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**Assemblée législative  
de l'Ontario**

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**Official Report  
of Debates  
(Hansard)**

**Monday 13 January 2014**

**Journal  
des débats  
(Hansard)**

**Lundi 13 janvier 2014**

**Standing Committee on  
Finance and Economic Affairs**

Pre-budget consultations

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

Consultations prébudgétaires

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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRS

Monday 13 January 2014

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUES

Lundi 13 janvier 2014

*The committee met at 0900 in the Holiday Inn Kitchener-Waterloo Hotel and Conference Centre, Kitchener.*

## SUBCOMMITTEE REPORT

**The Chair (Mr. Kevin Daniel Flynn):** Okay, why don't we get this started? Welcome to everybody. Thank you for being here. We've got one more member that's going to join us in progress. Let's call the committee to order. We'll start with a little bit of committee business. Do you want to do the report of the subcommittee, Catherine?

**Ms. Catherine Fife:** Your subcommittee on committee business met on Thursday, December 19, 2013, to consider the method of proceeding on the 2014 pre-budget consultations, and recommends the following:

(1) That the committee hold pre-budget consultations in Peterborough, Kitchener, Oakville and Toronto from January 13 to 16, 2014.

(2) That the committee hold pre-budget consultations in Sarnia, Thunder Bay, North Bay and Kingston from January 20 to 23, 2014.

(3) That the Clerk of the Committee, with the authorization of the Chair, post information regarding the pre-budget consultations on the Ontario parliamentary channel, on the Legislative Assembly website and with Canada NewsWire.

(4) That the Clerk of the Committee, with the authorization of the Chair, place an advertisement in a major newspaper for one day in each of the cities where the committee intends to hold pre-budget consultations, and that the advertisements be placed in both English and French papers where possible.

(5) That interested people who wish to be considered to appear before the committee contact the Clerk of the Committee by 12 noon on Thursday, January 9, 2014.

(6) That, following the deadline for requests, the Clerk of the Committee provide the subcommittee members with an electronic list of all potential witnesses who have requested to appear before the committee.

(7) That if all requests to appear cannot be accommodated in any given location, each of the subcommittee members supply the Clerk of the Committee with a prioritized list of witnesses chosen from the Clerk's list, and that the scheduling be done in the order of the government, the official opposition and the third party.

(8) That if all requests to appear can be accommodated in any given location, the Clerk of the Committee, in consultation with the Chair, be authorized to schedule the witnesses.

(9) That late requests may be considered, space permitting.

(10) That witnesses be offered a total of 15 minutes: 10 minutes for presentations and five minutes for questioning by party rotation.

(11) That the deadline for written submissions be 5 p.m. on Thursday, January 23, 2014.

(12) That the research officer provide the committee with a summary of the hearings and the written submissions by Friday, February 14, 2014.

(13) That, with the exception of procedural motions, the committee consider all other motions when it begins report writing on Thursday, February 20, 2014.

(14) 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, accommodations and meals be paid by the committee upon receipt of a properly filed expense claim.

(15) 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.

I move adoption of this report.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Catherine. Any speakers? All those in favour? Those opposed? That report is adopted. Thank you very much.

## PRE-BUDGET CONSULTATIONS

## BRICK BREWING CO. LTD.

**The Chair (Mr. Kevin Daniel Flynn):** Moving on to our first delegation of the day, then: We've got some gentlemen here from Brick Brewing Co. The floor is all yours. You heard the report—15 minutes, and you use that any way you see fit. If you wanted to do the presentation for about 10 minutes and leave maybe five minutes for questions, that would work out well too.

**Mr. George Croft:** Thank you, Mr. Chair. Good morning, everybody. Thank you very much for having us here today. Maybe we'll just start with a brief introduction. My name is George Croft. I'm the president

and CEO of Brick Brewing Co. With me this morning is Sean Byrne, our CFO.

I've been in the beer business for 30 years, and certainly today you'll find that our presentation is going to be captured with some passion about the need for change within the beer category in Ontario.

The market has changed significantly; however, the structure of the beer category in Ontario is largely unchanged. What I'd like to do is just start with "Level Set," which just gets people current on the beer business in Ontario today relative to where it has been in the past.

The beer market is controlled by two large brewers—about 90% of the market—with highly diversified portfolios: Brands that you'd be familiar with within our Canadian operation, but certainly significant international brands now make up part of that business.

The three largest breweries in the country today are all foreign-owned. At one time, obviously, they were all Canadian-owned businesses with deep financial resources. What that really does mean is that the rationalization of breweries, particularly in Ontario—the landscape has changed significantly. If you take the two largest brewers that historically would have operated—each would have operated three breweries in the province—they all now just operate one brewery in the province, and it allows them to continue to automate at a pace that certainly smaller breweries like ourselves and others can't compete with.

Problematic or I guess unique, whichever way you'd like to take it, for the business in Ontario is that not only are they obviously very well funded, but they in essence control the retail distribution network. So 80% of the beer that's sold in the province of Ontario is sold in the Beer Store, which is in fact owned by Labatt, Molson and Sleeman, with little governance by the province. They run largely independent of but in fact have a monopoly within the province of Ontario. This has resulted in user fees being adjusted largely at their discretion with no real oversight at all.

Ontario is amongst the most profitable beer markets in the world, and certainly the intent of the big brewers is "the status quo is perfect." They would prefer that there would be no change, and I think the time has come.

The last point for the committee is really the driver. This isn't about Brick Brewing. This is really about the tax revenue that the province of Ontario garners from the beer category. The beer industry is changing and the beer category last year declined by 3.4% or 222,000 hectolitres. A hectolitre is 12.2 cases; it's a big number. But most importantly I think for the province, the \$22 million in lost revenue isn't a one-time number. That obviously is an annualized number, and the category is just changing. You read it all the time in the US. The dynamics in Canada are virtually the same. The craft premium business is growing; the mainstream business is under attack.

The tax threshold, as we're going to talk about, that's in place in Ontario today—not only do we not participate but it in fact is a governor for other small brewers in

terms of going through, when in fact that's the category that is growing. So if the group today is concerned about revenue for the province of Ontario, we would propose that the tax threshold is far too small in Ontario and largely is too small because of the interests of the three largest brewers in the country.

Just to put it in context in terms of size, the Ontario market represents 37% of all beer sold in the country, and we have the smallest tax threshold in the country. Alberta is probably the best benchmark to just have as a comparison. In Alberta, volume would be 25% of Ontario volume and the threshold in Alberta is four times larger than what we have here in Ontario.

With that, I'm going to turn it over to Sean.

**Mr. Sean Byrne:** Just moving to the history, I'll give you a little bit of an overview here. The small brewer ceiling for the lower tax was previously set at 150,000 hectolitres annually, and that was on a five-year rolling average. However, in recent years there have been changes to that in two steps. The first was to move from a five-year rolling average to a single year. When you're on a single year, what that does is it takes away from the small brewer the opportunity to manage through that change over a number of years. It's all of a sudden, it's all at once and it's very painful. A second step was to take the limit from the 150,000 that it had been previously and reduce it down to one third, to 50,000 hectolitres, which, as we have said, is a small base when you look at other markets with much smaller volumes than Ontario. Their small brewer cap is much higher.

Today, the base rate for packaged beer is at \$74 a hectolitre. If you are a small brewer that qualifies, you get to pay \$24 a hectolitre. If you're above 50,000 hectolitres, up to 75,000 hectolitres, you get to retain that benefit, but then beyond 75,000 hectolitres the benefit begins to decline until it falls to zero at 150,000 hectolitres.

#### 0910

I'm just trying to summarize—our proposal and position would be to retain the small brewer ceiling at 50,000 hectolitres, but then rather than start the clawback once you go beyond 75,000 hectolitres, to take it all the way out to 400,000 hectolitres. Again, you say, "Where does 400,000 come from?" That 400,000 is twice the size of the Alberta cap, and Alberta is one quarter the size of the market in Ontario, as a representation. Also, the cap in Quebec is much larger than Ontario today as well. So for volume, up to 400,000 hectolitres, we would retain the benefit of the \$50 per hectolitre on the initial 50,000, and then beyond 400,000 start the scale back, so from 400,000 up to 450,000, at which point the small brewer benefit would have fallen to zero.

Just to represent that visually, if you flip to the next page, you'll see a few different scenarios here, starting with our proposal. Again, if you take the beer tax of \$24 at \$74 a hectolitre on volume up from 50,000 to 400,000 and then retain the lower rate on the first 50,000, what this would do is it would retain the current max at 50,000 hectolitres. Again, although that's smaller than what you see in the other provinces, the extension of this volume is

really a low cost for the province. Those small brewers, as they come up to the cap, rather than lose the benefit immediately, get to retain it for a longer period of time to manage through the loss of that impact. And really, the benefits would accrue to all small brewers with ambition to grow. Today, if you're a small brewer who is approaching the cap, you cannot grow past it. You cannot merge with others to gain efficiency to compete with the larger guys. You just face the prospect of settling in to the volume that you have and accepting the prospect that you'll never grow. The unfortunate part about that is, again, that it's really the category that's growing.

The structure, as it sits today, creates a cap on the only part of the beer category that's really doing well. That really doesn't seem to be the intention. I think if we were all to sit back and say, "How did we get here?" it would not have ever been our intention to have the retail channel owned by three large, foreign-owned brewers, and have the small guys in Ontario with no real chance to grow, and in fact, with a disincentive to grow.

Really, with this change, we believe that you'd see an incremental beer tax benefit because the small craft brewers would have a chance to grow their volume, and on that growing volume, there would be an incremental benefit to the province.

With that, I'll turn it back to George.

**Mr. George Croft:** Just quickly, four closing comments, all of which are fairly repetitive, but I think we're saying that a 50,000-hectolitre threshold in Ontario for small brewers is excessively low versus other provinces, and it does, in fact, create a disincentive for small organizations to grow. So I think not only is that the portion of the business that is growing, as Sean has outlined I think; importantly it is the sector within the province that is also creating jobs. Certainly small brewers operate less efficiently, which is arguably a bad thing, but I guess in terms of job creation, we certainly need more people to produce the same amount of beer as our bigger counterparts.

With small craft beer being the key market segment growth, approximately now 15% of the industry, just to put it in context, that number would be two times in the US. So if people kind of go, "Boy, does it feel like it's capped out?" our view would be that it's not. There's lots of room for continued growth within craft beer. It's imperative that the tax structure in place doesn't impede that growth.

A more reasonable approach is to adopt a system that encourages small brewers to grow, invest and create jobs in Ontario. It's just, I guess, one small example: I've been at Brick Brewing now for just five years and in those five years we've invested \$25 million in our operating facilities to, in fact, be able to compete better in the province of Ontario. I think the message is that smaller brewers are prepared to invest, but really, the structure, again, does impede others going through the threshold.

The outcome will be a stronger, healthier Ontario beer industry with consumer choice, improved and continued

growth of the craft beer category and an improved tax structure for the province of Ontario.

With that, thank you very much, and we certainly would welcome any questions.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, George. You've left about four minutes for questions. It goes to the official opposition first. Mr. Fedeli.

**Mr. Victor Fedeli:** Thank you very much, gentlemen, for the excellent presentation.

When you talk about increased tax revenue, do you have any calculations, any numbers with the current production levels of the smaller brewers?

**Mr. Sean Byrne:** Sure. Today, what we would say is that with 90% of the volume going to those three large brewers, that's really where the volume decline has come from. It was over 200,000 hectolitres in the most recent year and cost the province over \$20 million.

A small part of the category, that 5% to 10% that's in craft, is showing double-digit growth. If that double-digit growth were to continue, it would mitigate but not overcome the volume that you see lost in the larger brewers.

The other point I would make: Those smaller brewers, as they come up to the cap, what do they do? They're faced with the prospect of pricing themselves out of the market because they don't want to lose the benefit. So you'll see with some of those small craft guys, as they approach the limit, it is in their best interest to raise the price of their product, hurt the Ontario consumer, not grow and not add jobs. All for what? So that we can secure a retail channel for the three large foreign-owned brewers at the expense of the tax revenue for the province and higher pricing for the consumer. It's hard to see a good rationale for that.

**Mr. Victor Fedeli:** Other than the three large foreign-owned companies that you were referring to, how many brewers in Ontario are over that threshold?

**Mr. Sean Byrne:** We believe one.

**Mr. Victor Fedeli:** It's yourselves?

**Mr. Sean Byrne:** Yes. Now, what I would also say is that although there's only one, which is us, there's at least two who are approaching the limit who have really no incentive, again, to grow, and are going to find themselves, if not already, pricing their product up, to the detriment of the consumer and to the detriment of the tax revenue for the province. I would go further and say that beyond those two, there's that next wave of small brewers who are faced with a cap on their value. They can't merge, they can't combine, and they can't sell because of the cap.

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

**Mr. George Croft:** If I could, I would just add that the two smaller brewers that Sean is making reference to both have done a very good job in building their brands. That would be Steam Whistle and Mill Street. Certainly the last transition, from 50,000 hectolitres to 75,000 in terms of the adjustment, largely would have been driven by the desire for those two brewers to have it moved out.

I think the real issue is that the threshold, both in size and just longevity, doesn't allow you to really get through.

The only other thing I would add is, I think the category can become healthy, but the category is going to require interesting, distinctive liquids. Consumers' tastes and preferences are changing. You're seeing a lot of pairing with food. But I think the message really is that the category is unhealthy today in Ontario, and the primary way to get back to health is interesting, distinctive craft brands.

**The Chair (Mr. Kevin Daniel Flynn):** One quick question, Monte.

**Mr. Monte McNaughton:** I just wondered how many people work for craft brewers in Ontario.

**Mr. George Croft:** I fundamentally don't have that number. Certainly John Hay, the president of the Ontario Craft Brewers association, would have that number. I can tell you the number that we've got here. We've got three operating facilities in the province of Ontario: a fully functional brewery in Formosa, a brewery in Waterloo, and our packaging/distribution centre in Kitchener. We would employ about 125 full-time employees, and then we seasonally ramp up to about 145 in the peak of the summer.

**Mr. Monte McNaughton:** Great. Thanks.

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

**Mr. George Croft:** Thank you very much. We appreciate the time.

#### DOLPHIN DIGITAL TECHNOLOGIES INC.

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is—

*Interruption.*

**The Chair (Mr. Kevin Daniel Flynn):** That was good time management.

Our next delegation is Dolphin Digital, Jamie Burton. Jamie, if you'd like to come forward and make yourself comfortable. The same rules as Brick Brewing: 15 minutes; use it any way you see fit. If you would like to leave some time at the end, the questioning this time will come from the NDP.

**Ms. Jamie Burton:** Good morning. Thank you very much for hearing me this morning.

My name is Jamie Burton and I am the vice-president of Dolphin Digital Technologies.

In brief, Dolphin is a professional ICT consulting firm, and we specialize in virtualization. We analyze business logic as it pertains to IT and provide solutions to meet our clients' needs. We appreciate that employees offer unique skills, abilities and experiences, and our solution and practice is an inclusive approach to business structuring. By utilizing innovative technology, we have designed and implemented an IT service strategy which allowed us to remove barriers to employment for people with disabilities.

**0920**

Our submission offers Dolphin's insight and experience, as we believe that all businesses can benefit from employing people with disabilities. Our recommenda-

tions pertain to three unique considerations: a strategic business education and apprenticeship program, establishing partnerships to innovate hiring solutions to be accessible and inclusive, and a tax incentive for private businesses which hire people with disabilities.

These recommendations are made in order to assist in the development of policies which will help secure Ontario's position as a leader in employment strategy for people with disabilities, to ensure the province's long-term development of cost-effective partnerships which enable the reduction of unemployment, and to facilitate the support of businesses with social impact.

There is a business case for hiring people with disabilities, and today is a time for change. I think we have to consciously change how we think and operate as business leaders and innovators at all levels. It is my personal opinion that we require a culture shift away from the focus of disability and challenge and difference, and move towards a focus on ability and the potential of all, for the greater equation of improving all of our social and economic factors.

Current trends indicate that there are essential skills shortages in all sectors. I believe that many of these shortfalls can be mitigated by employment of persons with disabilities.

The business case for hiring persons with disabilities is a very simple equation. Employers need skilled workers. Persons with disabilities are a largely untapped human resource available to meet today's growing labour and skill shortages, and persons with disabilities are a large and growing consumer market. By hiring persons with disabilities, businesses can have the potential of opportunity in the marketplace, reduced costs by decreased turnover of employees, and innovation.

It has been proven that there is an increasing feasibility of innovation, as employees with disabilities bring unique experiences and understanding that can transform and enhance products and services. At Dolphin, we have absolutely realized that full potential.

When Dolphin began hiring people with disabilities in 2009, we quickly noted that not everyone had job experience; therefore, resumé's were not full in their details. We also noted that typical hiring procedures excluded those candidates who had no experience or who suffered from various disabilities, including autism and Asperger's, hearing and vision impairment, or mental health concerns. In order to determine the best person for the job, we had to better identify their specific skills. We developed a virtual technical assessment solution, ViTAS, which allowed us to interview in a virtual environment and test specific skills. We were astounded to discover the extent of skills in these individuals who had never worked before, or who might have been overlooked had we not facilitated new strategies, including non-verbal interviews.

However, the one point of consideration for almost all job candidates who had never worked before was that few possessed business communication skills or had a knowledge of appropriate business acumen. When we

sought out external resources, we discovered that there is no comprehensive training opportunity for this. Though job developers help to identify any necessary accommodations and provide personal support to the job candidates, there is no program which develops knowledge and experience of the work environment for the job candidate.

In 2011, Dolphin began a disabilities mentoring day to help provide an opportunity for people with disabilities to learn more about potential employers and to experience business acumen. It is also an opportunity for employers to recognize the full potential in all. After our third annual event this past fall, we have clearly identified the benefit of exposure to the workplace and the potential for apprenticeships to further develop not only skills, but relevant understanding and protocol for both potential employees and employers.

Our recommendation would be that the government structure an accessible education opportunity to teach business communication and acumen to those people with disabilities with limited or no job experience. I will tell you that that job experience limitation is not because they are not qualified but because they simply have not had the opportunity.

I would also recommend that this training is provided with an augmented component of accessible apprenticeship for training and experience.

Essential to the success is partnerships in business. A partnership between public and private, or complementary businesses, can establish methodologies and solutions to develop alternative hiring strategies.

Recognizing that businesses often use pilot programs to test ROI data and proof of concept before engaging in larger-scale hiring programs, partnerships should be fostered to prove potential. For example, in the past year, a synergistic partnership was established between SAP AG and Specialisterne. SAP is a software company which saw the potential and competitive advantage to leveraging the unique talents of people with autism. Specialisterne is an internationally recognized leader in harnessing the talents of people with autism to work in technology-oriented jobs such as software testing, programming and data management. They now have a location in Ontario.

The private sector has a vital role to play regarding the employment of persons with disabilities, and partnerships can open opportunities on a larger scale. By removing attitudinal barriers and making the workplace accessible, employers can contribute to a society where persons with disabilities can participate in work life and have increased independence.

In the fall of last year, the ITU, UNESCO and other partners produced the The ICT Opportunity for a Disability-Inclusive Development Framework. The framework lists current challenges, but it also outlines specific actions to overcome barriers as they currently exist. Barriers require collaboration of stakeholders in every sector. I believe that it is business's responsibility to evoke change and agree that these esteemed experts have provided the structure of a complete solution.

Government does need to play a key role in stimulating solutions adapted to the needs of persons with disabilities, but the private sector must contribute by increasing research and development efforts and by recruiting persons with disabilities. By cohesion and collaboration, all stakeholders can change to bring about social progress, economic growth, and sustainable solutions.

Our recommendation is that the government encourage and support the establishment of strategic stakeholder partnerships to foster innovative hiring solutions which are accessible and inclusive. From that, our recommendation is that the government encourage business participation in the development of hiring solutions for persons with disabilities by providing a refundable tax credit.

Dolphin utilizes technology to enable. We also enable barrier-free employment for people with disabilities, because we believe in the potential of everyone, and we have proven that technology facilitates a level playing field. We hire abilities, and it's a great way to do business.

I thank you for the time this morning.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much. You've left about five minutes for questions. Michael? Catherine?

**Ms. Catherine Fife:** I will. Thank you very much, Jamie, for the presentation. I also just want to say that Dolphin Digital Technologies is a leader in the region, and you are leading by example. By coming here today and giving us some concrete recommendations—we certainly can take this back, because there definitely is a gap, or a reluctance to be truly inclusive in hiring across the province, and I think we need to be honest about that.

One of your recommendations is the refundable tax credit for businesses. What do you think the uptake on—is this incentive enough to create some new hires for those with disabilities?

**Ms. Jamie Burton:** I do believe that it is incentive enough for some. It is certainly not a stand-alone piece of the solution. I think it has to work in complement to the other things that we've recommended. But I do know that my colleagues, when I meet with them, especially a small business—the conversation often revolves around opportunities for a financial component, whether it be a grant or an opportunity for funding or a tax incentive. I know that there is a high level of importance placed on that.

I also know another equation. Currently, there are approximately 365,000 cases on ODSP. If only 10% of those people were employed, it would likely pay for the remaining 90% to receive those benefits. If 10% of those people were employed, it would only take 18% of our businesses in Ontario to do that.

**0930**

**Ms. Catherine Fife:** Excellent. That's a good example. And we know that 10% of those people on ODSP want to work.

**Ms. Jamie Burton:** Absolutely. Without a doubt.

**Ms. Catherine Fife:** And I just wanted to say, your other recommendation, or one of your practices, is

around the mentoring day—disabilities mentoring day. We participated in it this year, and it was a win-win situation for all of us and truly rewarding. It's something that we'll be participating in again, so thank you.

**Ms. Jamie Burton:** Thank you.

**Mr. Michael Prue:** I have, if there's time, just an additional question. What you said here for persons with disabilities is wonderful; I think it's wonderful. Could your idea be expanded to new immigrants?

**Ms. Jamie Burton:** Absolutely. My point of making mention of the word "inclusive" is that by designing from the perspective where you are inclusive and accessible to all, you literally are. Our non-verbal interviews use a component of software that translates into 47 different languages. There is no one that I cannot interview.

**Mr. Michael Prue:** Incredible. Thank you so much.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you for coming today, Jamie. It's appreciated.

**Ms. Jamie Burton:** Thank you very much.

#### FAMILY AND CHILDREN'S SERVICES OF THE WATERLOO REGION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from Family and Children's Services of the Waterloo Region, Alison Scott. Alison, if you'd like to come forward.

**Ms. Alison Scott:** Good morning, everyone.

**The Chair (Mr. Kevin Daniel Flynn):** Good morning.

**Ms. Alison Scott:** I have some handouts and reports that you can take with you. I also have my board president, Ms. Joe-Ann McComb, with me, and my director of client services, Valerie Smith-Sellers.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you for coming this morning. You've got 15 minutes, like everybody else. You use that as you see fit. Everybody usually leaves about five minutes, though, for questions, so you could do that. The questions will come from the Liberal Party, from the government, this time. If you would introduce yourself for Hansard just before you speak, that would be perfect.

**Ms. Alison Scott:** Thank you. So I'll turn it over to Joe-Ann McComb, who is our board president, to kick it off.

**Ms. Joe-Ann McComb:** Good morning. Thank you for this opportunity.

Family and Children's Services of the Waterloo Region is proud of its record of providing good service to the children and families in our community, of our relationships and partnerships with others in the community, and of our efforts to spend government funds with care and due diligence. We welcome the opportunity to present to the committee in the hope it will help the government understand the importance of the investments in child welfare today and how these investments impact the children and families we serve locally.

The child welfare sector is in the midst of a large systemic change, all with the goal of improving services

and outcomes for our most vulnerable population: children who have suffered harm or who are likely to suffer harm. The changes are welcome; however, the change process is also very complex. In transforming, we need to ensure that there is sufficient attention paid to the change process and to thoughtful implementation at the organization and community level and at the broader systems level.

Our presentation today is not to ask for more. We fully recognize the economic environment and financial pressures on the government. We are, however, recommending a restoration of the investment in core child welfare funding to meet the real needs of children in need of protection across Ontario and a continued investment in the change process, which includes a new funding and accountability framework, a focus on outcomes and promising practices, and the development of a new service delivery framework for child welfare in Ontario. We also support continued investment in local services to address the underlying root causes of child protection issues in communities.

I'll now turn it over to Alison Scott.

**Ms. Alison Scott:** Thank you. I am going to be working from the report that has been handed out with the other two annual reports. I'll just start by giving a little bit of background about our agency. We are a multi-service agency that receives core child protection funding, but we also receive mental health funding for sexual abuse treatment services. We have another contract for daycare integration services with our region.

In addition to the funding that we get from the Ministry of Children and Youth Services and the region of Waterloo, we also raise funds through a very vibrant foundation. We're one of 46 children's aid societies in Ontario, and we fulfill a series of functions defined by the government of Ontario in the Child and Family Services Act for the purposes of protecting and caring for children who have been abused or neglected, or who are at risk of being abused or neglected.

As you may know, our functions are mandatory, not discretionary. We can't establish wait-lists in responding to the needs of children and families who may be at risk. Our service, in the past, has very much been volume-driven, according to those needs. We also follow a set of professional standards, established under a series of regulations, for investigating, and we deliver a range of services, including child protection, kinship services, services for children in care, foster care, residential care and plans for permanency, including adoption.

The primary driver of services in any children's aid society is related to the mandatory requirement to investigate and assess risk of children and to ensure service delivery in order to prevent future harm.

There has been a number of significant provincial changes in modernizing the child welfare system over the last 15 years, and particularly since 2006 with the provincial transformation agenda. Recently, we had a commission that promoted sustainable child welfare. Our agency has been one of the agencies that has been very active in supporting the work of the commission and the work of

the government in moving towards modernizing our system. We have been very actively involved in the accountability and performance indicators steering group in our provincial service framework and the development of our new Child Protection Information Network. We take a leadership role at the child welfare advisory committee with the Child Welfare Secretariat and in a number of provincial committees, including Ontario's Looking After Children.

We have also been involved, over the last few years, in initiatives to strengthen board governance. We just recently, this year, signed our first funding and accountability agreement with the ministry as a result of a new funding and accountability process that the government has implemented to ensure all agencies meet the mandated requirements and also submit balanced budgets and live to those.

We've invested heavily in the changes and we're supportive of them. When we look at our service results, one of the largest challenges we have as an organization is, people think we are the organization that takes kids into care, and that's absolutely true. What is less known is that 95% of the children that we receive referrals on are provided with services that allow them to live at home or live within their own family—95%. Some 10% of the kids that we serve may be children that will come into the care of an agency, either on a temporary basis or a permanent basis, and the government has made a lot of investments in those 10%, which we deeply appreciate, but we're also focusing on that 90%. We've had excellent results, and you'll see them—what you can read, I'll leave you with—in our annual report and on page 3 of my report.

Turning briefly to the work that we do in the region, I just want to identify several things that impact our future funding in the region of Waterloo. That's the growth that's identified for our population in Waterloo. We are a region that is spread thinly over rural townships, and we have 80% of our population living in three cities. We are one of the fastest-growing areas in Ontario. Some 22.3% of our population is new Canadians, and this is expected to increase to 30% by 2029. We have one of the top rates of recent immigrants and refugees moving into our community. As these folks move in, although we deliver services, the community's sense of belonging has been identified as a transitional issue of how people feel they belong and are connected to our community. We also have a growing child population and a growing rate of aboriginal children living off-reserve.

There are a number of factors in our region that impact the types of referrals we receive at Family and Children's Services of the Waterloo Region. Although we may have an overall poverty rate that is lower than the Ontario and the Canadian average, what we see is a gap between the rich and the poor that is growing and more stress at the lower end for people experiencing poverty. We believe there's a link between poverty and the other social determinants of health and the potential need for child protection services.

Families come to us with a cluster of problems—addictions, mental health, failure to provide basic needs and sometimes developmental issues—and many are coping with children with complex special needs as well, children that may have developmental issues or mental health problems, which compounds the problem.

There has also been an increasing need for children's mental health services in our region, and we notice that by the increased referrals both to our agency but also to our mental health partners locally.

Some other significant factors that impact the work of child protection have been the impact of child deaths and tragedies. In my 30 years, I had never seen it, but between 2010 and 2012, we had three children die at the hands of a caregiver in our community. Three in an 18-month time period was unprecedented for us, and it had an impact both on the community's response to report and to refer services to us, and it also had an impact on how we were responding and how our staff were coping with the trauma.

The only way that we can deliver services in a community is to ensure that we do it in partnership with all of the other service providers that provide necessary treatment to the caregivers and to the children. We strongly believe in a collaborative response for child protection.

What I'd like to speak to you about today is the current changes that we have around the new funding and accountability, and to urge the government to continue with and accelerate those changes.

#### **0940**

I'd like to draw your attention to pages 5 and 6 of my report, where I basically want to focus a little bit on funding for child welfare over the last few years. Funding has been essentially flat-lined for the last three years. We've started each year with an initial allocation and then, based on the real needs of communities, the government has recognized that and provided additional funding through the year for legitimate cost increases for each of those years.

Despite that, this year we had a new funding and accountability agreement and funding model with regulation changes put in place. The amounts provided this year by the government are less than the total funding provided in previous years. We've all tried to reconcile that in each of our individual ways. However, it's primarily through staffing and program cuts, which really impact those most vulnerable in our community.

I will leave you with several charts on pages 5, 6 and 7. I want to draw your attention to page 8, to the funding model impact for us. When I look at the first column in 2013, what you will see is that with the new funding model, our community is entitled to child welfare eligibility of over \$50.4 million. However, because the funding envelope has been capped, in each of the next three years our agency is receiving significantly lower than what our community is entitled to to meet the basic needs. We also have a planning approval that is less than last year's actual costs. That's because of a capped funding envelope and the increased cost of doing business.

The little sliver in the first chart—I just want to highlight that it looks very small, and it struck me last night how this graph doesn't represent what's happening on the ground for us. Last year, we lost over 44 FTEs; over 70 staff left the organization and we had to reduce a number of access programs and delivery-of-support programs to families. Much of the work was downloaded onto our front-line protection staff and to our community partners. Despite doing that, we had to continue with layoffs, and we're executing layoffs—even as I'm here this morning—in other areas. We've closed all of our group homes.

We've been continuing to find efficiencies. We spent over \$370,000 in severance and labour costs last year, and we now have an anticipated \$420,000 in labour costs this year. I'm giving you an example of a snapshot of one of us. You'll hear, hopefully, through your travels, from our provincial association about the long-term impact of this across the province and on the province's children. Basically, the \$420,000 in severance costs this year comes out of the direct ability to serve families. We applied for transition funds, which the government announced to assist agencies. However, we didn't qualify and we're deemed to be ineligible, even though we feel we've met the requirements. The details are in the report.

I say this to you because I wanted to really stress a couple of things. The transformation agenda for child welfare is working. The direction that agencies are taking in managing their expenditures and still delivering core services to children in need is working. However, through the course of change, some of the policies have been implemented in a very rushed way, without the government and the sector fully understanding the implications of the policy, with some unintended consequences of potentially destabilizing agencies and placing children and communities at risk as agencies make significant cuts to their budgets in order to meet the new accountability requirement to balance.

I will leave you with a series of recommendations. In a nutshell, if we were to restore funding to the level provided in 2012-13, which at the time demonstrated the real costs, then the gap in need that agencies are experiencing this year would be met. We would also encourage the government to remove the cap on the funding envelope and accelerate the new model. The new model is based on a series of population demographics, children in need, as well as service volumes. If this were properly implemented in agencies to receive what they need, the risk to children would be low because the destabilization through the transition would be less. We believe that the service initiatives would be better and lead to better outcomes for children.

I will stop my submission at that point.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. You've left time for one short question. Anybody from the Liberals?

*Interjection.*

**The Chair (Mr. Kevin Daniel Flynn):** One short question; one short answer. There are about two minutes left.

**Mr. Shafiq Qadri:** Thank you, Mr. Flynn. Thank you, Ms. Scott, and to your colleagues. We have, on page 4 of your submission to us, issues with reference to children's mental health services. Again, I'm not sure what a short question is, but in any case, a quick comment on: What's going on on the ground for that extraordinary increase that you've cited, and what do you see going forward in terms of better integrating the children's service delivery model with reference to mental health?

**Ms. Alison Scott:** Well, the shortest answer I can give—

**Mr. Shafiq Qadri:** Short, yes.

**Ms. Alison Scott:** —is that there has been a cumulative need in communities over a number of years. We have seen, with the economic downturn, both for adult mental health and children's mental health, rising needs. Children have been put into short-term or put on wait-lists, and what happens is that the issues become more complex.

There has also been more of a focus on providing much-needed mental health treatment. There's a new policy framework, which I fully support. The principles are fabulous, but part of the difficulty is that in some areas there are adequate mental health services and in other areas there aren't. Some of the services can have wait-lists of up to 18 months. As the problems become more complex and families can't cope, we often get referrals to our agency where they wish to abandon their children because the problems have become too severe.

We believe in partnerships with mental health where we intervene early and have a continuum of services that provide treatment in a timely way to those most in need. What often happens is that treatment can sometimes be provided on a residential basis from Monday to Friday, but then, because of the ability for agencies not to stay open on a seven-day residential model, we'll get the referrals to look after the children on the weekend.

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

**Ms. Alison Scott:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** That was a short question and a short answer. Thank you very much for coming today, Alison, Joe-Ann and Valerie.

#### FLOWERS CANADA (ONTARIO) INC.

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is Rejean Picard from Flowers Canada. Rejean, if you'd like to come forward. Make yourself comfortable. You have 15 minutes; use it any way you see fit. I'll let you know when you've got about five minutes left.

**Mr. Rejean Picard:** Perfect. Thank you so much. My name is Rej Picard. I'm a retired member of Flowers Canada (Ontario). Certainly, on behalf of Gerard Schouwenaar, our Flowers Canada (Ontario) president, I'd like to thank the committee for the opportunity to discuss the successes and challenges that floriculture in Ontario has as an agriculture commodity.

As a bit of an executive summary, the floriculture sector represents over \$5 billion in economic impact across Canada, with over 20,000 directly employed. These statistics are very impressive considering that the sector has seen a number of challenges to growth over the past five years. These challenges, however, have resulted in major restructuring and greatly increased efficiencies across the sector and throughout the whole value chain.

Directly, the sector generates over \$84.4 million in HST and over \$80 million in payroll for the province of Ontario. If the government would like to retain and grow this tax revenue, now is the crucial time to invest. Government reinvestment back into the sector, combined with recent positive swings in the exchange rate, will provide an unprecedented return on investment for the province.

We'd like you to consider the following: In Canada, floriculture represents \$1.4 billion in farm gate, with 20,700 people directly employed. In Ontario, \$709 million in farm gate sales, with 8,800 workers directly employed, generate a payroll of over \$80 million. The economic impact to Canada with spinoff of jobs is over \$5 billion, with over half of this benefiting Ontario. The ornamental sector is the only agricultural commodity generating HST at point of sale, resulting in \$160 million in HST in Canada and, as previously said, \$84.4 million in HST in Ontario.

A little background: We are an export-driven sector with strong domestic growth potential. Our top trading partner is the US, taking 98% of all of our exports. Exports are approximately half of what they were in 2006, when they exceeded \$600 million.

Our challenges include:

- the exchange rate;
- the US economy;
- the Canada-Columbia Free Trade Agreement;
- regulatory burden;
- the 51%-made-in-Canada rule: as an example, carnation bouquets labelled “Made in Canada” are sold here, yet there are no cut carnations grown in Canada anymore;
- competing in the global market, where almost all countries have much lower wage costs, input costs, heat, etc.; and
- big-box stores requiring more pay-by-scan arrangements and inventory management by the farmer.

Other considerations: It's \$1 million of investment per acre to build a greenhouse today. Automation is necessary to help our farmers compete. And we are family businesses providing flexible employment opportunities in rural communities across Ontario.

#### 0950

Opportunities for jobs and growth: We're looking for investment in upgrading production facilities and production practices. We can invest in new technology, particularly automation. This sector investment creates numerous spinoff jobs in high-skill jobs in new technology systems directly related to production.

Floriculture's economic multiplier is three times, which compares very closely to the auto sector. Technology and logistics improvements increase competitiveness globally. We're particularly interested in bio-controls, where growers have embraced this method of pest control out of need, and we are a sector striving for environmental solutions. Research in the areas of water management, water access, water quality and control systems in the greenhouses is prevalent.

Our members certainly respect the province's challenges related to the provincial budget. However, we are also confident that with proper investments in floriculture combined with adequate infrastructure policy and the regulatory environment, our sector will maintain our positive business trends in the short term and add sales growth and jobs in the mid and long terms.

We're looking for investment in floriculture. We are poised for growth due to five years of downsizing and efficiencies and cost-cutting. The exchange rate with the US is becoming more favourable. Farmers have restructured and invested to be able to compete globally. Businesses are well structured and managed.

We have an existing infrastructure advantage in Ontario. We have our natural gas, our transportation systems, our water access and our technology. Government support to our sector will provide the Ontario government with excellent return on investment in areas such as climate control in manufacturing and lighting technology, computer technology, and in the area of greenhouse manufacturing, which we already export considerably to the US and around the world.

Canada is resource-rich, with water, growing media and fertilizers, and we grow and offer a trusted product in terms of volume and quality.

Our specific investment asks are listed in the brief. Specifically, they relate to self-directed risk management programs. There was considerable investment in edible agriculture, and the ornamental floriculture ask is appropriate based on farm gate sales relative to other groups.

We're looking for approval of a pick Ontario marketing program. Foodland Ontario does not promote ornamentals. In order to support increased sales in a domestic market, we definitely require increased marketing programs.

We're looking for investment in the research sector, particularly in pest management through bio-control strategies, and to increase biological pest rearing within the province of Ontario.

We're also looking for two production specialists to meet with farmers to improve production techniques and to yield ultimately increased production and profitability across the sector.

Certainly, programs that we already have and we would encourage you to continue are the IRAP program, the SR&ED program, and the contributions to the Agri-Stability and AgriInvest programs. The Natural Resources Canada—NRC—energy programs are a great help. And certainly the Minister of Energy's recent announcements on the long-term energy plan related to green-

houses will be a great help in the areas of cogeneration and off-peak power rates. The environmental farm plan, the Growing Your Farm Profits and the advanced payment program are other programs that are a great help to the sector.

As I mentioned, combined heat and power, which was part of the FIT program and was dropped, has been replaced by the Minister of Energy's comments in the LTEP, and we're looking forward to meeting with the Minister of Energy in terms of trying to narrow down that program.

We're looking for help for farmers to become more efficient through inventory and logistics control programs and information technology. We're looking for a systems-based approach to traceability and biosecurity that allows for greater efficiency and ultimately less regulatory burden. We're also looking for biosecurity programs to help ensure our trade with the US.

Ultimately, all programs that are currently offered to food agriculture should be available to all farmers, including ornamentals. Some examples of major programs that are not presently available to our farmers include risk management programs, the Ontario marketing initiatives fund, and crop insurance. These programs are all offered to food sectors only.

We appreciate the consideration of the Minister of Finance and the Ontario government towards investment that will greatly grow our sector and jobs. Our sector is also one of the most vibrant and offers an excellent return on investment. As well, these requests are crucial to our long-term viability.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you. The questioning is from the PCs this time, starting with Monte. You've got the full five minutes.

**Mr. Monte McNaughton:** Thanks for your presentation.

I represent a rural riding, Lambton-Kent-Middlesex, in southwestern Ontario. Your industry sure creates a lot of jobs down there, and I know a lot of the greenhouse operators and growers down there really play a key part in our local economy, so thanks for that.

I was wondering if you could go into more detail about the concerns regarding the regulatory burden in Ontario affecting your industry.

**Mr. Rejean Picard:** I think we're probably no different than a lot of the different sectors that are in business. The one that has particularly affected us in the last little while, the largest one, is probably working with the Ministry of the Environment on some water issues. We've managed to work very closely with OMAF on that, and we've managed to get a partnership between OMAF and MOE in terms of resolving that. We're in the process of doing that. That's helping, but it's also to a point where when we look at some of the ramifications of the demands of the perceived fixes of some of these issues, we have growers saying that it will just take them over the brink in terms of putting them out of business. So that's probably the biggest one right now.

I'll give you an example of another one. With this cold snap we've had—we have what we call interruptible

rates for natural gas, whereby the gas company can call and say, "Okay, shut down your boilers to natural gas and convert them to oil." We've only had interruption in the last few years. I heard of one case where a grower asked for oil to be delivered to continue heating his greenhouses, and he was told that TSSA had to come in and do an inspection first for approval. He didn't have time for approval; he was going to freeze his crop if he didn't get it in. Those are the kinds of things—some of them are very serious; some of them are serious nuisances—that we have to deal with. That's probably the best example I can give you.

**Mr. Monte McNaughton:** We hear a lot about concerns about the TSSA, for sure, from many different industries.

The OFA recently has been promoting the expansion of natural gas lines throughout rural Ontario and northern Ontario. Is that something that would be of benefit to your industry?

**Mr. Rejean Picard:** Absolutely. I come from Niagara, and it's not a problem there. Niagara is well served in terms of infrastructure. If I look at my friends in the sector, particularly the vegetable growers in the Leamington area, there are very serious deficiencies in terms of infrastructure; particularly, we mentioned electricity. That is a very serious one. Also, in some of the outlying areas, gas lines need to be extended in order to provide service. So, absolutely, infrastructure, both gas and electricity, is becoming a problem.

**Mr. Monte McNaughton:** Great. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** You have about two minutes left, Vic.

**Mr. Victor Fedeli:** Thank you very much. I found something you said to be interesting. You said that we don't grow carnations in Canada any longer. Why not?

**Mr. Rejean Picard:** Well, it started probably 25 years ago when South America and Columbia, in particular, being on a plateau with an absolutely perfect climate—obviously, with a perfect climate, there's less need for capital investment. You didn't have to build the kind of greenhouse we would have to build here in a snow environment. Also, their regulatory systems allowed them to build an industry that basically took away all of the cut flower production in North America over the years.

If you read about China bringing canned peaches or pears into Canada, it's the same issue. The packaging is meeting the 51% rule, and it's creating a problem.

**Mr. Victor Fedeli:** My more pointed question is about energy rates. What percentage of input costs would your hydro rates be in this sector?

**1000**

**Mr. Rejean Picard:** Hydro, potentially, in the flower sector, is not that large, but I'm going to speak now for my friends in the vegetable sector. There, potentially, it's not that large now, but it's also the biggest opportunity that they have, because in the vegetable sector, they shut down production for a period of time in the winter, when there's not enough light. If they had the proper

infrastructure and had the proper rates, they could use off-peak lighting to stay in production year-round and eliminate the competition and the imports that we get from Europe and Mexico in particular.

**Mr. Victor Fedeli:** This is all done in greenhouses?

**Mr. Rejean Picard:** In greenhouses, yes.

**Mr. Victor Fedeli:** What percentage of their input costs would be hydro in those greenhouses, in that situation?

**Mr. Rejean Picard:** If you get into a lighting scenario—I can speak from experience. In a rose crop grown by the company I worked for, the lighting bill in 2012 was larger than the heating bill. Typically, the lighting alone can get into 7% to 8% of the cost of the crop, which is significant. If you're not doing any special lighting, it's not that big a number, relative to heating, but if you are lighting, it is significant.

**Mr. Victor Fedeli:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you very much for coming today.

**Mr. Rejean Picard:** Thank you.

ECONOMIC DEVELOPMENT  
ADVISORY COMMITTEE,  
CITY OF KITCHENER  
WATERLOO REGION  
HOME BUILDERS' ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** If I can call forward our next delegation, from the Economic Development Advisory Committee for the city of Kitchener, and the Waterloo Region Home Builders' Association, Kevin Fergin. Kevin, if you'd like to come forward and make yourself comfortable.

**Mr. Kevin Fergin:** Good morning.

**The Chair (Mr. Kevin Daniel Flynn):** Good morning. If you would introduce yourself and your colleague. Fifteen minutes, like everybody else, and I'll let you know when you've got about five minutes left.

**Mr. Kevin Fergin:** Certainly. Thank you.

Mr. Chairman and members of committee, good morning. My name is Kevin Fergin, and I serve on the executive of the Waterloo Region Home Builders' Association. I'm also past president of the Brantford Home Builders' Association. We're proudly affiliated with both the Ontario Home Builders' Association and the Canadian Home Builders' Association.

I also sit on the city of Kitchener's economic development advisory committee as the housing industry representative. I'm also a practising licensed professional engineer, leading the community development group locally with Stantec consulting.

With me this morning is our executive officer from the Waterloo Region Home Builders' Association, Marie Schroeder.

Thank you, folks, for providing us with the opportunity to speak to the upcoming budget.

The Waterloo Region Home Builders' Association is the voice of new housing development and the professional renovation industry in Waterloo region. Our association includes approximately 250 member companies.

The residential construction industry supports over 322,000 jobs, paying over \$17 billion in wages and contributing over \$43 billion to the provincial economy.

The Kitchener housing market experienced a sharp decline this past year. Housing starts dropped by 40% from just under 3,000 units in 2012 to an estimated 1,700 units in 2013. But we're optimistic for a rebound in 2014 for 2,300 housing units, as forecasted by CMHC. I note that the reduction in these units is largely in the single detached and low-rise residential categories.

I'm providing you with these numbers and observations as context for my presentation. The numbers don't simply represent a roof over a family's head; they also represent thousands of jobs, from skilled trades to architects, planners, and engineers such as myself. We remain concerned about the broader economy, as some sectors have not fully recovered from the recession.

When consumers are not confident, when they don't have a job or job security, they don't buy a new home or renovate their existing home. This is why my deputation today focuses on the economy, job creation and ensuring a fair, transparent and evidence-based planning process.

The Waterloo Region Home Builders' Association also represents the professional renovation sector in the region. As such, within our membership we promote the RenoMark program, which helps to protect consumers by ensuring that our members provide warranties and written contracts, carry insurance, pay their taxes and obtain all the necessary permits. This is becoming more of a challenge every year, as the underground economy is rampant in the renovation sector.

I'm sure everyone in this room knows someone who has had some work done on their home for cash. These cash operators compete with legitimate businesses. They don't pay WSIB premiums or HST, and they aren't likely filing income or corporate tax returns. They also put themselves at risk by not adhering to current health and safety standards, and they put consumers at risk for liability and shoddy workmanship.

The renovation industry in Ontario represents approximately \$20 billion in economic activity. A recent Altus Group study found that at least \$5 billion in activity—so a quarter—is occurring in the underground, with approximately \$7 billion in do-it-yourself type of work.

We believe that a broad-based, consumer-focused tax credit, similar to the expired federal government's Home Renovation Tax Credit, is the best method to deal with the problem of the cash economy in the renovation sector. Fundamentally, this is a problem that is best dealt with through a regulatory system that catches these underground operators alongside a plan to address the consumer demand for cash renovations.

Related to this is the Healthy Homes Renovation Tax Credit, which we strongly supported and which offers a rebate to seniors to age in place by making accessibility-

related retrofits. I can tell you that we are working with both members and consumers to promote this tax credit. The Healthy Homes Renovation Tax Credit also has the added benefit of fighting the underground economy.

We believe that the receipts generated from tax credits provide the Canada Revenue Agency with a wealth of data that could be used to cross-reference these companies with WSIB information and building permit data to catch underground operators.

We recognize that the shift to a harmonized sales tax has some benefits to the broader economy, and specifically in manufacturing, but harmonization has brought about significant tax implications impacting new home buyers and, as I noted earlier, homeowners contemplating a renovation.

We support the enhancements the province made in June 2009 to replace the initially proposed regressive dual threshold with a progressive tax structure that has applied to new homes. This was a positive step for housing affordability. I want to be clear that while we support positive measures taken to improve the tax structure, it still represented a net taxation increase for homes valued over \$400,000.

Ontario home prices tend to rise over time, and from 2000 to 2011—so over a decade—the new housing price index increased some 44%, compared with general inflation, which rose by 26%, and the median family income, which advanced by only 20%. As a result of faster house price appreciation, and therefore to avoid further erosion in housing affordability in the coming years, we recommend that the threshold should be reviewed on a regular basis. This would substantially improve housing affordability for the middle-class new home buyer and ensure that the tax rebate continues to reflect changes in housing prices over time.

Our provincial association, OHBA, responded favourably to last year's budget, as it continued to make significant investments in core infrastructure, with the announcement of an extended three-year, \$35-billion commitment. We expect that this year's budget will maintain that commitment, as it is absolutely critical that the province continues to support job creation to ensure a sustainable recovery. We believe that strategic infrastructure investment helps enhance the quality of life, supports economic prosperity and enhances productivity.

The provincial government should also focus on core infrastructure investments, and by that, we mean roads, bridges, water, waste water and public transit. These types of investments leverage additional private sector jobs and investments while improving productivity.

I should also add that the province can't make these types of investments in isolation. It's important that land use planning policy is in alignment with long-term infrastructure. This means that provincial policy must provide leadership and municipal implementation documents, including both official plans and zoning, that should be in conformity with planned infrastructure to create investment-ready communities—specifically in our area, a two-way GO service from Toronto to

Waterloo region, anchored by a technology cluster that, arguably, is second only to Silicon Valley, and also the new Highway 7 from Kitchener to Guelph, a project that would provide economic stimulus but also address transportation safety.

I'd like to very briefly speak about why the OMB is an essential piece of the broader planning framework in Ontario. We support the principle of a strong role for the OMB to uphold the provincial interests in the planning review process within Ontario.

#### 1010

The right of appeal of a municipal council decision or where no decision is made is an important counterbalance to the political pressure created by local residents on their council. It's also important that this venue is available to proponents, neighbours, community associations and interest groups who have participated in the public planning process to ensure they have an opportunity to raise legitimate concerns with respect to the planning issues.

Waterloo Region Home Builders' Association, along with our provincial association, was active and engaged with the provincial consultation and land use planning and appeal system. The OHBA submitted their recommendations to the government last Friday. I understand that the main thrust to these recommendations was to make improvements at the front end of the planning process to better align municipal and provincial policies and to create more certainty in the planning system for all stakeholders, including developers, municipalities and the general public. If we can create a better and more certain framework for land use planning decisions at the front end of the process, we'll resolve more issues early on and have far fewer disputes, resulting in fewer appeals to the OMB.

In closing, I'd like to thank you all for your attention and reiterate our key themes. We support a permanent home renovation tax credit to combat the underground economy. We support continued investment in core infrastructure. We support improvements to the planning process to provide greater certainty for all stakeholders at the front end of the process. Lastly, we recognize that the province is in a deficit position and this may not happen immediately, but we believe it's important that the province commit to a regular review of the new housing HST threshold at least every five years.

I thank you for your attention, and I'm available for questions.

**The Chair (Mr. Kevin Daniel Flynn):** Great. Thank you, Kevin. There are about three and a half minutes. Catherine or Michael?

**Mr. Michael Prue:** You had me until you got to the OMB, I have to tell you. Why is it that you are such a supporter of such an institution? We are the only province in Canada that has one. Why do you think we need this archaic, unelected body to tell municipalities what to do?

**Mr. Kevin Fernin:** I think that the OMB doesn't necessarily tell municipalities what they are to do. Rather, I

think what they do is they balance all the information to provide for good planning decisions. As we know, councils will not always follow the recommendation of their staff. Their staff, with planning expertise, will bring those recommendations forward, presumably on evidence-based and science-based recommendations. It would be our submission that the OMB provides a balanced approach that not only addresses the private sector concerns, but also public sector concerns.

**Mr. Michael Prue:** Municipalities are required to put in official plans, zoning bylaws, to be in conformity with provincial guidelines—they all do it—and then they see an unelected body overturn what citizens in their respective municipalities expect to happen. Why is that fair?

**Mr. Kevin Fergin:** I guess I would counter-argue that perspective with saying I'm not certain that the decisions made by councils are always representing the greater body. I think the Ontario Municipal Board provides that balance.

**Mr. Michael Prue:** Go ahead.

**Ms. Catherine Fife:** Thank you very much, Kevin. I don't know, Marie, if you might want to weigh in on this because I can see you feel strongly about the OMB.

You're here today, Kevin, also on behalf of the Economic Development Advisory Committee of the city of Kitchener. Is it their opinion that the OMB needs to be reformed at the front end, as you pointed out? I know the position obviously of the home builders' association with regard to the OMB, so what is the position specifically of the Economic Development Advisory Committee?

**Mr. Kevin Fergin:** The Economic Development Advisory Committee hasn't submitted a position on the OMB.

**Ms. Catherine Fife:** Yes, but you're here today. There's sort of tension between those two organizations.

**Mr. Kevin Fergin:** I would suggest that there's not tension, rather the Economic Development Advisory Committee provides a perspective on certain issues. They haven't discussed the OMB. I think I missed one meeting, and I don't think they discussed it there. But I'm also here on behalf of the home builders' association and certainly we'd like to see the integrity of that body maintained.

**Ms. Catherine Fife:** I think that no party here would argue against—any organization like the Ontario Municipal Board needs to be reviewed and needs to be revised, from a policy perspective, because there has been policy that has been put out by the Liberal government—the good places to grow. The region of Waterloo, quite honestly, exceeded all expectations with regard to planning in that regard. Yet then the Ontario Municipal Board came back and undermined almost five to seven years of planning in that regard.

I don't know. I think maybe, Marie, you'd like to weigh in on the Ontario Municipal Board? No?

**Mr. Kevin Fergin:** I don't want to speak specifically to the Ontario board hearing that you're referring to. I don't think that would be appropriate. But what I would

say is that I would suggest again that the Ontario Municipal Board is evidence-based. I would also suggest that with respect to comments about the region and planning, clearly, we're having a challenge in terms of meeting market demands. Our housing starts are down, yet by all indications, the consumer is telling us that there's still a demand for housing. So we would hope that that would—

**The Chair (Mr. Kevin Daniel Flynn):** Okay, I'm going to have to jump in there. Your time expired about a minute ago, but I didn't want to interrupt you mid-sentence. Thank you very much for coming today.

**Mr. Kevin Fergin:** Thank you.

#### GRAND VALLEY CONSTRUCTION ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from the Grand Valley Construction Association. Martha George? Martha, if you'd like to come forward. Make yourself comfortable; fifteen minutes, like everybody else. Most people are trying to leave about five minutes for questions. If you'd introduce yourself, and the floor is all yours.

**Ms. Martha George:** Thank you. My name is Martha George. I'm the president of the Grand Valley Construction Association. We are a not-for-profit organization that represents the interests of the industrial-commercial-institutional contractors in the geographic area of Kitchener-Waterloo, Cambridge and Guelph.

I'd like to thank you for the opportunity to bring concerns from the construction industry for your consideration. There are two topics that I'd like to speak on, and the first is on prompt payment legislation.

The construction industry is asking the government to make Bill 69 a top priority. Most construction work is project-based, and payments for work completed flow through a project chain, from an owner at the top of the chain to the general contractor to trade contractors and then to subcontractors and suppliers. Late payment is endemic in this industry.

Some participants along the project chain, rather than paying the contractors they have hired to perform the work on a project, will hold on to monies paid to them for project work or divert it to non-project-related processes and purposes.

As a consequence of late payment, the financial risk of a project is, unfairly and without justification, transferred onto the smaller contractors down the project chain. Late payment leads to lower employment in construction, reduced investment in apprentices, machinery and equipment, and inevitably increases the cost of construction services, and in some cases forces contractors into bankruptcy.

Governments in many other jurisdictions have recognized the unfairness that widespread and chronic late payment in the construction industry produces and have responded with prompt payment legislation. This includes the United States, the United Kingdom, Australia,

Ireland and New Zealand. In fact, other provinces in Canada are keeping a close eye on Ontario in our efforts to make prompt payment legislated.

Late payment exists in all types of construction projects, including industrial, commercial, institutional, heavy civil and residential. Wherever there is a construction project with an owner, a general contractor, trade contractors and suppliers, there will be an opportunity for late payment and all its negative consequences.

Prompt payment is supported by COCA, the Council of Ontario Construction Associations; the NTCCC, which is the National Trade Contractors Coalition of Canada; ORBA, the Ontario Road Builders' Association; the OCS, the Ontario Construction Secretariat; and others. It's also supported by labour, which includes the building trades council. Statements of support have been made by Premier Wynne, Mr. Hudak and Ms. Horwath.

This bill is supported by a study by Prism Economics—which was a report on more construction jobs, more apprenticeship positions, increased spending on capital and equipment—and the Broadbent Institute. The legitimate objections of those who are opposed can be dealt with through friendly amendments. The government must make it a top priority and ensure it is dealt with at a committee soon.

#### 1020

Those who oppose Bill 69 are those who don't want to pay contractors for work that has been completed without deficiency in a fair and timely way. Bill 69 is based on standard contracts that have been developed and refined through many years through an industry consensus process managed by the Canadian Construction Association. Bill 69 provides a process for timely payment for work completed and with allowances for deficiencies, and it allows contractors to stop work in the event of late payment and to charge interest on overdue amounts.

The second issue is open and fair tendering practices in public infrastructure. Current labour laws are not clear on certification of owners such as municipalities and school boards. Currently, the labour board applies collective bargaining rules for construction companies to municipalities and school boards. Once the public sector employer becomes certified under these rules, owners must contract out all infrastructure projects to only those construction firms who are signatory to a specific union.

This unfair practice excludes many qualified contractors from the bidding process. These are not only contractors; they are taxpayers who are excluded from the opportunity of either bidding or working on projects that they are paying for through their tax dollars.

Collective bargaining rules for construction businesses should not apply to municipalities and school boards. We need a legislative change to the labour laws to make it clear that collective bargaining rules for construction businesses should not apply to municipalities and school boards.

By making this important legislative change, it would ensure that all qualified contractors have the right, regardless of their union affiliation, to work on local

infrastructure projects and that public officials have the ability to get the highest-quality work at the best possible price for taxpayers through an open and fair tendering process. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. You've left quite a bit of time there for questions. This time, it goes to the Liberals. Donna?

**Mrs. Donna H. Cansfield:** Thank you very much. Thank you, Ms. George, for your presentation. As you know, Bill 69, I believe, passed second reading and has gone to committee. And it was Mr. Del Duca. So it did receive all-party support; it was unanimous, so hopefully it will proceed, now that it's in committee, to the hearings that should be—

*Interjection.*

**Mrs. Donna H. Cansfield:** It has to be called—yes, of course. We could all work on that.

**Ms. Martha George:** And that's what we're asking for.

**Mrs. Donna H. Cansfield:** Absolutely. I think, since everyone agreed, that it makes some sense to bring it forward and see what we can do. So we'll take that message back loud and clear.

**Ms. Martha George:** Thank you.

**Mrs. Donna H. Cansfield:** Your association works with the industrial, commercial and institutional sector. I found it interesting from the gentleman who participated as well that neither of you mentioned development charges. Do I make an assumption you're happy with them?

**Ms. Martha George:** I didn't bring development charges to the table. I really wanted to focus on these two issues, and I'm not sure when the region brings their development charges out or when they update them. Possibly the chamber will speak on that. No, I didn't bring it, but of course it is a concern.

**Mrs. Donna H. Cansfield:** And I'm very interested because of the extraordinary differences in and amongst the different municipalities and regions on the use of development charges and what they charge and also how they use the dollars. So I'm curious in terms of whether or not you think there should be some uniformity, because obviously you pass those development charges off to the homebuilder or the institution or whomever. In some cases, they are extraordinarily high. That's the first question.

The second question is, would you consider it some of your responsibility as to how those dollars, those monies, are used in terms of supporting that community, for example, that you're building?

**Ms. Martha George:** Absolutely. In terms of the usage of the development charges, ensuring that infrastructure is maintained on a regular basis, absolutely, so that there's not a crisis within a 10-year period because monies haven't been allocated correctly.

In terms of the uniformity of building development charges, it would, in my opinion, make sense—and I'll speak on our region—to be attractive compared to other municipalities across Ontario in terms of attracting

business. Certainly, if you have a competitive advantage by having development charges that are in line with other municipalities, it definitely would make sense.

**Mrs. Donna H. Cansfield:** It has been a while now, but if I recall, part of the area that's available for you to grow is in your southwestern part of the region of Kitchener-Waterloo. Is that correct? Because I think if I recall, when I was Minister of Transportation we actually announced Highway 7. That's a few years ago. Some things have taken some time to unfold. But if that's the case in terms of where your ability to grow is, then how critical are your transportation infrastructure needs to be able to develop that area?

**Ms. Martha George:** Absolutely critical. Even looking at the Conestoga Parkway that only circles half of the city, if you're going to reduce gridlock, having infrastructure in place that would accommodate people living in the southwest end of the Kitchener area to be able to—you might as well live in China as opposed to living there, in terms of trying to get over to Cambridge, for example. Gridlock is a terrible problem in our region.

**Mrs. Donna H. Cansfield:** When you're doing the planning with the municipality—let's say you're putting in a new hospital, a new school or whatever—and you sit down and you talk about the needs of that infrastructure, is it part of the original official plan or do you work in terms of the long term? The reason I'm asking this is that, of the 385 municipalities, only 43% of them have put in their official plans. There's an enormous number out there who have not put in the official plans. I understand and realize that it's often a growing thing. It will change and you just need to be flexible as well, but without that document and some specificity, you cannot do some of the planning you choose to do because of that changing, or it's not in the plan itself. So how do you sit down with your municipality? Do you sit down with municipalities to do that longer-range strategic planning, especially when you're restricted as to where you can grow?

**Ms. Martha George:** No, we haven't been involved in long-term strategic planning. What we really do in our association—and certainly that could very much be a part of it. The things that are keeping our businesses alive are getting paid and having the ability to work and access construction projects. It's maybe at more of a micro level. When you're speaking in terms of long-term development, it's more of a macro level. It's not that we don't focus on higher-level issues—we certainly do—but the ones that I'm bringing today I really feel are critical.

In many cases, a lot of our contractors are in survival mode because they're not getting paid. They are hung out to dry for millions and millions of dollars because they're not getting paid. It's a real issue. In the last three months I've had three major bankruptcies of contractors. It can be many reasons, but part of it is not getting paid.

**Mrs. Donna H. Cansfield:** And because they're a subcontractor on—

**Ms. Martha George:** They're subcontractors or they're general contractors working for an owner. If we

can get prompt payment going—it starts right from the owner, who's required to pay, to the general contractor, who's required—subcontractor, sub of sub and supplier, all the way down the chain. Typically, there's no proof of payment and no requirement to pay within a certain time. So we believe that bringing in legislation would—

**Mrs. Donna H. Cansfield:** Be helpful.

**Ms. Martha George:** —be very helpful.

**Mrs. Donna H. Cansfield:** And I appreciate that, and I think everyone here does. I think the message is loud and clear that we'll take back to the finance folks.

My other question revolves around the whole cost of housing. I always find it difficult—a little bit is my age, maybe, but when someone starts to talk about a house at \$465,000 being affordable, I have to gulp just a little. I just think, as a first-time buyer, that's pretty harsh. I think the gentleman said that a 44% increase in the cost of housing over 10 years is difficult. So my question then is, how and when do you sit down—again, it's planning—to lower those costs? I'll give you a good example. I remember that a few years ago, you had to have a trench for Bell, you had to have a trench for Rogers, you had to have a trench for hydro and you had to have a trench for the gas. I was kind of thinking that maybe you could have one or two trenches instead of five.

1030

**Ms. Martha George:** First of all, we don't do any residential.

**Mrs. Donna H. Cansfield:** No, but even in commercial, you have the same problem.

**Ms. Martha George:** But there is One Call to bring—

**Mrs. Donna H. Cansfield:** That's not what I'm talking about. I'm talking about in building.

**Ms. Martha George:** Oh, okay.

**Mrs. Donna H. Cansfield:** I understand the One Call if you're digging. I'm talking about when you actually put in. So my question is, how do you work together with your subcontractors, with the other organizations, to help to reduce those costs that ultimately are passed on to the homeowner, so that it can in fact stay affordable? I still have difficulty with a 44% increase; I'll use that one, but it's no different when you look at what a hospital cost in 2000 and what it costs today.

I appreciate that part of your responsibility here is to bring the payment issue. Part of our responsibility to the taxpayer, as well, is, how do we find a better, more efficient way to work with you to make things more affordable?

Thank you for your presentation.

**Ms. Martha George:** Thank you.

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

#### POVERTY FREE KITCHENER-WATERLOO ACTION GROUP

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from Poverty Free Kitchener-Waterloo Action Group: Brad Ullner and some col-

leagues. Make yourselves comfortable. Like everybody else, you get 15 minutes. I'll let you know when you've got about five minutes left. The questioning this time will come from the Conservative Party. If you would introduce yourself for Hansard before you speak, that would be great.

**Mr. Brad Ullner:** My name is Brad Ullner. I'm here this morning with the Poverty Free Kitchener-Waterloo Action Group. I'm a resident of Waterloo.

The Poverty Free Kitchener-Waterloo Action Group is built through the participation of social services agencies, groups and individuals. The group has been mobilizing local voices in consultations on Ontario's Poverty Reduction Strategy and the social assistance review since 2011. It's a diverse group, but we share many of the same principles and values.

Austerity is not the way to set budgets in Ontario. Investment is needed in public services and the income security system, which are most needed in times of growing economic and social inequality. There should be no further partial changes to the social assistance systems while the province is working towards a high-level vision and an implementation plan for its new Poverty Reduction Strategy.

The way to set a province's budget should be to raise everyone from deep poverty or working poverty by setting decent social assistance rates and the minimum wage. Different ministries and levels of government have to work together if we want to help people find and keep decent work or access disability support programs with dignity and respect.

We do not believe that everyone is able to work in the current labour market. Insisting on employment as the solution for poverty is not recognizing that as much as labour standards and income security are being eroded, the health conditions and life expectancy of the population are being negatively impacted. We believe the government has to keep honest and ongoing conversation with people from all social groups and do it in a meaningful and accessible way.

**Mr. Alex Troeger:** The local framework helps us understand many things that we face in our day-to-day lives. Poverty Free Kitchener-Waterloo has organized many public forums and conversations about poverty reduction. People need to know how their daily lives will be changed with government actions and policies.

We need to know if there will be food on our tables tomorrow, if we will be able to pay for prescriptions for our families to remain healthy, if we will have a warm bed to sleep in tonight, or have orthotics to go volunteer or work as we used to or need to, or in whatever way we see necessary.

We use the local framework so people can see what makes the difference—and that before the social assistance rates or wages are high enough for decent living, the province has to increase the cap for discretionary benefits per person to at least \$15 so that we can have enough food hampers, have medication or dental care, receive bus tickets and be able to lead our lives with dignity. The

province has to invest more in housing and homelessness prevention so that people do not need to end up in a shelter to be able to receive money for their last month's rent. The province has to invest in labour standards to make sure that there are stable and safe working conditions or that those who get sick or injured can recover without being forced back to work and becoming long-term or permanently disabled.

The politicians are changing the language and moving away from blaming people for being poor. At the same time, their economic growth language is becoming what we hear. There is no economy without people. There is no real investment into economy if there is no investment in people first.

On your last page, you also have nine criteria that Poverty Free KW uses to determine poverty levels, and our framework in determining our actions that we follow at this time.

**Mr. Brad Ullner:** You'll want to give your name too, Alex.

**Mr. Alex Troeger:** My name is Alex Troeger.

**The Chair (Mr. Kevin Daniel Flynn):** Is that the end of the presentation, or do you have some more, Brad?

**Mr. Brad Ullner:** No. That's our presentation; thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for the presentation—very good.

We're going to the Conservatives for questioning. Vic?

**Mr. Victor Fedeli:** Gentlemen, thank you very much for a wonderful and compelling presentation.

On page 3 of your presentation, there's a local framework for successful poverty reduction outcomes. Those are the nine criteria that you spoke of. We've got considerable time here this morning. Can you walk us through those nine criteria? Just guide us through those a little bit, if you don't mind, for the benefit of the record.

**Mr. Brad Ullner:** Just literally to read the nine points is what you're—

**Mr. Victor Fedeli:** You could read them, but we do have a bit of time. You could maybe offer a sentence with each one.

**Mr. Brad Ullner:** I will do that.

**Mr. Victor Fedeli:** Thank you.

**Mr. Brad Ullner:** Fulsome thinking about the subject of poverty reduction and social assistance reform is multi-faceted. Out of our discussions and meetings that we've had—you can actually see a report attached to the package from February 2013, which was the start of some of our thinking on this framework, from where it came. These are our nine points on the multi-faceted nature of where we see poverty reduction and income reform coming from.

The number one issue, of course, is social assistance rates. While I think many of us in the room will agree that rates are important, it's not the only aspect of these issues that needs to be discussed. When dealing with these issues, one-size-fits-all certainly doesn't fit all circumstances. Dignity and respect are key points. Do

people in these systems feel dignified and respected? Reform will go a long way if people feel more dignified and respected. Bureaucratic systems are hard to deal with and navigate through. A simpler system that continues to meet needs would be a welcome part of reform.

1040

**Mr. Alex Troeger:** I'd like to add something about supports in relationship to income and employment supports. Sometimes there are different supports that are needed. If you're in housing, you sometimes need supports to be able to stay in the housing. In regard to employment, you need supports sometimes, whatever those supports may be—bus tickets, or some other form of visual or auditory help to be able to do your job. In many cases, those don't exist. Especially when you're working, certain labour standards need to be maintained so that if you get injured or you get partially disabled and you go back to work, you're able to work again. In those areas, I'd see it as necessary that supports be re-examined and looked at to determine how they could be changed to better benefit the people involved.

**Mr. Victor Fedeli:** Thank you very much, gentlemen. We really appreciate the opportunity to listen to you today.

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

**Mr. Brad Ullner:** Thank you.

SOCIAL PLANNING COUNCIL  
OF KITCHENER-WATERLOO

COMMUNITY INFORMATION CENTRE  
OF WATERLOO REGION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from the Social Planning Council of Kitchener-Waterloo. Trudy, are you with us? Okay, come forward. Make yourself comfortable. You've got 15 minutes, like everybody else. I'll let you know when you've got about five minutes left.

**Ms. Trudy Beaulne:** Thank you. I forgot to bring my clock up, so I'll count on you to do that.

**The Chair (Mr. Kevin Daniel Flynn):** I have a very honest clock.

**Ms. Trudy Beaulne:** Excellent. These are handouts.

I want to thank you for the opportunity to be here today. I'm pleased to see some of our local MPPs. I see one; I saw another one earlier.

I'm Trudy Beaulne. I'm the executive director at the Social Planning Council of Kitchener-Waterloo. We're an organization that's focused on social development. We've been around since 1967. Our role is to cultivate community knowledge to advance social justice and social development. It's really important that we stay very aware and anchored in what's come in the past, understand what's happening now, and always be looking to the future, because ultimately the decisions we make today are going to affect the world and the communities that we're going to be living in in the future.

I'm presenting today from the perspective derived from work that we've done for a number of years and, more recently, in conjunction with a range of community groups. We support the Poverty Free KW group directly, and you heard their presentation just prior to this. We have the Kitchener-Waterloo Disabilities and Human Rights Group. We have a network of women's groups. We work with cross-cultural communities and in a number of areas in the community.

A year ago, we co-hosted a community forum with the local Fair Vote Canada group and TransitionKW— young, eager, emerging activists—at which a wide range of community advocates came together. They wanted to identify what they had in common: what drove their community action, what drove the passion for why they stayed involved in things. Four principles emerged from this: equality; the legacy for the future; compassion; and a community of voices. I offer these today as base values to build Ontario and to guide the setting of the 2014 budget.

We ask that all political parties in Ontario join the community of voices for equality and fairness, provide a legacy for the future, and have compassion for our fellow community members, particularly those who are most disadvantaged.

In our works, we support Poverty Free KW and we participate in Poverty Free Waterloo Region and Poverty Free Ontario. We share with many groups active in Waterloo region and in more than 20 other communities across Ontario the imperative to eliminate deep poverty and to end working poverty in our province. We think this is core to all of the elements that are important to what the province of Ontario has in its portfolio of responsibility and in its budgets that set policy and direction for spending our share of tax dollars.

We affirm the following as important: to target the increase of financial assistance rates in Ontario to 80% of the low-income measure and that these rates be indexed to inflation in subsequent years. We want rollbacks in the cuts to benefit programs that have happened to this point: to increase the cap for discretionary benefits to at least \$15; to provide transitional support to be sure the community homelessness prevention initiative is working well to meet the real need in our community and not to try to do more with less money, because we need more investment for certain supports in addition to investment in affordable housing and supportive housing; to ensure that special diet, health and medical expense allowances are adequate and available to people when they need them.

We also want to see that no steps are taken toward integrating Ontario Works and the Ontario Disability Support Program into a single system without adequate remedies that acknowledge and address the limits to employability for those eligible for ODSP; and that income support programs not be defined in terms of employment. Not everyone can be competitive in our current employment market, and no amount of training will change the systemic issues in that environment.

I know it's not a direct budget issue but it is related: Increase minimum wage to 10% above the low-income measure and index to inflation so that when you are working full-time, full-year, you are not living in dire economic circumstances.

It is a fact that Ontario Works and ODSP benefit levels are way below the level of deep poverty in Ontario. Income redistribution programs reduce poverty levels. This is demonstrated time and time again. Our tax investment to increase income security is fair and appropriate and the only way to create prosperity in Ontario. I think we don't realize that if we have any amongst us who are not doing well, collectively we cannot pretend to be doing well. Please don't buy into the myths that somehow those in this situation prefer to be poor or are able to work but are just too lazy to do so. These attitudes are wrong. Don't assume that everyone can be competitive in the marketplace. Those of us with advanced university degrees and years of experience will struggle in the current marketplace. There are real limits that people face, with few environments able to support their contribution in a competitive market sense if you have any challenges or barriers.

We need to understand that income supports are essential to prosperity. Please don't leave municipalities holding the bag through property taxes. That is the most regressive, non-constructive way for us to support things like discretionary benefits or the transition in housing support program. We have that happening now in Waterloo region. The regional municipality has stepped up and been very progressive in their thinking, but there is only so much that they can continue to do in that way.

Income distribution through income tax is appropriate. Let's take the tax revenues and invest them in the appropriate way. Let's set parameters for good jobs and work environments. As listed above, minimum wage should allow you to stay out of poverty.

In addition to the above, I urge that all parties call for an objective analysis of what is really happening behind the significant increase in ODSP. That's one of the reasons why we've been looking at redesigning the system. What factors are there? In any proposed solutions that put further pressure on people to function in a dysfunctional economic environment, we've got to know that the results are going to be more, not fewer, people unable to work because of health.

Please commit to an adequate and honest assessment of the extent to which government-sponsored programs provide direct and indirect subsidization to employers that provide low-paying or minimum-wage jobs, particularly in the areas of training and other employee supports such as health benefits. It's not fair or appropriate for for-profit organizations to rely on government programs to provide supports to their employees and then to abandon them, more or less, when they need extra help. You can't have it both ways. Employment supports need to be there and need to be fair.

#### 1050

I also want you to look closely at the rising cost of health care and address two key issues: first, to investi-

gate the role played by ancillary industries, such as drugs and insurance, in increased health care costs. These industries provide high-cost products that create unequal access when people can't access or afford insurance coverage. Ontario's health care system is subsidizing these industries and those companies that do not pay for health care costs of their employees. Second, please invest in creating healthy environments and measures that prevent illness: clean water, clean air, public spaces and recreation opportunities.

The social and physical infrastructures of our province are complementary and together form the very foundation of our communities. It's imperative to have adequate, safe and well-functioning public facilities, transportation, water and sewage systems, as well as a diverse range of softer services—I don't like that term, actually—to enable the full range of day-to-day activity of individuals, their families and support people at all life stages. These services should not be provided by, coordinated or in any way accountable to the formal health care delivery system. It's much more expensive to do that. To create local solutions, we need to allow communities from the bottom up to create creative solutions that respond to needs and build capacity and resilience. It's not a top-down "do the service," because we can't afford to maintain that.

Local communities need help to sustain their physical infrastructure and public spaces. Local communities—I'm going to jump ahead—are the source of innovation, and funds should be available for social initiatives in open and fair funding programs that are available to smaller community organizations. Balance standards and common goals against flexibility to implement programs in our local communities so that we can reduce the administration and accountability reporting loads that burden community partners when they do get funding from government sources.

Generally, I want us to—I apologize; I didn't print out my entire presentation.

*Interjection.*

**Ms. Trudy Beaulne:** I have another one here.

We need to look at government budget deficits as the difference between the revenue we have and what is needed to provide the supports and services to everyone in Ontario. This is the gap we need to fill. If we're cutting costs, then cut what is not necessary to meet the needs of people or to meet our shared public contract. If needs are to be met through revenue generation, then do so with fair tax rules that do not benefit some at a cost to those who are less able to bear the burden. Reinstate previous corporate tax rates. Add a 1% income tax rate for all and 2% for higher-income earners. Spread the burden of providing the important infrastructure and supports to people in the province.

It's important that the provincial budget reflect what is important for people in a coherent and integrated way. A piecemeal approach that offers small gains for various groups will not reflect a rational perspective of what is necessary and appropriate for the investment of our shared tax dollars.

**The Chair (Mr. Kevin Daniel Flynn):** That's great, Trudy. Thank you. We've got about three minutes. Catherine?

**Ms. Catherine Fife:** Thank you very much, Trudy. You've touched on a lot in your presentation, which is what we would expect from your association. But in the context of poverty reduction in the province of Ontario, the progress that was hoped to have been made has not materialized. On your last page, you actually ask us to not fund initiatives in the name of poverty reduction that do not add direct financial benefits, and then you reference 211 as an example. Can you expand on that a little bit about programs that don't work and perhaps talk about 211?

**Ms. Trudy Beaulne:** Well, 211 was specifically named in the poverty reduction plan back in 2008, and there was funding that was directed right there. I want to be really clear: I'm not suggesting it's inappropriate for the province to fund the 211 service. I'm just saying that in the context of eliminating poverty, that is not an appropriate, effective direct expenditure. It should be funded through infrastructure, public services or some other way. We can't just add up all the dollars that are being spent on poverty-labelled things, and think that we're succeeding. Ultimately, the measure of how we're succeeding in eliminating poverty is reflected in what the framework is that the Poverty Free KW group has developed.

Information services which we provide in the local community—we participate in the 211 service—will be supported. It is nowhere near making direct material supports to people that bring them out of poverty, or help eliminate the real impact of what they need today so that they can have a roof over their head and food on their table and be able to take care of their needs and the needs of their family members.

**Ms. Catherine Fife:** Okay. And just quickly, one other example on page 2—it's a similar theme, though. You say, "Please commit to an adequate and honest assessment of the extent to which government-sponsored programs provide direct and indirect subsidization to employers...." Do you have an example of this?

**Ms. Trudy Beaulne:** I think an example would be closer to where the health care benefits are for short-term contract workers who don't—there are no benefits, or benefits they can't afford. If they run into problems, they must rely on the government-supported systems to be able to have their needs met. Those of us who are privileged to have good benefits packages will be able to have our drugs, dental and other things provided through our own cost-sharing insurance frameworks and processes.

**Ms. Catherine Fife:** Okay. Thank you very much.

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

GREATER KITCHENER WATERLOO  
CHAMBER OF COMMERCE

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from the Greater Kitchener

Waterloo Chamber of Commerce. Art, if you'd like to come forward and make yourself comfortable. You've been here all morning; you've heard the rules.

**Mr. Art Sinclair:** I'm pretty familiar with them.

**The Chair (Mr. Kevin Daniel Flynn):** So I'll just turn the floor over to you. The questioning this time will come from the government.

**Mr. Art Sinclair:** Thank you very much, Chair Flynn and members of the committee, for selecting our community for one of your hearings this year. I notice that the weather is quite a bit better today than it was a week ago. I don't know if there's any direct relationship to you being here and improved weather, but nonetheless we're quite pleased with the weather today and, again, we're quite pleased to have your presence here, to hear from our community on our concerns going forward for the 2014 budget.

I have prepared a brief that outlines some of our priorities going forward. We're a chamber of commerce. Probably most of you are familiar with chambers of commerce and boards of trade. Traditionally, we are business organizations, but we are the second-largest in Ontario after the Toronto Region Board of Trade, and we tend to look at ourselves as being a group of employers. The universities and the municipalities are all quite active in our organization, so we look at ourselves as being an organization of local employers that advance economic concerns and priorities for the economic well-being of our community.

A couple of our priorities for this year: Our first area that we've identified is manufacturing. As most of you are probably aware, Kitchener and Waterloo region have a very long history in the manufacturing sector. We're recognized both nationally and provincially—and now internationally—for our background, our skills and our expertise in this particular sector. It goes back about 100 years.

Almost anything that's been made in Canada was at one time made in Kitchener—furniture, clothing, auto parts, food—so, again, we have a long history. With all the changes that have occurred in the manufacturing sector over the last 10 years—probably the last five years, since the collapse of Lehman Brothers, the global recession starting in 2008 and the bankruptcies of GM and Chrysler—we have been very active in the manufacturing sector in advancing issues of importance to our local manufacturers.

We're continuing that today. Our priority, of course, as you are all aware—we've had some significant changes in one particular area of the manufacturing sector, and that is, of course, food processing. I think everybody around the table is aware of the unfortunate circumstances in Leamington and London over the last two months with the closure of Heinz and the closure of Kellogg's.

I think it's interesting to note that, in fact, we went through the same thing here in Waterloo region about two years ago. In October 2011, Maple Leaf Foods announced the closure of the J.M. Schneider facility on

Courtland Avenue here in Kitchener. It probably didn't generate the attention of Heinz and Kellogg's on a national and provincial level because, of course, what happened was that it was a matter of, for the most part, relocating those jobs away from Kitchener into Hamilton. It wasn't a closure eliminating jobs or moving them to the American states; it was a matter of moving them down the road to Hamilton.

**1100**

So, of course, from our perspective here in Waterloo region, it was a pretty big decision that had a very negative impact on the community because it's lost jobs for our community. Some people from J.M. Schneider will probably take jobs at the new facility in Hamilton, but from our perspective, losing that plant on Courtland Avenue has a pretty significant impact on the revenues coming into our municipalities. Large companies employ thousands of people, as we all know, and pay a lot of municipal taxes, and that's a loss to our tax base.

I think the key thing here is that we were mad, and after a couple of months of being mad, we sat down—the municipalities, the business community and all of our stakeholders—and said, “What do we need to do to ensure this thing doesn't happen again?” The result, and I've documented it in the brief—we have two-tiered government here in Waterloo region. We have the region of Waterloo, the upper tier, and then seven local municipalities, three cities and four townships. The eight municipalities, the senior staff, the regional chair and the mayors all got together and said, “What are we going to do to ensure this doesn't happen again?” The result was that we secured consultant Malone Given Parsons. Lee Parsons is quite well known as a municipal consultant across Ontario. Lee did a review of economic development services across Waterloo region. He was quite up front and frank and said, “Look, this is what you have to do to make sure that you're in a good position going forward to attract new businesses.” The result is a new office of economic development for the region of Waterloo, which is going to take a coordinated approach to economic development for the region of Waterloo and our seven area municipalities. I think that was one of the problems with Schneider: Schneider came here—or Maple Leaf—and when they were look at establishing a new facility across Ontario, they were targeting the city of Kitchener or targeting Cambridge or targeting a lot of townships and targeting the region of Waterloo and getting all different messages. So we're going to have one office for anybody who wants to come here who's looking at business, and they'll get a coordinated message.

Where this translates in the province—I've provided a few recommendations here. One of them was from the committee on jobs and prosperity, chaired by Gord Nixon, from Royal Bank, with Kevin Lynch. I have the report of the Jobs and Prosperity Council, 2012, right here: Advantage Ontario. They had a very similar approach. They were stressing the need in the provincial government for a more coordinated approach to economic development. I think Don Drummond looked at a

similar approach in his report as well. He said we need a coordinated economic development or economic attraction strategy for the province of Ontario. We recognized we need one for Waterloo region; I think it's key that the province of Ontario needs one as well. We would very strongly support the recommendations of Mr. Nixon's task force and move ahead with a similar process.

We've also included a recommendation we made to this committee, I believe, for the first time in 2010 and subsequently again in 2011. A number of years ago, a senior member of the local manufacturing sector who was on our board of directors proposed the idea of an Ontario ministry of manufacturing. His point was that we have a Ministry of Agriculture for farmers, we have a Ministry of Northern Development and Mines for the mine industry, and we have a Ministry of Tourism. Manufacturing is the largest sector in Ontario; why don't we have a ministry? This is an idea that we've proposed on a number of occasions. We thought that given all the changes that have occurred in the manufacturing sector over the last four years, and particularly now with the concern on the food processing side, maybe this is something that deserves consideration again.

Secondly—and I think this is key for the food processing sector, as a community—we've made some significant investments in the industry. Mr. Harris and Ms. Fife are probably aware that Dr. Tibbits and Conestoga College have established the Craig Richardson food processing institute. I think it's the first school in Canada that's devoted specifically to training people to work in the food processing industry. That's everything literally from serving food right up to scientists seeking positions that would be responsible for ensuring the products that come through the process are not contaminated, which cuts the risk of food-borne illnesses.

As well, a former senior executive from the food processing industry, Ted McKechnie, approached Waterloo city council a number of years ago about essentially taking our expertise here in Waterloo region in technology and applying that to the food industry. I think we've all heard, with Heinz and Kellogg's, concerns about the state of technology in the province of Ontario. What Mr. McKechnie, who has a background in food processing, has said is, “Yes, there are gaps. We have to work on that.”

We have a program now called Canada's Technology for Food, which is combining our expertise at the University of Waterloo, the University of Guelph, Conestoga College, the private sector and educational institutions and putting together world-class food processing technology that will address our concerns here in Ontario. Ultimately, we'll be in a position where we can export that technology to the global market. That will be another value added as well. So we're quite excited about that, but, again, I think the key thing is, in order to advance our agenda in the provincial food processing technology sector, we have to have a very viable food-processing industry. So that's our concern there.

A couple of things apart from economic development: retirement income—I think we're all familiar with the

debate at the national and provincial levels with the sustainability of the pension system. We were quite pleased with Mr. Sousa's announcement in the budget last spring about looking seriously at a framework for pooled registered pension plans. We, as a chamber, and the Ontario Chamber of Commerce and the Canadian Chamber of Commerce have all been quite supportive of pooled registered pension plans.

I have included one additional mention to this debate that I think we'd like the government to consider as well. As you may be aware, Sun Life and Manulife both have their Canadian headquarters here in Waterloo region, so depending on the participation level of the provinces—and, I guess, the private sector, the number of companies that actually participate in this program—we're looking at a significant number of new jobs created in the financial services sector here in Waterloo region at Sun Life and Manulife managing these funds. These would be jobs from administrative support right up to senior analyst positions who would be analyzing investments and managing considerable funds of money.

So, yes, we'd like the government to consider that component as well. In fact, for our community, the pooled registered pension plan provides some significant new job opportunities. I haven't seen any exact numbers or estimates yet from Sun Life or Manulife, but I would expect they'll be formulating those shortly. So that's something we'd like the government to consider as well.

A couple of municipal—

*Interjection.*

**Mr. Art Sinclair:** Five minutes? Yes. A couple of municipal issues that we've brought to the committee's attention as well: One is the issue that Ms. George mentioned with respect to municipal tendering. We, essentially, agree with Ms. George's position; we would like to see this being considered as well. Of course, the issue there is that the region of Waterloo has made an appeal to the Ontario Labour Relations Board regarding the certification by the Carpenters' Union, so I guess we're kind of in a hold pattern until that decision from the OLRB comes down.

The other issue on the municipal side is interest arbitration. I know that the region of Waterloo and the city of Kitchener will be appearing this afternoon. You'll probably be hearing this from a lot of other municipalities as you drive across the province, but certainly I think there's a concern with the business communities as well. Our chamber and the Ontario Chamber of Commerce have all been quite active on this portfolio with respect to the potential impact of contracts and firefighters on the abilities of municipalities across the province to absorb those costs and be able to pay those costs. So certainly that's an ongoing issue as well.

I think those are probably the highlights, so I'm pleased to take any questions.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much, Art. Questions coming from the government: Donna?

**Mrs. Donna H. Cansfield:** Thank you. I have a question. I have a couple of questions, but I think I'll get

the chance for one. You spoke about a ministry of manufacturing, and, of course, that means creating another bureaucracy. Have you ever considered what they do in some of the other countries that I'm familiar with, where they put in—they call them scientific hubs. For example, you take your food-processing industry, and the region of Kitchener-Waterloo sets aside acres of land. Then they facilitate the industry from around the world coming into that hub to do research, product packaging, all sorts of different kinds of individuals. They're very successful in the far east. They bring in large companies from around the world and develop these scientific hubs specific to—it might be the tech industry; it might be medicine; it might be, in this case, the food industry.

I'm always leery about an additional level of bureaucracy. First of all, governments move slowly, and this is something it appears you want to act on. The one thing that I found that really effectively made it work was the willingness of the municipality or the region it was located in to facilitate making it work.

**Mr. Art Sinclair:** Sure. Yes. Well, again, that's why I referenced it, in fact. We realized we had a problem here in Waterloo region when Schneiders left, so that is why we went towards developing an office of economic development, which we don't have, that would perform that coordinating function. We've heard that concern as well: "You're creating another level of bureaucracy." But I think you have to look from the perspective of—and Don Drummond looked at this. He referenced the possibility of creating a super-ministry of economic development within the government of Ontario that would be one window for economic development. That may sound good in theory, but if you took that to the full extent, that might mean eliminating the Ministry of Northern Development and Mines. It may mean eliminating the Ministry of Agriculture. Politically, I don't think you could do that. So we're just saying, "Okay, you're going to have the Ministry of Agriculture, you're going to have the Ministry of Mines; we should have a ministry of manufacturing working within this coordinated framework of an economic development strategy for the province of Ontario."

**1110**

Tourism has their own ministry. This is what we've always said. Manufacturing is still—now, again, because of the downsizing and because of everything's that happened with the Big Three, it's not as big as it was 10 years ago, but it's still a pretty significant component of the Ontario economy. Why shouldn't they have a person at the cabinet table? This is the other thing that we're thinking of. The ministry should have a person at the cabinet table that's an advocate for the sector the same way that the Minister of Tourism is an advocate for the tourism sector, the same way that the Minister of Agriculture is an advocate for rural Ontario and the Minister of Northern Development and Mines is an advocate for the north and the mining industry. That was our key thing.

Sure, in terms of investment attraction, yes, that would be a considerable component of it. There's investment attraction, there's talent. All these other issues that I think

are key to the manufacturing industry need to be addressed.

**Mrs. Donna H. Cansfield:** Thank you very much.

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

**Mr. Art Sinclair:** Thank you.

#### SOCIAL PLANNING COUNCIL OF CAMBRIDGE AND NORTH DUMFRIES

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenter this morning is from the Social Planning Council of Cambridge and North Dumfries, Lyndsey Butcher. Lyndsey, if you'd like to come forward. Make yourself comfortable. You've got 15 minutes, like everybody else. Try to leave some time at the end for questions. The questions this time will come from the Conservative Party.

**Ms. Lyndsey Butcher:** Good morning, everyone. My name is Lyndsey Butcher. I'm a social planner at the Social Planning Council of Cambridge and North Dumfries. We're a community-based, non-profit organization that's committed to building and strengthening our community through participatory-action research, facilitating multi-sector collaborations, fostering innovation and promoting social change.

I would like to start off my comments this morning by urging the members of the finance committee to move beyond this failed experiment with austerity and begin making smart investments in our province. A growing economy requires a government that is willing to invest in its most valuable resources: its people.

During this submission, I'll be addressing three issues: the minimum wage, a universal prescription drug and dental plan, and a refundable tax credit. I would also like to lend our support for the next submission by the housing and homelessness umbrella group, ISARC, who are presenting on shared concerns.

First, the issue of the frozen minimum wage. We feel that the minimum wage can be a key tool in addressing poverty in Ontario, as an increasing number of working families are falling below the poverty line. Minimum wage work is no longer relegated to teenagers and part-time jobs. Close to a third of all minimum wage earners in our province are over the age of 35. In Ontario, minimum wage workers account for almost one in 10 employees, more than double the share 10 years ago. In Ontario, minimum wage workers are living close to 25% below Statistics Canada's low-income measure.

Despite working full-time, year-round, minimum wage workers and their families have to struggle with monthly cycles of hunger and hardship. They have not seen a raise in more than three years, and coupled with the increases in the cost of living, minimum wage workers have seen the real value of their earnings decrease by almost 7%. This has resulted in increasing numbers of working people accessing emergency social services like the food bank, community housing and homeless shelters.

We are asking the province to take into consideration the value of having minimum wage earners and their families living above the poverty line. Provincial health and social spending are strongly linked to the prosperity and self-sufficiency of Ontario workers and their families. Income is the number one determinant of health, and the cost of poverty to our publicly funded health care system is considerable.

Four in 10 children living in poverty in Ontario have at least one parent who works full-time, often struggling in minimum wage jobs. By increasing those parents' working income to above the poverty line, their children stand a much greater chance of completing high school, furthering their education and making a positive contribution to our province.

We know that consumer spending is the engine that powers our local economy. Household spending drives 54% of our gross domestic product. Low-wage earners and their families often reinvest their entire paycheque into the local economy, on their rent, groceries and other household necessities.

Even the Ontario Chamber of Commerce acknowledges the important contribution minimum wage earners make to the provincial economy, and have called for cost-of-living increases to the minimum wage to protect the purchasing power of workers.

Recent history in Ontario demonstrates that increasing minimum wage does not result in job losses. In fact, the last time the minimum wage was raised in Ontario, we gained 150,000 jobs in the sales and service sector. Raising the minimum wage allows workers and their families to become self-sufficient and contribute to Ontario's economic growth. We urge the provincial government to introduce an accelerated schedule to increase the minimum wage to above the low-income measure, followed by annual adjustments tied to the consumer price index.

All levels of government feel their budgets are constrained, and increasing the minimum wage above the poverty line would reduce working poverty and strengthen our economy without increasing government spending.

The second initiative that I would like to propose is a provincial prescription drug and dental plan for all uninsured residents. Such a plan is currently being phased in in New Brunswick and offers a solid model for implementation. Most low-income workers in Ontario do not have access to an employer-provided benefits plan, and many working families have to choose between picking up a prescription and putting food on the table. The New Brunswick model offers a number of enhancements and efficiencies that make it both affordable and sustainable in the long run. I strongly encourage our provincial government to explore this model as a possibility for Ontario.

Lastly, I would like to propose that the personal exemption, non-refundable tax credit be converted into a refundable tax credit. The basic personal exemption provides a benefit to all those with market income, with a full benefit to those with incomes above the threshold, partial benefits to individuals with market income below

the threshold but above zero, and absolutely no benefit to individuals without market income.

Converting the basic personal exemption to a refundable credit will deliver this benefit to all individuals, regardless of market income. Though the benefit is modest, it would nonetheless represent a significant increase in income for the poorest households. We know, through our experience with other refundable tax credits such as the Ontario Child Benefit, that they have the potential to make a significant impact on poverty levels in our province. This move may also pressure the federal government to follow suit, in which case the impact on low-income Ontarians would be considerable.

In closing, I would like to ask each of you to remember why you have chosen to serve in elected office. I know that for many of you it was to make a difference in the lives of your neighbours, for your community and for our province. This is your opportunity to do just that. Thank you for your time. I wish you well in your further consultations.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Lyndsey. You've left adequate time for questions. I'm going to Monte.

**Mr. Monte McNaughton:** Great. Thank you very much, Lyndsey. I wondered if you could expand a bit more—you talked about affordability issues with people in your community and across the province. I know that as MPPs we hear a lot about electricity prices going up, eco taxes, and just the cost of living in Ontario. You're emphasizing a raise in the minimum wage, but I wondered if you could expand a bit more on how government could make life more affordable for people.

**Ms. Lyndsey Butcher:** Obviously the cost of living increases every year, and certain areas are impacted more than others. Certainly housing is a huge issue in our community, and the affordability of housing. The region of Waterloo recently put out what the basic wages would be required to afford housing in our community, and they range anywhere from \$13 an hour to \$17 an hour just to afford average market rents in this community. Meanwhile, the minimum wage has been frozen at \$10.25, so they can't even afford a bachelor apartment here, which is unreal. So I think certainly affordable housing issues are a huge issue. There are also issues with food security in our community. Due to cuts in discretionary benefits, there are concerns over whether or not we can provide food security programs in our community. There are other issues as well, but I think the key is that we want a province where people who work full-time, year-round, can be self-sufficient and no longer need to require subsidies or emergency social services. People who work year-round shouldn't have to live in poverty.

**Mr. Monte McNaughton:** We've all heard, of course, that the province is looking at increasing gas taxes by 10 cents per litre. What impact is that going to have on the folks that you're representing and advocating on behalf of?

**Ms. Lyndsey Butcher:** I think the cost of transportation impacts probably everything that we have to buy or purchase, so it would have an impact. I wouldn't say that

it's the leading concern that we hear from people we work with. Even owning a vehicle—when you're making minimum wage, it's not even attainable. Even bus passes in our community are hard to come by. So I think it's an issue, but I wouldn't say it's a top-of-mind concern for people in our community who are struggling every day.

**1120**

**Mr. Monte McNaughton:** On the minimum wage issue, we have, of course, heard from government union bosses like Smokey Thomas, and we've heard from union leaders like Sid Ryan, talking about how the minimum wage should be raised to \$14 per hour. Obviously, at \$14 an hour, it's going to have a negative impact, I would think, on small businesses in our communities. What dollar amount are you advocating for, when it comes to minimum wage?

**Ms. Lyndsey Butcher:** I would respectfully disagree with that point. We know, in our province, that most minimum wage workers are working in businesses with 100-plus employees. We're talking about major corporations that are quite profitable. We also know that we did experience a significant minimum wage increase in the last cycle of increases and we did not see that impact for local businesses. So I think that's sort of a myth that's out there.

Fourteen dollars an hour is the number that most people are talking about. For us, it's the concept that people who work full-time, year-round, are living above the low-income measure, and when you calculate that out, that's around \$14 an hour.

**Mr. Monte McNaughton:** So that's the number that you're advocating for?

**Ms. Lyndsey Butcher:** Yes. What we propose is that the government would introduce an accelerated schedule of increases, like they have done in the past, to bring us up to that number. We're not asking for a jump in one year. We're asking for a schedule that would bring us to that level, and then we would just adjust it annually so that businesses can prepare and have the wherewithal to understand when the minimum wages increases are going to be happening so they can predict in their own budgets.

The way that minimum wage increases have happened in the past has been quite irresponsible, I think, and has not been predictable, both for businesses and for workers.

**Mr. Monte McNaughton:** I have no further questions. Thank you very much.

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

**Ms. Lyndsey Butcher:** Thank you.

INTERFAITH SOCIAL ASSISTANCE  
REFORM COALITION

HOMELESSNESS AND HOUSING  
UMBRELLA GROUP

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenters are from the Interfaith Social Assistance Reform Coalition, the Homelessness and Housing

Umbrella Group. If you'd like to come forward, Greg and Lynn and somebody else.

**Rev. Michael Hackbusch:** Michael Hackbusch.

**The Chair (Mr. Kevin Daniel Flynn):** Okay. Thank you for coming. You have 15 minutes, and you can use that any way you see fit. If you'd like to save a little bit of time at the end, that would be great.

**Mr. Greg deGroot-Maggetti:** We'll try to do that.

**The Chair (Mr. Kevin Daniel Flynn):** The questioning will come this time from the NDP. I'll let you know when there's about five minutes left. It's all yours.

**Mr. Greg deGroot-Maggetti:** Okay. Thank you for the invitation to give input to your pre-budget hearings.

I'm here this morning with my colleagues Lynn Macaulay from the Homelessness and Housing Umbrella Group and Rev. Michael Hackbusch, who is the chaplaincy director of House of Friendship.

My name is Greg deGroot-Maggetti. I work as the poverty programs coordinator for Mennonite Central Committee Ontario.

MCC runs several programs in Waterloo region and in Toronto, working with people living in poverty and who have experienced persistent homelessness. We also run programs in communities across Ontario, supporting refugees and newcomers, working with aboriginal communities and promoting restorative justice.

Through our work, we strive to create inclusive communities and help people have sustainable livelihoods, to live in dignity.

It's because of the work we do with people who experience poverty and homelessness and marginalization that MCC Ontario is an active member of coalitions such as the Interfaith Social Assistance Reform Coalition, the 25 in 5 Network for Poverty Reduction, and Poverty Free Waterloo Region.

Let me begin by thanking each of you for the commitment that your parties made when you voted unanimously to support the Poverty Reduction Act in 2009. That kind of all-party support within the Legislature tells Ontarians that the work of creating a province where everyone can live free of poverty is a common endeavour. It crosses partisan political lines. That commitment has given impetus to many local initiatives to work toward eradicating poverty.

We eagerly await the release of the second provincial Poverty Reduction Strategy, and we're looking for it to build momentum on the gains of the first strategy, which focused on children and families. The new strategy should aim to reduce poverty for everyone—adults as well as children.

A successful poverty reduction strategy needs to take action to help people have sustainable livelihoods, income security and to live in strong and supportive communities. Sustainable livelihoods require good jobs that pay a decent wage, as you've just heard in the previous presentation. Provincial policy has a role to play. The minimum wage should be high enough that an individual working full-time, full-year has enough money to at least reach the poverty line. As the previous

presenter said, today the minimum wage would need to be \$14 an hour to do that.

Second, enforcement of labour standards is necessary to make sure every person's rights at work are respected. We're glad that the first Poverty Reduction Strategy included resources to hire more employment standards officers, and we encourage the government to maintain those investments.

But not everyone can work or have enough hours to earn a sustainable livelihood. That's why we need public income security programs to help people have at least enough money so that they're not living in deep poverty. Ontario's Poverty Reduction Strategy includes an indicator of deep poverty, and that's incomes that fall below 40% of median income. In 2013, the deep poverty line for an individual in Ontario was a little over \$16,000 a year. Ontario Works provides income just above \$8,000 a year for a single adult. That's less than half of the deep poverty line. That's why we support the call for an immediate increase in incomes for adults receiving social assistance. We also call on the provincial government to make greater use of refundable tax credits for adults with low income. For instance, as you heard in the previous presentation, we could convert the basic personal exemption into a refundable tax credit and increase other refundable tax credits, like the sales tax credit.

Strong, healthy, inclusive communities also require investments in community services, things such as affordable housing and services to prevent and reduce homelessness, early learning and child care, and affordable public transit. The second Poverty Reduction Strategy also needs to include a plan to provide dental care and pharma care for adults as well as children. That plan needs to include an investment strategy for those services.

I want to turn it over to Lynn now to talk in a little more detail about the needs around housing and affordability.

**Ms. Lynn Macaulay:** Good morning, Mr. Chair and members of the committee. My name is Lynn Macaulay and I'm the staff person with the Homelessness and Housing Umbrella Group, locally known as the HHUG. The HHUG is a Waterloo-based network of service providers and people who are concerned about homelessness and affordable housing.

Investment in ending homelessness is not only good people policy, it's good economic policy. A recent report suggests that a conservative estimate of the annual costs of homelessness in Canada was somewhere between \$4.5 billion and \$6 billion annually. We know that homeless people are admitted to hospitals up to five times more often than the general population and stay in hospital longer than other low-income patients. A report by the region of Waterloo determined that homelessness costs up to 10 times more than having people housed, even with the highest levels of support.

In order to assist in ending homelessness, I would suggest today three strategic investments. The first is to continue the transitional funding of the Community Homelessness Prevention Initiative, known as the CHPI

program. Effective January 1, 2013, the Ministry of Municipal Affairs and Housing consolidated funding from a number of programs and gave envelope funding to municipalities, including the region of Waterloo. There are a number of benefits to this structure, including the increased ability to respond to local needs. The new funding structure also created a number of new opportunities with significantly less prescribed program guidelines.

Last year, the Ministry of Community and Social Services provided one-time transitional funding—\$42 million—with Waterloo region receiving \$1.5 million. The challenge is that the changes being made are very significant, and the reality is that it's taking more than one year to redesign the systems to be more effective. Another year of transitional funding would really be helpful in order to complete the work that is being done, to improve the systems from both a user perspective and an administrative perspective. For example, between 2008 and 2012, locally we had a 229% increase in the number of families using shelters.

#### 1130

In October 2013, a pilot project based on promising practices from the United States was implemented locally. The goal of this project is to divert families from shelters and, when a shelter stay is absolutely necessary, to make it as short as possible using rapid rehousing techniques. This program has had amazing success, and we are happy to report that the Cambridge shelter now has no families in residence and hasn't for the past couple of months. At the moment, there are two systems in place. This redundancy will be dealt with, but for a period of time there are extra costs. An additional year of transitional funding would be of great assistance to help us move to a more efficient and effective system.

Waterloo regional council wrote to the province about this issue in the fall, and, in addition, several groups from across the province submitted a letter with a similar request in early December.

The second issue I would like to raise is that of increasing the cap on discretionary benefits, which you've heard from a few other presenters today. As you know, under the Ontario Works Act, the region of Waterloo can provide discretionary benefits to Ontario Works and ODSP recipients. These benefits are cost-shared with the province. Effective in 2013, the province moved from an uncapped program to a capped program of \$10 per case. At the same time, the community start-up benefit was cut and 50% of this funding was added to the CHPI budget. But locally, this resulted in a \$5.5-million shortfall.

Although there had been regular cost-of-living increases to the Ontario Works rates, it's clear that particularly for single adults the OW rates are not high enough to pay for basic subsistence. As a result, other pockets of money, including discretionary benefits, are needed to meet basic health and life requirements such as maintaining housing through eviction prevention dollars, food hampers, and ultimately paying funeral and burial costs. In addition, discretionary benefits not only provide

money for items which allow recipients to live life with increased dignity but they also help to increase employability. Items such as eyeglasses, hearing aids, mobility aids, orthotics and dentures are all essential in order to assist people in transitioning from Ontario Works to employment.

While municipalities can decide how to allocate these resources, they can only allocate the resources they have. At the moment, there is no mechanism for an inflationary increase, so in reality status quo funding is in fact a decrease. As a result, we are requesting that the province increase the discretionary cap to \$15 per case. It's helpful to recall that in 2010-11 the average discretionary spending among comparable municipalities was nearly \$16.

My final strategic investment request is that the province allocate money and sign on to the Investment in Affordable Housing for Ontario Program immediately so that planning can begin locally. The federal government announced the extension of this program, which is set to begin in April 2014, but this bilateral program requires the agreement of each of the provinces. The funding is essential in order to expand affordable housing stock.

As several studies have shown, investment in affordable housing by all orders of government really primes the pump. Over the construction period, the province fully recoups their investment in payroll and sales tax. In short, over time these important community assets fully repay the public investment used to create them.

In conclusion, I urge you to use this budgeting process as an opportunity to showcase your values. You have the opportunity to say that all Ontarians matter and that everyone deserves a decent place to call home. With your help, we can end homelessness and create a province where individuals live with dignity in a healthy economic climate. These goals are not mutually exclusive. We pay in economic terms for homelessness every day. The better strategy, I would suggest, is to invest in housing stability and long-term solutions.

Now, Reverend Hackbusch.

**Rev. Michael Hackbusch:** Thank you, Lynn.

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

**Rev. Michael Hackbusch:** I see that by the clock.

My colleagues have made wonderfully detailed points, and that's their purview. Mine is a slightly different one. I'm a theologian and a chaplain. I'm not an economist. I do a little bit of work in the community with the population served by my colleagues here. My hope is to inspire you further into this kind of a process, a process whereby you get public input, where you get a sense of where the community is at in its broad divergency and garner from that a vision of where to go.

Budgets are a lot more than just numbers on the sides of ins and outs on a column sheet; budgets are a numerical value that seeks to articulate a vision toward our common good, and that's what I hope to inspire you and to encourage you to consider within this.

I'm thrilled that all three elected parties are here. I'm thrilled that we have representation across the board of

the known political pieces, but I'm a little dismayed, too, that we don't have a little bit more input from other parties that exist, specifically, really, the Green Party.

I bring this information forward from the coalition with which I have spent some time, ISARC. That's the Interfaith Social Assistance Reform Coalition, where twice annually we hold a religious leaders' forum at Queen's Park. On one occasion, when specifically discussing austerity versus revenue, we had Mike Schreiner—he's the Green Party leader, and he was in attendance at that. Speaking on austerity versus revenue, he brought two points to the table that address the common good, simple pieces: aggregate and water.

With regard to aggregate, it was suggested that the royalties collected by Ontario for gravel are a mere 11 cents per metric tonne. In other jurisdictions on the planet, the amounts are slightly different. In Great Britain, I understand that it's £2.35. In Australia, it's \$2.50. The Green Party has been suggesting just a mere 50 cents per metric tonne. By doing that, you are increasing incentives for efficient use of the gravel, but also putting some incentive behind recycling.

The second point is water. Raising the water-taking tax for industrial purposes, excluding farming and local food processing, from \$3.71 per million litres to \$10 per million litres would encourage conservation of the water resource itself—our greatest public good—and the revenues garnered could fund programs and tax credits to provide clean water or support other programs in the province.

The Drummond report made great efforts at working on one half of the ledger: what we should cut. I would suggest looking at the other half, where we could do more fair garnering of revenues:

- raising the corporate tax rate;
- raising tax on high-income earners and closing tax loopholes;
- implementing a financial transaction tax;
- introducing tax on large estates inherited by the wealthy;
- tackling tax havens;
- introducing a smart and progressive carbon tax; and
- using the tax system to help reduce or eradicate poverty and inequality.

Granted, that does fall in areas outside of the provincial purview and order of government. However, Ontario leads. We have, for over a century and a half, led the country. Take some leadership in this respect. Keep the feds at the table, or get on without them.

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

WATERLOO REGIONAL  
LABOUR COUNCIL  
POVERTY FREE  
KITCHENER-WATERLOO

**The Chair (Mr. Kevin Daniel Flynn):** Our last presenter before lunch is the Waterloo Regional Labour

Council and Poverty Free Kitchener-Waterloo. Len Carter? Len, if you'd like to come forward. I didn't mean anything by saying we can't have lunch until we hear you, but—

**Mr. Len Carter:** No, no. I felt the pressure. Believe me.

**The Chair (Mr. Kevin Daniel Flynn):** You have 15 minutes like everybody else, Len. If you'd leave some time at the end for questions, that would be great—

**Mr. Len Carter:** And lunch, right?

**The Chair (Mr. Kevin Daniel Flynn):** And lunch; that's right. Questions will be coming from the government side. It's all yours.

**Mr. Len Carter:** I'd like to thank you, first of all, for allowing me to come before you. I have a lot to say, but what I'm going to try to do is to keep it to an issue-based presentation. There are a lot of individuals who have financial needs that disallow them dignity. I want to speak on behalf of those people. The ability for them to carry themselves and their families toward reasonable levels of self-satisfaction is minimal.

Imagine if you had nothing, nothing at all. Just for a second, imagine that you have nothing. It doesn't feel too good. Then, imagine the ability to participate in a program that will allow you to improve your opportunity for work with wages, without worrying about transportation, health care, child care, rent, food bills, heat, dental, pharma care, hydro, clothing or any of the multitude of other needs one requires to merely survive in this province. It feels much better, eh?

Think about what you would feel like if the opportunity that you now had, for an apprenticeship or to volunteer as a prerequisite for getting a job, was ripped away from beneath you, and all the needs that you expressed related to costs came back to haunt you at the very same time as the apprenticeship or volunteer prospect arose. It feels horrible now, eh, when the floor is pulled out from under you like that?

**1140**

The Ontario government is the only body that can fix the enormous problem, and I ask you to do that in the next budget. The issue is basics for a lifestyle that you and I can recognize as normal for so many, many of our friends, families and neighbours. It's not so much about those individuals, though; what it's really about is our community, our province being poor as long as we have people living in it without sufficiency or any means of achieving their needs.

How decisions are being made about revenues and spending that involve those Ontarians should have as participants members of our society from those groups and not just persons that work in government, have jobs, have security, have self-satisfaction and all those sorts of things. I personally would not mind taxes so much if the taxes were being used for such benefits as I've described and other items that strive to give all of our neighbours, no matter what their address, basic human rights.

It's absolutely imperative that the province of Ontario actually employ persons from Ontario Works and ODSP

and give more real opportunities for people through affirmative action programs.

The third issue is obviously work and wages. I come from the labour movement. Specifically, social assistance reforms call for the hiring of peer workers for ODSP and Ontario Works. That reform position today is pretty much invisible. You don't see too many peer workers out there. In each workplace with a peer professional partnership, two consumers should be hired, not just one. One worker in a peer professional partnership can feel really quite isolated. People who work should have the ability to earn enough money at a normal, full-time job, to be able to live here in our society in Waterloo region and to do so with dignity and the ability to play a part in all manner of our community functions. That means having a minimum wage—and I really do mean this—that actually reflects the needs of working people and does not penalize them through clawbacks or other means—dollars from the working poor.

I'd like to thank you for the opportunity to speak today. As you can see from this lovely page, half the printing has disappeared on me, so you got half of a presentation.

I thank you and will answer any questions that you may have. It's much easier for me to verbalize when I answer questions than it is for me to read a paper.

**The Chair (Mr. Kevin Daniel Flynn):** Wonderful, thank you. If you would like to forward that to us in its finished form, we'll make sure that it gets out to everybody.

**Mr. Len Carter:** I have.

**The Chair (Mr. Kevin Daniel Flynn):** Perfect. Okay. Donna?

**Mrs. Donna H. Cansfield:** Thank you very much for your presentation. I was curious about the issue around—you called it peer professional partnerships. I thought maybe you could elaborate a little on that.

**Mr. Len Carter:** The way the reform works is it asks for and actually demands that peers be hired from within those groups to help counsel those that are in those groups. Right now, it's a difficult situation where one person may be hired and is left out there on their own, and they feel like the poor person who has been hired for whatever reason, without real support.

**Mrs. Donna H. Cansfield:** Then you spoke at length about the need for minimum wage and for job opportunities, employment. We've heard that from many folks. Recently, we just heard from the chamber around the issue of the loss of manufacturing jobs. But there is a connection between the skill required and the job. Part of the challenge is, how do you increase the skill set of the individuals to meet the job demand? Certainly if you look at the high-tech industry in particular, there are challenges meeting that demand. They say that all the time. How do you think your industry, the labour industry, could facilitate increasing the skill sets?

**Mr. Len Carter:** First of all, let me tell you that the labour movement in Waterloo region is very proactive in that nature. I, as a past president of the labour council,

am the labour co-chair for the Waterloo Wellington Dufferin workforce planning board. Our job is to supply information to industry and to educators that will give people the proper education and skill sets to get them employed.

There are a number of different areas where labour has made that presentation. I have, on an ongoing basis, led, as many times as possible, opportunities for people to get work. We've held forums, job fairs and all kinds of occasions for persons to get work. As far as education is concerned, we don't have a place in that. We do a lot of recommendations, but we don't have an opportunity to actually do it.

**Mrs. Donna H. Cansfield:** I guess that may be an area where I think you should have a place. I can think of many instances in other jurisdictions where labour and education have come together to develop initiatives where you can have on-the-job learning that takes you through to an apprenticeship, starting within the high school system.

If you're looking, especially in manufacturing—years ago, they used to call them articulation agreements, and they were between secondary schools and colleges and universities to help the transition, where the colleges and universities came in and then the labour came in and supported it as well. I think there are opportunities. Have you sat down again with, presumably, the—

**Mr. Len Carter:** At one point in time, I sat on 11 different committees that were connections between high schools, colleges and workplaces. It's not unusual for us to do that. We do it as often as possible. As often as possible, we're the voice of reason between the groups. Money seems to be a big issue in everybody's lives, and we try to put that aside. We try to let people know that if you invest today in Bob, then Bob's taxes for the next 30 years will more than repay you.

**Mrs. Donna H. Cansfield:** Sometimes turf gets in the way, too. It can be a bit of a challenge.

**Mr. Len Carter:** But I have to tell you that the labour movement has, as a basis of its existence now, moved away from the self-protectionism that used to be there—the old-time unionism—into a more progressive way of looking at things and trying to ensure that all people have an opportunity to do well for themselves and make our communities a much better place. We honestly believe that if every person has the opportunity, they will jump in to do as much as they can for their community, and they will make their communities a much better place.

**Mrs. Donna H. Cansfield:** In those 11 committees, what worked and what didn't work? Are you still on them?

**Mr. Len Carter:** No, I don't sit on those anymore, but that's because I'm retired. I had a heart problem and had to get out of the business.

**Mrs. Donna H. Cansfield:** Are they still going?

**Mr. Len Carter:** Many of them are. I'm not going to say "all," but—

**Mrs. Donna H. Cansfield:** Would you say that they've been successful?

**Mr. Len Carter:** Many of them have been. The home-build programs that the high schools had—have, not had—are a result of that effort, so I'm very pleased to say that, yes, there are skills upgrades that are available to people. Unfortunately, high schools don't have the equipment and don't have the classrooms for all of the skills requirements that are in our society.

Manufacturing is one area where I've found—I don't want to identify any of the employers, but in one case an employer who made a particular aspect of machining said that he wanted to take people right out of grade school and have them work at that particular trade. That's great, except that the trade would have been watered down, you know? The ability for machinists to do all of the things that they do would have been eliminated by this individual.

**Mrs. Donna H. Cansfield:** Things are complicated. I mean, that's very similar to the German situation, where they actually have a very strong emphasis on the apprenticeships and the trades at a very early age. But, like most things, it evolves with the technology that's put in place.

So I'm interested, and my other question with respect to what the labour movement is interested in doing is how they will—and it's a little bit of putting a little bit of skin in the game, as it were, because one of the challenges has been around the closed shops of unions, getting apprenticeships and journeymen, and getting those relationships built. Do you think that has changed?

**Mr. Len Carter:** Yes. The amalgamation of CEP and CAW into what is now called Unifor—that's their new name. Part of their base is, I won't say the elimination of it, because it's some of their strength, at least the watering down, if you will, of those strong skills-based ownership plans. Those old unions are called brotherhoods, and they're that way for a very specific reason: Fathers got their sons into those businesses, who got their sons into those businesses, and the rest of us were excluded.

Now, I had a unique trade. I was a television director, and we didn't have a brotherhood. A lot of different individuals, men and women, who had a quickness about them were able to step into those trades, and I'd like to see that with all trades, quite frankly.

**Mrs. Donna H. Cansfield:** I agree with you. Thank you very much for your presentation.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Len. Thank you very much for being here today.

**Mr. Len Carter:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Okay. We're recessed until 1 o'clock.

*The committee recessed from 1152 to 1300.*

#### CHRISTIAN LABOUR ASSOCIATION OF CANADA

**The Chair (Mr. Kevin Daniel Flynn):** Okay, we can call to order again, ladies and gentlemen.

Our first delegation of the afternoon is the Christian Labour Association of Ontario. If you'd like to come

forward, Ian and Andrew; make yourselves comfortable. You have 15 minutes. Use that any way you see fit. Most groups have been leaving about five minutes or so for questions at the end. I'll let you know when we hit the five-minute mark. The questions this time will be coming from the Conservatives, I believe.

**Mr. Andrew Regnerus:** Good afternoon. It is the Christian Labour Association of Canada. We are national, but we do have a big presence in Ontario. My name is Andrew Regnerus. I'm our provincial construction coordinator. I'm also on our national executive committee.

CLAC is an independent Canadian labour union that takes a unique, values-based approach to worker advocacy. We establish meaningful relationships and balanced partnerships in the workplace. CLAC was founded more than 60 years ago, largely by construction workers that saw value in unionization but were dissatisfied with their options. Today, CLAC represents over 60,000 workers nationally and has been certified by labour boards more than 2,000 times. We represent workers in a wide variety of sectors, including construction, health care, mining, transportation, service and retail.

The focus of our presentation today is on two priority areas for CLAC. The first is continuing to invest in Ontario's infrastructure, and secondly, investing in Ontario's seniors. Construction and health care are two significant areas for our members where we see both a need and opportunity.

First, infrastructure: CLAC has a strong and growing presence in the construction industry in Ontario. We represent about 4,000 construction workers in this province and about 38,000 construction workers in Canada. They work on all kinds of public projects in the heavy civil and the industrial, commercial and institutional sectors. Our members have worked on the Pan Am village, Victoria Hospital, the South West Detention Centre and the Waterloo water treatment plant locally, to name only a few. Our members are proud of building Ontario and want to continue making this province a better place. Despite efforts to repair and replace our aging infrastructure, demand has outpaced infrastructure capacity. CLAC is pleased to see that all parties support infrastructure investment and hope to see continued high levels of investment in infrastructure in this year's budget.

In addition to budget for infrastructure, CLAC would like government to invest in other changes that will create a more productive environment, will safeguard fairness and will ensure that we have the skilled workers necessary for current projects and projects in the years to come. We have three recommendations.

The first of them is to significantly reform Ontario's labour relations to enable greater competition and co-operation. A think tank by the name of Cardus just came out with a paper that articulates such a direction and the legislative changes to accomplish it. This vision will move Ontario beyond the pro-employer or pro-union bifurcated policy debate that has dominated for decades without productive results. Reforms would see Ontario's

labour relations become much more productive, co-operative and accountable.

Our second recommendation—you've heard it already today, indicating that it is important for many Ontarians—is to ensure fairness when investing in infrastructure. We urge government to fairly and openly tender all public projects to all qualified contractors regardless of union affiliation. Fairness to all taxpaying workers and value for tax dollars demands fair and open tendering.

A third recommendation is to create the skilled workforce we require. CLAC recommends that the government invest in programs like the Canada jobs grant. In addition, we encourage the province to look at policies aimed at supporting our skilled trades and promoting apprenticeship.

Our second major area is Ontario seniors. CLAC is invested in issues related to the care of seniors and the working conditions in their residences. We represent over 8,000 workers in the health care sector throughout the province. Our members in this sector primarily work with our aging population in hospitals, long-term-care homes and retirement homes. We represent nurses, personal support workers, cleaning staff and foodservice personnel. Our members care about their patients and residents and want to ensure that they are able to give the best possible care and to do it safely.

We have three recommendations that will support seniors and the caregivers who work with them. First of all, we recommend that the government establish a minimum standard of hands-on care per resident per day of 3.5 hours. We are calling for this standard to ensure that staff have the time to care for our aging population with dignity and to protect residents and employees. This recommendation has been issued by the coroner's inquiry into the Casa Verde homicides and has been supported in one form or another by almost all major stakeholders in this sector.

Second, we call upon the government to extend WSIB coverage to the retirement home sector. At present, most workers in retirement homes are not covered by WSIB. Some retirement homes provide workplace accident insurance coverage with varying benefit levels; others have no coverage at all. This sector doesn't have mandatory coverage because it is not listed in schedule 1, the list of industries for which WSIB coverage is mandatory. It has nothing to do with the appropriateness of the sector or the risks involved. I am confident that everyone sitting on the committee is well aware of the increasing mental and physical health challenges our aging population and their caregivers together are faced with. Our members ask government to ensure that they are adequately protected under Ontario's no-fault system when they are injured on the job. Expanding coverage to this sector would not only provide proper protection for these workers but would also improve the overall safety of retirement homes in the province.

Thirdly, we're calling on the government to cover home care services under the Hospital Labour Disputes Arbitration Act. At present, employees of hospitals and

long-term-care homes who provide care or treatment to persons suffering from illness, disease or injury are prevented from striking as a result of a labour dispute. Home care workers provide the same type of essential services and should be added to the list of workplaces that are covered under HLDAA. Including home care workers under this legislation would ensure that disputes over wages do not result in the denial of these essential services to the people who rely on them. It would also give workers a fair forum to resolve labour disputes that does not compromise patient care or safety.

In conclusion, these recommendations that we put forward today are aimed at making Ontario stronger and more prosperous. We thank you for your consideration of the items we have proposed and would be pleased to answer any questions you may have. We will follow this up with a written submission by January 23.

**The Chair (Mr. Kevin Daniel Flynn):** Perfect. Thank you very much for your presentation. Who's first? Michael?

**Mr. Michael Harris:** Thanks, gentlemen, for coming and presenting today. This is, I believe, now the third time that open tendering has been mentioned to the committee today. I'm not sure if you can talk about potentially the local impacts closed tendering would have on this community should that proceed.

**Mr. Ian DeWaard:** We are observing in this region, the region of Waterloo, just such a situation right now, Mr. Harris. I'm sure you're familiar with it. Because of a loophole in the Labour Relations Act and restrictive subcontracting provisions within what's called a province-wide collective agreement, the workers and contractors that employ them and who perform work for the region of Waterloo are assumed to be cut out of future projects if they do not maintain certification with the appropriate union, one particular union.

**1310**

The most stark example is in the waste and water treatment sector, where we have in this region 28 contractors who have been deemed qualified, because of a rigorous process that they're subjected to, able to build and erect water and waste water treatment plants, about \$128 million worth that's forthcoming. Of those 28 contractors, only two of them will be deemed eligible after the labour board certification of the carpenters' union.

Those are things that have gone on across the province; that's not just happening here in the region of Waterloo. We've seen that replicated in places like Sault Ste. Marie and Hamilton, to name a few. Those are areas where the provincial government could become involved to ensure that access to that work is fair and to ensure the taxpayers are getting the best for their dollar. Those dollars, which are limited, in an area that needs a lot of investment, would go much farther.

**Mr. Michael Harris:** Clearly, we've heard appeals to this committee today and to the government to change the legislation to ensure that municipal infrastructure projects are competitively bid on in an open process.

Obviously, again, there's that legislative solution that's required. What do you think it will take to get all parties on side with this?

**Mr. Ian DeWaard:** The best solution is a solution that brings together the need to protect worker rights while protecting the taxpayer. A solution that would most easily resolve all of the concerns around the table is one that simply distinguishes construction employers, for whom a very particular part of the Labour Relations Act has been crafted—to distinguish public employers from that group of construction employers, so municipalities and various other provincial agencies. There's a solution there that would, as I said, protect the rights of workers while balancing the interests of the taxpayers without a negative effect on our local economies. That's the kind of solution I think all parties should be able to get behind.

**Mr. Michael Harris:** How much time do I have left, Chair?

**The Chair (Mr. Kevin Daniel Flynn):** You've got about two and a half minutes.

**Mr. Michael Harris:** Obviously, from the presenters today, it's a significant local issue, potentially bearing a decision from the Labour Relations Board. What other areas across the province does this actually impact and could it impact potentially?

**Mr. Ian DeWaard:** The two biggest ones that come to mind—sorry; the municipalities are one such area. The two others that come to mind are school boards and our power generation system. The province is caught up in similar monopolies under what's called the EPSCA agreement, the Electrical Power Systems Construction Association, all of which serve to limit and prevent most contractors from bidding on publicly funded work.

**Mr. Michael Harris:** Anything else you'd like to add?

**Mr. Ian DeWaard:** We'd love to see this feature as a key issue in this budget.

**Mr. Michael Harris:** I agree. Thank you very much.

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

#### ONTARIO NURSES' ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation is from the Ontario Nurses' Association. Beverly Mathers, would you like to come forward? Make yourself comfortable. Everybody is getting 15 minutes, leaving about five minutes for questions. Once you get comfortable, the floor is yours. The questioning this time will come from the NDP.

**Ms. Beverly Mathers:** Thank you, Mr. Chair. My name is Beverly Mathers. I'm a registered nurse, and I currently work as a manager of labour relations with the Ontario Nurses' Association. I'll refer to our association as ONA throughout the presentation.

My background in nursing includes 31 years as a registered nurse, some of it in cardiac care in Hamilton Health Sciences. The biggest focus of my accountabilities these days at ONA is as a lead for our activities

in the long-term-care sector, in particular the long-term-care homes.

As a leader in those long-term-care homes, I've been ONA's representative on a number of key activities with the government as well as advocacy groups in the province. The first one was the Casa Verde coroner's inquest in 2005, which looked into two homicides in the Casa Verde nursing home. I also have been part of the implementation committee of Shirlee Sharkey's report entitled *People Caring for People: A Report of the Independent Review of Staffing and Care Standards for Long-Term Care Homes in Ontario*, in 2008. More recently, I participated in the Ontario Long-Term Care Task Force on Resident Care and Safety. In 2013 and now, I am part of the group known as SAFER, the Staffing Alliance for Every Resident, which is an advocacy group that is currently lobbying government to increase staffing to prevent future violence in long-term-care homes.

As you may know, ONA is the largest nursing union in Canada. We represent 60,000 registered nurses and allied health professionals in Ontario, as well as 14,000 nursing students who we hope will become future nurses and continue the strong nursing profession we have here in Ontario. We provide quality care each and every day in hospitals, long-term-care facilities, public health, community clinics and industry.

Registered nurses in this province are extremely concerned about the extent of understaffing that exists in Ontario hospitals, long-term-care homes and communities, and the impact that understaffing is having on the quality of patient care, residents and clients. We know, for instance, that there are still long ER waits in the hospital sector—certainly in the Kitchener area and the London area, to name a few.

We know that hospitals are suffering from the pressures of alternate-level-of-care patients, who are patients who need to be placed alternatively outside of hospitals, but either they can't get the support that they need at the level they need in the community or there aren't sufficient long-term-care beds for them to be moved. This is putting huge pressure on the health care system.

Let me give you some shocking facts. The ratio of RNs to 1,000 Ontarians is the second-lowest in Canada. In Ontario, we have seven RNs per 1,000 population, compared to 8.3 RNs per 1,000 throughout the rest of Canada. While this might not sound like much of a difference, it creates a significant gap in RN care for Ontario, particularly when you consider the shift in care from institutional settings to the community and the acuity that now exists in our institutions.

In fact, this means that we need a funded plan of action to hire more than 17,500 RNs in Ontario just to catch up with the rest of the country. That doesn't include the fact that we have more than 22,000 nurses in this province who are age 55 or older.

This afternoon I really want to try to focus my remarks on the dire need for more registered nurses in the long-term-care sector to meet the increasing needs of our

residents, who are possibly your mother, your father or even your grandparents. Make no mistake about it: The state of our long-term-care homes is firmly on the minds of many Ontarians, and it is becoming a serious point of conversation in many communities. Certainly it is a topic the press loves, as was evidenced even yesterday in the *Toronto Star*.

There is exhaustive literature on the relationship between higher RN staffing levels in long-term-care homes and improved quality-of-care outcomes for residents. Conversely, decreasing RN staffing has a negative impact on residents' health and outcomes. Unfortunately, RN staffing levels in Ontario long-term-care homes have not kept pace with the increasing complexity of resident care needs and are not keeping pace with residents to keep nurses safe.

Let me give you some examples of that increasing acuity in long-term-care homes:

- 92.8% of new residents in homes now have two or more chronic illnesses;

- 77% require extensive assistance or are totally dependent for help with activities of daily living;

- 83% of residents in 2011 had high or very high care needs, compared with 72% in only 2007.

From the research literature, we know that higher levels of RN staffing in long-term-care homes are essential to care for these residents who are complex, have unpredictable conditions and certainly now have unpredictable behaviours. In addition, US nursing homes with higher levels of RN staffing had a lower likelihood of receiving staff-related citations, and homes with lower RN hours per resident had increased mortality rates during norovirus outbreaks.

### 1320

Reformed long-term-care legislation and regulations in Ontario fail to include mandated staffing and care standards. Instead, they rely on voluntary staffing plans that are a lower requirement than even the former Ontario legislation had that mandated long-term-care homes to ensure there were sufficient staffing levels to provide the nursing care required by the residence.

A critique of this policy of voluntary staffing concludes that this voluntary approach to staffing in long-term-care homes in the US had not resulted in improved RN staffing despite increasing acuity of residents and payments of billions of dollars.

The author of this study recommended that the best way to achieve appropriate staffing levels in nursing homes is to require them by law and to enforce those standards. ONA agrees with that research.

The current approach adopted by the Minister of Health and Long-Term Care in Ontario, which relies on an overall per diem increase in funding to improve staffing and care levels for the residents of long-term-care homes, has failed to improve staffing in long-term-care homes to meet the care needs and the unpredictable conditions of residents.

For instance, there is a home here in Kitchener which last year laid off half of its RN staff despite the fact that

they had an increase in their per diem funding and that the government's own funding formula, which is called CMI—the case mix index—had actually increased in that home.

This care, then, is not being delivered to your mother, your father or your grandparents. ONA is calling on the government to implement a funded and regulated minimum staffing standard of an average of four hours of work of nursing and personal care per resident per day, including .78 RN hours per resident per day, which will address increasing resident acuity and the RN staffing recommendations for quality care in the nursing literature.

Ontarians want the government to make long-term-care funding a high priority and would protect this funding envelope from cuts, and believe that health care is, in fact, the government's most important service.

Some 90% of Ontarians also agree that reducing the number of nurses would truly hurt the quality of care in the health care system. The simple fact, based on the evidence, is that health care outcomes for Ontario's residents living in long-term-care homes suffer when fewer registered nurses are part of the staff mix to provide quality care. Residents are being put at risk. They need the government's help, and we believe Ontarians want to do better. Fewer RNs in long-term-care homes means that the RNs who are there are left trying to coordinate and plan care for an extensive number of residents, in some cases up to 300 residents on the weekend, evenings and night shifts.

You may recall that the 2005 coroner's inquest at Casa Verde recommended this situation had disastrous consequences for resident care and made recommendations which included that a daily staffing standard for residents be regulated. ONA has continued since 2005 to lobby for that, and that has not occurred to date. Among the most important recommendations are to appropriately staff long-term-care homes to allow residents with cognitive abilities to be better managed, to monitor their treatment plans, and to upgrade staff training to ensure they have the knowledge, skills, time and resources to assess and treat those residents with cognitive impairments.

Immediate changes to the funding model for long-term-care homes are essential to properly staff and meet the needs of those residents. Violence in long-term-care homes has only increased since the recommendation of the coroner's inquest at Casa Verde.

It is a simple untenable fact that long-term-care residents are being put at risk when they live in our long-term-care homes. The elderly deserve dignified, safe and respectful care. They should not be living in fear of their neighbours while living in long-term-care homes.

On behalf of front-line registered nurses, we have been calling for improvements in care for these vulnerable residents for more than a decade, yet despite one tragedy after another in long-term-care homes, registered nursing levels continue to decline.

Our recommendation is for a funded and regulated minimum staffing standard, and it is submitted with the

goal of refocusing government on this key initiative to restore RN care levels in our long-term-care homes as a top priority at a renewed pace. Our mothers, fathers and grandparents deserve no less.

Thank you, and I'm happy to answer any questions.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Beverly. You've left just over two minutes. Catherine or Michael?

**Ms. Catherine Fife:** Thank you very much, Beverly, for your presentation. You mentioned the voluntary staffing plans that are now currently in homes. This has been a reduction in oversight around how much staffing needs—like, a standard of care. When did that come into play? I just want to confirm: You've seen those standards of care drop purposely over the years.

**Ms. Beverly Mathers:** What we have seen, since the new Long-Term Care Homes Act was actually implemented, is that with the exception of mandating one RN around the clock in a home, there is no other staffing standard. It leaves it up to the homes' administrators to determine what that staffing standard is.

When you have a number of for-profit homes that are focused on making a profit as well as providing care, those voluntary staffing plans either fall to cheaper providers or else our nurses aren't even consulted on what the care needs are in the home.

**Ms. Catherine Fife:** That's a very important piece. So the long-term-care facility that you mentioned, where they let half their staff go, yet their stipends went up from the Ministry of Health—was this a for-profit or a not-for-profit home? Can you say?

**Ms. Beverly Mathers:** It is a for-profit home.

**Ms. Catherine Fife:** Thank you.

**Mr. Michael Prue:** If there's time—

**The Chair (Mr. Kevin Daniel Flynn):** Michael, there's about a minute left, if you can do it in a minute.

**Mr. Michael Prue:** Okay. This is the budget committee, so I always try to get some numbers. What would it cost the government of Ontario to staff up 17,500 nurses?

**Ms. Beverly Mathers:** There's no doubt about it: It's going to cost millions of dollars. We think, though, there are other places in the budget, even within health care, where the funding could be diverted. That could be around retrofitting the C and D homes in the province and even delaying some of the rebuilding of those facilities through retrofitting, and redirecting those funds back into staffing.

**Mr. Michael Prue:** Okay, just so I'm clear, it would cost a lot of money, but you think that it can be found from within the existing budget rather than, say, raising a billion dollars in taxes.

**Ms. Beverly Mathers:** Correct. We don't think it needs to happen. We think it could be phased in, some of the staffing, over a number of years, provided the commitment is there.

We also know, given the health ministry's—

*Interruption.*

**Mr. Michael Prue:** Keep going. Keep going.

**Ms. Beverly Mathers:**—goal to decrease the number of patients in hospital, that the acuity is going to continue to rise in long-term care, so the care needs are going to be there and more staff is going to be needed as there are less patients in hospital.

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

**Ms. Beverly Mathers:** Thank you.

**Mr. Michael Prue:** She got it all in.

**Ms. Beverly Mathers:** I'm good at that.

#### ORGANIC COUNCIL OF ONTARIO

**The Chair (Mr. Kevin Daniel Flynn):** Our next presentation this afternoon is from the Organic Council of Ontario. Jodi, are you with us? Come and make yourself comfortable. Fifteen minutes: Use that any way you see fit. I'll let you know when there's about five minutes left, and the questions will come from the government side.

**Ms. Jodi Koberinski:** Okay, great. Thanks.

I wanted to just say a quick thank you to everybody for holding these hearings. It's really important for us to be able to speak with the government about spending priorities.

I represent the Organic Council of Ontario. We've been in the province since 2006. We were created as an umbrella organization to act as a permanent collaboration along the value network from producer all the way through to eater. We have representation not just from farmers but from processors, brokers, sellers, retailers and the general public.

I'm going to start with just a quick philosophical bit, and then I'm going to give you a couple of really quick, specific asks.

Generally, we recognize that this government is focusing on the economy, and we couldn't agree more; it's the most important thing. But we don't want to see that we're losing what's becoming the new conventional wisdom, and that's that we have to think about the triple bottom line when we're thinking about the economy. There is no point in investing in economic opportunities today that hurt our goals around social and environmental sustainability over the long haul.

#### 1330

For example, when we push for bigger, better, faster, more agriculture, with a focus on yield and size and scope as opposed to what's good for the farm community, we end up hurting our rural economies in the long haul—so just as a point of invitation to consider what's behind the kinds of jobs that we're creating or what's behind the places where we're focusing our money, particularly in agriculture. If our money is going to promote programs that focus on monocultures, for example, that may create jobs today and it may sell some more corn today, but it doesn't necessarily build the kind of economy we want to have in the future.

To that end, I want to speak to the need to start to name "organic" specifically in our agricultural budgets.

For example, in 2010, the Quebec government invested \$5.1 million specifically in organic agriculture in three areas: They invested in extension and research, they invested in marketing, and they invested in transition, where programs actually paid farmers to transition to organic. We don't see that sort of programming here. What our farmers are told is to build into the existing programs and find the support dollars there.

We've done a really good job as a sector of accessing OMIF and the Growing Forward projects, and we're really thankful that those projects are there. But without naming "organic" specifically as a program stream, it makes it much more challenging to build the kind of projects that are forward-thinking as opposed to reactive.

Specifically, there are two asks that we have. The first one is that we would like this government to reinstate the organic crop lead at OMAFRA. We find it unconscionable that when we are growing 12% to 15% post-recession in a market that's growing 3% to 4%, and until at least the most current layoffs it was the number one driver of the economy in the province, we don't have, out of 600-plus staff at OMAF, a single person dedicated to the organic sector. It's just not okay. We're asking that, rather than having that job on the shoulders of someone who already had a full-time job, you hire now—it has been two years since Hugh Martin left this position. We think it's time that you acknowledge the importance of the sector and reinstate that position. The \$150,000 that it would cost to hire someone and the support staff that they would need is a fairly small investment to send a strong signal to the rest of agriculture that you value organic.

The last piece, concretely, that we have to ask for: Our farmers currently pay checkoff dollars to their various commodity groups. Our grain farmers pay to the Grain Farmers of Ontario; our dairy farmers pay to the Dairy Farmers of Ontario. Then the various organizations are expected to take those checkoff dollars and invest them back into improving the sector. Some of that money goes into research and development and some of it goes into marketing, and it is the way that these groups access Growing Forward 2 dollars. Organizations like ours and the Ecological Farmers of Ontario and FarmStart: In order to access those programs, we have to now go out and fundraise our 25% to 50% contribution and can't access money that farmers have already paid to be put into those pots. We've been able to start to develop some really good relationships with the commodity groups, but clearly there's a lot more of a cultural shift that needs to happen before the conventional organizations really see their role and partnership to grow the organic sector. We can get letters of support, but finding someone to step up and economically support the kinds of projects we're promoting hasn't happened yet. If we want to see the \$1 billion of sales that are happening in organic in Ontario accrue to Ontario farmers, we're going to need to invest in helping them do that.

I'll take your questions.

**The Chair (Mr. Kevin Daniel Flynn):** Super. Thanks, Jodi. You've left about nine minutes.

**Ms. Jodi Koberinski:** Well, we can catch up. I'm all right with that.

**Mr. Vic Dhillon:** First of all, thank you very much for appearing before the committee today. I just have a question: What's your organization's impression or what does your organization think about the Local Food Act and the Local Food Fund?

**Ms. Jodi Koberinski:** We're really excited about the Local Food Fund and the Local Food Act. One of the things that we brought forward to the group about the act specifically is a recognition that for many people, "local" is proxy for other values. People may say they want local food, but they want their local food to also be economically sustainable, socially sustainable and environmentally sustainable.

We've seen studies, for example, where 6% of interviewees on a 2010 study out of Vineland thought that "local" meant GMO-free. There's a lot of confusion about what "local" is, but what people are really asking for is localized food. It's not just a postal code; it's a whole food systems approach. We would really love to see some specific language around organic and agriculture in both the fund and the act as we move forward. For example, you have given us a really great tool in the Foodland Ontario organic designation and yet there have been no dollars specifically allocated to promoting that brand. Most Ontarians don't know we have it, let alone our farm community. We'd love to use the Local Food Fund to be able to support the development of that brand.

Truthfully, the way that things happen right now is that when we write grants, we dance around the "O" word. We can't come out and say specifically this project is supporting organic because it comes across like it's picking a winner. Unless that language is written specifically into these acts and into the program dollars, we are constantly fighting and watering down some of the activity that we want to do, so that we're "inclusive."

So if you want to make the Local Food Fund really fly for increasing the amount of food being grown organically, we're going to name those programs specifically in there.

Another piece to that under the Local Food Act that we'd like to see is moving towards some kind of provincial regulation for the term "organic." Currently, we have a loophole right now where, because organic falls under the CFIA's jurisdiction, it only applies when a product transfers borders. So Ontario product that moves to Manitoba must be certified organic, but if I grow it here in Ontario and I sell it down the street at the market, I'm not required to certify. It's starting to decrease trust in the marketplace about what organic really means.

We have a committee meeting nationally right now as part of our national standards review to look at small-scale certification and see if we can come up with a system that recognizes the difference of threat to the system from small-scale producers versus imported product. Right now, we have a situation where our small guys have to meet the same sort of routine for the inspection system as bringing in foreign product, and we

think we can come up with a system that can make it less onerous for the local producers. Where I'd like to see this government working with us in partnership on that is simply a \$20,000 or \$30,000 grant to study the situation for how this regulation is impacting, and what we can maybe do moving forward would be really helpful as well.

I hope that answers your question.

**Mr. Vic Dhillon:** Yes, thank you very much.

**Ms. Jodi Koberinski:** Others?

**Mrs. Donna H. Cansfield:** I was curious about the fact that the need to reinstate the organic crop lead at OMAFRA—Mr. Martin had left two years ago.

**Ms. Jodi Koberinski:** Yes.

**Mrs. Donna H. Cansfield:** Can you tell me the rationale why he was—

**Ms. Jodi Koberinski:** Why he wasn't replaced? Because there was a decision at the government level to cut 10% of funding across the board where we can, and there's just a lot of not hiring happening in middle and upper management in every department that doesn't necessarily reach to the political level. It was a way of being able to find some savings.

Now, Hugh did a really good job. There are a lot of folks across OMAFRA who have organic as part of their job description. But we used to see meetings between four and six times a year where we would go and meet with a selection of crop specialists and others. Those meetings are not happening. They're a little bit willy-nilly amongst OMAF as people can find time.

The job was given to Evan Elford, who was already the emerging crop specialist. He has made it to one of my 12 board meetings in the past year. He just simply does not have time. He's doing the best that he can with the resources that he has, but we have no one paying attention either at the agronomic level or, more importantly, at the business development level specifically to this organic opportunity.

**Mrs. Donna H. Cansfield:** So it really sounds like more of a challenge around a job description of an individual or two or three, and maybe some direction at the top of the food chain—

**Ms. Jodi Koberinski:** Right. What we need is a person specifically whose job it is to develop this sector.

**Mrs. Donna H. Cansfield:** I guess we could agree to disagree. Lots of sectors do not have specific individuals named—

**Ms. Jodi Koberinski:** I'm going to suggest that if you tried to do my job and work with the conventional sector and you understood the roadblocks and the barriers that are in the way of getting there, you would understand the need to have a specific person at OMAF whose job it is to help shift the culture of agriculture toward agriculture. There's a lot of work that happens that doesn't look like productive work but is the work of changing minds. Without having someone specifically focused on organic, then it becomes a backseat to other things.

Please recall—I know it's hard to understand if you're not in agriculture—that organic is not simply just another

choice in agriculture. It's a fundamentally different approach to how we grow food and structure our food system. So when it becomes an add-on conversation, then it becomes a conversation about the input we're allowed to use that's okay with organic and not a fundamental rethink about how we approach agriculture. It would be a little bit like saying, "Well, we've got a chaplain. He's Jewish; he can kind of cover the Christian stuff."

They're completely different approaches to the way that we fundamentally approach things. I don't think that adding it to someone else's portfolio, whose job it is to primarily serve the chemical agriculture sector, which thinks very differently about what it is that we're up to—it's just not possible to have it be workable. Even Manitoba, a province with certainly not the size of population we have here, has its own organic business development lead. I think that we can do at least that well.

**1340**

**Mrs. Donna H. Cansfield:** It's an interesting debate, because certainly there are lots of folks who have double responsibilities.

The other question that I wanted to ask was the whole issue around research and development and if you could give me some idea about what is happening or not happening, who's involved, and then, of course, some discussion maybe about the recent issue around pesticides being found in the organics. I'm interested in the fact that you—and I agree that there probably should be a provincial standard of some sort.

**Ms. Jodi Koberinski:** Yes. So just really quickly, research and development: We've got a science cluster, money that's national. This government is a year and a half delayed in releasing the funding that was announced. We're actually losing projects because funding partners are disappearing. There was an initial investment; in the first round of science cluster, I think it was around \$5 million in total between government and the public. We're looking at another \$3 million or \$4 million in this round. And that's it. That's all the money that has really been spent specifically on organic.

We have lots of good organic research that's happening under Growing Forward 2 and has happened under the OMAF/University of Guelph partnership. Again, it's not specific to organics. We haven't seen that folks are not getting research grants, the way that we're not seeing the development work happen, so that's a positive, but we still think that speaking specifically to the organic research and making that a permanent priority is just smart thinking. Whether you agree that chemicals are good in agriculture, we are running out of cheap sources of oil, and we're going to want to save those petrochemicals for health care and places where we really need them.

In terms of the issue around the credibility and the need for a standard, undoubtedly having a provincial standard helps address some of the kinds of problems that came up. For example, one of the cases of fraud that was reported on in the CBC happened before the national standard came in in 2009. Really, the true reporting on

that story was, “We came up with the national standard; at that point was when we had some teeth to be able to go after that particular company for fraud.”

We’re also seeing that 92% of organic produce has either zero detectable pesticide—in that set of tests, 52% had zero detectable pesticide. All but 8% had less than 5% of the maximum allowable limit for that given pesticide. Of that 5%, we haven’t seen the data to know: It could have been fraud; it could have been water runoff. Let’s say it was all fraud; 92% of the time, you’re getting what you paid for. We’d love to see the same level of scrutiny applied to the conventional food system and see how we’re doing.

We’re happy to put our record up. We believe that, by and large, we’re delivering on what consumers are looking for out of our sector. When we close the loopholes on marketing, it just puts a little bit more strength in the system.

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

**Ms. Jodi Koberinski:** Thank you very much, everyone.

#### MS. CATHERINE STEWART SAVAGE

**The Chair (Mr. Kevin Daniel Flynn):** Okay, our next presenter this afternoon is Catherine Stewart Savage. Catherine, if you’d like to come forward. Make yourself comfortable: 15 minutes like everybody else. Try and save a little bit of time for questions if you can. Questions this time will come from the Conservative Party.

**Ms. Catherine Stewart Savage:** My name is Catherine Stewart Savage, and I am one of the coordinators of Out of the Cold in Kitchener-Waterloo. Out of the Cold is a program that started in KW in 1999. It was developed in response to a call by the provincial government that asked churches to help out, temporarily, as we went through a recession. We’ve now entered our 16th year at First United in Waterloo, and there seems to be no end in sight.

Our programs are completely volunteer-operated and -run with no paid staff and no government funding. We deal with some of the poorest people in the region. In the report Hearing the Voices: Learnings From Kitchener-Waterloo Out of the Cold, which was written in 2011, it showed we had over 1,000 volunteers contributing more than 22,000 hours across nine sites. We’re now operating at 11 sites. All of these volunteers are doing this without formal training, out of the goodness of their hearts. We are all non-professionals doing our best in a very difficult situation. What has really brought this home to me is an incident that happened last year when I called for an ambulance and the EMS personnel sat outside the church for five minutes waiting for the police to arrive because they felt Out of the Cold was too dangerous a place for them to go into alone.

I wish I could tell you that there had been some improvement in the last few years for those accessing Out

of the Cold programs, and I wish I could tell you we were seeing a decrease in our numbers. I wish I could tell you that we now see an end to the need for untrained volunteers to be doing community outreach to help feed and shelter people who have been left behind. I cannot. Instead, you need to know that our numbers continue to increase. Our costs are going up; our buildings are seeing wear and tear from being used in ways never intended. Many of our volunteers have been doing this for 16 years, and, quite frankly, they’re exhausted and too tired and burnt-out to continue.

When we started in 1999 with four sites, we had an average of 17 people overnight and fed 31 people. Our site which is in Waterloo is now seeing over 70 people every Friday night, and we’re feeding up to 150 people each week. And we don’t have the highest numbers; those are in the Kitchener area. People just can’t walk all the way to Waterloo to get a meal. Many of the churches are close to capacity. We’re running out of room. We’re having trouble finding people to volunteer, especially overnight.

On top of those problems, most of the churches are struggling themselves. If the churches fold, the Out of the Cold program, ironically, will also be without a home. We know that the Tuesday night site in Kitchener is no longer going to be able to continue after the end of this season, and other sites are also struggling. Any way you look at it, we cannot absorb much more, yet the need continues to increase.

In the last two years, our food expenses at First United have increased by about one third. Some of this is due to inflation, but much of it is due to the increased need. I had one man come to me to thank us for the simple meal we provided. He said he had used up all his visits to the food bank and he had not eaten in three days.

Many of the people we are serving at Out of the Cold today never thought they would come to the churches for help. They are people who always thought they would have a job, and if they didn’t have a job, they had paid taxes so that there would be a social net to help them until they could get back on their feet.

In fact, many of the people we are serving today do have jobs. The problem is that they’re getting minimum wage, which is much too low to live on. And most of them who are working are working part-time, mostly without any benefits at all.

The people of Ontario should be ashamed that this is the way we treat our citizens. Good people who could be leading productive lives and giving back to their communities have been reduced to sleeping on church floors.

Many of our other guests are people society should have been taking care of all along. They are people with serious mental health problems, people struggling with addictions, people dealing poorly with trauma in their lives.

There is a story that I suspect most of you are familiar with. It’s about babies in a river. Essentially, villagers living near a river start to see babies floating by. At first,

they jump in to pull the babies out, but more and more babies keep appearing. Then some of them, realizing they can't save them all, start teaching the babies to swim. Finally, someone realizes what needs to happen is that they need to prevent the babies from getting into the river in the first place. I don't know where on that continuum social services fits, but I do know that Out of the Cold is the bottom of the river. The guests we are seeing were not prevented from getting into the river. They were not helped to get out of the river, and, for whatever reason, they are unable to swim on their own. It is time for the province to step up and start caring for these forgotten people.

I am also an employee of Supportive Housing of Waterloo. This is an innovative project that was developed by some of the churches that host Out of the Cold. It's based on the principles of Housing First, and it provides 30 permanent apartments for individuals who have been homeless for at least one year. We are now also supporting three members of the community and working on developing another house that will house eight more people. This is a program that really works. Places that use a Housing First model have shown great success, not only for the individuals housed, but also in reduced costs for health care and the justice system. The federal At Home/Chez Soi program is an excellent example of that.

### 1350

Most of the tenants at SHOW came directly from our Out of the Cold programs. I see these people weekly, just as I did when they were coming to our church, but sometimes it's hard to believe they're the same people. I see hope in their eyes, sometimes for the first time in years. They walk proudly with their heads up, and their backs are no longer stooped to carry their belongings. They have an address and a place they can call their own. Some of them are getting long-needed medical and dental care. Some are upgrading their education and looking for work. Some have even reconnected with long-lost family. There are often smiles on their faces, and they are truly beginning to feel safe at last.

The people we serve at Out of the Cold and at SHOW are people just like you and me, who have had the misfortune of finding themselves in difficult circumstances, so let's try to put ourselves in their shoes. Imagine this: First you lose your health, then you lose your job, then your employment insurance runs out. What do you do? You apply for disability. You are totally humiliated and exhausted by the process, and then you're turned down anyway. You use up your life savings. You can no longer maintain your house. What would you do?

Or you're a single parent cycling between OW and low-paying jobs. You rent a small house but can't always make the utility payments. Each time the hydro is cut off, you need to find that much more to have it turned back on. What would you do?

Or you are a homeless man with mental health issues. Your feet are covered in sores from walking in wet boots, and you cannot go to the hospital because you believe they will cut off your feet if you do. What would you do?

Or you're a young, married woman with a disability. Your husband has a full-time job, but he works for minimum wage. You can't get disability because he has an income. You are one of over 3,000 families on a waiting list for affordable housing, but you can't afford your rent now. So you take in a roommate, but he abuses you when your husband is not around. What would you do?

I know that stories like this are true. This is what living in poverty in Ontario is like for countless people. Once you have sunk into the depths of poverty, it is very difficult to find your way back out. It seems that we, as a society, do everything in our power to make it so. We're reluctant to offer assistance until the situation becomes desperate. We demean and devalue those people to the point that they, themselves, begin to doubt their own self-worth.

The United Nations declaration of human rights, article 25(1), states: "Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control." Somehow, we seem to think that this right is only for those who can afford it.

We resent every dollar that goes to someone in need. We think it's okay to dictate and control how money we give to the poor is spent. We don't do that for our seniors, we don't do that for our employees, and we often don't even do that with the allowance we give our children. But we tell the poor how much they should be spending on housing, how much should go to food or to entertainment, and then we criticize them when they're not dressed well or they have bad teeth or bad haircuts.

A quote that I really like is carved above the entrance to the United Nations building: "Human beings are all members of one body. They are created by the same essence. When one is in pain, the others cannot rest. If you do not care about the pain of others, you do not deserve to be called a human being."

People living in poverty need our compassion, our support and our respect. They need programs that will help them regain their dignity and feeling of self-worth. We can help people out of poverty so that they can become regular members of society again who live normal lives, going to work and paying taxes. Some could even go on to do great things, if only we give them a chance.

I would ask that this budget include increases to funding for programs that help those living in poverty. I would ask that increased funding be provided for poverty reduction programs and for housing. In particular, I would like to see much more funding for housing supports, both in the general housing stock and in new buildings.

We cannot be a prosperous province unless all of us, as citizens, feel prosperous too. We, the people of Ontario, expect the government to take this responsibility.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Catherine. You've left about two minutes for a short question-and-answer period.

Rob?

**Mr. Rob Leone:** Thank you so much, Catherine, for coming today. I want to thank you and all the volunteers at Out of the Cold for all the good work that you're doing to help those who are in need.

I have a couple of questions, and one is on the Housing First model that you talked about. Can you explain the funding and what the program is?

**Ms. Catherine Stewart Savage:** Housing First works on the idea that you provide the housing before people need to get help. So rather than say, "If you sober up, we can give you housing," or "If you get on medication for your mental health issues, we will give you housing," it says, "The most important thing is that you have a place to call your own." What they found is that when they do that, without any provision that they have to deal with their issues, people naturally start dealing with those issues anyway, and even if they don't, the costs are considerably reduced through health care and justice dollars.

**Mr. Rob Leone:** How is that program funded?

**Ms. Catherine Stewart Savage:** Different places have been funded different ways. Supportive Housing of Waterloo was built with a lot of money from the infrastructure funding that came out four years ago, and a lot of it is done through donations.

**Mr. Rob Leone:** Is that federal and provincial?

**Ms. Catherine Stewart Savage:** It was federal and provincial. Now we get some funding through CHPP, I think it is, both provincially and federally. It's all channelled through the region anyway.

**Mr. Rob Leone:** Okay. How much time do I have, Chair?

**The Chair (Mr. Kevin Daniel Flynn):** Eight seconds.

**Mr. Rob Leone:** Then I want to thank you once again for coming to our meeting and sharing your story.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Rob, and thank you, Catherine, for coming today.

#### STRATAWORKS CANADA LTD.

**The Chair (Mr. Kevin Daniel Flynn):** Next up is strataWORKS Canada. Derek and Jim, if you'd like to get yourselves hooked up there. Are you making a presentation on the screen?

**Mr. Derek Geisel:** Yes. It's a couple of slides.

**The Chair (Mr. Kevin Daniel Flynn):** We'll give you a second.

Can everybody see that? Okay. Let's get going.

1400

**Mr. Derek Geisel:** Thank you again for allowing us to come in and speak today. We're Derek Geisel, president of strataWORKS Canada Ltd., and Jim Hill, vice-president of operations. I'm going to slide over to this one here so I can work the computer a little better.

What we want to talk to you about today are a couple of things that we're looking at in the construction

industry. I know you've had a couple of committees in here already, talking about the cost and the open bid process. That's one of the things that we're looking at as a business: Where do we go as a government, how does the government operate and how do we see it being a vital part of this moving forward?

The biggest question we have is, is the current infrastructure stimulus fund a benefit to taxpayers in the long term? Everybody in this room has to understand one thing: We are all paid by the taxpayer. They are ultimately our bosses. We should answer to them, we should answer their questions, and they should be able to tell us what they want to do with our money, because they're paying us.

Some of the stuff that we've looked at in the last four years since being in business—are a number of things that we've looked at across the province of Ontario. Sewers spill eight trillion litres of untreated waste per year—eight trillion litres that flow into our clean water systems in this province. That is our drinking water. What's the cost? It's \$40 billion over the next 15 years to return Ontario's municipal waste water sewer systems to a state of good repair. Does anybody know how much water and sewage—human waste—flowed into Lake Ontario during the flood in Toronto this year? A lot. Since 2005, Ontario has applied \$2.1 billion in federal gas tax revenues to help finance \$6.7 billion worth of infrastructure improvements in municipalities. Why do we have that up there? Because you're doing a good job. We just need to find more of it. We need to find more money like this.

What do we have? Here are a couple of examples. In the city of London, accountability: The southeast reservoir is two years behind and \$20 million over budget, with possibly \$50 million more to get it up and running.

In the region of Waterloo, nothing is certain, while they sit at 11 months on a waste water treatment plant, and it has \$600,000 in overruns.

The city of North Bay's capital projects may be deferred. Here's the city of North Bay, who are looking at Highway 11/17. They cannot fix it, because the arena is over by \$4.2 million. Who's held accountable for this at any level?

**Mrs. Donna H. Cansfield:** Him.

**Mr. Victor Fedeli:** No.

**Interjection:** Not him, not him.

**Mr. Victor Fedeli:** Not when I was mayor.

**Mr. Derek Geisel:** So who's accountable? Who pays that bill at the end of the day? Taxpayers. Why is that? Because everybody just hands money out and nobody is held accountable. They all say they want them; we're all saying they're accountable. They're not.

What do we see? We see municipalities should be spending more money to fix their dirty, buried secrets than they spend to construct visible infrastructure services like hospitals, libraries and arenas. We all need those things—they're our bricks and mortar—but the things that are costing us the most are buried.

The province will need to put greater emphasis on loan programs to provide long-term financing to municipi-

palities, to renew infrastructure and to deliver value to residents. As a buy group, quite simply put, the government can get money a lot cheaper than any private individual company can in any 3P project going on the face of the earth.

Here's the performance standard, proven by Infrastructure Ontario's existing AFP framework to safeguard funding by assigning a few simple mandates. Put these through, and you'll see what happens:

- a realistic asset management plan for all projects, not just ones that you may think you want to get involved with, like sewer maintenance or anything like that, but every project;

- life-cycle performance warranties for all design specifications;

- a minimum seven-year contractor warranty for all work completed—why do we currently just tell somebody that they can spend our money on our specification and, after a year or two, walk away from the job, and the taxpayers are hit for fixing anything after that?

- a minimum seven-year performance warranty on all and every product used in that project;

- mandate that a municipality must certify and submit inspection reports for each phase of work before receiving provincial funds. We do not give our kids any money without knowing where they're spending it. The government should be the same;

- prioritize approval for projects that include a municipal action plan to, first of all, use internal engineering staff to prepare specifications and certify the compliance that our projects have met these standards;

- ensure our bids observe the specifications for best-way construction, with performance warranties, long-term benefits and accountability to taxpayers;

- adhere to a sustainable life-cycle plan that ensures the longevity of the asset.

What's that number? That number is less than 1% of any construction job that isn't a road construction, sewer or sanitary project in this province—for every manhole in the province of Ontario. You mandate those few little things, and that's 30 years of savings right there.

Why can't our assets save us money? Why do they always just cost? Why is it constantly going back to the taxpayers and saying, "We need more; we need more"? That's less than 1% of any job cost. Some \$10.3 billion can be saved over 30 years on nothing more than a manhole, something we drive over every day and complain about every single day of the year.

We change, we make small changes; we make and hold people accountable for what they are designing, installing and constructing—the province turns around. It starts with everybody in this room.

Questions?

**The Chair (Mr. Kevin Daniel Flynn):** Thank you. The questions are coming from the NDP in this rotation. Catherine or Michael: Who's first?

**Ms. Catherine Fife:** Thank you very much for the presentation. I can feel you don't feel strongly about this at all.

**Mr. Derek Geisel:** No. I hate paying taxes.

**Ms. Catherine Fife:** I think people want to see their tax dollars spent responsibly and smartly. On one of your slides—and I look forward to getting a hard copy of this presentation, please—you reference Infrastructure Ontario's AFP structure as it is currently stated. Then you have the further criteria around a seven-year cycle. Has Infrastructure Ontario built that seven-year cycle into their AFP process? Because I don't think they have.

**Mr. Derek Geisel:** No, that's ours, what we're recommending. The only one currently that we know of, that has anything to do with a seven-year, is that the Ministry of Transportation for Ontario has mandated that their paving projects—all paving projects in the province of Ontario—require a seven-year warranty on the pavement.

**Mrs. Donna H. Cansfield:** Yes.

**Ms. Catherine Fife:** Do you see any other jurisdictions—Donna Cansfield is happy about that. She got that done, I think. Are there any other provinces that have reformed their infrastructure financing to the same degree, to the same level of quality?

**Mr. Derek Geisel:** I don't know offhand, and I'm not really interested in whether they have or not. I'm living in Ontario, and I have my business in Ontario, so—

**Ms. Catherine Fife:** My question for you, though, is where did you get the seven years from? Do you just—

**Mr. Derek Geisel:** You could do a five-year; you could do a 50-year.

**Ms. Catherine Fife:** Well, it's a valid question. I just wanted to know where the—

**Mr. Derek Geisel:** A seven-year is based on, first of all, the MTO paving job. Second of all, it's based on when you look at the MTO and they've put the seven-year, we're getting the information from them and they're asking us now, what good is our warranty if the stuff below it is failing? They've had instances now where they've been called to sites and they've called the contractor back and said, "Hey, your paving job is failing."

**Mr. Jim Hill:** Can I weigh in here a little bit?

**Mr. Derek Geisel:** Yes.

**Mr. Jim Hill:** Thanks for the question. MTO is holding that if the asphalt actually performs for seven years reliably without the need for maintenance, it's likely it will last the 18-year predicted life cycle. Right now, fundamentally, they get one year. They've changed the criteria. Thanks to probably a lot of hard work on the committee's part, they got it. Their suggestion is that seven years is the probable time to hold a contractor responsible for it. The probability is that if you get seven years, you'll get 18.

**Ms. Catherine Fife:** Just to go back to Infrastructure Ontario, this agency was set up sort of as an arm's-length agency away from the government to bring that level of expertise and the level of quality and greater accountability to tax dollars in an infrastructure investment. To date, the quality piece is still an ongoing concern, as are the cost overruns that they engage in. We haven't seen the value of Infrastructure Ontario materialize, so I think

the recommendations that you've brought forward are at least a benchmark that we can use to push or, preferably, reform Infrastructure Ontario to that level.

1410

Interestingly enough, though, you seem to be in favour of alternative financing, AFP?

**Mr. Derek Geisel:** Without a doubt.

**Ms. Catherine Fife:** Without a doubt—even though you do admit that government can access money very cheaply. It's interesting because the federal government has moved away from just focusing on AFPs. They now have a new process in place where they will either do the project themselves or AFP, so they have new criteria to decide between those two financing models.

Do you want to weigh in on that? You look like you do.

**Mr. Jim Hill:** I do, actually. One of the options under the IO mandate is to provide loans to municipalities for infrastructure repair. There are some practices in the AFP format that would be beneficial in the loan format as well, and that is to have the expectation that all components and all aspects of work cannot just be randomly applied without addressing the specifications that give best longevity, best life-cycle maintenance and best cost, and that's not the cheapest price going in. If you put performance conditions on, as have been learned from the AFP model, and do parallels to them in the loan structure, what you're transferring to the owner, the project applicant, is that, "To get our money you're going to have to prove to us that you're considering best-way options, not cheapest-way options." That's what I think is the parallel that you can gain.

**Ms. Catherine Fife:** And it is about transfer of risk as well.

**Mr. Jim Hill:** Sure.

**Ms. Catherine Fife:** That's very good. Thanks very much for coming. Did you have—

**Mr. Michael Prue:** Yes, do we have—

**The Chair (Mr. Kevin Daniel Flynn):** You have a minute, Michael.

**Mr. Michael Prue:** Just a minute? I've never heard of your company before, and here you are advocating some remarkable changes, some of which I agree with—AFP, not so much. What is the nature of your company that you're here doing this?

**Mr. Derek Geisel:** We're a small distribution company for better road construction materials. We're in the business to try and fix sewers and roads and support them with long-term, better products to be used instead of the, "Hey, this is the way we've always done it and this is the way we're going to continue to do it moving forward." We get into elevation rings for manholes, sanitary sewers, trenchless technologies and all that good stuff—the polymers, expanded polystyrenes and things that traditionally people do not look at for fixing projects in the way that they should be done. It's a world that has been dominated by the concrete industry. We looked at it as a taxpayer in London and as a taxpayer here and said, "Hey, there have got to be alternative ways." We started

this business and we're determined to make a change somehow, some way, and this forum allows us to get that message out.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Derek and Jim.

**Ms. Catherine Fife:** So we'll get a hard copy of this presentation?

**The Chair (Mr. Kevin Daniel Flynn):** Yes. Thank you for coming today.

**Mrs. Donna H. Cansfield:** Mr. Chair, just a comment. I just wanted to make sure that—I was teasing earlier; when Mr. Fedeli was mayor of North Bay, he ran a tight ship.

**Mr. Victor Fedeli:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** So noted.

### CONCEIVABLE DREAMS

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenter today is from Conceivable Dreams. Paula, if you'd like to come forward. Or Jan?

**Ms. Jan Silverman:** Jan. Paula and Jan.

**The Chair (Mr. Kevin Daniel Flynn):** Paula and Jan. Have a seat. Make yourselves comfortable. You have 15 minutes. Use it any way you see fit. The questioning this time will come from the government side.

**Ms. Jan Silverman:** From the?

**The Chair (Mr. Kevin Daniel Flynn):** From the government side, when you're finished, if you leave any time.

**Ms. Jan Silverman:** Good afternoon, and thank you for the opportunity to present today about an issue very dear to our hearts. We are here as members and supporters of Conceivable Dreams, a broad-based organization of patients, family members, health professionals and other supporters who are committed to achieving equitable access to funding for in vitro fertilization, or IVF, for men and women facing fertility challenges.

Today we want to share some information about the experience of other provinces and countries that understand the importance and benefits of funding IVF treatments. In addition to successful, long-standing programs in Finland, Sweden, New Zealand, Australia and Belgium, recent decisions in Japan, Poland and Quebec have expanded access to fertility treatments. Alberta and British Columbia are both currently considering funding IVF, based on substantial research about the societal and economic benefits of the policy.

First, let me remind you of why now is the right time for Ontario to support infertile women and men. Statistics Canada reports that one in seven couples need help conceiving. In some cases, this is a result of medical conditions unrelated to age, while in others the increased difficulties of conception after age 28 come into play.

Although IVF is one of the safest and most effective treatments for infertility, the cost is beyond the financial reach of most Ontario families. For those who choose to go into significant debt to realize their dream of starting a family, many choose to transfer multiple embryos rather

than a single embryo, which is a clinical best practice, in order to increase their chances. Because of this, Ontarians using assisted reproduction are 10 times more likely to have a multiple birth—twins, triplets or higher order—than those who do not. As a result, the rate of multiple births from assisted reproduction in Ontario is approximately 28% compared to below 10% in other jurisdictions around the world that do fund IVF.

Why should the government be concerned? Multiples are 17 times more likely to be born preterm, to require a Caesarean delivery and to need expensive care at birth and throughout their lives. For moms, multiple pregnancies are associated with an increase in medical complications such as gestational diabetes and hypertension in pregnancy. On average, low-birth-weight twins will cost the health system approximately \$1 million over their lifetime. Not taking action has significant costs, not just in dollars and cents but in the personal suffering of the babies, the parents and their extended families. It doesn't have to be this way.

Many countries around the world provide either full or partial funding for IVF. With Japan's recent decision to begin subsidizing IVF treatments, now every G7 country provides some form of fertility coverage. Even in the United States, more than 15 states cover IVF. And in Canada, Quebec has already begun funding treatment, while Alberta and BC are poised to follow suit.

Quebec began funding IVF through its assisted reproduction program in 2010, which has been an instant success. A 2013 review of the program has found that the multiples rate has dropped from around 30% to under 5%. Utilization rates have doubled earlier than predicted but are now stabilizing in line with expectations. The direct cost of the program has held steady at around \$60 million to \$70 million per year, which covers treatments—up to three cycles—and assistive pharmaceuticals. Further, these costs do not take into account the additional savings the program has delivered.

Indeed, in virtually every jurisdiction where the issue has been studied, the net savings to the health care system and society at large from introducing IVF support are positive. That is the experience in provinces and countries with programs in place. It was the forecast of Ontario's Expert Panel on Infertility and Adoption, chaired by David Johnston, in 2008, with the report coming out in 2009, and it has been recently bolstered by one of the most systematic studies of the issue, right here in Canada. As part of a current policy review, Alberta commissioned an independent report to examine the costs and benefits of funding fertility treatments. The comprehensive report, prepared by the Department of Public Health Sciences at the University of Alberta, makes a compelling case.

**1420**

As part of their methodology, they assessed over 1,400 documents, including 180 economic studies. They considered three approaches to restricting the number of transferred embryos: restrictive, permissive, and one modelled on Quebec. They concluded that under each

scenario, funding with regulation would generate significant net savings to the province both in the short term—pregnancy and delivery—and long term: neo-natal and postnatal care up to 18 years of age. These savings range from \$7 million to \$97 million in health care costs alone. Once you include societal costs, total savings range from \$15 million to \$179 million each year.

The facts supporting government funding for fertility treatments continue to grow. This is one reason the British Columbia legislative committee on finance and government services has included a recommendation to “fund a comprehensive in vitro fertilization policy” in its 2014 pre-budget consultation report.

Despite being a leader on so many other issues, Ontario is currently falling behind on this important health care decision.

The economic case is solid, but we can't lose sight of what a policy to fund IVF would really mean. It would mean hope for many men and women across the province who want to realize their dream of starting a family.

We believe that both adoption and infertility treatments should be available to Ontarians. Medical and financial circumstances, personal preference, luck, and many other factors will dictate whether one route or the other is best for any couple, but the choice should not be skewed due to lack of government support for a defined medical issue. Public funding of IVF is not only the right thing to do; it's also good fiscal policy and good health policy.

On behalf of Conceivable Dreams, we are asking members of all three parties to support a commitment in the 2014 budget to extend financial assistance to infertile patients for access to IVF treatment. We need strong, healthy families to foster a strong and healthy Ontario, and we can't afford to wait any longer.

Thank you for taking the time to consider this important request. We're happy to take any questions you might have.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you. You've left about five minutes for questions, which is great.

**Mr. Shafiq Qaadri:** Thank you very much, Jan and—

**Ms. Jan Silverman:** Paula.

**Mr. Shafiq Qaadri:** —Paula. As an MPP but as well as a physician, obviously I'm very familiar with the whole area of IVF.

I presume these days, you're concerned, as you rightly should be, that the IVF cycles are—what?—\$5,000, \$10,000 or \$12,000 per attempt. Of course, that's quite a burden on infertile couples, so I certainly appreciate where you're coming from.

Having said that, I have a few questions. En route to full OHIP coverage of in vitro fertilization, would you value—whether it's the government working in partnership with, for example, the College of Physicians and Surgeons, the Royal College of Physicians and Surgeons or the Ontario Medical Association—either specifying or enforcing the guidelines in what is today, as you know, an out-of-OHIP expense?

**Ms. Jan Silverman:** I think at this point, we're quite willing and prepared to work with the government in any form possible. Ideally, it would be wonderful to get a model that would include three cycles or whatever would be advantageous to our couples. Most important right now is that something be provided to help our couples, our individuals, obtain some relief from the financial burden.

**Mr. Shafiq Qadri:** Understood. Those couples are my patients, too. What would perhaps be helpful for the committee is if, at a later date, you might provide some suggestions in terms of the numbers attached to this. As we are consulting widely, you would likely also have to consult with both the providers and patients themselves.

The other issue: I was struck by your comment about multiple births, and of course we're certainly well aware of the added burden to the health care system that premature infants, perhaps born with other conditions and congenital anomalies and so on—but the patients are happy. If you're looking at an infertile patient who has been trying to conceive for five, eight, 10 years, obviously, within reason, the more the merrier. Twins are a blessing; triplets might be getting a little challenging. Anything more than that, of course, it's time to call in the army or something. I'm just saying it's considered a success beyond belief from the patients' point of view.

**Ms. Paula Schuck:** Initially, perhaps. But I would say, as a parent of a child with special needs, over the long haul, I have personally seen the cost. We went the route of adoption, but I have seen the cost to families, so I wonder, over the long term, if you're looking at that factor as well.

I know first-hand, for many of the couples in our group, the \$1-million cost is absolutely true. The emotional burden of raising a child with special needs or a child who was low birth weight to begin with, the additional appointments, the lost work time—all of that you have to take into account.

**Ms. Jan Silverman:** I also wanted to add—I'm both an infertile woman and a fertility counsellor, and I sat on the expert panel as well—that you're absolutely right. My patients are absolutely delighted to hear that they are pregnant with twins. But a lot of that is exactly what we're talking about. They're delighted to hear they're having twins because for them this means, "Oh, my God. We have spent so much money. We are never going to be able to have money again to do an in vitro process. So, yes, now we can complete our family."

We would rather see single embryo transfer. We'd rather see one good embryo put into a woman, resulting in the birth of one child, with, hopefully, a frozen embryo, such that they can go back and complete their family by two singletons, as opposed to the elation of never having to spend money again and challenge how much it may cost them by increased costs later down the road.

**Mr. Shafiq Qadri:** So that's the extension of the one-child policy. Fair enough.

In the desire to provide infertile couples with kids, would you support or should the government start look-

ing at broader support of things like surrogate motherhood, which, by the way, as you know, exists on a very widespread basis, especially in the countries that you've just cited?

**Ms. Jan Silverman:** I'm sorry. Should we support—

**Mr. Shafiq Qadri:** Should the government support surrogate motherhood or begin, for example, looking at convening research on surrogate motherhood?

**Ms. Jan Silverman:** Absolutely. Surrogate motherhood, in addition to egg donation, sperm donation, is very much a part of the infertile person's world. We would very much welcome a fair analysis of how we could have best practices in all of those areas. Again, our goal is to achieve families for all Ontarians. For some, surrogacy is the option, and we'd like to see it done as healthy and as properly as possible.

**Mr. Shafiq Qadri:** With that, I'd like to thank you as well, as the Chair is about to do.

I have to ask: Is it a Michigan or New York accent that we're hearing?

**Ms. Jan Silverman:** Oh, goodness. I was trying so hard. It's New York. I've been here for 37 years.

**Mr. Shafiq Qadri:** I had to ask. I could hear it. It's only every 10th word. That's fine.

**Ms. Jan Silverman:** Good for you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming today, Paula and Jan.

#### DIETITIANS OF CANADA

**The Chair (Mr. Kevin Daniel Flynn):** We're moving on to the Dietitians of Canada. Leslie, come and have a seat. Make yourself comfortable. You have 15 minutes. Save some time for questions, if you can. This time the questions will be coming from the Conservative Party. It's all yours.

**Ms. Leslie Whittington-Carter:** Thank you very much. Good afternoon. My name is Leslie Whittington-Carter. I'm the Ontario government relations coordinator with Dietitians of Canada. We're the professional association for registered dietitians in Ontario, and we have about 3,000 members here in the province and a little over 6,000 across the country. Our vision is advancing health through food and nutrition, and we accomplish this by providing trusted nutrition information to Canadians and advising governments at all levels on best practices and nutrition policy.

1430

Today, I'd like to highlight some of our recommendations for you. The committee will be receiving our entire written submission electronically, which provides additional evidence and background, but I'd like to run over some of the highlights this afternoon.

The underlying theme of all of our recommendations is access: access to credible nutrition advice, provided by registered dietitians, and access to healthy foods for all Ontarians.

Registered dietitians continue to be the most trusted source of nutrition information, according to Ipsos Reid's

consumer surveys, because dietitians must complete rigorous training and practical training and education to be eligible to write the Canadian dietetic registration exam, and then they must maintain ongoing competency requirements through the College of Dietitians of Ontario. So our recommendations align with DC's commitment to ethical, evidence-based practices.

Our first recommendation: In order to support access to registered dietitians, we need to make sure that there are sufficient numbers trained to replace impending retirements and to ensure capacity to meet population needs. We thank the committee for including this recommendation in previous years' reports to act on this shortage.

The Task Force on Dietetic Education and Practical Training provided recommendations built on a strong foundation of collaboration between the profession, the educators and the regulatory bodies. The government's decision in 2012 to reject our recommendations should be reviewed. Currently, some programs in the province are moving forward with components of the proposed plan, which will provide some increased training opportunities but not the coordinated approach that was recommended in our task force report.

Evidence shows that access to dietetic services is not currently meeting needs. For example, the Public Health Agency of Canada's 2011 report on diabetes showed that only about a quarter of patients with diabetes have seen a dietitian. Given the importance of nutrition counselling in diabetes management, and recommended by the clinical practice guidelines, it appears that either the health system is not connecting these patients with the appropriate care or that the shortage of dietitians is preventing adequate care.

More evidence of inadequate access to dietitian services is found in the results of the 2013 Canadian physician survey. Overall, 40% of Canadian physician respondents felt that access to dietitians was unsatisfactory. In Ontario specifically, that rose to 43%, which was the second-highest province, so physicians feel that there is not adequate access to dietitians within this province, and more generally across the country.

Our second recommendation around access is to continue funding for the EatRight Ontario dietitian advisory service. This service is funded by the Ministry of Health and Long-Term Care and operated by Dietitians of Canada, and provides Ontarians with free access to registered dietitians through telephone, email and website support. Evaluation has shown that consumer satisfaction is very high and that almost all of the users report acting on the information they received to make healthier food choices. This service is especially important to provide nutrition information to users who cannot access dietitians in person and to connect people with programs and resources in their own communities.

EatRight Ontario also has the infrastructure to provide support for implementation of provincial policy and programs, and this has been demonstrated through the School Food and Beverage Policy, as well as, more

recently, through the Fresh from the Farm: Healthy Fundraising for Ontario Schools program. We believe that EatRight Ontario can play an even greater role in program and policy support, such as supporting the implementation of recommendations of the Healthy Kids Panel and the Seniors Strategy.

Our third recommendation to improve access to dietitian services is in home care. The commitment to aging at home has led to targeted funding for some services; however, most therapy services, including dietetics, have seen decreases in referral rates through the CCACs, which leads to individuals not receiving the care they need. Service provider agencies have difficulty retaining qualified professional staff due to the inconsistency in work available.

In 2012-13, only 0.15%—so about a tenth of 1%—of home care visits were for dietetic and nutrition services. Overall, there were 10,000 fewer dietetic services referrals in 2012-13 than there were in 2008-09, so over four years, 10,000 fewer dietetic referrals. All therapy services in the home care system had significant declines over this time period. Given the importance of nutrition in recovery from acute episodes and in managing the effects of chronic disease, it's therefore very likely that many home care clients that need dietetic services are not receiving them. Nutrition services delivered through the home care system will help to maintain independence and manage health conditions. Targeted funding to enhance therapy service delivery in home care is needed, and support for a true interprofessional approach to care.

Many consumers and health professionals assume that there is good access to dietitians within the acute care sector. However, recent work by the Canadian Malnutrition Task Force found that only half of the patients in the hospital who are malnourished, according to standardized assessments, are referred to the dietitians for intervention. This large study also found that almost half of patients admitted to hospital are malnourished, and these malnourished patients have longer lengths of stay and are more likely to be readmitted within 30 days of discharge.

Given the prevalence and effects of malnutrition, adequate staffing and leadership for registered dietitians in hospitals is very important, and yet some hospitals have downsized clinical nutrition services. The senior-friendly hospital report indicated that hydration and nutrition protocols within hospitals and monitoring procedures were not commonly in place, putting patients at significant risk of functional decline, increased length of stay and higher readmission rates. Capacity for nutrition services within acute care must be maintained to help correct these issues, as well as to support transitions from other sectors.

Improving access to dietitians enables individuals and families to improve their health. However, it's also important that all Ontarians have access to healthy foods in order to act on the advice the dietitian provides. The social assistance review demonstrated the importance of food security issues, and we continue to reiterate the need

to consider the actual cost of purchasing food in specific regions when setting social assistance rates. Public health units around the province collect this data annually, using a defined protocol known as the Nutritious Food Basket. It consistently shows that many social assistance recipients are unable to afford the cost of a healthy diet, despite increases in social assistance rates in 2013. Nutritious Food Basket data should be used on a regional basis as the starting point for a food component of social assistance rates.

The final recommendation from our organization is the development of a comprehensive and coordinated food and nutrition strategy for Ontario. There are many worthwhile initiatives under way across the province but we are lacking an overarching strategy that provides measurable goals and objectives and strong leadership. The Ontario Collaborative Group on Healthy Eating and Physical Activity has developed a background paper and priority recommendations for such a strategy, and DC supports this as a means of improving health through nutrition. There has been extensive work and multi-sectoral engagement on the draft strategy to date, but commitment and resources to move forward and adopt specific measures are needed. Given the importance of nutrition in relation to chronic diseases and conditions that impact the province's health care system and economic productivity, we urge the government specifically to analyze policy for its impact on health and to begin working toward a coordinated food and nutrition strategy for Ontario.

Thank you for your attention, and I'd be happy to answer any questions.

**The Chair (Mr. Kevin Daniel Flynn):** That's pretty good time management. It's five minutes and one second left for questions.

**Ms. Leslie Whittington-Carter:** That's what I was aiming for.

**The Chair (Mr. Kevin Daniel Flynn):** Mr. Fedeli

**Mr. Victor Fedeli:** Thank you very much, Chair, and thank you very much, Ms. Whittington-Carter. I appreciate your presentation. I'll ask, first, are you going to be able to supply us with a printed copy of the presentation?

**Ms. Leslie Whittington-Carter:** Yes, that will be coming electronically prior to the deadline.

**Mr. Victor Fedeli:** Okay. Thank you very much, because I do want to share that. I found it quite interesting.

If you went sort of off-script for a few minutes and if we had a chat about what the three things are that we really should be looking at doing, whether they were included in yours or not—if you really did have the ability to snap your fingers and fix a couple of things, what would you want to see us do right away?

**Ms. Leslie Whittington-Carter:** The point about access, I think, is very much what we need to fix. It has so many components to it, that it's beyond the magic three, but certainly I think that access across both the health promotion and—as I mentioned in the report, we've got the acute care sector, we've got home care,

long-term care. Ensuring that access for that specialized nutrition expertise in all areas of health promotion and the health care system is very important.

The other thing: I made a slight reference to the School Food and Beverage Policy and the Healthy Kids Panel report, and to sum that up would be around making the healthy choice the easy choice when it comes to food and beverage choices for Ontarians.

1440

**Mr. Victor Fedeli:** Education—are you the one with the hammer or the one with the kid glove?

**Ms. Leslie Whittington-Carter:** Could we say a carrot or a stick? Is that—

**Mr. Victor Fedeli:** You could use it that way.

**Ms. Leslie Whittington-Carter:** We'll use a carrot because we're talking nutrition here.

**Mr. Victor Fedeli:** I'm reading what's been happening in the state of New York quite recently with the Slurpees or the large beverages that are outlawed and that kind of thing. Where do you come in on that? Where do you really feel we should be handling that?

**Ms. Leslie Whittington-Carter:** Where we really come in is we want to use the best available evidence to make sure that public policies are truly making a difference in the intake and overall health of the population. We really recommend a strong, comprehensive evaluation component being implemented with any sort of policy. We're talking about menu labelling within the province now. We're talking about the School Food and Beverage Policy. So a really strong evaluation component and a willingness on the part of government, if it appears that a policy, through their evaluation, isn't meeting the intended outcomes, to revisit what will make it better, how we will achieve those recommended outcomes.

**Mr. Victor Fedeli:** What about taxing the junk? Where do you come down on that one?

**Ms. Leslie Whittington-Carter:** There's a whole lot of evidence on both sides of the issue, because, of course, it depends on what data you choose. Based on our analysis of the evidence, there isn't, at this point, a strong rationale for taxing. It tends to provide a somewhat limited return on investment or changes in behaviour, so to speak, and it has in some cases been shown to be regressive: having disproportionate effects on more vulnerable portions of society. As with any projected policy, it's important to look very closely at the evidence and what the unintended effects may be as well as those effects that may be more easily found.

**Mr. Victor Fedeli:** I am from northern Ontario, so I like to spend some time talking about particularly the Far North, where we have a lot more First Nations as well. Is there anything in particular you wanted to discuss with respect specifically to First Nations?

**Ms. Leslie Whittington-Carter:** As you well know and I'm sure the rest of the committee knows, there is a disproportionate amount of health-related conditions. We actually have a position paper from Dietitians of Canada on nutrition services in aboriginal health, and I'd be

happy to send that to you. Basically, the crux of the matter is to provide targeted and comprehensive services that are tailored to that particular user group.

One of the ideas that we have floated and have been thinking about making a formal proposal for is an Eat Right Ontario specific to the aboriginal population, because obviously there would need to be some changes there. We've already got a number of our services and resources translated, but to do a better, more comprehensive job of that for the aboriginal population.

**Mr. Victor Fedeli:** Can we ask, Chair, that that copy be forwarded to the Clerk and then distributed to the members?

**The Chair (Mr. Kevin Daniel Flynn):** It will be done.

Thank you, Leslie, very much for coming today.

**Ms. Leslie Whittington-Carter:** Super. Thank you so much for your attention.

#### HOLLAND MARSH GROWERS' ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Staying with the food issue, we've got the Holland Marsh Growers' Association next. Jamie? Have a seat. Make yourself comfortable. You have 15 minutes; use it any way you see fit. If you could leave a little bit of time at the end, the NDP may have some questions for you.

**Mr. Jamie Reaume:** Oh, it's the NDP again. Okay.

**Ms. Catherine Fife:** Hey.

**Mr. Jamie Reaume:** I didn't say a word. You're my MPP. I can't say anything.

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

**Mr. Jamie Reaume:** Good afternoon. As you're getting printed copies, I will tell you this: I'm assuming you can all read English; therefore, I'm not going to read my presentation. It's pretty straightforward, what this is about. While I appreciate committee meetings and the opportunity to do this, I think we need to get down to the brass tacks of what's going on.

It's excellent that we had the nutritionists in front of us. My guys in the Holland Marsh are part of the Fresh from the Farm program. It was a program based out of Manitoba, through Peak of the Market. We're very big on education; we're very big on getting the message across, but more so, we're also very big on the fact that farming is really the answer to the health care concerns. We make no bones about it that the consumption of fruits and vegetables, whether fresh or processed, is the answer to what's required. I'm not going to get into a debate about how it's grown; quite frankly, I really don't care how it's grown. What I do care about is whether or not it's safe, healthy and nutritious. Ontario farmers do that every single day that they're out there.

Part of the issue, though, as you look through the submission that we've given, is that we're going to talk about regulatory regimes. We're going to talk about the fact that I deal with virtually every ministry out there, as

the Holland Marsh Growers' Association, except for three of them: government services with John Milloy; I don't deal with francophone because, frankly, I have Dutch and Portuguese and Asians and I'm the only French guy who's up there, and they can't pronounce my name anyway; and correctional affairs, yet we want to get into correctional affairs because we see that as another step of what's missing with what's there, which is the procurement.

The Ontario procurement process is nothing short of stagnating for Ontario farmers: seven- and 11-year contracts that are drawn up so that countries are able to bid on them, where they have full-time people doing this. If you were to go to a farmer anywhere, regardless of whether it's the Holland Marsh or anywhere throughout Ontario, and ask them what MERX is, they wouldn't have a clue. They'd think it's a short form for "mercury" because that's something that they have to test for in their water and make sure everything is okay.

In other words, I deal with basically 23 ministries. I always laugh about the fact that I deal with 23 provincial ministries, 14 federal ministries, two conservation authorities, one county and one region that really don't get along very well, five municipalities, and I have a myriad set of regulatory regimes that we all have to fall under. That is very hard for the farmers. If you add in my other role as chair of the Ontario Food Terminal Board, then it becomes somewhat more problematic because I actually work for the entire value chain.

Anything that we preface here is based upon the fact that farming and agriculture are the things that we rely on most. We've been challenged to double the gross domestic product for farming and agriculture. We can do that. I have no problems with that. But there are going to be issues that are going to stand up in front of us. They're societal issues that we always forget about. I was once told by a very high-ranking Premier at the time that legislation is for the good of society but sometimes people fall through the cracks. Generally, what happens is it tends to be the farming community that falls through the cracks.

When you look at the Clean Water Act, that's a good piece of legislation, and yet it's the farmers who are going to be impacted. If you look at the upcoming Great Lakes protection plan, we've already lived that with the Lake Simcoe Protection Plan. I can tell you it was the farmers that got caught in the middle of that one.

We are not objecting to clean water; in fact, we should be celebrating the fact that we have clean water. We're not in Virginia right now; we're not in California, where they don't have water to talk about. We're not in a lot of other countries where they don't have the access to it either because of distribution or because of the way that the climatic situation has changed for them. We should be revelling in the fact that we have it. But the burden shouldn't only be placed upon farmers at this point.

If we look at that, that's the number one thing, because rules and regulations and a review of everything that impacts upon them—and quite frankly, gentlemen and

ladies, I can tell you every single piece of regulation that does impact upon you. That's what we need to look at: How can we streamline?

Farmers, at the end of the day, are price-takers. They will never, ever be able to raise their prices by 10 cents or 25 cents to offset any of the costs that are coming through because there is almost a monopolized system with the retailers. The retailers are going to say, "Well, just because your minimum wage is going up doesn't mean we can raise the price of food." They don't do that. We don't have that option. But where we can save is the efficiencies and development of the system behind the farmers that takes away some of the costs that are already being borne by them.

**1450**

I'm not coming to this committee and I'm not coming to this government for dollars. I'm not. I have put down six requests; five of them require not one iota of a dollar—not one. The sixth one, in the conclusion piece, looks at a research and innovation fund that ties in, ironically enough, with the dietitians, the nutritionists and what we're trying to do, which is that we're trying to build a healthier society. That's one where we said we should be proactive and take 2% of the provincial budget and be proactive about how we look at it and put that aside to develop products that have omega 3 or any of the other health benefits that can go with it. These are important aspects to what's there.

I'm going to be quite frank with you. I'm approaching 50. My generation is screwed. We're done. I don't care what anybody says. Our health issues are going to be there. We're not going to change our diets. I want the kids, and so do the farmers. We want future generations. We want to develop a future generation that's both healthy and knows where their food comes from, and that, ironically enough, is where we lack in what we do, because we don't talk about how good a story we have in agriculture. We don't talk about how good we have it, and we don't talk about the partnerships that we have built to be able to do the stuff that we've done.

The clerk—sorry, I missed your name there—that grabbed the box from me: There are six movies in there included. I didn't have enough to do it because I have another function after this, but there are six movies. It's a documentary. The basis of what we're going to talk about is the fact that we not only have challenges but we have solutions. That's what the documentary says, and it's from the farmer perspective. It is strictly from the farmer perspective. It helps connect that so-called urban-rural divide. And while there is a mythology built around it, we don't think that we're there. The Holland Marsh is actually Toronto's backyard garden.

I've had words with former Minister Cansfield on this one, and we are in agreement. Sometimes there are rules and regulations that don't make sense. It's easier to eat carrots than it is to eat bulrushes, and yet we still have some areas of the province that have five and six pieces of zoning legislation that go across them. I had to deal with one issue in a 75-foot span that had five different

pieces of legislation that prohibited the farmer from doing one simple thing: an expansion on his barn. That's outrageous, that's costly and that's a fee that they can't continue to do.

These are the reasons why I sit before this committee, fully aware of the fact that we've done this for the last six years. We've been actively engaged in written and oral presentations, and we talk about this all the time. What we're asking for is, at some point, the political backbone to say, "Farming and food are vital to the province." This is an issue where we can all sit there, whether holding hands and singing Kumbaya or crossing the floor and being non-partisan about it, because when a population can't feed itself, they can no longer call themselves a nation.

With that, I think the NDP has some questions for me. But if you have any questions on the food terminal as well, fire away.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Jamie. Catherine? Michael?

**Mr. Michael Prue:** Let's start with the food terminal. Go ahead.

**Mr. Jamie Reaume:** I have to deal with 1960s legislation. I believe that it's 2014. I may be wrong, and I may have stepped backwards at some point, but 1960s legislation, if I was to enforce it in the way that the chair is supposed to, would mean that I'm not allowed to sell flowers at the terminal, even though that is one of the biggest sellers in the months of April, May and early June. It's because the farmers have grown and adapted to what was there.

In addition to that, I'm in a city just north of Toronto. Nobody saw Toronto growing out past that. Quite frankly, I'm not looking for the army to come in and help me shovel the driveways for it; I don't need that. I'm looking to be able to upgrade my legislation so that it is reflective of the 21st century, of the year 2014, so that my buyers, my sellers, my farmers, have a greater access.

My mandate, crystal clear, from every party was to move more Ontario product through it. That's what we're doing. When you have a million tonnes of food that runs through one—one—distribution hub, that's a major player within the province and in this nation.

**Ms. Catherine Fife:** Thank you very much, Jamie. I think you're a little shy, though, when you're coming here.

**Mr. Jamie Reaume:** I know.

**Ms. Catherine Fife:** I know.

You've said that for six years you've come to the finance committee. We now have the Premier herself as the Minister of Agriculture. You've indicated that bureaucratic red tape—and it is extensive and layered—is ongoing. When you sit down with the Premier—I know that you've had meetings. The government can move this forward. The NDP and even the PCs agree on this. I mean, it's not just political will, is it?

**Mr. Jamie Reaume:** No, sometimes it's very difficult to make people understand that a piece of legislation written on behalf of the whole is sometimes problematic for the minority.

Now, I will be honest—again, I’ve told you I am one of your constituents. While I work in the Holland Marsh and deal with everything, I’m a cityite. I’m not a farmer and I don’t have back acreage; I just represent these guys because I can translate their lingo into government lingo and government lingo back out. That’s a difficult aspect that they don’t even view. Have we had talks? Yes. Is it slow? Yes, but everything is slow. The one thing that we have learned about it is that it doesn’t move quickly.

I can sit here and talk about MTO, MOE or about environmental taxes that are placed on farmer tractor tires that are really costly. I’ve just had one of my guys put on six tires, and it cost him \$1,400 for the fee. I’m not disagreeing that we have to do something with our waste; we never do. But with farmers, they do not waste their tires. They use them inside their fields again after they’re done. There almost has to be sometimes a separation of church and state in the understanding of this unique group, and they don’t have a strong voice. When you’re 1.4% of the population you can’t go back to the government and say, “We’re vitally important and we should be there.” What should be remembered is that we’re the providers of 730,000 jobs in Ontario.

As I stipulated inside the report that I’ve written, everybody talks about the loss of Heinz and the 500 jobs that went with it. Yes, it’s tragic, but you know what? Anybody watching US politics would realize they’re starting to roll up the streets and they’re starting to put in the perimeters, and we’re going to be looking at some trade impediments that go forward. What they didn’t talk about was that for every job lost at Heinz there are seven jobs in the community that were directly impacted by that. They didn’t talk about the 15 guys that were actually laid off the next day in the labelling company. Those are things that we don’t talk about.

**Ms. Catherine Fife:** One of the key factors that you referenced in your original comments was our procurement strategy. We need to start buying our own food.

**Mr. Jamie Reaume:** See, I’m friends—I say that with some chagrin—with the former Speaker of the House, the mayor of Queen’s Park, who struggled mightily to be able to provide local inside there.

I believe that government has a role in that they provide leadership from the top down. You can’t pick winners and losers—you can’t. That’s just not something that you should be involved with, but I believe that you can bring it down, and if people see that you’re doing this and see a change in how the attitude is, then people are more reflective of what’s there. The businesses tend to follow with that afterwards as well. The procurement issue is huge. I can provide the second carrots. I can go into an Ontario jail with it’s, I think it was \$23-million foodstuff. I can use every one of those 23 million dollars and provide Ontario product in there. More so, I can also have it so that if we have chef schools set up inside there, there’s a career for people coming out. I know at the terminal, I actually have a lot of these people that were in prison and are now working at the terminal. They’re not problematic; they just needed that one benefit to go through it.

**Ms. Catherine Fife:** Thanks for the clarity on the procurement. That’s good. That’s what I wanted to hear.

**The Chair (Mr. Kevin Daniel Flynn):** Yes, perfect. Thank you very much for coming, Jamie. We appreciate it. We’ve distributed your movies—one to each of the caucuses—and we’ll make sure all the members get a copy.

**Mr. Jamie Reaume:** Not a problem. Nice to see you.

#### WILFRID LAURIER UNIVERSITY

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this afternoon is from Wilfrid Laurier. Max, good to see you again. Have a seat and make yourself comfortable. You have 15 minutes. Use it any way you see fit. If there is any time for any questions at the end, it will come from the government side.

**Dr. Max Blouw:** Thank you very much, Mr. Chair. It’s great to see you again. Thank you all very much for this opportunity to address the committee this afternoon. With me is Brian Rosborough, who is the senior executive officer of the Laurier Brantford campus, so my equivalent on the Brantford campus.

**1500**

For your information, a written submission will be following this presentation, prior to the 23rd. I think that’s your deadline.

Wilfrid Laurier University has deep and proud roots in this community and this region. Laurier does a superb job of undergraduate education, emphasizing development of the whole student, and we produce well-rounded, highly engaged graduates as a result of the high-quality programs that we offer.

We also play a strong role in the wider Kitchener-Waterloo region as an economic driver and as a key source of business talent for the many companies in this area, from the smallest start-ups to the major financial giants.

In 1960, we spun off a highly successful new university, the University of Waterloo. In 1999, we expanded our operations to build a thriving campus in the city of Brantford.

Our Brantford campus has transformed that city. It has served as a catalyst in the conversion of the downtown core from a derelict status to one of new shops, restaurants, services and a soon-to-be-built \$60-million joint athletic centre, which we are building with the YMCA and with provincial contributions.

Most importantly, Laurier Brantford is now home to about 3,500 students—larger than some maritime universities—enrolled in high-quality programs in what was once an underserved part of the province. These students are a talent pool in the community for future prosperity. Many of them will make their homes in Brantford and the surrounding region and contribute to the vitality of that community going forward.

Last year, my university indicated to this committee that further expansion of this innovative multi-community, multi-campus model of a modern university is

our highest priority going forward. I emphasize to the committee that the Wilfrid Laurier satellite campus university in Milton, Ontario, is the Laurier of the future. My intention today is to further reinforce this point with you and to ask you to lend your support to the request for provincial approval of a Milton campus.

Laurier has been advancing the idea of a campus in the community of Milton for the past six years. A group from Laurier, the town of Milton and key partners in the community and region have been engaged in preliminary planning for the campus and also for the community that will surround the campus. So it's integrated planning of university with community.

We strongly welcome the 2013 fall economic statement, which referenced the government's desire to move forward with a new satellite campus policy across the province, and the Ministry of Training, College and Universities released that satellite campus policy, a framework for infrastructure, in December 2013.

The proposed Milton campus will leverage innovative partnerships for the benefit of students, the community, Ontario's wider post-secondary system as well as the local, regional and provincial economies. Investment in a Laurier Milton campus will bring post-secondary education to Canada's fastest-growing community. That's Milton. A Milton campus will create a hub for new economic innovation and entrepreneurship and capitalize on a unique partnership that leverages community, academic and private sector resources and investment in the Ontario PSE system.

Our proposal is to build a deep green leading-edge campus that will provide local, commuting and residential students with access to programming focused on excellence in teaching and learning. We are proposing initial construction of campus facilities to support approximately 2,500 students, primarily undergraduate, with a few select graduate and professional programs.

A satellite campus in Milton will offer a full range of ancillary and student support services, just like on our other campuses, but, of course, scaled to suitable size as the campus grows.

Laurier's Milton campus can meet increased GTA enrolment consistent with the province's PSE system and broader growth needs and with potential enrolment of 10,000 to 15,000 students over time. Initial enrolment could begin as early as 2014 in temporary space.

The 150-acre Laurier Milton campus will be the centre of a 400-acre Milton Education Village that the town has identified and for which planning is very well advanced. The Milton Education Village is the name of that development, and it will be a purpose-built, fully integrated neighbourhood of multi-level education, research and commercialization, and complementary residential and commercial development and amenities.

I'm pleased to say that land has already been secured as a municipal contribution. Land use planning is well under way, and infrastructure servicing has been secured as well. These are costs that have been covered already by the partners. As a result, the project can proceed to the

planning, design and program development phase as soon as provincial support is announced and adequate start-up funding is provided.

The academic buildings of the campus will be developed on a 50-acre parcel of land, and the university will be the steward of an adjoining 100-acre natural laboratory of protected escarpment lands that can be used for aboriginal and other ecologically sensitive programming. Non-academic buildings can be situated on adjacent lands—in other words, not on the 50- or 100-acre parcel—and developed in partnership with the private sector.

Laurier's Milton campus will meet the needs of prospective students from Halton, Peel and the surrounding area, and be accessible for commuting students from other parts of the GTA. We have strong support from the town and from Halton region, and the business community highlights the extraordinary potential for an innovative partnership between Laurier, Milton and the partners in the education village. In fact, the value of donated, fully serviced land reflects an estimated direct contribution to the project valued at approximately \$50 million.

The Milton campus is integral to Laurier's long-range capital and academic plans and their proposed strategic mandate agreement with government. Consistent with our SMA—the strategic mandate agreement proposal—programs at the Milton campus would focus on water, environment, sustainability and urban studies, and be linked to green-tech/clean-tech innovation in a technology park.

These areas of focus would be built on a strong foundation of liberal arts, science and business offerings, with the objective of adding select professional degrees, beginning with a master of education, and niche graduate programming—not wide-ranging, but a very clearly focused graduate program—to support and enable research-informed engagement with issues of environment, sustainability, urban development, green tech and clean tech.

The new campus will also be connected to the demonstrated leadership in the commercialization of technology and innovation in financial services for which the university is very well known. The potential college campus would be an ideal partner within the Milton Education Village to better meet the dynamic needs of post-secondary students choosing Milton as a learning destination.

Sheridan College is a signatory to our MOU with the town, and it, indeed, is optimistic about partnering with us. Laurier is one of Ontario's fastest-growing universities, and we'd love to service one of Ontario's and Canada's fastest-growing communities.

I'm going to close by indicating that we believe that our campus in Milton will play a pivotal role in Ontario's post-secondary education system. It will provide a showcase for environmental sustainability and offer teaching and learning that meets the demands of students in the GTA. Laurier Milton will help to ensure that

Ontario's post-secondary graduates are prepared to lead Ontario's new economy innovation. It's an investment in Ontario's future that should not be delayed any further.

Once again, I thank you for allowing me to make this presentation to the committee. Again, a written submission will follow that reinforces these points.

I'm happy to take any questions that you might have.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Max. You've left about four minutes. Vic?

**Mr. Vic Dhillon:** Thank you, Chair. Thank you very much for your presentation.

Minister Duguid announced today Ontario Online. Are you aware of that?

**Dr. Max Blouw:** Yes, I am.

**Mr. Vic Dhillon:** Just because it was announced today. What benefits would this have on students?

**Dr. Max Blouw:** Yes. Online education is yet another way to bring education to students, particularly students who are place-bound—in other words, can't travel to a campus—or students who are more mature, perhaps in the workforce, who can take courses online that will enable them to advance their education while at the same time having other commitments in their lives.

1510

For younger students, those directly leaving university, many of those students will continue to choose to attend universities in person, but even those who are attending in person, quite a number of them are working to help them pay for their university experience, and many of those students, in order to free up their time a little bit, will take, for example, four courses in person and one course online to give them a bit of additional flexibility.

I believe the announcement by Minister Duguid for a centre of excellence focusing on three areas of online learning is a very, very welcome one. I was part of the group that actually incorporated ONCAT, which is the credit transfer agency which is integral to online education, and I very much support this direction.

**Mr. Vic Dhillon:** And what's the status on university pensions? How do you think government can help in regard to this?

**Dr. Max Blouw:** University pensions, like pensions in much of the rest of society, are a challenge. Quite frankly, there are a number of things that we've been in discussion with government about. One is solvency relief, the issue of institutions like universities becoming insolvent. It's not very likely. We have assets in the case of insolvency that could be liquidated to meet pension obligations if an organization were in a deficient position at the time of insolvency. That's one approach but it is not one that we have heard a great deal of enthusiasm for.

I should indicate that the Council of Ontario Universities, of which I am chair, has a working group which is working with our labour unions as well as with government to identify other ways of moving forward, perhaps mingling our funds, having a joint pan-university or multi-university investment fund for one approach.

Another one would be a joint sponsorship approach. In other words, a 50-50 responsibility for pension plans.

A lot is under discussion, but like so much of the pension world these days, there are no very simple solutions to be found.

**The Chair (Mr. Kevin Daniel Flynn):** There's about a minute and a half left, Donna.

**Mrs. Donna H. Cansfield:** Thank you. I just wanted to say that I like the concept that you've brought forward, the idea of developing a university with the concept of sustainability. I can't think of a better place than Milton because of the biodiversity of the escarpment and your ability to attract people probably from around the world to come and be a part of a whole new approach to teaching.

Having been involved, like Catherine, for many years in the teaching profession, it would be an absolute joy to be able to produce a teacher who understands that concept of sustainability and how it weaves through virtually all of the disciplines. So kudos to you for thinking about this and I wish you great success.

**Dr. Max Blouw:** If I may be permitted a comment, the location, in fact, inspired some of our thinking about the academic programming, so I think you're absolutely right. It's a stunning location.

Secondly, sustainability is all about trade-offs. There are no right answers in sustainability—economic sustainability, environmental, cultural. There are no absolutely right answers. Teaching sustainability from the perspective of tension between differing viewpoints and understanding that values underpin all concepts of sustainability is really critically important, and we would welcome that.

Finally, we hope, in building a great deep green campus, that all buildings would be instrumented so that students could actually use the buildings, tweak the buildings, as educational tools so that they could see the effects of different approaches to building design and building operation.

**Mrs. Donna H. Cansfield:** Well done.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you for coming today, Max. Brian, good to see you again.

**Dr. Max Blouw:** Thank you very much, Mr. Chairman. Great to see you and all the members of your committee.

#### REGIONAL MUNICIPALITY OF WATERLOO

**The Chair (Mr. Kevin Daniel Flynn):** The regional municipality of Waterloo: Mr. Seiling. Ken? There you are. Come and make yourself comfortable. Have a seat. You have 15 minutes like everybody else. If you want to save a little bit of time at the end, the Conservatives will be doing the questioning this time.

**Mr. Ken Seiling:** The grilling.

**The Chair (Mr. Kevin Daniel Flynn):** The grilling.

**Mr. Ken Seiling:** I only found out late Friday that we were here today, so this is a bit of a scramble to put something together.

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

**Mr. Ken Seiling:** I'll start into it. It's a bit of a mix. I think you're getting copies of it.

Thank you for the opportunity to appear before the standing committee today and talk about the budget. As you know, the region is rapidly growing. We're growing by about 9,000 to 10,000 people a year. We continue to grow rapidly. We're seeing major changes here, and our population is approaching about 560,000 as we speak.

The economy continues to do reasonably well. Although there are some local challenges, as you are aware, the economy still does reasonably well, and our GDP is continuing to grow. Because of that, we actually see that the region of Waterloo is an important part of not only the Ontario economy but the Canadian economy. It's one of the growth areas, the ones that I think both levels of government need to look at in terms of the ability to help drive the larger economies. Therefore, I think that the success of Waterloo becomes the success of the province and the success of the country. We look at it that way.

Our unemployment rate is slightly less than the provincial unemployment rate, but we are finding stubbornly high numbers of people in terms of the rolls and social assistance that we have to deal with in this region. My comments today, because it's on such short notice, are really going to deal with some hard services, but also human services, because I think a successful community deals with both sides of the equation, not just hard services.

The first one—and you'll hear later on, following me, I think, from the city of Kitchener, who have a rather interesting proposition on GO Transit—is speaking about rail services. The province of Ontario, Waterloo region and other communities in southern Ontario would benefit significantly from the provision of improved passenger rail service. Current service levels are minimal or nil and do not encourage potential passengers to use the service regularly, particularly the Via service.

Inter-regional passenger rail service is essential transportation infrastructure, serving not only the region of Waterloo but the whole area, from here and to the west. The 2011 Transportation Tomorrow Survey estimated that, on a daily basis, more than 27,000 people travel from the region to the greater Toronto and Hamilton area, and over 18,000 people travel from the GTA to the Waterloo region.

These ties are vital for local businesses, as, for example, Waterloo region's tech sector requires its workforce to travel easily to and from the GTHA. Locally, we continue to experience approximately 1,000 unfilled positions in our tech sector, a major reason being the lack of a convenient inter-regional passenger rail service.

Metrolinx has proposed its next wave of transit priority projects in the GTHA, an update to its 2008 regional transportation plan called the Big Move. Unfortunately, there is no clear advancement of projects related to Waterloo region in this update, other than the

electrification of the Kitchener line between Brampton and Union Station.

All of the transportation projects proposed in Metrolinx's next wave of projects are important initiatives that will help strengthen the transportation network around the GTHA. However, the province needs to better recognize that passenger rail projects outside of the GTHA are equally important to the provincial economy and should move forward in concert with the GTHA plans.

Congestion on provincial highways extends further from the GTHA each year as more and more people and jobs locate in the GTHA and surrounding urbanized regions. Our local members find that, I think, in terms of their travel back and forth, the backups are getting further and further out from the city.

The benefits of improvements in passenger rail service on the Kitchener line, and extension of service to Cambridge along the Milton line, are significant. In addition to improving connectivity between the growing economies of the GTHA and adjacent regions, it would also provide broader provincial benefits, including:

- reducing traffic flow and less future congestion on the busy 401 corridor, helping the movement of goods and services;

- potential postponement of some of the needs to widen the 401;

- strengthening the economic contribution of Waterloo region to the provincial economy by providing access to a broader labour market, particularly in the high-tech sector—you'll hear from the city of Kitchener in their presentation following me; and

- other environmental benefits, greenhouse gas emissions, pollutants and collisions.

We believe that the provincial budget should signal the government's intent and set out a funding plan to advance passenger rail projects outside of the GTHA. For the region of Waterloo, this would mean a firm commitment to advancing the following improvements in the near term:

- two-way peak-period rail service in the morning and afternoon, and service expansion to four trains each way between Kitchener and the GTHA, as originally planned;

- the start of passenger rail service to and from the city of Cambridge along the Milton line;

- track infrastructure improvements for the North Mainline and the Milton line to reduce travel times and improve reliability; and

- the implementation of full-day service between Kitchener and the GTHA.

Another important area for us: As some of you are aware, we are in the midst of awarding a contract very shortly for our rapid transit project, and there is a review of the development charges system in Ontario.

#### 1520

As you're probably aware, the current Development Charges Act is stacked against future rapid transit projects. It places limits on the municipality's ability to

recover growth-related costs through development charges by excluding ineligible services, placing limits on cost recovery, establishing service level caps and mandating exemptions. Since that time, municipalities have faced increasing pressure to fund the replacement and rehabilitation of existing aging infrastructure through the tax rate and user rates, placing an unfair burden on local taxpayers.

The region has focused its discussions with provincial officials on the development charge issue in recent years to the challenge of funding our light rail transit project. We have consistently requested the same amendment to the Development Charges Act, 1997, that was provided to Toronto and York region. They did receive favoured status on this and got the extension—at the tail end of the budget bill, I should add; that's how it was done. It was given to their project. We estimate that this would enable the region to recover up to about \$70 million of costs of the LRT project from the development charges.

Without the amendments, the region will not be able to recover any of the LRT costs through development charges, even though the project is very much related to current and expected growth in the community.

Indeed, the region supports the extension of this approach to all transit projects in Ontario. We have worked with the city of Ottawa, who are also in the same position as we are, wanting that extension of the policy, because it supports provincial policies in the Places to Grow plan and may also help defer the need for additional road infrastructure in the future.

Transit should be considered for development charge recovery on the same basis as improvements to road infrastructure. There's simply no logical rationale for treating rapid transit projects differently from roads in the DCA.

This approach is consistent with recent recommendations from the Metrolinx investment strategy.

In summary, the region supports the principle that growth should pay for growth, and specifically requests amendments to the Development Charges Act, 1997, that would allow the use of the 10-year forward-looking level of service as the baseline for calculating development charges for transit and other services by replacing the 10-year average historic level limitations provision; eliminate the 10% mandatory discount on development charges for all services; and include all services funded by municipalities as eligible for development charges. The first two are the really critical ones, for the transit piece.

These changes to the Development Charges Act would provide the flexibility needed by municipalities to plan for, build and finance critical infrastructure and would allow for the recovery of growth-related capital costs for all services, and particularly, in our case, the implementation of the region's LRT system, and certainly all rapid transit projects within the GTA itself which are on the horizon and which are on the books.

Just a brief note on the economic development strategy: There are limitations for those of us in some municipalities. When the Municipal Act was redrafted, at

that time there was a snapshot taken of who did what services at that particular time, and they were frozen. The mechanisms for changing those relationships either require triple majorities or changes to the legislation. We are currently looking at redoing how we do economic development activity in this region, which will require a legislative change. The request is simply that the province would amend the act to give a broader ability to react to changing economic conditions and economic development initiatives.

On the human side, housing continues to be a major issue. We have been one of the leaders in building affordable housing and leveraging money here. We are concerned that the province finalize its agreements with the federal government to make sure those federal funds continue to flow.

We are also concerned that the federal government may—that as CMHC mortgages for co-ops expire or come due, that money may disappear from the system, and that will weaken the system itself, and the fact that even though we continue to build affordable and supportive housing, the waiting lists don't decrease. We need to find a more solid base of financing affordable and supportive housing in our communities.

Homelessness continues to be a major issue. The changes in CHPI funding and others that took place over the last—well, actually, although we have some transitional funding, it's only transitional for one year, and it's creating great pressures on us. Our use of hostels and housing is increasing—it's not going down; it's actually going up—and we need mechanisms to make sure that we've got a sustainable financial housing system in front of us, to deal with homelessness in our communities. It is increasing, and in this past year, we've seen a significant increase, as some of the funding formulas were based on from about three years ago, prior to this increase in homelessness that's appearing again. We're beginning to see more families and children in that kind of area, and we need to work on those things.

Discretionary benefits: It would be lovely to see some money put back into discretionary benefits. As you may be aware, some regions and some municipalities spend very little on discretionary benefits. Others, like the region of Waterloo and Hamilton, that have older, established communities, spend considerable money on the discretionary benefits. The province, a year and a half ago, unilaterally slashed that program, and some of us were hard hit. Our spending went from \$6 million down to just over \$2 million. We've been scrambling for the last year to find ways to do it. We've found about \$2 million by some permanent and some temporary funding. But as the level of need increases, the disappearance of that program has been catastrophic to the poor in this region. We really need to find a way for the province to come back and take another look at the discretionary benefits envelope because it is an ongoing issue and a serious issue. I've listened to the delegations that have come to our regional council over the last month and a half, pleading for additional discretionary benefit money.

The Healthy Smiles program, again, is great. I'm thankful that the province is consolidating the programs and trying to make access easier. The only difficulty is that the money isn't expanding at the same time, we don't believe. It's great to expand the program, but unless there's an expansion of the money, the waiting list will just continue to get longer, even though there will be perhaps easier ability to get access to the program. But at the same time, if the funding envelope doesn't increase, it really doesn't help us that much. It's just a bit of a caution that that program needs to be funded as well as expanded.

It's the same thing with Healthy Babies Healthy Children. That envelope has been frozen for about seven years. We're finding increasingly that families at risk and families in need are really—we tightened it up and the program can't serve as many people. Increasingly if that program doesn't expand, there will be more and more children at risk in this community. We just suggest that you take a look at how that program is funded and the needs of children in our community.

Provincial offences fines: That was part of the trade-off. We've been promised by the government to try and deal with those. Those were supposed to be our trade-off revenues from the exchange of services. The province still needs to go a long way to facilitate so we can begin to collect some of these provincial offences fines, because that's our revenue that was supposed to replace some of the things for the services we took on. That isn't really happening as it was promised, so we would like to ensure that that takes place.

That brings me to the end of my submission.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Ken. We've got about three minutes—oh, just two and a half minutes left. Michael?

**Mr. Michael Harris:** I'll make it quick. You mentioned, Chair Seiling, the Big Move in your submission and that there was no clear advancement of projects related to the Waterloo region. I'm just wondering if you could tell the committee your feelings as to why the Liberals potentially left the region out within the Big Move.

**Mr. Ken Seiling:** I think the mandate of Metrolinx is defined by legislation. Although they do service outside of the envelope, they really haven't done a lot of planning for outside the envelope. They've done some work for us. We think that they should have a bigger planning scope to be able to deal with these particular issues. I realize that money is always an issue for everything and I recognize the fact that 25 years of under-investment in the GTA and the GTHA is creating problems for the government, but at the same time, we just can't not deal with the issues because parts of the economy that are important to the province are outside the GTHA.

**Mr. Michael Harris:** Just quickly, because I know my colleague has got a question: The Liberals have also committed to the construction of Highway 7 for a number of years. Would you like to see that commitment solidified in this budget?

**Mr. Ken Seiling:** I think that is critical. I think all the indications are that the project is going to proceed. We'd like to make sure that it does proceed, because that's a critical transportation link for this particular part of the economy.

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

**Mr. Rob Leone:** Sure, Chair. I know that we've been promised GO trains; we got half the trains that were promised. When the region put in its proposal for light rail transit, we got half the money from the provincial government that was expected. What's your overall comment on that? What effect is that having on the region, in your view?

**Mr. Ken Seiling:** You'll hear from the Kitchener delegation following us, but I think the cutbacks, particularly on the GO transit service, are impacting our ability to bring employees into the region, for example. Improved GO service actually will help satisfy some of the needs. Currently some of the companies are actually running buses in and out of the GTA to try to get employees here. That's a critical piece, but also just the complete parking-lot atmosphere of the 401. The fact that the 401 has become a parking lot at many times of the day is creating problems for people wanting to do business in this part of the province. We've got to move it.

The province did, I must say, originally promise two thirds, and then they cut back to one third—I did this negotiation. The Premier, in fact, intervened and upped the ante by another \$50 million, and they've done that. We're funding our portion of it. But again, the Development Charges Act then becomes critical for that. We just want the same deal that Toronto and York got.

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

#### CITY OF KITCHENER

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this afternoon is from the city of Kitchener: Mayor Zehr. If you'd like to come forward and make yourself comfortable: 15 minutes; use it any way you see fit. If you do leave any time at the end, questions will come from the NDP.

1530

**Mr. Rod Regier:** All right. I have to apologize for Mayor Zehr; he is ill this afternoon and not able to join us.

My name is Rod Regier. I'm the executive director of economic development for the city of Kitchener. I have my colleague Dorothy McCabe with me. She is going to distribute a package of information for the committee. In the meantime, I do have a map which I'd like to distribute or circulate to the committee.

Thank you very much for the opportunity to present this afternoon. In a nutshell, although Chairman Seiling has already outlined the nature of the concept which we are proposing for inclusion in the 10-year capital fore-

cast, I'd like to give you just a little bit of an overview. The presentation you have here is the document which I'll be working from.

In essence, what we're proposing is an investment in strategic infrastructure in order to take advantage of and leverage the existing investments which have been made, including the tripartite investment in LRT in the Waterloo region but also the investments that the province and the federal government have been making in the CN North Mainline GO system from Georgetown to Union Station, and, maybe even more importantly, to take advantage of a singular opportunity to advance the innovation economy in the province of Ontario.

I unfortunately haven't been able to attend your meetings up to this point, but you no doubt are aware by now that the Waterloo region is a hotbed of technology and entrepreneurship. Innovation is in the lifeblood of this community. It has been successful in achieving some important outcomes for the province in terms of labour market performance as well as attraction of investment and market opportunities, around the world but particularly with the American marketplace in mind.

We're often compared to Silicon Valley. Anecdotally, we know that that's not actually a really accurate comparison because Silicon Valley is a fairly expansive place, and we're a region of about 18,000 square kilometres, about 550,000 people. But if you look at the region from the Waterloo region to the greater Toronto area, what you see is actually a comparison that's fairly reasonable; in fact, that's the purpose of the map. In this region, we have a comparable population to Silicon Valley, we have a comparable educational infrastructure, and we have a comparable level of IT employment, technology employment.

What we're missing is the key connectivity of rail transit. Where they have two-way, all-day Caltrain service between San Jose and San Francisco, we have one-way morning commute service on GO into Toronto. We did the business case. In a sense, we know that this is a significant challenge for the province. In 2009, it was estimated as a \$400-million project; recent estimates, very informal, from Metrolinx are that this has now grown to about \$600 million in 2013. We know that there's a challenge for the province in financing this piece of infrastructure.

As a result, we did an economic impact analysis. I'd like to point the committee to the economic outcomes table which is located four or five pages into your presentation deck there. At the level of innovation that's taking place right now, enterprise formation and job creation, in our central business district in Kitchener and in the associated research parks in Guelph and in Waterloo, we are forecasting that the economic impact of two-way, all-day GO service to the Waterloo region, connecting Toronto and Waterloo region and Guelph labour markets, would be the creation of about 37,000 jobs in the approximately 10 years following the completion of the system. That would have a net effect of increasing personal income in these economies by some

\$2.5 billion annually. Now, these are 2011 figures, so this is not inflated, and the 2011 calculation for the personal income tax revenue from these jobs would be in the order of \$540 million, \$550 million. This does not include corporate income tax, it does not include HST and it does not include any kind of calculation for multipliers. So what we're saying is that the revenue to the federal and provincial governments from this innovation cluster will be enough, essentially, to pay for that infrastructure more or less every year, essentially forever.

It's an investment in the economy, it's an investment in jobs and it's an investment in the future innovation economy for this province—not only the province, but really the country as a whole. It will give us a chance to compete toe to toe with the great innovation clusters in North America—Silicon Valley, Boston, New York—and compete with any urban system around the world for knowledge and creative jobs.

So that's the concept in a nutshell.

**The Chair (Mr. Kevin Daniel Flynn):** Perfect. Thank you very much.

**Mr. Rod Regier:** Did I make it on time?

**The Chair (Mr. Kevin Daniel Flynn):** You've got seven minutes still to go, and I think the next line of questioning is coming from Catherine or Michael.

**Mr. Michael Prue:** Yes. This is very impressive. Who crunched the numbers to get this kind of stuff? Because I must admit that after 10 years on the finance committee, I'm sometimes dubious about numbers, so I just want to know who crunched them, how you got them and how reliable you think they are.

**Mr. Rod Regier:** We did the analytical work internally. This has been a collaborative effort with the city of Guelph, the city of Waterloo, the Waterloo region and the city of Kitchener. The city of Kitchener has been stick-handling it. We've been working with these numbers for about three months now. Actually, what you're seeing there today is a refinement of the last version of the report.

What we would request, actually—and we've made this point to your colleagues in the Premier's office, the Ministry of Transportation and economic development as well—is that the Ministry of Finance take a look at the numbers and test them. We think they're fairly conservative. It's not a complete analysis because we didn't have access to the full provincial macroeconomic model, so it is limited in scope.

And it's fairly basic. To be honest with you, it's fairly basic arithmetic. The way it works is this: We have within downtown Kitchener, as an example—this is the location of Google, Google Canada's development office. It's the location of Motorola. It's the location of Square, which is Jack Dorsey's commercial app company. It's the location of Electronic Arts and dozens and dozens of start-ups that are exploding out of the Community Hub. We took a look at the expansion opportunity within the pedestrian district of the multi-modal station, which is already a significant opportunity and an investment of provincial resources, at the intersection of

the LRT and the GO system. Within a five-minute walk of that multi-modal station, we can develop about five million square feet of commercial and residential real estate. Our estimates at this point, from a planning point of view, are that that will result in about 15,000 jobs within a five-minute walk of this area.

Now, those jobs are already being created in this area, but they're being created with the idea of the LRT in mind and the vision of a high-density creative cluster, along the lines of what Richard Florida has been promoting for many years now. We've just extrapolated what the impact will be on an economic basis: what the value of construction will be, what the value of the personal income from those jobs will be and what the value of personal income tax revenue will be from those jobs. As Don Cherry would say, this is not rocket surgery.

1540

**Mr. Michael Prue:** It's a lot of mixed metaphors.

In terms of Kitchener-Waterloo the region, a lot has been promised over the years and very little delivered. I understand that Highway 7, which Mr. Seiling was talking about, has been announced five times over at least the last five or six years and nothing really has come of it. We've had a lot of discussion, and nothing seems to be coming of all-day GO service. Without those, how successful could your plan be?

**Mr. Rod Regier:** Our private sector partners are telling us that they need to have efficient transportation between the GTA and the cities and the labour markets along the north CN main line in order to fully realize their opportunity for growth. This is a very strong message from Google, from Square and from our other tech companies, including our finance companies like Manulife.

This is a project which is firmly supported by our private sector partners. What I might do is point you, in your package, to three articles. There are three articles here from the Huffington Post which give you a detailed description of the concept and how our private sector partners are thinking about it. It has also got an important article from the New York Times which was published just before Christmas, on December 22, talking about a "Snowier Silicon Valley in BlackBerry's Backyard." It's an exploration of the importance of the infrastructure we're talking about and the development of sustainable cities in the evolution of our tech cluster. It's absolutely essential for our future, we believe.

**Ms. Catherine Fife:** Thank you very much, Rod. I really just want to commend you and the various other partners—the city of Guelph, the region and city of Waterloo—for putting this forward. This is exactly the blueprint that we need to ensure that we are connecting the economic engine of Ontario, which is Toronto, with other jurisdictions.

The GO service to date, though, primarily hasn't been successful because it just doesn't work for people: The time doesn't work, and the length of time for the train. Can you touch on that a little bit?

**Mr. Rod Regier:** It works for the people that are on there. It's not a great service; I'll grant you that. I take it when I go into Toronto because it's more reliable than the 401. It does take two hours to get into town, but it's very cost-effective. What we're saying is that it's a good start. It's the kind of place you would start, but it's insufficient to actually fully realize the dream of this dynamic super-cluster innovation economy.

**Ms. Catherine Fife:** I think the tension will happen coming forward. There has been the recent announcement to expand the 401 to 10 lanes. If you're looking strategically about where you're going to get your money back from investment, this is the kind of long-term investment that actually makes more sense. Roads versus trains: The smart municipalities around the world are focusing on rail.

**Mr. Rod Regier:** I'd encourage you at some point, if you get a chance, to meet with a fellow by the name of Steve Woods, who's the head of engineering for Google Canada. He's passionate. Google has their own bus on the highway pulling people out of Toronto. What they really want to do is have trains.

**Ms. Catherine Fife:** Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Rod, for your presentation.

**Mr. Rod Regier:** My pleasure.

#### SEIU HEALTHCARE

**The Chair (Mr. Kevin Daniel Flynn):** Our last delegation of the day is from SEIU. Abdullah, make yourself comfortable. You have 15 minutes, like everybody else. Save a little bit of time at the end for any potential questions that may be coming from the government side.

**Mr. Abdullah BaMasoud:** My name is Abdullah BaMasoud and I'd like to thank the committee first for the opportunity to appear before you this afternoon. I'm with SEIU Healthcare. We're an organization that advocates on behalf of over 50,000 health care workers across the province. Our members work in hospitals, nursing homes, retirement homes and in the community and home care sectors, which gives us a unique perspective across the spectrum of care on the health care system.

Our membership is a diverse population and includes personal support workers, registered practical nurses, RNs, health care aides and other front-line health care workers. As an organization, we're committed to forging constructive partnerships with health care providers and with other stakeholders to find innovative solutions that drive quality and value while maintaining our public health care system.

In particular, we have a vested interest in the home care sector, mainly because among our members are 7,000 personal support workers, known as PSWs, who deliver publicly funded home care services coordinated by the CCACs.

In my time today, I'll focus on one of our priorities, which is the sustainability of a home care system that

delivers quality care to Ontarians while providing value for money.

As you're aware, the last few years saw a rapid growth of the home care sector across the province to meet the increasing demand by our aging population. Investments in these services are projected to increase by over \$700 million over the next three years, including \$260 million in the current fiscal year. Home care is identified as vital to improving health care outcomes while constraining expenditure growth in the more costly acute and long-term-care sectors. And 88% of Ontarians would prefer to receive care in a home setting.

The wait-list for home care was, and is, a key concern for Ontarians. Studies, like the study by Dr. Janice Keefe, show that demand for formal care in the home setting, such as personal support services, is projected to double by 2031. What worries us is the lack of a health human resources plan for personal support workers, given the current and projected demand for their services.

A very recent analysis by Dr. Janet Lum from Ryerson University last fall looked at detailed data of over 32,000 PSWs from the Ontario PSW Registry. Her analysis found that the PSW workforce in Ontario is aging, with 64% of the workforce over 40, and 37% of them are over 50 years old.

Aging of the PSW workforce is an alarming trend, especially as the concept of care-shifting, recommended by the Drummond report, is being implemented, aiming to continue delivering quality care while constraining costs. The care-shifting to the home care sector will further increase the demand for a skilled PSW workforce.

Recruitment and retention of qualified PSWs is central to a safe and effective home care system. Dr. Sinha, in his 2013 Living Longer, Living Well report to the Ministry of Health, states in recommendation number 143 that, "The Ministry of Health and Long-Term Care should look at innovative policies and ways to develop programs and initiatives to stabilize the existing PSW workforce...."

Employers find it hard to attract skilled young Ontarians to a demanding profession like personal support care, where the average wage is approximately \$15 an hour and the minimum wage is \$12.50, which was set by the government of Ontario back in 2006 to stabilize the workforce and has not changed since then.

As much as PSWs care about their home care clients, they still have to make a living. As Dr. Lum's analysis shows, over half of the PSWs on the Ontario PSW Registry identified that a higher rate of pay would be the top reason to help them continue working as PSWs and not leave the profession altogether. Raising the minimum wage for PSWs in the home care sector is not just the demand of front-line PSWs, but also of their employers, including the for-profit home care providers represented by the Ontario Home Care Association.

1550

SEIU Healthcare recommends adjusting the minimum wage for PSWs in home care to \$16 per hour to account for eight years of inflation and to increase recruitment

and the retention of PSWs in the home care sector, and make personal support care a career of choice for younger Ontarians. Realized savings resulting from shifting care from the more costly acute care and long-term-care sectors would contribute to paying for these costs. Currently, many experienced PSWs leave the home care sector as soon as they find employment in the acute care sector or long-term-care sector because of the wage gap between PSWs in these two sectors on one hand and home care on the other hand, not to mention the lack of pension options in the home care sector.

We see increasing financial efficiency in the home care sector as a crucial way for the province to see higher return on its investments in the home care service, that is, to see more hours of personal support care for the same amount of funding. Currently, only a fraction of home care funding finds its way to front-line care.

Our analysis, based on data from the Ministry of Health and Long-Term Care, health data branch, shows that approximately a third of each public dollar spent on home care is absorbed by private home care agencies for expenses that include executive compensation, CEO bonuses, administrative costs and profit margins. With hundreds of millions of public dollars being funneled into the home care sector in these lean times, taxpayers want to see a higher return on their investments in the publicly funded and privately delivered home care services.

Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Abdullah. You've left about six minutes for questions, starting with Donna.

**Mrs. Donna H. Cansfield:** Thank you for your presentation. I think all of us have had the personal support workers come in and speak to us about certification, so I was curious as to whether or not you feel there should be a standard of care in the long-term-care homes, and how you might define that standard of care. Would it be just defined in terms of hours? Would you look at education in terms of that certification?

**Mr. Abdullah BaMasoud:** Okay, so I think there are two issues here. There is one: How many hours per client per day in the long-term-care sector? In our written submission, which will follow later in the week, we recommend that there should be at least a minimum of four hours of direct care to each client per day. This is an ask that you will see also from SAFER, which is a coalition of employers, unions and other concerned parties.

When it comes to education for personal support workers, we support the move by the government in the last year to consult, basically, stakeholders on merging the three standards of education that are currently in place into one standard curriculum for PSWs that responds to the changes in the demographics and the acuity of clients that they see.

**Mrs. Donna H. Cansfield:** So if you were going to do that, then there must be some accountability put in place as well, because you would have to recognize that there are a variety of ways of determining the provision of that standard of care.

**Mr. Abdullah BaMasoud:** Correct. When we were consulted on that centralization of the PSW curriculum, we recommended that there should be a mechanism for auditing colleges, private colleges and public colleges, that provide personal support worker programs to ensure that they meet these standards. Currently, there is no audit except for voluntarily—by these colleges to audit themselves; but otherwise, there are no auditing requirements for them.

**Mrs. Donna H. Cansfield:** One of the other areas that we heard about was the whole issue around home care, and you identified it as well, and in determining—again, there has to be a provision of standard of care and it should be similar. There are 14 LHINs across the province and I only have four of them in my riding, so I can't speak to the other 10, but I can speak to the fact that the CCACs and the LHINs do not provide a standard of care; it differs in LHIN to LHIN and CCAC to CCAC. How would you change that?

**Mr. Abdullah BaMasoud:** Now that you mention the CCACs, we see that the CCAC can play more of a role in coordinating the delivery of home care services across the province. I worked for one of the LHINs in the past and we had an accountability agreement with the CCACs that they should not exceed their spending on management to more than 10%. Such an arrangement does not exist between the CCACs and the home care agencies, and therefore that's where the lost 30% is that is spent on management and profit margins by the home care agencies. This is one aspect of the personal support or home care service that is being delivered to Ontarians.

The other aspect is that there is no existing standard of care, and again that's on the side of the 14 CCACs. They should be mandated to coordinate among themselves to issue one standard of care for home care clients, obviously depending on their MAPLe score or their acuity level, in the way that a home care client in a rural area would receive the same quality care that a home care client in Toronto, for example, would receive.

**Mrs. Donna H. Cansfield:** You also identified that you could remove funds from the alternative level care or acute care beds that are being taken up by people who should be either at home or in long-term care, but once that bed is free, that bed will be filled, so I don't see how

you'd be able to transfer those dollars, especially in an aging society. When you look at some of the hospitals, I think the average age of admission is 64, especially when you get into places like Toronto. Where do you think the money will come for this?

**Mr. Abdullah BaMasoud:** Like I identified, we think that the main source for such funding should come from increasing efficiency in the home care sector. Thirty-one per cent of every public dollar, we estimate, is being funnelled into home care agencies, and this is an unprecedented ratio of inefficiency in spending. Just last year, \$260 million being funnelled—if you take 31% of that, that's how much home care agencies took into their pockets, not even for coordinating care, not for case management, because that's the work of the CCACs, but just for scheduling PSWs to go and deliver the care.

**Mrs. Donna H. Cansfield:** Then you raise the other issue: the duplication of provision of service in terms of procurement—sometimes the LHINs do it; sometimes the CCACs do it; sometimes it's mandated through the ministry. I look at behavioural support services for the elderly right now, and of the 14 LHINs, they have 14 different ways of doing it. It's \$43 million that has been put into that program. So you would be suggesting that there should be a more coordinated approach and that would lower those internal costs.

**Mr. Abdullah BaMasoud:** Correct, and I would again re-emphasize that there is a need to increase the efficiency in the spending in the home care sector. Regardless of the billings that are being spent, if you take 31% of that for home care agencies just for scheduling care and for managing PSWs, I think that's too much of a ratio.

**Mrs. Donna H. Cansfield:** Thank you. I agree.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Donna. Thank you for joining us today, Abdullah. You were our last presentation of the day.

**Mr. Abdullah BaMasoud:** Thank you for staying.

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

For those of you who are taking the bus to Oakville—that would be members of the committee, not the audience—please meet in the lobby in about 15 minutes.

This committee is now adjourned to Oakville.

*The committee adjourned at 1559.*



*Continued from back cover*

|   |       |
|---|-------|
| Conceivable Dreams .....                | F-479 |
| Ms. Jan Silverman                       |       |
| Ms. Paula Schuck                        |       |
| Dietitians of Canada.....               | F-481 |
| Ms. Leslie Whittington-Carter           |       |
| Holland Marsh Growers' Association..... | F-484 |
| Mr. Jamie Reaume                        |       |
| Wilfrid Laurier University .....        | F-486 |
| Dr. Max Blouw                           |       |
| Regional Municipality of Waterloo.....  | F-488 |
| Mr. Ken Seiling                         |       |
| City of Kitchener.....                  | F-491 |
| Mr. Rod Regier                          |       |
| SEIU Healthcare.....                    | F-493 |
| Mr. Abdullah BaMasoud                   |       |

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# CONTENTS

Monday 13 January 2014

|  |       |
|--|-------|
| Subcommittee report .....  | F-441 |
| Pre-budget consultations .....   | F-441 |
| Brick Brewing Co. Ltd. ....  | F-441 |
| Mr. George Croft   |       |
| Mr. Sean Byrne   |       |
| Dolphin Digital Technologies Inc. ....   | F-444 |
| Ms. Jamie Burton   |       |
| Family and Children’s Services of the Waterloo Region.....                       | F-446 |
| Ms. Alison Scott   |       |
| Ms. Joe-Ann McComb   |       |
| Flowers Canada (Ontario) Inc. ....   | F-448 |
| Mr. Rejean Picard  |       |
| Economic Development Advisory Committee, City of Kitchener; Waterloo Region      |       |
| Home Builders’ Association.....  | F-451 |
| Mr. Kevin Fergin   |       |
| Grand Valley Construction Association.....                                       | F-453 |
| Ms. Martha George  |       |
| Poverty Free Kitchener-Waterloo Action Group .....                               | F-455 |
| Mr. Brad Ullner  |       |
| Mr. Alex Troeger   |       |
| Social Planning Council of Kitchener-Waterloo; Community Information Centre of   |       |
| Waterloo Region.....   | F-457 |
| Ms. Trudy Beaulne  |       |
| Greater Kitchener Waterloo Chamber of Commerce.....                              | F-459 |
| Mr. Art Sinclair   |       |
| Social Planning Council of Cambridge and North Dumfries.....                     | F-462 |
| Ms. Lyndsey Butcher  |       |
| Interfaith Social Assistance Reform Coalition; Homelessness and Housing Umbrella |       |
| Group .....  | F-463 |
| Rev. Michael Hackbusch   |       |
| Mr. Greg deGroot-Maggetti  |       |
| Ms. Lynn Macaulay  |       |
| Waterloo Regional Labour Council; Poverty Free Kitchener-Waterloo .....          | F-466 |
| Mr. Len Carter   |       |
| Christian Labour Association of Canada .....                                     | F-468 |
| Mr. Andrew Regnerus  |       |
| Mr. Ian DeWaard  |       |
| Ontario Nurses’ Association .....  | F-470 |
| Ms. Beverly Mathers  |       |
| Organic Council of Ontario.....  | F-472 |
| Ms. Jodi Koberinski  |       |
| Ms. Catherine Stewart Savage .....   | F-475 |
| strataWORKS Canada Ltd. ....   | F-477 |
| Mr. Derek Geisel   |       |
| Mr. Jim Hill   |       |

*Continued on inside back cover*