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**Official Report
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Friday 22 March 2013

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des débats
(Hansard)**

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Hansard Reporting and Interpretation Services
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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS

Friday 22 March 2013

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Vendredi 22 mars 2013

The committee met at 0901 in room 151.

PRE-BUDGET CONSULTATIONS

The Chair (Mr. Kevin Daniel Flynn): Okay. If all the members would take their seats, please, we'll get started.

REGISTERED NURSES'
ASSOCIATION OF ONTARIO

The Chair (Mr. Kevin Daniel Flynn): I understand our first delegation is here. Thank you all for being here who are sitting in the audience there. Our first delegation today is from the Registered Nurses' Association of Ontario.

Doris, if you'd like to come forward and bring whoever you're bringing. Make yourself comfortable. You can introduce your colleagues.

Everybody is getting 15 minutes today. You use that any way you see fit. If, at the end of that, there's any time left over, the questions will go to the Conservative Party the first time around.

Ms. Doris Grinspun: Fantastic. Good morning.

The Chair (Mr. Kevin Daniel Flynn): Welcome. Thank you.

Ms. Doris Grinspun: Good morning. My name is Doris Grinspun, and I am the CEO of the Registered Nurses' Association of Ontario. With me today is our senior economist, Kim Jarvi.

RNAO is the professional association for registered nurses who practise in all roles and sectors in Ontario. Our mandate is to advocate for healthy public policy and for the role of registered nurses in enhancing the health of Ontarians. RNs understand all too well the impact that budgets have on health and on the nursing profession, and we welcome the opportunity to present to the standing committee today.

We have a simple message: We want balance in the budget.

Yes, there must be balance between expenditures and revenues so that the debt and deficits don't get out of hand. But a balanced approach means much more.

A balanced approach also asks what expenditures are necessary to maintain and build a healthy society.

A balanced approach asks how we pay for those services.

A balanced approach asks how much debt is appropriate and prudent.

A balanced approach asks how and when we reduce the debt and deficit, taking into account the state of the economy and the needs of society.

A balanced approach asks how to rectify problems arising in our market economy, such as recession, unemployment, poverty, pollution and environmental degradation.

These are the kinds of problems that lead to ill health and the early onset of chronic conditions. Yes, they also lead to complications of chronic conditions. They affect all of us, but they affect our most vulnerable populations disproportionately. If we focus on one budgetary objective—the deficit—to the exclusion of the others, we contribute to ill health. In addition, an austerity approach will also worsen an already weak economy. Based on pre-recession employment rates of 63.5% and a 2012 rate of 61%, there is a shortfall of 250,000 jobs.

Increasingly, those fortunate enough to have jobs are part-timers who want full-time positions—over 400,000 people—and the majority of those workers are, of course, female. That is a lot of slack in the economy and a lot of hardship. I want to begin now with nursing and the budget.

Nursing care: Our nursing recommendations will sustain the RN workforce, maximize their contribution to health care and get the best value out of the health care expenditures of Ontario. RNs have experienced on-again, off-again treatment at budget times. In the mid-1990s, they were likened to hula hoops by the then Premier of the day and let go in the thousands. Many RNs educated at public expense had to seek employment south of the border, and it proved impossible, despite the costly efforts, including those of RNAO itself, to bring them back. RN workloads soared, and burnout led to increases in sick time, agency use and a vicious downward spiral that hurt patients, RNs and health care organizations. Yes, it did hurt the system. If you remember, we even cancelled many necessary surgeries.

Recognizing the error, the McGuinty government worked to undo the damage by committing to hire thousands of RNs. The strategy worked, and nurse-to-population ratios started improving. However, the 2008 recession led to austerity measures that fell particularly hard on RNs, and the result for the last two years has been a decline in RN employment. For two years in a

row, we have seen fewer and fewer RNs in this province. Ontario, in fact, has the second-worst RN-to-population-ratio in the country, way shorter than the average. Ontario needs almost 17,000 more RNs to catch up with the rest of the country.

So we are asking, for a beginning: Add 9,000 RN FTEs by 2015 in order to start the catch-up with the rest of the country.

Second, reach the desired provincial target of 70% full-time employment for all nurses so that patients have continuity of care and care provider. On this front, we are well on our way.

Certain sectors such as home care have less attractive compensation for nurses, which causes recruitment and retention problems in those sectors. Third recommendation: Secure fair wages for nurses and nurse practitioners working in all sectors of health care. Way too often we see nurse practitioners moving from primary care to hospital care simply because they're paid significantly better; however, we say we want to move them to primary care. We need nurse practitioners in primary care.

RNs are highly motivated and highly educated, and they want to do more to expedite high-quality and cost-effective access to health care. A health care system anchored in primary care where each inter-professional team member is enabled to work to the full scope of practice will bring health care closer to people and make best use of investments made in the health care system. Finally, we will be able to focus on health promotion; that is, prevention and population health goals.

Fourth, maximize and expand the role of RNs to deliver a broader range of care, such as ordering lab tests and prescribing medications. In fact, this is not a new recommendation. This recommendation was sent at the time to HPRAC, and it is something that is happening already in BC, Alberta, Saskatchewan and Manitoba. In fact, RN prescribing has been happening in the UK for the past 15 years. If it is in the UK, why not in Ontario?

Recommendation five: Ensure all existing nurse-practitioner-led clinics are funded to operate to full capacity, and open new nurse practitioner-led clinics where patient needs exist. Ontario has many infrastructures that are not fully used, both in nurse practitioner-led clinics, community health centres and in family health teams. They're not fully used, those infrastructures, to the detriment of the public, simply because of operational funds that sometimes are minimal and could give much more access for the public.

To protect the safety of our seniors—and I do not need to tell you much about that, given all that has been in the news—and to ensure their timely access to quality care, phase in new minimum staffing standards in long-term care, starting with a minimum of one nurse practitioner per 150 residents. We have been asking for this since 2007. Let me tell you, not only tragedies could be prevented, but in fact, we could save dollars on residents in long-term-care facilities who are being sent to emergency departments to actually deal with a simple urinary tract infection. There is no need for that. They come back

more confused, and they come back with pressure ulcers. It costs the system, and it costs their families and them more as people.

0910

Improve navigation across our complex system by partnering with patients to coordinate their care through primary care in community health centres, nurse practitioner-led clinics and family health teams.

Commit to providing all Ontarians with access to integrated inter-professional primary care by 2020. You may be asking, "Why am I saying this now?" Well, because I'm also asking that right away we move to RN prescribing and to more full utilization of all health care professionals. If we don't move faster, we aren't going to reach inter-professional care by 2020.

To ensure coordination between the various elements of our health system, we must secure system integration and decrease duplication. To achieve this, we ask that government support local health integration networks to achieve regional health system planning, integration and accountability for all health care sectors, using an evidence-based and person-centred approach rooted within a population health, primary health care framework. It is time that the local health integration networks, the LHINs, start to do planning for the entire system, not just for a portion of it.

We have a three-year plan—some of you may know it as the ECCO model—that recommends our number 10 recommendation: to transition, as we speak, the 3,500 case managers and care coordinators from community care access centres, CCACs, into primary care, through a carefully crafted labour-management strategy that retains their compensation, and work towards eliminating CCACs by 2015. Yes, you heard correctly: We are recommending to eliminate CCACs by 2015. If we continue to have overlaying structures of coordination, we aren't going to achieve system integration. It's as simple as that.

Let me refer now to social determinants of health, because nurses believe that it's not only about illness, but actually it's about what keeps us healthy and what sustains our health. There is a strong correlation between income and health. Nurses know this first-hand from their practice. Poor people live in less healthy circumstances and face greater stresses. As a result, they suffer higher rates of ill health and early onset of chronic disease, and, yes, they die much earlier. Ontario may be facing economic challenges, but this is no excuse to tolerate high levels of poverty, particularly in First Nations. But not only in First Nations: Go to some areas in Hamilton, and you will see that we live only till 65 years old. That is a shame.

The good news is that we know public policy makes a difference. Ontario's first poverty reduction strategy was released in December 2008. Early investments in increasing the Ontario child benefit helped reduce the number of children living in poverty by 29,000 in 2010 compared with 2008 despite the global recession.

We are proposing, (1) to transform the social assistance system to reflect the actual cost of living, and (2) to

improve access to affordable housing by leading in negotiating a federal-provincial long-term affordable housing agreement and committing at least \$132 million annually to the agreement and by capitalizing the affordable housing loan fund at Infrastructure Ontario by \$500 million.

The last recommendation, and equally important is to increase the minimum wage to \$11.50 this year, \$12.75 in 2014 and \$14.50 in 2015. Let me tell you, it is not outrageous. It only would bring people to 10% above the poverty level.

Let me refer to environmental determinants of health. Nurses know that the environment is a critical determinant of health, and we have seen great progress in Ontario with the legislation to ban pesticides.

Here are our recommendations for this time: Close the remaining coal plants as soon as possible—this will be a cost-saving measure—we'll save lives, we'll save disease and we'll save money; ensure people have the right to know about the existence of toxins in the environment, in their homes, in their workplaces and in consumer products. Again, this will save funding.

The Chair (Mr. Kevin Daniel Flynn): You've got about a minute, Doris, and I know you've got a few recommendations to go.

Ms. Doris Grinspun: I will go to the recommendations on medicare:

- commit to and expand our publicly funded, not-for-profit health care system, especially in areas of home care;

- reject efforts to commercialize and privatize, and immediately stop medical tourism that already exists in our hospitals;

- focus on well-researched and demonstrated policies that are based on clinical practices to optimize the health of families, communities and everyone.

Many of our measures we propose will save money in the short and long run. Lastly, that's why we say, ensure fiscal capacity to deliver all health, social and environmental services by building a more progressive tax system to ensure social responsibility and environmental responsibility, and prevent tax evasion. Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): You've got one more to go. I'm quite happy to let you go with that. You're very close to the end, so it will only take you a few seconds, I think.

Ms. Doris Grinspun: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Then you won't tell me I cut you off.

Ms. Doris Grinspun: You're very kind. Thank you very much.

Phase in environmental levies, such as the carbon tax, to help pay for the damage polluters cause and to support the social programs and services most needed by at-risk populations. Thank you so much for having us here today.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Doris, for being here today. Unfortunately, there's no time for questions. Great report.

CANADIAN AUTOMOBILE ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): Our next delegation this morning, after the RNAD, is the Canadian Automobile Association. Is Elliott here? Elliott, if you'd like to come forward and make yourself comfortable. Like every delegation, you get 15 minutes. Use that any way you see fit. If there's any time at the end, this time the questioning will go to the NDP. I'll let you know when you're getting near the end, if we get to that point.

Mr. Elliott Silverstein: Fantastic. Thank you.

Good morning, Mr. Chair, and members of the Standing Committee on Finance. My name is Elliott Silverstein, and I'm manager of government relations at CAA South Central Ontario.

CAA is a national, not-for-profit auto club, and has been advocating on behalf of members since 1903. Today's CAA serves over 5.8 million members across nine clubs throughout Canada. CAA South Central Ontario is the largest club in the federation, serving over 1.9 million members as far west as Windsor, north to Sault Ste. Marie and east to Kingston. Advocacy is the origin of CAA's existence, from lobbying for the construction of the Trans-Canada Highway, the installation of road signs across the province, our involvement in the launch of the RIDE program, introducing seat belts in all vehicles and advocating for distracted driver legislation, all of which are designed to make our roads safer for all users.

Today's CAA continues to advocate on behalf of its members and the motoring public at both the provincial and municipal levels of government. This includes a number of core programs, including our School Safety Patrol program, Watch for Bikes, and our annual Worst Roads program.

Through these and other initiatives, CAA works with local communities and governments alike to educate the public and call for improved transportation infrastructure. Our members are not just motorists. Our members are cyclists. Our members use public transportation systems. They understand the importance of an integrated transportation system, regardless of the mode that one travels and chooses. Our presentation today will focus on a couple of key areas important to CAA. They include driver training, dedicated funding, road infrastructure and gridlock.

One of CAA's longest-standing services for over five decades is driver training for beginners, mature drivers and corporate fleet services. With media reports surfacing in recent weeks regarding the industry, CAA believes there are opportunities for the government to address some of these challenges.

Since 2009, in order to begin to provide beginner driver education, all Ontario driving schools are required to deliver a novice course curriculum that has been Ministry of Transportation-approved. CAA's How to Drive beginner course is an approved curriculum by the MTO and recently received accreditation from the group Parent Tested Parent Approved. Our Approved Driving

School Network, ADSN, consists of 21 affiliates and over 30 classrooms across the province, all providing a common, ministry-approved curriculum to future drivers.

However, there is a common challenge across the industry, including CAA's driver training services, and that is the cost of insurance for driving instructors. Given the astronomical cost for a driving instructor to provide in-car services, with many examples being in excess of \$10,000 per year per instructor, it is difficult, if not impossible, for instructors to make a living when their annual expenses are so high and continue to rise. The result is what we've seen on the front pages: unlicensed schools offering services at reduced rates and would-be drivers not receiving ministry-approved curriculum.

0920

The situation is twofold: It poses a considerable risk that tomorrow's drivers are not adequately prepared for driving on Ontario's roads, which leads to the potential for an increase in collisions, and that qualified instructors are walking away from an industry due to costs, creating a significant gap that will only worsen without immediate action.

Recent ORSAR reports highlight that Ontario has some of the safest roads in North America. CAA proudly works with the road user safety team at the MTO to continue educating road users in an effort to keep our roads safe.

The issues within the driver training sector have the potential to challenge the province's safety achievements and uproot many of the developments made in this space. It is vital that a process review of these issues and others that have been reported on with respect to driving instructors be initiated. CAA encourages the government to investigate these matters with key stakeholders in an effort to ensure that Ontario's roads remain safe, revitalize an industry plagued with challenges—and that driver training services are delivered in accordance with ministry guidelines. The results would benefit all users.

When we talk about gridlock and the need for a regional integrated transportation network, there's a growing misconception that traffic flows into the downtown core in the morning rush hour and back to suburbs in the evening. CAA's head office is located in Thornhill just north of Toronto, and a morning driving on the north-bound DVP will illustrate that traffic is flowing in more than one direction during peak times. The reality is that nearly half of Ontarians spend over an hour commuting to and from work each day by vehicle or transit. Solutions are needed.

CAA has repeatedly advocated for an improved road infrastructure across the province, an issue of importance that is illustrated each year as part of our Worst Roads program. In addition, CAA has shown its support for the expansion of our road network; for example, the expansion of the 427 highway north to help alleviate congestion issues experienced in and around the Brampton and Vaughan areas.

Further, CAA is excited at the introduction of the TTC's first subway stops outside of Toronto, when the

Spadina line expands into York region, providing greater access and alternatives for commuters within the 905 region.

The GTHA is in need of an integrated regional transportation network, and with Metrolinx releasing its recommendations in about two months, it is imperative that Queen's Park ensures that any funding for the Big Move initiatives are not only dedicated, but that there's a fair balance to ensure that consumers are not disproportionately charged through any revenue streams.

CAA recently conducted a survey with nearly 5,000 members, and the results were conclusive: 72% of respondents agree that the source of funds for new and expanded transportation should be shared among businesses and consumers. Similarly, 88% of respondents said any new money generated and collected for transportation should be dedicated to infrastructure projects. But let's take a step back and note that the discussion on revenue sources reignited recently with four revenue options coming to the surface: a regional sales tax, a parking levy, a fuel tax and high-occupancy toll lanes.

Much of the discussion has concentrated on achieving \$2 billion or more annually in revenue for the next 25 years to pay for the Big Move. It's critical that this issue not be examined solely at a macro level. For consumers across the region, addressing the impact of this conversation must be done at a micro level.

The one question not asked through all of this is: What will the cost be to consumers? A quick analysis shows that a 1% regional sales tax would cost a household approximately \$600 annually. High-occupancy toll lanes would likely be introduced at 25 cents or 30 cents per kilometre and as a voluntary choice by motorists to access those HOV lanes. The parking levy suggested at \$1 per day per non-residential parking spot could conceivably be off-set on consumers. Lastly, a motorist who drives a mid-size sedan, filling their 60-litre tank once per week, will be paying approximately \$312 more annually through a 10-cent-a-litre fuel tax.

There will be much conversation prior to and following Metrolinx's report. However, CAA's concern is on two fronts. First of all, while CAA recognizes that consumers, drivers included, will need to help pay to fund the Big Move projects, conversations this week begin to imply a disproportionate burden on consumers versus business. Businesses benefit from an expanded transportation network in a multitude of ways, and it is incumbent that the sector contribute its fair share towards solutions, just as drivers should.

Second, CAA is concerned with the prospect of a second gas tax levied on gasoline and diesel sales. The existing gas tax is not dedicated to infrastructure initiatives, and it is difficult to accept the prospects of an additional levy when government has yet to fully earmark these funds to road infrastructure improvements.

CAA's position on dedicated funding is long-standing. In fact, in 2010 and 2011, we called upon the province to direct a portion of the new provincial revenue generated from HST charged on gas and diesel sales to a predict-

able funding mechanism. That would better enable municipalities to make critical investments needed to maintain and build transportation infrastructure.

At the time, CAA engaged municipalities and the public through a petition. The result: 177 municipalities representing over six million Ontarians endorsed our position through resolutions. Over 10,000 Ontarians signed our petition, and it was introduced in the Legislature in early 2011.

There's often mention of how health care and education are critical cornerstones of our province. Transportation is equally as critical. It is vital to our economy, society and environment, and directly impacts all our daily lives, regardless of our mode of travel. Ontario needs sustained investment in existing roads and infrastructure to address the dire need for expanded transit in the GTHA and to ensure Ontario's road infrastructure network across the province continues to be the safest in North America.

As part of the final report by the FSCO automobile anti-fraud task force, one recommendation the task force made was provincial regulation of the towing industry. When examining the towing industry, there is considerable opportunity to enhance and further the industry in a number of ways, including establishing standards and safety criteria to protect both tow truck operators and motorists.

CAA has been at the forefront of safety training and safety standards in the industry, and we believe there's an opportunity to raise the bar, create new standards and ultimately improve the profile of the industry. In addition, there's a significant opportunity to provide consumer protection in an area where it is desperately needed. With some municipalities bound by towing regulations and others unregulated, consumers currently face very different experiences, rates and service, depending on the municipality.

Modernizing the industry and exploring opportunities to regulate the industry through a delegated administrative authority is a process that CAA supports. We believe there's an opportunity to work with industry stakeholders, police and various government ministries to address and resolve the challenges the industry currently faces.

In short, Ontario has consistently been recognized as having some of the safest roads in North America. While Ontario serves as an excellent model for other jurisdictions to follow, the province continues to be plagued by gridlock and challenges in some key sectors. Traffic congestion has reached critical proportions, and it is vital that we improve our transportation infrastructure to meet our escalating demand. In addition, the daily commute is stressful, as gridlock is hurting our health, family well-being and productivity. Lastly, improved mobility and decreased congestion benefits us all.

Addressing these challenges of driver training and towing will not only help those industries but further enhance Ontario's road network in the short term and the long term. Thank you.

The Chair (Mr. Kevin Daniel Flynn): That's great. Thank you very much, Elliott. You've left about four minutes—just under four minutes—for questions. Michael or Catherine?

Mr. Michael Prue: Yes, I have a few questions. First of all, thank you for the deputation. CAA, in my opinion, does a pretty good job in this province.

Mr. Elliott Silverstein: Thank you.

Mr. Michael Prue: You raise the issue about insurance for instructors. That's a bit of a thorny issue, because I don't know how the government tells insurance companies to set the rates for individuals who spend literally their entire working life in a car. It would seem somewhat logical that people—truck drivers, taxi drivers, instructors—who spend eight, 10 hours a day in a car would pay more than someone who uses the car to go down to get their groceries. Can you explain what you're looking for in this budget around that issue?

Mr. Elliott Silverstein: Certainly, I think that right now we need a conversation. With the industry facing twofold challenges—number one, the fact that there are a lot of unregulated actions taking place—when people are paying \$10,000 a year out of their pocket for that type of insurance, it is a deterrent for them to be part of the industry.

Certainly, we want to have safe roads. We don't have the solution to that problem. We certainly want to address it and say that this is something that we have been told is a deterrent, and that it has been making people walk away from the industry, and that if we are looking at having safe roads, this is something that we need to identify and see if there is a possible solution to it.

Mr. Michael Prue: My second question relates to the infrastructure. I thank you for your comment that you believe that consumers should not pay a disproportionate amount of money towards new roads and new systems in the GTA. There was a poll yesterday—I read it in the paper—that 52% of the people of the GTA disapprove of the board of trade's solution. Only 30% approved of it, and the rest really had no opinion. I'm not surprised after day one.

0930

But we are seeing a good deal of consumer pushback. People are thinking that they're taxed to the limit and those kinds of things. How do you propose getting industry or commerce to pay their fair share?

Mr. Elliott Silverstein: It's an interesting question, and certainly the conversation we've been having with Metrolinx is they've had a multitude of different options to look at. The board of trade's presentation certainly is their perspective, and I respect the fact that they've been first out of the gate to present some ideas. The challenge is that we need to find a blended solution that everybody pays their fair share.

I'm eager to see what Metrolinx's report is on June 1 and to see what their recommendations are. There needs to be that balance, because we don't want to have a situation where consumers are paying in excess of \$1,000 a year disproportionate to what businesses would be

contributing, because we do all benefit from these types of services. Having expanded transportation services will help the flow of goods, will help traffic issues, will help employees get to their destinations.

It's an important conversation. I think that right now we're dealing with a lot of hypotheticals, and I think that once we get the report and have an idea of where their plans are going, we can certainly have a much more detailed conversation on that.

The Chair (Mr. Kevin Daniel Flynn): We're down to the last minute, Michael. It'll have to be a brief one.

Mr. Michael Prue: Okay. The last minute, yes.

Just in terms of the CAA, though, what you're looking forward to when these plans unroll is for a plan that will better balance between what industry and commerce pay and what the consumer pays. In the ultimate end, that's what you're looking for?

Mr. Elliott Silverstein: Correct, yes.

Mr. Michael Prue: Okay. Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Great. Thank you, Michael. Thank you, Elliott, for being here this morning.

CANADIAN FEDERATION OF INDEPENDENT BUSINESS

The Chair (Mr. Kevin Daniel Flynn): Our next delegation this morning is from the Canadian Federation of Independent Business. If Nicole and Plamen are here, if they'd come forward. Make yourselves comfortable. Like everybody else, you get 15 minutes. You use that any way you see fit. If there is any time left over at the end, it will go to the Conservatives. If you start to run out of time, I'll signal you—

Mr. Monte McNaughton: No, it's the Liberals.

The Chair (Mr. Kevin Daniel Flynn): I'm sorry, the Liberals. Don't say anything, Michael. I know what you're going to say. If there is any time left, it will go to the Liberal Party. It's all yours.

Mr. Plamen Petkov: Great. Thank you, Mr. Chair, and good morning, ladies and gentlemen. My name is Plamen Petkov. I'm the Ontario director of the Canadian Federation of Independent Business. I'm joined here today by my colleague Nicole Troster, who is Ontario's policy analyst.

Thank you for the opportunity to address you today and to present our pre-budget recommendations on behalf of our 42,000 small and medium-sized business members in the province of Ontario.

We've provided you with a copy of our presentation. It's in the folders that are being circulated to you on the right-hand side. We'll go through the slides here briefly, and I'll try to leave some time for questions as well.

On the first couple of slides here, you'll find the results of our most recent Business Barometer survey, which we do every month. It measures small business expectations in the province. What we can tell here is that small business confidence has been in a holding pattern in the last six months or so with an index level between

60 and 65, and Ontario is still slightly trailing the national average.

On slide 3, when it comes to employment plans, it is good to see that a quarter of small businesses plan to increase employment and plan to create new jobs. At the same time, a large majority of about 67% say that they will maintain current employment levels. Ultimately, entrepreneurs are driven by hope, and we believe that this budget is a great opportunity for the province to invest in the hope and optimism that would spark small business growth and job creation.

On slide 4, you will see the list of issues that are of top importance to small businesses. This ranking here is actually based on a survey that we conduct with our membership face to face at their place of business. The top four priorities for our members and for small businesses in general are: total tax burden, government regulation and red tape, government finances and workers' compensation. Our recommendations today for the spring budget touch on member priorities in each of these four areas.

So, when it comes to total tax burden, on slide 5, you will notice that payroll taxes affect the growth of small businesses the most, and that is because payroll taxes are profit-insensitive. Business owners have to pay them regardless of whether they make any money or not. In a fragile economic context, such as the one that we're in right now, this could prove quite harmful to small businesses and to the overall economy.

On slide 6, one specific measure that could alleviate the payroll tax burden is an increase in the employer health tax exemption. It is encouraging to see that the throne speech last month set expectations for the government to move in that direction and to increase the exemption. We believe that a move in that direction would benefit not just small business owners but all Ontarians, as payroll tax savings would be invested in creating more jobs and increasing wages.

I'll turn it over to my colleague Nicole Troster now to outline some of our other pre-budget recommendations.

Ms. Nicole Troster: On slide 7, you'll see that another area where the province can support small business is by providing more options for retirement savings. One such option of appeal to business is a pooled registered pension plan, or PRPP. As you can see from the chart, the top two barriers that prevent small businesses from offering retirement savings vehicles are overall cost and administrative burden. We believe that a low-cost, voluntary and administratively simple PRPP as outlined by the federal government and introduced by BC, Alberta and Saskatchewan would help to overcome these barriers while improving the retirement savings of business owners and their employees.

On slide number 8, you'll see that you've heard from us on many occasions that regulation and paper burden is a hidden tax, especially for small business. We estimate that it costs businesses \$11 billion per year to comply with obligations from all levels of government. This burden is the highest on the smallest of firms, which pay close to \$6,000 per employee to comply. We were

grateful to have the opportunity to work with the Minister of Economic Development and Innovation last year to conduct round tables with CFIB members. As a result, the government committed to a five-point plan to alleviate the regulatory burden for business. Our members' expectations are that the government will deliver on this plan, and they would like to see evidence of this in the budget.

On slide number 9, given the massive provincial deficit, our members realize that changes cannot happen overnight. However, their expectations are that the government will balance the budget in the medium term. That is why we strongly encourage the province to stick to its target of eliminating the deficit by 2017-18 or sooner.

On slide number 10, one specific measure to help achieve this is to reform the arbitration system. Despite the province's efforts to control spending, there have been instances where arbitrators did not follow suit when settling public sector labour disputes. With that in mind, we recommend that the province mandate its arbitrators, through legislation, to abide by specific criteria; in particular, the employer's ability to pay, the economic situation in the province and by evaluating compensation for comparable occupations in the private and public sectors.

I'll now pass it back to Plamen.

Mr. Plamen Petkov: Thank you, Nicole.

Finally, the last area that we wanted to focus your attention on today is workers' compensation. Some time ago, CFIB did a comparison study of workers' compensation boards across the country. Unfortunately, Ontario's WSIB ranked last in that ranking. Specifically, customer service and long-term financial sustainability received the lowest ratings.

In terms of financial sustainability, this is not really surprising to us because of the massive unfunded liability that the board has of over \$14 billion. It is encouraging that the WSIB has taken notice of CFIB's research and this ranking in particular. They had a discussion with us, and they have initiated some reforms to improve their position. We are also seeing that some of these changes are starting to materialize under the leadership of the new WSIB chair, Elizabeth Witmer, who has a proven track record of supporting small businesses in the province. In fact, the new chair expressed interest in meeting with CFIB members directly. We have organized a series of round tables across the province where small business owners and independent contractors can sit down with the new chair and discuss their frustrations and their issues with the WSIB. And there are many. The top ones are premium increases, poor customer service, and mandatory coverage in construction or Bill 119.

When it comes to Bill 119, we think that the government needs to take action right away. Law-abiding business owners and independent contractors are being hurt by this legislation. It costs them thousands of dollars to comply, and it will force many firms out of business. Unfortunately, we fear that this legislation will not be

able to achieve its objectives to flush out the underground economy or to improve safety. As a matter of fact, we believe that it will do the exact opposite: It will actually push more firms underground. We would like to use this opportunity to re-emphasize our position and to restate our long-standing recommendation to government to repeal Bill 119 immediately.

On the last slide, you see a list of our recommendations in each of the four sections that we outlined to you today. On payroll taxes, we urge you to move on increasing the employer health tax exemption and introduce a PRPP in the province, in line with what's been done in other provinces.

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On red tape, we really hope that the government will continue to support small businesses, as they have done recently, and implement the five-point plan that was agreed upon, and also move quickly to reduce apprenticeship ratios to stimulate the skilled trades.

On government finances, obviously, eliminating the deficit by the target date of 2017-18 or sooner would be critical. What could help here is amending the existing arbitration system.

Finally, on workers' compensation, as I said, repeal Bill 119 and introduce legislation to eliminate the 72-month lock-in provision, which is a benefits-for-life provision, to alleviate some of the financial pressures on the WSIB, and reform the system by implementing a three-day waiting period for benefits, as currently implemented in other provinces across the country.

Thank you very much. We'll be happy to take any questions that you have.

The Chair (Mr. Kevin Daniel Flynn): That's great. You've left a lot of time for questions, about six minutes.

Who's going first? Steven?

Mr. Steven Del Duca: Thank you, Chair.

Thanks very much for that presentation. Right near the end, I thought I heard you mention the importance of wanting to balance the province's books—the deficit reduction, staying on target. I did notice on slide 9 in the survey of your membership that it seemed—maybe I'm reading it the wrong way, but it did seem that a larger portion of your membership, 44%, seemed to be okay with the concept of a longer horizon on deficit reduction. How do you square that circle between what I thought I heard you say near the end and what a large chunk of your membership seems to prefer?

Mr. Plamen Petkov: Obviously, our members are business owners. They have to do budgets. They have to work on their budgets every day. This survey was taken in 2009, and at that time the perception was that the medium term was five to six years. That's why we're saying that if you stick to the existing targets, that will actually meet expectations.

Mr. Steven Del Duca: Thank you for that clarification.

The Chair (Mr. Kevin Daniel Flynn): Soo?

Ms. Soo Wong: Thank you very much, Mr. Chair.

I just want some clarification on your written submission. On the second page of your handout, dealing with the recommendations with respect to workers' compensation, can you clarify for us—in terms of the costs and savings with regard to the implementation of a three-day wait period for benefits, you listed that there are currently two provinces with this type of benefit. How many frivolous claims—that your organization noted with regard to this kind of frivolous claim?

Mr. Plamen Petkov: Thank you for the question. This specific recommendation actually comes from the study that we conducted some time ago, as I mentioned earlier in my presentation, on comparing workers' compensation boards across the country. Really, the three-day waiting period is meant to serve as a deductible. Again, we're talking about an insurance program here. It is very common for insurance programs to have a deductible and to kind of weed out these frivolous claims.

What we have observed—and not just in Ontario, but across the country—is that workers' compensation boards struggle with frivolous claims. What New Brunswick and PEI have done is introduce this three-day waiting period for benefits. That gives them some time to actually investigate the claim and determine whether this is something that is justified or simply frivolous.

We are thinking that from the WSIB's perspective, in terms of alleviating the financial pressure that's on them, and given their massive unfunded liability—we believe that this recommendation would help them to weed out those frivolous claims that are putting additional financial impact on the board.

Ms. Soo Wong: My next question is, how long ago did New Brunswick and PEI introduce this type of wait period, and was there significant benefit in terms of reducing the frivolous claims?

Mr. Plamen Petkov: I don't have the exact date in terms of when they introduced it. I believe it was a few years ago. What we have noticed from our research is that both boards in those provinces actually like this measure in terms of helping them with assessment of claims and also reducing the pressure on their finances.

Ms. Soo Wong: Okay. I noticed that you made quite a series of recommendations to the government, and I want to know, which is your priority?

Mr. Plamen Petkov: If I have to go with a priority, I would refer back to slide 4, where we talk about the issues of top importance to small businesses. As you can see here, the top one is total tax burden. What we define by total tax burden, in terms of priority for this budget, is obviously payroll tax relief. I think a move on increasing the EHT exemption, as outlined in the throne speech, would certainly be a measure that would be welcomed by the small business community.

Ms. Soo Wong: That's great. Thank you very much for your presentation.

The Chair (Mr. Kevin Daniel Flynn): That's great. Thank you very much for being here. Great presentation.

Mr. Plamen Petkov: Thank you. I appreciate it.

ONTARIO PUBLIC SERVICE EMPLOYEES UNION

The Chair (Mr. Kevin Daniel Flynn): Our next delegation this morning is Smokey Thomas from the Ontario Public Service Employees Union. Smokey, if you'd like to come forward and make yourself comfortable, perhaps introduce your colleague to us. Fifteen minutes—use it any way you see fit. If there's any time left over, the questions will go—

Mr. Smokey Thomas: They'd throw me in jail if I used it any way I saw fit.

The Chair (Mr. Kevin Daniel Flynn): Any legal way you see fit. The questioning will come from the Conservative Party. It's all yours.

Mr. Smokey Thomas: I have Brother Rick with me. Rick is a health care expert in OPSEU and actually wrote the report. I'm going to speak fast because I know Peter wants to ask me some questions.

The Chair (Mr. Kevin Daniel Flynn): This will be worth the price of admission.

Mr. Smokey Thomas: I'm getting him to swing to the left sometime soon.

Good morning. My name is Smokey Thomas. I am president of OPSEU. Thank you for the invitation to speak here today.

We can't help but note that the banking sector, having sent their emissary Don Drummond to preach austerity in 2012, are now knocking on the door of your federal counterparts, suggesting that now is not the time for austerity after all. It's really simple: In times of slow economic growth, you stimulate the economy; you don't jeopardize it with public sector cuts.

In the United Kingdom, the Cameron government has been practising a particularly nasty form of austerity on the public sector and digging an enormous hole for itself. Since 2008, it has experienced three official recessions.

Austerity in the eurozone has not worked. It has instead created what is being described as a lost decade for citizens.

Here in Ontario, the McGuinty government inherited a \$5.5-billion deficit from the Tories at the end of 2003. While continuing to reinvest in Ontario's public sector, the McGuinty government brought Ontario's budget into balance for three straight years before the great recession of 2008. There should be a lesson in that: By creating jobs and rebuilding public services, the government was able to grow its way out of the deficit. It proved that investment in public service was not only sustainable, but was also beneficial to the overall economy.

So why the sudden change in direction? We all know that it wasn't public sector spending that created the worldwide economic crisis in 2008, although some vested interests are clearly trying to rewrite history in this regard.

Last year, OPSEU commissioned the Centre for Spatial Economics to produce a report on the role of Ontario's public sector in the economy and to examine the impact of the 2012 budget. The centre's forecast may

have been on the conservative side, given the impact of three levels of government all engaging in austerity measures. By 2015, budget-slashing would reduce the size of Ontario's economy by \$20 billion, resulting in an estimated loss in tax revenue between \$2 billion and \$2.5 billion per year, or almost as much as we have been able to reduce our annual deficit by.

According to the Canadian Centre for Policy Alternatives, the impact of the recession and subsequent slow recovery has reduced provincial GDP by about \$70 billion. Given a normal share of provincial revenues, that translates to \$12.4 billion in lost revenues.

Reducing public spending has a direct impact on the private sector: 36 cents of every dollar spent by the Ontario government goes directly to the purchase of goods and services from the private sector. This translates into jobs in construction, professional, scientific and technical services, as well as information and cultural industries—that would be the LCBO.

The Centre for Spatial Economics estimates that the fiscal drag from austerity would impact economic growth by as much as 0.7% in 2014 and 0.6% in 2015. Given projected economic growth rates below 2%, this is very significant.

This week's Ontario report by the CCPA suggests that combined austerity policies could cost the provincial economy as much as 3% of the GDP over the next few years, or about what we lost in the great recession of 2008. The CCPA notes that for every dollar of fiscal restraint, we're impacting the provincial GDP by \$1.50.

While economists would tell you GDP growth took us out of the recession in 2009, for most of us that recovery is mostly an illusion. Austerity budgets impact those who can least afford to pay. That includes seniors sent home early from hospital without any home support. It includes a tattered safety net where only one in five Ontarians qualifies for employment insurance and the rest are forced into a broken, inadequate system of social assistance. It includes workers thrown into precarious employment, afraid to complain about significant violations of employment standards, with too few proactive inspections by the Ministry of Labour. It includes women seeking economic equality, who will now be among the majority to lose their public sector jobs. It includes one in five young people who cannot find a job, many forced to leave the province to find meaningful work to pay off their massive student loans.

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Students looking to earn enough to continue their post-secondary studies can now count on about 1,000 fewer summer placements, thanks to the closure of Ontario Place and the cancellation of the Ministry of Natural Resources' Ontario Ranger Program.

New graduates emerging from Ontario's medical schools may also have difficulty finding work. Hospitals are gapping positions—and Rick tells me that means they're not filling the positions; I never heard of "gapping" before—to reduce severance costs, and the impact on experienced health care workers of a provin-

cial freeze on hospital base funding is resulting in significant job losses. I might note that not one manager anywhere has ever lost their job; in fact, they keep creating more management positions as they lay off front-line workers. I've raised that with the Liberals many times.

Young professionals will migrate to other provinces that are not restraining their health care system to the same extent as Ontario. This means that when experienced health professionals do retire, Ontario will have far more difficulty replacing them.

Queen's University professor Kathleen Lahey recently noted that governments at all levels have in recent years cut taxes equal to 4.5% of the GDP. She writes: "When an entire country's revenue system springs such a huge leak, it is not the 'women and children first' of nautical chivalry; it is 'cut women's and children's services first.'" I'll ask you to think about that. That's absolutely true.

That also applies to public sector employment. Women fill 60% of public sector jobs. In health care, as many as four out of every five workers are women. When these jobs are cut, the effect is not only much greater on women, but differentials in public sector compensation mean women also lose ground in lowering the gender wage gap.

We see the government cutting jobs even though we have never recovered the pre-recession employment rate. Before 2008, Ontario's employment rate was 63.5%. By the summer of 2009, it had plummeted to 61%. With federal and provincial stimulus, the recovery was slow but steady, reaching a high of 61.6% in 2011 before austerity-fuelled cuts took it down to 61.3% in 2012.

As Ontario sheds good-paying jobs in the public sector, most of the job growth since the recession has been in poorly paid precarious employment. According to a United Way study, barely half the workers in the greater Toronto area have full-time, permanent employment. I don't know how you could live here on that kind of wage. Toronto, long considered the economic engine of Ontario, has an unemployment rate that is now well above the provincial average.

It's not like Ontario is a poor province; it's just that most of the wealth is concentrated at the top. We are second only to Alberta in the rate of economic inequality between the rich and the rest of us. This is no accident. Nobel Prize-winning economist Joseph Stiglitz notes that inequality, to a very large extent, is the result of government policies. He writes: "There is hope because it means that this inequality is not inevitable, and that by changing policies we can achieve a more efficient and more egalitarian society."

According to the Conference Board of Canada, income inequality has been rising at a faster rate in Canada than in the US since the mid-1990s. Among the 32 OECD nations, Canada has fallen from 14th to 22nd most equal.

Research shows that high income inequality weakens economic growth and stability, undermines social

cohesion, and diminishes quality of life for all citizens. It is also a threat to democracy itself. When income inequality becomes extreme, as it is now, it raises basic moral questions about fairness and social justice.

The evidence is everywhere. This month it was reported that Canada has fallen out of the top 10 in the United Nations' human development index. We used to be number one.

The richest 1% in Ontario now receive, on average, 16 times more than the average of those who belong to the bottom 90%. Thirty years ago, the ratio was only 10 times more. We would argue that it is time for governments to do more than pay lip service to what is the defining issue of this decade. It's time that governments started generating real policies to reverse the growth of social and economic inequality with measurable goals.

We have written to the Premier, calling for a fairness test that would be a transparent and verifiable way for citizens to judge for themselves how budgets measure up on the issue of income inequality. The test would embed the principle of fairness into public policy choices and ensure that the poorest Ontarians are not hit the hardest by these choices. Such a test could be developed and applied by the Ministry of Finance and published in the budget as part of the fiscal planning framework.

We believe that it is also time to have an adult conversation about fair taxes. That includes reconnecting the idea of taxes to the services Ontarians receive. Government does a poor job of linking the two; it needs to do better.

We also need to look at both sides of the ledger when drafting a budget, not just the expenses. Corporations promised tax cuts would generate economic growth through reinvestment in jobs. Instead, they stockpiled the cash and stifled our economy. We know what to do with a broken deal: End it. Corporate tax cuts are already extremely competitive. We have room to restore the corporate tax rate to 14% and return \$2.1 billion to the public treasury.

It is no surprise that governments worldwide find themselves deeply in debt after two decades of competing with each other for lowest taxes, yet there has never been any evidence to suggest low taxes lead to prosperity. Let's remember that high-tax countries such as the European Nordic countries weathered the great recession better than their lower-tax counterparts.

In Ontario, we need to get rid of the negative spiral of austerity budgeting. We need to be smart about how we reinvest in public services. We need to apply a fairness test to tackle issues of income inequality. We need to have a real conversation about the value of taxes.

I look forward to your questions.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much. You've left just over four minutes. We're going to Peter.

Mr. Peter Shurman: Thank you very much, and it's good to see you, Smokey. It's always ironic that in the rotations, which are done on a random basis, I get to talk to you—

Interjection.

Mr. Peter Shurman: —and I like talking to you. I know that there's mutual respect, despite the fact that our positions are quite radically different.

I would postulate that what you call austerity, I call efficiency, in the instance that you refer to in Ontario. If you take a look at the budget that's in play right now—that comes to an end, really, for the fiscal year in about a week and a half—that was billed as something of a restraint budget or an austerity budget, but the government spent somewhere in the vicinity of \$5 billion or \$6 billion more than even they estimated they would spend. If they had been on target in their spending, they still would have spent more than they did in the prior year. I don't call that an austerity budget.

I would say that what we really need to do to rein things in and do some of the things that you actually want to do is be more efficient about how we spend money. That's all that governments are really about. You and I would agree on that.

So you watched and you commented when I presented Bill 5 about three weeks ago in the Legislature, which calls for a two-year mandatory, legislated public sector wage freeze, and I said in my debate that that was not about putting the blocks to you and your colleagues in the public sector at all. It was about levelling a playing field that has put the rest of us in a disadvantaged position while you people have become somewhat elite. How would you react to that?

Mr. Smokey Thomas: Well, to quote Brother Tim Hudak—

Mr. Peter Shurman: I thank you for the reference to "Brother," on behalf of my brother Tim.

Mr. Smokey Thomas: —"Our blue paper is designed to provoke debate." Now, as I said to Tim, he had the "provoke" part right, and I'm sure I have the "provoke" part right here.

All right, I'll answer it this way: I've long called for labour, business, government and interested business parties—and that's all three parties—to sit around a table, led by the Premier, and have this adult discussion.

Believe it or not, there are things the Canadian Federation of Independent Business said that I agree with, and it's no secret that Catherine Swift and I don't like each other. I mean, in my opinion, she's so far out on the right that if she takes one more step there, she's going to fall off the planet, along with Tim. But you're right: There are things that we do agree on, and I think that's part of that adult conversation about taxes. If we could actually get in and sit in a room, we could actually have a fruitful discussion and maybe find some middle ground, some common ground.

We bargained 182 contracts last year in my union. The vast majority took zeroes voluntarily. In the ones that got a 1% raise, which isn't extravagant on a \$30,000-a-year salary, the employer actually put it on the table because they can't keep people. Do you know what I mean? The wages are just so low that people would just keep moving on to better jobs when they can find one, and that's a

good thing for people to do. So they're trying to remain competitive in that world and keep employees.

I agree with some of what you said, and I do agree that you and I, we do banter and joke and we've done stuff together before, and I think that's an adult way to do it, right? We can have our fun but have a serious debate and a serious conversation.

But I really would call on this Premier—Dalton never did it; Dwight never did it—to bring together the parties, to say, “Look, we're all Ontarians. I think we all have the same interests at heart. Let's sit down and at least have a conversation.”

Mr. Peter Shurman: Well, let me say, for you and for the record, that the day that this Premier gets serious about wanting to do that, my party will be there. But we don't believe that we hear more than talking the talk, and we don't see any sign of walking the talk. We think it's the same government as was there before.

But let me not get into putting partisan stuff on the record. Let me get back to a question, because we have limited time left.

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The Chair (Mr. Kevin Daniel Flynn): You've got very little time—

Interjection.

Mr. Peter Shurman: You all do it so, you know? Hold your horses, folks.

The Chair (Mr. Kevin Daniel Flynn): Okay, we're down to about 30 seconds. This is going to have to be quick.

Mr. Peter Shurman: All right. You want to go back to a corporate tax rate of 14%, and you really believe, Smokey, that this is going to make Ontario competitive with other jurisdictions that want to keep or attract business? I can't believe that even you believe that.

Mr. Smokey Thomas: Well, I heard that from some business people, but what they said more importantly than that is, if you get rid of some of what they call “corporate welfare”—all those old tax breaks that were in there before because the corporate tax rate was so high. Especially when they started talking about selling the LCBO, I had a lot of guys who wanted to buy me lunch.

But they said, “If you get rid of all that corporate welfare stuff that was designed to off-set high corporate tax rates, you can leave it where it is now. The government will get more revenue, and it will level the playing field for all corporations”—which, actually, I think is a smarter way to go, but again, you've got to provoke a debate somehow here and at least get people talking on those terms.

The Chair (Mr. Kevin Daniel Flynn): Well, I think you've done that, and your time is expired.

Mr. Peter Shurman: Thank you, Smokey.

The Chair (Mr. Kevin Daniel Flynn): You came to provoke a debate this morning; you did exactly that, so thank you very much for coming here.

Mr. Peter Shurman: Thank you.

Mr. Smokey Thomas: That was polite, I thought.

The Chair (Mr. Kevin Daniel Flynn): I thought so too—a civil debate.

MARCH OF DIMES CANADA

The Chair (Mr. Kevin Daniel Flynn): Our next delegation is from March of Dimes Canada. If Steven and Jerry are in the audience, if they'd come forward?

Make yourselves comfortable. You have 15 minutes like everybody else; use that any way you like. You might want to introduce yourself when you're speaking for the first time, so that Hansard knows who it is.

Mr. Steven Christianson: Thank you very much and good morning. My name is Steven Christianson; I'm the national manager of government relations and advocacy at March of Dimes Canada. To my right is our vice-president of programs, Jerry Lucas, and to his right, our director of employment services, Judy Quillin.

We think our presentation is rather timely, given one of the key elements of yesterday's federal budget and the general dialogue around implementing the recommendations of Ontario's social assistance review, which do have some substantive financial implications. I'll get into a very brief overview of March of Dimes first, and then I'll turn it over to my colleague Jerry.

Established in 1951, March of Dimes Canada is one of Canada's largest service providers and a tireless advocate for people with disabilities, serving as a resource for all Canadians requiring disability supports.

With a wide range of programs and services, many of our consumers utilize more than one of our services to help them gain greater independence. Solutions for independence include employment services, attendant services, financial support for assistive devices, home and vehicle modification funding, peer support for stroke and post-polio survivors and much more.

Last year, we delivered more than 2.25 million hours of service to over 50,000 Canadians with disabilities. March of Dimes has been providing employment services to people with disabilities for over 50 years, predating the introduction of the Vocational Rehabilitation Services Act in 1965.

Our constituents are largely low income. Last year, 77% had incomes below \$20,000 per year and 30% had incomes below \$10,000 per year. For this reason, and from this perspective, we wish to address social assistance reform and labour market access.

Mr. Jerry Lucas: My name is Jerry Lucas; I'm vice-president of programs. We hope to leave some time for questions, so I'll take the easy job and read the statement, and leave the questions for Judy.

I want to begin by saying that we support many of the conclusions and recommendations of the Commission for the Review of Social Assistance, including establishing a standard rate for all adults to cover basic needs and housing-related costs and a disability supplement recognizing the higher costs associated with living with a disability.

While the first would be tied to employment, we believe that the latter should be delinked to remove a key

disincentive to employment for people with disabilities. This income supplement could transition to a tax credit as the individual's income increases. These programs could be managed through a blended social assistance system as part of the Ministry of Community and Social Services. However, we support delinking the management of social assistance with programs to promote employment.

Government employees, whether municipal or provincial, who oversee income maintenance programs are predominantly income support workers. People on social assistance, whether on ODSP or Ontario Works, and who are motivated to work, should have the support of an employment specialist who is not making decisions on their training and employment from the perspective of social assistance administration. At the same time, we believe that government case managers of employment support programs should not be the deliverers of these vocational services.

Ontarians with disabilities have a much higher rate of unemployment than the general population, especially people with lifelong disabilities who have both barriers to employment and little work experience. Many people with disabilities or significant barriers to employment require more than specialized employment supports and general job-finding services. Specialized needs include consistent assessment and case management, integrated pre- and post-employment services and supports, and strong connections to employers.

People with disabilities deal with a complex mix of variables that can affect their ability to obtain and retain employment. Examples include the type and severity of their disability; their education and training; cognitive and mental health issues, confidence and motivation; work history; and accommodation requirements related to their disability. A generalized or generic employment service cannot adequately account for and respond to such specific requirements. This requires specialized knowledge from the service provider. The latter point cannot be overemphasized.

The current ODSP system is primarily geared to placement-ready individuals and is not structured to fund or facilitate the specialized services required by persons with disabilities. Assessment, motivation, training, work preparation and work hardening, and job supports are not possible to address under the existing program structure, precluding many who wish to work and would otherwise be capable of working from succeeding.

Equally important when considering how to make employment services more effective are the coordination and administration of the services offered. The current system is fragmented, a point highlighted in both the social assistance review and the Drummond report, which identified 21 different government ministries, branches and departments that oversee and support employment programs.

We believe that the best way to maximize employment opportunities for people with disabilities and to streamline administration is to merge the ODSP Employment Supports program with Employment Ontario under the

umbrella of a ministry which has training and employment as its outcome focus, such as MTCU. This was the direction that the government supported in its last budget, and we encourage the government to continue on this path.

We do not support the transfer of employment supports to municipalities. Access to employment supports should be guaranteed to all Ontarians. Downloading will create higher administrative costs, disparity among and between communities with respect to the range of services available, access to those services and potentially service quality. Many people do not live and work in the same community, as anybody travelling on the Don Valley Parkway knows. People work where there is opportunity. Tying services to municipalities narrows the access to pursue opportunities outside of the community where one lives.

Of course, municipalities have an important role and contribution in local planning, collaboration and service coordination. Local service providers such as March of Dimes can provide our expertise, knowledge of local labour markets and conditions, as well as training opportunities, whether the program administration remains provincial or is downloaded to the municipalities. In either case, we believe that service delivery should be separate from program administration. We are currently, as an example, a transfer payment agency to both provincial and municipal funders, so, regardless of which system you use, the supports are coming from a provider such as ourselves.

We thank you for the opportunity to speak today. We are always available to assist and work with the government of Ontario to identify the most productive approaches to improve the efficiency and effectiveness of Ontario's current system of employment services, and we welcome the opportunity, such as this, to contribute to the dialogue.

With that, we'll open it up for questions.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much. Great presentation—just over six minutes.

Michael or Catherine?

Ms. Catherine Fife: Thank you very much for the presentation. Just a comment: I'm glad you came here to very strongly point out that downloading the transfer of employment supports to municipalities is not in the interests of those on ODSP or, actually, any Ontarian, and the reasons that you've given are fairly comprehensive. I don't believe municipalities want this additional responsibility either, so I just wanted to mention that. Thanks very much.

Do you have anything, Michael?

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Mr. Michael Prue: Do you have any comment—

Ms. Catherine Fife: Any comment on that, yes.

Ms. Judy Quillin: Judy Quillin, director of employment services. I would just comment that through the labour market agreements, Ontario has an excellent employment support system through Employment Ontario. They do an excellent job. If you or I or anyone were to

lose their job and require supports, that's where we would go. I think saying to persons with a disability, "You have to play in a different sandbox," is really stigmatization. We need to ensure that everyone can leverage the support of the same service, go to the same place and receive the same excellent service that they're providing right now to all Ontarians.

Ms. Catherine Fife: I also agree with the idea of creating a tax incentive to employers, because what I hear primarily from the community at large is that it's generally stigma that is preventing employment opportunities. It's a lost potential for us as a province when the potential of those with disabilities is not realized in the employment workforce.

I think there's a lot of room for improvement, especially your labour market access and participation issues.

Mr. Michael Prue: The questions I have relate to the poverty of people with disabilities. It is huge. No matter where I go, one of the hallmarks of being poor is to have a disability. It's sad, but it's true.

Your debate here is kind of gentle: a little tweak here, a little tweak there of government. Can you tell me why you're not in a rage about this? Because I kind of am.

Mr. Jerry Lucas: I think we agree that the level of support is too low, and we think that that should be addressed for people who are not employed and have to live below the poverty line. Because the primary focus here was to talk about employment, we didn't go into great depth on that, but we do believe that it has to be raised.

But the other point is that there's a real disincentive to getting out of poverty for people with disabilities if they're going to lose all the drug benefits and the other supports that they have—

Mr. Michael Prue: And have the money clawed back as well.

Mr. Jerry Lucas: Right. So what we're really saying is, recognize that somebody with a disability, at whatever income level, has a need for a level of support. Those extra costs can be a tax credit if you're at a high enough rate where you're paying taxes, but it would be an income supplement if you're at a low level. So it bridges you without it being a disincentive.

Mr. Michael Prue: The Lankin-Sheikh report is recommending that people be allowed to keep the first \$200 that they earn if they're on disability, without having it clawed back. I personally feel that's kind of low because if they were allowed to keep the first \$500 or \$600 along with disability payments, that would actually take them near the poverty level. Can you comment on whether the \$200 is sufficient?

Mr. Jerry Lucas: It's much too low. I think that what we're really commenting on is something that has been around for a long time.

Having been in the field for a long time, I remember that the Obstacles report that came out in 1981, addressing issues of disability, recommended separating out supports related to disability from employment-related

supports because, wherever you cap it, it's still going to be a disincentive. I don't think \$200 is enough to make it less of a disincentive.

Mr. Michael Prue: Is there more time, Mr. Chair?

The Chair (Mr. Kevin Daniel Flynn): Yes. You've got just about a minute and a half, Michael.

Mr. Michael Prue: Good. Okay. The Lankin-Sheikh report also makes a great many other recommendations. One that they've made is to recombine disabilities with general Ontario Works. Do you have any comment on that? I know that some people think that there should not be what is called "deserving poor" and "undeserving poor." But I'd also like to hear from disability experts whether you think that this is going to in any way hurt particularly those who are born and will live their whole lives with some kind of disability.

Mr. Jerry Lucas: I think you can combine administration as long as you acknowledge that there are additional costs and therefore create a second income supplement. If you don't do that—you can always say that, at a certain level, everybody who is unemployed has the same need for income support, but there has to be that acknowledgement that there are the extra costs. The only time you can merge it is if you create that second supplement.

Mr. Michael Prue: Thank you for the work you do. I was the mayor when you opened up on 10 Overlea. I remember opening the place, and I've been very proud of you ever since.

Mr. Jerry Lucas: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Steven, Judy and Jerry, thank you for coming today. Great presentation.

Mr. Steven Christianson: Thank you very much.

WINERY AND GROWER ALLIANCE OF ONTARIO

The Chair (Mr. Kevin Daniel Flynn): Our next delegation perhaps brought some samples.

Mr. Patrick Gedge: If it had been the afternoon, we would have been primed and ready, let me tell you.

The Chair (Mr. Kevin Daniel Flynn): Make yourselves comfortable there, Patrick and Jim. You've got 15 minutes, like everybody else. If there's any time left at the end of the presentation, it will go to the Liberals. I'll let you know when you're getting near the end of the presentation if it looks like you're going to run over.

Mr. Patrick Gedge: Perfect.

The Chair (Mr. Kevin Daniel Flynn): It's all yours.

Mr. Patrick Gedge: Great. Thank you very much for this opportunity this morning. We surely appreciate it.

My name's Patrick Gedge, and I'm president and CEO of the Winery and Grower Alliance of Ontario. I'm joined by Jim Clark, who is president of Colio Estate Wines and vice-chair of Winery and Grower Alliance of Ontario.

Just as background to our organization: The WGAO is the leading industry trade association in Ontario, with its

members representing over 85% of the wine produced in the province. You may know us a bit more by our brand names such as Jackson-Triggs, Trius, Inniskillin, Peller Estates, Colio Estate Wines, Magnotta, Lakeview Cellars etc.

Our members include both wineries and grape growers in the province, as we believe the continued success of the industry is best guaranteed by both groups working seamlessly and co-operatively together. In fact, to demonstrate our interdependence, our wineries purchase over 85% of the wine grape crop produced each year by independent growers in Ontario.

This presentation is extremely timely as an independent study has just been unveiled that provides the economic impact of the industry in Canada and in the provinces of Ontario, British Columbia, Quebec and Nova Scotia—the major domestic wine-producing regions. The study was carried out by Frank, Rimerman and Co., who have conducted similar research studies for the United States industry and some 20 individual states in the US.

In summary, the wine and grape industry represents an economic benefit to Canada of \$6.8 billion a year, of which Ontario is almost half. Ontario highlights of the analysis indicate: The Ontario industry has an annual economic impact of \$3.3 billion—specifically, for every bottle of wine produced in Ontario there is \$40 of domestic economic impact; the wine and grape industry represents more than 14,000 jobs in the province; wine-related tourism welcomes more than 1.9 million visitors each year, generating more than \$644 million annually in tourism revenue and employment; and, each year, the wine industry generates \$602 million in federal and provincial tax revenue and liquor board markup.

In the past, we've been thought of as a small, somewhat quaint, local industry. Today the industry is significant and a growing economic contributor nationally, regionally and locally, as evidenced by the results of this study.

Our industry and its value chain are highly integrated, and therefore have a significant impact in multiple sectors: agriculture, food processing, manufacturing, services and—not least of all—tourism. Just thinking about it, we're the only agricultural business that has such a high level of integration from local agriculture in the province to retail, where we're competing, literally, with the rest of the world.

During the past number of years, we've seen many sectors in the economy suffer. Trust me; this is a tough sector. The margins are low and the competition is fierce. But we should recognize and celebrate the fact that the Ontario wine and grape industry continues to grow each year in terms of agricultural farm gate, manufacturing productivity, product innovation and sales growth.

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We're helping grow the wine category in Canada. In 1995, wine represented 18.8% of all alcoholic sales in Canada, and this grew to 30.2% in 2011, an increase of 11.4%. Our market share is increasing compared to beer

and spirits. The growth potential of Ontario wine products and their economic impact continues to be enormous.

Credit and recognition needs to be given to the LCBO for its continued support of Ontario's wine industry. We look forward to leveraging its increased network of stores, talented staff and new initiatives to sell more VQA and ICB wine and generate more revenue for the government.

We'd also recommend to all parties a very detailed analysis and fact-finding when it comes to proposals to increase the sale of alcoholic beverages through private channels. While on the surface many of these ideas may appear attractive, there are fundamental issues to be thoroughly addressed, including the impact on ongoing government revenue, consumer prices, social responsibility and the potential effect on the \$3.3-billion Ontario wine and grape industry and our ability to grow and compete in the future.

Jim?

Mr. Jim Clark: Thank you, Patrick. We'd like to make three specific points which would lead to increased revenue for the province as a result of growth in the wine and grape industry in Ontario.

First of all, you've noted the economic importance of tourism to our industry and the sale of wine at wineries themselves. We refer to it as farm gate. Visitors to Ontario wineries reached 1.9 million people in 2011 and generated \$644 million of tourism and tourism employment-related economic impact. The highest margins for wineries is through direct sales at their wineries, and this is particularly the lifeblood for small and medium-sized wineries.

The government of Ontario, through the Ministry of Economic Development, Trade and Employment, funds a VQA marketing program, including the publication of a 700,000-copy Travel Guide to Wine Country Ontario, along with a map and website. We look forward to all VQA wineries in the province benefiting from this program and being included so that the consumer comes first. This will give consumers and visitors information on all wineries and generate increased sales along with additional revenues for government.

Secondly, there is a VQA support program operated by the MEDTE. This program has been very successful in stimulating more growth in VQA sales through the LCBO and increasing the ability of wineries to financially partner with the LCBO in marketing initiatives. The challenge of this program is that wineries in the province have been increasing at a rapid rate, which is good for jobs and tax revenue, but the impact of the VQA support program is being reduced each year as a result.

We also face competition, as Patrick mentioned, from imports. If you go into the LCBO, you're looking at a Wines of California program. I call it "fishing off our dock," and a lot of times they're eating our lunch.

We know that asking for more funding for any program at this time is difficult, but investments that produce measurable economic growth and tax revenue

should be welcomed. The VQA support program has very specific metrics that demonstrate that funds are being invested in the growth of VQA wines and generating more sales by the LCBO and, thus, income to the government of Ontario.

According to research, there are two major factors for additional sales of VQA through the LCBO. The first one indicates that 60% to 70% of the growth of VQA each year is related to new products that wineries have introduced to the marketplace. The second factor that generates new sales is the amount of marketing investment that wineries make into LCBO marketing programming.

We would recommend that the VQA support program be increased from \$6 million to \$9 million as a pilot project over the next couple of years. During that time, the government can measure the direct impact of the additional investment on VQA sales and the commensurate economic impact on the economy, jobs and increased LCBO and tax revenue.

According to the calculations of the Frank, Rimerman report, which conducted the economic study, the \$3 million of incremental investment would produce \$3 million of provincial taxes and LCBO markups with the additional sale of 342,000 bottles of VQA wine. That would represent a 3.5% increase in VQA sales through LCBO Vintages and generate about a \$29-million economic impact for the province. We are more than confident that the ROI by the government would be exceeded on this incremental funding.

Thirdly—I think it was mentioned earlier—we need to reduce regulation and red tape for the wine and grape industry. There are a number of unnecessary regulations and administrative practices that have simply accumulated over time. Rationalize all of them and make it more cost-effective for the government to provide oversight, while reducing the time spent by wineries on unnecessary administration, licensing, audit—it goes on and on.

At the same time, changes can be made that allow wineries more flexibility to provide excellent and timely customer service. Some of these changes include allowing wineries to remain open to visitors and tourists on Good Friday and Easter Sunday, for example, when multitudes of people visit wine regions. In addition, provide increased flexibility to on-site and off-site wineries to serve their customers. Another opportunity is to permit Ontario wines to be sold through some 200 local farmers' markets. Local food and local wine make for a compelling combination, and this has proven successful in wine-producing states in the US as well as a number of Canadian provinces.

These changes will increase productivity of the government and industry as well as increase customer service and sales opportunities. Not only will these changes not cost the government money; they may actually provide savings.

The Attorney General and the Alcohol and Gaming Commission have been working closely with WGAO and other industry associates on making these changes, and the time to act is now.

Thank you very much for your time, and we look forward to your comments.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Jim. Just before you go on, I know what VQA is. It's the first time I've heard of ICB wine. What does that mean?

Mr. Jim Clark: That's the International Canadian Blends, so that's where we develop wines that are competitive in the market.

The Chair (Mr. Kevin Daniel Flynn): Very good. Okay, the first questions come from the Liberals. Steven?

Mr. Steven Del Duca: Thanks, Mr. Chair, and thanks very much to the presenters.

You mentioned on page 5 of your document the idea of reducing regulation, red tape, unnecessary regulations, administrative practices that you reference here. Can you give us some examples of those kinds of regulations or burdens that you're troubled by?

Mr. Patrick Gedge: Sure. I think what has happened, by the way, is that over time, you keep adding new regulations without necessarily going back and removing the ones from before, so it's done more on a cumulative basis as opposed to trying to rationalize all of them.

I'll give you a simple example. If you go to a winery down in Niagara or Essex North Shore, what you're going to discover is that for a winery, they're going to have to have about four winery licences for that one individual place. We've gone to the AGCO and said, "Why don't you just have one winery licence that includes all of these different functions, rather than we go through four processes?"

Similarly for auditing, there's a very strict auditing approach, but it's not really done on a risk management basis. For example, if your winery, over the years, has been audited and it has always been clean, then perhaps for that winery you should do it every two or three years. If there's a winery that has had problems, heck, I don't care; do it every month. But they have sort of one approach that fits all. The wineries I talk to, it almost feels like they have permanent auditors sitting in their offices.

Those are just two examples.

Mr. Jim Clark: We're audited, I think, three times a year as a company.

Getting back to the licence, we have a manufacturer's licence, a tied house, and a tourism licence. Essentially, you could come into my retail store and have a glass of wine, but you could not walk out into the vineyard that's right on the same property, right beside our facility.

Mr. Steven Del Duca: Okay, thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Steven. Soo?

Ms. Soo Wong: Do I have time, Mr. Chair?

The Chair (Mr. Kevin Daniel Flynn): Yes, you've got about two minutes.

Ms. Soo Wong: Okay. Can you also elaborate, on page 5, about the red tape dealing with the selling of Ontario wine in the local farmers' markets?

Mr. Patrick Gedge: Yes.

Ms. Soo Wong: You mention in your submission that there are several Canadian provinces doing that. Which provinces are we talking about?

Mr. Patrick Gedge: Sure. Let me just say that in the United States, for example, every wine-producing region sells their local wine at local markets, whether it's California, Oregon, Washington state, New York state, Texas. In Canada, Nova Scotia is a great example of it, and New Brunswick. Do you want to just comment on Nova Scotia?

Mr. Jim Clark: Well, Nova Scotia: I just happened to be there at last New Year's. I showed up at a farmer's market on a Sunday morning, and walking around, there was a table—it was probably 9:30 in the morning. There were four or five wineries and a couple of craft breweries pouring their wares, and sampling as well. I thought it was very reasonable, very responsible.

To me, I think the big impact here is, again, the real small wineries that could literally benefit from something like this—the old “go local” food and wine association. It's done responsibly; it was very civilized, I found.

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Ms. Soo Wong: Thank you very much for your presentation.

The Chair (Mr. Kevin Daniel Flynn): Thank you for coming this morning, gentlemen. Next time we'll schedule you for the afternoon.

Mr. Patrick Gedge: We'd be delighted.

Interjection.

Mr. Patrick Gedge: Absolutely.

The Chair (Mr. Kevin Daniel Flynn): Thank you.

ONTARIO HEALTH COALITION

The Chair (Mr. Kevin Daniel Flynn): The Ontario Health Coalition—if you'd like to come forward, Natalie? You've been sitting there, and I know you know what the rules are, so make yourself comfortable. You have 15 minutes; use that any way you see fit. The questioning this time will go to the PCs.

Ms. Natalie Mehra: Great. Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): This proves that God's got a sense of humour: You've got Smokey, and now the health coalition. We're just teasing Peter on the way the random order is coming out this time.

Just let me set the clock, Natalie, and then you're all set to go.

Ms. Natalie Mehra: Great.

The Chair (Mr. Kevin Daniel Flynn): Okay. It's all yours.

Ms. Natalie Mehra: Thank you. I enjoyed the previous presentation; I wondered if anyone else was wondering how much they personally had contributed to the increase in the market share of the wineries in Ontario.

Interjections.

The Chair (Mr. Kevin Daniel Flynn): Some of us more than others.

Ms. Natalie Mehra: I'm going to skim very quickly through the first part of our presentation, which I believe

you have, just to lay the context for our recommendations. We're making our recommendations in the context of very severe curtailments in health care funding: according to the Provincial Auditor, more than \$3 billion in cost curtailments in health care—that's more than a billion in hospitals and more than \$2 billion in OHIP; home care increases to be a third of what they've been for the last eight years; long-term-care increases to be half of what they've been for the last eight years. Actual health funding is actually considerably less than the auditor reviewed in those projections that were in 2011; they were the pre-election projections—in fact, the projections have decreased twice since then, and the actual cost curtailments are more like \$4 billion.

Too often, health care cost cuts or curtailments are couched in terms of economic necessity. We thought it was important to underline the fact that, far from being poised to eat the entire provincial budget, health care funding has actually been shrinking—not growing; shrinking—as a percentage of program spending in Ontario or as a per cent of the provincial budget, and that has been the case for the last decade or so. The trajectory is in fact down, not upward, as some of the more hysterical statements have held us to believe. In fact, Ontario now ranks eighth of 10 provinces in health care funding.

Although in real-dollar terms it's true that health care funding has gone up year by year, the context in which we're working is that even though health care funding has gone up in real-dollar terms, we are now still only eighth of 10 provinces. We're near the bottom of the country, and we're considerably lower than the other provinces in terms of health care funding.

If you look at hospital funding in particular in Ontario, we are actually dead last in the country; we're tenth of 10 provinces. As a result of that, Ontario now has the fewest hospital beds of any province in Canada on a per capita basis, and that's considerably fewer than the other provinces; on an aggregate per capita basis, that's 14,000 hospital beds fewer than other provinces. If you look around the globe, in fact, Ontario ranks near the bottom of all industrialized countries. We're fourth from the bottom of the OECD in the number of hospital beds that we have left in Ontario, followed only by Turkey, Chile and Mexico.

The notion that we have wild spending on hospitals, that hospitals need to be dismantled and massively cut, is just patently untrue. In fact, as a result of the austerity budget passed last year, very significant hospital cuts are under way across Ontario. To give you a sense of the scope of those cuts, in the largest cities in Ontario, deficits ranging between \$10 million and \$40 million are being reported. In smaller communities, draconian hospital bed closures that really do threaten the future sustainability of those local hospitals have been announced in recent weeks. The range is from 10%—that's one in 10 hospital beds cut; it's actually 12% in Perth and Smiths Falls, for example—to almost 50% of the hospital beds proposed to be closed in places like Prince Edward county. These are very significant.

For the first time, we're seeing formal plans—by a government that has run two elections promising not to privatize health care—to privatize thousands of surgeries and other clinical hospital procedures in places like the Ottawa hospitals. In fact, diagnostics, surgeries and therapies are being cut, off-loaded and privatized at unprecedented levels.

There has been no legislation, no public consultation, no democratic process regarding the “evisceration”—and I choose that word carefully. It is the evisceration of rural hospitals and the privatization of clinical services across Ontario.

We've included in the report the list of the cuts across the province. I don't intend to go through all of these, and they're pretty small type. The point of that is just to show you that there are lots of them, that they are everywhere, that this is not an anomaly, that this is actually the trend.

So just some of the highlights: Bluewater Health in Sarnia, \$5 million in cuts planned; Chatham-Kent Health Alliance, \$4 million in cuts planned and 7% of the hospital beds being closed; \$4.2 million in Windsor; London Health Sciences, a \$40-million deficit; Hamilton Health Sciences, \$25 million in cuts planned; St. Joseph's Healthcare in Hamilton, \$7.5 million in cuts planned; physiotherapy and outpatient services being closed all across Ontario; Scarborough Hospital, \$17 million in cuts planned; cataract surgeries are being cut and transferred out of local communities in various parts of the province; Perth and Smiths Falls District Hospital, \$4 million; Quinte, \$15 million; Brockville, \$2.2 million; and the list goes on and on.

We also wanted to highlight in our submission today that we are extremely concerned at the health minister's announcement that she intends to bring in means testing for home care and extend means testing for seniors' drugs to more or even all seniors. Some 18,500 hospital beds have been cut in Ontario since 1990. That's significant. Under every health minister since then, we've been told that those services are being moved out into the community. To now introduce means testing for community services is to bring in two-tier health care for needed medical services. The consequence of that for patients is that those who pay the means test will get services first; those who don't pay the means test will not. In the context of staffing shortages, it means that those who pay means tests will end up using the majority of services and everyone else will fall behind. It means that the burden of payment for health care will fall to the sick and the elderly.

We have a means-tested funding system in Ontario. It's called the tax system. It shares the burden of cost equitably across society. It means that the burden of cost for being sick is not borne by the sick and the elderly. We believe that tax cuts for corporations and the wealthy should not be borne on the shoulders of the sick and the dying. In fact, we believe that cutting health care services should be the last option, not the first.

This brings us to our two key recommendations. There are alternatives to the wholesale dismantling of our

public hospital services and the privatization of them. We've brought you some of the most recent evidence from the United Kingdom. This is the birthplace of the P3 privatization schemes for infrastructure. In the UK, recent studies have shown that more than £200 billion has been spent on the P3 infrastructure scheme over the last 20 years. It provides a kind of petri dish, a test, of what that program looks like now, 20 years later.

Research into 154 of those projects shows “astronomical profits,” in the words of the researchers, averaging more than 50%. In fact, the P3 consortia involved in the hospital P3 projects enjoyed the biggest profits at an average of 66.7%.

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You don't need to take our word for this; you can simply Google PFI—which is the name of the P3 program in Britain, coined “perfidious financial idiocy” by the British Medical Journal—plus profits. You'll find a boatload of articles referring to the crisis of the privatized P3 infrastructure program in the UK. We provided a series of these: From the BBC, “‘Excessive’ PFI Profits”; from the Guardian, “Investors ‘Using Tax Havens to Cash in on PFI Contracts’”; from the Telegraph, “PFI Firms Should Be Forced To Share Excessive Profits With Councils and Health Trusts”; from the Telegraph, “PFI Costing £13,000 Per” British household; from the Daily Mail, “£2 Billion in Secret Profits on PFI Gravy Train”—spinning money, they say.

Ontario copied the British P3 schemes when it brought in this program itself. We are deeply concerned that there is inadequate public oversight of the P3 projects which now total billions of dollars in Ontario.

Infrastructure Ontario is dominated by vested interests. There have been no public audits on more than \$4-billion worth of P3 hospital projects that are now complete. All relevant documents that would allow us to conduct independent scrutiny of these deals are secret. We have not been able to get them. Infrastructure's own documents show much higher costs for the construction and financing of P3s compared to the public sector comparators. The entire financial case for P3s—the entire case—rests on the dubious notion of risk transfer, a notion that is controversial all around the world. These are our concerns in the clearest, most blunt terms we can give them.

The board of Infrastructure Ontario is entirely populated by people who come out of corporations or entities tied to vested interests in P3s. They're all from private capital market firms, banks, architects, private insurance companies, private law firms actively involved in real estate commercial development, construction firms and P3 consulting firms. I want to be clear: We're not accusing any individual of corruption, but the problem is that the entire board comes from industries that benefit from the continuance of the P3 program and from excessive profits in P3s. This is not, in our view, sound governance, and it doesn't—I don't think—meet a public test of having the optics of sound governance.

Only short summaries, about 15 pages long, of value-for-money reports have ever been revealed to the public.

Full value-for-money audits, if they've been done, have never been released publicly. In fact, there's not one iota of financial information that would enable proper public scrutiny of the deals that has been released. The only audit that has been done actually found that the Brampton P3 project cost \$200 million more than the public sector comparator, and that the comparison was done wrong.

The same for-profit consortia are involved in Ontario's hospitals as have been involved in Britain. The money is not small: \$4 billion, as I've listed here, in completed large P3 hospital projects to date.

The second proposal is to close the employer health tax loopholes. The employer health tax is the only payroll tax in Canada that grants an exemption to all employers on the first \$400,000 of their payroll; income from self-employment and partnership income is excluded. We believe that these exemptions are poorly targeted, benefiting larger companies, and that they're inequitable. If they were closed, those loopholes would generate \$2.3 billion per year.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Natalie.

The questions are coming from the Conservatives this time. It's going to be a brief one, about a minute.

Mrs. Jane McKenna: Oh, a minute. Thank you so much.

My uncle Dr. Stuart Thomson did the first open heart surgery with Dr. Love many, many years ago, so we hear a lot about medicine, and my oldest daughter is a nurse.

I'm sitting here listening to you and I'm thinking to myself, what does the future hold for us? Where do we go from here? In the last nine years, we've put \$50 billion into health care, and what do we have to show for it? I concern myself with the band-aid effects, and I just wonder, where do we go from here? What is your suggestion?

Let me interrupt for a minute. The nurses were just here before you. I'm not sure if you heard what she said, but they did say they wanted to get rid of CCACs by 2015. What are your thoughts on the LHINs and the CCACs?

Ms. Natalie Mehra: Well, there's a couple of things. One is, we've put a lot of money—Ontario has—into health care over the last few years, and actually, we've bought for that vastly improved access to all kinds of surgeries. They vastly increased the number of MRIs and CTs and physicians and access to primary care. So there have been, actually, significant improvements. We believe that the size of the LHINs and their mandates—

Mrs. Jane McKenna: You can finish that.

The Chair (Mr. Kevin Daniel Flynn): Yes, just finish that thought.

Ms. Natalie Mehra: —is actually fatal. It means continual closure of small and rural health care services and continual loss of services in local communities. We'd like to see the end of the duplication, the four tiers of administration in home care. We have a different idea than the Registered Nurses' Association. We'd like to see a

public, not-for-profit home care system like all the other provinces have.

Mrs. Jane McKenna: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Natalie. Thank you for coming today.

Ms. Natalie Mehra: Thanks.

OUR TVO/NOTRE TFO

The Chair (Mr. Kevin Daniel Flynn): Our next delegation is from Our TVO/Notre TFO. If people would come forward.

Perhaps there was a little confusion as to whether you were here from TVO or whether you are a group that likes TVO.

Mr. Joe Motiki: We're a group that likes TVO.

The Chair (Mr. Kevin Daniel Flynn): Okay. Well, maybe you can explain your group a little bit. You get 15 minutes like everybody else. Use that any way you see fit. The questions will come from the NDP. I'll let you know if you're starting to run out of time. I'll give you a little notice.

Mr. Joe Motiki: Okay, that's great. Thank you so much.

The Chair (Mr. Kevin Daniel Flynn): And maybe you can introduce yourself for Hansard.

Mr. Joe Motiki: Sure. My name is Joseph Motiki and I'm here representing the campaign. I just want to say good morning to everyone, and I just really wanted to thank you for the opportunity to appear before the committee and provide the perspective of the Our TVO/Notre TFO campaign on the 2013 Ontario budget.

The Our TVO/Notre TFO campaign is a coalition. It's a group of families, educators, artists and employees of the province's educational broadcasters who have decided to come together to seek a greater voice in shaping the future of TVO and TFO.

My name is Joseph Motiki and I am the spokesperson for the campaign. I joined the campaign for pretty simple reasons. Because of my long history with TVO, I know first-hand the capabilities and the far-reaching effects the station has on the citizens of the province, and I really believe passionately in what TVO and TFO mean to Ontario.

Personally, I have participated in a half-dozen different productions at TVO over the last 18 years. One of them was a show called Get Out of Town, where I got to find out how different young people lived in different parts of the world and compared their experiences to how people here live. I was also able to host the high school quiz show Reach for the Top as well as three Ontario spelling bee specials, where students of different ages got to answer questions about curriculum and spell words while representing their schools and communities, while at the same time trying not to faint, which was always funny in the back because it can be a little bit tough for kids at that age.

I also spent four years with my co-host Patty hosting TVOKids CrawlSpace, which was the top-rated block of

after-school programs here in Ontario. I had a chance to host a show called *What*, which was nominated for a Gemini award, and co-hosted the International Children's Day of Broadcasting, which was recognized with an international Emmy.

I'm not bringing up Emmy wins and Gemini nods and top-rated shows to brag, although they're accomplishments that I think everyone involved with these shows should be proud of, from the Minister of Education right down to the last intern that worked on those programs. But I mentioned them because it's evidence of the kind of quality programming that TVO and TFO can produce when given the resources, and they're examples of what these stations have been doing for decades. These were shows that made a real difference in the lives of Ontario children, youth and their families.

On a personal note, I graduated from East York Collegiate in the east end of town, and in grade 13 I received a scholarship from Hager Hull Miller. I was given a plaque, and on it there's an inscription that reads the following: "A teacher affects eternity. He never knows where his influence stops." That's a quote that always stuck with me and that I used over and over again when I worked at TVO. We could educate, we could entertain and we never know where our influence will stop, because that's the power of the medium. That's the power of TV and of educational television in particular.

Just because I got a little bit of applause over on this side, I'll just say on a personal note, a couple of decades ago I had a chance to talk to Mayor Prue at the East York Civic Centre, which is just kitty-corner from Toronto East General Hospital. I was a student at the time. I got to talk for about three minutes. Some of the things that he shared with me in terms of leadership and being somebody that people can look up to is also something that stuck to me. I wasn't going to say that, but I got that, so I just wanted to give it right back to you.

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Mr. Michael Prue: I'm blushing.

Mr. Joe Motiki: Don't. That's all right.

Interjections.

Mr. Joe Motiki: Over the years, I've been approached countless times by Ontario citizens who watch TVO and they tell me about the impact that it had on them.

There was a young man named Mark who grew up in Kingston, Ontario, who watched an episode of the *Bod Squad*. I have to explain to you, the *Bod Squad* was a series of shorts that we produced on the show. We wore crazy silver suits, had a big Afro and sideburns and we talked about proper eating, proper habits, good diet. One particular episode was called *Fiber Down the Highway*. This particular episode was about the importance of getting fibre in your system and how it helped you with your digestive system.

This young man—he just lived with his dad. He was a little tough guy. Years later, he told me that over the course of his years in high school, then in university, he always remembered *Fiber Down the Highway*, and any time he wasn't eating properly or he was eating a lot of

junk food, his dad would say, "Hey, son, hey, hey, *Fiber Down the Highway*. Let's remember that." He did remember that, and he remembered it through school. Right now, he's working on an oil rig in Alberta and he hopes to get into police services. He's always said that anytime he gets off of his workout regimen, he remembers he's got to be healthy, he always quotes *Fiber Down the Highway*.

There's a student named Jake who actually got to participate in one of our *Bod Squad* episodes. We shot the episode at John Fisher, which is in northern Toronto, and he had a chance to talk to a few of us because he was really excited about the cameras and about telling the story, and storytelling was something that always stayed with him. He got in touch with me about a year ago on a group that I have on Facebook and he just graduated from the school of journalism at Columbia University in New York, which I was really excited to hear about, and he was excited to ask me for a clip that he appeared in. He said he could share it with his classmates.

A young girl named Tallulah who lived in Hamilton, Ontario—she loves science. She grew up watching the *Magic School Bus* and *Bill Nye, the Science Guy*, which were shows that we aired. Recently, when I told her I would be the spokesperson for this group, she was very excited about it. She put the link on her Facebook group and she included this—she posted this on her page—"Why I love TVO: (1) *Magic School Bus* taught me science for grades 1 to 9 and made me laugh at the same time; (2) Arthur kept me company since I didn't have a sibling to torment or be tormented by; (3) no commercials to fill your brain with nonsense; (4) the *Bod Squad*, fighting obesity before it was a social crisis; (5) *Pingu*—need I say more?" *Pingu* was a *Claymation* penguin that went "prt, prt, prt, prt, prt."

The Chair (Mr. Kevin Daniel Flynn): I can't wait to see what Hansard does with that.

Mr. Joe Motiki: I was going to say—kids loved him.

She's currently studying genomics at Oxford, a discipline in genetics that applies DNA sequencing methods and bioinformatics to sequence, assemble and analyze the function and structure of genomes. I had to read that because she's smarter than I am, but she has said to me that she was excited about the fact that we never made it nerdy to like science, that it wasn't a geeky thing to enjoy math and to crunch numbers—and she's at Oxford.

I'm not saying we're responsible for it, but I will say that, personally, I always feel like I helped to raise each one of these guys, and that's exciting for me. There's a tough guy. There's a storyteller. There's a scientist. That's as diverse as anything you can possibly get, and that kind of diversity excites me. Again, we don't know where our influence will stop. The things that people say to us, the things that we say to them, to me, that's education.

Of course, it's not just TVO that made a difference. TFO was and is an important voice for the francophone community in Ontario. The Independent Learning Centre is a catalyst for learning. It has issued over 10,000 educa-

tional certificates and diplomas to students across Ontario.

One thing I should really stress is that TVO is not just about kids. It provides continuing learning and cultural education opportunities to all residents of the province through current affairs, art and other quality programming—programming you'd be hard-pressed to find anywhere else.

I have concerns, and the campaign has real concerns, over the future of public educational broadcasting in Ontario if the government moves away from stable public funding. In the last budget, we note that the government said TVO would have to become less reliant on public funding. We've already seen the realization of these concerns with the recent cutbacks and losses of shows, such as *Big Ideas*, *Allan Gregg in Conversation* and the iconic *Saturday Night at the Movies*, the cancellation of which really caught my attention and moved me to be part of this campaign.

There are also much fewer forays into the province outside of Toronto. I've always felt that one of the great strengths of TVO, to me, was its involvement with communities all over the province—big or small, rich or poor, urban or rural.

One of my most exciting moments working at TVOntario was going up to Cochrane, Ontario. We did a train tour, so we had a chance to go to North Bay, Huntsville, New Liskeard, and we stopped in Cochrane. There was one moment when we stopped in New Liskeard—it wasn't a scheduled stop; this is back with the old Northlander train from VIA. They were only supposed to stop for two minutes. They instructed us that they were not going to stop for anything longer than that, because they weren't interested in our TV nonsense. The conductor had to call in, and he said that over the horizon, they could see a bunch of kids and families coming to see the train and coming to meet us, and what should they do? He begrudgingly said, "Well, give them 10 minutes. Just give them 10 minutes." They gave us 10 minutes. We were able to run out and meet with all the kids.

That kind of outreach—I can't stress how great that is and the kind of effect that it has on these communities. Those kids would always say to us, "Why are you here? Why did you come here? Why did you come to Cochrane? Why did you come to Thunder Bay? Why would you come to these small places?" Look, it's Ontario. We go everywhere. It's TVOntario. That's what it is. That's what we enjoyed about it: getting a chance to come and visit all of those communities. It was always very exciting for us.

I and members of the campaign appreciate the challenges the government and all of us are facing right now in Ontario: a struggling economy, rapidly changing technology, general uncertainty. But this is exactly why we need staples such as TVO and TFO. These are institutions that we can trust that bring us together and unite us and serve as a resource for information and discovery.

I'd like to say that TVO has become a part of the tapestry of the province and its citizens. People don't run

to a train to just see anybody. You run to see your friends. You run to see people who you trust and people who you know.

Our campaign is calling on the government of Ontario, TVO and TFO to work together to achieve the following goals: stable government funding, an enhanced commitment to made-in-Ontario programming and a greater voice for TVO and TFO stakeholders in determining the direction of the organization.

TVO and TFO are a good investment for public dollars, and when they're producing the kind of programming they're capable of, the investment's a great one. No other broadcaster devotes more of its resources to creating learning experiences for children, for families, teachers and adults through its full TV programming schedule and with its online offerings.

And TVO and TFO do it with the best Ontario-produced and global programs you can find, many Ontario production companies employing local talent, production people and technicians who have gotten their first break on the broadcaster, with innovative content which has been later produced and purchased by public and private broadcasters around the world, stimulating a creative industry that employs thousands of Ontarians every day and spreads our knowledge and culture throughout the world. I'm an example of that. I was a student at Ryerson when I had my first audition there, and I haven't looked back.

TVO and TFO support our public education system by promoting school readiness and keeping students engaged in learning. It also grows parent involvement in learning and encourages active citizenship and public engagement in Ontario affairs.

In 2010-11, figures show that TVO was reaching 10.8 million Ontarians, 1.2 million of which were children. This is an investment that needs to be nurtured, the same way the artists who produce television nurture their audience, the same way I nurture mine. We also need to start a broader conversation, including all those who care about TVO and TFO and public educational broadcasting, about how we move forward and continue to deliver quality, made-in-Ontario programming.

Back when I was hosting TVOKids, we used to open the show at 3:30 p.m. every day by yelling the station's slogan: "This is TVO, television that matters." Now is not the time to turn our backs on TVO and TFO. It's time to support them, because they still matter.

Thank you very much for your attention. I appreciate it, you guys, with my asides, and I'd love to answer any questions that you might have.

Mr. Peter Shurman: Bravo.

Mrs. Jane McKenna: That was a great presentation.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Joe.

Mr. Michael Prue: Have you changed your mind?

Mrs. Jane McKenna: Oh, it's just passion. I love a man with passion or a woman with passion.

Interjection.

Mrs. Jane McKenna: It's up to you. Start talking. Knock yourself out.

The Chair (Mr. Kevin Daniel Flynn): Okay, quiet.

We've got just over two minutes. Catherine?

Ms. Catherine Fife: Thank you very much. Thanks, Joe, for the presentation. It was entertaining and much needed at this stage in the morning.

I do think you're smart to start this campaign. I mean, we see at the national level that CBC has been attacked at the federal level, with the Harper government threatening cuts. We continually have to make the case for continued investment in public broadcasting.

I do think that TVO matters, and I know that there are parents around the province who depend on it, because the mainstream media is of subpar quality, and some would even say dangerous when you look at the violence in the media and what have you.

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I'd like for you to comment on the fact that public broadcasting as a whole does not seem to be valued by governments any longer, and it's a true reflection of who we are. So, can you please comment on it?

Mr. Joe Motiki: I think so. One of the things I was surprised about when Saturday Night at the Movies was cancelled—and I'll say, personally, I didn't watch Saturday Night at the Movies. I saw a couple of episodes. I know people that really enjoyed the show. To me, it was always a TVO angle on entertainment. You're looking at how artists create art and what they do to—the behind-the-scenes stuff. Two episodes, I saw. In one they talked to Martin Scorsese and in the other one, Elwy talked to Roman Polanski. It was fascinating to listen to their process and to how they go about making what they make.

If you look at any other stations, I think there's a deluge of entertainment shows where the most you hear about is what Mila Kunis wore to the Oscars the night before—nonsense; stuff that really doesn't matter. It's vacuous.

Ms. Catherine Fife: Do you think government has something against quality, then? Because you're continually making the case for continued investment. Why do you think that you have to do that?

Mr. Joe Motiki: I think that we have to do that because I worry sometimes about the relevance of TV Ontario, and if people still believe that it's worth the investment. Maybe I'm just sensitive to that because I worked there and maybe because I would one day like to be able to do a show there again, but I don't want it to be forgotten. I just find that there has been, with the cancellations of the shows—the fact that there are only two in-house productions now. When I was there, there were *Imprint* and *Inquiring Minds*. There were a bunch of shows that weren't just being produced and that were a slice of Ontario life, but that you could also sell and that were known worldwide.

I met a kid from Africa who sat and told me about a show they saw on TVO. I was surprised by it. I was like, "What?" And he was like, "No, TVO is very good. It's excellent; excellent, man. Excellent programming." And I was like, "Wow, I didn't know you were able to see a TVO show in Africa," but he did.

I would just hate to ever see that stop, and that's really the main reason why I think it's important now more than ever to make sure that we continue to have stable funding, and for TVO to do their share and produce more in-house productions that reflect Ontarians.

Ms. Catherine Fife: That's good. Thank you very much.

Mr. Michael Prue: Thank you, and thank you for the memories.

Mr. Joe Motiki: Not at all; thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you for coming, Joe. You did a great job. I'm sure my 32-year-old son will want you to say hi to Polkaroo for him.

Mr. Joe Motiki: That is fine. I've got a group on Facebook called Joe's TVOKids Project. He can give me a shout there. Tell him I say hello.

The Chair (Mr. Kevin Daniel Flynn): Okay. Thank you, Joe.

Mr. Joe Motiki: Thanks very much. Thanks, guys.

ONTARIO HOSPITAL ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): Our next delegation this morning is the Ontario Hospital Association, Marcia and Pat, if you'd like to come forward. Make yourselves comfortable. Once you're comfortable, you get 15 minutes like everybody else. Use that any way you see fit. If there's any time left over at the end, the questioning will go to the Liberal Party this time. If you're getting close to the end, I'll give you a little warning.

Ms. Marcia Visser: Perfect. Thank you very much. I am Marcia Visser and I'm the chair of the Ontario Hospital Association as well as a trustee at Sunnybrook Health Sciences Centre. Thank you for the opportunity to present on behalf of Ontario's 149 publicly funded hospitals.

Ontario hospitals are among the best in the world because their leaders and staff are compassionate, innovative and always put patients first. Our hospitals are also the most efficient in Canada. We have the lowest acute-care hospitalization rate. We are tied with Saskatchewan for the lowest average length of stay in hospital, and this year we will care for more than 13.5 million Ontarians while receiving the lowest per capita funding in the country.

Together, these factors create an efficiency dividend of \$4.1 billion. We are proud of this achievement because it frees up precious health care dollars for other services, such as community care.

Hospital leaders are relentless in finding new ways to enhance the patient care experience while maximizing the value of every health care dollar they are entrusted with. They also see the opportunity for where significant policy, legislative and regulatory changes are needed in order to realize the additional quality and efficiency gains we all desire for the Ontario health care system.

I'll let our president and CEO, Pat Campbell, expand on these opportunities. Pat?

Ms. Pat Campbell: Thank you, Marcia. Ontario hospitals spend approximately \$21 billion per year and employ approximately 200,000 people. Executing change initiatives that maintain service and staff stability as well as public confidence requires strong planning based on sufficient information. Today, as hospitals work to implement a never-used-before funding reform model within the context of flat or minimal operating funding increases, they are not getting the vital funding planning information they need, when they need it. This is not optimal for hospitals or the government because it means that some decisions will get made without a strategic view or full knowledge of system-level risks and, more importantly, opportunities. For these reasons, we ask that the government provide hospitals with operating funding planning targets for the next three fiscal years, as well as details about plans to manage the transitional effects of the current funding reform initiative.

The OHA continues to support a fair and responsible approach to hospital employee compensation. Employee compensation is the single biggest expense at every hospital in Ontario, consuming approximately 70% of the average hospital's budget. We believe that a fairly constructed, medium-term wage freeze for all broader public sector employees is a necessary element of our collective cost-control efforts during this period of fiscal restraint. However, we understand that a wage freeze cannot, and should not, be sustained indefinitely. That's why we recommend that the government implement a wage freeze for all broader public sector employees, and act to mitigate the risk of rapid compensation catch-up when the freeze ends.

On February 20, the Minister of Finance reportedly stated that Ontario's "fiscal plan contains no room for incremental increases in compensation ... That's a wage freeze." Experience shows that arbitrators often do not view statements like this as government policy, and rarely attach sufficient weight to them when judging an organization's ability to fund staff wage rate increases.

Ontario's hospital sector expects to receive 0% increases in annual funding for the foreseeable future. Without effective action on arbitration reform and a legislated wage freeze, many hospitals will likely have little choice but to reduce staff or services to manage any new wage pressures. It's important that legislators clearly understand this point.

The OHA has long called for significant reforms to the Hospital Labour Disputes Arbitration Act, or HLDAA, to ensure that arbitrated awards better reflect hospitals' ability to pay. Although certain arbitrators have of late taken care to ensure that their decisions more closely reflect the prevailing economic environment and employers' ability to pay, we remain concerned that an improving economy or new compensation decisions will drive arbitrators toward decisions less respectful of Ontario's fiscal climate.

The Association of Municipalities of Ontario and other broader public sector employers share our concerns. That's why we recommend that significant reforms

to HLDAA be made as soon as possible. The reforms we intend for HLDAA would:

- require written exchanges of disputed items in advance of proceedings to ensure sufficient time for the parties to prepare;

- feature an obligation for the board of arbitration to require a demonstrated need for issues raised;

- require the board of arbitration to more fully consider an employer's true ability to pay, particularly in light of challenging fiscal times; and

- require arbitrators to provide written reasons for their decisions in all cases.

Our full recommendations will be included in a written submission which we will be sharing with the committee later today.

The government did propose certain amendments to HLDAA in Bill 55 and again in its draft, proposed Protecting Public Services Act. As we have noted publicly, those proposals did not go far enough and, in the absence of additional legislative amendments, could actually have made the arbitration environment even more challenging than it is today. Put bluntly: As currently written, the government's proposed amendments to HLDAA were not sufficient or helpful in terms of promoting a fair, balanced and responsible arbitration system. It is vital that unreasonable barriers to a better health care system be eliminated.

Here is an example of one—created by an arbitrator—that works against the rational deployment of staff by hospitals: Under the current collective agreement between hospitals and the Ontario Nurses' Association, the reassignment of a registered nurse is not permitted if it is for longer than a single shift. If the position of an RN in department A, who regularly works 9 a.m. to 5 p.m. Monday to Friday, were eliminated, the hospital could not simply transfer the nurse to fill a corresponding vacancy in department B for a 12 p.m. to 8 p.m. Monday-to-Friday position that they are qualified for because the shift is not substantially similar to the previous position. Instead, an unnecessary, costly, lengthy and destabilizing layoff process would begin.

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That is one example of why changes to HLDAA are so important. We need your help in addressing these sorts of irrational barriers to the efficient and cost-effective deployment of valued hospital employees. Again, additional details will be included in our written submission.

We hope that you will carefully consider and act on the recommendations we have presented to you today in order to improve the quality, the efficiency, the value of Ontario's health care system. Thank you. I'm happy to answer questions you may have.

The Chair (Mr. Kevin Daniel Flynn): That's great. Thank you very much. You've left a lot of time for questions, about six minutes. Who's going to start? Soo.

Ms. Soo Wong: Thank you very much for your presentation. Let me begin by going through last year's Bill 55, dealing with capping CEO salaries in hospitals. In the House, in question period, our NDP colleagues are

consistently asking the minister and the Premier about the cap. Can you share with us, have CEOs across the Ontario hospital sector complied with Bill 55?

Ms. Pat Campbell: Hospitals require effective management. We know that leadership matters in this province, and we're seeing the benefits of that in terms of the high efficiency and rapidly growing service delivery that's happening even in this constrained fiscal environment. If Ontario is to successfully tackle the complex and difficult challenges facing our health care system in the future, we won't get anywhere if we build up and cultivate barriers to effective leadership capacity for the hospital sector. A salary cap wouldn't save much money, particularly over the long term, and would negatively affect the hospitals' ability to recruit skilled leaders, particularly for Ontario hospitals, which are Canada's largest, most complex hospitals.

The Excellent Care for All Act, which received unanimous support from all three parties, required hospitals to implement pay-for-performance systems. Any performance pay that is happening this year is tied to those structures, specifically the achievement of government priorities, efficiencies or meeting targets set out in a hospital's quality improvement plan.

But in a simple answer to the question, yes, we comply with the legislation always in hospitals.

Ms. Soo Wong: Okay, because there's a perception, or our NDP colleagues believe, that there isn't compliance to this particular bill.

Moving forward with regard to your suggestion dealing with the arbitration piece, I hear you saying that the proposal last year dealing with arbitration is not fair, balanced and responsible. With respect to this piece, am I hearing from your submission that this is a priority for OHA, reforming the arbitration process?

Ms. Pat Campbell: Yes. Legislated labour reform is a priority for the OHA. In terms of Bill 55, I'll just reiterate that we felt it didn't go far enough, that the needs that we have are around having arbitrators really consider truly the ability to pay in light of the strategic financial and policy directions set by government for hospitals, and that we need to see the written reasons for decisions from arbitrators and why that's a reasonable way to go—and the exceptions to timelines in issuing awards for hospitals to allow for some flexibility in light of the dual local and central nature of the hospital sector collective bargaining environment.

Ms. Soo Wong: Mr. Chair, how much time do I still have?

The Chair (Mr. Kevin Daniel Flynn): You've got about three minutes.

Ms. Soo Wong: Okay. So the next question here is, just before your presentation, the previous speaker, from the Ontario Health Coalition, also talked about hospital beds and what have you. In your presentation and your written submission, you talk about Ontario having the lowest acute care hospitalization rate. There's this perception out there—obviously, you represent the hospital association, and beds are associated with your business—

that the quality of patient health is associated with the hospital beds, okay? I know many hospitals out in the community are supporting—especially in a rural area.

So can you expand on this piece for us? Because we have done a major transformation in how we fund hospitals today. Can you share with the committee with respect to the whole issue of reaching out to the community? Because the community wants the funding out in the community sector, and I want to hear from you with regard to hospitalization and beds and how that relates to quality of health of a community.

Ms. Pat Campbell: Yes, we're long past the days when you could judge the amount of health care in a community by the number of beds that are being provided. One of the things we are actually asking for is capacity planning to happen across the system, and we would certainly think that that would be a responsible thing to do.

That being said, we are in the midst—not only in Ontario or Canada, but across the world—of a health system transformation. In fact, it's a very exciting, very positive move in that patients are getting the care that they receive, but they no longer need to come in to a hospital to get that care.

Because of improvements in surgical techniques, we have more surgeries than ever being done in the province because most of them can be done on a day-surgery basis. So in the province, we have three times as many surgeries done on a day-surgery basis than we do on an in-patient basis. That volume continues to grow, despite the restraints in the hospital sector. That's an exciting example of where productivity and capacity for care continue to increase, despite the constraint in hospitals.

Hospitals are constrained. They operate at high levels of capacity, high levels of occupancy, and so they are continually working with their communities to look at, how can we change this pattern of care delivery to do more of it in the community and less of it in an in-hospital bed? That pressure continues to happen in conversations, day after day after day.

Ms. Soo Wong: My last question to you, Mr. Chair—

The Chair (Mr. Kevin Daniel Flynn): I don't—well, you'll probably have time for the question, maybe not the answer.

Ms. Soo Wong: One quick piece is, is your organization doing more collaboration with the community sector? Because we consistently hear of a lot of silos working—so I just want to—

The Chair (Mr. Kevin Daniel Flynn): I'll take that as a yes. Thank you very much for being here today.

Ms. Catherine Fife: A question for the Chair: When is the Hansard from this particular delegation available to the public? Do you know? What's the turnover, is what I'm asking.

The Clerk of the Committee (Mr. Katch Koch): I'll find out.

Ms. Catherine Fife: Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much for coming today. Your report was appreciated.

CANADIAN FEDERATION
OF STUDENTS—ONTARIO

The Chair (Mr. Kevin Daniel Flynn): Our next delegation this morning is from the Canadian Federation of Students. Kaley, if you'd come forward. Maybe you could introduce yourself for Hansard.

Mr. Toby Whitfield: Yes. My name is Toby Whitfield. I'm with the Canadian Federation of Students.

The Chair (Mr. Kevin Daniel Flynn): Yes, I had a feeling you weren't a Kaley. You've got 15 minutes, like everybody else. Use that any way you see fit. If there's any time left over for questions, Toby, it will come from the Conservative Party this time.

Mr. Toby Whitfield: Great. Thank you.

The Chair (Mr. Kevin Daniel Flynn): The time's all yours.

Mr. Toby Whitfield: Good morning, and thank you for taking the opportunity for me to present today. The Canadian Federation of Students is Canada's largest and oldest student organization, and we represent more than 300,000 college, undergraduate and graduate students here in Ontario.

As a membership-driven organization, our recommendations today are based on policies adopted by our members throughout the year. I understand that this committee has also heard from some of our member locals from across the province.

Education has always been recognized as a great equalizer in society. No matter your circumstance, an education is supposed to be the one thing that can level the playing field and provide new opportunities. Unfortunately, in Ontario, government underfunding over the past 20 years has meant that post-secondary education and, more specifically, the cost of post-secondary education has become yet one more burden for low- and middle-income families.

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In Ontario, students have seen tuition fee increases of up to 71% over the last seven years. As a result, students here pay the highest tuition fees in the country, at an average of \$7,200. That's 270% more than students in Newfoundland and Labrador pay for post-secondary education.

At the same time, students are graduating with an average of \$37,000 in student debt and collectively owe the provincial and federal government more than \$9 billion. Here in Ontario, students owe the provincial government about \$2.5 billion, and that doesn't include what students owe banks and private lenders.

High tuition fees are a barrier for many qualified young people who will never attend college or university because they can simply not afford it. And we know that tuition fees disproportionately impact low- and middle-income families who will never be able to afford the high fees up front. Instead, they rely on taking on large amounts of debt. After paying off \$37,000 over 10 years, low- and middle-income students end up paying about \$10,000 more for their education than a student or a family who can afford to pay fees up front.

Even with the highest tuition fees in the country, Ontario still has some of the largest class sizes and the worst student-to-faculty ratios. And on every one of our member campuses, students rely on food banks on a regular basis.

The reality is that over the last 20 years, as tuition fees have increased, year-over-year government funding has been on the decline. In 1979, government funding as a share of universities' operating revenue was around 85%. Thirty years later, operating revenue has dropped to about 58%. As government funding has dropped, tuition fees have been relied on to fill the gap, increasing from 12% in the late 1970s to about 35% over the same time period.

Last year, the government rolled out a new tuition fee grant which provided students with some funds to off-set increasing tuition fees. But in the last budget, eight different scholarships and funding allocated to the work-study program were cut, which significantly off-set the impact of this new grant. In fact, when taking into consideration tuition fee increases this year, for every \$1 allocated to the tuition fee grant, \$1.20 was clawed back through cuts. In addition, a number of students, including mature students, part-time students and graduate students, are ineligible for this grant.

We believe that there is a more efficient way to make education more accessible in Ontario. Instead of relying on this tuition fee grant, including the cost to administer and to market the grant, we are calling on government to implement an across-the-board tuition fee reduction.

We're calling on the government to take real action to address increasing tuition fees by reducing tuition fees by 30% over the next three years. In year one, we would recommend allocating funding from the Ontario tuition fee grant and from provincial tax credits to immediately reduce tuition fees by 17%. Our plan would see tuition fees reduced for all students, whether they are college or professional students, domestic students or international students, mature students or students who are attending post-secondary education right out of high school.

In addition to an across-the-board tuition fee reduction, we are also calling for the reduction of tuition fees for graduate students in their post-residency phase. Post-residency fees exist at many institutions across the country, and we recognize that students conducting independent research use fewer university resources than those taking a full-time course load. Students in this phase of their studies pay post-residency fees that are up to 83% less than full-time fees. In contrast, the majority of institutions here in Ontario charge all graduate students full fees. The introduction of a 50% reduction in tuition fees for graduate students completing post-residency studies would bring graduate studies in line with many other parts of the country.

This week, students from across the province were in Toronto to meet with many members of provincial Parliament. Time and again, we heard that an across-the-board reduction would benefit higher-income families more than perhaps a targeted tuition fee grant like the

current Ontario tuition fee grant. The reality is that a flat tax like tuition fees already disproportionately impacts low- and middle-income families.

The Canadian Centre for Policy Alternatives released a report last year looking at the high impact of tuition fees in Ontario. A middle-income family with a child who graduated in 1990 would dedicate about 87 days of after-tax income to cover the cost of a four-year degree at a post-secondary education institution here in Ontario. In contrast, today that same middle-income family can expect to dedicate about 14 and a half months of income for a four-year degree. So it would be 14 and a half months after tax, as if they weren't paying mortgage, other housing and living costs, all of those sorts of things. This is just to pay off tuition fees.

The situation is even worse for lower-income families. A low-income family would expect to dedicate about 270 days of income in 1990, but today we can expect that a low-income family would dedicate more than 670 days of income. That's more than two years of income foregoing any other type of expense. By contrast, families from higher-income brackets would expect to dedicate just two and a half months of income to cover today's high tuition fees.

The best model to fund post-secondary education is to completely eliminate tuition fees and, instead, recognize the important role post-secondary education plays in society as a whole and shift to a completely publicly funded university system. The introduction of a 2% surtax on higher incomes over \$250,000, for example, would generate about \$1.3 billion a year—more than enough to take serious action to reduce tuition fees.

Now, today, we are calling for an immediate 30% reduction over three years, a reduction that would be completely cost-neutral in year one and a reduction that we believe would go on to make education a little bit more affordable in this province.

In addition to this recommendation, we also made several other recommendations throughout our submission, and on behalf of our more than 300,000 members, I thank you for the time and look forward to any of your questions.

The Chair (Mr. Kevin Daniel Flynn): That's great, Toby. Thank you very much. You've left just around six minutes for questions. Toby—Monte.

Mr. Monte McNaughton: I know. Toby and I look a lot alike.

Thank you very much for your presentation today. I know, as you mentioned in your remarks, you've been around to a lot of our offices, so we appreciate that.

I only have a few quick questions. Could you tell us why the government's 30% off tuition isn't working or why you don't think it's the right policy?

Mr. Toby Whitfield: Yes, absolutely. Thank you very much for the question. You know, when the government first introduced the 30% reduction, it was talked about as if it was 30% off tuition fees. The reality is, it's a grant that some students here in the province get, but that the majority of students don't get. So only about two in nine students in the province actually receive this funding, and

it's less than the actual 30% average of \$7,200. So the grant is closer to about 24% of tuition fees.

The reality, though, in the last budget is that the government actually made a series of cuts to help fund this program. So when it was first introduced, the idea was to reduce tuition fees for those most in need, and what we actually saw is that low- and middle-income families that relied on a variety of other scholarships saw those scholarships and bursaries eliminated to fund this grant.

For example, the Textbook and Technology Grant was eliminated. The Queen Elizabeth II Aiming for the Top scholarship was eliminated. The Ontario Work Study program was eliminated. Other scholarships for study in French were eliminated. The Sir John A. Macdonald scholarship was eliminated. These were scholarships that were eliminated to be able to fund this new Ontario Tuition Grant. So the reality is that those students who needed the money the most saw other scholarships and bursaries clawed back.

Mr. Monte McNaughton: Would it be fair to say that the policy was more about politics than good policy?

Mr. Toby Whitfield: Well, I mean, as students, we believe the best way to make education affordable is an across-the-board tuition fee reduction. We did see a significant amount of resources marketing this as 30% off tuition across the board, and that really isn't the case. When the dust settled, the majority of students in this province weren't eligible for this grant.

Mr. Monte McNaughton: One of our colleagues, Rob Leone from Cambridge, introduced a white paper—I know your organization met with him—and I believe the figure in that white paper said that 65% of university grads aren't getting a job in their field. I think it was 65%. Can you maybe explain why that would be, in your opinion?

Mr. Toby Whitfield: I think that when students are going into post-secondary education—there's a lot of pressure these days to get into a post-secondary institution. Seventy per cent of new jobs require some form of post-secondary, and we see students are really focused on getting into the system but maybe aren't taking the time to learn lots of different subjects in university or college. They're very focused, because of high tuition fees, on getting in the door and getting out four years later.

I think what we need to see is a shift, one that recognizes that post-secondary education, whether at the university or at the college level, plays an important role in society, and I think both college and university education is important to fulfilling lots of different jobs.

1130

Mr. Monte McNaughton: Yes. In this white paper—as I'm sure you've read it yourself—we're pushing for a college-first approach, and, hopefully, pushing for students to be able to graduate in a job in a field of their choice.

Those are all the questions I have.

Mr. Peter Shurman: Well, if we have a little bit more time—

The Chair (Mr. Kevin Daniel Flynn): Yes, we've got a couple of minutes.

Mr. Peter Shurman:—I'd like to just bounce off my colleague's question on our white paper issued by our critic on training, colleges and universities. To that point, he said in the white paper, and our party subscribes to the idea, that, right now, because of a pressure that really goes back to my generation for young people coming out of families to go and get a profession first, and the changing market as described by Dr. Miner—something I'm sure you've read—People Without Jobs, Jobs Without People, the necessities have changed so that sometimes you come out with the degree that you want from university, and as my colleagues pointed out, you can't get placed.

I've had people in my own constituency say, "Gee, I just helped my kid with \$100,000 worth of tuition and he's got a PhD, but he's working as a cashier." The same young person then goes to a college like Seneca to get an applied capability, and so now we're into seven or eight, sometimes 10 years of university and college education to get to a point where if you'd gone for three years and maybe if that college had a degree-granting capability, you might have had something that was more effective. I'd like you to react to that.

Mr. Toby Whitfield: Here in Ontario, many colleges currently have degree-granting capability for some programs. One of the things that students have been calling for for a long time is a real credit transfer system in the province.

Mr. Peter Shurman: And we agree.

Mr. Toby Whitfield: There has been some movement on that in the last couple of years, and something that students have applauded.

The reality is that if a student goes into a college in year one or two, maybe studies, let's say, business and then chooses to go on to another program at a university, they might have to take several courses over again. That means that the individual student and their family are paying twice for a very similar course, but it also means that the government that's funding part of the college program and part of the university program is also paying twice. So one of the suggestions that we've been making for a long time is the implementation of a province-wide credit transfer system. If we look at British Columbia, they have one, and from our colleagues there we hear it's working well.

It is something that we've seen some movement on, and we think that it could be implemented quicker and would provide some efficiency to the system. It would allow students to get into the college and then, you know, maybe study at home, closer to where they live, and then be able to move on to a university if that's what they have chosen.

Mr. Peter Shurman: And we agree with you on the issue of credit transfer. There are some holdouts in our system in Ontario, and we think that government intervention, of whatever stripe the government happens to be, is a good idea to implement credit transfer.

Having said that, it is also true, and you underscored this, that if you do have a student who is seven, eight or

10 years in before getting what turns out to be an applied trade or an applied ability from a college like Humber or Seneca, whatever, we have, as a government—forget about the families that are carrying this or the student that's taking on the burden—spent a small fortune over and above what was ultimately needed. Do you think that the government can be involved? Maybe I can get a 20-second answer for this. Do you think the government can play a more active role in supporting students by restructuring the secondary and post-secondary systems to afford a better opportunity like that?

The Chair (Mr. Kevin Daniel Flynn): It will have to be a short answer.

Mr. Toby Whitfield: I think the best role that the government can play today is to take action to reduce tuition fees. I think that's the best approach today, and that's what our students and our members across the province are calling for.

Mr. Peter Shurman: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much for coming, Toby.

Mr. Michael Prue: You'd make a good politician.

Mr. Toby Whitfield: Thank you.

The Chair (Mr. Kevin Daniel Flynn): That was meant to be a compliment.

MOLLY MAID INTERNATIONAL

The Chair (Mr. Kevin Daniel Flynn): Our next delegation of the morning is Molly Maid International. Kevin, if you'd like to come forward, maybe we can get them—are they the submissions?

Mr. Kevin Hipkins: Pardon me?

The Chair (Mr. Kevin Daniel Flynn): Are they your submissions?

Mr. Kevin Hipkins: Yes, they are.

The Chair (Mr. Kevin Daniel Flynn): Okay. The Clerk will pick them up and distribute them.

You've got 15 minutes, Kevin. You use that any way you see fit.

Mr. Kevin Hipkins: Okay.

The Chair (Mr. Kevin Daniel Flynn): This round of questioning, if you are going to leave any time for questions, will go to the NDP.

Mr. Kevin Hipkins: Okay, thank you. My name is Kevin Hipkins, and I am the president of Molly Maid, a small business that started in Mississauga in 1979 and today cleans homes across Canada and internationally, in the United States, the United Kingdom, Japan and Portugal.

Thank you, firstly, for the opportunity to speak with you today and to share a very rare policy recommendation, one that is good from an economic, social and political perspective. It's a policy that was shared with ex-Ontario Finance Minister Dwight Duncan and Ministry of Finance officials in October 2012. A copy of the briefing document you will now have.

It was recommended by PWC to the federal government ahead of the 2010 federal budget, and further

review of it recommended by Minister Duncan. It's a policy that is also expansively explained on the website hstopportunity.ca.

In my time with you this morning, I will outline the policy as well as the economic contributions our industry makes in Ontario and some of the quantifiable economic and social benefits of the policy itself and provide more information on targeted and progressive tax policies being followed in other countries which have identified the underground domestic cleaning industry as a source of growth in jobs, income and standard of living for citizens.

What you're going to hear is that other countries that have implemented this policy have successfully shifted work done in the underground economy above ground, and it can do the same thing here in Ontario.

In 2009, a division of Environics undertook research across Canada to determine how much Canadians paid for housecleaning services and whether they paid a business or an independent cleaning person—in effect, the underground economy. The research revealed that 13% of Ontario households pay to have their home cleaned, with 75% of these paying an independent cleaning person. Total industry transactions were over \$1.5 billion, but 79% of this total, \$1.2 billion, was done in the underground economy. We estimate the government is losing out on tax revenues of just under \$500 million in HST and income- and payroll-related taxes, and that there are 60,000 cleaners working in the cash-in-hand underground economy, many of whom are probably double-dipping by also collecting social welfare benefits at the same time.

The policy has two important parts that work together to shift this \$1.2-billion industry above ground. The first part is to make the transaction taxable by making our industry zero-threshold: Every dollar transacted would be taxed. It would eliminate the small traders' exemption in our industry, just like the taxicab and limousine industry in Canada. I recognize that it's probably very rare that someone appears before your committee advocating a tax increase, but I do so because it is the first step in shifting the \$1.2-billion underground economy above ground.

Once the HST is avoided, transactions in our industry are driven to the underground economy. More importantly to government, once it is underground, personal income tax and contributions to programs like WSIB and EHT are evaded. Making the transaction taxable also provides the necessary additional funding to implement the second part of the policy: providing consumers with a tax credit equivalent to a percentage of what is purchased, up to a specified maximum.

Making the transaction taxable doesn't alone mean it will be shifted above ground. You need to give consumers an incentive to use legitimate service providers instead of underground service providers. Without this incentive, very little—perhaps none—of the \$1.2 billion of underground transactions will be shifted above ground.

The policy pays for itself. Every dollar that is shifted above ground means that the government is generating

tax revenues on the transaction itself, and when the person performing the work reports their income, income- and payroll-related taxes are also generated.

Beyond the social benefits for those using and those supplying the service, other countries that have implemented similar versions of this policy are seeing that it successfully shifts purchases from the underground to legitimate businesses, and therefore changes consumer purchase behaviour. This leads to an increase in the total market because it allows more women to enter the workforce to generate taxable income. In turn, this leads to growth in legitimate employment in the industry.

Slide 5 of the briefing document in front of you details what we believe would happen on a revenue and employment basis for our industry. Slide 6 details the impact on government revenues on a net basis.

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As I mentioned earlier, independent research in 2009 revealed that the underground economy in our industry is \$1.2 billion, compared to \$320 million on the legitimate tax-compliant side of the industry. We believe that this policy would eventually shift 75% of this underground volume to legitimate providers. That is 75% of \$1.2 billion, or \$900 million plus the HST.

While 13% of Ontario households are currently purchasing cleaning services, in France, the country with the most experience in this type of policy, this figure is closer to 20%. Assuming this increased usage, legitimate industry volume would increase from \$320 million currently to approximately \$2.1 billion; this is a \$1.8-billion increase in the tax base. From an employment perspective, the number of employees in the legitimate industry would increase from 7,600 to 49,000. That's an increase of more than 41,000 jobs. That's 41,000 individuals paying provincial income tax. With upwards of 3,000 new businesses created, these new employees would also be making WSIB contributions indirectly through their employer wage rolls.

One thing that number doesn't describe is the types of individuals who fill these jobs. Employees in our industry are typically female, low-skilled, with at best high school education and prone to chronic unemployment and drawing on the social system. Jobs in this sector move these marginalized workers from dependency to self-sufficiency.

As you would well imagine, creating a tax base with a potential of almost \$2.1 billion has a meaningful impact on government revenues. Currently, government—that is, federal and provincial—is collecting \$116 million in revenues from HST net of ITCs and income- and payroll-related taxes. Under this policy, revenues could increase to \$215 million and, with increased usage, to \$331 million. That's a 200% increase. These amounts are on a net basis, HST net of ITCs and a tax credit of 20%.

We believe there is little economic risk in this policy and to achieving these revenues. Approximately 26% of underground volume would need to be shifted above ground to pay for a tax credit equivalent to 20%, roughly one third of what we believe would actually be shifted. It

also protects \$116 million in government revenues from our industry that is a risk of eventually being extinguished when the HST is raised and shifts even more of our industry volume underground. Legitimate industry volume declined 70% within five years of GST introduction, and each successive increase in HST drives more transactions to the underground economy.

We believe that these government figures are conservative because, among other things, they don't include the benefits of reducing spurious welfare claims amongst some of the 60,000 workers currently in the underground economy, many of whom are already collecting social benefits. In addition to positive outcomes like improved family welfare and increasing the female labour force participation rate, 41,000 of these individuals would now have an employment contract covered by provincial employment standards.

The main benefactors of this policy are working families and seniors. These are the typical consumers of domestic cleaning.

Seniors are particularly important, considering their projected increase in numbers. Seniors want to remain living independently in their own home as long as they can and to age with dignity and grace. In addition to investments covered as part of the Healthy Homes Renovation Tax Credit, helping them to meet their housecleaning needs allows them to do so.

The federal government already recognizes the benefits of this through the Veterans Affairs Canada VIP program, which pays for 100% of the cost of housecleaning and other home services for selected veterans. In a 2011 program review, VAC calculated that the annual cost savings of providing services to veterans in-home versus managed-care facilities could be as much as \$320 million annually.

France and the Nordic countries of Sweden and Finland have the most experience in policies similar to this one. Since 1991, France has provided homeowners with a tax rebate for the purchase of domestic services. It started at 25% up to a limit of \$3,250, but is now 50% to a limit of \$25,000. Between the policy's introduction in 1991 and 1997, employment in the domestic services sector in France grew by 120,000 or 33%, at a time when total employment in the general economy remained virtually unchanged.

In Sweden, citizens are provided a tax credit of 50% of the labour cost for domestic services, as well as other services, up to a maximum of \$7,500 per adult member of the family. In Sweden, there is no VAT threshold and no small trader exemptions, so everyone must pay VAT on the service.

The impact on employment in Sweden has been equally significant. The cleaning industry is recognized as one of the fastest-growing sectors in the economy, with the number of people employed increasing 24% since it was introduced in 2007. It is also supported by all of the major political parties.

In Finland, the tax break is 60% up to \$4,000 per person or \$8,000 per couple.

But even closer to home, the province of Quebec has two policies to create jobs and economic growth from our industry. The first, the tax credit for home support services for seniors, for those aged 70 and over, provides a tax credit equivalent to 30% of eligible expenses up to a maximum of \$21,600. The second, the Financial Assistance Program for Domestic Help, provides eligible consumers purchasing service provided by a social economy business with an hourly rate subsidy based on income.

Finally, the UK, like many other countries in Europe—and Ontario—is examining several aspects of their tax system to generate jobs and revenue. Prime Minister David Cameron has expressed very openly his interest in the Swedish example as a way to improve family welfare and support increased female labour force participation rates. The equivalent of the finance ministry is also concerned with the size of the underground economy and the morality of paying people in cash, because it leads to tax avoidance and, at worst, tax evasion. We were recently invited to review with senior tax policy officials in the UK our experience on the impact of value-added taxation on our industry, as well as this policy.

I know what you may be thinking: A tax break for housecleaning is for the rich, and/or it would cost the province too much money. To the first, I suggest that you look very closely at the socio-economic status of those who hire underground cleaners. It is the most affluent in our society who are paying private cleaners on a cash-in-hand basis. And the cash nature of the transaction ensures that it is driven underground. It is the rich who are therefore avoiding HST, WSIB and EHT contributions, and ensuring that private cleaners are in turn evading provincial income tax.

This policy pays for itself. Every dollar rebated to a consumer in the form of a tax credit means that the transaction has been shifted above ground, with government generating approximately \$2.15 in new revenues through a combination of HST, provincial income tax, WSIB, EHT and their federal equivalents.

The Chair (Mr. Kevin Daniel Flynn): One minute, Kevin.

Mr. Kevin Hipkins: Yes.

In conclusion, from an economic perspective, this policy shifts transactions that are done in the underground economy to legitimate businesses. It generates new government revenues. It generates 41,000 legitimate jobs. It helps working families, helps keep seniors living independently in their home longer, and encourages an increase in the female labour force participation rate. Economically and socially, we can see no downside to this policy.

Thank you, and I'll take any questions that you have.

The Chair (Mr. Kevin Daniel Flynn): It's going to have to be a very short one, Michael or Catherine?

Mr. Michael Prue: The only question I have—and I must say, I'm in total agreement with what you say, except several times you've indicated that people are ripping off the welfare system by working. What evidence do you have of that?

Mr. Kevin Hipkins: I don't know if you recall, Helle Hulgaard was an employee within the province and she was on the welfare side. When the GST was introduced and the economy was shifting more from legitimate to private cleaners, Helle Hulgaard said that she was better off to leave the province, clean homes and collect welfare.

So, what concrete evidence do we have? None. Anecdotal? I think there are several.

Mr. Michael Prue: Okay. Just one person saying that.

Mr. Kevin Hipkins: Yes.

Mr. Michael Prue: Okay.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much for coming, Kevin.

Mr. Kevin Hipkins: Thank you.

The Chair (Mr. Kevin Daniel Flynn): We appreciate it.

ONTARIO CHAMBER OF COMMERCE

The Chair (Mr. Kevin Daniel Flynn): Our final presentation this morning is from the Ontario Chamber, if you'd like to come forward. One of you is not Allan O'Dette, I know that. But if you'd like to make yourselves comfortable, you get 15 minutes to make your presentation.

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Mr. Josh Hjartarson: All right. Let me know when the clock is ticking. Is it ticking now?

The Chair (Mr. Kevin Daniel Flynn): No, not yet, but it will be shortly. The questions this time will come from the Liberal Party. I'll let you know when you're getting close to the end.

Mr. Josh Hjartarson: Okay. In terms of questions, feel free to ask questions as we go. That's my preference, although I leave it to the Chair's discretion.

The Chair (Mr. Kevin Daniel Flynn): No, that's not the Chair's preference.

Mr. Josh Hjartarson: Okay, there you go.

The Chair (Mr. Kevin Daniel Flynn): I understand where you're coming from, but I've seen it spin off into space that way.

Mr. Josh Hjartarson: You have more experience than I, so I concur.

The Chair (Mr. Kevin Daniel Flynn): Anyway, the floor is all yours.

Mr. Josh Hjartarson: Okay, thank you. My name is Josh Hjartarson. I'm the vice-president of policy at the Ontario Chamber of Commerce. Prior to that, I was a policy director at the Mowat Centre.

What you have in front of you is a document that looks like this. This is the document that I'll be speaking to. It looks like this. I'm on page 1 now.

The Ontario Chamber of Commerce is a collection of 160 local chambers, representing 60,000 businesses across the province and a combined employment of two million and 17% of GDP. I think we can credibly claim that we are the voice of business in this province.

What I'm going to do right now is, this is our view on the seven steps that Ontario can take to help foster economic growth. These are things that can be done immediately. These are subsumed within our broader economic agenda, which is another document that we've provided to you, which is called Emerging Stronger. Emerging Stronger is our five-year agenda of 43 concrete steps that government can take and business can take, working together, to make sure that Ontario emerges stronger from this period of economic dislocation.

Our argument—and my stakeholders get tired of hearing it, perhaps—is that Ontario faces a clutch moment, if you will. We have a skills mismatch. We have historically high unemployment and underemployment, and yet we have employers begging for skills. We have record debt, large deficits, plus, as we all know, our economy is restructuring. So what are the concrete actions that we can take together, both as a business community and government, so that we can emerge stronger?

We provide seven steps. Underneath those are 15 concrete actions. I will not speak to all of them. I'm just going to go over the highlights of the ones that I think are unique, which you probably may not have heard of yet, and are most important to us. I'm now on page 3 of this document.

What's unique about the Ontario Chamber of Commerce is the fact that, again, we have 60,000 members. I was brought in to revitalize the engagement, in terms of the policy side, with our membership. What you have in front of you is based on our survey of our membership. Our surveys routinely generate 2,000 responses. Any statistician will tell you that is statistically significant.

On page 3 you'll find that 76% of businesses in Ontario believe that reducing the size of government should be a top priority. This notion that we need to tackle our deficit: We provide four concrete steps that we think government can take, one of which, of course, is moving forward with broader public sector compensation restraint. We are particularly interested in maintaining wage and hiring freezes, expanding those, and also fixing the arbitration system, particularly at the municipal level, to reflect fiscal realities there.

Another priority for us is continuing to urge the federal government on the fiscal gap. It's broadly recognized that Ontario pays about \$12 billion more into the federation than it gets back in services. This most recent federal budget had some good news for Ontario, and I'm happy to elaborate on that later.

I'm now on page 5, and I'll draw your attention to the header called "Transforming Government."

I had the opportunity to attend a speech by Minister Duncan before he resigned from his post, and I think he made two startling observations. One is that if Ontario is going to meet its deficit-reduction targets, it needs to basically double down on its efforts—\$1 billion cut in the previous two years; in order to meet those targets, \$2.5 billion was required—that, plus the fact that we've tackled the low-hanging fruit, as it were.

What we need is transformation, and the Ontario Chamber of Commerce is about three weeks away from

releasing a paper on alternative service delivery. Where are there opportunities to save money by allowing the private sector to deliver some public services? Our belief—and it's largely consistent and coherent with what we see in the Nordic countries—is that you can have robust welfare states, you can have robust single-payer health systems and allow the private sector to generate efficiencies and reduce the costs of overall service delivery.

Our first step or concrete action that we think government should take is to expand the work, continue the work, of the Drummond commission and actually conduct, in partnership with the private sector, a system-wide audit of service delivery in this province. Invite private sector opinion on how their involvement can reduce costs.

I'm now on page 6.

One of the unique things about our organization now—it's a revitalized organization—is that when we ask our members questions, they tell us. We can actually aggregate and provide real data that is quite meaningful and quite important. We asked our employers, our members: "Have you had difficulty in the last 18 months hiring someone or filling a vacancy due to a lack of skilled applicants?" Some 30% of employers in Ontario have said they've had difficulty in the last 18 months finding skilled applicants for their jobs. We identified the sectors where the shortage is most acute; for example, engineering and infrastructure, and energy and utilities.

What can we do about it? I think we need to reinvent, and the OCC thinks we need to reinvent, our employment and training services. I can speak to that at length, but I want to draw your attention to recommendation number 6 on page 6.

The federal government is in the process of re-engineering the immigration system and allowing employers and provinces to potentially play a much greater role in selecting immigrants to fill the skills gap. Historically, Ontario could be a passive actor; immigrants would select it. We receive the bulk of economic immigrants; we receive the bulk of skilled immigrants. We've seen a dramatic decline in the number of economic and skilled immigrants coming into Ontario. Other provinces have built the capacity to help business, to work with business, to identify skilled immigrants through the provincial nominee program and bring them to their province. I'm worried that we're going to get left behind. I think creating the infrastructure to take advantage of the opportunities in the expression-of-interest system has to be a priority. It absolutely has to be a priority. We want to partner with you; we want to help build this capacity.

I'm now on page 7.

We think government needs to continue creating the winning conditions for business. Number 7 on page 7 is: "At a minimum, the government should maintain the corporate income tax rate." We do know the corporate income tax rate is frozen at 11.5%. It was scheduled to go down; we've accepted that. That's reasonable in the context of fiscal constraint.

What I will point out, though, is that Canada, and Ontario specifically, has lost its wage advantage vis-à-vis the United States. That's a reality. Let's not lose our tax advantage. It's vitally important to our investment climate. Although there are proposals out there around corporate income tax, I encourage you to think through the implications from an economic competitiveness perspective.

I'm providing you with the highlights. I'm now on page 10, "Bridge the Infrastructure Gap."

We have bought into the argument, and most of our members have—I'll draw you to the statistics at the bottom. Some 66% of GTHA businesses that we polled—it's a substantial n; it's more than 600; it's a statistically significant n—say that we need new revenue tools to fund the Big Move. I think this discussion is really important, because I think it's a proxy for discussions that have to happen across the province. We do know that the entirety of the provincial budget, the allocation for infrastructure, will be tied up in amortization by 2017. We need to have a frank conversation, and we're looking to all three parties to participate constructively in that conversation about how we pay for things like the Big Move.

I'm on my last point. Page 11: "Build the Evidence."

We function in a profound data vacuum. So many of our public policy decisions over the next few years will be around, for example, shortages in the workforce and skills shortages. The reality is, despite the significant girth in the Ministry of Finance and the Ministry of Training, Colleges and Universities etc., we don't have some answers to some basic questions. For example, where are the skills shortages? The best I can do is I can survey my membership. I'll give you 2,500 responses; it's the best proxy that I'm aware of. But what we don't have is some of the basic responses to those basic questions. For example, again, where are those skills shortages, and in what professions, what occupations? No one in this province has an answer.

I think that we're looking for, and there needs to be, a real investment in terms of building the capacity so that businesses can plan, so that virtuous public policies can be created, so that training can be reinvented—again, to match what I think is one of the big challenges that we face as a province: matching labour supply and labour demand.

That, more or less, is where I finish.

1200

The Chair (Mr. Kevin Daniel Flynn): Wonderful. Thank you, Josh. You've left quite a bit of time for questions, four minutes. Steven.

Mr. Steven Del Duca: Thanks, Josh, for that presentation. Just a quick question from me: On page 10, where you talk about bridging the infrastructure gap, I'm happy to hear some of your comments. Just out of curiosity, how does the chamber feel about some of the proposals that came out of the Toronto Region Board of Trade earlier this week?

Mr. Josh Hjartarson: The million-dollar question. The Toronto Region Board of Trade released its recom-

mendations, so we're in the process—in fact, I was in Ajax–Pickering yesterday—of running consultations across the GTHA with our local chambers and local businesses. So far, we've had face-to-face consultations with over 150 businesses on precisely this question.

I cannot react to your question until I've done the due diligence with my membership, but we will be coming out over the next month and a half with recommendations that reflect the interests and the desires of our 905 members. We will be coming out with something. It's not a particularly satisfying answer, but we will come out with something.

Mr. Steven Del Duca: Soo?

Ms. Soo Wong: I just wanted some clarification. On page 5 of this booklet here I'm looking at, you talked about transforming government, more usage of private and not-for-profit sectors. One other speaker this morning spoke about her organization's concerns about P3s. What you're saying is your organization, the chamber, does support P3s, based on the statement here.

Mr. Josh Hjartarson: This is P3s in the context of social and health services, human services.

Ms. Soo Wong: That's what I wanted to make sure of.

On page 6, you made reference to the immigration piece. I'm sure you're aware that our government has consistently asked the federal government to have greater control of immigration, and it has not been done.

Mr. Josh Hjartarson: Absolutely.

Ms. Soo Wong: I'm hearing your chamber is supportive of our position to ask for greater control and management of immigration to Ontario. Am I correct in hearing that?

Mr. Josh Hjartarson: Absolutely.

Ms. Soo Wong: Okay, that's very good to hear that.

Mr. Josh Hjartarson: May I build on that statement?

Ms. Soo Wong: Yes, absolutely.

Mr. Josh Hjartarson: The reality is Ontario only has an allocation of 1,000 in the provincial nominee program. That's only 5% of the total federal allocation. We are a big player in this space. I'm constantly on the radio hammering away at the federal government to have this fixed.

The reality, though, Ms. Wong, and I'll be perfectly frank about it, is if Ontario is going to play a bigger role, I'm not convinced that the infrastructure exists yet to the extent that it exists in Alberta, and that's not a criticism. It's a fact that we could be passive players; right? But if we're going to get in the game like Alberta's in the game, we have to build the infrastructure. The federal government is going to open the tap. The question is how much of that water are we going to siphon? My worry, again, is that Alberta and Manitoba are ready. Are we ready?

Ms. Soo Wong: Okay. Do I have more time, Mr. Chair?

The Chair (Mr. Kevin Daniel Flynn): Yes, you've got about a minute left.

Ms. Soo Wong: A minute left, okay.

Can you further elaborate, because we have heard from different speakers, about the crowd funding regime

on page 7? It seems to be the new winning condition. Can you elaborate a little bit more about this?

Mr. Josh Hjartarson: The crowd funding regime, we know that governments across the world—and we know that one of the anomalies about Canada is that security is regulated at the provincial level. I'd like to get that fixed as well, but that's a conversation for a different time. If you accept the fact that there is a shortage of venture capital, and there is relative to the United States—you could explain that as a cultural phenomenon etc. That's a different story, but I think what we need to do is at least create the plumbing so that we can match supply and demand with capital. It's a lot of these small firms that are having troubles, that can't deliver the prospectuses needed in order to participate fully in securities markets.

How do you create some shortcuts while at the same time maintaining investor safety? Often what happens in crowd funding is that actually there are limits on what individuals can contribute as a mechanism of consumer protection, if you will.

The rest of the world is going there. We should be on that. I know that there are a number of proposals out there. All we're doing is voicing general support for the concept. Our members, I think, are ready to tap this market. The plumbing needs to be in place, as it were.

Ms. Soo Wong: Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Great, you're the last delegation of this morning. Thank you very much for coming, Josh. We appreciate it. The quality of the presentation was great.

Mr. Josh Hjartarson: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Before we go, I think there's one—Peter, before you go—

Interjection.

The Chair (Mr. Kevin Daniel Flynn): Oh, you're not? Okay. You're excused. We're going to deal with a little bit of committee business, I think. Steven, you have a point?

Just before we go, lunch is in room 2. It's being provided.

Steven's got something here.

Mr. Steven Del Duca: I do. Thanks very much, Mr. Chair. Firstly, I want to recognize that this wonderful committee has been doing some great work travelling across the province, listening to budget submissions of Ontarians, albeit the travel hasn't involved me up until now. I understand the committee has travelled to Windsor, Timmins and Ottawa, and now we are here back in Toronto. It's important to note that through the sub-committee, all three parties did agree to the locations for these consultations.

I understand that in the past few days, the committee has also been asked if we could conduct some kind of pre-budget consultation with northwestern Ontario, so I wanted to propose a short discussion today with the committee to see if this can be arranged. One possibility would be for video or teleconferencing so that we can connect with as many communities across the northwest as possible. I did also want to say that since we are

working on tight timelines to submit the final report to the finance minister with enough time to help inform his budget, I would recommend that we proceed with report writing as scheduled. But I wanted to see if we could also conduct these additional consultations. The results and recommendations from these consultations could be added to the draft report.

I believe that any special meeting of this particular committee needs authorization from the House. I'm not specifically moving a motion; I'm just raising it for a point of discussion or an issue for discussion for the committee at this time.

The Chair (Mr. Kevin Daniel Flynn): From Peter, then Michael, and then we'll take it from there. Peter?

Mr. Peter Shurman: I don't think we, in principle, have any difficulty with additional hearings so that we can address northwestern Ontario and the specifics that are being requested. I'm sure you can manage the House situation.

What I would be concerned about is the timing. Since we began the planning for these hearings at the subcommittee level, we've had an issue with the fact that the government has not been forthcoming, not even to the Chair, about what its intentions are with regard to the date for an Ontario budget. So report writing has been affected, and I know that was modified by subcommittee yesterday. But we're still taking this out to next week on Thursday for half the report writing and the following week for the final edition of the report.

I don't know what it is that you would propose, given that it's going to take you until at least Monday to get the House to approve of any motion that you make. So I'll just say what I started out saying again: in principle, no difficulty; in practice, I don't know how you plan to get it to happen.

The Chair (Mr. Kevin Daniel Flynn): Michael.

Mr. Michael Prue: From the beginning, the committee went on the idea that the budget was coming down on the 18th. We have not been disabused of that at any time, nor have we been told when it's going to be. The reason that everything has transpired the way it has is because we have to have translations done, we have to have reports written, we have to travel the province, we have to hold hearings, we have to have motions made, and it's all down to having that in the minister's hands before the 18th of April. I would gladly agree. As a matter of fact, I was the one who proposed that we go five places outside of Toronto, and I got cut down to three. That's how poor Thunder Bay got cut: because we didn't know.

If the Liberals can find out if the minister can divulge to any of you that he is not bringing down his budget on the 18th of April but is bringing it down towards the end of April or into May, I will gladly accede to your request—absolutely, totally, gladly. But until we get that information, I don't know what I can say.

The Chair (Mr. Kevin Daniel Flynn): Catherine?

Ms. Catherine Fife: My only concern is that we go through sort of an optics of public consultation to accom-

modate the request from the party. For me, I'm more than willing to extend another day of consultation, but only if it's truly meaningful, and only if we have that date. As soon as you can find that date out, I think that perhaps the subcommittee can then make a decision.

The Chair (Mr. Kevin Daniel Flynn): Yes, we just wanted to get this on the table, or Steven wanted to get it on the table today. He just notified me of it. I just wanted to take the temperature. Let's go to Steve and then back to Monte.

Mr. Steven Del Duca: Obviously, I heard it pretty loud and clear. I understand there are potential logistical challenges. No one on this side is in a position to confirm the date of the budget, sitting here today. But what I can say is I think that if there's a will, there's probably a way to make sure that we can keep the report schedule on track but make sure at the same time we can give the residents of northwestern Ontario the chance to make their voices heard. So be it through the subcommittee or through discussion here or later, I think if we all work together on this there will be a way to make sure that we can get their input and make sure we can keep the report schedule on track.

The Chair (Mr. Kevin Daniel Flynn): From the Chair's perspective, I've been made aware that there is a concern. I don't know the magnitude of the concern. There are some people who wish they could have been heard from in Thunder Bay. I believe it appeared in the media up there. So perhaps if—

Mr. Peter Shurman: Chair, point of order: It should be on the record that we proposed Thunder Bay in a discussion point when we put together the schedule of travel, and there was consensus for others, so Thunder Bay was lost. It's not any bias against Thunder Bay, certainly not on my part; I proposed it.

The Chair (Mr. Kevin Daniel Flynn): No, I'm not suggesting that at all.

Mr. Peter Shurman: But if the government doesn't want to tell us when they want to do this, then we can't—

The Chair (Mr. Kevin Daniel Flynn): Okay, let's calm down here.

Mr. Steven Del Duca: Chair, the travelling subcommittee did agree to the travel schedule. All three parties are on the subcommittee.

The Chair (Mr. Kevin Daniel Flynn): That's right. I'm trying to be helpful from the chair here and trying to accommodate Thunder Bay, because obviously there is an appetite, I think. I'm hearing from the committee to try to hear from Thunder Bay.

Mr. Steven Del Duca: Northwestern Ontario.

The Chair (Mr. Kevin Daniel Flynn): Northwestern Ontario. It may not mean that we need to physically travel to Thunder Bay. Perhaps this can be accommodated by teleconference, unless there are 30 people who want to talk to us in northwestern Ontario. That's what I was suggesting.

Monte?

Mr. Monte McNaughton: To go on what Mr. Prue was saying—the federal government, who runs the entire

country, had a budget yesterday, and we can't even get a date as to when the budget's going to be in the province of Ontario. I mean, it—

Mr. Steven Del Duca: Point of order, Mr. Chair.

Mr. Monte McNaughton: Can I finish?

Mr. Steven Del Duca: Point of order. I'm really not sure how this is germane to the point. The point is—

The Chair (Mr. Kevin Daniel Flynn): Let Monte finish. We're trying to get this out in the open a little bit and have a discussion. If we need to refer to the subcommittee to sort it out, I'm quite happy to do that. I was hoping there would be a meeting of the minds, perhaps, as this went forward.

You keep going, Monte.

Mr. Monte McNaughton: I just wanted to say that, yes, this was planned out in a particular way, based on when a budget was going to be, but I think the responsible thing would be for the so-called new government to announce when the budget is going to be.

The Chair (Mr. Kevin Daniel Flynn): Okay.

Mr. Steven Del Duca: I repeat: Especially with the options that technology presents to this committee, I think it shouldn't be that difficult logistically for us to sort this out, if there's the willingness on the part of the parties opposite to actually hear from the people of northwestern Ontario.

The Chair (Mr. Kevin Daniel Flynn): Will the subcommittee agree to meet, then, on this? Peter?

Mr. Peter Shurman: No. Frankly, the subcommittee, at least as far as my party is concerned—I said I would agree, on behalf of my party, in principle to the concept. But unless and until this government tells us when this budget is coming, so that we can schedule hearings—if it's to be with northwestern Ontario or any other part of Ontario—schedule report writing and schedule presentation of that report to the House, based on a schedule that he provides on when this budget is going to be tabled, I'm not agreeing to anything.

The Chair (Mr. Kevin Daniel Flynn): Okay.

Mr. Michael Prue: And if I could say, I'm happy with that, but I don't want to do a teleconference. I think if we're going to meet with the people of northwestern Ontario, we should meet with them face to face, like we did everybody else, and not treat them in a different way.

But I do concur with what my colleague from the Conservative Party said. This is not a difficult proposition. The minister has probably already made up his mind on the date. In fact, much of the budget will already be written as we speak. So please, please, if you can't find this information out, don't come looking to me or, I think, any of the members of the committee, because we cannot put in jeopardy what we are trying to put in front of the minister, by doing something else.

The Chair (Mr. Kevin Daniel Flynn): Okay. Let's—

Mr. Steven Del Duca: Only one thing I would say to that, Chair—I'm sorry—is that in my opening statement, my opening comments, I did say that we believe that the schedule of the report shouldn't be affected by this. There are ways to sort these things out.

I hear that there's an intention or a willingness on the part of the caucuses opposite to try and hear the voices from those individuals who are interested to talk to us from northwestern Ontario. I think we need to keep working together, keep talking about it, to try and find a way to make sure that we can satisfy that desire.

The Chair (Mr. Kevin Daniel Flynn): Time is limited. Our lunch time is limited. Peter, you don't want the subcommittee to meet, or you do?

Mr. Peter Shurman: No. I will repeat what I said. In principle, no problem. However, I'm not voting for this unless and until you tell me the schedule.

Mr. Steven Del Duca: We didn't ask for a vote.

Mr. Peter Shurman: Well, I know that, and I'm saying, if you put it to a vote, my answer is no.

The Chair (Mr. Kevin Daniel Flynn): Okay. Well, let's leave it at this. We do have to eat before we hear from the next people.

The concern has been put out on the table. I don't think it's any surprise to anybody that there was some article in the paper up in Thunder Bay. That may be an expression of an even bigger concern up there; I don't know. But at least it has been put on the table. Give it some thought, and then perhaps this afternoon we can bring it back and see if we can sort of resolve it.

But in the interest of being able to eat lunch before the 1 o'clock, why don't we recess right now and come back and go at it again?

The committee recessed from 1214 to 1302.

ONTARIO TRIAL LAWYERS ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): Okay, ladies and gentlemen, if we can call back to order now, our first delegation for the afternoon is the Ontario Trial Lawyers Association, John Karapita, director of public affairs. If you would introduce your colleague as well, John. You've got 15 minutes; use that any way you see fit. The questions will come from the Conservatives.

Mr. John Karapita: Thank you, Mr. Chair. My name is John Karapita, and I'm the director of public affairs with the Ontario Trial Lawyers Association. I'm here with Andrew Murray, who is the president of the Ontario Trial Lawyers Association. I'll turn it over to Andrew to make some remarks.

Mr. Andrew Murray: I'm a lawyer with approximately 20 years of professional experience dealing with auto accident victims. I act for the plaintiffs. I don't do defence work. I'm the president of the Ontario Trial Lawyers Association at this moment, often referred to by the acronym OTLA.

The area where our group thinks that we can add some value to this process is in discussion about certain auto insurance issues that affect every motorist in this province because we have a system of mandatory insurance requiring all motorists to purchase a statutory product.

The recommendations that we want to make today aren't really things that should cost money, which we think makes them attractive recommendations. We're not

coming here asking anyone to really spend a lot of money. We have some short-term recommendations and a mid-term recommendation that we can offer, and I hope to leave some time for some questions.

In terms of short-term recommendations, we encourage all parties to work towards progress—and some progress has been made, but we need continued progress—with the mediation backlog at the Financial Services Commission. It is a fundamental access-to-justice issue when the gate that lets people in or out of the dispute resolution process is closed for 12 months or more and they're not allowed to pass through to the next stage in resolving their dispute.

When the no-fault insurance scheme first came into play, it was noted that this was going to be a simple way of getting people to talk. That's a very laudable goal, but if people cannot talk because system issues prevent them from talking, then the system is broken. There has been progress made in the last year—I need to say that—but we can't take our foot off the gas on that issue. So I raise that as a short-term goal that's within reach, and we must all work together to continue to fix it.

A second short-term goal is the implementation of the recommendations that came forth from the anti-fraud task force, a group that OTLA consulted with—myself in particular at some length with that task force. I think it's fair to say that there has been significant consensus with the recommendations that were made by the task force. It's actually quite remarkable that there has been as much consensus as there has been. If we assume that there's unanimity on something like 80% of the recommendations, let's hope that there's a timely unfolding of implementation of those recommendations.

If we accept what the insurance industry has said about the extent of fraud in the system—and unfortunately, there's not adequate data to really give us a clear insight on it, even from the perspective of the accountants who've looked at it to date. But if we accept the kind of numbers that are being bandied about by the insurance industry itself, there are considerable savings to be made there. We would be remiss as a society if we did not do what we could do to ensure that it's not fraudsters getting these benefits and that, instead, it's the truly injured accident victims who are getting these benefits.

We have a system in place right now that is a combination of a tort system, where you sue somebody who has caused you harm, and a no-fault system, so that if a deer runs out in front of you and you swerve to avoid it, crash into an embankment and fracture your pelvis, you're able to get the rehab that you need, get the income support that you require and get, hopefully, back to work. That's an important societal goal, because those people are taxpaying individuals, so when they get back to work, they continue paying taxes. When they're not working and they need to receive benefits from the public purse, they're a drain on our society. So I think we all have an interest in ensuring that accident benefits are flowing to the accident victims.

I note with some interest that from 1990 to now, there have been various iterations of this tort and no-fault

system that all three parties have tinkered with. On one level or another, all parties have had their hand in this pie, and it hasn't lent itself to an absolute solution, but we all want to work together to find the right solution.

The third point that I would make—this one is short-term, but it bleeds into more of a mid-term goal—is ensuring that there are adequate data, statistical information and facts and figures available to make informed decisions about the auto insurance package. When I refer to data, I talk about the number of claims of catastrophic individuals in our system, which are pegged at something like 1% of the overall number of claims. How much is that really costing our system? How long are those files being kept open? How many files are being determined to be catastrophic only after there has been a hearing, as opposed to after some kind of a negotiated resolution? There hasn't been a very transparent disgorgement of those types of facts so far. If that could be made available, it would help everyone to come to the right decision on certain issues that have currently been looked at over the last 24 months.

If facts, figures and statistical analysis were made more transparent on the issue of insurer profitability, that would really help us all in figuring out whether we have a problem that needs to be tackled. Are premiums too high relative to the coverage that we're getting? Should premiums be lowered within the province of Ontario? We would encourage a thorough investigation of the return on equity which was mentioned by the Auditor General last year, and there has been some discussion about that again. Further, the return on equity that was set at 12% was mandated at a time when we had a much higher inflation rate.

We're living in historic times, and it looks like there's no particular end in sight to the historically low level of interest rates that we're facing. It would be a very good cause to revisit an analysis of whether the 12% return on equity makes sense under the current environment, and that's something, quite frankly, that's best done by an independent individual. It's probably not well done by OTLA or by politicians of any stripe, because we probably lack the knowledge and the in-depth data to do it properly. If an independent individual makes those recommendations, it's something that all stakeholders—the insurance industry, the public, the politicians and trial lawyers alike—can probably buy into and accept more readily.

In any work that is done with the auto insurance package, my organization would urge this group and any other group to be mindful of what we call the three Ps. I'm sorry that some of you may have heard me talk about this before, but some of you may not have heard me talk about this before. We refer to the three Ps as an analysis of profits, premiums and protection. You can think of it like three legs on a stool: If one of those legs is too long, or if one of those legs is too short, the stool is all askew.

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There's been a lot of discussion lately about profitability and what that means for premiums. There's been a

call for premium reduction, which—quite frankly, we probably were one of the first groups suggesting that there ought to be premium reduction. But we would urge everyone not to look at one leg of the stool in isolation. By lopping off one of the legs of the stool—reducing premiums—what might that do to one of the other legs, which should be protection?

We would call for a holistic analysis so that if premiums are reduced or profits are analyzed, it's only done in conjunction with an analysis of whether the protection in the system is adequate. If we lower premiums—if we cut them in half—but it's at the expense of ensuring that our injured accident victims have the coverage that they need, we're not doing anyone a good service.

If we lower premiums to the point where the insurance companies cannot maintain a profitable business in Ontario, we've not done a good service, because under our current system we need to have a competitive system of multiple insurance companies competing for business.

If we don't have protection, we don't have the system. We have to look at the three legs on the stool. If you think of it in that sense, the statistical data that I've called for, that my organization seeks, has to be a very important aspect of that analysis because you can't truly know what you're dealing with until you have all of that data in front of you.

I had the opportunity, the privilege, of speaking before the standing committee hearings that were looking into auto insurance. I appeared at Queen's Park back in May and again in Windsor in July of last year. It seemed to me—I read the transcripts from Hansard and I listened to a number of the speakers orally—that there were a lot of good ideas that were coming forward.

The final recommendation that I would have—which, again, I don't think costs very much money, and I don't know what process this takes politically. But if that process can be resuscitated—because it was put into suspended animation when the previous government was prorogued—so that all of those comments and all of that information doesn't just die, we would certainly recommend that that would be a good thing as well.

I'm going to stop my formal submissions there so that there can be time allowed for any questions.

The Chair (Mr. Kevin Daniel Flynn): Okay. The questions are coming from the Conservative Party, and you've got four minutes. Monte?

Mr. Monte McNaughton: Thank you very much. Excellent presentation.

When it comes to the mediation backlog at the Financial Services Commission of Ontario regarding auto insurance claims, can you estimate how much the backlog contributes in extra costs to the insurance system—a dollar figure?

Mr. Andrew Murray: I'm not in a position to do that because of the exact point that I made earlier with respect to the lack of data flowing.

A number of us were gratified to see the ability to fail a mediation on consent for those issues where it was absolutely crystal clear that the parties were so diametric-

ally opposed, either in law or on fact, that the mediation was just a barrier. But to the extent that that is costing money—I'm in a difficult position to make that comment.

Mr. Monte McNaughton: Okay. Can you explain why the Financial Services Commission of Ontario was the only provider for disputes?

Mr. Andrew Murray: Well, it's actually not fair to say at this moment that it's the only provider, because they did have an outsourced request for proposal that landed at the feet of something called ADR Chambers. They are now doing a private service as an adjunct to what the FSCO mediators are doing. I can talk from my own file cabinet that I've been having a very timely response from some of the ADR Chamber folks. The addition of individuals added to the roster is certainly making a dent in the mediation backlog, so I would see that as a positive thing.

Something to look forward to—and if you can think of this—you hear people in Manitoba worrying about the Red River, and you know that if there's a flood upstream and it crests, you can know that two days down or three days later, the crest is going to reach another town. What I do worry about is that as we pass people through the mediation backlog, if it's just letting them loose by failed mediations or mediations that did not occur, I do worry that now we're going to have a bottleneck when it comes to arbitrations and litigation because now those people will have a barrier but it's at a later point in time. So in terms of a mid-term strategy and being proactive rather than reactive, we should be looking at where we're headed with those disputes.

Mr. Monte McNaughton: Okay. Can you describe a typical mediation session? What's the goal of the mediator and what are the typical outcomes?

Mr. Andrew Murray: The typical mediation session is completely driven by the insurance industry's goals because if they come there with no money, nothing happens whatsoever. I had one where I waited 14 months and I invited them at the six-month mark, “Why don't we fail this mediation on consent?” They said, “No, we want to hold out for the mediation.” I said okay. We got to the mediation and the mediator was pleading with the insurance industry rep because they said, “Actually we have no money today to offer of any kind, and we have to fail this mediation,” which I said we could have done eight months ago.

Usually what happens is, if the insurance company is interested in talking, they want to wrap the whole file up, not the isolated issue in dispute that brought the case to the mediation. They want to lump out the file so that they clear the file off the deck in its entirety. But that's completely driven by my opponent's agenda. I have no control over them doing that. As with any negotiation, if the other side refuses to negotiate, you can't do anything, essentially.

The Chair (Mr. Kevin Daniel Flynn): You're down to 40 seconds.

Mr. Monte McNaughton: Does the Upper Canada law society provide accreditation for its members who wish to be mediators?

Mr. Andrew Murray: I'm not aware that the law society provides accreditation for mediation, but there are many, many other groups that do. One can take mediation courses from any number of groups.

Mr. Monte McNaughton: Okay. That's good.

The Chair (Mr. Kevin Daniel Flynn): Thank you, and thank you for being here today.

Mr. Michael Prue: If I could, Mr. Chair, is this an appropriate time for me to ask a question? I seek your direction. I have a motion which I wish to make concerning the discussion earlier. Is this an appropriate time or should we do it at the end of deputations or somewhere in the middle?

The Chair (Mr. Kevin Daniel Flynn): If we try to keep ourselves on schedule perhaps today, maybe we can do it as the first order of business after we hear from the last delegation, unless somebody doesn't—

Mr. Michael Prue: Okay. So that would be some time around 6 o'clock?

The Chair (Mr. Kevin Daniel Flynn): Yes, unless somebody doesn't show up and maybe we could make use of that time.

Mr. Michael Prue: Thank you.

ONTARIO ASSOCIATION OF CARDIOLOGISTS

The Chair (Mr. Kevin Daniel Flynn): The next delegation is the Ontario Association of Cardiologists. Come forward, Dr. Swan. Good to see you again.

If you'd like to make yourself comfortable there. You've got 15 minutes like everybody else. Use that as you see fit. If you want to leave a little bit of time for questions, they'll come from the NDP. I'll let you know when you're getting close to the 15-minute mark.

Dr. Jim Swan: Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): The floor is yours.

Dr. Jim Swan: My name's Jim Swan, and I'm a clinical cardiologist here in Toronto. I'm speaking today on behalf of the Ontario Association of Cardiologists. Unfortunately, our president, Bill Hughes, is tied up doing medical things today and couldn't make the presentation.

For those of you who don't know who we are, we represent approximately 300 of the 400 cardiologists who practise clinical cardiology in the province today. Our goal is really to make sure that the high standard of cardiac care that we have continues to occur. We have a long track record of working with various governments to do good things for patients.

One of the things that we did in the late 1980s was, we founded—some of our members helped found the Cardiac Care Network for Ontario. I'm proud to say I was one of those individuals who helped found that organization. Now the reason that organization was

founded is we had patients dying on waiting lists for open-heart surgery. So, we were able to develop a network so wherever you lived in the province of Ontario, you would have equal access to cardiac care.

This network became so successful that people from the United States, the UK, Australia—different places—came and looked at what we did. One of the proudest forms that you can do is have someone copy what you did, so many people copied us, and we shared with others. The benefits are that we don't have people dying on waiting lists now. We have better care in Ontario, and we're very, very proud of our network.

Many of you in the room I'm sure were involved when Cancer Care Ontario came into being. They, again, looked at some of the good things that we did and said, "We'll copy you again," and they did and it was successful.

In the middle 1990s, there were problems that we saw as cardiologists. I want to stress that we've always had a good relationship with the various governments that have been there and with the Ministry of Health. We've always tried to do what's right for our patients. We saw that there were some abuses in the system and we developed the document which was called standards for echocardiography in 1995. We presented it to our own Ontario Medical Association, we brought it to government, and we passed it around. Basically, it didn't go anywhere.

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About a little over a year ago, the Cardiac Care Network asked the cardiac community to come together again and bring forward a document on standards to address echocardiography. This document was produced in January 2012; it was accepted by the Cardiac Care Network and lay dormant for a few months.

As you know, last year was a tough year for governments and the medical profession. Our negotiations fell apart in April, and we were left with a bit of a stalemate. What happened is, the current government decided that they were going to pass an order in council, and that order in council was going to change how we delivered cardiac care in the province of Ontario.

It was going to change it for two reasons. One is on funding, and the other was on a definition of what we require when we do a test, and it was a definition of self-referral. When patients come to our offices or our clinics in the hospitals, we need non-invasive cardiac testing to help us determine where best they fit into the system. That definition clearly stated that if you, the physician, referred that patient to a lab that you helped operate or were affiliated with, the government would then pay you, whether you were in a hospital or in a community environment, only 50% of the technical fee and 50% of the professional fee.

Many of you probably don't know the difference between a technical or a professional fee. The technical fee is the fee that we have to pay to purchase the equipment, to pay the technologist to do the test, to pay the service contracts—all the other ancillary support

services to generate that final report to get it back to the physician who initiated it. The professional—

Mr. Michael Prue: Could you just move back—

Dr. Jim Swan: I'm sorry; I apologize.

Mr. Michael Prue: I was getting anxious.

Dr. Jim Swan: The professional side covers the cost of supervising the test and generating the final report by the cardiologist.

You can see that, whether you're in a hospital environment or a community environment, if 50% of the technical fee disappears—and we haven't had an increase in technical fees for over 20 years—it becomes financially impossible to continue to operate that laboratory.

When we developed the Cardiac Care Network, we were also asked by government to please put in non-invasive cardiac testing facilities closer to patients' homes—in small communities, in smaller hospitals. The hospitals and the cardiology community responded, and we have a widespread network now of non-invasive cardiac testing facilities.

With this new legislation, we became concerned as cardiologists that we were again going back to something that we didn't want to see happen again. We didn't want to see people die on waiting lists, nor did we want to see cardiac care be jeopardized.

So we took it upon ourselves and we struck out alone—not with the Ontario Medical Association but on our own. We sought out advice from the government on how we could resolve this problem. We met with Minister Matthews, the opposition parties' health critics and others in the Ministry of Health. We understand that you have a deficit, but we said, “Not only do you have a deficit, but we have a problem with your new definition of self-referral. But we also have a solution—how we can save you money.”

Unbeknownst to us, ICES, which you all know works behind Sunnybrook hospital, took our data from January, analyzed it and said, “Guess what? If you put those standards into effect, we can save \$44 million.” So when we arrived in the health minister's office, and the other people who were very kind to help us—they were all very supportive of what we had done. They worked very hard with us.

When the new legislation was supposed to go into effect on July 1—and I compliment Minister Matthews for this—she did not enforce the definition of self-referral. Instead, what she said is, “I'll appoint a commission”—called the Rubin commission—“that will study it,” and she'd have them report back to her in the fall. They studied it, they looked at it and they agreed with us that our recommendations were very reasonable. Minister Matthews accepted it, and then she asked the Cardiac Care Network to go ahead and implement these standards.

There are many good things about the standards, but the best thing about the standards is they get rid of inappropriate testing. When you get rid of inappropriate testing, you ensure that the patient gets the right test at the right time by the right people, in labs that are

accredited. So the actual cost of running that type of test in our system goes down.

We also get rid of poor-quality laboratories, and this is something that we're all concerned about. I know that people in government are, but we in the profession are as well.

Now, what we're asking this committee to do is to see if there's some way that you can speed up the implementation of these guidelines, because we think it's important that we generate the \$44 million, get it back into the system and help pay down the deficit. Possibly there's an opportunity to take some of those funds and direct it towards new technologies which are coming forward in cardiology that many of you in the room are probably familiar with. We have ways of replacing an aortic valve with a balloon. We're tackling mitral valve disease percutaneously. We've got complex ablation. These are all processes that need to be funded, and there are savings there.

We also are the experts in cardiac disease. Our relationship with the government broke down a little bit last spring when all this happened, but we have a good track record with government. We've done good things for the province of Ontario. We want to be actively involved in implementing these guidelines. We think we can do a very good job if we open up that partnership, and we can save money.

I heard this week the new Premier say that she wanted to have conversations with cardiologists and other people when they had problems. I think we would not have had our problem if maybe we had been able to have the conversation. We would like to have more conversations now, and we know there are other areas in non-invasive cardiac testing where we can develop similar guidelines to save money for the province and be cost-effective.

With that, I'll just thank you all for your attention and be glad to take any questions.

The Chair (Mr. Kevin Daniel Flynn): Great. Thank you, Dr. Swan. The questions are coming from the NDP. You've got four minutes, Catherine.

Ms. Catherine Fife: Thank you for the presentation. You mentioned just near the end there that some of the recommendations need to be put in place so we are ensuring that poor-quality labs are not continuing into business. Can you extrapolate a little bit on that, please?

Dr. Jim Swan: Well, if you look around the world today, most laboratories that function as we do in Ontario have standards, and we don't have standards. If you have a lab with standards, then they have to do all the appropriate things. They have to have a service contract. The equipment has to be inspected properly. You can't have equipment that's outdated. There's many things. Right now, we don't have any of those standards. We also have to have skilled people interpreting the tests. There are standards, again, for those. If you look at our document—it's 42 pages, and I don't expect anybody to read it this afternoon—it's very clearly defined.

The other thing I would caution the committee is when you look at standards—and I just returned from the

American College of Cardiology meeting last week, and they were looking at standards—standards are something that have flux to them. When you establish a standard, as the process goes forward, you may have to change that standard and how you do it, because technology changes, and information changes. So the standards are good today, but there has to be a mechanism to change them appropriately and quickly.

Ms. Catherine Fife: Just one final question. When the Liberals passed the order in council last spring changing the definition around “self-referral,” I know that there were some clinics that immediately felt the impact of that decision, especially because of the technical fee. I know in Cambridge there was a number of clinics actually that considered closing almost immediately because already they were behind. The order in council without consultation, do you have some sense of what the full impact of that was?

Dr. Jim Swan: Well, I think there are two things. First of all, people were very fearful with the legislation. They didn’t know what impact it was going to have, and some people proceeded on expecting the legislation to go forward.

I can tell you I was the person who received the phone call from the ministry on the last day of June. I had many people very nervous calling me, but once we got that phone call, I believe things stabilized.

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The self-referral definition has not been implemented, and we’re looking at putting the standards in place, so I don’t think we know the answer to that. But one of the other things: We do have good data in the OHIP and we can tell what the level of services was. If you need that information, it can be gotten for you and you could look at what services were being done before the legislation and after. That data we can get for you, if you wish. I can provide it. We have a way of getting it for you.

Ms. Catherine Fife: Thanks very much.

Mr. Michael Prue: Is there any time?

The Chair (Mr. Kevin Daniel Flynn): Yes, there is, Michael. There’s about a minute and a half.

Mr. Michael Prue: Okay; perfect. You mentioned the figure of \$44 million and how the college had told the government how to save \$44 million. The government acknowledged that it was true and agreed that it would save the money, but has not implemented it. Did I get that correct?

Dr. Jim Swan: Yes. That’s exactly right.

Mr. Michael Prue: They know it’s going to save \$44 million—

Dr. Jim Swan: Well, at least \$44 million.

Mr. Michael Prue: And they’re not doing anything with it?

Dr. Jim Swan: What they did is they put it back to the Cardiac Care Network and it’s there, but we haven’t started on the recommendations. That’s what’s frustrating for us. We told everyone last summer, “Look, these are the regulations. Let’s get on with it.” We offered to help implement them ourselves. We said, “Yes, we’ll do it.

We’re experts. We know how to do it, and we’ll do it fairly. We have a good reputation for that.” But so far it’s at the Cardiac Care Network.

The other thing is, these standards can be developed for other parts of cardiac testing, and there are similar savings there. But the best thing you can do—if you have these standards in place, we get rid of inappropriate testing. We get rid of poor-quality labs. There’s more money there than the \$44 million, and we can take that money, pay down our deficit and then put the money back into the infrastructure, because that’s what we want. We don’t want patients dying on waiting lists. We don’t want poor-quality care.

We have a wonderful system in Ontario, and we want to preserve it. We really care about our system and we care about our patients.

Mr. Michael Prue: I think you said it brilliantly. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much. Thank you, Dr. Swan, for coming today.

Dr. Jim Swan: Just in closing, if anyone needs any information, I’ve left you my email and my cellphone. Please feel free to call me, and I’ll get it to you.

The Chair (Mr. Kevin Daniel Flynn): Thank you.

ONTARIO ASSOCIATION OF CAREER COLLEGES

The Chair (Mr. Kevin Daniel Flynn): If I can call forward now the Ontario Association of Career Colleges: John, if you’d like to come forward, and Mr. Kitchin. Thank you for joining us today. Just to let you know, on your left side are the government members. We’ve got Soo Wong, Steven Del Duca and Vic Dhillon. On your right-hand side are the members of the opposition party: Catherine Fife, Michael Prue, Monte McNaughton, Jane McKenna and Peter Shurman. You’re allowed up to 15 minutes for your presentation. If you leave a little time at the end for any questions, those questions will be coming from the Liberal Party to your left.

Mr. Paul Kitchin: Thank you.

The Chair (Mr. Kevin Daniel Flynn): The time is all yours. John, good to see you again.

Mr. John Nunziata: Thank you. Nice to be here. Paul has the floor.

Mr. Paul Kitchin: Thank you, John, and thank you, Mr. Chair and committee members, for giving us this opportunity to make a presentation today.

We made a written submission that we’ve brought for you and I want to touch on some of the highlights in that paper, but first of all I should introduce myself. My name is Paul Kitchin. I’m the executive director of the Ontario Association of Career Colleges, which represents post-secondary institutions in the province of Ontario that are registered under the Private Career Colleges Act, 2005, to be able to offer programs of study that have been approved through the Ministry of Training, Colleges and Universities.

Our paper gives you a background on the career college sector. For those of you who are not familiar with this sector, we talk about the current economic impact of the sector. We talk about some trends that we see that are going to impact the demand for post-secondary education in this province in the years to come. We've touched briefly on some financial implications of that and possible ways that the career college sector can help. Finally, we wanted to touch on a couple of issues where there are systemic issues, where programs and policies provide differential treatment to career college students that in fact can create barriers to access and hamper the ability of our sector to contribute and help.

What I want to start off with is to say what we're really talking about here today is a way to save taxpayer dollars, and I'll get into that.

The background piece, the career college sector: Career colleges started in Ontario 145 years ago. That's a full 100 years before we had a public community college system. Today, there are over 600 campuses operating in 70 communities across the province. We're training 67,000 students every year in 5,000 programs, and our career college sector employs about 12,000 staff people across the province.

I mentioned the 67,000 students. With a graduation rate of 80% or better, that would equate to about 50,000 graduates coming out of programs and ready for the workforce every year. With those kinds of stats, we felt it was important to make some sort of a statement about the economic impact of the sector. In 2012, a research firm called Higher Education Strategy Associates did a study of the career college sector, and I'm going to touch on a couple of the highlights that came out of that.

One of the first things they did was a comparison of the cost to the taxpayer per graduate from the community college system versus from the career college system. In that analysis, they took a look at operating grants; they took a look at student loan funding; they took a look at Second Career funding; they took a look at educational tax credits. At the end of the day, their numbers showed that the average cost to produce a graduate from the community college is roughly \$35,000, whereas the cost to produce a graduate from the career college system is about \$3,700. It's just over 10% of the cost, so as you can see, there's a huge cost saving there. They went on to rejig the numbers, to do a comparison on the cost per month per graduate as well. Once again, the comparison came out that career college costs were about 18% of community college costs.

If we take a look at that, very conservatively, with those kinds of numbers, I think we're lowballing it if we say that, per graduate, there's a savings of \$20,000 per grad when they make the choice that a career college is the best option for them in terms of taking their post-secondary training. Multiply that times the 50,000 grads who come out of the career college system every year, and at minimum the career college sector is saving the taxpayers a billion dollars. I want to stress that that probably is lowballing. It probably is a higher number, but we'll go with a billion dollars.

So that's huge, and I want you to keep that in mind as you're deliberating over the budget and over expenditures and that. Understand that there is a resource there that can help you tackle some of the hard decisions that need to be made.

We looked at some trends, and those trends are telling us very clearly that there is going to be increased demand on the post-secondary education system in this province over the years to come.

A few examples would be that we know that 70% of the jobs are going to require some level of post-secondary education, so there is a goal to get the credential attainment to 70%. We know that there's huge interest in bringing international students into Ontario institutions, because that brings some economic benefit to the province. We know that laid-off workers are going to continue to need re-skilling and upgrading of their skills to be able to get back into the workforce. We know that there are emerging sectors like the green sector, and areas like infrastructure renewal, where we're going to continue to need folks trained to be able to handle those kinds of jobs.

Of particular interest to me is the fact that there's a recognition that inclusivity of the groups of folks who have been marginalized in terms of the workforce—people like aboriginal people, persons with disabilities, newcomers to Canada—we're going to have to do a better job in this province of training those folks and getting them prepared for the workforce.

Finally, we know there's going to be increased demand for online learning for folks who are still employed and want to study in the evenings or on weekends or things like that.

All in all, the message is there's going to be a bigger job to do.

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It begs the question, how are we going to afford to do that? There are certainly financial implications, and again I would stress with you that the career college sector has the capacity to grow, to expand and help to meet that need and offset some of those ongoing costs. I think we need to take a look at that.

I know that in the recent white paper put out by the PC Party, they talked about a role for career colleges and talked about the ability to meet that increased demand. We certainly agree with that position.

However, there are, from time to time, some systemic issues that create some barriers for career college folks because they're treated in a differential manner, and that would absolutely hamper our ability to continue to help out economically with the well-being of the province. I'll give you two quick examples, and I'm hoping that this committee may be able to do something in those areas.

The first is around the Ontario Tuition Grant that was announced a little over a year ago. To our dismay, we learned that career college students would not be eligible to apply for that. What that really comes down to is, if I was at a career college, I wouldn't be able to apply. If I went to a community college, I could apply. I'm the same

person; I have the same needs. There's a disconnect there. In fact, if that then turns somebody to make a decision to go to their second- or third- or fourth-best choice of training because there's some dollars there, we don't believe that that makes an awful lot of sense.

We would certainly ask, in this round as discussions go on, if the Ontario Tuition Grant topic comes up, that a move be made to include career college students. We estimate that that could cost about \$2 million, maybe up to \$3 million. It's not a huge dollar amount, particularly when you take into account the millions of dollars that the government has spent over the last several months promoting this program on TV and radio to try to attract more people to take up the program.

The other comparison I would make is, the grant is about \$775—or that's roughly what it would be for career college folks. When you compare that against the \$20,000-per-graduate saving that I talked about earlier, to me, it makes an awful lot of sense.

The other issue where there's differential treatment is with the Second Career program right now. Under the current criteria, there's a \$10,000 cap on tuition that the program will recognize for career college programs, and there's no similar cap on the community college programs.

Interjection.

Mr. Paul Kitchin: Thank you. I just got the warning, one minute.

We've seen examples of that where it has, again, caused a student to make a decision that they were going to go to a career college and then found out there was a cap on the funding, so they couldn't get their first choice. They had to take a look at a second or third choice, and go where the funding was.

We think that's inequitable and, in fact, a little bit discriminatory against career college students. We would like to see either the cap completely removed from career colleges—I'm not sure that that's realistic—or at least have it raised.

We're suggesting \$14,000 rather than \$10,000. That fits in line with another criteria in the program that looks at \$14 per hour. We're saying a diploma program on the Ontario Qualifications Framework is usually geared for about 1,000 hours of instruction; \$14,000 would make sense. If that's not doable, then we think that we should level the playing field, and community college programs should be capped at \$10,000 as well for the program.

The last piece on that program is that the cap was put in place about three and a half years ago, and there has been no increase in it. We would think, at minimum, there should be a cost-of-living-index increase on the cap to keep pace.

That gives you a quick run-through of our paper. In summary, we think the career college sector has a lot to contribute to this province. We can help deal with the deficit situation right now. We can help to deal with the increased demand that is anticipated for post-secondary education. We need you to think about that, and we also need to have equitable policies in terms of our students and equitable treatment for our students.

I'll stop there and see if there are any questions.

The Chair (Mr. Kevin Daniel Flynn): That's great, Paul. Thank you. You've left about two and a half minutes. To the government. Soo?

Ms. Soo Wong: Thank you very much for your presentation. I just need to hear a little bit more about—you mentioned in your presentation that you have 67,000 students in your career colleges. Can you share with us the type of students we're talking about? Are they from Ontario? What are some of the demographics of your students?

Mr. Paul Kitchin: Yes. Primarily, the vast, vast majority are Ontario students. It's interesting; we get asked that, about who are our students, and there are probably five or six really good answers to that.

Because of the nature of the delivery, where we try to meet the needs of the students, there are things like programs offered in the morning or in the afternoon or the evening or on weekends. We try to fit the needs. We have a number of sole-support parents who will take training. They want to get back into the labour force. We do a fair amount of retraining of laid-off, unemployed workers. We have a number of community college or university graduates who have got a degree and they want to come back and get some skill training so that they can get into the labour force. So we've got those folks as well. It's a wide spectrum.

The main difference, I guess for us, is we have an older student. The average age would be in the late twenties: 28, 29 years old. There are some schools that do a fair amount of training with recent high school graduates, but by and large, we're adult trainers, adult retrainers.

Mr. John Nunziata: Ms. Wong, you would have seven colleges in your riding. At any point in time, if you'd like to visit and tour those colleges, we'd be more than happy to accommodate.

Ms. Soo Wong: I'm also very interested to know the success rates of your students or the graduates of your programs in terms of employability and meeting the skills gap that we constantly have been hearing about at the hearings.

Mr. Paul Kitchin: The graduation rate is about 80%. The graduate employment rate is about 84% at this point across the entire sector. There are a number of programs that have third party accreditation. Somebody mentioned the Law Society of Upper Canada in an earlier presentation. They have an accreditation program for programs like paralegal, and career colleges must go through that third party accreditation, so that folks coming out of those kinds of programs absolutely have the skills that the industry is looking for.

The other thing that career colleges do widespread is they involve employers in program advisory committees that help with the development of curriculum. They will meet every six to 12 months and review curriculum and make recommendations for changes that need to be made to the curriculum to make sure that we are meeting the needs of the labour force.

The Chair (Mr. Kevin Daniel Flynn): That's great. Thank you very much, Paul. Thank you for coming today. John, thank you, too.

Mr. John Nunziata: Thank you.

Mr. Paul Kitchin: Thank you.

YWCA TORONTO

The Chair (Mr. Kevin Daniel Flynn): Our next delegation today is a YWCA from Toronto. Sarah Blackstock?

Ms. Sarah Blackstock: Hi there.

The Chair (Mr. Kevin Daniel Flynn): Sarah, if you'd like to come forward. The Clerk will pick up your submissions. If you want to make yourself comfortable, you get 15 minutes, like everybody else. If there is any time left over at the end, those questions will come from the PC Party.

Ms. Sarah Blackstock: All right, thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you.

Ms. Sarah Blackstock: My name is Sarah Blackstock. I'm the director of advocacy and communications at YWCA Toronto.

The Chair (Mr. Kevin Daniel Flynn): Okay. Before we start, Sarah, maybe we can get you some quiet.

Ms. Sarah Blackstock: There's a lot to talk about; I understand.

The Chair (Mr. Kevin Daniel Flynn): Okay.

Ms. Sarah Blackstock: You guys do have a fantastic job. It must be incredible just listening to the amazing ideas and energy around this province.

The Chair (Mr. Kevin Daniel Flynn): That's the good part of it.

Ms. Sarah Blackstock: Yes. Well, you now have to make very difficult decisions, but—

The Chair (Mr. Kevin Daniel Flynn): There's another side to it.

Ms. Sarah Blackstock: It is interesting. So, I hope you will find my presentation interesting.

I'm the director of advocacy and communications at YWCA Toronto, and we are a member of the 25 in 5 Network for the reduction of poverty. The 25 in 5 Network is a multisectoral network of groups and individuals that work across Ontario to reduce poverty. We are urging the province to invest in fairness by making poverty reduction a priority in the 2013 budget.

There are two things that we really want to see happen with this very important budget. One, we want the 2013 budget to come as close as possible to meeting the target of reducing child poverty by 25%. You'll recall that was the target that was set in Ontario's first-ever Poverty Reduction Strategy. Secondly, we would like to see some momentum created towards the social assistance reform that I think there is a lot of interest in across parties.

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The 2009 Poverty Reduction Act marked a turning point in Ontario. The act passed unanimously, and all parties agreed to work together continuously to reduce poverty in Ontario. This strategy has received broad

support because there is growing recognition that investing in people today is good for all of us in the long term. As you all know, it leads to a healthier population, safer communities, and that results in health care savings and the social service costs go down as well. It also leads to a resilient, productive workforce where all hands are on deck to move Ontario forward. It means we create a fair society that we're all proud of, where everyone belongs and has an opportunity to contribute.

Since 2009, serious action to eradicate poverty has led to results. Our recent progress report demonstrated that between 2008 and 2010, because of a number of investments, child poverty was reduced by 6%, lifting 29,000 children and their families out of poverty. That said, we know that some of the recent scaling back of investments, such as the slowed implementation of the Ontario Child Benefit, threaten to undermine that progress.

With this 2013 budget—this is our last budget before the conclusion of the Poverty Reduction Strategy. We're calling on all parties to deliver on the promise to reduce child and family poverty by 25%. We think the 2013 budget should help Ontarians, and specifically low-income Ontarians, earn more and keep more, and it should seek to restore hope.

I'm going to highlight a few of our recommendations under those headings. Under the category of "earn more"—I'm sure you all were talking about the minimum wage as a result of yesterday's demonstration outside Queen's Park. The minimum wage has been frozen for the last three years. Of course, basic items such as housing and food have not been frozen. So we are calling for the minimum wage to be raised immediately to \$11.50.

We're also calling on the budget to implement the social assistance review commission's recommendation to increase the earning exemptions to \$200 a month before clawbacks begin. This will help low-income people move out of poverty. I want to stress that this should not be accompanied by the reduction or elimination of the Work-Related Benefit for people receiving ODSP. Our understanding is that's something that's under consideration. The Work-Related Benefit helps address specific barriers to the labour market that people with disabilities face. Given the government's current emphasis on helping people with disabilities get into the labour market, it makes no sense to eliminate this important budget.

Like I said, we also want to see low-income Ontarians be able to keep more. For people on social assistance, it's impossible to get ahead when the little you have is taken away. So what can you do? You can reform some of the social assistance rules. Right now, current rules require low-income Ontarians in need of assistance to totally impoverish themselves before they can receive help. Our experience working with low-income Ontarians and common sense tells us that this is a barrier to exiting poverty down the road. The next budget should increase the amount of assets that people are allowed to have to qualify for social assistance. It should be \$5,000 for singles and \$7,500 for couples.

Another important and simple change that could be made is regarding the child support rules. Right now, any child support that's received is fully deducted from social assistance income. The coming budget should change that rule and allow parents to keep 50% of their child support. This is what was recommended in Munir Sheikh's and Frances Lankin's report.

I would also stress that single parents should be given the autonomy to determine what is right for their families. They should decide whether or not they should pursue that support. You can rest assured that any parent will make the best decision that's in the best interest of their child. If it's worthwhile to pursue the support, she or he will.

We would also like to see incomes restored. As you'll all recall, the promise to increase the Ontario Child Benefit to \$1,310 by the year 2013 was delayed in last year's budget. This year's budget must honour that original commitment that was made in the Poverty Reduction Strategy.

We also would suggest that the Ontario Child Benefit should be indexed to inflation. Increasing the OCB in this budget is very important to reaching that 25% target.

Social assistance benefits: as you hear at a constituency level, they are dangerously low. We would like to see the 2013 budget increase the rates and make a down payment on the income adequacy. People need to have a reasonable standard of living. And this is something that was also recommended in the commission's report. Specifically, they recommend that the rate for singles on OW be increased by \$100. This should be accompanied by at least a cost-of-living increase for all people receiving social assistance.

Again, I'd like to caution that these increases should not be funded by eliminating the Special Diet Allowance. Changes have been made to that program. It is only available to people with specific illnesses. The elimination of that benefit will compromise severely the health of people with debilitating illnesses.

In conclusion, reducing poverty is not rocket science. I think that's why all parties agreed to the Poverty Reduction Act. Reducing poverty requires good policy and political leadership. At the moment, there's a lot of public cynicism about politics and the relevance of it to society. I think most of us here would agree that politics are anything but irrelevant. It's enormously important to building and maintaining our communities and society. Good policy changes lives, communities and economies. All of the parties have agreed to reduce poverty.

In 2014, the next five-year Poverty Reduction Strategy will be created. That's what the Poverty Reduction Act, that you all passed, committed to. If the targets for this Poverty Reduction Strategy are totally disregarded, then obviously low-income Ontarians will suffer. More than that; opportunities to support struggling economies will be lost and communities will continue to suffer the violence and desperation that's created by poverty. But I also think something else will happen: The meaning of the promise that all of your parties made to work together

to reduce poverty in Ontario will be diminished and the momentum that has been created over the last few years will be lost. Further poverty reduction strategies will lose their significance. Creating a poverty reduction strategy will become a necessary political exercise, but not one that anyone takes seriously. This Poverty Reduction Strategy is precedent-setting.

Please, do not let Ontario's poverty reduction work go the way that our federal representatives' promise to end child poverty has gone. Making good on this commitment would distinguish Ontario as the first jurisdiction in Canada to set a poverty reduction target and timeline, and deliver on the promise. And it would create tremendous momentum for further progress as the province rolls up its sleeves to engage in the important work of social assistance reform.

Delivering on the promise makes for good economic opportunity as well. It would lift more than 100,000 children and their families out of poverty, filling a new generation not only with hope but with opportunity.

Reducing poverty is also smart policy because every Ontarian free from poverty is better equipped to contribute to an economy, and this is an economy that really does need all hands on deck. So we urge the province to put fairness in the 2013 budget and invest in brighter futures for all.

The Chair (Mr. Kevin Daniel Flynn): Very good; thank you, Sarah. Your questions are coming from the PC Party, and there are about four minutes left.

Mr. Monte McNaughton: Great. Thank you very much for your presentation, Sarah. I just wanted to ask you a couple of quick questions.

I hear a lot, in my riding, from families—on a daily basis—quite frankly, about hydro bills and the costs of energy and how that's driving families into poverty. There was a report that came out within the last week showing that hydro bills for families are further going up \$38 per month within two years. Can you comment on that? You must hear in your community and in the city here about the damaging effect—the devastating effects—that hydro bills are having.

1400

Ms. Sarah Blackstock: Well, I'm not an expert on the regulation of hydro policy, but I will say that the consequence of the erosion of social assistance rates and of the minimum wage, meaning whether it's hydro bills or food bills or rent—people are struggling to make those ends meet.

Mr. Monte McNaughton: Right.

Ms. Sarah Blackstock: We would advocate that people are going to make good decisions for themselves when they have money in their pockets. Of course, we want to find ways to regulate those costs, but we also want to make sure that people have the income that they need.

This government eliminated something called the Community Start-Up and Maintenance Benefit. Previously, that benefit would have been used by families on social assistance to cover arrears. It's a particular benefit

that got cut when the consolidated homelessness prevention initiative was created. Those dollars have been passed down to the municipalities, but there was a \$42-million cut as a result of that.

We have to be thinking systemically about all of the different—as we look at social assistance reform, we can't be arbitrarily cutting programs, like the Community Start-Up and Maintenance Benefit or special diet, because people are so close to the edge, as you're hearing in your community.

Mr. Monte McNaughton: The second thing is the HST on home heating bills, as well. I hear a lot about that, especially coming through a cold winter. That's yet another policy that's taking money from the most vulnerable in society. I think, quite frankly, that it's putting more and more people into poverty—hydro bills, and HST on home heating bills.

Ms. Sarah Blackstock: I think there's a number of ways to look at it. If you have the income in your pocket to pay the tax, then it's not as devastating. I think that the province is in a situation where it does have to figure out where we're going to get the dollars to fund the public services that we all need.

That said, I think that we also have to protect vulnerable Ontarians. There may be taxes or there may be particular costs we want to exempt low-income people from. I do think that we need to be thoughtful about looking at who's impacted, but also, the province does need to have the income available to fund the programs that we need.

Mr. Monte McNaughton: Okay. Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Monte, and thank you, Sarah, for coming today.

Interjection.

The Chair (Mr. Kevin Daniel Flynn): Jane, did you have—oh, I'm sorry. I didn't realize that. You've got about a minute.

Mrs. Jane McKenna: I just wanted to say thank you very much. I was just thinking, when you were speaking, that in Greece they're rioting for programs because of their debt, and they are bankrupt. So unless you get your debt and deficit under control, you're unable to do what you can for the programs that you need and that people need.

There are 400,000 people on welfare. So, you know, very mindful of what you're saying, because there are 600,000 people unemployed. We spend \$1.8 million more an hour than we take in, and 20% of what we spend is borrowed money. It's our third-largest expenditure.

So, very mindful of what you're saying, because you do watch the people in Greece and how they are rioting for their programs. Because of the debt that they've incurred, they cannot pay for the programs that they have. So we have to be looking at every aspect that we can to figure out and to fix the economy.

Ms. Sarah Blackstock: If I may just quickly add, though: Since the mid-1990s, we've lost \$17 billion in tax revenue in Ontario. I don't think that's how we're

going to be able to pay down our debt, and I don't think that's how we're going to protect the public services that we need.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Sarah. Thank you for coming today.

NORTHWESTERN ONTARIO MUNICIPAL ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): Our next delegation is from the Northwestern Ontario Municipal Association. Ron, David and Charlie, if you'd come forward. Make yourselves comfortable. Fifteen minutes for the presentation, like everybody else is getting. You leave as much time as you like for questions, if any. If there is any time for questions, it will come from the New Democratic Party.

Mr. Ron Nelson: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Having said that, the floor is all yours.

Ms. Catherine Fife: Hi. How are you?

Mr. Ron Nelson: Hi. I'm well.

Good afternoon. My name is Ron Nelson. I am the president of the Northwestern Ontario Municipal Association. To my left is Mayor David Canfield, the mayor of Kenora and the executive vice-president of the Northwestern Ontario Municipal Association.

NOMA represents the interests of 37 municipalities, from Kenora and Rainy River in the west to Hornepayne, and as far as Dubreuilville now, in the east. Our mission is to provide leadership and advocating regional interests in all orders of government and other organizations. We appreciate this opportunity to meet with you today.

Northwestern Ontario is on the cusp of a mining explosion, with 250 active projects in 2011 totalling \$500 million in expenditures. That represents nearly half of all the mining expenditures in Ontario last year. These opportunities are located across the northwest region, with the most significant being the Ring of Fire. These mining developments have the potential to be one of the biggest economic engines the entire province has seen for decades, and must be viewed through that lens by all ministries and ministers as well, moving forward.

A recent study that was done by Lakehead University focused on nine mature mines that are near development and highlights only a fraction of what is the potential in northwestern Ontario. The total value of unmined minerals and metals is \$135.4 billion. Direct, indirect and induced employment is 23,588 jobs.

What's in it for the province of Ontario? How about \$173.8 million in tax revenue per operating year, a total of \$298.8 million in tax revenue per operating year—pardon me, the first one was for the opening year. Your total tax revenue is \$5.75 billion.

This was a study that was done by the university through their business administration. It was not done by NOMA. These were outside, reliable sources that have put these figures together for you. It is imperative that any provincial involvement and investment be viewed in

the larger context as an investment that will benefit not only the region of northwestern Ontario, but rather the citizens of Ontario as a whole.

Infrastructure investments: We believe that northwestern Ontario needs to be supported in its bid to the development of a strong and diverse economy through the province taking leadership in planning, developing and owning the infrastructure necessary to support the Ring of Fire development, along with our other mines. Because of the numerous discoveries and mining companies involved, the Ring of Fire is a unique development in Ontario. As such, it requires a more planned public approach than what was occurring in the past and what we believe is currently under way.

There are three factors that should drive this development being managed for the public good rather than the private sector. Governments, not corporations, have the legal duty to consult and accommodate according to the decision of the Supreme Court of Canada. There are currently a multitude of owners and a multitude of individual mines that are likely to come on stream over the next 10 to 30 years, each with their own independent and unique need for transportation and energy. There are a number of First Nations communities whose traditional territory encompasses the Ring of Fire development area; these communities require road and electrical infrastructure to meet their economic and social needs.

NOMA recognizes that the construction of the necessary transportation and energy infrastructure will be an expensive proposition. However, as we have already identified, the provincial tax revenue from the Ring of Fire development over its expected life of 100-plus years will be beyond comprehension.

The return on Ontario's investment will be significant. With that being said, modern technology would allow for the province to recover its initial capital outlay in building the road and rail infrastructure through the use of an electric toll system that would charge back the cost per tonne per kilometre for the ore and minerals utilizing the rail and road system.

It is the government of Ontario's job to make this happen, not the private sector's. The auto industry has historically received billions in government investment to support its growth and economic development. The mining industry now needs similar support through infrastructure investments that will drive the economy for decades to come.

Regarding the Endangered Species Act regulation, we strongly support the transition measure for the forestry sector in EBR posting 011-7696, because it recognizes the need to provide certainty to the forest industry and the jobs it creates for our citizens and our communities.

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The regulation recognizes that Ontario's forest sector already provides for the needs of species at risk through the Crown Forest Sustainability Act, and that the forest sector is required to continuously update their management practices to be consistent with provincial recovery strategies development under the Endangered Species

Act. NOMA and a number of our other member communities have submitted letters of support to the EBR, and we look forward to the implementation of these changes as soon as possible.

Heads and beds payments: The provincial payment in lieu of taxes for universities, hospitals and correctional institutions, also known as the heads and beds payment, has been unchanged at \$75 per student and bed since 1987. These payments do not meet the actual costs of municipalities to provide the necessary services for these various institutions, thus placing an unfair tax burden on their property taxpayers, jeopardizing the ability of these municipalities to meet infrastructure demands and weakening their ability to act as economic engines.

Applying the Bank of Canada inflation calculator results to the \$75 value of 1987 dollars becomes \$130.60 in 2012 to have the same value to our communities. This is another form of downloading that has required individual property taxpayers to make up the difference for over the past 25 years.

NOMA calls on the province to increase the payment in lieu of taxes to more accurately represent the cost of providing service to these institutions.

Municipal infrastructure funding: NOMA understands that fiscal pressures on municipal and provincial governments make it challenging to create new infrastructure funding programs at this time. However, investment in roads and bridges as well as other critical municipal infrastructure such as water and waste water, stormwater, transit, public housing and all of the other services that municipalities deliver to our citizens are investments in our quality of life that support continued economic growth and development.

We greatly appreciate the announcement of the funding increase from \$60 million to \$90 million for the Municipal Infrastructure Strategy, including the support for asset management planning. We are grateful for the recognition of critical repair and replacement needs while we wait for the next phase of a joint federal-provincial infrastructure funding program. We encourage the province to continue to provide funding support for vital municipal infrastructure needs regardless of the development of the new federal programs.

One size does not fit all; we want to take this occasion to remind you that each region of the province has its own unique challenges and opportunities. It is important to recognize those differences as you undertake your MPP and ministerial duties. The closure of a Service Ontario office in downtown Toronto may require a citizen to travel a few blocks extra to find the service they require, whereas the closure of a Service Ontario office in Rainy River requires an extra hour or more to travel to obtain the same services. The provincial policy statement on land use planning has entirely different implications in Ajax as it does in Atikokan. The closure of a tourism centre in Fort Frances impacts the promotion of tourism activities in the entire district. The cost of doing business in rural and northern areas is different than it is in an urban setting. An MPAC reassessment process that

reduces industrial property tax by millions of dollars can bankrupt small municipalities in the north. Infrastructure funding programs must be flexible to the needs of municipalities with limited staff and financial resources.

As you consider the proposed expenditures of the upcoming budget, please remember that our communities have unique needs. One size does not fit all. We do have a solution to generate revenue; we just need all three levels of government—municipal, provincial and federal—as well as our First Nations partners to work together to get this moving. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Ron. You've left about—

Mr. Ron Nelson: Before that, Mayor Canfield has a statement.

The Chair (Mr. Kevin Daniel Flynn): Oh, you've got more?

Mr. David Canfield: Just a couple things to add, going back to the Ring of Fire and the infrastructure needs there, it's about \$307 million to put the road infrastructure in. There are still arguments about who's paying for it and how it's going to go forward. The reality check is that if that was in the Golden Horseshoe, you wouldn't be arguing about it; it would have been done a long time ago. The fact of the matter is that the future of Ontario, the future of Canada, is in rural or northern Canada. The auto industry in the Golden Horseshoe is not going to be growing because they are moving, whether you believe it or not, and more of it is going to move. Hopefully we can sustain what there is, but the opportunities for Ontario and for Canada are in northern and rural Ontario, and that comes right from the president of the Chamber of Commerce of Canada.

The other thing I just wanted to touch really quickly on, when we talked about infrastructure and how one size doesn't fit all—this is an excerpt from the Crombie report. I happened to be going through my archives last week, and here was something that was said. I happen to be in one of the communities that had 18 bridges for a community of 15,000 people, and these are multi-million dollar bridges, not box culverts. One of the things that was put in the Crombie report:

“The subpanel recognizes that in certain sparsely populated areas in the province such as parts of northern Ontario and northeastern Ontario, it may be neither practical nor efficient to transfer responsibility for highways to local municipalities. In these areas the province should continue to play a role in the maintenance of the existing provincial highway system.” You have to take it seriously. Look at that. I think everybody knows about Kenora's bridge situation and some of the other infrastructure situations in small communities in northern and north-western Ontario, and I think this has to be looked at seriously.

The other one on endangered species, really quickly—as Mayor Ron said, it's already covered. One thing we're really good at in the province of Ontario is red tape and duplication. I happened to sit on the Minister's Council on Forest Sector Competitiveness. At that time, we were

the highest-cost jurisdiction in the world in the forest industry. We've come down slightly, but we're still right up there with the highest costs. The bottom line is, we have a great opportunity to rebuild that industry in Ontario, but if we're not competitive, the investments won't come here.

The Chair (Mr. Kevin Daniel Flynn): Very good. Thank you very much. You've left a little bit of time for questions: just over a minute. Michael or Catherine?

Mr. Michael Prue: Okay. In just over a minute, you quoted a figure there of \$307 million. Is that what you're looking for in this budget year, or is this a longer-term suggestion?

Mr. David Canfield: It's a longer-term. The whole point of the matter is, we're bickering over who's going to build the infrastructure in Ontario's future. If that future was close, like in the Golden Horseshoe, we wouldn't be bickering; it would already be done. This will be over a period of years. This won't be in the next budget. It will be over a period of years, but the fact of the matter is, that's where the revenues are. The province has to get on board and build that infrastructure.

Mr. Michael Prue: And is that \$307 million for highways or railways or both?

Mr. David Canfield: It's approximately—I believe it's around \$360 million to build the corridor that would go from the south and come out at Pickle Lake, because we also support the circle corridor, and there are a lot of reasons for that. There are a lot of First Nation communities that could benefit from this, and the reality check here is that it's going to be greener to put it through. The thing with the corridor is, if you're going to put in a rail system, it makes sense to bring the ore out. You still need the road corridor. Keep the corridors together. That resolves a lot of issues around caribou, around other things. So just keep the corridors together.

Mr. Ron Nelson: And the transmission.

Mr. David Canfield: And the transmission; all together.

Mr. Ron Nelson: All together.

Mr. David Canfield: One corridor.

Mr. Michael Prue: I think that's probably my whole time.

The Chair (Mr. Kevin Daniel Flynn): It is. You've got about 17 seconds left.

Mr. David Canfield: We can answer another one quickly.

The Chair (Mr. Kevin Daniel Flynn): We'll get down to the yes-or-no questions now, I think.

Thank you, gentlemen, for coming here today. Thanks for a great report.

Mr. Ron Nelson: Thank you.

ONTARIO REAL ESTATE ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): Our next delegation today is from the Ontario Real Estate Association, if you'd like to come forward. Make yourself comfortable; perhaps introduce your colleague. You get

15 minutes like everybody else. The questions this time, if there is time for questions, will come from the government side.

Mr. Johnmark Roberts: All right. Thank you.

The Chair (Mr. Kevin Daniel Flynn): The floor is yours.

Mr. Johnmark Roberts: Thank you. Good afternoon, everyone. My name is Johnmark Roberts. I am a realtor with B&B Associates Realty Ltd. here in Toronto and a member of the Ontario Real Estate Association's government relations committee. Joining me today is Matthew Thornton, OREA's assistant director of government relations. We would like to thank this committee for the opportunity to present our recommendations for the 2013 Ontario budget.

By way of background, the Ontario Real Estate Association is one of the province's largest trade associations, with over 55,000 member realtors in 41 real estate boards throughout the province. OREA was founded in 1922 to organize real estate activities and develop common goals across the province, including advocating for higher industry standards and promoting the value of property ownership.

We are pleased to note that two of our member boards presented to this committee in Windsor and Ottawa. These presentations demonstrate the importance that realtors assign to engagement with our elected members of provincial Parliament.

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Our presentation will focus on two realtor recommendations for the 2013 Ontario budget.

The first is one most members of this committee are familiar with, that of electronic signatures and electronic agreements of purchase and sale. Our member boards in Ottawa and Windsor discussed this issue in their presentation, so I'm not going to go into too much detail on our proposal. In addition, many of you have either met with OREA staff or participated in yesterday's second reading debate on MPP Todd Smith's Bill 28, the Electronic Commerce Amendment Act.

As you know, we're asking the province to remove the exclusion for agreements of purchase and sale from the Electronic Commerce Act. It is a relatively simple legislative amendment that will protect the use of modern technology during one of the most important parts of a real estate transaction. I am happy to report that we have received broad support from all three political parties on OREA's proposal. We recommend that the government include our proposed amendment in the 2013 Ontario budget.

Our second recommendation addresses the issue of the municipal land transfer tax. OREA has learned that some large urban mayors are lobbying the province to acquire new revenue-generating tools. One option being considered is that of a municipal land transfer tax. Our recommendation on this issue is clear: We urge the government of Ontario to refrain from granting land transfer tax powers to municipalities in the provincial budget. If additional revenue tools are to be considered moving

forward, OREA strongly recommends that the municipal land transfer tax be excluded. Our opposition to the tax is based on the fact that the municipal land transfer tax is unbalanced, unfair and economically irresponsible.

First, the tax is unbalanced. We believe that homeowners in Ontario already pay their fair share of taxes. As you know, every homebuyer in Ontario pays one land transfer tax to the province. The tax is paid at closing and cannot be added to a mortgage. Instead, land transfer tax comes out of the down payment a buyer has worked so hard to save or the equity a family has worked so hard to build. For the average resale home in Ontario, a homebuyer will pay about \$4,200 in provincial land transfer tax. A homebuyer in Toronto pays double the land transfer tax: one to the province and one to the city. As a result, someone buying an average-priced residential home in Toronto faces a tax bill of \$12,000 dollars, paid up front at closing and not financeable.

Not surprisingly, according to a recent Ipsos Reid poll, 70% of Torontonians support repealing the Toronto land transfer tax. If the tax were to spread outside of Toronto, Mississauga homebuyers will pay \$10,000 dollars on an average-priced home, homebuyers in Vaughan will pay \$17,200 and Oakville buyers will pay \$17,400.

It is not very hard to see why municipal politicians want the ability to levy a land transfer tax: heaping thousands more on to the tax bills of homeowners will certainly raise revenue. But homeowners already pay their fair share of taxes, most notably through residential property taxes.

Property taxes make up the majority of municipal budgets right across the province. In Toronto, residential property taxpayers contributed \$2.15 billion in 2011 to city coffers, amounting to roughly 20% of all city revenue. The average Toronto homeowner pays over \$2,500 annually in property taxes which go towards city services. Property taxes, provincial or municipal land transfer taxes are all paid by homeowners. We are here today to say Ontario homeowners already pay enough taxes.

Mr. Chair, Ontario realtors also oppose this tax because it is unfair. A municipal land transfer tax forces a small segment of taxpayers to fund municipal services enjoyed by everyone. It is fundamentally unfair.

Each year, a small percentage of Ontario homeowners will move for different reasons: a young family with a baby on the way who needs more space; aging seniors who need to change their lifestyle; or, heaven forbid, a family breakup. It is unfair, and wrong, to expect these people to shoulder so much burden in taxes for no additional services.

The final reason Ontario realtors oppose the spread of the municipal land transfer tax is because it is economically irresponsible. More specifically, the tax is bad for the housing market and it restricts the mobility of homeowners. A 2012 study by the C. D. Howe Institute found that the Toronto land transfer tax caused an annual 16% reduction in home sales relative to other municipalities in the GTA that do not charge a second land transfer tax.

When you consider how important Ontario's housing market is to the provincial economy, 16% fewer home sales is concerning. Last year, for example, the resale housing market in Ontario generated \$7.7 billion in consumer spending, creating 60,000 jobs.

Some have questioned the C.D. Howe's conclusions regarding the effects of the city land transfer tax, pointing out that Toronto's housing market has been strong over the last few years. To be clear, C.D. Howe's study was not disputing the strength of the market. Instead, the study compared Toronto's housing market to municipalities on the city's borders, like Vaughan, Pickering and Markham. This comparison revealed that Toronto's housing market, strong as it was, suffered relative to bordering municipalities thanks to the city land transfer tax. In fact, home sales were down by 3,500 units. As a result, Toronto's economy missed out on \$140 million in ancillary economic activity that comes from home sales.

The study also found that the tax has hit people who are buying homes at prices below median levels particularly hard. In fact, C.D. Howe found that the number of transactions, where the average sale price was below the median, fell by 25%, not 16%.

So what would a municipal land transfer tax do to the housing market in Mississauga, Hamilton or Windsor, where median home prices are significantly below that of Toronto? What would it do to homeowners? The answer is, the tax would hurt them both.

Finally, a municipal land transfer tax is bad for homeowner mobility, further evidence that it is economically irresponsible. For example, we are all tired of the traffic congestion that plagues Toronto and the entire region. Not only does it affect our quality of life, but the pollution generated by automobiles is bad for our health and our environment. Reducing the amount and length of commuting between work and home is a key part of solving this problem. That means helping people to live close to their jobs. The municipal land transfer tax does the opposite by creating an incentive to live outside the tax jurisdiction, farther from city jobs, where homebuyers don't have to pay the additional tax. For example, a recent Ipsos Reid poll found that 75% of people in Toronto and the 905 regions who are expecting to move are more likely to relocate outside of Toronto specifically because of the Toronto land transfer tax.

Ironically enough, a tax that some urban mayors are calling for to pay for transit and infrastructure ends up putting more pressure on transit and more pressure on municipal roads as homeowners decide to commute instead of move. The city of Toronto agrees that the municipal land transfer tax is a bad option for easing traffic congestion. In a recent study into potential new revenue tools to fund transit improvements, the city ranked the land transfer tax low in terms of reducing congestion, increasing intensification and transit use.

To conclude, we oppose the spread of the municipal land transfer tax because it is unbalanced, unfair and economically irresponsible. As such, we urge the government of Ontario to refrain from granting land transfer tax powers to municipalities in the Ontario budget.

Thank you very much, and I'd be happy to take any questions that you might have.

The Chair (Mr. Kevin Daniel Flynn): Great, thank you, Johnmark. It goes to the government's side, about four minutes and a little bit. Soo?

Ms. Soo Wong: Thank you very much for your presentation. I just want—because this issue of the transfer of the municipal tax to the real estate fees in the city of Toronto was raised by previous speakers. I just want to get some clarification, because our staff here has provided some background information for the committee. I want you to answer just “yes” or “no” so I can ask more questions.

According to this report to us—just to share with the committee—some of the factors that influence the city of Toronto real estate market are not just the price, the mortgage rules, the interest etc.—they do not see the municipal land transfer tax as the only indicator as reducing the real estate market. So I want you to clarify that because it's very clear that your organization opposes this land transfer tax. But according to the research that we've been given, it has not affected the sales of homes in the city of Toronto since its introduction in 2008.

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Mr. Johnmark Roberts: I'll speak to that. There has been a decrease in volume in regards to the number of units being sold. Prices are up. We still have buyers there. The issue is that the Toronto real estate market is kind of unique and we have, according to CMHC, a need of 20,000 new households every year in the marketplace. That's new households. As a result of that, you've got to house that. The condo marketplace, by and large, has been contributing 15,000 to 18,000 units and then other forms have been doing the other. We have a built-in demand, so we always have the buyers. The market is relatively strong because, by lack of volume, the prices are staying elevated.

Ms. Soo Wong: Can you share with us how—I can't speak for the city of Toronto when they passed this piece here. According to notes here, last year, the city of Toronto generated \$354 million because of the land transfer tax. So how would the city of Toronto or any other municipality, should they wish to have this kind of tax, cover for this type of revenue generated from this tax?

Mr. Johnmark Roberts: It's fine in a good marketplace. If you get a downturn in the marketplace, they can't rely on that amount of money all the time. We've had a relatively strong market, and it has stayed strong in the Toronto area. Other municipalities are totally different. If you look around Ontario, it varies considerably as to where the real estate market is. As I say, we have certain factors within the Toronto market that make it unique in regards to maintaining a certain level. We've stayed in a sellers' market, the prices have stayed up, and we're still moving relatively good, volume wise. But at the same point in time, we are seeing—a lot of it has been put down to the land transfer tax—decreases in the volume in Toronto specifically.

Ms. Soo Wong: Do I have time?

The Chair (Mr. Kevin Daniel Flynn): Yes. You've got about a minute left.

Ms. Soo Wong: Okay. According to the report that has been shared with us, the land transfer tax is considered a progressive tax. I want to hear your comments. I mean, no one wants to pay tax. There's a perception that tax is bad, but we have infrastructure demand and pressure; there's the health care issue. What would your organization see as another form of progressive tax?

Mr. Matthew Thornton: I'll take that one, Johnmark. I think there are a number of options that are being considered publicly. The Toronto board of trade, for example, came forward with a proposal. I'm not saying that we endorse any of those options that they put forth. What we are saying, though, is that of all the options that are on the table, the land transfer tax is the worst option for the reasons that Johnmark outlined in this presentation. That being said, we don't endorse any particular new form of revenue, but we recognize that there's a strong need for something to be done to address the transit issue and the traffic congestion issue here in the GTHA.

Ms. Soo Wong: Okay, thank you.

Mr. Johnmark Roberts: In that respect, our principles are that we know these taxes are coming. We know we need to support the infrastructure, but we would hope that anything that comes in will be fair and equitable across the board. This tax hits a small percentage of people. It hits people in the transitions—sometimes in making those transitions, either up and down in the real estate market, because of needs outside of their control. The bottom line is that a lot of people now—I know in my own clientele—aren't moving because of the cost.

Ms. Soo Wong: Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Thank you for coming today.

ONTARIO FEDERATION OF LABOUR

The Chair (Mr. Kevin Daniel Flynn): Our next delegation this afternoon is from the Ontario Federation of Labour. The agenda lists Sid Ryan as coming, but we're joined today by Irwin Nanda and Brynne Sinclair-Waters. If you guys would make yourselves comfortable, you've got 15 minutes, like everybody else. If there's any time left over at the end of the delegation, it will go to the Progressive Conservative Party. That being said, Irwin, the floor is all yours.

Mr. Irwin Nanda: I remember I did this last time and, for some reason, I was really loud. So if I get really loud, just let me know and I'll lower my voice. Do you remember that? I didn't realize the mike was that—and I'm naturally loud.

The Chair (Mr. Kevin Daniel Flynn): I think it was set at Sid level.

Mr. Irwin Nanda: Oh, then it must be okay.

The Ontario Federation of Labour, which represents over a million workers in Ontario, welcomes this opportunity to comment in advance of the 2013 Ontario

budget. This is a critical budget for the people of Ontario. The provincial government can either continue to implement a discredited austerity agenda or it can embrace a new path, one that preserves public services, helps create good jobs and builds, in the words of the Premier, a fair society.

The OFL lays out its austerity agenda in greater detail in the attached green paper, and you'll find what I'm speaking from in there. It's entitled *Toward a People's Budget* whereby we debunk many of the common myths supporting the public policy drive for austerity.

Specifically, we challenge the myth that the government can no longer afford to provide the same level of services in Ontario. In reality, Ontario's already at or near the bottom compared to other jurisdictions when it comes to per capita spending on a wide array of public programs and services.

As Nobel Prize-winning economist Paul Krugman says about the American deficit, "The deficit is a side effect of economic depression, and the first order of business should be to end the depression, which means, among other things, leaving the deficit alone for now." In other words, the deficit in Ontario was caused by the recession, not government overspending. Cuts to public spending and public services are not necessary and are not the path to economic recovery.

Consider also a recent Canadian Centre for Policy Alternatives, Ontario report, demonstrating that since the recession, the actual increase in accumulated deficit as a share of GDP has been moderate and is certainly manageable.

Our green paper proposes that as a province we must address increases in both income inequality and precarious work. Between 1981 and 2012, Ontario experienced the largest change in income inequality anywhere in Canada. In percentage terms, this came to 17.2%. At the same time, more Ontarians are working in precarious jobs. According to a report by the United Way and McMaster University, precarious work has increased by 50% in the GTA and Hamilton over the last 20 years.

Spurring economic growth and creating good jobs is the preferred budgetary approach for addressing income inequality and putting Ontario back on the right economic and fiscal path. The province must pursue a bold strategy that proactively supports key sectors in the Ontario economy that foster innovation, invest in sustainable products and practices and create good jobs. On this issue, the Jobs and Prosperity Council has offered some positive recommendations, including working with key stakeholders to strengthen the manufacturing sector in Ontario through research and training programs. Efforts to encourage local procurement should also be explored, particularly as part of the initiatives to rebuild Ontario's aging infrastructure.

Expanding the conversation: While these are some of the Ontario Federation of Labour's ideas, we respect that we do not have a monopoly on good ideas, so we are doing what we believe the government should have done. We've created a people's budget consultation. To date,

we have travelled to seven cities in Ontario—Brampton, Ottawa, Sudbury, Thunder Bay, Kitchener-Waterloo, London and Toronto—with consultations in Hamilton and Windsor to take place next week. When the process is over, we expect to have heard oral presentations from over 100 organizations from across the province. Each event has also been attended by an average of 50 community members who are also given the opportunity to ask questions and contribute their ideas. We have also solicited and received written and online submissions from Ontarians on our website.

By contrast, this is the second year in a row that a thorough process for pre-budget hearings has not been observed. Last year, no pre-budget hearings took place. This was considered an exceptional circumstance, but the consultation process has been truncated once again this year.

This year, consultation has only taken place in four cities—Windsor, Timmins, Ottawa and Toronto—compared to six cities in 2011. The timeline for preparing submissions was also short. The consultations were announced on March 5 and Ontarians were given three days to apply to make an oral presentation. Moreover, written submissions had to be made by March 22, giving individuals and organizations only a short time frame for preparing submissions. An online form for making submissions was available, but this avenue for providing feedback could have been better promoted if the government truly wanted to facilitate a genuine participatory consultation with Ontarians.

We are concerned that the government is moving away from processes that allow for meaningful public participation in the budget process. Consultation with the public should be a top priority. Meaningful engagement with Ontarians will help to facilitate public policy that reflects the public interest. We, therefore, strongly recommend that the government extend its consultation process to allow more time for citizen input—at least by telephone and via the web.

What are we hearing? Through our consultations so far, Ontarians have brought forward an impressive array of ideas, shared stories on the impact of the austerity agenda and proposed thoughtful recommendations for moving forward in a new direction. We have heard about conditions in Ottawa schools that create an unacceptable learning environment, financial barriers to healthy eating for low-income people receiving social assistance in northern Ontario and an unprecedented number of children who spent Christmas Eve in a shelter in Kitchener.

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While we will be sharing more of these stories, along with our recommendations, in a forthcoming white paper, we want to briefly highlight some of the key discussion points. Throughout the province and in feedback we have received online, the priority issues for Ontarians are job creation, poverty alleviation and the need to create a fair society. Four specific recommendations have come up regularly in all our consultations.

Increase the minimum wage: Minimum wage workers today earn \$10.25 an hour and are living 19% below the

poverty line. A minimum wage benchmark at 10% above the poverty line would be \$14 an hour. The minimum wage should also be updated every year with the cost of living. In Canada, three provinces or territories—Alberta, Nova Scotia and the Yukon—already adjust the minimum wage each year according to the consumer price index.

Invest in infrastructure: Our schools, public transit systems and water infrastructure are badly in need of updating and investment. Beyond being a necessity, these investments create jobs, improve the environment and health of our cities and towns and contribute to economic growth. It is estimated that traffic congestion costs the greater Toronto and Hamilton area \$7 billion a year in lost productivity.

Support young Ontarians: The need for good jobs is particularly urgent for young Ontarians. At the end of 2012, the unemployment rate in Ontario was 7.8%, while for youth it was 16.9%. Unfortunately, unpaid internships have become commonplace, and when young people do find work, it's more likely to be temporary and short-term. In addition, the cost of tuition at Ontario universities is among the highest in Canada, and student debt weighs young people down as they come into the labour market. It's time to take seriously students' demands for a real reduction in tuition fees by 30% over three years and invest in programs that will help young people find meaningful employment.

Fair taxation: Years of tax cuts have disproportionately benefited the wealthiest citizens and corporations. We have not seen the mythical trickle-down effect in either economic growth or jobs. It's time to listen to those calling for a fair taxation system, which would include rolling the corporate tax rate back to 14%—Ontario rates would still be lower than in all US jurisdictions—increasing taxes on those making more than \$250,000 per year and working harder to collect the more than \$2 billion in unpaid taxes.

In conclusion, we point to the growing body of evidence and feedback from Ontarians that austerity is not working. In the United Kingdom, austerity measures are leading to an unprecedented triple-dip recession. In Europe, where youth unemployment has reached over 25% in 13 countries, austerity has created a lost generation. Even the International Monetary Fund has acknowledged that the negative impact of austerity is much greater than anticipated. In late 2012, the acknowledgement in the United States that spending cuts were not what their ailing economy needed demonstrated that some lessons had been learned from the European experience.

In Ontario, it's time for a budget that rejects the self-defeating approach and builds a fair society, creates good jobs and grows our economy. Ontario has the fiscal capacity to do this, and it's the only way back to economic growth. As we learned in the 1930s, we cannot cut our way to growth. It's time for a budget that puts people first. We look forward to sharing our more detailed white paper with the government in early April.

The Chair (Mr. Kevin Daniel Flynn): That's great. Thank you, Irwin. You've left about four minutes for questions, and those questions go to Peter Shurman.

Mr. Peter Shurman: Irwin, good to see you again. We've sat opposite each other a couple of times. There are many things that we actually agree on, and there are a lot of things we will disagree on. In four minutes, we can't begin to explore, but I can tell you that my party also looks at jobs and a fair society and poverty reduction as priorities. I think what we disagree on is the way that we get there.

For example, in the last couple of minutes of your presentation, you talked about the fact that corporate tax rates should go back up to 14%, because that would still make us a lower-taxation jurisdiction than US jurisdictions—generally; most US jurisdictions. Meanwhile, I would love you to react—because I think you represent some of these workers—to the fact that we just heard that we're losing the Camaro production line out in Oshawa to Michigan, which is a right-to-work state, because General Motors thinks they can produce Camaros just as well as Ontarians can, but it's going to cost them less. So this is an issue of competition with one of those jurisdictions you're talking about.

We feel, in our party, that we should be proceeding along the path that was originally charted by the government, which was to go to 10% and make us equal with other Canadian jurisdictions, not better than. Please comment.

Mr. Irwin Nanda: Sure. First of all, in terms of the plant moving, it was already agreed to move before Michigan became a right-to-work state, so I don't think it had anything to do with that. So we want to correct that.

I think the other thing is, the bank governor was already clear. He said there's half a trillion dollars that has been taken out of taxpayers' pockets over the last four years with the corporate tax cut. They're sitting on a half a trillion dollars and not reinvesting it.

If we started reinvesting it in Ontario—we have the money to do it. We will have to get these businesses to take that half a trillion dollars and reinvest it in Ontario. We will be competitive and we are competitive.

Mr. Peter Shurman: Well, let's talk a little bit about taxpayers' pockets. Our party and, very particularly, I put forward a bill that would mandate a legislated wage freeze for two years to get us back on a level playing field. I heard your organization and Brother Ryan for many years talk about the level playing field when maybe it was imbalanced and in disfavour to unions. Now people would argue, and I argue, that there is an imbalanced playing field, and it's in your favour.

What do you have to say about that? Because the bottom line is, we think that taxpayers in Ontario who don't have, for example, defined benefit pension plans or indeed any pension plans, and who are hard pressed to pay, and who are beset, as you are, with unemployment to the tune of 500,000 or 600,000 of our fellow Ontarians—we're paying the shot for this, and you people have become the new elite. I said that to Smokey Thomas this morning. Why don't you react to it?

Mr. Irwin Nanda: Well, I'll disagree that we're the new elite. I think—

Mr. Peter Shurman: But you are.

Mr. Irwin Nanda: No. I guess the bigger question is, more people should have pensions, and I think what we have to do is take a look at: Where did our tax dollars go? We're talking about almost \$17 billion in corporate tax cuts. That's what we're talking about, what the deficit of the government is right now. If we were to reintroduce that, there wouldn't be this problem.

You have to remember, when you invest in the community, in social programs, that only helps the economy because it gives jobs. If there aren't half-decent paying jobs, then there will be nobody there to buy the manufactured product that your government so willingly wants to do and that your party wants to do as well.

Mr. Peter Shurman: Oh, would that it were my government. One of these days, it will be. But the bottom line is, we had a discussion this morning that used the word "austerity" and used the word "efficiency." I think that both of those words have to have some adjustment required.

I believe that there's enough money coming into the Ontario government coffers at this point to do many of the things, if not most of the things, that people like yourself are coming before this committee and saying they should do. I think that the money is misspent; I think that it has been misspent for the last nine and a half years.

That being the case, why can't we have a government that properly addresses the exigencies of the day, rather than having people come forward, whether they represent union labour or the hospital sector or the municipal sector—anybody else—and deal with it by efficiencies rather than talking about austerity? We haven't had austerity because we've got a government that spends like a drunken sailor. You can react to that one, too.

The Chair (Mr. Kevin Daniel Flynn): It'll have to be a very short reaction.

Mr. Irwin Nanda: Well, again, I'm not going to talk about what the government's doing. It's clearly—

Mr. Peter Shurman: It's my job.

Mr. Irwin Nanda: Yes, I know. It's our opinion that it's the corporate tax cuts. It's not the workers or the social programs that have caused the deficit; it's the corporate tax cuts that have caused it, and it's about time we reinvest in Ontario.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Irwin. Thank you both for coming today. Thank you for your presentation.

ONTARIO UNDERGRADUATE STUDENT ALLIANCE

The Chair (Mr. Kevin Daniel Flynn): Our next presenters today are the Ontario Undergraduate Student Alliance. Rylan, if you'd like to come forward and introduce your—

Ms. Isabelle Duchaine: Isabelle.

The Chair (Mr. Kevin Daniel Flynn): Isabelle, come on forward. Make yourselves comfortable. Once you're

comfortable, you get 15 minutes like everybody else. If there are questions, those questions will come from the NDP. It's all yours.

Mr. Rylan Kinnon: Well, first of all, we'd like to thank the committee members for providing OUSA with the opportunity to present to you today. OUSA, the Ontario Undergraduate Student Alliance, represents over 155,000 undergraduate students at nine student associations at eight universities across Ontario.

I'm Rylan. I'm the executive director of the Ontario Undergraduate Student Alliance.

Ms. Isabelle Duchaine: I'm Isabelle. I'm the academic affairs commissioner of the Alma Mater Society of Queen's University, a fourth-year history student and a steering committee of OUSA member.

Mr. Rylan Kinnon: Post-secondary has been, and will continue to be, crucial to Ontario's economic success. This is why students believe that Ontario's 2013 budget must make investments to increase the affordability and accessibility of Ontario's post-secondary system, and invest in supports to help students succeed during their time in post-secondary and upon graduation. To achieve these aims, Ontario's budget should prioritize a more affordable tuition framework for students, families and the government; investments to support students' mental health; measures to address rising youth unemployment; and opportunities to improve student mobility.

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When we last presented to the Standing Committee on Finance and Economic Affairs in June 2012, we made a number of recommendations, among them, the need for a conversation on transforming our post-secondary system. We were pleased when that discussion began last summer. The discussion centred around a number of key topics, including improving teaching quality, improving student mobility and improving productivity, amongst other issues. Students appreciated the need for these conversations to take place, as we have seen post-secondary costs for students increase significantly while quality has remained stagnant or declined.

Ms. Isabelle Duchaine: It is within this context of increasing cost and declining quality that students evaluated Ontario's tuition policy and looked at the implications for students and their families. The current framework allows for 5% increases, and as it comes as no surprise that tuition has increased the burden on students and families of financing a post-secondary education, costs to governments are also increasing. For students and families, increasing tuition costs have had significant impacts. Tuition has increased drastically above the increases in median family income. From 2001 to 2010, tuition increased by 28.1% in constant dollars, while median family income in Ontario only increased by 8.56%.

As tuition has increased, low-income university participation has remained stagnant, while high-income university participation has almost doubled, despite generous government investments in financial assistance.

In 2009, average Ontario undergraduate debt was \$26,700, with 64% of students reporting debt. Remember that this was in 2009, and since then we've had three years of consecutive 5% increases.

To meet rising tuition costs, students' in-study employment has increased, which is concerning as this has been linked to decreased academic performance. Studies demonstrate that up to 64% of undergraduate students are working during their studies, with many students working an average of 18 hours per week.

Mr. Rylan Kinnon: These impacts on students and their families are concerning and should in and of themselves be a cause for action and a cause to create a more affordable tuition framework. But also concerning is the cost to government of tuition increases, due to increases and cost to provide financial assistance, particularly non-repayable financial assistance. Non-repayable financial assistance is critical to ensure that all students can access a post-secondary education, but students believe that the cost to provide this financial assistance should not increase solely because tuition is increasing so significantly.

There are two programs that will see significant cost growth associated with an extension of the existing 5% framework. The first is the Ontario Student Opportunity Grant, which caps student debt at \$7,300 per academic year. If tuition is allowed to increase by 5% annually, and the current increases in the proportion of students accessing OSOG continue, we've projected that OSOG spending could increase by as much as \$180 million by fiscal 2017-18.

The other program that will see cost increases associated with tuition increases is the Ontario Tuition Grant. As the government has committed to ensuring that the Ontario Tuition Grant increases along with tuition, it's very clear that this will increase in cost as tuition costs increase. OUSA's projected that spending on the OTG will increase by \$80.5 million by fiscal 2017-18 if the existing framework is allowed to continue. So we will see \$260 million in additional annual spending on student financial assistance solely because of a framework that allows 5% increases.

Thus, we've recommended that tuition should be frozen for one year, and in any future year, tuition should not increase by more than inflation as measured by Ontario's consumer price index. By doing this, the government can address students' concerns about affordability and address a significant source of future cost growth.

If Ontario is to balance its budget by 2017-18, we should recognize the benefits of more affordable tuition for students and for the government.

Ms. Isabelle Duchaine: As a student at Queen's, I've heard increased dialogue on campus surrounding mental health. Our second focus is based on a concern that there is an increased demand for mental health support on campus that our universities are struggling to meet.

Students are particularly vulnerable to mental illness for a number of reasons. Firstly, the typical age of onset

for many disorders is between the ages of 18 and 24, meaning individuals will often have their first encounter with mental illness while attending a post-secondary institution. Secondly, for many students, college or university is their first experience living away from home and their established social support networks. Thirdly, post-secondary institutions are generally demanding, competitive, high-stress environments which can trigger anxiety and depression-related illnesses, especially when combined with the preceding two factors. Furthermore, due to increased outreach at the primary and secondary school level, Ontario has improved access to post-secondary education for students with mental illness, increasing their participation rates and thus increasing the need for mental health support during their studies. This achievement in itself is exceptionally noteworthy, but the next step is to ensure that these students are supported throughout their post-secondary studies.

With increasing use, it is no surprise that university counselling centres have also experienced increased wait times. Survey results demonstrate that a significant number of students wait in excess of a month to receive access to mental health services. Depending on the time of year and subsequent demand, students can be left waiting further months for a follow-up appointment. This finding identifies a significant resource shortage in providing counselling to students when they need it most.

Ensuring mental health support to post-secondary students is crucial from an equity and access perspective but it also makes sense from an economic perspective, as funding to improve student mental health has a substantial return on investment. Early interventions aimed at post-secondary students can lessen the future need for health care, with every \$1 spent on early health care treatment saving \$30 in terms of lost productivity and social costs.

As Ontario charts a path forward, small investments now that achieve both a social good and a fiscal efficiency are particularly wise choices. This is why students have recommended that the government should provide funding to hire two additional mental health counsellors at every post-secondary institution in Ontario. The estimated cost to government is \$8.4 million per year.

Mr. Rylan Kinnon: The next topic we'd like to discuss today with the committee is student employment and, more specifically, student unemployment.

Student employment is a particularly important discussion to be having when considering Ontario's budget and our economic situation more broadly. The government invests in post-secondary education, recognizing that there is a significant public benefit to having well-educated citizens who are able to contribute to moving Ontario's society and economy forward. Unfortunately, employment opportunities for students in Ontario are currently lagging. This is why students are recommending that the government develop and invest in a youth employment strategy.

First, as Ontario is coming out of the second-worst summer on record for student employment, this strategy

should address the need for a higher quantity and a higher quality of summer employment opportunities for students. Students use summer employment to cover their financial costs associated with their post-secondary education as well as to get experience that helps them get a job upon graduation.

This strategy should also address the need to provide students with higher quality in study and employment opportunities that have fewer negative effects on their academic performance. It also should address the need to expand opportunities for experiential learning. In particular, it should address the shortage of co-op positions available for students. Finally, it should address the need to encourage employers to hire recent graduates and invest in training them.

By investing in a strategy that recognizes the needs in these areas, not only are we recognizing the value of building on the province's existing investment in post-secondary students, but we also will help to move our economy forward.

Ms. Isabelle Duchaine: The last thing we're here to discuss today is credit transfer, which is the ability to move between one institution and another.

Students have long waited for improvements in credit transfer. At a time when the government is looking to improve the efficiency and productivity of our post-secondary system, students believe improving credit transfer is one of the best places to start. Our recommendations focus on improving credit transfer at a rate that has no cost to government and can significantly increase student mobility within our province.

Poor credit transfer is costly to students and the government. Students have to pay again for the same learning to take place, and so must the government, as it funds university on a per-course basis. Further, if a student takes longer to graduate because of repeating courses, the student takes longer to enter the labour market, and the government cost to provide financial assistance to that student also increases.

We recommend that the government should require first- and second-year university credits to be transferable system-wide. This is possible, given that all of Ontario's universities are part of a common quality assurance framework.

Furthermore, we recommend that the government should mandate that all per-course minimum grade requirements be set at the passing grade level. This would end the practice of taking credits at one institution, passing them at that institution, then failing upon being accepted to another institution, and having them not transfer back.

Mr. Rylan Kinnon: We look forward to working with the government to ensure that in 2013, Ontario provides better support to our students to help them excel while in university and upon graduation, while also addressing the need to rein in costs and spur economic growth.

There's additional information in the budget submission that you have in front of you, Unlocking Student Potential. And of course, we're happy to answer any questions the committee has.

The Chair (Mr. Kevin Daniel Flynn): Wonderful. The questions this time go to the NDP. You get between three and four minutes.

Ms. Catherine Fife: Thank you very much, and thanks for the presentation. Just in the last ask, around credit transfers, can you help us better understand what the resistance is? What has been the traditional resistance to allowing credit transfers in the province of Ontario?

Ms. Isabelle Duchaine: I would say that some of that results in a faulty perception of quality differentials between other academic institutions, so one university may be reluctant to say that their quality of education is the same as another one. However, it's important to note that there are no metrics of a certain quality throughout any institution in Ontario.

1500

Ms. Catherine Fife: Okay. I just want to thank you for bringing forward the mental health piece. It's a growing and emerging issue, and I'm thankful that at least people are talking about it across university campuses across the province. Michael?

Mr. Michael Prue: Yes. Just on the first issue again, is this anything to do with the Maclean's ranking of universities? Often when I read that I wonder whether the reality of those rankings bears any semblance to the truth.

Mr. Rylan Kinnon: I think what we find interesting on credit transfer is every post-secondary institution in Ontario is part of the same quality assurance framework. Every institution in Ontario has recognized that undergraduate programming at any institution in Ontario meets a certain quality standard. Again, we do think that perceived quality is getting in the way of improvements on credit transfer, but as Isabelle mentioned previously, we don't have any good metric to say that one institution is better than another; we just have perceptions that one institution is better than another.

Mr. Michael Prue: You're the first student group that hasn't come right out and said that the recent government initiative to reduce tuition by 30% that affects only a limited number of students should be changed to make a 17% reduction across the board, fair to all students. You haven't said that today and I'm wondering, is that your position? Do you agree with that, disagree with it? All the other student groups have said that.

Mr. Rylan Kinnon: I think our position is that we appreciate any new investment in non-repayable financial assistance. We know that tuition is a barrier for a number of students. We know that students have differing ability to pay for tuition, so our organization's position on this has been that a degree of targeting financial assistance probably does make some sense. We know that certain underrepresented groups have significant financial difficulty accessing post-secondary education, so providing an increased reduction for those students may make more sense.

With that said, we do believe that the OTG can be expanded, and we've worked with the government to expand the eligibility requirements. One of the initial recommendations we made to the government was that

students with disabilities should have six years of OTG eligibility, recognizing that it often takes them a little bit longer to complete their degrees. We were happy when the government took on that recommendation, and students with disabilities now have six years of eligibility. With that said, we are still working on and pushing the government to expand eligibility to other groups that we know are underrepresented in post-secondary education in Ontario.

Mr. Michael Prue: Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Michael, and thank you, guys. Thanks for coming. Great presentation.

Mr. Rylan Kinnon: Thank you very much for having us.

Ms. Isabelle Duchaine: Thank you.

ASSOCIATION OF MUNICIPALITIES OF ONTARIO

The Chair (Mr. Kevin Daniel Flynn): Our next delegation comes from AMO, a familiar face. Russ, if you'd like to come forward. Welcome to our committee. Make yourself comfortable. You have 15 minutes like everybody else. If you leave a little bit of time at the end, the questions will come from the government side.

Mr. Russ Powers: Thank you, Mr. Chair, and members of the committee. It's indeed my pleasure here to represent the 444 municipalities in the province of Ontario that provide municipal governance.

The next chapter has to be rooted in the ongoing economic challenges of getting to a balanced budget. We know the fiscal room of the province is limited. Investments will be needed to help drive jobs and the economy. Municipal governments get this. We see what happens when industry closes or reduces its production or cuts shifts, but we also know that when people work together things can change. We saw this with the 2008 agreement to upload the cost of social assistance benefits and court security costs over 10 years. It is vitally important to us. The property tax base is not the right tax to fund social programs; it never was and it never will be. We continue to applaud the upload agreement on an annual basis. We need to see its continued protection, without any slippage. The Premier has already committed to this.

We must also remember that significant costs of other social programs still remain on the property tax base, costs that should not be there—social housing, child care, long-term care and public health being the most significant. Those upload savings are not there to be eaten up by more provincial programs. A long list of ancillary policies and programs—new and old—service growth pressures, higher needs and inflation hit our bottom line and eat away at these savings. At the same time, we are struggling with massive infrastructure challenges.

I offer four themes today. First, municipalities are not all the same. Even in communities that are referred to as rural, they are not identical. The same goes for northern and urban communities. We have communities that have

been prosperous and are facing what we hope are temporary challenges, where a resource industry will rebound and new resource opportunities can be realized. We have communities that, unfortunately, given history and circumstances of geography and other factors, will require a much different kind of help. We have growing municipalities with different challenges still. Narrowing the gap between the relatively fiscally healthier and poorer communities must remain a constant and unambiguous aim.

The Ontario Municipal Partnership Fund is the main transfer equalization program. It helps many small rural and northern municipalities fund base services to Ontarians in those communities. They have a very limited assessment base and residents with low disposable household incomes. Helping those with greater need should be embedded in the OMPF grant formula; it is this very same group of municipalities that bore a \$25-million reduction this year and will face a further \$50-million cut over the next two years. This seems counterintuitive and even more so when those rural and northern municipalities with OPP servicing must now pay an 8.55% wage increase starting in 2014.

In addition, we are told that reconciliation will cease from 2011 onwards. Since 2005, reconciliation recognizes the difference between the projected and the actual municipal costs for social programs and policing costs. This year, 71% of the municipal Ontario Works benefit costs are still on the property tax bill, so if there are higher caseloads, it will be left to these property taxpayers to foot that bill too. This is occurring in communities that are already having economic hardships.

So, we have to ask the question, is 2014 really the best time to make another \$25-million cut to the OMPF? Does it make sense to cut funding for equalization, northern and rural communities and policing even further? This is coming at a terrible time for many Ontarians. Do we want to see property taxes rise and rise quickly? The impacts of going forward with the next \$25-million reduction could be more costly to the province—not to mention citizens—than the cut itself, so we say let's take the time to get the OMPF transition right and, in the meantime, restore reconciliation. Let's find a formula that is sound and which can deal with volatility.

Our second theme is infrastructure. Municipalities own 67% of all the infrastructure in this province. The infrastructure challenge is on top of all the other services we have to provide. We have to do this and more while collecting nine cents of every household tax dollar. While we need to have a much bigger discussion about how municipalities can achieve fiscal sustainability, it's safe to conclude that the municipal share should no longer be counted using the obsolete penny.

Building on some of my previous comments, different responses and tools are required to deal with the diversity of our challenges. AMO is heartened by the discussions in a variety of forums on how to pay for the urban transportation infrastructure needs of the GTHA and elsewhere. A plan to move people and goods through

urban Ontario will require vision, boldness and long-term commitments. No one can hide from it because to do so means even more lost productivity. Frankly, gridlock can no longer afford the start and stop of funding commitments of successive governments.

If there is a will to tap new sources of revenue to address congestion, then surely there is a will to use existing revenue tools to get the ball rolling. Even modest changes to the Development Charges Act would be a good place to start fixing the funding challenge. The range of tools being considered in urban Ontario, where the tax base is broader and the economy is stronger, cannot be transplanted to rural or small-town Ontario, including the north.

AMO and the province worked on a roads and bridges report in 2012. Its purpose was to do work that would help design a future program. We know the work was solid. What we now need is an envelope of funds to help deliver it. Moving agricultural products and extracted resources to market is part of the economic backbone of Ontario. It too cannot be left out of the equation. A successful solution to the infrastructure financing challenge is one that responds to this diversity.

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Achieving greater efficiency and effectiveness in the delivery of public service is our third theme. Earlier this week, the government introduced legislation to improve the municipal collection of Provincial Offences Act fines. It will put a significant dent in the total of unpaid fines that has existed for many years. We are pleased that all three provincial parties have voiced their support for these changes, and we look forward to speedy passage. It is also an example of mutual problem-solving.

Of all the services a municipality provides, none is more expensive than policing. Municipalities spend in excess of \$3.5 billion annually on a wide array of policing activities that has grown well beyond the core function of law enforcement. Sixteen years ago, the total cost was \$1.5 billion. This growth in cost is unsustainable. It hits your budget and it hits ours.

It is time to rethink how we deliver policing. What alternatives exist regarding core and non-core policing functions? What efficiencies can be found in the operations of the Ontario Provincial Police? AMO remains committed to working with the government and others on these issues. However, we cannot afford to wait long for solutions.

Accountability and transparency is the final theme. All municipalities, large and small, across Ontario are committed to changes to interest arbitration. Each MPP received our information about the changes that will bring transparency and accountability to arbitrators. A copy is appended to this presentation so I'm not going to go over the changes in detail, but I do want to go on the record that none of the proposals tabled in the House or in the government's draft bill, the Protecting Public Services Act, go far enough. In fact, we are concerned that these attempts could actually make the arbitration environment more challenging.

What we are interested in is a system that is fair, has balance for both employers and employees, and holds arbitrators to account for their decisions. Their interest arbitration decisions materially affect the fiscal situation of municipal governments and their taxpayers. What's wrong with accountability and transparency? What is wrong with giving some priority to local circumstances?

Let us remember that the Ontario municipal property taxpayers still bear the highest burden of any taxpayer in any province or territory. Property tax dollars in Ontario deliver more services than in any other Canadian province. This is a factor when industry and commerce scout locations.

In conclusion, there are many opportunities beyond those I've spoken about that can make a difference. The next chapter must be about empowering. It must be results-driven, not process-driven, and must include the availability of tools that make sense locally to achieve local priorities and needs.

Thank you, Mr. Chair.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Russ. Questions from the government? We've left about four minutes and a little bit.

No questions? You've been pretty clear.

Mr. Russ Powers: Thank you.

The Chair (Mr. Kevin Daniel Flynn): You must have done a good job, Russ. Thank you very much for being here today; we appreciate it.

Mr. Russ Powers: Thank you.

WELLESLEY INSTITUTE

The Chair (Mr. Kevin Daniel Flynn): I'm just being advised by the Clerk. It's probably best we move ahead.

The Wellesley Institute: Michael Shapcott. Michael, if you'd like to come forward.

Mr. Michael Shapcott: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Welcome. I'm sure you understand the rules. Fifteen minutes. Use that any way you see fit. If there's any time left over at the end, it all goes to one party. In this rotation, it will go to the PCs. I'll give you a little hint when you're getting close to the end.

Mr. Michael Shapcott: Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Other than that, the time is all yours.

Mr. Michael Shapcott: My name is Michael Shapcott. I represent the Wellesley Institute. We are a non-partisan and independent research and policy institute dedicated to advancing urban health. We're here today to urge this committee and, through this committee, to urge the Ontario government to use the next provincial budget to take leadership on housing and homelessness issues.

Before I begin with our three practical recommendations on how the Ontario government could actually achieve that in the next budget, we do want to note with thanks and acknowledge that on the second day of the new Wynne administration there was a very important announcement made in which the provincial government

announced it would pick up funding for the mental health and homelessness pilot project, the At Home/Chez Soi project, here in Ontario. This is a project that has used the "housing first" approach to end homelessness.

Some might say, "Why should the provincial government be picking up sustainable funding for a pilot project of the federal government?" but of course, we're glad the provincial government did and we're even more glad, in yesterday's federal budget, that the federal government has announced that it's now refocusing its national homelessness funding for Housing First. So we have a rare agreement between the provincial and federal governments that this is a very practical initiative to end homelessness for those who are chronically homeless.

So in that spirit of unanimity and of federal-provincial co-operation, we do have three very practical recommendations for this committee in terms of the upcoming provincial budget.

First, we're urging that the Ontario government restore housing and homelessness funding levels in the basket of housing and homelessness programs that it calls the Community Homelessness Prevention Initiative. This includes the former Community Start-Up and Maintenance Benefit and several other housing and homelessness programs. These were consolidated as part of the provincial government's Long-Term Affordable Housing Strategy in order to give municipalities greater flexibility in administering provincial funding. Of course, that's a good thing because municipalities are best positioned to know what local needs are, and they should have some flexibility. But unfortunately, when the consolidated program was announced in July 2012, there was roughly a 50% cut in funding that was available. It was capped. In particular, the Community Start-Up and Maintenance Benefit was cut by 50% as it was transferred over to municipalities. This is a small benefit in the scale of things, but one that's critically important for people who are making the transition from homelessness to housed.

At the Wellesley Institute, my colleague Steve Barnes, working with some of our community partners—we've been tracking the impact of these funding caps and restrictions since they were implemented in January. We now have 93 specific submissions from across the province on the impact. Some of the measures that we've heard—we've heard, for instance, that women trapped in homeless shelters are unable to leave shelters because they can't get their last month's rent deposit in order to move into housing. We've heard of people who can't afford to pay their rent or utility bills and therefore face eviction and indeed are evicted because they can't get access to basic homeless prevention measures. We've heard that people aren't allowed and aren't able to access things like furniture—basic furniture like cribs for their babies—because they're unable to have access.

This is a small fund in the scale of things. We appreciate that these are austere times and every dollar counts. We estimate that the cost of restoring full funding to the basket of housing and homelessness programs that were cut last July is about \$20 million to \$40 million in the

current year and possibly \$60 million and maybe as much as \$80 million in future years, depending on need across the province—a small amount of money, relatively speaking, for the province, but a huge impact on the lives of homeless people. So, our first recommendation is to restore full funding to housing and homelessness programs and ensure there are consistent standards across the province.

Our second recommendation is that we think that the upcoming provincial budget is an ideal time to implement the recommendation from last year's Commission on the Reform of Ontario's Public Services, the Drummond commission, that the provincial government take leadership in negotiating a long-term and adequately funded housing deal with the federal government.

Now, before yesterday, it would have seemed like a bit of an onerous challenge to take on this recommendation because the federal government was committed to terminating its national affordable housing initiative as of 2014, but in fact, in yesterday's budget, the federal government has announced an important—it's not, perhaps, adequate enough, but it's important—five-year extension of the national affordable housing initiative. So now Ontario has an excellent opportunity to use this as leverage to move where the Drummond recommendation recommended, which is, "Ontario should negotiate with the federal government to commit" funding for "a housing framework ... that includes adequate, stable, long-term federal funding and encourages its housing partners and stakeholders...."

Again, we're estimating that the exact amounts to be negotiated—about \$120 million would be required for the federal government both to meet its cost-sharing commitments under the federal announcement that was made in yesterday's budget and also to make the step towards this adequate, stable, long-term federal funding. So our recommendation is that the door has been opened in yesterday's federal budget; the Ontario government should move forward with that.

Finally, our third recommendation involves Infrastructure Ontario, which I think, strictly speaking, is not a budgetary matter because it's fully capitalized from the sale of provincial bonds, but since it involves money and this is the finance committee, we want to put this issue there.

In 2008, the provincial government announced a \$500-million affordable housing loan fund through Infrastructure Ontario. It has been very, very successful in providing financing matched with grants and other initiatives for a number of innovative housing projects. Just down the street, at the YWCA Elm Centre, there are now 300 women, children and aboriginal people who now have a good home, thanks to Infrastructure Ontario.

1520

They have not issued reports lately on exactly how much money is left in the \$500-million loan fund, but we think it's probably, if not fully committed, mostly committed. We'd urge that this committee, in turn, recommend that an additional \$500 million be capitalized

through the sale of provincial bonds so that that loan fund could be topped up. Again, it is a loan fund; it's not a grant program, so it is structured and paid back.

I'd say that the people of Toronto have a special interest in this because at the moment there's a negotiating deal between Infrastructure Ontario and Toronto Community Housing to provide incremental financing of \$94 million for Toronto Community Housing, which is a vital step in providing financial stability for what is the largest landlord in Ontario, preventing the sell-off of much-needed affordable housing and tackling a large and growing capital repair shortfall.

Our third recommendation is that Ontario should ensure the Infrastructure Ontario affordable housing loan fund remains fully capitalized at \$500 million and that it review its criteria to ensure adequate financing is available. Those are our three practical recommendations. Thank you for listening.

The Chair (Mr. Kevin Daniel Flynn): That's wonderful. Thank you very much, Michael. The questions go to the PCs.

Mr. Peter Shurman: We have nothing.

The Chair (Mr. Kevin Daniel Flynn): Very good. Thank you. You did another thorough job.

Mr. Michael Shapcott: Isn't that great? Thank you. I'll just take my water and go.

The Chair (Mr. Kevin Daniel Flynn): Okay. We're moving on to the next delegation, which is the Ontario Council of Agencies Serving Immigrants. Is Amy in the audience with us? No? How about the Koch Companies in Canada, Paul Brown? The Ontario Association of Non-Profit Homes and Services for Seniors? How about the two ladies in the front row? I'll make this shorter.

Ms. Lorrie Gillis: The Ontario Regional Wind Turbine Working Group.

The Chair (Mr. Kevin Daniel Flynn): Are you ready to go?

Ms. Lorrie Gillis: I can be.

The Chair (Mr. Kevin Daniel Flynn): Well, let's make your day shorter for you and ask you to go ahead.

Ms. Lorrie Gillis: I have handouts here.

The Chair (Mr. Kevin Daniel Flynn): Yes, we'll take care of that for you.

Ms. Lorrie Gillis: You may get to go home early today. Don't say it out loud.

The Chair (Mr. Kevin Daniel Flynn): I'd like to tell you that you were going to beat the traffic, but that doesn't happen much anymore.

Ms. Lorrie Gillis: No, I noticed that.

The Chair (Mr. Kevin Daniel Flynn): Traffic starts at 2 now. Okay, you must be Lorrie?

Ms. Lorrie Gillis: Yes.

The Chair (Mr. Kevin Daniel Flynn): Greetings, Lorrie. Thanks for attending the committee and thanks for agreeing to go early.

Ms. Lorrie Gillis: No problem. How early am I?

The Chair (Mr. Kevin Daniel Flynn): You're about an hour early.

Ms. Lorrie Gillis: There were people coming, actually, to hear me speak. Should I be waiting?

The Chair (Mr. Kevin Daniel Flynn): That's entirely up to you. I can't force you to go now. It certainly would help us if you went now. Are the people driving a long way?

Ms. Lorrie Gillis: Some of them are driving quite a distance.

Interjections.

The Chair (Mr. Kevin Daniel Flynn): Okay, I'll tell you what; why don't you step down and we'll deal with you later. We've got a bit of committee business we can deal with in the interim.

Ms. Lorrie Gillis: I can acclimatize. Thank you.

COMMITTEE BUSINESS

The Chair (Mr. Kevin Daniel Flynn): Katch is going to prepare us for what we can deal with now at the committee level. I understand some discussions have taken place. Michael, you have put a motion forward?

Mr. Michael Prue: Yes, I have a motion here that I would like to read into the record, and I have copies.

The Chair (Mr. Kevin Daniel Flynn): Can you hang on a second? Katch is going to make sure everybody has one in front of them.

Mr. Michael Prue: Oh. I had them all here, but anyway, he's got them too. That's even better.

I hope we get one too, since you did take them all.

The Chair (Mr. Kevin Daniel Flynn): I thought you had it memorized.

Okay, Michael, when the Clerk returns, the floor is yours.

Michael?

Mr. Michael Prue: Thank you very much, Mr. Chair. In view of the discussion this morning, I have prepared a motion that reads as follows: I move that the Standing Committee on Finance and Economic Affairs travel to the city of Thunder Bay for the purpose of holding a pre-budget consultation on Wednesday, April 3, 2013, thereby granting the northwest region of Ontario the ability to have their voices heard, and that the deadline for written submissions be moved from 5 p.m., March 22, to 6 p.m., Wednesday, April 3, 2013.

The Chair (Mr. Kevin Daniel Flynn): Thank you. You've moved that?

Mr. Michael Prue: I move that.

The Chair (Mr. Kevin Daniel Flynn): And—speaking to it?

Mr. Michael Prue: To speak to it, just very briefly: Yes, it is correct that there was an editorial comment and a front-page article in the newspaper in Thunder Bay upset at the fact that we were not visiting them. I do remember distinctly the subcommittee meeting and the discussion on the number of days that we would be travelling. Unfortunately, because the number of days was cut from five to three, Thunder Bay and London, Ontario were removed. It seems to me that, given the length and distance from Toronto that Thunder Bay is, it

is only right and just, since they do genuinely want us to appear there, that we do so, hence this motion.

It may also, Mr. Chair, at the same time, accommodate—and I leave this—I think there's going to be an amendment and also discussion from the subcommittee—it may give an opportunity to those 50 or so organizations that were not able to be heard in Toronto, should they wish to go to Thunder Bay, to get there as well. Plus, organizations such as the Federation of Urban Neighbourhoods, which missed the deadline, should they wish to travel to Thunder Bay—an opportunity for them to be heard if there are any spaces up there. It may accommodate a whole bunch of people who would not otherwise have been heard, and I so move.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much, Mr. Prue. Mr. Shurman?

Mr. Peter Shurman: Thank you very much, Chair. I'm anxious to speak to this, because this comes as a direct result of the government's request this morning to respond to Thunder Bay submissions that would be heard were we to be able to hear them, whether by teleconference or whether by going to Thunder Bay.

I want to point out a couple of things. First of all, when the subcommittee originally met and discussed travel plans, the first proposal that was made about having three days and needing to go east, north and west came from me; I said we should go to Ottawa—we did go to Ottawa. I proposed Thunder Bay as the northern position, and you can consult the Hansard on this. I proposed London in the west, and there was some discussion. It was agreed that we would go to other places. Timmins hadn't been a recipient of hearings for quite a while; we went to Timmins in the north and we wound up going to Windsor.

I have no problem with going to Thunder Bay. Like I said, I proposed it, but I think that the concept of the spirit of co-operation that we keep hearing about from Premier Wynne and from Minister Sousa, who, after all, is the recipient of the results of hearings like this—that we would co-operate and all work together—is bogus, because if they really wanted to go to Thunder Bay, they could have voted with me at the beginning and we would have gone to Thunder Bay.

I have nothing inherently against going to Thunder Bay, and I'm prepared to support the motion on the table about going to Thunder Bay, but I maintain that in a government that wants to propose that it is open and willing to co-operate—they haven't so much as given us an idea of when we can expect this budget or what kind of date structure we have. The whole idea that we're going to take extra time negates report writing next week, which was approved yesterday, on the 28th, because we'd probably be going on the 28th, if not after that—in fact, I think the motion does say April 3. We're going after report writing, so we're going to have to put report writing forward. Report writing would, therefore, be somewhere in what? The 10th, 15th, somewhere in there. When's the budget? I don't know. So I'm going to move the following amendment:

I move to amend the motion tabled by the NDP by adding the following phraseology: “provided that the Minister of Finance make public the date on which he will present the Ontario budget no later than 5 p.m. Wednesday, March 27, 2013, and that it be consistent with this travel schedule and respectful of the time required for the committee to complete its report.”

That’s my amendment. I believe it’s fair and just, and I’m sure that if there is discussion on any kind of a public basis, people would generally agree.

The Chair (Mr. Kevin Daniel Flynn): Before you speak to it, Peter, we need to get some copies made.

Mr. Peter Shurman: I’d be happy to do it. I have copies of it.

The Chair (Mr. Kevin Daniel Flynn): We’ll take a short recess while some copies are made. It shouldn’t take more than five minutes, so don’t go too far.

The committee recessed from 1531 to 1538.

The Chair (Mr. Kevin Daniel Flynn): Okay. Let’s call back to order again. Everybody’s got a copy of the amendment now.

Peter, you had the floor when we left. Did you want to speak to the amendment at all?

Mr. Peter Shurman: Only to say that I think it is entirely fair, given the fact that if there is a dissatisfied stakeholder or stakeholders in Thunder Bay or anywhere else who wanted to address us by teleconference, we could even have done it now in the time we’re taking on this motion and amendment. We’re not doing that. We could have gone to Thunder Bay. We didn’t take a full day in Timmins as it turned out. We didn’t do that—based on a proposal that I had that we go to Thunder Bay.

We are now looking at an amendment that attaches a reasonable condition. In fact, it isn’t a condition that I even take any pleasure in asking for because a reasonable person in the position of Minister of Finance would already have told the constituents of the province of Ontario and the other parties that he’s supposed to be co-operating with what the date of the budget would be. Instead, we have some idea that it’s going to be some time after April 16. For all I know, it’s in bloody June. So I’ve proposed the amendment, and it’ll carry or it won’t.

The Chair (Mr. Kevin Daniel Flynn): Any other speakers to the motion? First Steve and then Catherine.

Mr. Steven Del Duca: First, I guess I would begin by saying how happy I am to hear from both of the parties opposite, in response to the discussion that we put forward this morning, that there’s general agreement that it’s important to make sure that we hear from folks in northwestern Ontario, so that we make an effort to get to that part of the province so those folks have the opportunity to make their voices heard.

A couple of things have come up in the discussion this afternoon regarding this particular amendment to the original motion put forward by Mr. Prue, and this amendment—I’ve heard stuff come from the folks opposite about needing to know what the date of the budget is.

I just want a clarification. If I understand the amendment properly, what’s being asked for here is that this

committee will only go to Thunder Bay if the Minister of Finance discloses the date of the budget by Wednesday, March 27 at 5 p.m. In other words, the PC caucus opposite is saying that if they don’t get that information, they’re not interested in hearing from the people of northwestern Ontario. Can I just get a clarification on that? You’re saying, if you don’t get the date of the budget by this date that’s in the amendment, you’re not going to go to Thunder Bay?

Mr. Peter Shurman: If I may, sir, I’ll respond.

Mr. Steven Del Duca: So I understand it.

Mr. Peter Shurman: The motion talks about travelling.

The Chair (Mr. Kevin Daniel Flynn): Are you finished now, Steven?

Mr. Steven Del Duca: I’m finished for now, but once I understand this more clearly, then I can probably speak a little bit further to it.

The Chair (Mr. Kevin Daniel Flynn): Okay, let’s go to Catherine, then we’ll go back to you, Peter.

Mr. Peter Shurman: Sure.

The Chair (Mr. Kevin Daniel Flynn): Catherine?

Ms. Catherine Fife: Thank you. I think that we have to acknowledge that the tight timelines primarily are because the Legislature was prorogued. We’re trying to cram a lot of consultation into a short amount of time. We’ve put forward this motion because we are generally interested in going to Thunder Bay and meeting with people and sitting down and listening to them. If we were to support this amendment, it ties a condition to our intention and we don’t want to do that, so we’re not going to be supporting the amendment. We want to travel to Thunder Bay. We want to listen to the people there. We hope that actually this committee votes in favour of travelling to Thunder Bay and listening to the people there.

The Chair (Mr. Kevin Daniel Flynn): Okay, let’s go back to Peter, then Steven, then back to Monte.

Mr. Peter Shurman: I simply want to say that the record speaks for itself. I’ve mentioned several times and I’ll mention again that I proposed Thunder Bay. It’s not a question of whether we want to go to Thunder Bay and it’s not a question of whether we want to hear from Thunder Bay or London or Kingston or anybody else. It’s a question of a proposal here, a motion by the third party, by the NDP, that we travel—that’s the salient word here—to the city of Thunder Bay on April 3. We’re writing a report, as far as I know, the day after that, and we’re writing the first half of that report on the 28th of March before we’ve gone to Thunder Bay, if we go ahead with this motion.

So I have put the condition on it by way of saying: Look, if we’re going to put the whole process back, is there a point to this? Unless we know that we have, for example, until the—let’s pick a number—25th of April before we hear from the Minister of Finance, because if he’s planning to put his budget forward on—let’s pick another date—the 10th, there isn’t going to be any report that informs him. So let’s be realistic with the people of

Thunder Bay and everywhere else that these hearings actually have import and meaning and that they're going to be taken into consideration and inform the budget itself. That's why I have the amendment on the table.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Peter. Steven?

Mr. Steven Del Duca: Thanks, Mr. Chair. Now I do understand it a little bit better. I think it's safe to say that from our side's perspective, we are in support of the original motion put forward by the NDP.

The only other thing I just wanted to clarify—I know that I spoke to the member from Beaches–East York about this offline, but I just want to be clear that with this motion, the first portion of the report writing will proceed as scheduled on—I believe it's the 28th of March. I might be wrong about the date, but the originally scheduled date of March 20 is still going to be on track. And if that's the case, then—

Mr. Michael Prue: If I could, Mr. Chair, that is our intent, that we continue with the schedule. That was our intent.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Steven. Anything else?

Mr. Steven Del Duca: I'm done.

The Chair (Mr. Kevin Daniel Flynn): Monte?

Mr. Monte McNaughton: I'm okay, thanks.

The Chair (Mr. Kevin Daniel Flynn): You're good? Okay.

Let's deal with the amendment first. Any further speakers to the amendment? All those in favour? All those opposed? The amendment loses.

Going to the main motion now: Are there any speakers to the main motion moved by Mr. Prue? All those in favour of the main motion? All those opposed? That motion is carried. The subcommittee now may want to get together and just discuss the ramifications of what we did, just to make sure that—

Interjection.

The Chair (Mr. Kevin Daniel Flynn): Not now. I'm not talking about now.

Mr. Peter Shurman: Just tell me where you want to go.

The Chair (Mr. Kevin Daniel Flynn): After this, because we've got some advertising to do. Obviously, some of the details we would deal with typically in a subcommittee. It shouldn't take very long.

Mr. Michael Prue: We'd probably be out by 6 o'clock, approximately.

The Chair (Mr. Kevin Daniel Flynn): I suppose it has to be. Probably the sooner, the better, I would think, Michael, as much as I don't want to be here much after 6.

Okay, we've dealt with that. We've dealt with our housekeeping. Thank you for allowing us to do that. We're going to move on now to the Ontario Council of Agencies Serving Immigrants. No? The Ontario Association of Non-Profit Homes and Services for Seniors?

The Clerk of the Committee (Mr. Katch Koch): Koch company.

The Chair (Mr. Kevin Daniel Flynn): Oh, Koch company. I'm sorry. Is Koch company here yet? I just assumed they weren't. Let's go on.

ONTARIO ASSOCIATION OF NON-PROFIT HOMES AND SERVICES FOR SENIORS

The Chair (Mr. Kevin Daniel Flynn): The Ontario Association of Non-Profit Homes and Services for Seniors. I dropped their package off over here. It's the red ones underneath.

Thank you for coming. You've got 15 minutes to make your presentation. You can do anything you like with that time that's legal. At the end of that time, if there is any time left over, the questioning then will go to the NDP.

Ms. Donna Rubin: Okay, thank you. My name is Donna Rubin, and I'm the CEO of the Ontario Association of Non-Profit Homes and Services for Seniors. With me today is Dan Buchanan, our director of financial policy.

Our submission that's coming to you around the table provides input from the not-for-profit, long-term-care provider perspective on how we believe the long-term-care system can be improved and how it should be funded. The submission is in your package, and I'm speaking to a highlights document, a bit of a slide deck, so if you want to follow on that, I'm on slide 2, which is our key recommendations.

We believe there's a need for continued investment in long-term care, in particular funding to increase care staff. We want to simplify a complex and rigid funding system that currently returns millions of dollars back to the province—funds that were intended for care. We want to see movement on a viable capital program.

We've seen substantial investment in our sector over the last decade, both in base funding and funding for targeted positions, such as nurses and personal support workers. These investments have been welcomed, but they have been tempered by the cost of inflation and the growing acuity of our residents. We're seeing people being discharged from hospital requiring significant attention from limited staff in our homes.

If you turn to slide 4, we outline a bit the investments in core funding on the left, showing that there has been an increase on average of 3.5%. Within that, on the right, two of our key buckets or funding envelopes—the top one, nursing and personal care, shows an average increase rate of 3.9% annually. Not last year but over the decade, that has been the average. The other major envelope, other accommodation, which deals with utilities, laundry, dietary and so forth, has been increased by 2.4%.

While we're very sensitive to the economic reality of the province, we feel that we need to maintain the gains that have been achieved, and if we don't see a minimum increase of about 2% to our base funding, the result will be that we'll be going backwards. We believe that our recommendation is clearly aimed to protect the gains that have benefited residents.

I should pause to say that by no means do we see this as taking care of all of the needs in long-term care. Many of you, if you follow long-term care in the media, have been seeing the call for more staff on the floor, and we completely support that. This is not to increase our staffing levels dramatically. This is a maintenance-type budget that we're recommending.

On slide 6, we want to identify that the current funding model, through a series of changes, could be simplified to free up dollars that are already coming to the homes for care. Last year's budget signalled flexibility in our funding as something that needed to be achieved, and some steps were taken but further steps can be made. So we want to increase the gains that we've seen.

If you look at slide 7, I'm not going to go into this in detail but here is our current funding model. It's pretty complex and it's very rigid. The boxes on the left represent our buckets or budgets of funding, which we call envelopes. The top three are the care envelopes that are core to our funding. We receive the money. If you don't spend it, you give it back, and because you've got all these little budgets to attend to, you're giving money back to the government because you're trying to budget close to your envelope. You can't carry a deficit.

Most of the supplementary streams, or the pots below, have not been adjusted for many, many years—well over a decade, if not almost two. We're saying that some of this can probably go into core funding.

One last comment before I go on to a more simplified slide is the case mix index—that little diamond at the top. We receive our funding based on the type of clients that we take into our homes—their level of acuity. As well, you've probably seen media reports recently that talk about homes losing \$100,000, \$200,000 in their funding because their case mix or their clientele has shifted, and their funding's going down or going up. That can have huge consequences. If you lose \$150,000, you're laying off staff, only to be chasing them the next year when your funding goes up. And so we're trying to mitigate the huge instability and volatility in our funding.

1550

If you look at slide 8, here's what we'd like to see, a much more simplified model. I'm not going to dwell on it, only to say that that will go far to providing what on slide 9 are three key changes:

- collapsing the three care envelopes into one and then still having the accommodation envelope, which is where the profit or surplus can be taken out;

- have these two envelopes consolidate the “pots” into a streamlined system; and

- mitigate that volatility in funding year over year, mitigate it by half. That's our recommendation.

So what we'll see is a more efficient, flexible and stable system. We're going to keep more dollars going to resident care. We're going to increase efficiency and effectiveness of those existing dollars. And we're going to see stability in the system and a more stable work and care environment.

I have a couple of other recommendations that I just want to touch on as well. We think we need more

evidence-based policy and a way of showing a year-over-year acuity change that then could be tied to funding. Right now there isn't a measure for doing just that and that's a recommendation we're making for 2013-14, so you have a better way of knowing how much we should be funding this sector.

Finally, the last two recommendations: (a) a capital redevelopment program. One was announced a few years back and there was very little uptake because it didn't provide sufficient funding for the sector to move forward. And then, as well, (b), we need a minor capital fund. This will allow homes to access a fund for capital needs such as roof repairs and other structural changes. We've had one in the past; there hasn't been one for a number of years. The hospitals certainly have a fund called the Health Infrastructure Renewal Fund, to which they have access, and we'd like either to have the same access or a similar fund.

In summary, our key objectives are to continue to ensure base funding increases; improve the funding methodology and streamline that approach with more flexibility and stability; and ensure capital needs are being addressed.

As I indicated at the beginning, our recommendations are more thoroughly outlined in the attached written submission. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Wonderful. Thank you, Donna. You've left just over six minutes for questions. The NDP is first. The NDP is the only people, actually.

Ms. Catherine Fife: Thank you very much. And thanks for the presentation. I mean, the recommendations make perfect common sense. I've heard this also from the homes in my riding: just to simplify the funding streams.

There's an issue that comes up, though, every once in a while and it's around nutrition in homes and food and the budgetary allotment for nutrition. It's such an important issue in long-term care. Can you comment at all on nutrition in homes?

Ms. Donna Rubin: Well, the amount per day is just over \$7, and that is to feed residents through three meals and provide all their supplements, vitamins, snacks, that sort of thing that goes throughout the day as well. We did see a substantial increase at one point in time. Early in the 2005 time frame it jumped about 25%. Since then, the increments have been marginal. So at this point in time, I think people certainly can—we're asking for a 2% increase to that amount, which will be really pennies. But this is a large system—75,000 people and 630 homes—and even 10, 15 cents adds up.

Ms. Catherine Fife: Well, I'm sure even \$7—

Ms. Donna Rubin: It's not enough.

Ms. Catherine Fife: I can't even imagine the challenges of feeding very fragile patients with \$7—

Ms. Donna Rubin: You're right, and a variety of diets, anything that you can imagine in a hospital: lactose free and puréed and all of that.

Ms. Catherine Fife: Thank you very much.

Mr. Michael Prue: This is a little technical. Some of the wording here is a little technical, but I trust it's all good and we'll try to put it forward for you.

The question I have is have you had any discussions with the ministry from where this money might come? Is the finance committee to look for additional money or is this to be taken out of money for hospitals, which we've heard in the Legislature? They're being reduced so that that long-term care and/or CCACs or other organizations get the money instead. Did they say where they're getting this money from?

Ms. Donna Rubin: No, because they're not saying that they're funding this yet.

Mr. Michael Prue: Okay.

Ms. Donna Rubin: The 2% increase is new dollars. It's still significant. That would equate to about 2%. I identified about a \$2 increase in nursing and personal care and \$1 in the OA envelope. That equates to \$90 million.

Mr. Michael Prue: So, this conceivably could be an additional \$90 million so that you don't go backwards?

Ms. Donna Rubin: That's right.

Mr. Michael Prue: That's what we need to hear.

Ms. Donna Rubin: The other changes are low cost or no cost and don't even require legislative change. They could be done with a flick of a pen, and those are, I think, very viable changes that should be considered as well.

Mr. Michael Prue: Now, if you don't get that \$90 million—and I hope you do, but if you don't, could you tell us what—obviously you're going backwards—

Ms. Donna Rubin: We're going backwards.

Mr. Michael Prue:—so the food would get worse, the care would get worse, the—

Ms. Donna Rubin: Staffing we would have to reduce because our collective agreements are going up by 3% or 2% per year depending on the arbitrated settlements. That's the environment we work in, and we will be laying staff off. This is at a time when, as I said, we're in a continued spotlight that we barely have enough staff on the floor now.

If I recommended where I thought we should be, which was identified in 2008 in the Sharkey report, we would be right now at four hours of care. We're nowhere near that level. We desperately need staff, and we certainly don't want to lose the staff we have.

Mr. Michael Prue: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Donna, for coming today.

Ms. Donna Rubin: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you for being there.

Ms. Donna Rubin: You're very welcome.

Mr. Dan Buchanan: It was a pleasure.

The Chair (Mr. Kevin Daniel Flynn): Thank you for being supportive.

Okay. We'll call these two again. Ontario Council of Agencies Serving Immigrants—anybody here?

The Koch Companies in Canada?

Opportunities Mississauga for 21 Plus?

We're back to the Regional Wind Turbine Working Group. If you still want to wait for your folks, we can do that. If the subcommittee wanted to go and spend five minutes hammering out some details, we could do that as well.

Mr. Michael Prue: Then I move a recess for a period of about five to 10 minutes in order for the subcommittee to meet.

The Chair (Mr. Kevin Daniel Flynn): Okay. We're recessed.

The committee recessed from 1557 to 1614.

The Chair (Mr. Kevin Daniel Flynn): Let's call back to order.

Okay. If everybody could take a seat; we're going to get started again. I'm going to call, for the final time, the Ontario Council of Agencies Serving Immigrants. Not here? Okay.

Koch Companies in Canada? Not here.

OPPORTUNITIES MISSISSAUGA FOR 21 PLUS

The Chair (Mr. Kevin Daniel Flynn): We're going on, then, to Opportunities Mississauga for 21 Plus. Anybody from that group here? If you'd like to come forward, that would be great. If you would make yourselves comfortable, and when you are comfortable you will have 15 minutes to make your presentation; use that any way you see fit. If there's any time left over, there will be some questions. Questions this time will come from the Liberal Party. You have 15 minutes.

Ms. Rima Al-Salah: Good afternoon—

The Chair (Mr. Kevin Daniel Flynn): Oh, before you go on: If you could each introduce yourself as you speak, so the folks from Hansard know who's speaking.

Ms. Rima Al-Salah: Okay, well, I was going to introduce my group. We are Opportunities Mississauga for 21 Plus, a parent organization. With us we have Carla Bergmann, who's a parent and a board member; Ron Pruessen, who's also a board member, and he'll be speaking today; and Ross MacHattie, as well, is a parent and will be speaking today. My name is Rima AlSalah; I'm a parent and just here for support.

Mr. Ronald Pruessen: I'm Ron Pruessen. I'm on the board, as, indeed, all of us here at the front table are at this point. I appreciate the opportunity to be with you and to share some of our concerns about an issue that has motivated our group—concerned our family community group—for about 10 to 12 years now. We've gone through several stages.

We work in particular on the needs of adults with developmental disabilities. Indeed every one of us here is the parent of an adult child with developmental disabilities ranging in age from their twenties into their thirties.

We feel we have an important case to make for you as you deliberate budget decisions in the days ahead. We've made this case before, but we need to make it again. We feel, in fact, that we are in a situation that very much

amounts to a crisis situation as far as the province's services for adults with developmental disabilities are concerned and their families as well.

We know a lot about this. We have 180 families that are represented by our group in Mississauga. Between us—because of the fact that we have 24/7, week-after-week responsibilities for our adult children—we have at a minimum 7,000 years of experience with this issue if you add up the years that we have been responsible for our children and now our adult children.

There are days that we feel every one of those 7,000 years because we really have moved into a crisis situation on this front. Across the province, there are serious shortages of day activity programs, respite services and, perhaps in the worst case scenario, the residential programs that might be available for adults with developmental disabilities.

As some of you may know—as you should know—there are 12,000 people waiting for residential opportunities. Some 12,000 adults with developmental disabilities are waiting for residential opportunities at this particular point, many of whom have been on waiting lists for 10 and 20 years. Many of those 12,000 people are in families where the parents are now in their seventies and eighties and are still acting as the primary caregivers because there are no residential alternatives available.

There have been dramatic escalations of the problems connected with inadequate services for adults with developmental disabilities. As some of you may know—as you should know—there is an increasing problem with abandonment or, to use the official terminology which doesn't quite capture the crisis nature of the situation, "relinquishment-of-care" problems. The only way in which aging, strained parents carrying the burden of responsibilities can manage to deal with these issues and the pressures involved is to abandon care—adult children being left in emergency rooms at hospitals and the like. That's the crisis situation that confronts us at this point.

Ontario has long recognized the weaknesses in its services for the needs of people with developmental disabilities. Large institutions, in a very admirable way, were closed, but it has yet to follow suit with sufficient supports, necessary supports, for those individuals who have remained in the care of their families in their communities at this point.

Mr. Ross MacHattie: My name is Ross MacHattie, for the record. We do recognize, of course, that the Ontario government really has stepped off on an admirable effort in the transformation of services for adults with developmental disabilities, and that's with the introduction and the passing of Bill 77 back in 2008.

With that, there have been several very positive things to come out of it. For instance, there has been the creation of Developmental Services Ontario, which has really been designed to gather information across the province and to ensure a consistent level of services to provide across the province.

However, what has been missing in those last five years since the bill was passed is meaningful funding for

the various programs that have been identified by Developmental Services Ontario in their meticulous assessments of our adults with developmental disabilities. So the funding for the resources that are needed for these people has been absent.

1620

Primarily, the funding has been going towards the necessary bureaucratic process to equitably distribute funds, but the funds to actually provide the programming have been absent. This, then, doesn't allow the families in crisis to get out of crisis. More importantly, it doesn't allow the families to avoid it.

We need to understand that, of course, this serious underfunding of the programs—and when I say "programs," I mean day programs, respite care and residential services. These very support elements that have not been available do ease the pressure on the short-term budget constraints, but they do not, however, ease the pressures for the medium term and the long term. In fact, they increase the pressures associated with the budgets that are coming up.

In fact, the province is now just starting to see the explosion of the time bombs of the past policies that have been planted, and this is evident in caregiver burnout through the abandonment cases, increased physical and mental health problems—

The Chair (Mr. Kevin Daniel Flynn): Do you want to take a little break and grab a drink of water?

Mr. Ross MacHattie: Yes, thank you.

The Chair (Mr. Kevin Daniel Flynn): Feel free. We'll stop the clock for a second if you just want to—

Mr. Ross MacHattie: Thank you.

So, of course, these increased physical and mental issues to deal with, increase the burden on our existing health care system, increase the visitations to emergency rooms and the rest of the health system.

Mr. Ronald Pruessen: As some of you know, the Ontario Ombudsman has recently undertaken a very intensive investigation of services being provided for adults with developmental disabilities. The investigation is taking longer than expected because the Ombudsman has been besieged—and I don't use that word lightly—by hundreds and hundreds of requests for consideration of individual cases, and I don't think it's unreasonable to anticipate that the report that the Ombudsman will produce at the end of the investigation, some months now down the line still, will likely be a scathing report in terms of its criticism of the provincial government's policies and behaviour on this critical front.

What we are urging as far as budget deliberations are concerned is that the current Parliament get out ahead on this issue and to begin at least to demonstrate that it is recognizing the need for critical services and is going to try to take actions that will de-escalate the grave situation.

Mr. Ross MacHattie: Certainly we would not accept ethically dubious and pragmatically short-sighted policies towards other social and humanitarian issues. Can we imagine a province where it takes 30 years on the waiting

list to get into kindergarten or 15 years for a bed to come up in long-term care? So why is it, then, that entitlement to these sorts of basic services we're withholding from the most vulnerable of our society? We have been able to put in place what is needed. We do what's right to provide for health care, education, seniors, which is exactly the way it should be. So let's stay true to those moral convictions and deliver the basic quality of life standards for our developmentally disabled people.

Mr. Ronald Pruessen: Just in closing, we urge you to seriously consider taking some meaningful steps as far as this critical problem is concerned and would emphasize that we are talking about taking those steps for two reasons: One because it's right, because this is ethically and morally appropriate for a society that prides itself on social responsibility; but, in addition, because it is pragmatic.

We come back to the question of the time bombs that are exploding around us. Not to take action now is going to dramatically increase the cost of dealing with these issues, as well as impose horrible experiences on the families involved, and stunted, limited lives on the adults with developmental disabilities that we are talking about.

We need real, front-line services, not process dollars—enough of the process dollars. Let's put some meaningful resources into the services, the day programs, the respite opportunities and the residential supports that are vitally needed at this point. There are lots of ideas out there. The Ministry of Community and Social Services has heard from family organizations like ours about creative, co-operative efforts involving families, involving community resources and involving government resources. We're not in a blank space here. There are lots of ideas. There is no money available at the government level to support those ideas at this point. Although the family and community responsibilities are very much there, real progress on dealing with the time bomb problems confronting us is not going to be made without meaningful government assistance as well. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Great. Thank you, Ron. There's a very short—

Applause.

The Chair (Mr. Kevin Daniel Flynn): It seems like your presentation met with some approval.

There's a very short period of time left, and that's going to go to the Liberal Party. Who's got the question over there? Steven.

Mr. Steven Del Duca: Thank you very much for the presentation today. You mentioned near the beginning that this is a problem affecting roughly 12,000 people right now. Is that the number—

Mr. Ronald Pruessen: Some 12,000 people on the waiting list.

Mr. Steven Del Duca: And is there any particular regional breakdown for that that you're aware of? Is it largely GTA-focused? Is it pretty much spread across the province?

Mr. Ronald Pruessen: There's a serious problem across the province, but, as the demographic patterns are

going to suggest, it is clearly heavily concentrated in the GTA area. In the region of Peel where we are located, for instance, there are 600 people on the waiting list at this point. To put that into perspective for you, in terms of the critical nature of this issue, there may have been five placements in residential programs out of those 600 in the year 2012. Also to put it into perspective, there was a dramatically increased number of abandonment cases—25 to 30—in the space of the second half of 2012 alone. Considering the seriousness of that step from a family's perspective, it gives you a sense of why we call this a crisis situation.

Mr. Steven Del Duca: You talked a little bit about the abandonment process and you mentioned that people will, in these cases, drop individuals off in ERs etc. Can you actually explain what happens when that happens, when someone is left in an emergency room?

Mr. Ronald Pruessen: It creates, for the system, a crisis situation that they have to try to figure out how to manage. The local service-providing agencies—a community living organization, for instance—might become involved, depending on the location of the emergency room and where the individual is. In any number of cases, those are dealt with by placing individuals in a crisis care bed that may be available, but there are only a few of them in any given community and they are supposed to be crisis-driven. They are supposed to be there for a matter of a week or two.

In an increasing number of cases, you have individuals who are in their twenties or thirties being placed in long-term-care facilities—essentially into nursing homes—for indefinite periods of time.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much for coming today. It was well received. Thank you.

Mr. Ronald Pruessen: We have some handouts that we were going to leave with you.

The Chair (Mr. Kevin Daniel Flynn): Great. If you would leave them with the Clerk, he will make sure that every member receives one.

Mr. Ronald Pruessen: Good. Thank you.

ONTARIO REGIONAL WIND TURBINE WORKING GROUP

The Chair (Mr. Kevin Daniel Flynn): Okay. Lorrie, you're up again. You've had a dry run; this is the real thing now. Same rules—15 minutes; use it any way you like. If you've got any time left at the end, the questions this time will go to the Conservative Party.

1630

Ms. Lorrie Gillis: Thank you for giving me this time to speak. My name is Lorrie Gillis, and I am chair of the Ontario Regional Wind Turbine Working Group.

Ontario Regional Wind Turbine Working Group lists representatives from local wind turbine groups from the counties of Grey, Bruce, Simcoe, Dufferin, Huron, Middlesex, Wellington, the city of Kawartha Lakes,

Toronto, Niagara West—Glanbrook, the city of Thunder Bay and the municipality of Norfolk county.

Most would agree that a good quality of life is critical to a strong and thriving tax-paying community. I give you the following information to help you understand how and why this point is being undermined.

Many of us in rural Ontario are trying to protect our health, home and community from our own provincial government's imposed law, the Green Energy and Green Economy Act. Why? We see industrial wind turbines being forced onto communities by a very few land-owners, the Ontario government and multinational wind corporations. Without feed-in tariff, or FIT, contracts, these wind projects could not exist. The Ontario Power Authority is, and should be, held responsible for taking all steps necessary to ensure that any negative effects resulting from their FIT-contract projects be rapidly investigated and rectified, and that they put in place, without delay, policies and procedures that halt, reverse, compensate individuals and communities, and prevent such negative effects in the future.

We now have neighbours who are suffering ill health after being exposed to wind turbines, some to the point of abandoning homes and farms. We have a senior citizen in the room right now—right here—who has had to leave her home; her home is toxic from wind turbines. Stephana Johnston cannot live in her own home, which was built for her to age in place.

Please consider the message in the following letter from a family who knows first-hand what problems can come from living near wind turbines. The letter reads:

"It's a tragedy that so many people are being harmed by the negligent operation of industrial wind turbines. It's reckless that these schemes are permitted to go forward when we don't understand the extent of the damage they cause, though we know it's profound. These are unmitigated disasters. We are witnessing breach of the public trust and so we have no faith in our governments anymore.

"Consider the burdens. Since 2010, our family's had to rent a safe house to stay at, since wind turbines are being dangerously operated 400 metres away from our home. These respite accommodations cost us approximately \$1,200 a month. We also spend another approximately \$1,200 a month maintaining our own home, which sits empty, waiting for us to return. Imagine spending this much money on housing and still feeling deprived of the comforts of your own home.

"Also consider the burdens on health care and other social systems. As an example, the following is a list of medical treatments received by one member of our family, since the wind turbines started operating:

- "—33 appointments with family doctor;
- "—two sleep investigations at sleep disorders clinics;
- "—investigations by specialists;
- "—ultrasounds, CT scans and other procedures;
- "—two MRIs;
- "—heart monitoring, stress test, numerous EKGs and blood work;

"—three emergency room visits.

"And the list goes on.

"How much evidence do decision-makers need before they recognize these problems need to be addressed?

"Projects should not be allowed to proceed; contracts should be revoked where operators are demonstrating negligence; negligent people should be removed from office; and criminals should be put in jail."

Farms that count on a working line of credit to survive are being denied, as seen in a letter provided from the Royal Bank to Paul Thompson of Amaranth township. Mr. Thompson is considered a high-value client with the bank. However, his property is considered high risk because of the health risks from the turbine transformer station nearby. The bank says the marketability of Mr. Thompson's property may be jeopardized. Without access to adequate working capital, the farm and farm family's very existence is threatened.

As well, a municipal property assessment review for Mr. Thompson has lowered his home assessment value by 50%. That board also found that noise contamination from the nearby turbine transformer station had a negative impact on the value and marketability on his property. For those of us who are counting on the equity of our home for our retirement years, both assessments from the bank and MPAC are bad news. I leave it with municipalities to calculate their loss of revenue from lowered MPAC home assessments.

A wind turbine installation proposal is enough to discourage home sales and property improvement. We see more studies coming out that show a drastic reduction in sale price for homes near wind turbines as per Ben Lansink Appraisals. We hear from real estate reps that one of the more common questions now is, "Are there any turbines around or going in near a specific property for sale?" Often, if the answer is yes, people will look elsewhere.

Another threat to a thriving community is the threat to tourism as quiet retreats, parks, cottage areas, biosphere reserves and major bird migration routes become noisy, mechanical wind turbine installations complete with access roads, power lines and thumping blades. With thousands of turbines proposed for rural and northern Ontario, including pristine crown land, the loss of a favourite quiet retreat for many from busy urban areas will be tragic. There is considerable concern for our migrating birds' survival as they try to go through or around the turbine blades, but perhaps that is part of the new green job count—daily bird and bat fatality counters.

Over a dozen members of the Ontario Regional Wind Turbine Working Group alone have been or are involved in litigation to try to stop industrial wind turbine installations. Municipalities and individual councillors are being threatened by wind company representatives for setting fees for road use, for passing bylaws to protect health and future community financial well-being, for demanding turbine decommissioning bonds or for denying road use agreements—all brought forward in an effort to slow or stop turbines from being built next to their constituents.

Grey Highlands has been threatened by federal Liberal Party president Mike Crawley's AIM/IPC/SUEZ wind company. Arran-Elderslie has been threatened by Leader wind. West Grey has been threatened by NextEra—that's what this headline is about. Bluewater has also been threatened by NextEra. Wainfleet is currently in court with Vineland Power. The city of Thunder Bay has been threatened by Horizon Wind.

On March 7, 2013, Justice Cromwell of the Supreme Court of Canada clarified the law applicable to damages claims against public authorities for injurious affection when no land is taken under Ontario's Expropriations Act and similar statutes in other provinces; for example, in cases where the land in question has not been expropriated, but the defendant's conduct substantially and unreasonably interferes with the plaintiff's use or enjoyment of his or her land. Property owners who suffer substantial interference from the construction of public works can still be compensated for the injurious affection that results from interference. Surely we can find a better route to a solution than the burden of more legal action.

There was a strong message sent to the provincial government in the last election, when Liberals lost 19 seats. It's time to rein this industry in. The people of this province are the government, and we will continue to protect our health, our homes and our communities in the next election. It is not acceptable for an industry to continue to harm our communities under the guise of a provincial policy.

The Chair (Mr. Kevin Daniel Flynn): Very good, you've left some time, which is great. The questions go to the PCs this time, about four minutes. Monte.

Mr. Monte McNaughton: Great. Well, thank you very much, that was a very well-done presentation and an excellent package. I'm very well aware of the issue. In my riding of Lambton-Kent-Middlesex, by the end of phase 3 there's going to be 1,200 wind turbines built in my riding. I've long been on the record as saying the greatest injustice of the Dalton McGuinty-Kathleen Wynne Liberals is sitting in this building behind a desk and telling people in rural Ontario where these turbines are going. It's an absolute disgrace.

1640

We introduced—our party—three bills and motions last year. One was to restore local decision-making. The second was to have a moratorium until health studies are done, and our leader, Tim Hudak, introduced a bill to scrap the FIT program, as you talked about. Of course, all three were defeated by the Liberals with the help of the NDP. So we're fighting hard on this.

But what I want to know is: What's your opinion, living in rural Ontario, watching the Liberal government cancel power plants because communities were upset, yet they continue to force wind turbines on the people of rural Ontario?

Ms. Lorrie Gillis: We matter too. That's my opinion. Every time another turbine project goes in, a whole bunch more people end up sick, and it's not okay to keep doing this to us out there. I'm sorry; it's just not. The

people out in rural Ontario are looking at the government now with total mistrust. They have absolutely no faith in almost any of you anymore. So, looking at this issue and taking it seriously and hearing what's happening—listen to the people who are living it, instead of engineers computer-modelling and some expert reading a pile of papers and telling you everything's okay. Everything is not okay.

There's a recent project that has gone into my own community of Grey Highlands with the new regulation setbacks of 550 metres-plus. We have people there who are so sick. One has already left their home. Another is desperately trying to convince themselves that they don't have to, but they know that they're going to have to. They're sick. They can't live there. They don't feel safe in their own home. There are a couple of other families who can't sleep at night. One fellow has missed time at work. Another fellow has been to the emergency room more than once. This is what's going on every time one of these projects goes in. Please listen.

Mr. Monte McNaughton: You mentioned the feed-in tariff program. There was a report that came out this week showing that within two years the average homeowner's bill is going to be increasing monthly \$38, and that full amount is attributed to this government's energy experiments. It's driving jobs out of the province. It's dividing communities, dividing families.

Ms. Lorrie Gillis: Oh, yes.

Mr. Monte McNaughton: I hear it time and time again. It's just an absolute tragedy in this great province.

Ms. Lorrie Gillis: It's an unmitigated disaster. The letter writer is absolutely correct—an unmitigated disaster for our communities, for our families and for the future of this province, I suspect, by the time we're done adding up the costs of all of this. It's such a waste.

For the people who are sitting here looking for money for elderly people—and I used to work in the kitchen of a nursing home—take them to heart, because they need help. They need more hands working there. The people who have developmentally challenged older children—I have friends like that too—they need that money, not the multinational wind corporations.

Mr. Monte McNaughton: Thank you.

The Chair (Mr. Kevin Daniel Flynn): About a minute left, Monte.

Mr. Monte McNaughton: No. Thank you very much. I don't have any further questions. Thanks.

Ms. Lorrie Gillis: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you for coming. Thank you for waiting.

Ms. Lorrie Gillis: No problem.

The Chair (Mr. Kevin Daniel Flynn): Great presentation. Thank you.

ONTARIO COALITION FOR BETTER CHILD CARE

The Chair (Mr. Kevin Daniel Flynn): Our next delegation today is the Ontario Coalition for Better Child

Care. Is Andrea with us? Come forward, make yourself comfortable. You have 15 minutes like everybody else. The Clerk will distribute those for you.

Ms. Sheila Olan-MacLean: Actually, my name is Sheila Olan-MacLean. I am the president of the Ontario Coalition for Better Child Care. Andrea was—

The Chair (Mr. Kevin Daniel Flynn): Okay. Welcome, Sheila.

Ms. Sheila Olan-MacLean: —previously on the list.

The Chair (Mr. Kevin Daniel Flynn): Any questions, if you leave any time, will go to the NDP this time.

Ms. Sheila Olan-MacLean: Very good.

The Chair (Mr. Kevin Daniel Flynn): Outside of that, it's all yours.

Ms. Sheila Olan-MacLean: Thank you, and thank you for this opportunity to present to you today. The Ontario Coalition for Better Child Care is an advocacy group in Ontario with a mandate for universal, affordable, high-quality child care. We've been at this since 1981 that we've been fighting for this child care plan, so today we want to tell you a little bit more about why we think this is a good idea.

I also have the great privilege of being the executive director of Kawartha Child Care Services. We serve over 900 children in the city and county of Peterborough, the city of Kawartha Lakes and the region of Durham. We have home child care, we have centre-based care, and I can tell you that there are a lot of families out there who need more care. For Ontario to succeed, early learning and care must flourish and we must put effort into building a strong service.

A recent special report from TD Economics acknowledges the importance of high-quality child care education and identifies that child care must be a high priority for public investment. I'm going to quote from that report: "While it is well acknowledged that primary, secondary and post-secondary schooling develops and enhances key life skills and abilities, the learning that occurs during the first few years of life can have important, long-lasting effects that are often underestimated. There is a great deal of literature showing overwhelming benefits of high-quality, early childhood education—gains not only for children, but for parents and the economy as a whole. A large number of studies estimate that the benefits of early learning far outweigh the costs. Indeed, the analysis shows that for every dollar invested, the return ranges from roughly \$1.50 to almost \$3, with the benefit ratio for disadvantaged children being in the double digits." These are pretty compelling arguments. Research over and over is telling us over and over again that investment in the early years—the zero to four years—are the most important and the best money that we can spend.

In Ontario, early learning and child care programs have faced chronic underfunding and new financial pressures, of course, from the implementation of the Ontario full-day kindergarten programs. The coalition for better child care recognizes the efforts of the Ministry of Education to provide more predictable funding for

municipal service managers and child care programs through a new funding formula that has just come out in December.

However, the funding formula calls for huge cuts to child care funding for 18 communities in Ontario in 2017. Cuts to child care funding are completely unacceptable. We are so underfunded now; families absolutely need child care. Right now we're demanding that the cuts to child care for those 18 affected communities be taken off the table. A fair funding formula for child care mustn't take from one community and give to another. All communities need to be raised to a decent level of funding. The affected communities include Sudbury, Kingston, London, Windsor, Chatham-Kent, Thunder Bay, Sault Ste. Marie, Kenora and others.

Families now need access to affordable, high-quality, not-for-profit child care programs. In order to meet the needs of Ontario families, child care programs need to move from patchwork funding to stable funding. Last year, the Liberal-NDP budget deal provided one-time funding of \$242 million over the next three years for child care. This funding was only one third of what was needed to stabilize our current programs. So we're asking now for a further investment of \$300 million to municipalities that must be used as base funding to reduce the high cost of child care and stabilize the wages of our staff.

In order to move to a system of stable funding, provincial funding for child care needs to be adjusted for inflation every year. Provincial funding has not been adjusted for inflation in over 15 years, so every year, child care centres raise our parent fees. We're not able to pay competitive salaries and many of our qualified staff leave the child care field to work in other sectors to earn better wages and benefits.

According to new research from the Child Care Human Resources Sector Council, Ontario child care fees are the highest in Canada. The same research shows that Ontario was the only province where wages went down. In Ontario, between 1998 to 2012, the average wage for child care program staff dropped by 2.7%. Imagine a profession where we should be honouring the individuals and the professionals, and the wages are going down.

1650

We're here today to ask the government to focus on building a strong system of early learning and child care. Parents want stability for child care so that they can focus on working, going to school and doing the best that they can for their families. As a child care sector, we don't want to lurch from crisis to crisis, returning to this committee year after year with the same message. We want you to start to build a strong, viable, healthy child care system.

Along with adequate and stable funding, early learning and child care programs want to build a system that will really help Ontario's families and Ontario's economy. We believe that the government must build a system that only provides licences to not-for-profit, public and aboriginal operators.

We want to move from patchwork funding to a stable system, so we are asking that all child care funding be indexed to inflation as a minimum. We're asking that you provide adequate provincial funding to municipalities to ensure that child care fees do not increase and, in fact, start to go down, and we're asking that funding be provided to raise wages to ensure that our qualified staff stay in the field. Both of our neighbouring provinces, Quebec and Manitoba, have actually increased their child care wages and established province-wide pension plans for the sector. We can do this in Ontario, and we should do this in Ontario.

We're also asking to develop a provincial funding plan to invest in capital funding for current not-for-profit centres and to expand the supply of not-for-profit child care centres, and further, to implement an immediate moratorium on licensing of for-profit child care in Ontario. Children should not be for-profit.

It is time to harness the power of high-quality child care to transform our province. High-quality child care can improve the lives of children, not just for today, but for their whole lives. High-quality child care can improve the lives of families, helping parents maximize labour force participation and balance work and family lives. Finally, high-quality child care boosts our economy, and it pays for itself. The research has been done. We're asking you to harness the power of the child care system for a better Ontario for children, our families and our economy.

The Chair (Mr. Kevin Daniel Flynn): That's great, Sheila. Thank you very much. You've left just over five minutes for questions, and they go to the NDP. Catherine?

Ms. Catherine Fife: Thank you very much. Thanks, Sheila, for the presentation. It must seem a little bit like déjà vu. Every year, right?

Ms. Sheila Olan-MacLean: Absolutely.

Ms. Catherine Fife: It's shocking that the province of Ontario is where we are right now with regard to investment in children, especially when the return on investment for every dollar in child care is a return of \$7.00—and the research is there.

Clearly the child care community has struggled, though, to adapt to the rollout of the full-day kindergarten because there was no clear implementation strategy; that plan was not thought out. When you implement the full-day kindergarten into a system which is already destabilized and broken, obviously—we're seeing the effects, as year three rolls out for full-day kindergarten, on these 18 centres.

Have you given any thought or strategy around making use of the current infrastructure? Because I know the capital money—you've been asking for capital money for a long time. In these conditions, I think that you're going to be asking probably for another year. But the current infrastructure in schools is there. Waterloo district school board and Ottawa-Carleton—they've incorporated child care centres into those sites where

there's space. Is the coalition doing any work or monitoring the success of those programs at all? Do you know?

Ms. Sheila Olan-MacLean: That is across the province. We are working with school boards—child care and school boards working together with the provincial representatives as well to increase child care where possible.

Unfortunately, where the greatest number of children are, there's no space in schools because the greatest number of children are in those schools. So often what happens, particularly in rural areas where I'm from, is that it's the density of the number of children who are in those programs, so when we apply urban principles to the funding for the rural programs, there is a disconnect and they aren't viable. I think that we need to look broader, beyond just the schools. Absolutely, I think that's an opportunity that we need to work on and that we need to continue to, but also we need to have a focus on zero-to-four, and I think we need to step back.

The province has done a good job of setting the foundation philosophically for an early learning system of care. Now we need to move forward and put in place the spaces, because families out there are struggling. I know that in our organization, we have hundreds of calls from families desperate to get child care.

We also have a new phenomenon in our society where grandparents are taking on the role of parent. We had a grandmother last week who had just taken in her two grandchildren. There's no child care available for her.

Ms. Catherine Fife: Your focus, obviously, is on not-for-profit because it's tied to quality, but are you seeing an influx of for-profit child care in the province of Ontario, given the fact that there's no leadership at the provincial level?

Ms. Sheila Olan-MacLean: That is where the growth in child care is right now. Again, though, it is in the urban areas where the profits can be made.

Ms. Catherine Fife: So rural communities are still left out of the equation, right?

Ms. Sheila Olan-MacLean: Absolutely.

Ms. Catherine Fife: Okay. Well, that's good. These 18 communities, they're pushing back, and hopefully people are listening around the table. Thank you very much, Sheila.

Ms. Sheila Olan-MacLean: Thank you so much.

The Chair (Mr. Kevin Daniel Flynn): Anything, Michael? You've got about a minute and a half.

Mr. Michael Prue: Yes, there was just one comment you made, and I just wanted to maybe have you expand upon it. You said, "Last year, the Liberal-NDP budget deal provided one-time funding of \$242 million over the next three years for child care. However, this funding was only one third of the money." You do recognize that that's as much as we could get from the Liberals by holding their feet to the fire?

Ms. Sheila Olan-MacLean: Absolutely, yes.

Mr. Michael Prue: It wasn't what the NDP would have done—

Ms. Catherine Fife: It wasn't our budget.

Mr. Michael Prue: It wasn't our budget.

Ms. Sheila Olan-MacLean: Right, yes.

Mr. Michael Prue: Okay. You do acknowledge that?

Ms. Sheila Olan-MacLean: Oh, absolutely.

Mr. Michael Prue: Okay, because it was very difficult. You know, when you're trying to negotiate, when you're trying to push a government that's not your own to do something that they should have done themselves, sometimes you have to settle for second-best measures.

Ms. Sheila Olan-MacLean: Absolutely, and I think it's time to sort of step back and take a look at the kind of Ontario that we want to create, and I think it needs to start with our children.

Mr. Michael Prue: If this government does the same thing in this year's budget, do you want us to do the same kind of stuff?

Ms. Sheila Olan-MacLean: Absolutely.

Mr. Michael Prue: Thank you, then. Okay.

Ms. Sheila Olan-MacLean: Thank you so much.

The Chair (Mr. Kevin Daniel Flynn): Thank you. Thanks for coming today.

ANGLICAN DIOCESE OF TORONTO

The Chair (Mr. Kevin Daniel Flynn): Our next speakers are from the Anglican Bishops of the Diocese of Toronto. Murray and Linda, if you'd come forward. Make yourselves comfortable. Fifteen minutes for the delegation, and if there's any time left at the end, we'll go into a bit of a question-and-answer routine. The questions this time, if there is any time, will come from the Liberal Party. The floor is all yours. Welcome.

Bishop Linda Nicholls: Thank you very much. We appreciate the time and the opportunity to have a dialogue with you.

We represent some 400,000 Anglicans in the diocese of Toronto and some 800,000 Anglicans across the province of Ontario. Anglicans are very familiar with the needs of the poor. Many of our congregations include people living in poverty, and others from our communities come to us for support and help—more and more in recent years as conditions worsen. A recent survey found that 99 parishes in our diocese—nearly half of all of our parishes—are involved in food bank or food hamper programs, while 56 parishes run or are involved in community meal programs, and 15 participate in Out of the Cold programs.

At the very heart of who we are is a deep commitment to compassion, justice and equality. The front-line work speaks to a disturbing trend; we are seeing deepening poverty and hardship across our society. These statistics focus around two basic needs: food and housing. More than 400,000 Ontarians turn to food banks each month in order to eat—the highest number yet recorded in this province, and increasingly, the working poor, not only those on Ontario Works. Many food banks struggle to keep up with the demand. Meanwhile, the number of people waiting for decent housing that they can afford has also hit an all-time high, with some 156,000 Ontario

households on waiting lists for affordable housing—an increase of 26% since 2007.

1700

We are deeply grateful that in 2008 all the parties came together to unanimously support the Poverty Reduction Act. Some progress was made in the initial years, but that seems to have stalled. We have participated in the social assistance review that has noted the problems increasing once again.

We often hear that the government cannot afford to do more to help the poor due to the deficit and the current economic climate, but we would wish to challenge that argument, for the costs of austerity are not shared fairly. This, for us, is a moral issue. The costs of austerity affect people in poverty far more than affluent Ontarians. It increases cost for government through higher costs for health care, criminal justice and the like.

We are seeing some signs of hope, and we are encouraged by the commitment of the government to social justice and a fair society. We're encouraged that Finance Minister Sousa has not ruled out tax increases in the upcoming budget. In fact, last fall, when we began to raise this among our colleagues and parishioners, I was personally surprised by the strength of support for people who said, "I would be prepared to pay more taxes if it meant it was going to alleviate poverty, deal with the housing crisis and was being dealt with accountably and fairly." We do feel that fair, modest tax increases are needed to provide additional help for the poor, and we have four key areas that we would like to outline to address this. Murray?

Mr. Murray MacAdam: I'll outline the four specifics we are advocating for, but I do want to mention, first of all, that the Poverty Reduction Act aroused a lot of hope in the province and it comes up for renewal. We feel there really needs to be a recommitment to that Poverty Reduction Strategy. There's a long, long way to go.

The four specific proposals we want to urge the government to implement in the budget are in the vein of being a beginning for that renewed Poverty Reduction Strategy that we need.

The first proposal: We add our voice to those of many others who are advocating for a \$100-a-month increase for people on social assistance. It's impossible to survive on the \$606 those people receive now. The social assistance review commission supports this proposal.

We do want to mention as well, though, that we oppose funding this increase through the elimination of the special diet allowance. That's really a separate program for people who have health needs. They have to purchase special foods, so the \$100-a-month increase needs to be financed without reducing the special diet allowance.

The second proposal, which we know has support from all the parties, is enabling people on assistance to keep the first \$200 of any extra income they might receive each month without their benefits being reduced as a result.

The third is that we want the government to honour its earlier commitment to raise the Ontario Child Benefit

this summer by up to \$1,310 per child. This is a very effective program for helping low-income families.

The fourth recommendation we have is to raise the minimum wage this year to \$11.50 an hour. We've gone three years now without an increase in the minimum wage. It's a basic premise of dignity and fairness that somebody who's working full time should be able to have an income that brings them at least up to the poverty line.

Of course, there are lots of hidden costs involved with the working poor. We find that more and more of the people who come to our parish food bank and meal programs are working, but they simply can't meet all their needs.

Bishop Linda Nicholls: We know that all of the parties want to support the dignity and fairness for each person in our Ontario society. So if we believe that's a value we all share, how are we going to make that a reality? And how can we share the resources of our province fairly?

We recognize the tensions with the economic climate but we believe the balance needs to be adjusted. By putting some money back into the pockets of the poor and the working poor, we believe that that will have a positive impact on our economy. And we believe that that is a direction we should be heading.

We'd like to now finish and open it for a conversation with you.

The Chair (Mr. Kevin Daniel Flynn): Wonderful, thank you very much. I appreciate your brevity. You've left almost seven minutes for questions. Any questions? I think they heard you loud and clear.

Mr. Michael Prue: That wasn't much of a conversation, was it?

Mr. Steven Del Duca: It was a great presentation.

The Chair (Mr. Kevin Daniel Flynn): It was. Very good. Thank you very much. We appreciate that.

Bishop Linda Nicholls: Thank you.

CANADIAN BEVERAGE ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): Our next delegation today is from the Canadian Beverage Association, Jim Goetz. Jim, do you want to come forward? It's good to see you. Have a seat. You get 15 minutes like everybody else and if there's any time left—as there was there—for questions, those questions this time will come from the Progressive Conservative Party.

Mr. Jim Goetz: Thank you, Mr. Chair. Let me begin by expressing my gratitude for the invitation to appear today as part of your pre-budget consultations. My name is Jim Goetz and I'm the president of the Canadian Beverage Association, representing the non-dairy, non-alcoholic beverage sector.

As you may have seen from our written submission, our industry makes a substantial and ongoing contribution to the economic life of Ontario. Our member companies provide direct employment for some 5,000 Ontarians and are responsible for thousands of additional

indirect jobs throughout the province. I would add that the vast majority of these jobs are unionized, with good benefits and solid pensions.

Ontario is also our industry's largest Canadian centre for manufacturing, distribution and sales. In total, we have more than 50 facilities province-wide. I want to underscore this fact because at a time when Ontario is working hard to renew its competitive position, as a manufacturer, our industry remains a reliable partner. And that's not nearly the whole of our economic contribution.

Our members are also one of the largest blocks of consumers for corn products in the province, creating vital demand for our Ontario corn farmers. They are also the country's largest buyers of packaging aluminum, as well as PET plastic.

Finally, our members oversee extensive vehicle fleets that create demand for steel, manufacturing, parts and, of course, vehicle production and assembly here in North America, and particularly in Canada.

Of course, our contribution is realized in not only commercial but also community terms. CBA members participate in the places we live through a wide variety of charities and local causes. From the United Way to Special Olympics, from Participaction to building local playgrounds, our industry enthusiastically dedicates millions of dollars and untold volunteer hours each year. We're proud of these contributions, but we're also aware that as an industry, we bear important responsibilities.

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I want to assure each member of this committee that we take these obligations very seriously especially when it comes to offering consumers a healthy balance of beverage choices. Particularly, we go to significant lengths when and where it concerns children. For that reason, CBA members have voluntarily adopted guidelines to prohibit the marketing of any beverages, except those that are 100% fruit, vegetable, milk or water, to children aged 12 and under. We have also removed all full-calorie soft drinks from primary, middle and secondary schools—again, voluntarily and put into place well before there were provincial guidelines.

Finally, we've implemented our Clear on Calories campaign. It greatly increases the front-facing, on-label nutrition information for our products. This gives parents the single best tool they can hope to have in the effort to ensure balanced beverage and diet choices, and that is clear, understandable information.

I want to focus for a moment longer on this issue and comment on the recent Healthy Kids Panel report. The CBA and its members embrace the goals of the Healthy Kids Panel, and we endorse many of the report's conclusions and recommendations. We cannot agree, however, with its assertion that sugar-sweetened beverages are uniquely responsible for the rising rates of obesity among children. This is simply not true. In fact, based on the mountain of scientific studies in the examination of this issue, there is very little to suggest this conclusion is accurate.

Health Canada openly refers to the causes of obesity as complex, pointing to eating habits, daily physical activity and broader social and environmental determinants. In support of this argument, let me highlight just two facts. First, obesity rates have risen when we've actually seen soft drink consumption fall by significant margins. According to Statistics Canada, between 1999 and 2011, obesity rates have climbed by 2.3%. Yet during that same period, soft drink consumption fell by 31%. If our products were uniquely responsible for this challenge, those figures would be dramatically different. We would be witnessing huge declines in the incidence of obesity.

Second, according to the 2004 Canadian Community Health Survey, the most recent available information by Stats Canada, of the total calories consumed by Canadians, soft drinks account for only 2.5%. Moreover, as you've just heard, consumption has dropped so much in recent years the current true figure would lie somewhere around 2%.

I want to emphasize: We recognize that we must be part of the shared effort, and we're very committed to doing our part. But remedies that arise from a misreading of those true challenges will only turn out to be lose-lose. A hoped-for result related to obesity fails to materialize, but negative economic impacts become all too real.

Denmark found this out when, in October 2011, it brought in a so-called fat tax across the board on a wide variety of food and beverages. It was introduced with widespread support. It has already been scrapped after immediate and disastrous economic results. First of all, no behavioural change was detected in terms of consumption habits, but the tax did cause the loss of 2,400 manufacturing jobs, drained about \$37 million from the already small Danish economy and ignited cross-border shopping. Denmark reminds us that there are no shortcuts or no quick fixes when it comes to tackling the problem of obesity. Education, information and ongoing promotion of healthy, active lifestyles constitute the true answer.

At the Canadian Beverage Association, and our members, we're more than prepared to keep working in partnership with the government of Ontario in pursuit of these common goals. On that note, I bring my remarks to a close. Thank you again for the opportunity to appear. I look forward to your questions.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much, Jim. It goes to the Conservative Party. Peter, you've got about six minutes—six and a half minutes.

Mr. Peter Shurman: Thank you. I don't know what to ask you, and that's the first time I've said that in all of the days of hearings. The reason is your presentation really—unlike most of the ones that come before us, doesn't contain any asks. You seem to have used your opportunity—and that's fine—to provide us with information that suggests that childhood obesity, while being recognized by your association as a problem, is not accepted by your association as a problem that you have

in any way caused—quite the contrary. Am I interpreting you correctly?

Mr. Jim Goetz: To answer your first question, we don't have an ask. We asked to appear here today and participate in the process because there has been, I would say, a chorus of folks who believe that taxing or putting significant restrictions in place on one particular type of product is going to have some kind of impact on obesity rates in Ontario.

Mr. Peter Shurman: So the concern that you're expressing really—and I was reading between the lines and now you seem to be confirming it, so don't let me put words in your mouth and let's get this on the table, is, you're concerned about the go-forward, where a government of some stripe might say, "This is the single contributing factor," or, "This is a major contributing factor, and we're going to penalize it in some way." Is that what you're saying?

Mr. Jim Goetz: That's correct.

Mr. Peter Shurman: Okay. Well, I have nothing more, then. Thank you very much for that.

Mr. Jim Goetz: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much, Jim. Thanks for coming today; we appreciate it.

Mr. Jim Goetz: That's great. Thank you.

ONTARIO REHAB ALLIANCE

The Chair (Mr. Kevin Daniel Flynn): Our next delegation today is from the Ontario Rehab Alliance. Nick Gurevich and Laurie Davis, if you'd like to come forward, make yourselves comfortable.

Mr. Nick Gurevich: Good afternoon, everyone.

Ms. Laurie Davis: Good afternoon.

The Chair (Mr. Kevin Daniel Flynn): Good afternoon. Like everybody else, you get 15 minutes. Use that any way you see fit. If there's any time left at the end, the questions will go to the New Democratic Party.

Ms. Laurie Davis: Thank you very much. It's a pleasure to be here. I'm Laurie Davis, the executive director of the Ontario Rehab Alliance.

The Ontario Rehab Alliance was formed in 2009. We're a not-for-profit association representing more than 90 service provider organizations employing more than 3,500 health care professionals. It's these health care professionals who are the primary providers of health and rehabilitative services to Ontarians after they're injured in an automotive accident.

Although auto insurance is complex, the alliance sees it as comprised of essentially three pillars or facets.

Premiums: We know that consumers want and deserve reasonably priced insurance.

Profit: We understand that insurers are entitled to make a profit and a return on their investment.

Protection: Accident victims must be properly protected by the insurance they purchase, which is in fact the premise of any insurance scheme.

Subsequent to the changes to auto insurance in September 2010, these three pillars, we think, have been seriously out of balance. The last reform concentrated on ensuring the profitability of the insurance companies by reducing the coverage and benefits offered to victims. The result was exactly that. Insurer profitability has hit record levels while the protection of victims has been reduced to the second-poorest in Canada, with no relief in the cost of premiums paid by consumers. We believe there is more to fixing the system than merely changing the cost base of insurance companies. While we believe that premiums can and should be lowered, we believe that changes to address the serious protection deficits in our system can be accomplished while still maintaining profitability.

I'll just summarize for you some of the impacts that the changes in 2010 brought about by way of giving you some background for these remarks.

A minor injury guideline, or a MIG as the acronym would have it, which limits benefits to \$3,500—the lowest in Canada of a minor injury guideline—was put in place in 2010, but 80% of all motor vehicle accident injuries fall into this category.

While most service providers agree that a minor injury guideline makes sense and can work well, we believe this guideline is flawed because there's no clear path out of it for those who are relegated to it inappropriately, and it happens a very great deal.

Changes were also made to coverage available for those with serious injuries following an accident. It was reduced for serious non-catastrophic accidents from more than \$100,000 to currently \$50,000. As a result, it's estimated that potentially thousands of people with serious injuries are exhausting their benefits in six months to a year post-accident—well before they've had a chance to recover.

Without ongoing support, these individuals will not improve and in fact are likely to deteriorate and may lose any chance of returning to work and resuming their pre-accident activities. Some may eventually be deemed catastrophic and have access to a higher level of benefit, but they will experience a gap in coverage of several years before the catastrophic determination is made. Whenever there is a gap in the system, these people will go to the public system for what services there are available, and they are fewer.

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The Financial Services Commission of Ontario—FSCO—and the Ministry of Finance are also now actively looking at changes to the definition of “catastrophic impairment” that could cut in half the number of victims who are currently able to access this higher level of treatment. This group makes up only approximately 600 victims per year, but these are the most severely impaired, suffering from spinal cord injuries, paralysis, severe brain injuries and amputations. The recommendation that FSCO presented to the Ministry of Finance, we believe, is on a collision course with the promise made in the last budget to make the definition of “catastrophic

injury” medically based. We say this because there is overwhelming consensus in the health care community that FSCO's recommendations are flawed and inconsistent with medical literature, the World Health Organization and current medical best practice guidelines.

Not only has the quantum of benefits been reduced since 2010, but barriers in access to benefits have been raised. Cancellation of the mandatory insurer examination process has resulted in a concentration of disproportionate and arbitrary power in the hands of adjusters with no prior medical training or ability to make proper medical decisions on treatment plans. The result now is that about half of all applications for health care services—these, remember, are for insured services for the seriously injured—are denied.

Mr. Nick Gurevich: My name is Nick Gurevich. I'm the president of the organization, and I will cover our recommendations.

The insufficiency of the \$50,000 coverage cap for serious non-catastrophic injuries and \$36,000 for attendant care benefits must be examined, not only in the context of actual costs to provide health care in 2013 and beyond, but also in relation to what is offered within our public system. The mandatory insurer examination, which Laurie just spoke of right now, should be reinstated following a prompt review with reference to the government's recommendations in the previous five-year review of the auto insurance system and those proposed by the anti-fraud task force report. Credentialing, experience standards and accountability must be imposed on the independent medical examiners hired by insurers who are now able to arbitrarily make these determinations. The fraud-fighting approach that has been widely discussed should and must be targeted, not characterized by a dragnet fishing strategy that negatively impacts all claimants and where every victim is treated as a fraud suspect.

There is currently little transparency and solid data in the auto insurance sector. The insurance industry supplies unsubstantiated numbers, and in some cases FSCO accepts them as fact without question. Such data is then used to drive policy decisions. Releasing the data gathered by the Health Claims for Auto Insurance system—or HCAI, as it's called—will be a very good start.

Changes to the “catastrophic” definition in the form proposed must be stopped entirely or should conform to the consensus of the health care community to ensure any changes are truly medically based.

Addressing the above recommendations would merely be a start in returning protection to a system that has seen systematic erosion to the rights of the 65,000 Ontarians who are injured every single year. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you. Are you open for questions now?

Ms. Laurie Davis: Very much so.

The Chair (Mr. Kevin Daniel Flynn): Very good. You've left about seven minutes, and the questions go to the NDP. Michael?

Mr. Michael Prue: Thank you very much for this. There's been a lot of discussion about insurance companies and insurance rates. The Liberal government allowed the insurance companies, a couple of years ago, to completely rewrite the Insurance Act to offer what was considered then, and even more so now, an inferior product for less money. Anybody can offer an inferior product for less money, and they did. However, they continue to charge the same rates and therefore their profits have gone way up. Should we, as a government, be insisting that they go back to providing a product that will protect those with catastrophic injuries, even though it may cost the consumer more money?

Mr. Nick Gurevich: Well, no decision has been made so far to limit what is currently available for those who are catastrophically injured. We can't return to what it was because there's been no change.

Presumably, exactly as you pointed out, if you reduce coverage, the cost base will reduce, and, of course, premiums should follow suit. Although, what we have seen in the post-2010 environment is that the benefits structure has been reduced by something like upward of 70%. It's a real gut-out. Yet we have not seen any sort of a corresponding change in the premiums that are being charged by the insurer.

Ms. Laurie Davis: But I would say that even though we haven't yet seen a change—the proposed changes to catastrophic haven't been made—the changes to 2010 did affect those who were serious but non-catastrophic. So there are, essentially, sort of three categories. Minor injuries—80% of most accidents fall within the minor injury category. We think many of them are being inappropriately relegated to minor injuries, not able to access up to the \$50,000, the new lowered threshold.

So I would say, yes, generally we think there isn't enough proper funding in this system to provide people with the treatment that they're currently paying for.

Mr. Michael Prue: We have seen the insurance industry is arguing, of course, the opposite. But they sent out a wonderful glossy brochure this past week, which they sent before they had a lobby day here at Queen's Park. It shows that since 1975 they have averaged a 9.5% profit each year. In fact, in the last three or four years they've done the same. Are they making enough money that they should be providing better service, in your view?

Ms. Laurie Davis: We think there should be better service provided.

Mr. Michael Prue: Also, I asked questions of them. They say that there's a lot of fraud in the system. I asked them what some of that fraud was, and rehabilitation services was one of the things they mentioned. Is there fraud in rehabilitation service?

Ms. Laurie Davis: There's probably fraud in every service, but we don't believe that there's nearly the extent of fraud in the system that we hear so much about. There's been very little data. We believe that the changes made in 2010, which were largely targeted at fraud, probably did chase—there certainly were some fraudsters

in the business, and we think they're largely out of business now. But, nevertheless, all those changes have dramatically negative impacts on all claimants, not just those who happen to go to practitioners who were using the loopholes that were in place.

Mr. Nick Gurevich: If I may add, our organization has actually participated and has worked very, very closely with the anti-fraud task force. The recommendations that they have gone on to publish, especially ones surrounding licensing and regulation of health care providers, were recommendations that we, in fact, provided. So our view is that one dollar in fraud is one dollar too much. There's definitely zero tolerance as far as we are concerned.

But, saying that, what we indicated to the anti-fraud task force, and what we will indicate to you folks, is that the insurance industry cannot keep hiding behind this straw man of fraud in order to deny or reduce benefit. It goes completely against what the insurance scheme is all about, which is protecting those who are in need at the end of the day. We have already seen some measures that have been put in place which raise barriers to access those benefits in the name of fighting fraud. That is exactly what we all should be careful of.

Ms. Catherine Fife: Just a comment: I want to thank you for including the examples in here as well, because they really tell—

Ms. Laurie Davis: We didn't read them out because we didn't think we'd have enough time, but thank you for noticing.

Ms. Catherine Fife: They tell the real story because we're all just one accident away from being in this position and needing these services. I think that we would be looking toward our insurance companies to actually support us and to follow through on the very policies that we signed up for. They are very powerful examples. Thank you.

Ms. Laurie Davis: Thank you. One of our biggest concerns, of course, is that we feel there is a lack of due process in the system. It's very difficult for those advocating for claimants, and claimants themselves, to effectively negotiate for their entitlements within the system now.

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Ms. Catherine Fife: Especially when they're injured, right?

Ms. Laurie Davis: Absolutely.

Ms. Catherine Fife: Especially brain injuries. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Catherine. Thank you, Nick, and thank you, Laurie, for being here today. That was a great presentation.

Mr. Nick Gurevich: Thank you.

Ms. Laurie Davis: Thank you.

COMMUNITY LIVING ONTARIO

The Chair (Mr. Kevin Daniel Flynn): The final delegation of the day is Community Living Ontario, if

you'd like to come forward. I'm assuming we have an Alan and a Gordon, but we have somebody else. Have a seat, wherever you're comfortable.

Interjection: We'll introduce ourselves.

The Chair (Mr. Kevin Daniel Flynn): Yes, thank you. If you would make yourselves comfortable, and if you would introduce yourself when each of you speaks so that Hansard knows who it is. You get 15 minutes, like everybody else, and if there is any time for questions, it will go to the Liberals this time.

Ms. Debbie Rollier: Thank you.

The Chair (Mr. Kevin Daniel Flynn): The floor is all yours.

Ms. Debbie Rollier: Firstly, I'd like to thank the committee for this opportunity to present on some of the critical issues facing people who have an intellectual disability, and their families.

My name is Debbie Rollier. I am the president of the board of directors of Community Living Ontario. With me today presenting is Alan McWhorter, who is our interim executive director, and Gordon Kyle, who is our director of policy.

Community Living Ontario is a 60-year-old province-wide organization founded largely through parents with family members who have an intellectual disability. We represent over 100 Community Living associations across Ontario and more than 12,000 individuals and families. We advocate for government social policies to benefit people who have an intellectual disability, and their families, including protection of human rights, access to education, employment, a home in community and access to adequate support services.

We're here today to urge this committee to help Joe Chauvin and his family, Wilma Arthurs and her family, Denise Hastings and her family, and the many families who have fallen into crisis because they just can't keep going on any longer. They simply don't have the support they need for their son or daughter.

There are hundreds of families in Ontario who are nearing the crisis point or who are already there. Why are these families in crisis? In 2004, the Ministry of Community and Social Services announced that it was transforming the way that supports and services were delivered to people who have an intellectual disability. Almost nine years later, we're still plodding through the process and people are losing hope that transformation will ever result in a system that responds to their needs.

The government points to investments in developmental services in recent years. The reality is that much of the funding has gone to fund the bureaucratic tools that are needed to implement the new legislation, to maintain funding for children leaving child protection services, and to maintain the existing service system. We estimate that as little as 15% of funds announced in the past six years were aimed at addressing the needs of people waiting for support. As a consequence, waiting lists have ballooned to an all-time high of more than 20,000 people waiting for support.

Too many people—too many families—are agonizing over the futures of their sons and daughters who have an intellectual disability and what is to become of them. In newspaper articles, on newscasts, in complaints to the Ombudsman and letters to politicians, we see the growing anxiety that families are facing. The developmental services sector needs serious investment in the coming years, but in the meantime we call for immediate and cost-effective relief to families to help them avoid a crisis.

We're calling for immediate investment in supports when a son or daughter is turning 18, and the period in parents' lives when they are getting too old to provide continuing support to a son or daughter who is living with them. We also recommend the creation and implementation of a long-term plan for stabilizing the developmental services sector and meeting the current huge unmet needs for supports.

Why is immediate investment needed in the transition period when a person moves from childhood to adulthood? Special Services at Home, or SSAH, provides respite and other supports to children living at home and to adults living with their family or alone. In 2006, the ministry established the Passport program to support adults in activities of daily living. In 2012, the ministry announced that it would be eliminating SSAH for adults and that Passport would be the single program through which adults could receive direct funding for daily living supports.

Recipients of SSAH who reach 18 after April 1 of this year will have their funding cut and will have to reapply for funding under the Passport program. Given that there are currently 4,000 people waiting for support from this program, this is likely to result in people being placed on a wait-list for support with no indication of when, if ever, they're going to receive that support. This change is devastating to parents like Cathy and Maurice Chauvin who told this committee in Windsor and the Windsor Star recently how support funding for their son Joe will be cut off as of April 13 when Joe reaches age 18. While Joe requires around-the-clock support, the family's \$7,000 a year of SSAH funding provides less than 10 hours support a week. Now, even that is being taken away.

Until now, there's been no disruption in funding as people reached age 18. SSAH funding has continued into adulthood. The end of school and entrance into adult life can be a frightening time for people and their families. When it is accompanied by a cut to the services one has come to depend on, it can be like dropping off a cliff and the shock and crisis that can result is devastating for all concerned.

We urge the standing committee to recommend that there be no disruption to the support people receive as they turn 18.

What will this cost? We estimate that this change will cost \$3 million to \$4 million annually. And what will the cost be of not providing this relief? Families run ragged by trying to hold things together will reach the breaking point; families torn apart; more families forced to sur-

render their son or daughter because they don't have the support they need to keep them at home; families forced to have their sons or daughters placed in nursing homes or other expensive and inappropriate care facilities; increased future support costs as young adults left without support lose out on opportunities to develop their skills, experience and autonomy.

Why is immediate investment needed for seniors who are supporting a son or daughter who has an intellectual disability? Many parents have opted to support their son or daughter who has an intellectual disability in their home. In many cases, this is done with little or no funding for daily living support from government. There comes a day, of course, when parents must plan for the inevitable transition when they're no longer able to offer the same level of support. Because of a lack of capacity in funding and services, aging parents are living with fear and uncertainty about what lies ahead.

We call for investments to be made to ensure that any parent, who reaches the age of 65 and is supporting a son or daughter who has an intellectual disability at home, has appropriate funding and supports for their son or daughter when they are no longer able to provide care.

Why is there a need to establish a long-range plan? Community organizations that provide support are struggling to keep pace while the government continues to compound its pressure by imposing numerous additional strains. Organizations are expected to comply with many new accountability provisions under the new legislation. Meanwhile, other costs continue to grow including WSIB, pay equity, fire code compliances and other things, all with no additional funds. The result of all of this is a support system that is exhausted and has little resilience.

Each year, the sector has borrowed on its future capacity and has run out of resources to tap. Meanwhile, more than 20,000 people are waiting for funding and support from a system that has no capacity to respond. A long-term plan and investment are needed to address these issues.

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In closing, we urge the committee to recommend that provisions be made in the upcoming provincial budget so that the following three things occur:

Firstly, as children who are in receipt of Special Services at Home funding enter adulthood, there is no disruption in funding for daily living supports that they are receiving at that time and that the provision of funding through the Passport program happen immediately as the person turns 18;

Secondly, any parent who reaches the age of 65 and is supporting a son or daughter who has an intellectual disability at home will be provided with the opportunity and resources to develop a person-centred plan and that funding be specifically identified to assure senior parents that appropriate supports will be available when that parent is no longer able to provide care; and

Thirdly, that the government establishes a long-range plan to ensure that by April 1, 2020, and thereafter, every

person who has an intellectual disability, and their family, has access to the support they need to live in the community, free from poverty and in a manner of their choosing.

I will finish with a quote from Mahatma Gandhi, who said, "A society's greatness is measured in how it treats its most vulnerable."

Thank you for this opportunity to share what families in crisis across the province are telling us, Community Living Ontario, and the Ombudsman of Ontario.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Debbie. Is there anything else from the others? That's the end of your presentation?

Ms. Debbie Rollier: It is; thank you.

The Chair (Mr. Kevin Daniel Flynn): You're going to take questions? Very good. Any questions from the government side? Soo?

Ms. Soo Wong: Mr. Chair, I don't have any questions. I just want to say thank you very much for your presentation today. I know the committee has heard, in each of the stops travelling across Ontario, that the communities have expressed concerns to us. We've heard it very attentively. Thank you.

Ms. Debbie Rollier: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you. Thank you very much for coming today. We appreciate it.

SUBCOMMITTEE REPORT

The Chair (Mr. Kevin Daniel Flynn): We have a motion that you all have before you from the report of the subcommittee. Soo, you were going to amend it?

Ms. Soo Wong: I'm going to amend number 4.

Interjection.

The Chair (Mr. Kevin Daniel Flynn): Oh, does it need to be moved first? Okay, who's reading it in? Soo?

Ms. Soo Wong: That interested people who wish to be considered to appear—

Mr. Steven Del Duca: You have to read the whole thing.

The Chair (Mr. Kevin Daniel Flynn): You have to read the whole thing in first.

Ms. Soo Wong: Oh, okay; all right. So I'm going to move the subcommittee report.

Your subcommittee on committee business met on Friday, March 22, 2013, and recommends the following:

(1) That, pursuant to the motion adopted in committee on March 22, 2013, the committee hold pre-budget consultations in Thunder Bay on Wednesday, April 3, 2013.

(2) That the Clerk of the Committee, with the authorization of the Chair, post information regarding the pre-budget consultations in Thunder Bay on the Ontario parliamentary channel and on the Legislative Assembly website.

(3) That the Clerk of the Committee, with the authorization of the Chair, place an advertisement in a major

paper for one day in Thunder Bay in both English and French papers where possible.

(4) That interested people who wish to be considered to appear before the committee contact the Clerk of the Committee by 5 p.m.—now, should I put the new date?

The Chair (Mr. Kevin Daniel Flynn): No.

Ms. Soo Wong: —on Friday, March 29, 2013.

(5) That if all requests to appear cannot be accommodated, each subcommittee member supplies the Clerk of the Committee with a prioritized list of witnesses.

(6) That the committee authorize one staff person from each recognized party to travel with the committee, space permitting, for the purpose of pre-budget consultations and that reasonable expenses incurred for travel, accommodation and meals be paid for by the committee upon receipt of a properly filed expense claim.

(7) That the Clerk of the Committee, in consultation with the Chair, be authorized prior to the adoption of the report of the subcommittee to commence making any preliminary arrangements to facilitate the committee's proceedings.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Ms. Soo. It has been moved by Soo that we adopt that. Now, you have an amendment?

Ms. Soo Wong: Yes. I'm going to make the amendment, Mr. Chair, to item number 4, that the change is 5 p.m. on Thursday, March 28, 2013, because the 29th is Good Friday.

The Chair (Mr. Kevin Daniel Flynn): Very well. All those speaking to it?

Mr. Michael Prue: I just want to ask a question about that. For the Clerk, have you been able to determine when the ad will go in the paper? I do not want to change it to Thursday if the ad goes in on Thursday.

The Clerk of the Committee (Mr. Katch Koch): I wouldn't know that until Monday, when I contact the advertising agency. My experience is, with smaller newspapers, they are more flexible, and they can—

Mr. Michael Prue: Yes, and I anticipate them to be more flexible too, but we've run into this before in committee, where the time that is given is before the ad goes in, and I don't want this to happen here.

The Chair (Mr. Kevin Daniel Flynn): Okay, well, we could extend it to Easter Monday if you wanted to.

Mr. Michael Prue: No, I don't want to do that. I just want every effort to be made to—

The Chair (Mr. Kevin Daniel Flynn): Yes. The preference is to place the ad as early as possible, and if that results in what you're talking about, I'm sure we'll be hearing from Katch.

Mr. Michael Prue: Yes, that will be fine, and I do agree: We cannot have it on Friday; (a) it's against the law and, (b) because of the Interpretation Act, it would mean that anybody who applied after would still be in compliance with what we've said, and we'd have to take applications up until the 2nd.

The Chair (Mr. Kevin Daniel Flynn): That's right. So we'll move forward on the idea that the ad gets in early and this will all work out fine.

Are there any other speakers to the amendment?

Mr. Michael Prue: No, not that amendment.

The Chair (Mr. Kevin Daniel Flynn): All those in favour of the amendment?

Are there any speakers to the main motion?

Mr. Michael Prue: Yes.

The Chair (Mr. Kevin Daniel Flynn): As amended.

Mr. Michael Prue: Number 5, I think, is just grammatically incorrect, and I wonder if I can either make an amendment or a slight change. It should read that "if all requests to appear cannot be accommodated, each of the subcommittee members supply...."

The Chair (Mr. Kevin Daniel Flynn): Okay. We'll deem that a minor change and move forward.

Mr. Michael Prue: Exactly.

The Chair (Mr. Kevin Daniel Flynn): Okay. Any further speakers?

All those in favour of the motion, as amended? Those opposed? That motion is carried.

Ms. Soo Wong: Before we go, Mr. Chair, can I ask for the committee to give direction to staff of the Legislature in terms of research for today's and yesterday's hearings?

The Chair (Mr. Kevin Daniel Flynn): Okay. Is there anything that has come up from the members that they'd like to refer to research for some further information? Soo?

Ms. Soo Wong: Yes, I do, Mr. Chair. First things first: I thought the presentation by Molly Maid International—some of the suggestions were pretty valid. I want to have some research to get me more information with respect to which provinces or states have this type of rebate or credit—as well as internationally from Switzerland, France and those other countries that they mentioned. I want to validate what I have—this huge package that I scanned over during the presentation. I want to have some data on that piece.

The other piece is the piece involving the doctors' presentation, the cardiologists' presentation. They presented to us their submission, and they made a comment or a suggestion about their—let me see; I'm just trying to figure out where all my paper—

Mr. Michael Prue: This one submission has Dr. William Hughes—

Ms. Soo Wong: Dr. Swan—

Mr. Michael Prue: —and \$44 million—

Ms. Soo Wong: Yes, so I want to get some more data about it, to validate the data in their presentation to us. They claim that they are doing some cost-savings to the province, to the tune of \$44 million, from this ICES report.

The other piece is, Mr. Chair—this is not the first time we have heard it today; consistently, a couple of witnesses talked about the arbitration review. I believe OHA and another group all talked about—a couple of the witnesses. Can we get some kind of review about this arbitration?

Mr. Steven Del Duca: AMO mentioned it.

Ms. Soo Wong: AMO. Okay. From OHA to AMO, all have expressed concerns about the arbitration review. One group talks about the redeployment of staff; another group talks about how we need tougher languages. If the staff from leg counsel or research can help us—what are the languages that we’re looking at? Because last year, during this process, Bill 55—oh, Peter, I’m sorry.

Mr. Peter Shurman: I didn’t say anything.

Ms. Soo Wong: But your face said it all.

Mr. Steven Del Duca: It’s very expressive.

Mr. Peter Shurman: I get it all the time.

Ms. Soo Wong: Okay, I know, but several witnesses have expressed concern about the arbitration and the changes that we need to make, so I want to have some research on that information, so that when we submit a

report to the minister and to the Premier, there will be some really good data so that we can make recommendations. Right?

Those are my comments, Mr. Chair.

The Chair (Mr. Kevin Daniel Flynn): Is there anybody else with anything they need research to do anything on?

Ms. Soo Wong: I thought the report that was sent to us was very well done. I want that to be noted.

The Chair (Mr. Kevin Daniel Flynn): Okay. Well, thank you very much. Thanks for your patience today. Thanks for hanging in there. Thanks to all the delegations.

We’re adjourned until next Thursday at 9 a.m.

The committee adjourned at 1750.

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