmental Assessment Act, laws with regard to railway lands and hydro easements, litigation forensic reviews etc. demands reasonable access to these non-automated information

records in order for solicitors to make informed decisions when closing real estate transactions. The closings of the offices at this time, without first requiring the completion of the automating of all records, will be a detriment to the real estate industry in Ontario. This is an inescapable fact.

OAPSOR is concerned that in Bill 55 there is no requirement that the real property products can still be obtained without paying the exorbitant fees charged by Teraview. In the land registry offices one may still access public data at a third of the price that one is required to pay on Teraview. The system's conversion was financed almost entirely by the public, and yet we are now billed back at 200% above the government tariffs. An \$8 government product costs \$30 online, with no value added. Currently, any member of the public can attend the land registry office and obtain information with or without the assistance of a land registry employee. On Teraview, many addresses are still impossible to find without expertise, and many persons would not only have to pay the outrageous markup by Teraview but also hire additional help to locate properties. Teraview, at three times the price, has failed to offer a fraction of the service currently available at the local land registry offices. The closing of the land registry offices is simply bad public policy—bad for the real estate industry and bad for the general public.

In Canada, British Columbia has embraced the private-public partnership with regard to real property records. In BC, the model of a monopoly such as Teraview was installed and the service provider there gets \$1.50 for the delivery of the same product for which Teraview receives \$20. This disparity is totally unjustifiable. It requires a serious review before you close the land registry offices and thereby force the public into this ridiculous pricing scheme. Ontario, in both real estate and corporate records, has the most expensive public records in North America.

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The proposal to close the offices has been done without consultation. OAPSOR only learned about the closings through the rumour mill—land registry office employees who were sworn to secrecy—and then it was only confirmed to us after first reading in the House. It is unfortunate that it has been done in this manner. If OAPSOR's members as well as our clients, who are largely members of the Law Society of Upper Canada, had been properly informed of this plan by MGS, we would have had time to educate you as to the facts and the problems that such a hasty and ill-advised decision will cause.

I urge the government to review the delivery of the public record, particularly with a view to the costs, by comparing them with other jurisdictions in North America. Many of our members frequent other provinces' and state records, and if given time, we could provide you with a spreadsheet for comparison. If you saw the comparative pricing, you would undoubtedly become troubled with what has transpired here in Ontario.

Without legislative assurance that private sector fees—fees that quite simply cannot be justified—can be avoided, then not only should the land registry not be closed, but all public records that service the legal industry, and ultimately the end user, should continue to be available to provide the financiers of these databases, i.e., the general public, to continue to access their records at reasonable prices.

Real property records service a multitude of purposes. The loss of reasonable access will have profound effects in many legal disciplines as well as personal. The information contained within each registry office was bought and paid for by the general public, and now MGS is recommending that the public lose reasonable access to these records. The conversion process undertaken by MGS and Teraview has taken a narrow view as to the purpose of these records. MGS, by proposing the closure of the registries, has shown a profound failure to understand the purpose of the records in their stewardship.

The Chair (Mr. Bob Delaney): Mr. Read, I just want to remind you that you've got about a minute left.

Mr. Robert Read: Thank you.

We at OAPSOR invite a committee where members of OAPSOR, members of the law society, surveyors, members of the public and the government can all discuss what implications these proposals have. We are very concerned that MGS did not seek out the stakeholders in connection with the closure of the land registry. If they would have, it would become apparent that the decision cannot be supported through the lens of good public policy.

In summation, OAPSOR recommends that clause 5 be removed from schedule 61 until a thorough and democratic review of the facts can be done. To pass schedule 61 in its present state, allowing for the registry office closure, would be irresponsible, both damaging to the real estate industry as well as to the interests of all Ontarians.

Thank you on behalf of the Ontario Association of Professional Searchers of Records.

The Chair (Mr. Bob Delaney): Thank you. Your questions will come from Teresa Armstrong.

Ms. Teresa J. Armstrong: First, I want to thank you for that very educational presentation and deputation that you made under that section of the omnibus bill, number 5.

One of the things I wanted to ask you—I have several properties. During the course of purchasing those properties—we've done it ourselves; we haven't gone through a real estate agent. Of course, we've gone through a lawyer. What are some of the pitfalls that you can foresee with this land registry change if people aren't experienced, maybe, in buying property, if they are trying to do it themselves because they're trying to save a little money? Are the chances of something going wrong more apt to happen when these services have been reallocated?

Mr. Robert Read: I guess one of the biggest problems is that—you have to remember, when they automated the service to provide the land records, not every-

thing was brought forward. It was done with sort of what we call a sub-search, a partial check of the records. In many cases, there are right-of-ways missing, there are land disputes that are still there. Without the records previous to this automation, we would have no way of finding these out. Even if they move them to a remote location, we would be talking weeks and months. Real estate transactions are handled way before that. We're always on time constraints.

Ms. Teresa J. Armstrong: So sorry, I'm having a little trouble hearing your answer, but I think you said that if they move this off-site in a remote location, it would cause real estate agents to take even longer to close homes? Is that—

Mr. Robert Read: Well, it would be the legal profession. That's where the problems would come from, not through the agent. Once you began searching the titles to these properties and weren't able to find solutions to problems that were revealed from looking at the automated records, you'd be months trying to access the paper records or the microfilm records that they moved off-site. As it happens now, we can go to the local registry office and usually find a solution to the problem that arose and that's causing a problem on that real estate transaction.

Ms. Teresa J. Armstrong: So it really could be quite stressful for a property purchaser to have that delay and then ultimately get fed, "Information isn't available," or the assumption that it might be incorrect information or they can't find it. It could end up perhaps escalating to even lawsuits.

Mr. Robert Read: Absolutely. It could delay the closing to such a point where a purchaser needed to move in and wouldn't be able to, or a seller wanting to move out to buy a new property with the sale of the present one wouldn't be able to because the records aren't available, so the transaction just would not close.

Ms. Teresa J. Armstrong: Would you say that if this is proposed and passed this way, the consumer is going to pay the price, perhaps, for more work lawyers may have to do to try to find that title in that area?

Mr. Robert Read: Definitely. All these costs would be passed on to the consumer.

Ms. Teresa J. Armstrong: Thank you very much for that presentation. I really enjoyed it.

The Chair (Mr. Bob Delaney): And thank you very much for your deputation.

Mr. John O'Toole: Chair, I'd like to make a point of information—

The Chair (Mr. Bob Delaney): You're out of order, Mr. O'Toole.

Mr. John O'Toole: Yes, I would expect that my point of order is heard.

The Chair (Mr. Bob Delaney): Mr. O'Toole, you're out of order.

Mr. John O'Toole: Chair, I want my point of order to be heard, and it's my privilege to raise a point of order.

The Chair (Mr. Bob Delaney): You're out of order, Mr. O'Toole.

Mr. John O'Toole: No, I'm not. You're not conversant with the orders of what the procedures—

The Chair (Mr. Bob Delaney): Our next presentation is the Ontario Nurses' Association—

Mr. John O'Toole: The procedures of this committee would allow me to make a point of order, and the point of order that I am intending to make, and I ask the Chair to respect that—

The Chair (Mr. Bob Delaney): Mr. O'Toole, you're out of order.

Mr. John O'Toole: This bill, Bill 55, is over 300 pages—

The Chair (Mr. Bob Delaney): Mr. O'Toole, you're out of—

Mr. John O'Toole: —69 sections—

The Chair (Mr. Bob Delaney): Mr. O'Toole, you're out of order. Stop talking. Thank you.

ONTARIO NURSES' ASSOCIATION

The Chair (Mr. Bob Delaney): Our next presentation is the Ontario Nurses' Association: Linda Haslam-Stroud, president. Thank you very much for having come in this afternoon.

Interjection.

The Chair (Mr. Bob Delaney): Mr. O'Toole, stop it.

You'll have 10 minutes for your deputation here this afternoon, following which the rotation of the questions will come from the government. The government may have up to five minutes to ask you questions. Please begin by stating your name for Hansard and proceed.

Ms. Linda Haslam-Stroud: Thank you. My name is Linda Haslam-Stroud. I'm a registered nurse, and I am president of the Ontario Nurses' Association. I'm an RN at St. Joseph's Healthcare in Hamilton. Joining me today is our government relations officer, Lawrence Walter.

Many of you already know that I represent some 59,000 registered nurses and over 13,000 nursing student affiliates across Ontario. We basically represent three quarters of the RNs working at the bedside in front-line care in nursing homes, hospitals, the community, public health and private clinics. Our members experience first-hand the impact of government policy and funding decisions as they filter down and affect, obviously, the front-line care that we're able to provide to our patients, our clients and our residents.

My remarks today are primarily going to actually focus on the impact of funding for the health sector, and schedule 30, which is HLDA for us in the labour movement; for you, it might be the Hospital Labour Disputes Arbitration Act.

However, before I begin, I did want to express ONA's strong disapproval of schedule 28, which appears to go far behind privatizing limited government services. As you know, schedule 28 sets in force powers to override existing legislation and regulation pertaining to many public services and to instead contract to for-profit services, including hospitals, listed in section 10. You probably already have heard many talk about the evi-

dence regarding quality care suffering in the for-profit delivery of health care in Ontario. We therefore join with others who have already appeared before us in calling for the deletion of schedule 28 in Bill 55.

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I'm now going to turn to the impact of the funding on the health sector to understand the magnitude of the cuts. When I'm looking at patient care, I'm looking in that every full-time RN who is cut from the system is providing close to 2,000 hours of care for our patients. However, to look at the context and to set the context, we believe that this will mean less care provided by fewer registered nurses.

I think it's informative to review the Auditor General's report. The auditor reported that the expected health care expenditures would increase by an annual average of 3.5% over the next three years, but the 2012 Ontario budget, as you know, has lowered that significantly to an annual average of a 2.5% overall rate for the health care system. Even at the level of 3.5%, which of course we don't have in funding, the auditor has indicated that there will be significant cuts. That includes hospitals looking for \$1 billion in savings. When you say that, it sounds, you know, "Okay, hospitals," but what you're really talking about is front-line care. I've lived through this system for 35 years as an RN, and the bloated CEO salaries and pay-for-results bonuses, as well as the backroom and admin, are not being cut in saving the money. What's being cut is the front-line care to our patients, and it has got to stop.

You also see that in the Auditor General's report, he actually talked about a growth in drug expenditures that would need to be cut in half—I know we're working on that, but I think we have a long way to go; OHIP payments to be cut by over \$2 billion, and I think I'll just leave that one at that for today; and long-term-care funding to be cut by more than half and home care funding by one third, compared to previous years. That's the auditor projecting with a 3.5% increase in funding.

At the same time, we in Ontario currently have—and I think you know this, but in case you don't—the second-lowest ratio of RNs to the population. It's pretty disgusting, considering this is Ontario, the land of opportunity and certainly a province where we would like to boast that we have the best health care in all of Canada.

Some 30% of the RN workforce is now eligible to retire, and for the first time—and I've been saying this for a number of years, but finally the facts are showing it because the College of Nurses' stats are one year behind the present year—the College of Nurses of Ontario's stats have shown an actual 501 fewer RNs employed in nursing in 2011. So we have lost 501 RNs. I've been telling you this; now the facts are actually catching up with our anecdotal comments that we've made previously.

We do face enormous challenges to provide quality care in every sector. We are struggling with heavy workloads, excessive overtime, and we're also stressed out with the working conditions that we're under. The

retention of current nurses is critical, as the government's own data shows that—and this is problematic—new nursing graduates are only staying in nursing, not in one position, for five years. We have to stop that trend. We have to be employers of choice. We have to welcome these new grads so that they not only take part in nursing but stay in the system. We desperately need them.

We know from numerous research studies performed both in the US and in Canada that there is a direct correlation between RN staffing levels and our patient outcomes. For every patient that is added to my workload, your morbidity and mortality—or, in layman's terms, your disease and death rates—increases by 7%. That's what I'm dealing with on the front line when I'm caring for you.

At this point, we are looking for a continued commitment to continue to create the 9,000 permanent, full-time RN positions that had been promised previously—the 9,000 promise—to address this inadequate ratio of RNs to the population. As I say, I'll be calm about it, but it's absolutely an embarrassment.

I also want to tell you that nurses are feeling that this bill has—we've already had enough attacks on us as the nursing workforce. Now, rather than actually address the registered nurse staffing, the government is instead taking direct aim at nurses by gutting the interest arbitration system in Ontario, a system that is clearly not broken, and that is the HLDAA, Hospital Labour Disputes Arbitration Act. I'm going to try and be professional in my remarks, as I should be here, but I've been around for 35 years and I can tell you, in many of these submissions, I hope you're not seeing the steam blowing out my ears.

The amendments that are being put forward in HLDAA, I believe, are absolutely unnecessary, and I've been looking at legislation for 30 years, as I mentioned.

You need to understand the context of this. We have a group of nurses that have already made a contribution to the austerity program. We have had arbitrator awards basically for the majority of our nurses, which has been a 0% increase for two years. If the OHA is telling you that we are the bloated public service, that's unfortunate. If any of you are speaking of that, I don't believe I am the bloated public service, nor do our 60,000 nurses. We believe that we have reasonable wages, benefits and working conditions that we're continually trying to improve on to provide that quality care.

So besides the hits in funding, we now have the hits on HLDAA, which is the alternative to labour disruption or strikes in the health care sector; the majority of our members are under that legislation. As you know, we do not have the right to strike in the majority of times.

Schedule 30 in Bill 55 in reality is an attack on the health care workforce and will put the retention and recruitment of nurse staffing at risk. You are basically attacking nurses. When you attack nurses, you are actually reducing the quality of care that is provided to our patients in Ontario. The research is very evident of that.

So just a few points, and it's in the submission: We do not believe that there is any need to fix an arbitration system that isn't broken. Employers and unions do not need a new 12-month timeline to expedite the arbitration process because—guess what?—HLDAA already provides a 90-day timeline that is more restrictive than the current schedule. We do not need to see arbitration awards—a mechanism to deal with undue delay in the release of arbitration awards because—guess what?—HLDAA already has such a mechanism and it involves the Ministry of Labour and the Minister of Labour.

It's also noteworthy for you to know that the current provision in HLDAA has never been invoked by either the union or the employer. And I did hear the OHA's comments on this legislation, so I wanted to make sure that you knew that they have never invoked this clause. Put simply—

The Chair (Mr. Bob Delaney): I'd just like to remind you that you've got about a minute remaining.

Ms. Linda Haslam-Stroud: Thank you.

Put simply, HLDAA provides a mechanism to deal with the undue delays.

At the end of the day, we feel we're being attacked. We believe it's inappropriate to paint everyone with the same brush. It is not a fix to the health care system and Lawrence has put down, "I respectfully request that you remove schedule 30 from Bill 55."

I'll tell you that we need to make some right choices, and that's about nursing. It's about a strong health care sector and a nursing workforce.

Thank you.

The Chair (Mr. Bob Delaney): And thank you very much. Mr. Naqvi?

Mr. Yasir Naqvi: Thank you very much, Ms. Haslam-Stroud, for coming today. Thank you for your passion and also, through you, thanks to the thousands of nurses who serve us and provide a great quality service.

I had the opportunity of my wife being in the hospital, where she gave birth to a healthy baby boy—we interacted with nurses quite closely in Ottawa and we're just incredibly amazed at the kind of service, the care, the compassion that we got from some nurses. So thank you very much, through you, to all the members.

I wanted to hear your views a little bit about the Minister of Health's action plan on health care. One of the areas that she talks about in that action plan is shifting a little bit of the focus off health care delivery to more community-based, patient-focused care, making sure that seniors, the disabled in our communities and those who have chronic conditions can get care closer to home through, of course, doctors, nurses and nurse practitioners, and care providers.

Your thoughts on that: Is that going to help us improve the delivery of health care and better health care outcomes for members of our community?

Ms. Linda Haslam-Stroud: The nurses are fully in support of moving care to the community. However, we need to ensure that we have the appropriate services and supports in the community. Right now, community

nurses, home care nurses, basically make approximately 20% to 30% less than a hospital or a homes-for-the-aged registered nurse. You're not going to have a draw of nurses interested in going to the community where (a) they do not have job security, (b) they do not have a defined benefit pension plan and (c) they do not have equitable wages and working conditions.

We're fully in support of the transition of health care. We've lived through many decades of it and are willing to work with the government on it. However, we need to look at the challenges and barriers that are going to prevent that from happening.

1620

Mr. Yasir Naqvi: That's fair. So you will support—one of the aspects of the budget is, within the health care basket, allocating about a 4% increase of health care dollars this year and moving forward in the community-based care.

Ms. Linda Haslam-Stroud: Yes, we support any additional funding in community-based care. We just need to ensure that every dollar is spent for our residents on the front lines. The patients on the front lines need to be getting that care, and hopefully, it doesn't get caught up in the bureaucracy, which sometimes, unfortunately, it does.

Mr. Yasir Naqvi: Thank you very much for coming and thanks to Mr. Walter for being here as well.

Ms. Linda Haslam-Stroud: Thank you very much for your time.

The Chair (Mr. Bob Delaney): And thank you very much for your time.

ONTARIO COALITION OF SENIOR CITIZENS' ORGANIZATIONS

The Chair (Mr. Bob Delaney): Our next presentation is the Ontario Coalition of Senior Citizens' Organizations. Good to see you again, Mr. Jesion. I remember you from when I was with the Ontario Seniors' Secretariat. You're looking very well.

Mr. Morris Jesion: Thank you.

The Chair (Mr. Bob Delaney): You'll have 10 minutes to make your remarks here today, followed by up to five minutes of questioning. This round of questioning will come from the official opposition. Please begin by stating your name for Hansard and then proceed.

Mr. Morris Jesion: Yes, my name is Morris Jesion. I'm the executive director of the Ontario Society, also known as the Coalition of Senior Citizens' Organizations.

I'm here today on behalf of seniors. We're a very large grassroots seniors' organization, with seniors all over the province. In the handout that you have, on page 2, the flip-over gives you an idea of the membership, which I won't go into.

I want to talk about four themes in the time that we have. One is, in terms of the budget, many of these are overriding areas for consideration. As seniors, we want to

help the vulnerable, and I'll get back to that. We're concerned about impacts and various cuts in services. We're concerned about privatization and we want to make a special note about taxation and how that may assist.

In terms of those four themes, and helping the vulnerable, we often come across, in our organization, frail seniors, adults with disabilities and adults with mental health problems. Of course, we also want to not leave out anyone—children with special needs and the developmentally handicapped. We note that in the home care program, for example, in Ontario, the largest proportion of dollars goes to people following hospital discharge. It doesn't support people who need home care that allows them to live at home. This is a major weakness that has been deteriorating. This used to be the case many years ago, whereby home care and supportive home care was for people—for example, frail seniors. Today, frail seniors cannot get home care unless they're discharged from a hospital. We wanted to note that.

Also, for the people who are in the vulnerable categories, the increase in the disability and social assistance, that was negotiated by the NDP and supported by many, is an important aspect to continue to acknowledge that the amount of monies there is really not enough to live on.

We're very concerned about hospital funding. You heard a presentation just before me from the Ontario Nurses' Association. We're obviously very interested in protecting existing services. We have serious concerns that as hospitals cut back, long-term-care homes and home care will be under even more pressure than in previous years.

I remember very clearly, in the 1980s, I was a member of the Toronto District Health Council. When hospitals were asked to cut, in those days in Scarborough—Scarborough had three general hospitals. They didn't consult with each other, and because of hospital pressures for cutbacks, each of the hospitals decided on their own which services they were going to cut. It just so happens that the three hospitals cut mental health services. So you can imagine a city with 500,000 people—at the time, it was a separate city; it wasn't amalgamated. Here's a city with 500,000 people where there were no mental health services because the hospitals each decided on their own that they were going to cut mental health service. So we've been through hospital cutbacks many times, and we have great concern about the type of cutbacks that are coming. They affect many people. I just gave you one example of mental health services, but there's many other services that have put in user fees such as for glasses, hearing and other services.

This causes a lot of caregiver stress and illness, and it really prevents people from being able to live independently at home. Our emergency departments, if you go to them, you'll see the backups in many of the emergency departments. Patients, including seniors, are moved out of hospitals quicker and sicker. As a result, there's a very high re-admittance rate that takes place. So we strongly feel that we have to monitor and be aware of the impact of budgets on our public services.

Just in terms of privatization, we want to add our voices to the notion: Seniors do not support privatization in the public services. One of the main reasons that we're concerned about privatization is because the private sector has to make a profit. There's nothing wrong with profit, but these are public services. If they're making a 15% or 20% profit, that's taken out of service. We want to strongly suggest that privatization takes away, for example in health care, 15% or 20% of actual service that could have gone in. That's taken out as profit. There's nothing wrong with privatization in the public area, but it has to be done very, very carefully as to how it's done on a cost-reimbursement basis. We've had some examples in the past at Sunnybrook Hospital and how it's worked.

The last point I want to discuss very briefly is taxation. We hear a lot about cutbacks and the various impacts. Seniors are very strong in believing that taxes need to be based on fairness and the ability to pay. We need to enhance our social programs; for example, affordable housing geared to income. Seniors would rather have—I'm going to repeat this several times—higher taxes than cutbacks in public services in balancing the books. So this is really an important consideration. You don't find this in the legislation. It's an overriding thing that we really feel that taxation is one of the things that has to be considered, not only the cutbacks which affect people negatively in an effort to balance the books. We suggest looking at corporate and personal taxes, eliminating tax loopholes and exemptions, and better enforcement and tax collection. We look at taxes, really, as the price that we have to pay for a decent and civilized society. I just wanted to end with that; it's an important overall consideration.

Thank you, Mr. Delaney.

The Chair (Mr. Bob Delaney): And thank you very much. It's good to see you again. Mr. O'Toole

Mr. John O'Toole: Thank you, Mr. Jesion, for your presentation. Respectfully, it's nice to see that you're engaged and have been engaged in the past. You were here for the previous presenter from the RNAO, and you would say, in the RNAO—I think it's very important. I want to put this whole thing in context, because I may not have a lot of questions for you, but more to appreciate and respect what you've said. This is what I was trying to say with the point of order. The big issue in Ottawa is the omnibus budget.

Mr. Morris Jesion: Yes, it certainly is.

Mr. John O'Toole: This is their budget. Their budget in Ontario is about less than a third of Canada. This is 327 pages, 69 schedules, and this is the RNAO's statement, and I'm quoting—she's here as well: "We wish to first register our dismay that there was no formal pre-budget consultation in 2012." I've been here 17 years, and this is the first time that ever happened. They had the Drummond report. It was never mentioned during the election, all these cuts—

Mr. Vic Dhillon: That's not true.

Mr. John O'Toole: It's my time.

It's shameful what's going on here. It's tragic. And there is a lot of stuff in these schedules. We've heard 28,

30, 35, property registered in section 6. This is shameful. There's nobody over there that has read this budget. I was the PA to finance for four years. This is a charade, and these hearings are a charade.

1630

You've said there are four things. What Ms. Haslam-Stroud here said is that they've cut nurses. They haven't increased them. They're 500 short. That's what she has told us today in the presentation. What's going on here affects seniors. They are not building any long-term care. They're cutting health care from 7%—that's the average funding for the last year—to 2%. There is going to be hemorrhaging.

I see in your presentation you were a member of the district health council. They were almost all volunteers.

Mr. Morris Jesion: Yes.

Mr. John O'Toole: I knew them all.

Mr. Morris Jesion: Yes, I was a volunteer.

Mr. John O'Toole: I was on the community health council in my riding of Durham. You know what they've got? The LHIN. The Central East LHIN sucks a lot of money out of the system that never gets to the front line. It's bureaucratic.

See what they're doing with eHealth and Ornge? They're squandering money. I don't care whether they're Liberals or Conservatives. That is unacceptable in Canada.

They are doing more damage—section 28 is a personal example, where they're actually, in stealth, outsourcing most of health care under the guise of 28, dealing with ServiceOntario. That's what they said.

I can't trust one thing they say, and they've got the Chair here who won't even let us speak. This is going on as if nothing has happened. You know something? For the first time in 20 years that I've been involved, there has never been pre-budget hearings. That is shameful.

I'm glad to see you're a senior person still engaged, because I am too.

Do you know what they started this week? A new regulation. They're taxing every bed in retirement homes \$10 a month for the registration of the regulations for retirement homes. They passed a bill regulating—why are they regulating retirement homes? Do you know why? Because they haven't built one long-term-care bed.

Guess what the population—you and I—are doing? The senior population consumes 70% of their health care dollars in the last 10% or 20% of their life. And guess what? There's not going to be anything there. Chronic disease is on the rise. There is an absolute sham going on at Ornge.

I'm very upset, and I'm very appreciative that you brought up four points here.

Supportive home care: Well, I'll tell you, I don't think the home care—there will have to be a bureaucracy. They're going to run it through the LHINs. The LHINs are going to spend a year consulting with the coffee-and-doughnut parties. I don't think the money will get to the front line.

The person today can't get home care. They've maxed them out, I think, at 10 hours. If somebody has had a stroke, the partner, the spouse—usually the woman, honestly—is unable to do it and they can't get any more care. What are they going to do? There are no long-term-care beds.

Now, the last thing I'll say is this, and this is on the record, and I'll be using it. I could care less about the election. Right today, the average age of somebody in long-term care—and I'm in them every single week, because I have a mother-in-law in there. The average age is 85, and the length of stay is three years. Do you know what they're moving to? A plan—pay attention. It's 91, and the length of stay is one year. That's called palliative care. The rest of it will be silently aging alone at home. They call it aging in the community; I call it aging alone. If you live in rural Ontario, which is much of my riding, it is shameful, what's going on. In Toronto, there's more awareness. The media might get a hold of the story.

But I am so disappointed. In the few hours that I've spent on this—after spending 17 years, or most of it, in the finance side of it, including at the region of Durham. What would you say to me, or say to them? Tell them what you want done. Schedule 28 cancelled? Schedule 30? Schedule 35? You track it. They won't make one single change, because they're doing what Premier Dalton McGuinty tells them, and that's what they're doing. They won't make any change. They have absolutely no input. None. Zero.

I challenge any of them to vote against any of the regulations that don't address—30, 35. The one on the property records—Teranet, or whatever it's called; Tera-view, it's called now—

The Chair (Mr. Bob Delaney): Thank you very much. That concludes your deputation. It's good to see you again, Mr. Jesion.

Mr. Morris Jesion: Yes, same here.

ONTARIO HOME BUILDERS' ASSOCIATION

The Chair (Mr. Bob Delaney): Our next presentation will be the Ontario Home Builders' Association. Good afternoon, and welcome. You'll have—

Mr. John O'Toole: Chair, I'm going to read an order that I received—

The Chair (Mr. Bob Delaney): Mr. O'Toole, we've started here.

Mr. John O'Toole: I have been told—the committee branch has told me that you must allow me to have a point of order. I'm going to call you, as a Chair, as incompetent. I have a written document—

The Chair (Mr. Bob Delaney): Mr. O'Toole—

Mr. John O'Toole: —that says you did not recognize my point of order. Did you not?

The Chair (Mr. Bob Delaney): Mr. O'Toole, come to order.

Mr. John O'Toole: Okay. Well—

The Chair (Mr. Bob Delaney): Good.

Mr. John O'Toole: —I'm going to check on this. I'm going to be raising it—

The Chair (Mr. Bob Delaney): Thank you.

Mr. John O'Toole: —in the House tomorrow. Be prepared.

The Chair (Mr. Bob Delaney): That is your privilege as a member.

Mr. John O'Toole: These are budget hearings and they're just running roughshod over—I'm surprised that the NDP—

The Chair (Mr. Bob Delaney): To our deputant: You have 10 minutes to make your submission today, followed by five minutes of questioning. The question rotation this time will come from the NDP. Please begin by stating your name for Hansard and then proceed.

Mr. Joe Vaccaro: Mr. Chairman, members of the committee, good afternoon. My name is Joe Vaccaro and I serve as the chief operating officer of the Ontario Home Builders' Association. Thank you for providing me the opportunity to speak to you today on Bill 55. I am joined by Stephen Hamilton, the manager of government relations at Ontario Home Builders'.

The Ontario Home Builders' Association is the voice of the residential construction and professional renovations industry across Ontario. Our association includes 4,000 member companies organized into 29 local associations across the province. The residential construction industry is the largest industry in the province, supporting over 325,000 jobs here in Ontario, paying some \$17.1 billion in wages and contributing over \$39 billion to the provincial economy.

OHBA would like to highlight three areas related to the budget bill that are important to the association with respect to this legislation and its fiscal and regulatory context. First, Stephen will explain our support for the healthy homes renovation tax credit and describe how the credit will help our industry tackle the underground economy. I will then elaborate on the infrastructure investments that the government has committed to in this budget and how it is critical that we work to create a more efficient infrastructure and development approvals process.

I will now pass it over to Stephen.

Mr. Stephen Hamilton: Good afternoon. My name is Stephen Hamilton. I'm the manager of government relations at the Ontario Home Builders' Association. I also serve as staff to the Ontario Home Builders' Association renovators' council. As the staff member for this committee, I am regularly confronted by our membership on the realities that the residential renovation industry faces on a daily basis, as the cash economy remains the dominant business challenge.

Our association continues to believe that a broad-based, consumer-focused tax credit, similar to the expired federal government's 2009 home renovation tax rebate, is the best method to deal with the problem of the underground cash economy. Fundamentally, we believe that this is a problem that is best dealt with using a robust regulatory system that catches these operators, alongside a plan to address the demand side of renovations.

Related to this is the healthy homes renovation tax credit. The proposed credit offers a rebate to seniors to age in place by making accessibility-related retrofits. We support this initiative for two reasons. As community builders, OHBA supports the concept of complete communities. By providing incentives for seniors to age in place, we believe the healthy homes renovation tax credit accomplishes an important objective. Data from surveys as well as experience in our personal life tell us that seniors prefer to live in their home for as long as possible. Providing an incentive that allows seniors to retrofit their home to live more comfortably makes sense.

Secondly, the healthy homes renovation tax credit is important, as it addresses the problem of the underground economy. Underground operators don't pay WSIB, corporate taxes and personal taxes, and often do not receive the proper building permits. This compromises safety as well as general revenue. According to a 2010 Environics survey of over 1,000 Ontario homeowners, 56% admitted to paying cash for a home repair or renovation job, while 68% said they would be less likely to pay cash if they could receive a tax credit.

The renovation industry in Ontario represents \$21 billion in economic activity annually. Of this \$21 billion, \$14 billion was spent through contractor renovations. A 2009 report by the Altus Group found that approximately \$5.2 billion, or 37%, of all contractor renovations were paid for using underground operators. In terms of lost government revenue, the report finds that almost \$300 million in GST revenues are lost annually; \$1.6 billion in income tax revenue is lost annually; and \$767 million from other revenues such as the Canada pension plan, WSIB and employment insurance premiums are lost annually. Combined, this represents \$2.6 billion in lost government revenue.

We believe that the receipts generated from tax credits like the ecoEnergy rebate, the home renovation tax credit and the healthy homes renovation tax rebate provide the Canada Revenue Agency with a wealth of data that could be used to cross-reference those companies with WSIB information and building permit data to catch underground operators. In our opinion, the healthy homes renovation tax credit is a \$60-million investment that will repay itself by capturing underground economic activity.

I will now ask Joe Vaccaro to explain our position on infrastructure commitments.

Mr. Joe Vaccaro: OHBA responded favourably to the budget that was tabled in March, as it made significant investments in core infrastructure with the announcement of a new three-year, \$35-billion commitment. These investments will strengthen Ontario's economic growth, job creation and complement the sustainable development of complete communities.

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Right now, it is absolutely critical that the provincial government continue to strongly support job creation to ensure a sustainable recovery. Our members are very concerned about unemployment. Quite simply, if someone is worried about whether or not they'll have a job in

the future, they aren't going to purchase a new home or consider a major renovation.

Core infrastructure consists of the key building blocks for a growing economy and population. The provincial government should place core infrastructure as a priority over other types of community infrastructure. Roads, bridges, water, waste water and public transit support additional value-added private sector investment. We all recognize that those investments in new hospitals, more transit options and cleaner water are really investments in quality of life. We should also recognize that in a competitive global economy, our improving quality of life is a competitive advantage in attracting and retaining economic investment and jobs.

The infrastructure investment in the 2012 budget builds on \$62 billion of previous investments. Combined, that is over \$100 billion in total infrastructure investments into the 2015 year. The OHBA and our members in the residential building and development industry support this core infrastructure investment, as it serves to support the government's Places to Grow plan.

Investing in hospitals, transit, water and waste water in areas of planned and managed growth means we can protect and improve the quality of important natural and environmental features. This is essentially the goal of the growth plan: to plan, approve and support employment and community development in areas where we can maximize the investment in infrastructure and protect the areas where important environmental features need protection. Those two policy objectives complement each other when understanding the role of core infrastructure investments to support sustainable development of complete communities.

Budgeting and investing in core infrastructure is important, but it really is just half the work; the other half is building and delivering. If we are committed to improving our quality of life, supporting sustainable development of complete communities and protecting our environment, then we need to deliver hospitals, transit options and clean water on schedule and on budget.

For many years, OHBA has been identifying opportunities for all levels of government to integrate and improve the efficiency of the infrastructure and development approvals process. Whether you are a provincial government, a municipal government, a private developer or a landowner, we are all subject to this process. It is important for members of this committee to understand that it takes over 10 years to go from dirt to door, and a labyrinth of over 200 pieces of legislation and thousands of regulations to move communities through the development approvals process. I have provided a chart that illustrates just on a high level the various stages. But the point I want to make is that within these processes, there are opportunities to integrate and coordinate the process, as the various approvals are all being generated from the same core and necessary studies and reports.

OHBA worked through the government's Open for Business process to present the opportunity to integrate

the municipal environmental assessment process with the Planning Act, again, to take advantage of shared public meetings and reports to fulfill environmental requirements of the EA while delivering the necessary infrastructure to support planned and approved community development.

We recognize that the current budget bill does provide the government with tools to make the approvals process more efficient. As the chart illustrates, it is expansive, so we encourage the government to improve the process to better utilize a master environmental servicing plan, a master transportation plan, a watershed and sub-watershed study, natural heritage features report, environmental assessments and on and on and on to create a more efficient process. The process will continue to support and improve environmental standards while approving and delivering core infrastructure in a timely and efficient way that supports sustainable community development and improves our quality of life. OHBA sees this as a positive step in improving the efficiency of the approvals process and delivering those new hospitals, clean water and more transit options to Ontarians.

Again, thank you for this opportunity to speak on behalf of my 4,000 members. We continue to be engaged in this very important discussion and look forward to your comments.

The Chair (Mr. Bob Delaney): Thank you very much. Mr. Natyshak.

Mr. Taras Natyshak: Thank you very much for your presentation. Thank you for the comprehensive chart that you've given us to try to connect the dots, too. In an earlier submission from OAPSOR, we heard about a provision within the bill, section 5 of schedule 61, that will eliminate the land registry offices in Ontario. I see in your chart it's right at the top in terms of what comes first when a land development—throughout the process. How do you think this decision will affect, either to the detriment or to the betterment, the process? How will it affect your industry members?

Mr. Joe Vaccaro: The land registry office is fundamental to the whole process, right? It's where you start a conversation to determine ownership and the other pieces of that potential parcel for development.

I think there are two pieces to this. In some areas, eliminating the physical office will not have an impact, and I say that because in some areas, where planning is much more sophisticated, you have access—Toronto being a good example or the GTA in general. The challenge for us will be for our members in local associations out in Quinte, Kingston and some other areas—the challenge will be their ability—and we're not talking about large landowners here. We're talking about potentially just simply private property moving forward on constructing a home on a new lot. They will be challenged to figure out exactly how they assure themselves that they have the appropriate documentation and such.

From a practical standpoint, the concern will be in those rural areas where that physical visit to an office generates more than simply an assurance of what you've

purchased, but also a bit of a dialogue and history on what you're working on. We have concerns, and our members have voiced those concerns.

But again, we're looking to see how the rest of these pieces come together before we actually make a firm statement about the overall policy objective.

Mr. Taras Natyshak: This committee is one of those opportunities to put those pieces together, and I do appreciate your view on that submission.

I received the most recent copy of your magazine—from the Ontario Home Builders' Association. In it, your president, Doug Tarry, talks about generally the view or the thrust of Bill 55 being an austerity budget and actual cautions against it in this era of fiscal uncertainty. One of the reasons is that we know, just through simple economics, that stimulative measures, in terms of tangible infrastructure, add to the general well-being of an economy.

You spoke in favour of the healthy homes renovation tax credit. We have supported that initiative, although we have some concerns that it doesn't go far enough. It's sort of limited in its scope compared to other jurisdictions like Quebec, which offers a straight-across-the-board \$3,500 credit toward renovations. We're also concerned that there are no provisions for domestic procurement or at least Ontario procurement. I wonder if you could comment on how those would assist that program, what you would think about them?

Mr. Joe Vaccaro: We have long held the position that the most effective way, in our mind, of combating the underground economy, which is rampant in the renovation sector, is a broad-based consumer rebate. That's the success of the federal program in terms of engaging consumers directly to provide paperwork and then provide all the data necessary to ensure that people are playing by the rules and contributing as they should.

So our view is very much that the healthy homes renovation tax credit is a good first step; we'll take it, we appreciate it. We appreciate the general policy thrust around it but, again, will continue to advocate for a much broader expansion of that piece.

I would say in regards to your comments about my president's article, I think it links back to our presentation. We commend the government for the infrastructure investment in the austerity plan. The challenge now is to ensure that you continue to provide staff, resources or something that moves the process along. That's why I spoke a little bit about trying to find a more efficient process and move these things forward. The chart is expansive and we're all subject to it, whether you're MTO, a municipality or what have you. There is always an opportunity to find ways of integrating according to these pieces.

If the government's intention is to reduce the public service on one end, then they need to work on the efficiency of the process on the other end so that you can still get your approval in a timely way and move that infrastructure forward. We still want to see those subway lines built, those GO lines built, that waste water system

put in place. We still want new hospitals, we still want better transit options, we still want cleaner water. But if that's going to be jeopardized because you haven't improved the process—if you lose the people power, you've got to ensure that the process is now much more efficient to get you to your outcome.

The Chair (Mr. Bob Delaney): And on that note, I have to thank you very much for your time and coming in to join us today, and for your deputation.

ENVIRONMENT NORTH

The Chair (Mr. Bob Delaney): Our final presentation of the afternoon will be from Environment North, which is joining us by teleconference. Karen Peterson, are you there?

Ms. Karen Peterson: Yes, I am.

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The Chair (Mr. Bob Delaney): Okay. Welcome this afternoon. You will get the last word here today. You'll have 10 minutes to make your presentation, followed by up to five minutes of questioning. This round of questioning will come from the government side. Please begin by stating your name for Hansard, and then proceed.

Ms. Karen Peterson: Okay. Thank you very much. My name is Karen Peterson. I'm a member of Environment North. They've asked me today to present their presentation. I thank you very much for the opportunity, on behalf of Environment North, to be able to present today.

The first question I might have is, has everybody had an opportunity to get a copy of our presentation and had a chance to look it over?

The Chair (Mr. Bob Delaney): Your presentation has been distributed to all committee members, so we all have the paper copy in front of us. Thank you.

Ms. Karen Peterson: Okay. What I'll do, for brevity, I'll focus on the highlights. I won't read the document. I'll go through each paragraph and sort of pick out the main points.

Basically, our focus is on the environment and the economy. As a non-profit voluntary organization in Thunder Bay, we're member-based and our mandate is to focus on environmental issues, primarily in northwestern Ontario, but we also consider global issues such as climate change. Our focus is on education, monitoring and acting on issues, such as presenting to standing committees.

We have a number of concerns regarding Bill 55 and its potential regarding the environment and economy of northwestern Ontario. We're also concerned generally about governments using omnibus bills, and the broad implications for the erosion of democracy.

Specifically for Bill 55, there are 69 pieces of legislation in one bill, with 11 amendments pertaining to the environment. Given short time frames to respond to this document, we decided to focus on some key aspects pertaining to three of the acts, and those are the Crown Forest Sustainability Act, the Endangered Species Act and the Public Lands Act.

Being in northwestern Ontario, we're in the boreal forest, and the boreal forest has been considered the lungs of the earth. It filters greenhouse gases and stores carbon. Impacts from resource development such as forestry, mining and hydro development affect the functional capacity of ecosystems as well as our ability to pursue sustainable development.

The long-term impacts we see could happen to the economy of the region as well as the ecological integrity of the land.

In regard to the Crown Forest Sustainability Act, for example, forest management plans are currently a requirement for all crown forest management units, which ensures that a sustainable plan is in place. This shows purchasers that Ontario forests are harvested in a sustainable way. There is increased awareness and demand in global markets now for sustainably produced products, which gives a competitive advantage for forest operations in this region.

We're concerned about the changes to section 8 and the ability of the minister to exempt companies from preparing an FMP, a forest management plan. This would mean that there's no assurance of sustainable practice, it would lose the competitive edge as well as pose risks to the environment.

We also feel that there shouldn't be a unilateral approach, where the minister decides. Rather, it should be subject to the democratic processes that developed the act in the first place.

Endangered species: The Endangered Species Act is to protect species and promote stewardship. We're concerned about the extensions of the deadlines for recovery strategies, management plans and regulations, as we see this could undermine an endangered species's ability to thrive or revive itself. These amendments are contrary to the act's stated purpose.

This act, the Endangered Species Act, was the first to combine science, mandatory habitat protection and recovery planning. It already includes mechanisms to encourage stewardship. Removal of the overall benefit would mean that industry does not need to demonstrate that it will not harm species at risk. The overall benefit is the cornerstone for species recovery.

The Public Lands Act: The province has responsibility for stewardship of land, and democracy requires a public consultation regarding crown land and also with respect to the duty to consult in meaningful consultation with aboriginal peoples, First Nations and Métis in this region when access to lands could potentially infringe upon aboriginal treaty rights.

There's concern regarding the exemption from work permits, which allows greater access to extractive industries with potential harm to the environment.

There's also vague language within the amendments. Who will the minister delegate authority to, for example? This needs clarity. The ambiguity within the document doesn't support specific financial benefit, and noticeably missing within the omnibus is, what is the financial benefit overall for these amendments to the environmental legislation?

Removal of crown liability is a major concern. The benefits then will accrue to outside interests, and outside interest corporations are driven by a profit motive. What can happen—the risk to this region—is that there will be lasting and devastating impacts that are going to be left that are the responsibility of the province as well as the public, especially in regard to cleanup responsibilities.

In general, we feel that the omnibus bill is an erosion of the democratic process. It limits public engagement, especially for the north. Having hearings held in Toronto, for example, curtails voluntary organizations such as ours and individuals to have their voice heard.

We also see that this could be a political move to avoid transparency and not be subject to debate. This is coercive in nature, where elected officials may feel that the choice is between maintaining their own jobs rather than focusing on the effects of the legislation on their constituents. We see that there could be a danger there. So our recommendation is that Environment North state that all amendments related to environmental legislation be removed from the omnibus bill and be subject to the democratic processes available through the Ontario bill of rights and the Environmental Registry.

Thank you very much for this opportunity to present. I look forward to any questions or comments that you may have.

The Chair (Mr. Bob Delaney): Thank you very much. The questioning will come from Mr. Naqvi on the government side.

Mr. Yasir Naqvi: Thank you very much, Chair, and thank you, Ms. Peterson, for making a submission to our committee. I think you are our last deputant to this committee. This is five days running that we've been hearing from various people, so I really appreciate your time.

There are some other environmental measures also included in the budget, and I wanted to get a sense from you whether you will be supportive of them or not. One of the items that we have proposed in the budget is increasing water-taking charges for commercial and industrial water users, which would incent businesses to better conserve water and ensure more efficient and sustainable processes. Is that the kind of measure that would be supported by Environment North?

Ms. Karen Peterson: Well, we're always interested in initiatives that make sure there is accountability by the users of water or resources or whatever. But for this presentation, we didn't really have time to go into all the different acts. We specifically focused on those three acts. I would really need to look at the totality of that act and see what else is in there, what the trade-offs may be. But just from hearing what you're saying in regard to this, this seems like something we would look favourably upon.

Mr. Yasir Naqvi: I appreciate that, and I will also just draw your attention, when you are reviewing the bill in its entirety and looking at some of the other positive environmental measures, to another measure we have introduced in terms of increasing fees for hazardous waste. Those fees have not been updated since 2002, and our feeling as a government is that increasing the fee would provide greater incentives for companies to reduce or recycle waste. So I would encourage you to please look at that measure as well. I appreciate your time and making your presentation to the committee.

Ms. Karen Peterson: Thank you very much.

The Chair (Mr. Bob Delaney): And thank you very much for joining us by teleconference today. Thank you for your submission.

Ms. Karen Peterson: Okay, thank you.

The Chair (Mr. Bob Delaney): Just before we adjourn, I have two minor items here. The clerk informs me that a small number of written submissions were received a short time after the 12 noon deadline. Is it the will of the committee that these written submissions be accepted and be considered to be part of the record?

Mr. Yasir Naqvi: Yes, that's fine.

The Chair (Mr. Bob Delaney): Okay, so done.

A reminder to committee members that the deadline to file amendments with the committee clerk is today at 6 p.m. This is, in fact, a hard deadline. We are thus adjourned until Thursday, June 14th, at 9 a.m., for clause-by-clause consideration of Bill 55—do we have a room number? Down in the Amethyst Room, room 151.

May I request that the subcommittee members please stay behind for just a few minutes? We are adjourned.

The committee adjourned at 1702.

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