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Mardi 14 janvier 2014

Standing Committee on Finance and Economic Affairs

Comité permanent des finances et des affaires économiques

Pre-budget consultations

Consultations prébudgétaires

Chair: Kevin Daniel Flynn
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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

COMITÉ PERMANENT DES FINANCES ET DES AFFAIRES ÉCONOMIQUES

Tuesday 14 January 2014

Mardi 14 janvier 2014

The committee met at 0904 in the Holiday Inn Oakville (Centre), Oakville.

PRE-BUDGET CONSULTATIONS

The Chair (Mr. Kevin Daniel Flynn): Okay, let's call this meeting back to order again. We're here from—

Failure of sound system.

The Chair (Mr. Kevin Daniel Flynn): Before we start, seeing as this is the first time I remember the finance committee being—

Failure of sound system.

The Chair (Mr. Kevin Daniel Flynn): I thought I'd ask the mayor of Oakville, Rob Burton, if he'd just like to say hi to everybody. Rob, I'm sure your mike works better—

Failure of sound system.

Mr. Rob Burton: In Oakville, we seldom use a mike, so govern yourselves accordingly. The technology won't back you up.

Welcome to Oakville. I understand that some of you may have made our merchants in our beautiful downtown happier last night. I thank you very much for that. I certainly hope it was a happy shopping experience. I'm delighted that you had the opportunity to come to Oakville and experience Oakville for yourselves. I hope that your visit will be productive.

If there's anything you need, please don't hesitate to let me or my office know—

Failure of sound system.

Mr. Rob Burton: Welcome to Oakville.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Rob. Rob is joined by Roger Lapworth, the representative from Ward 4 on council. Welcome, Roger. Thanks for sitting in.

CANADIAN MANUFACTURERS AND EXPORTERS

The Chair (Mr. Kevin Daniel Flynn): Let's get on with the official business of the day, and that is our first presentation, the Canadian Manufacturers and Exporters. Paul and Ian, you have 15 minutes in total. Use that in any way you see fit. If you would like to leave a little bit of time at the end for questions, the questioning will come from the Conservative Party, represented by Mr. Fedeli. The floor is yours.

Mr. Ian Howcroft: Thank you very much. Thank you for hearing us today. We appreciate that, Chair and committee members. All the best for 2014.

I just wanted to start by again highlighting the importance of manufacturing, and Canadian Manufacturers and Exporters. We're Canada's largest industrial trade association. We've been around since 1871. Our members produce approximately 75% of the country's and the province's manufactured output, and we're responsible for about 90% of the goods and services exports.

Some 85% of our members are small and medium-sized enterprises, and our membership is broader than most people would think; it includes manufacturers, exporters, supply-chain partners, key business providers and anybody who has an interest in supporting and helping to grow manufacturing.

Manufacturing has had a bad image. I think there's a negative perception about manufacturing. We're trying to demonstrate how important manufacturing is to the economy of Ontario and Canada. I think we have a great campaign in "Good Things Grow in Ontario." We're trying to promote good things made in Ontario, to demonstrate and let everyone understand what manufacturing contributes to the economy.

Notwithstanding the negative news, the challenges that we have faced and will continue to face, the realities and statistics show how important manufacturing is: It's about $270 billion in Ontario, about $550 billion to $600 billion nationally, 14% to 15% of direct GDP, and Ontario still has about 700,000 manufacturing employees—those are direct employees—and there's about another 1.5 million workers in Ontario who are indirectly dependent on manufacturing.

It accounts for about 50% to 70% of our exports, a highly diversified sector integrated extremely well with the US market, but we're trying to grow global opportunities. Approximately 75% of R&D is done by the manufacturing sector—85% of commercialization—and it's the largest economic multiplier of any sector; every dollar invested in manufacturing generates about $3.50 in total economic activity. When you take that into account, it's about $1 trillion to the economy, when you look at it that way.

0910

We also want to recognize some of the successes that we've experienced with regard to the finance and tax files. We were much in favour of creating the HST;

lowering the corporate tax rates, particularly for manufacturers, which were at 10%; the elimination of the capital tax; accelerated depreciation; and the partnership we had with the Ontario government that allowed us to deliver and start our Smart program, which has led to us supporting over 1,000 companies with direct investments. That has generated about $200 million in benefit to the province of Ontario.

But still, notwithstanding the success, a lot more has to be done to continue to deal with these challenges. Global competition is increasing, and we have to deal with the productivity challenge that you folks know only too well.

We've seen some R&D focus, but we have to do a lot more to improve the R&D, to improve the commercialization with the investments that we have and also to garner more investments. Paul will talk a little bit about that. That's key to our future success. It's an issue and a theme that we hear about from our members on an ongoing basis and is one of the top issues that we heard about through the survey that we did. We have to find a way to better sustain and incent companies. We don't think this is a way you do that, by tax measures or punitive programs.

Another area that is key to our members and related to the tax file is the skills issues, the workforce competencies, the mismatch that exists between employees, workers who no longer have jobs, and employers who can't find the skills that they need. We need to find and build on some of the solutions that have been discussed. Again, this is an issue that we hear about continually. We have to find ways to have workers who have the skills and competencies they need for the future. We're working with ministries, with Skills Canada and with other groups to hopefully get young people to understand the importance and opportunities that manufacturing can provide. Again, we want to build on successes, things like the Apprenticeship Tax Credit. We think that should be broadened and expanded.

Again, we do this through positive incentives, not through a punitive approach. The minister made some comments in the economic statement in the fall that talked about "play or pay." We don't think that's the direction to go. We think you have to have an incentive that will attract investment and retain the investment that we have. Putting through disincentives or more barriers is not something that we would benefit from as a province, as a manufacturing sector, and ultimately it would have negative repercussions.

Before I turn it over to Paul for additional comments, I just want to highlight another challenge that we hear about, not directly related, but there is some overlap with the Ministry of Finance. That's with regard to energy policy and energy prices. We need to find ways to develop solutions that will address the concerns and the issues for the manufacturing base. We think there are solutions. There are ways that we can deal with that through cost reductions, through energy efficiency. We'd also like to look at things like a manufacturing rate for energy. Our members are telling us that Ontario is one of the highest, if not the highest jurisdiction where they produce products. It's growing in concern, so I think that's something that we wanted to highlight for this committee just to hear about.

I'll turn it over to Paul to talk a bit about the specifics, and then we'll hopefully have time for any questions.

Mr. Paul Clipsham: Thanks very much, Ian. Research and development is critical to an advanced manufacturing economy. As Ian mentioned, manufacturing is responsible for more than half of all private sector research and development. The federal government has reduced the incentives available for research and development from 20% down to 15% and eliminated capital expenditures eligibility, which we think is absolutely the wrong direction to go. We feel there's an opportunity for Ontario to offset that.

The two proposals referenced in the economic statement were the "play or pay" approach, which, as Ian mentioned, we think is the wrong approach. It's punitive to the companies that most need the incentive to be innovative. The other approach was the incremental approach, which is certainly preferable. That is where you have a baseline incentive, and then if you're able to achieve higher levels of investment in R&D, then you get an incrementally higher incentive. We think that's definitely the preferred approach in terms of those models.

The second area is the skills area, which continues to be of significant importance to our members. There are certainly robust incentives for apprenticeships—the Apprenticeship Training Tax Credit, which is something that CME had recommended and has been put in place. However, there is a great deal of training and up-skilling that goes on in the workplace that is not covered under that incentive, and that could certainly benefit from a broader incentive in that area.

Other non-tax priorities—Ian mentioned electricity rates. Ontario has some of the highest rates in North America. That is simply not sustainable from a manufacturing perspective, so opportunities to put in place more competitive rates—certainly, we do want to recognize that the government has taken some steps in terms of changing the allocation of the global adjustment for companies that are doing the right things in terms of their behaviour, but we certainly think more needs to be done to reduce electricity rates for manufacturers.

Finally, I just want to talk a bit about the regulatory and legislative burden. Despite some good progress that has been made through the Open for Business initiative, we continue to hear from our members that they're struggling with the volume of regulation and legislation that's coming at them. It takes away from resources that would be better served in other areas like innovation and training. So that continues to be a concern.

We want to recommend a consultation-first approach to new legislation. There has been some good progress on the regulatory side in terms of advance consultation. Certainly an approach that's similar to what's happening with this committee, in other areas, I think, would benefit everyone in terms of avoiding unintended consequences.

Those are some of the highlights. There is certainly a number of other areas that we continue to work on and that continue to be important—property tax, pension reform etc.—but those are some of the areas that we wanted to highlight for today's presentation. Certainly, we look forward to any further questions or discussion. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Great. Thank you, Paul and Ian.

Vic, you've got just over four minutes.

Mr. Victor Fedeli: Thank you very much, Chair. Welcome, Ian and Paul. It's great to see you gentlemen today.

If I could summarize, what I'm hearing from you actually seems to be what I've heard from a lot of other people, not only in manufacturing but in other business: high taxes, high energy and too many regulations. Would that be a quick summary?

Mr. Paul Clipsham: Definitely, the electricity rates are an issue. The regulatory burden is significant. It's not the fact that we have high standards; I think we all, as Ontarians, appreciate that. It's the non-value-added activity that goes along with that that's the problem. So we really need to focus on—

Mr. Victor Fedeli: I've never heard it worded like that.

Mr. Paul Clipsham: Yes.

Mr. Victor Fedeli: I'm going to write that one down—"non-value-added activity." I like that.

Mr. Paul Clipsham: It's a manufacturing—

Mr. Ian Howcroft: It's a lean manufacturing term.

Mr. Victor Fedeli: "Non-value-added activity"; okay.

Mr. Ian Howcroft: Eliminate the waste.

Mr. Victor Fedeli: The taxes is the one I wanted to focus on. The transit tax—the transit plan includes raising the corporate taxes by 0.5%, which will bring us to 12% in Ontario.

Mr. Paul Clipsham: I think that would be a regressive step for Ontario. I think we have made some progress on the tax file, and that has certainly improved the situation. One of the things that we like to emphasize is that there is a strong correlation between after-tax profitability and employment. To the extent that you can improve profitability in manufacturing, that increases the likelihood of job gains.

Mr. Ian Howcroft: We've tracked that for 20 years and will be including that chart in the formal submission we'll be making. As Paul said, we have seen some real progress in making our tax system in Canada and Ontario more competitive, but that's a moving target. Other jurisdictions are also doing that. We're very concerned when we hear about increasing taxes. I know there was a delay in reducing the corporate tax down to 10%. Thankfully, manufacturing was already there so we're able to benefit from that, but the "play or pay" initiative and the concerns we have about increasing taxes is a real concern for us because other jurisdictions are working to make their jurisdictions even more attractive and more competitive.

0920

There was a small—what we saw—tax increase for some of our members with regard to the Employer Health Tax. It was good to see the level go up from $400,000 to $450,000, but those over the $5-million payroll are now hit with that tax that was new to them. So that was an issue that we had raised with the ministry. Again, it's good to raise it to $450,000, but don't exclude manufacturers in there that are now no longer able to take benefit of that exemption.

Mr. Victor Fedeli: It's funny. That was an amendment I brought. It was not to exclude them, because that's about $8,000 or $9,000 added to every single one of them.

How much time, Chair? Am I down to seconds?

The Chair (Mr. Kevin Daniel Flynn): No, you're down to a minute and a half.

Mr. Victor Fedeli: I'm glad at that.

On the energy file, I want to talk to you a little bit about—I think you said it was not sustainable, these increases. Can you tell us what some of the manufacturers—I don't want to pick on the government today; I want to talk about the manufacturers. Can you tell us what some of them are doing to lower their energy costs?

Mr. Ian Howcroft: They're looking at what they can do to take advantage of the programs that are out there. I think there are some programs, and we have to do a better job of matching with the LDCs. There's still not enough matching between what the LDCs are offering in the system that we have and what manufacturers are looking for. We're trying to do more to actively link those together.

I think we have to look at what the rates are that manufacturers are paying, too, because that's a real concern when we have members telling us that they have four plants in North America and Ontario is considerably higher—the highest one they have. And that's a cost that's looked at. If we want to have manufacturing as part of our future, we have to address the energy concerns for manufacturers.

Paul, I know you wanted to add a bit more on that.

Mr. Paul Clipsham: Yes, definitely. That's something that we have to be mindful of, that the United States are being very aggressive in trying to attract manufacturers, and electricity rates are a key part that they're receiving in terms of the incentives. There's the posted rate, which on average is higher, but there are also these incentive rates that we have to be aware of and try and offset that if we can.

Mr. Victor Fedeli: The—

The Chair (Mr. Kevin Daniel Flynn): That's time. Sorry about that.

Mr. Victor Fedeli: Oh, okay. I didn't hear your bell today.

Interruption.

Mr. Victor Fedeli: There we go. He's got a bell.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Ian, and thank you, Paul, for coming today. We appreciate it.

Mr. Ian Howcroft: Thank you very much, and welcome to Oakville. It's my hometown, too, as you know, Kevin. Thanks.

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

E.J. NOCK REALTY CONSULTANTS LTD.

The Chair (Mr. Kevin Daniel Flynn): Okay, our next delegation this morning is Ernie Nock from E.J. Nock realty: Ernie, if you'd like to come forward. Make yourself comfortable. Like the previous delegation, you get 15 minutes. If you can leave a little bit of time near the end for questioning, the questions this time will come from the NDP.

Mr. Ernie Nock: Okay, thank you.

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

Mr. Ernie Nock: Thank you for inviting me this morning. My name is Ernie Nock. I'm the broker of record and owner of E.J. Nock Realty Consultants Ltd. I have had my company for over 25 years. We primarily deal in income-producing properties.

Last January, I had heard that the province of Ontario was looking to sell some of their properties, and it was suggested that I contact the Ministries of Finance and Infrastructure, which I did. Unfortunately, at that time, the opportunity to put in bids had expired, and they suggested that I perhaps call back in March or April of that year, and possibly they might have some properties that hadn't been sold that were available. I did call back in April and found out that the program had been delayed and put on hold. Just recently, I saw in the news media that the province was again looking to sell properties that they owned.

I have a client who is arguably one of the largest sale-leaseback companies in the world. They have holdings in the United States and Europe. Their holdings in Europe and the US comprise many different types of real estate, from office buildings—they do industrial buildings, shopping plazas.

Last year, we had the opportunity of looking with them at the purchase of the Scotia tower in Toronto, and that, as you probably know, sold for over $1.2 billion. Our clients looked at it and felt at the time that the over-a-billion-dollars asking price for that particular property was far in excess of what we could see that the revenue that was currently being acquired through that property was worth.

We are currently negotiating with three properties out west, with an associate of mine. Unfortunately, due to confidentiality, I cannot tell you exactly who we're dealing with.

What is the advantage of dealing with sale leasebacks on properties? I'm not quite sure exactly what properties the province of Ontario owns. I know they own a number of office buildings, and I would assume they are unencumbered. If you have a $100-million piece of real estate that's unencumbered, it's basically sitting there, and you have no use of those funds.

What my client is prepared to do, and I have spoken to them—they are quite happy to come up to Canada. They have been trying now for a couple of years. I've spoken to them about the possibility of doing business with the province of Ontario and they are quite receptive to that. They look at retaining their properties for the long term of a lease, and they will look at 25-, 35-year leases. Their minimum purchase price is generally in the $25-million to $50-million range, but they will put together a number of properties to do that. What they basically do is they put together a fund. The last funds they've put together have been in the $5-billion range. Then what they do is they put the various pieces of real estate that they buy into those funds. Unlike, say, some of the pension funds or the banks, as I have said, they retain these properties for the life of the lease, which is advantageous to the tenant because, say, over a 25- or 30-year lease period, they're not dealing with three or four different owners that they have to negotiate or deal with. There are a number of advantages to this: able to raise funds on unencumbered properties, the client does not flip the properties, and they are experienced real estate owners.

I've done some investigation as to what the federal government and some of the other provinces are doing, and it seems that the idea of not owning real estate is the key in several provinces, such as Alberta and some of the western provinces. What I am suggesting is that the province of Ontario seriously take a look at their unencumbered properties with the view of doing sale leasebacks. I'm quite happy to deal with them on that.

If you have any questions, I would be glad to hear them.

The Chair (Mr. Kevin Daniel Flynn): Very good. Thank you, Ernie. You've left about eight minutes for questions.

Michael?

Mr. Michael Prue: You say the key is not to own the property. This sounds very strange to me, because most of the properties that the Ontario government owns are fully utilized, and once they're paid for, we don't have to pay someone else to be in them. I don't see the advantage. I see the advantage to you, but I don't see the advantage to the taxpayer. I can see an immediate cash infusion, but then the long-range cost for 25 years surely has to be more because you have to make a profit.

Mr. Ernie Nock: It gives you the opportunity of taking, say, that $100 million, investing it in programs such as education and health, and to actually utilize that. You are a tenant, and, yes, you do pay rent on it.

Mr. Michael Prue: Again, this is slightly different than selling the property, and we have a lot of debates about selling LCBO property, selling things we own, schools. The cash infusion is great at the beginning, but then the long-term loss to the province could be considerable as well.

Mr. Ernie Nock: Well, if you sell the property, and you're a tenant in it, you're still going to have to pay a lease payment, so it's really not that much different.

0930

If you were to sell the LCBO, for instance, and you sold it to XYZ Co., as a tenant, you're still going to have to pay whatever the current rent is for that property, so there is really no difference between selling the property and a sale-leaseback because you are still the tenant—unless you want to vacate the property and lease it out to somebody else, which I don't think is the case.

Mr. Michael Prue: I'm trying hard to understand a situation where you would pay less in a lease than you'd pay in a property you already own. I'm just trying to think: If I sold my house and then leased it back, I'm sure the person would expect more of a profit than I pay to maintain it myself, because why would they invest all that money?

Mr. Ernie Nock: What you're looking at again is utilizing the equity of your property. It's no different than mortgaging your house. The only difference is, when you mortgage your house under the new rules you might get 65% to 70% of the value. When you do a sale-leaseback, you get 100% of the value and you're still paying an interest rate.

Mr. Michael Prue: The only other question or comment I would have is: Make sure you get, if you want to consider this—and I'm sure the finance ministry would at least look at it. Get your name in on time and make sure that they're fully aware of all of that.

Mr. Ernie Nock: Oh, yes. Yes, that was a lesson learned.

Mr. Michael Prue: Okay. And with that, that will be the end of my questions.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Michael. Anything, Catherine?

Ms. Catherine Fife: No.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Ernie. Thank you very much for coming today. We appreciate it.

Mr. Ernie Nock: Okay, thank you.

MOLLY MAID

The Chair (Mr. Kevin Daniel Flynn): Our next delegation this morning is from Molly Maid. Kevin, come forward. Good to see you again.

Mr. Kevin Hipkins: Nice to see you again.

The Chair (Mr. Kevin Daniel Flynn): As they're setting up, like everybody else, you get 15 minutes; use that any way you see fit. If you leave some time at the end, it would go to the government side this time for questions.

Mr. Kevin Hipkins: Okay.

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

Mr. Kevin Hipkins: Thanks again for the opportunity to address the committee and make both a similar policy recommendation made last year that would help bring the 60,000 underground operators in my industry above ground and to get them to pay $500 million in evaded taxes, but even more importantly, to show that when this policy is targeted to seniors, it helps them age at home and delays the move to more expensive institutionalized care facilities and in the process saves Ontario hundreds, if not billions, in health care costs.

In 2009, Environics determined that 13% of Ontario households paid to have their home cleaned, resulting in transactions totalling just over $1.5 billion annually. But of this $1.5-billion total, $1.2 billion was done in the underground economy, and as a result the government lost out on estimated tax revenues of just under $500 million in HST, income and payroll-related taxes from the estimated 60,000 cleaners working in the underground economy and scamming the system.

How does an underground economic activity generating $1.2 billion annually get such little attention? How do 60,000 workers continue to get away with such blatant disregard for their legal and moral responsibility of paying their fair share of tax? I wish I had reasonable answers to these very reasonable questions, but I do not.

What I have is a proven solution and opportunity that is working in EU countries such as Denmark, Sweden and France to harness the labour-intensive maid service industry to deliver increased government revenues and jobs and improve the quality of life for their citizens.

The first part of the policy is to make the transaction taxable by making the industry zero-threshold. Every dollar transacted must therefore be taxed for HST purposes where currently it isn't.

Making the transaction taxable for HST purposes increases the likelihood that personal income tax, WSIB and EHT will also be paid where currently they are evaded. It also provides the additional funding to implement the second part of the policy: providing consumers with a tax credit equivalent to a percentage of what is purchased, up to a specified maximum.

The policy pays for itself and is net revenue positive. Every dollar shifted above ground means the government is generating HST on the transaction itself, and when the person performing the work reports their income, income and payroll related taxes that are currently evaded are also generated.

We start to shift $1.2 billion of underground transactions above ground. Government starts to realize the $500 million in revenue they are currently losing out on and, as a society, we start to realize the benefits of moving 60,000 workers who are earning income but not declaring it.

Sweden is a country that has implemented a very similar policy to this, and to see the benefits, I ask you to turn to appendix 8 on page 21 of the presentation in front of you. Swedes get a tax credit of 50% of the labour cost for housecleaning and other services, up to a maximum of $7,500 per adult member of the family. The policy has completely changed the dynamics of the housecleaning industry, shifting transactions above ground, creating thousands of new jobs and changing consumer attitudes on the moral acceptability of paying anyone in the underground.

While Sweden was able to implement all of the working parts of the policy, Ontario is not in the same situation. The first part of the policy, a zero threshold, requires Ottawa's support. However, the second part of the policy, a tax credit up to a specified maximum, is within Ontario's control: specifically, a tax credit for seniors for the purchase of housecleaning and other services to help them age at home and delaying the move to more expensive institutionalized care facilities.

It is a politically positive response to the projected doubling of seniors aged 65 and over, from about two million, or 14.6% of the population, in 2012 to almost 4.2 million, or 24%, by 2036. This seismic demographic shift is going to put even greater pressure on health care spending in the future and require creative political and economic solutions, such as this policy.

Ottawa has faced similar pressures since at least the 1970s, with an aging veteran population and the responsibility for providing health care to this population. I want to read a quote from an internal review of the Aging Veterans Program from June 1984: "By the end of the first decade of the 21st century, Canada as a whole will face the same pressure for a diversity of age-related support services now faced by Veterans Affairs. Departmental experience in this area could form the basis for preparing age-related health and social services for all Canadians."

The Aging Veterans Program was renamed in 1984 to the Veterans Independence Program, the VIP, and I'm also providing a report on its history. The program pays 100% of the costs for housekeeping, grounds maintenance and other services for veterans to help them age at home. Paying for these services versus paying for health care in an institutionalized facility not only saves money but continues to be the most popular and embraced elements of the program by veterans and their families.

A 2011 report by Veterans Affairs Canada indicated that they were spending approximately $245 million annually on housekeeping and grounds maintenance services—over 70% of the total VIP program expenditures—and that 92% of service recipients indicated they relied on it to remain living independently. It's no wonder the VIP has been continuously expanded since its introduction in 1981. While it was originally directed to just 300 disabled World War II veterans, because of its popularity and success, it now includes Canadian Forces veterans, primary caregivers, surviving spouses, eligible dependents and even members of the RCMP. There are now almost 110,000 individuals using the program, and it is Canada's longest-running national long-term-home and continuing-care program.

0940

At every stage of its history, VAC officials have argued, as justification for the program or its expansion, that the VIP saves money. Departmental estimates indicate that the savings of providing these services at home versus the cost of intermediate care in a facility for a population of approximately 50,000 people could be as much as $320 million annually, or $6,000 per recipient. Ottawa knows that it works for its veterans, and Ontario could make it work for its seniors.

A graduated refundable tax credit based on age, for the purchase of housekeeping and grounds maintenance services for Ontario seniors, would have enormously broad appeal. The credit would have a maximum and apply only to purchases from legitimate providers—those who collect HST and whose employees pay income and payroll-related taxes.

At ages 65 to 74, a tax credit of 40% to 50% could be roughly revenue-neutral, with the credit equivalent to the new taxes collected. For those aged 75 and above, the credit could exceed incremental revenue, with the difference more than offset by the savings of caring for seniors in institutionalized facilities.

A tax credit for the purchase of these services is not a foreign concept. Many EU countries provide consideration to seniors, and closer to home, in Quebec, seniors can receive a refundable tax credit as well as a reduction in the hourly rate charged for domestic help.

The Living Longer, Living Well report is also clear that home care remains a fraction of the cost of institutionalized care and that the province should offer a direct funding program that gives consumers greater flexibility and control over their health care services to support the goal of person-centred care. This tax credit achieves this goal.

Our policy recommendation remains: Make our industry zero-threshold and provide all Ontario residents with a 20% tax credit, up to a specified maximum, for the purchase of housecleaning services. This has the greatest potential of shifting $1.2 billion of underground transactions, moving 60,000 jobs above ground, and recovering $500 million in evaded taxes.

In addition, providing Ontario seniors with an enhanced tax credit for the purchase of housekeeping and grounds maintenance services—the same services that Ottawa pays 100% of the costs of for veterans, and has been doing so since 1984—represents a significant opportunity and potential cost savings over the alternative of providing health care in an institutionalized facility.

With the projected doubling of the senior population, flexible cost solutions that are client-directed, and help to keep seniors in their home longer, help move them from institutionalized care back to their own home or help remove them from wait-lists for care, will have a significant and positive impact on provincial health care expenditures and be embraced by seniors and their families.

Adoption of this policy will help to achieve this and will also help to achieve the vision of making Ontario the healthiest place to grow up and grow old. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Very good, Kevin. Thank you very much. You've left just over four minutes. Steve?

Mr. Steven Del Duca: Thanks very much, Mr. Chair. Good morning. Thanks for being here. I just have a couple of questions. I'm sure some of the answers are probably in the document that you've provided, so forgive me, because I haven't had a chance to review the whole thing just yet.

You referenced the fact that there are somewhere in the neighbourhood of an estimated 60,000 people in this industry currently operating in the underground economy.

Mr. Kevin Hipkins: Yes.

Mr. Steven Del Duca: Just out of curiosity, how did you arrive at that number, or how did the study arrive at that number? Also, how many people in total operate in the industry? You might have mentioned that at the outset, but I think I missed it.

Mr. Kevin Hipkins: The 60,000 is based on the revenue. Everything is driven from revenue. So 13% of Ontario households pay to have their house cleaned and $1.2 billion of that is done by people paying a worker cash for that transaction. And if we extrapolate it back based on the number of hours worked and the approximate hourly wage, it works out to 60,000 workers.

How many are there in the total industry? Our total employment as an industry is about 15,000 in Ontario, compared to 60,000 underground workers.

Mr. Steven Del Duca: But the entire industry, so-called underground and above-ground—

Mr. Kevin Hipkins: Oh, $1.5-billion worth of transactions.

Mr. Steven Del Duca: But how many employees?

Mr. Aaron Abrams: It's 75,000.

Mr. Steven Del Duca: Okay, 75,000; the two combined numbers.

Out of the 60,000, and I think I understand what you're saying about how you arrived at the number, is the suggestion or the suspicion or the claim that the 60,000 are operating completely underground, declaring nothing; they're doing this to a certain extent; they're not doing it at all?

Mr. Kevin Hipkins: Declaring nothing.

Mr. Steven Del Duca: Declaring nothing

Mr. Kevin Hipkins: Yes. There's an implicit understanding. If you pay somebody in cash, you're paying that person in cash to avoid taxes. That's exactly what these individuals are doing.

Mr. Steven Del Duca: You mentioned the couple of ideas around the notion of a tax credit. At various points in the presentation, you did reference that it would be revenue-neutral. You probably wouldn't be surprised to hear that most folks who come forward and talk to us about tax credits always make that claim. They do it with the best of intentions, but our experience is that there's no such thing as a revenue-neutral tax credit because it's impossible to cap the subscription. It's always an upwards sort of trajectory. I'm just wondering: Do you have a sense of what the cost would be for both of the tax credits that you suggested?

Mr. Kevin Hipkins: Well, it's break-even. If you think about a $100 transaction right now, that $100 transaction that's being done in the underground economy has no HST. The minute that you tax that, then you're getting—let's say, for argument's sake, 13%. If the tax credit is 20%, 13% of that is already recovered from the HST. Once the person reports income taxes and then payroll-related taxes are paid on that by the employer, including EHT and WSIB—the government has recognized, through an individual report, that the cost advantage is 30% to 35%, just based on income tax and payroll-related taxes. At the low end, 30% of that $100 transaction, 13%, which is the HST; that's 43%. We're giving out a tax credit of 20%. It's revenue-positive.

Mr. Steven Del Duca: Okay, great. Thanks very much.

The Chair (Mr. Kevin Daniel Flynn): Very good. Thank you, Kevin, for coming today. Appreciate it.

Mr. Victor Fedeli: I'm missing that bell.

Mrs. Donna H. Cansfield: Where's the bell?

The Chair (Mr. Kevin Daniel Flynn): The bell is 49 seconds away. Are you saying the bell is the only thing keeping you guys up?

Mr. Victor Fedeli: Well, it's Pavlovian. Bell: Go get coffee.

BUILDING UP OUR NEIGHBOURHOODS

PEEL POVERTY ACTION GROUP

The Chair (Mr. Kevin Daniel Flynn): Our next presenter is Catherine Soplet. Catherine, you're all set up, I understand. Good to see you. Like everybody else, 15 minutes; use that any way you see fit, Catherine. Save a little bit of time at the end for questions if you can. The questions this time will come from the Conservative Party.

Ms. Catherine Soplet: Thank you very much. I'm happy to be here this morning. I'm a member of Peel Poverty Action Group, and I'm the lead strategist for Building Up Our Neighbourhoods. Building Up Our Neighbourhoods is my brand to connect residents to literacy and health. I'm an advocate in public education. In particular, the tool I will present to the committee this morning is Parents Reaching Out Grants. For my efforts to raise awareness and cite the grants, I received the 2013 Award of Excellence from the Ontario Public School Boards' Association. I'm a director of the Canadian Transportation Education Foundation. In 2013, CTEF made a $25,000 donation to the Bramalea trucking and coach technology high school specialization program operated by Peel District School Board in Brampton through Bramalea Secondary School. I'm a member of the volunteer committee of the Institute for Canadian Citizenship, and I am employed as a piano accompanist at a nursery school.

With me today I have Anastasia Tolias of Ellinida.com. We listened with great interest to the presentation that you just heard. Ellinida.com is specializing in community development with a view to transitional housing for marginalized mental health and criminal justice system people, to affordably house them and reintegrate them into civil society.

Today I will be speaking to you about "The Future of Public Education: The 'Youth Action Plan' is 'Investment Ready.'" So the asks of today are to mainstay and augment availability of Ministry of Education Parents Reaching Out Grants and to pilot a 2014 economic development strategy concept for the Ministry of Municipal Affairs and Housing using the grants, by supported uptake of Parents Reaching Out Grants to deliver the Youth Action Plan in identified Investment Ready sites. These concepts—Youth Action Plan and Investment Ready—are policy initiatives that were implemented in 2012 and 2013.

0950

Thirdly, pilot a 2014 site replication of YEP education. It's a youth tutor model which currently operates in Regent Park. It has twice received Intercultural Innovation awards from the UN. It is looking to scale sites and to get data in order to better deliver Ontario's Immigration Strategy.

First of all, I've introduced myself. The rationale for the asks deals with my involvement with Peel Poverty Action Group. The tool of the Parents Reaching Out Grants responds to Ontario's Poverty Reduction Strategy. The Parents Reaching Out Grants deliver the Youth Action Plan 2012. Municipalities drive prosperity, so what we need to know is how to position levers for 21st-century knowledge economy production, and that's the concept.

The third-sector role in public education is the next step; that's YEP education. Here is the report for the five years—2008 to 2013—on the Ontario Poverty Reduction Strategy. In 2009, the 2008 report was unanimously adopted. In 2011, there was a tip in outcomes from a widespread uptake of Parents Reaching Out Grants in the region of Peel and also in the Toronto District School Board—Model Schools for Inner Cities. At that time, the minister of the day, Ms. Dombrowsky, affirmed that the grants would continue, and they have.

In 2012, we had the Youth Action Plan, which resulted from the shootings. What that did was it conjoined the Ontario Poverty Reduction Strategy with the Review of the Roots of Youth Violence, which had been, until that point, shelved. In 2013, we had our consultations for the Ontario Poverty Reduction Strategy. The concept, which you will learn about at the end of the presentation, has been filed with nine out of 19 of the consultations held across Ontario.

The Ontario Poverty Reduction Strategy has eight indicators. Two of them are education-based, where the arrows are. We are speaking about the EQAO scores and high school graduation rates.

Where Parents Reaching Out Grants place, literacy and student outcomes improve. The effect is especially seen in schools serving high-settlement and income-gapped families.

This is a graphic which depicts what has happened in the region of Peel. For the five years ending in 2012, Peel District School Board reported education graduation rates from high school had increased 10% over five years. As we can see, they are tracking ahead of the provincial standard. To the right, we have a map of Mississauga. The red dots represent 10 out of the top 100 schools in the 2012 ranking of the Fraser Institute Report Card on Ontario's Secondary Schools. So 10 out of 100 is a 1% cluster of high-ranked schools. The red dots are the schools. It happens that the red dots locate in underpinning villages of Mississauga.

We know also that the region of Peel is facing poverty. There was a three-part series reported in the Toronto Star in April 2013. The interesting question is, how can education outcomes be tracking upwards in a place that's facing poverty, where the population has doubled in 15 years, where 50% of people are born somewhere else and where more than 90 languages are spoken? If we're getting excellence out of that chaos, how is that done? The answer is, Parents Reaching Out Grants.

The Parents Reaching Out Grants in 2010 received an international award from McKinsey and Co. What the parent grants do is resource parents in self-selected activities which are of one academic school year duration. They work with principals and educators to resource parents to learn how to help their children do better in school. Because they can tailor to the community and to the context, then in high school you would have a different program which responds to student needs than you would in a primary school that would be located in a high-settlement, income-gapped neighbourhood.

This is the Youth Action Plan conjoining in 2012 the Ontario Poverty Reduction Strategy with the crime prevention framework. When I showed this diagram to a deputy minister at the Ministry of Children and Youth Services, he immediately acknowledged this was what he saw.

Parents Reaching Out Grants, because of their success and profile, have been included in the most recent iteration of the Ministry of Children and Youth Services document Stepping Up.

Civic engagement, which leads to social cohesion, is a social determinant of health. Parents Reaching Out Grants are good for students, and they're also good for parents.

The third-sector role: This is the next step of the development in public education. The Parents Reaching Out Grants were identified by Ben Levin, who was first involved with them in 2003, as producing outlying leveraging results.

Parents Reaching Out Grants put the face, the technology and the regional context of the community onto the school landscape, where it's parametered for diversity, equity and inclusion.

I made a submission to the Drummond commission in January 2012. I had three asks: The first was to mainstay and augment the availability of Parents Reaching Out Grants. I drew attention to the fact that schools anchor neighbourhoods, attract talent and build prosperity. The third ask was for a pilot site of what we now know to be the education youth tutor program.

How schools attract "talent": In 2010, the Martin Prosperity Institute identified the five chief factors which attract talent. Why do we want to attract talent? Because these are the engineers, the entrepreneurs, the inventors and the innovators who help to re-key the economy into the 21st century. If you do not provide the environment for people, they will not come. Because they are mobile, they will go somewhere else, and that's what we see.

The Drummond commission was flavoured by the Ontario Chamber of Commerce activities and the Mowat Centre for Policy Innovation. In 2012, just prior to the Drummond commission report, they released Emerging Stronger. They had five asks. All of these asks of the Ontario Chamber of Commerce are addressed by outcomes of the Parents Reaching Out Grants, particularly restoring fiscal balance by improving the way government works.

How and why parent grants work: They grow the top line, reduce social costs, restore fiscal balance and put in the building blocks for prosperity.

The policy framework on the right is different documents from the Ministry of Education, the chamber of commerce and the Ontario Principals' Council. It acknowledges the transparent metrics which are used to evaluate the grants.

In November, the Mowat Centre for Policy Innovation said we have to start conjoining development with development of human capital. I said that in August 2013 when I publicized on Twitter that we need to have a targeted uptake of Parents Reaching Out Grants matched with Investment Ready economic development.

The Parents Reaching Out Grants offset against a matrix of—Chrystia Freeland, in her op-ed of July 2013, said the path to prosperity is public education, entrepreneurialism and business success, which aligns with the public good, offsetting against my submission to the Drummond commission, which said schools anchor neighbourhoods—that's literacy—attract talent—that's parents—interface face, context and technology on the school. Prosperity, of course, reduced crime rates, improved education outcomes and an interface where the skills base of the region is augmented.

We want to place the pilot for an uptake of targeted Parents Reaching Out Grants at the Interministry Community Development Initiative. As we can see, there is no attachment to education in this economic development interministerial committee.

This is the big picture. We are now sitting at year 7 in a 10-year timeline. This bottom right-hand corner of the document which you have received is the bid to pilot Parents Reaching Out Grants targeted and tied to Investment Ready sites.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Catherine. You left a little bit of time for questions, almost three minutes.

Ted?

Mr. Ted Arnott: Good morning, Ms. Soplet. Thank you very much for your presentation today. You covered a lot of ground in about 10 minutes and introduced a number of concepts that I don't think the committee has heard to date in the hearings, so it's very helpful in terms of this committee's work, which of course is to listen to the public input that we receive and then make recommendations back to the Minister of Finance before the provincial budget. Thank you very much for that.

1000

There's no question that all members of the House, I think, would want to see greater progress on poverty reduction in the province of Ontario and in Canada, generally, but of course we differ, in some cases, about the best way to do it. There's no question, as well, that the government has raised expectations that they're going to have a meaningful and effective anti-poverty strategy, and many people have been disappointed with the government's action in that respect.

You mentioned that Parents Reaching Out Grants are a big part of this, and I was interested in one of the slides that was presented to us that indicated that $21 million has been spent on these grants since 2006, I believe. So that would be approximately $3 million a year that the government has allocated; is that correct?

Ms. Catherine Soplet: It's not so much about an allocation as it is an increasing uptake. For example, in 2010-11, when I was attached to a $22,000 Parents Reaching Out Grants cluster—so an $18,000 regional grant and four independent schools—that represented about 20% of what the Peel District School Board accessed in that year. For 2012-13, they accessed in the neighbourhood of about $145,000. The opportunity of the grants is great; the difficulty is that they are not equitably accessed. So 2012-13 was the first year in which each of 72 public district school boards obtained at least one grant. It took until 2012-13 for all of the identified priority schools to access the grants.

Once the schools get the grants, they tend to get them again. We teach people to fish.

Mr. Ted Arnott: So the school boards make applications, I assume; it's not a direct grant—

Ms. Catherine Soplet: No, no. It's the parents and the schools with the councils. It's not the school boards.

Mr. Ted Arnott: But the money is funded directly to the schools around the school board? It would have to go through the school board, would it not?

Ms. Catherine Soplet: The money flows to the school boards. It's provided to the individual schools, and they account for it rigorously.

Mr. Ted Arnott: Yes, I was going to ask that question. How are the programs monitored for effectiveness?

Ms. Catherine Soplet: Every grant has to report back to the Ministry of Education, and the metrics that are used are those for school success, and further evidence is applied when the EQAO and other standardized testing happens.

Mr. Ted Arnott: Okay. Thank you very much.

Ms. Catherine Soplet: You're welcome.

The Chair (Mr. Kevin Daniel Flynn): Very good. Thank you, Catherine. Thank you very much for presenting today.

Ms. Catherine Soplet: Thank you.

COMMUNITY DEVELOPMENT HALTON

The Chair (Mr. Kevin Daniel Flynn): As Catherine unhooks here, we'll call up the next delegation:

Community Development Halton. Joey and Ted, if you'd like to come forward. Welcome, good to see you.

Dr. Joey Edwardh: Welcome, everybody, to Halton, and good morning. We don't often have visits like this, so we are delighted.

The Chair (Mr. Kevin Daniel Flynn): Like everybody else, you'll have 15 minutes; use it any way you see fit. If there is time left at the end, the questioning this time will go to the NDP. It's all yours.

Dr. Joey Edwardh: Wonderful. My name is Joey Edwardh and I am the executive director of Community Development Halton. I have with me Ted Hildebrandt, who is our director of social planning.

Community Development Halton is an independent, non-profit research and development group that works to improve the quality of life of the residents of this wonderful region.

CDH is making representation to you today because we see the budget as an investment tool or vehicle to put life into vibrant public policy and programs in order to create a fair, equitable and prosperous Ontario for everybody.

First of all, we start by asking us all to think differently. We believe—over time we have watched, but we believe that government investment is in need of a new guiding framework that allows us to set aside what I'm going to call our "old think." Enough is enough. The international, national and local data is equivocally clear, but the old think of austerity and of neo-liberalism—set that aside and embrace new perspectives, such as that on human rights and the social determinants of health. You've had mention of one already. Both human rights and the social determinants of health address the complex interaction and interdependence of social and economic phenomena. Neither separates economic development and social development as if they were different, unrelated processes, their outcomes separate. Both perspectives bring us to the common challenge of this decade: inequality, the long-term impacts of inequality.

For your reference, I have a quote from the Universal Declaration of Human Rights. Think 1948 and read that quote.

For your reference, I mention the Canadian Medical Association, which did a cross-national tour and consultation in 2013 and, like the Universal Declaration of Human Rights, called on four major determinants that affect the well-being of all people: issues of income security, housing security, nutrition and food security, and early childhood development.

Flowing from our work, which is deep in community—deep in community, where we sit at a different level; we see things in a different way. But bounded by these two perspectives, human rights and the social determinants of health, we want to bring to your attention three interacting, interdependent components—income security, housing and transportation—where evidence-based investment could make a real difference. Now I say evidence-based investment could truly make a difference in the quality of life of people. Investments addressing these concerns will reduce morbidity and prevent downstream costs to the health and social services systems. Importantly, these investments will stimulate job creation and create modern infrastructure.

Income security: There's some text here. I will just go to the fact that, again, deep in our working community and, by the way, in community in one of the most affluent regions not only of Ontario but of Canada—so we're talking about poverty, exclusion, the working poor, in one of the most affluent places in our nation and our province. But what we're picking up as we work with ordinary, extraordinary people is that there's a strong belief at the local level that the government of Ontario has not heard the voices of those in search of shelter, healthy food, warm clothing and safe places.

A human rights approach or framework and a social-determinants-of-health framework implies that an income from social assistance and from work keeps people out of poverty so that the basic necessities of life are met. So we, CDH, urge you to move forward with your social assistance reform. Much valuable study and community consultation has occurred. However, no social assistance reform can create a viable system for the future if we don't start thinking differently. That new thinking is undergirded by, again, international, national and local research.

In any reform of social assistance, we must include a rates board. A rates board, by the way, has been championed by one of your colleagues and one of our colleagues in Halton, MPP Ted McMeekin. This rates board would determine social assistance rates based on the cost of living. It would be an independent board.

We also recommend very strongly that in this budget 2014 you immediately increase the basic needs allowance for all recipients of Ontario Works and the Ontario disability support payment by $100, as only a first step in even getting somewhere close to adequacy.

1010

We recommend that you index immediately Ontario Works and the Ontario Disability Support Program to the cost-of-living annual inflation rates. And we bring a message from people in one of the most affluent regions of this area that reform can be and could be supported by tax options, and some of that may be new taxes.

Today is the celebration of a campaign across our province on the minimum wage. We didn't plan to be here to talk about the minimum wage and have the campaign, but I celebrate the initiatives of my colleagues across this province saying, "There's something wrong. Let's look at the issue."

In Halton, the minimum wage is equal to being poor. It's that simple. The data are there. It's just simple: being poor. What does that mean for the life of people, their children? We have done some research and produced a video called Being Poor in Halton, and that video documents the choices, the shortfalls, the hardships and the truncated opportunities.

The minimum wage, as we all know, has been frozen at $10.25 since 2010. In that time, the cost of food, shelter and transportation has escalated. Inflation has driven down the minimum wage by 19%. The freeze on the minimum wage drags down workers' wages and increases inequality and certainly hurts our local and provincial economies. Therefore, we recognize and recommend that this committee commit to the principle of a minimum wage that should ensure that people in this province who work full-time, full-year—I emphasize that: full-time, full-year—earn an annual income above the government's definition of poverty, the Ontario income poverty line, LIM50, and to implement a plan that will begin the process of achieving this, along with a commitment to the annual adjustments according to the cost of living.

We recommend that you implement a minimum wage of $14 to bring workers and their families above the poverty line, and that is only 10% above the poverty line. None of us sitting around this table live on that income.

We have worked on a living wage. In calculating a living wage for Halton of $17.05, the items that most affect the numbers in the living wage are the cost of housing, the cost of transportation, and child care. If living wages are to be balanced differently in different communities, it is those effects that you, as a government, can most easily talk to.

We have recommendations in housing. We believe that the government of Ontario needs to adequately invest in the Ontario Long-Term Affordable Housing Strategy—it needs to move forward; and to use existing tools to leverage further engagement of the private sector to develop a range of housing options. Again, infrastructure development can be supported by a range of tax options.

Transportation: We live in a community that suffers from a lack of transportation. Adequate public transportation is lacking in Halton, and there are no affordable alternatives. For example, when we calculated the living wage and when we calculated the costs of the minimum wage, we could not calculate public transportation in those costs in Halton because it doesn't exist. We had to calculate in a car.

We recommend that the government of Ontario move with intra- and inter-municipal transportation plans and invest heavily in that necessary infrastructure. That, again, would be supported by adequate tax options.

To conclude, the people of this province want to work with you; the people of Halton want to work with you; but we do look to you, through your budget allocations, to do five important things:

(1) Protect the unemployed, the poor and the vulnerable by providing sufficient income to guarantee the necessities of life;

(2) Invest in a major stimulus plan to create jobs that guarantee full-time, full-year earners a living above poverty;

(3) Lay the foundations for a more sustainable economy that more fairly and equitably benefits all Ontarians;

(4) Recognize the important role of progressive taxation in building a fair, equitable and, I might add, civilized society; and

(5) Through our policy options, nurture a culture of dignity and respect for human rights.

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

Dr. Joey Edwardh: Thank you, Kevin.

The Chair (Mr. Kevin Daniel Flynn): —for your presentation.

The questioning this time around comes from the NDP. Michael or Catherine, you've got about a minute and a half.

Ms. Catherine Fife: Thank you.

Dr. Joey Edwardh: Sorry, guys.

Ms. Catherine Fife: That's okay. It was a very comprehensive presentation, so thank you very much.

Interestingly enough, the same quote was read to us yesterday. I hope that actually we hear it at every stop. It's a good reminder of how much work we have to do.

In the package that you presented, you've also—and there are great similarities, actually, between Waterloo region and Halton. There's great wealth there, and poverty hides incredibly well. We have a lot of work to actually push that agenda forward.

In your presentation, I think this is the Halton perspective review, you actually talk—some of the voices of poverty, the lived experiences of poverty, are some of the most powerful. People in this jurisdiction for some reason feel embarrassed or ashamed to even access services. Can you expand on this a little bit? Because this is about public service and providing dignity through public service, I think.

Dr. Joey Edwardh: We had the opportunity to do an amazing study, a participatory observation study, of 600 people. We went into schoolyards, into Timmies, into factories, into playgrounds, and we talked to people. We talked about what was going well and what wasn't. And in that—

Interruption.

The Chair (Mr. Kevin Daniel Flynn): Keep going.

Dr. Joey Edwardh: In that, people began to talk about how they're treated when they search out the supports that we have. Clearly, what people said was, how we offer the programs that we do, the criteria that surrounds them, makes them feel inferior.

As we drove over here, Anna Maria Tremonti was interviewing somebody who was also working poor and on social assistance—the same message. We have somehow lost our compassion and our understanding in our rules, in our rigidities, to make sure we're never ripped off.

We also know, through international studies, American studies, Canadian studies, that that is one of our myths, that the percentage of people who abuse our systems is, in fact, quite low—I'll say 2% on social assistance.

Ms. Catherine Fife: Yes.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Joey, and thank you, Ted, for coming today. A great presentation.

Dr. Joey Edwardh: Thanks, Kevin. And again, welcome to Halton. Nice to see you here.

APPRENTICELMS LTD.

The Chair (Mr. Kevin Daniel Flynn): Our next presenter this morning is from ApprenticeLMS Ltd. Erik, if you'd like to join us.

Mr. Erik Hamalainen: Good morning.

The Chair (Mr. Kevin Daniel Flynn): Good morning. Make yourself comfortable. Do you have a handout?

Mr. Erik Hamalainen: Yes, do you all have my—

The Chair (Mr. Kevin Daniel Flynn): Okay, that's being handed out.

Mr. Erik Hamalainen: I think you've had it several times now. I think some of you have met with me.

The Chair (Mr. Kevin Daniel Flynn): Okay. Like everybody else, 15 minutes; save as much time as you like at the end for questions. The questions this time will come from the government. The floor is yours.

Mr. Erik Hamalainen: Thank you for having me this morning. I think everybody here has somehow had contact with myself or one of the companies that I represent.

I'm from ApprenticeLMS Ltd. We're an IT company that specializes in software for IT trades. In the 2013 budget, there was a removal of the Apprenticeship Training Tax Credit for the IT trades—three of the five trades—and I want us to look at that, and that's being handed out right now.

1020

There's actually five trades in the IT sector. We understand that there were some very low completion rates in the call centre trades, but there are actually five trades. The budget amendment in 2013 affects one of the trades. I don't know if the decision was made in haste or error, but if we can take a look at this trade summary—and feel free to just ask questions, because I know you've seen this in the past already.

What we consider the call centre trades is the 634D and 634E sales agent and customer service agent. These are entry-level jobs, so for a lot of people, this is their first job out of high school or college. If they get this core training, they might be able to move into the IT trades.

For many companies, their attrition is internal, where they get this core training and they move into a technical support role. If you look at the centre: 634A, technical support agent, has the common core training of the entry-level trades. But now there's an additional 90 hours of training in IT. These people go on to work in hardware and networks, which is really the backbone of IT today.

In the old days, when computers first came out, and I'm from that era, we all had an IT in the backroom who used to come running. In today's world, you pick up a phone, or you send a text message or an email, where a help desk ticket is created, and these network and hardware people fix your computer. They take it over remotely, which means they have access to your banking and other personal information on your PC. So if someone was working in your home as a tradesman, you'd probably want them certified. Well, if somebody's working in your computer, would you want them certified? I think the answer is yes.

So when we talk about these entry-level trades, I think we have to establish that they lead into what we call good jobs. These are good Canadian jobs, and because they can be done remotely, these jobs can be done from Georgia, Florida, South Carolina, where there's a lot of investment right now into getting jobs from Ontario.

Are there any questions regarding the five trades? We're not here to talk about call centres today.

The Chair (Mr. Kevin Daniel Flynn): All the questioning will come from the government side. The best thing to do would be to go through your presentation, and then we'll do all the questions at once.

Mr. Erik Hamalainen: Okay. Thank you.

We have five trades, so what we're here to talk about today is a motion—it's currently a private member's motion before the House, and it's in bold at the bottom of page 1. What we are doing is recommending that the ATTC—the Apprenticeship Training Tax Credit—be reintroduced to the contact centre trades.

The reasoning behind the removal of the Apprenticeship Training Tax Credit was because of low completion and certification rates. While this recommendation, which I believe has been supported by—I've spoken to members of all three parties, and they agree that this would be a good recommendation.

So to start with, for 634A, for the technical support people, right now they can get 48 months of tax credits—the employer can get 48 months of tax credits. We'd like to reduce that to 36. Again, this would be a deficit-cutting measure.

But we also don't want to give these tax credits out unless they complete level 1 exams. So in a tech support trade, you have a level 1 and a level 2. The entire premise of removing the tax credit was nobody's training; nobody's finishing the program. Well, we want to put in measurable, auditable measures that say, "Okay. The tax credit eligibility is based on finishing a level 1 exam; that's pretty much the first year," where they'd get the full tax credit if they graduate and finish level 2.

Now, for what we call those entry-level contact centre trades, 634E, customer service, and 634D, IT sales, we would like to have that eligibility moved to "upon program completion/certification," and to reduce it from 48 months to 24 months.

Again, when we talk about low completion rates affecting the tax credit, there's absolutely no possibility of a low completion rate affecting tax credits. The numbers mentioned in the budget document were something like $45 million given out to companies that literally didn't train people. This removes that. These measures and statistics are available to the government now, and they have been available for many years now. Again, I'm here today to ask you to pass this motion, or to assist in passing it through the House.

I represent 43 IT companies, of which four work in the call centre space, so the majority of these people are working in this 634A tech support agent role. They're training people for good jobs, the good jobs of the future. They're people who are going to make $50,000, $60,000 or $70,000 a year.

The commitment to training over four years—the employer's not getting back all of their investment. They're just getting back a small portion, so this recommendation makes sense. It reduces the deficit and it can be audited.

That's basically what we're here to ask today. Now, knowing that you've had this recommendation and other documents sent to you by many companies, I was hoping that, once I present this, you might have an opportunity to ask me questions and give you the floor at this point.

The Chair (Mr. Kevin Daniel Flynn): That's exactly what we intend to do, so thank you for your presentation. You've left about seven minutes. Who's going to be asking from the government side?

Mr. Steven Del Duca: I'll start—

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

Mr. Steven Del Duca: Just a quick question. I think I understand what you're proposing here. Just out of curiosity: You're suggesting that the government consider reinstating forms of the Apprenticeship Training Tax Credit for a couple of different trades but tie the flowing of the tax credit to various forms of completion?

Mr. Erik Hamalainen: Absolutely.

Mr. Steven Del Duca: So, just out of curiosity, do you know if, across the rest of the trades outside of these specific trades that qualify for the ATTC, there are any others for whom this particular tax credit is tied to completions?

Mr. Erik Hamalainen: Currently, there is not. The Apprenticeship Training Tax Credit, based on the CRA tax bulletin, is based on dates of registration and the salaries that you pay them.

Mr. Steven Del Duca: Okay.

Mr. Erik Hamalainen: So, what we're asking for—and yes, this could be rolled out to other trades—is that before we hand out tens of millions of dollars, maybe we should make sure that some actual training is taking place.

Mr. Steven Del Duca: Okay. And are you aware that in the fall economic statement that the government announced back on I think it was November 7 of last year, there was a reference in that particular statement to providing—"transitional support" is not the right word, but there was some discussion in the fall economic statement about how to deal with some of the fallout that was taking place in the industry from the decision made in the 2013 budget.

Mr. Erik Hamalainen: I'm glad you mentioned fallout, because transitional support—the IT companies take that as "we're transitioning you out of Ontario," and I can list companies that have been contacted by Georgia, Mississippi, South Carolina and New Brunswick who are offering top dollar to move your jobs there.

Mr. Steven Del Duca: But just to be clear, not through apprenticeship training tax credits in those other jurisdictions.

Mr. Erik Hamalainen: Oh, some of them absolutely do.

Mr. Steven Del Duca: In some of the conversations that I've had with certain municipalities, for example, that have concerns, the one thing that always strikes me as a bit unusual is the notion that, in order to continue to provide a bit of a competitive advantage here in Ontario—for, in some cases, an apprenticeship that's two or three years long, or whatever the case may be—these particular tax credits need to continue to exist.

But some of the questions or some of the feedback that I have had—and this is why I get a little bit confused about the need for this particular measure in this specific industry: If the apprenticeship is only designed to be two years long, how is it possible that the difference between a company staying in Ontario and leaving Ontario is the existence of this particular tax credit? Because in theory, if your students—your employees—are completing, at the end of that second or third year, the tax credit would no longer apply.

So unless you have a really remarkably high turnover, which I believe this industry does, so that the tax credit, historically, has tended to flow on an ongoing basis as opposed to having a finite term of two or three years—it just seems to me that this particular tax credit is poorly equipped or poorly designed to deal with this specific industry, which might help to explain why the government took the steps that it did in the first place.

Mr. Erik Hamalainen: That's why we need to separate the five trades. There are two trades that typically have high attrition, and these trades are the two-year trades where we've got three- and full-four-year trades. This attrition—most often, they move into a more advanced job. So, yes, they're no longer in that position, and you have to backfill for that position, but they're moving up the ladder. They're paying higher wages; they're paying higher taxes. So that does happen.

1030

Mr. Steven Del Duca: In that case, why wouldn't they start in the so-called higher trade? Why would they start in the more entry-level trade?

Mr. Erik Hamalainen: It's easier access to the job itself.

Mr. Steven Del Duca: Interesting.

Mr. Erik Hamalainen: I've been in staffing for over 23 years. Quite often, you hire internally; you promote internally from within. Those people who were in that entry-level job are, five years later, a supervisor or a manager.

Mr. Steven Del Duca: Okay. Donna? Bob?

Mrs. Donna H. Cansfield: No.

Mr. Steven Del Duca: I'm good for questions. Thanks very much.

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

ONTARIO WASTE MANAGEMENT ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): Our next delegation this morning is from the Ontario Waste Management Association: Rob and Peter, if you'd like to come forward. Make yourselves comfortable.

Mr. Rob Cook: Yes, thank you very much, Mr. Chairman and members of committee. It's a pleasure to be here and talk to you a little bit about the 2014 budget—but more a change of pace and talk a little bit about waste management and recycling. I know you're looking forward to that.

The Chair (Mr. Kevin Daniel Flynn): Always. You've heard the rules?

Mr. Rob Cook: Yes.

The Chair (Mr. Kevin Daniel Flynn): Fifteen minutes: Use that any way you see fit. The questioning this time will come from the Conservative Party.

Mr. Rob Cook: Thank you very much.

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

Mr. Rob Cook: Members of the committee, the Ontario Waste Management Association is broadly recognized as the voice of the waste management sector in Ontario. We represent over 300 members across the province, including private sector companies, public sector municipalities, and organizations and individuals involved in the waste management sector.

Together, our members manage over 85% of the province's waste and recyclables. Our members have diverse interests and capital investments in areas such as waste and recycling collection, landfills, transfer stations, material recovery facilities, energy from waste facilities, and organic processing and composting infrastructure, as well as hazardous waste.

The waste management sector provides an important environmental service by managing over 12 million tonnes of waste created annually by Ontario's residents and businesses, and that equates to over one tonne per person every year in the province.

The sector directly contributes annually over $3 billion in revenue to the economy, roughly $300 million in capital expenditures, and over 14,000 direct jobs as a result.

The average wage paid to these employees in the waste management sector is 22% above the provincial average wage—very different than the public's normal perception of what a garbageman might make.

Last year, we released a report which provided a blueprint for harnessing the economic benefits of resource management in Ontario. The report, which I believe is available to you, is entitled ReThink Waste. The report underlines the enormous opportunity associated with increased waste diversion to address economic growth, create well-paid jobs and meet environmental objectives.

Dozens of studies from around the world and throughout North America highlight the significant economic development opportunities associated with greater waste diversion. Seven jobs are created in Ontario for every 1,000 tonnes of waste diverted, and the economic benefits of recycling are four times greater than the net cost to recycle. Based on these numbers, if Ontario was to increase its diversion from under 25% currently to 50%, the province could increase investment by $1 billion and increase total jobs—indirect and direct—by over 20,000.

It's not just the material and energy value of the waste that is lost when waste is disposed, but also the business opportunities associated with recycling and with integrating recovered resources into new products and packaging that can be sold again. We would be rerouting these raw materials and energy potential back into Ontario's economy after appropriate processing.

This is not a new concept. Jurisdictions throughout the world and in North America are moving forward with strategies to take advantage of waste diversion as an economic driver. As they do so, Ontario is being left behind.

I'd prefer to leave some time for questions, so I'll just briefly touch on some of the recommendations in the report that I think are of value to this committee.

Our recommendations include harnessing the economic value of waste as a resource by developing a long-term economic strategy based on sound data and utilizing various economic instruments such as disposal bans and extended producer responsibility.

We recommend a review and overhaul of Ontario's waste diversion regulations to reduce the amount of valuable resources going to disposal and ensure that adequate financial resources are available to enforce those regulations.

We recommend reviewing opportunities for the use of different forms of service delivery like delegated administrative authorities or other arm's-length bodies to help improve regulatory outcomes, strengthen enforcement, oversee Ontario's waste diversion programs, and better track waste management data in the province.

We should continue to modernize the environmental approvals process to ensure better environmental protection through higher environmental standards, applied uniformly across the sector.

We also recommend restructuring the financial assurance requirements for waste management facilities in Ontario and to move them to a risk-based, pooled-fund model.

We strongly believe that much can be achieved through an amended Waste Reduction Act and strategy, known to all of you as Bill 91. The act and strategy represent a culmination of the last 10 years of concerns and solutions brought forward by businesses, municipalities, the waste management sector, consumers, the Environmental Commissioner and all three political parties. Everyone agrees that our current waste diversion framework is broken. It has failed consumers, the economy and the environment.

Numerous controversies over eco fees, repeatedly missed diversion targets, major marketplace disruptions, and the fact that our province's waste diversion rate has essentially flatlined at only 25% illustrate that the current legislation is unworkable. Sending 75% of our waste to disposal makes little economic sense. The Waste Reduction Act is economic development legislation. Unfortunately, the act has become the centre of a bit of a political circus, with heightened gamesmanship, neither of which is in the interests of Ontarians.

We strongly urge all political parties to redouble their efforts to get this bill to committee for public hearings and the appropriate amendments. Despite the rhetoric, the parties and the stakeholders, we believe, are not far apart, so let's try and find a solution.

Finally, just a few comments on MPAC. It's a major issue that has evolved for our sector. Certainly we've supported the steps taken in the 2013 budget to review Ontario's property tax system with a specific focus on MPAC itself as an agency. We have been concerned with what appears to be a separation of MPAC from any direct supervision and policy management by the province, resulting in a lack of accountability for some of its actions. Recently, the minister was forced to step in when MPAC changed the methodology for landfill assessment with absolutely no consultation and little research on the part of MPAC. This new methodology would have increased private and public landfill assessments by up to 4,400%, with increased tax payable to small municipalities by between two to 100 times their current levels. These changes had substantial impacts on both municipalities and the private sector, and concern was expressed fairly quickly. MPAC needs to be accountable and consultation needs to be properly undertaken when changes of this nature are considered in the future.

Although a conclusion has not yet been reached on this issue and the minister has released his report, we would hope that the government will give consideration to the proposed regulation we have brought forward on behalf of both private and public sector landfills. We believe that our regulation and our approach will clarify and refine the assessment methodology applied to landfills to ensure that it is equitable.

Thank you very much, and I'd be happy to answer any questions.

The Chair (Mr. Kevin Daniel Flynn): Great. Wonderful, Rob. Thank you very much.

Questions this time will come from the Conservatives, and you've got about six minutes.

Mr. Victor Fedeli: Thank you very much, Chair, and thank you, Rob, for being here and the presentation. Thank you, Peter.

I wanted to just start with MPAC, where you ended off. Can you tell us a little bit more? As the finance critic, I've had many people in my office come and talk to me about this MPAC situation. Can you elaborate a little bit about what you're hearing from your members?

Mr. Rob Cook: Sure. It's a bit of a complex issue, so I'll try and deal with it very quickly. As you know, the Assessment Act in Ontario requires land to be valued for municipal taxation purposes, and it's generally the value of land alone—unencumbered, fee-simple transactions of property. MPAC has increasingly, in the case of landfills, started to look at assessment models that arguably start to include business value.

1040

Mr. Victor Fedeli: Much like they do a shopping centre.

Mr. Rob Cook: Yes. So when you look at market value and something sells—an example of what brought this issue forward was the city of Toronto buying the Green Lane landfill near London for $220 million, and MPAC concluding, "Well, that's what a landfill is worth, so our assessment methodology needs to reflect $220 million."

The argument is that, in fact, there's a huge going concern or business value, or other intrinsic value, that's built into that sale price. So MPAC's model was really designed to reflect a market value that I think most stakeholders don't really believe is a reflective price of a landfill. It includes a business value, which it shouldn't. The implications of that are—whatever the methodology ends up being, the concern is increased cost on landfills. Tax increases will be reflected in the fee to tip or put materials in those sites. It will impact not just private sector but it will impact municipalities.

Most landfills owned by municipalities are upper-tier, regional landfills. They make payments in lieu of taxes that are based on the assessment to a local municipality that the site is located in. That would mean increased transferring of tax dollars within that kind of a structure.

On the private side, our big concern is that we compete with Michigan for landfill disposal. We export 3.5-million tonnes of waste a year—lost resources, lost dollars to Ontario. So if our costs increase significantly, it just opens the door for more material to be sent to Michigan or to New York state, and it's lost from the economy.

Mr. Victor Fedeli: Earlier, you spoke of Bill 91. The government has failed to produce any cost estimates for reforming Ontario's waste diversion framework under Bill 91. Have you or your group prepared any cost estimates of your own?

Mr. Rob Cook: We've generally relied on third-party reports, and there are lots of reports that talk generally about waste diversion and its contribution to the economy. Quite frankly, we don't see Bill 91 as an increased financial burden on stewards. I know stewards believe that's not true. They've generated some of their own information to try and show that, but the reality is right now we have recycling taking place that they're paying for. We have programs taking place today that they're paying for. Bill 91, I think, represents an opportunity to actually reduce those costs, not necessarily to increase them.

Mr. Victor Fedeli: What are the costs that the stewards think this is going to cost?

Mr. Peter Hargreave: Sorry, if I could just add to Rob's comments before we move on to the next question.

Mr. Victor Fedeli: How much time do we have, Chair?

The Chair (Mr. Kevin Daniel Flynn): We've got three or four minutes.

Mr. Peter Hargreave: Just really briefly, one of the important things to remember, too, right now, is there's an economic impact right now of the Waste Diversion Act and the way that it's working. It's hurting business. It's hurting consumers right now, because basically it sets up a monopoly form where one organization is dictating what's happening completely in the marketplace. It's passing on cartel-like fees to consumers, and stewards don't have a choice within that monopoly as to the decisions that that organization is making.

So there's an economic impact associated with what's happening right now that needs to be addressed for the waste management sector. Companies are going under as a result of decisions that one organization is making.

Mr. Victor Fedeli: And my question about the stewards.

Mr. Rob Cook: I'm sorry, could you ask it again?

Mr. Victor Fedeli: The stewards' estimates of Bill 91?

Mr. Rob Cook: We've seen some of the steward estimates, and quite frankly, we have produced an analysis of their information which I think has been shared to all the political parties, but their estimate includes things like bringing the industrial-commercial sector into the equation. That's not part of Bill 91. That's a subsequent decision to be made.

There are mathematical errors for sure in how they've calculated the numbers. It's a number, and people can judge in terms of whether they believe it's credible. We, quite frankly, don't believe it is, and we think there's a number of third-party studies from all over the world that would indicate the opposite.

Mr. Victor Fedeli: What is the stewards' number?

Mr. Rob Cook: Do they which?

Mr. Victor Fedeli: What is their number?

Mr. Rob Cook: I believe they're estimating $500 million as an impact.

Mr. Victor Fedeli: Thank you, Chair.

The Chair (Mr. Kevin Daniel Flynn): Any other questions? Ted, you've got about a minute.

Mr. Ted Arnott: Thank you very much, Mr. Chairman. Thank you for your presentation; it was very interesting. During the course of your presentation, you said that we need to bring forward strategies to take advantage of waste diversion as an economic driver; other jurisdictions are doing this better than Ontario; we could be a leader.

Who are the leaders? Which jurisdictions currently are leading the world in this respect and why are they leading it?

Mr. Rob Cook: Probably the majority of European countries are; many states in the US, like New York state, with their electronics program. In our view, quite frankly, they've experienced the difficulties that we are currently facing in how to structure a waste diversion framework, the issue of cartels and monopolies and IFOs and centralized planning and how you do this.

In Europe, for example, they have dismantled those, and they have adopted what is really reflected in Bill 91, which is individual producer responsibility. If I produce this, I have to recycle it, and I'm totally free on how I do that. I can do it through a group. I can go myself. I can actually recycle it myself. I have a full range of options. That results in competition and open marketplaces, which generally drive the costs of those stewards lower, that option. So Europe for sure, and many US states have adopted that individual producer responsibility mantra.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Rob and Peter, for attending.

Mr. Rob Cook: Thank you very much.

MR. EDWARD BAVINGTON

The Chair (Mr. Kevin Daniel Flynn): As Rob and Peter leave, our next delegation is Edward Bavington. Edward, if you'd like to come forward. Make yourself comfortable. Welcome to the committee.

Mr. Edward Bavington: Thank you for allowing me to be here.

The Chair (Mr. Kevin Daniel Flynn): You have 15 minutes like everybody else. Use that any way you see fit. This time the questioning will go to the NDP if there's any time left.

Mr. Edward Bavington: Thank you. I wish to speak to the death of the middle class in Ontario—probably the whole country. I can see no future the way things are evolving.

If I might just comment on one previous speaker, the fellow who was here when I just entered; he spoke of business taxes. Business does not pay taxes. The consumer pays taxes. I'd take any question on that later.

But what I ask here of this session is to give a gift to business—there you are; I'm not against business—but to give a gift to get rid of the "not in my backyard" mentality of some municipalities, like Mississauga, where I lived; it should have been called "not in my backyard." They invented it, and not this progressive Oakville, by the way.

The situation is such in China and in Florida, if I might refer to two different realms. In China, when they wished to build a subway, they decided yesterday and they begin building it tomorrow. In Florida, if you wish to have a business, the law is such, and I have no reason to believe not in the rest of the states also, that if you can show that your project is going to be beneficial to the economy of Florida or other states—you can expropriate for a Walmart in Florida if it wishes to have one. Not in Mississauga, of course, a Walmart—God. However, in the state of Florida, if it produced jobs, 600, it will be sold, and they can expropriate your house for it—or any section of land. It might be draconian, however, they do have a state now that this year will become more populated than New York all because of this. You can't have business operating and deciding six years down the road. Forget that type of Mississauga.

The gift now, I speak of: In 1954, the federal government requested that banks look after mortgages. "Heaven forbid," they said. No, they were only in business and commerce. The federal government said, "We'll lend you the money." Yes, and they started the Central Mortgage and Housing Corp. All the money was borrowed from the feds at 3%, and you had a six-year mortgage. In 1982, you gentlemen and ladies, and in 1992, I believe it was, or 1994, tens of thousands of Ontarians and Canadians lost their homes because of the increase in mortgages, by the absolute devastation—the gift to the banks of one- and two- and three- and five-year mortgages. In Mississauga Valley Boulevard, whole complexes just walked. The houses had gone down; the mortgages, of course, could not be renewed. They walked. The banks didn't lose a cent; they were all insured.

1050

What I ask you people to do, and I know it is not your jurisdiction, is to ask the federal government to bring back the 25- or 30-year fixed mortgages when some young couple buys a house—or old couple—so that they don't lose it. It is ridiculous the way that this is operated. You have a mortgage today of 3%. If it goes up 1%, there's 33% more profit to the bank. The banks will own the world one day. What I am suggesting on that is a counter to the situation so that our economy can grow, because of course when the person buys that house, they know it's going to be paid off in 25 or 30 years. Yes, their salary is going up each year, but then you have disposable income.

By the way, I've taught for 41 years; 31 and a half as a regular teacher, at which time I retired because, as I said to the provincial government's board of education, I could no longer teach Dick and Jane in the interrupted environment that existed. You'll be happy to know, though, that after 41 years of teaching, my salary—pardon me, my pension salary—increased this year a total of 84 cents so that once a month, I have to add 16 cents to buy a McDonald's coffee. For those people who think that teachers get paid too much, I just give that little nothingness.

I think that a business, again—the gentleman was speaking of hydro. The hydro in your bill and mine shows that you're getting that little increase. Your gas bill: It shows you're getting that little increase. When televisions came out in the 1950s, the airwaves were free. A console television was $485 in 1952-53. Now you're paying, some people, $1,200 for 100 channels which you can't watch anyway. Your cellphones, your Internet—Rogers will be with the banks and my teachers' pension fund in owning the world one day. This conglomerate that is impacting and owning everything, we all—this young fellow here and this young fellow here—used to watch Hockey Night in Canada on Saturday. Surely, we did, eh? Now, Hockey Night in Canada on Saturday? Sheesh, where are the Toronto maple losers? They're not there. I've called them that for 40 years. Yes, hockey is the curse of the educated class.

But the worst thing in education, let me tell you, was getting rid of trade schools. Do you remember the trade schools, West Park and whatnot? When I sent my special-ed students to West Park, I didn't fear. When I sent them to Humberside secondary school and Western Tech, I did worry about them—they are my kids; everyone I ever taught. Because, you see, at West Park they guaranteed you a job. I have a student of mine that I was proud of; he won the gold hammer at West Park. Today, he's a master carpenter at the airport. Yes—and they came out with jobs, you see. Oh, but the government got rid of them. Now they're out on the streets, and you're wondering—all you people—what you're going to do about them. I don't know.

Of course, if you ask teachers, they'll tell you. You people in the government, when you brought out that great math book, Mathematics 2000, the worst piece of garbage that was ever exhibited, I went to the office of Mr. McGuinty and spoke to his secretary to show him the folly of it. The only arithmetic book—and I have plenty of them in my library—that doesn't teach you the arithmetic and computation that are necessary to answer a problem, but gives you a problem without that. And you wonder what's wrong with children in schools today. Now, at any rate, I could help you out on that one.

I'm not saying that my political background has been Liberal. I worked for James Trotter. "Trot to the polls with Trotter," he was, as you'll recall. Yes, I worked for Dr. Haidasz. I have Trudeau's first autograph that he ever gave at the convention. I was a loyal, true—blue, I was going to say—red Liberal. Yes, I was. Who would vote for a Conservative, being a Catholic or an immigrant?

Mr. Victor Fedeli: I would.

Mr. Edward Bavington: Yes, well, we were always brought up that you were the enemy.

Interjection.

Mr. Edward Bavington: Yes, my mother would roll over in her grave, they were telling me, because I had voted Conservative. Anyway, I thank you very much for your attention.

The Chair (Mr. Kevin Daniel Flynn): You've got about three minutes left. I didn't want you to stop if you felt that you were on a roll, but if you—

Mr. Edward Bavington: Well, I was on a roll, yes. I'm on a mission. I taught school for 41 years, and every parent had my phone number. Teachers wonder why they have problems in school. I never met a mother in 41 years who didn't want the best for her child. I met one father, perhaps, you see. If you had called them up once a month—you know. Oh, that's too hard to dial. You can just push the button now, you see. You've got the mother on your side.

And this homework bit. You can't give homework? My students had homework every night there was school, except their birthday. Yes, except their birthday. I had the finest—and I have the records for it—attendance of any class in this whole province. You couldn't get rid of the kids at lunchtime. Now—but you didn't have time, as I've told you.

I could not work anymore. I would be dead today if I had continued. Yes, I have a slight heart problem that it gave me, but it can be fixed. It can be fixed.

You can get the interest of the child, only if you gain the respect of the child. At any rate, I could talk for an hour and a half on any subject. I am an educated freak. I was a grade 11 dropout, yes. I have 25 postgraduate courses under my belt. I haven't finished yet, you see.

And I teach my child what my mother taught me: A winner never quits, and a quitter never wins. Thank you, ladies and gentlemen.

The Chair (Mr. Kevin Daniel Flynn): Thank you. You've left about a minute for any questions that the NDP may have. Catherine?

Ms. Catherine Fife: Thank you very much for your presentation. It's spiced up the morning somewhat. Did you teach drama?

Mr. Edward Bavington: Yes, I taught everything. I taught everything, yes, but the interrupted environment, ladies and gentlemen—oh, yes, they have to go out for strings, they have to go out for the horns, they have to go out for drama, they have to go out for music-oral. What is left for math and what is left for language? My students: 90% of them were in a classroom at 8 o'clock in the morning, not 9, and not because I asked them to be but because they wanted to be. Yes. Actually, if I had 50 cents for every hour—some people might say you worked overtime—I could certainly buy a couple of Cadillacs. They also stayed in at lunch if they wished, if it was inclement weather, and performed—

Interruption.

Ms. Catherine Fife: There's the bell.

1100

The Chair (Mr. Kevin Daniel Flynn): Thank you for what you've done for your kids and for our kids, and thanks for coming this morning. We really appreciate it.

Mr. Edward Bavington: Thank you very much.

OAKVILLE CHAMBER OF COMMERCE

The Chair (Mr. Kevin Daniel Flynn): Okay, John. You've got to follow that. Let's see if you can beat that.

Mr. John Sawyer: I can say that I am strictly nonpartisan, unlike my predecessor.

Good morning and welcome to Oakville. We're thrilled that you're here. I'm John Sawyer. I'm the president of the Oakville Chamber of Commerce. Thank you for the opportunity to participate in this important meeting as the province looks forward to its next budget.

Our chamber represents 1,150 member companies here in Oakville. Collectively, they represent 33,000 employees. Both of our MPPs, Kevin Flynn here in Oakville and Ted Chudleigh in Halton, have worked hard to build a positive working relationship with us, and we think it has been very effective. I'm pleased to have the opportunity to thank them both publicly and in front of their peers.

We understand the challenging fiscal circumstances that the provincial government faces. Reducing Ontario's deficit and finding efficiencies within its existing budget are very important priorities, and they're goals that we strongly support. So in that spirit, I'm going to make some very brief comments. I only want to make three quick points.

I'll start with some things that are going well here in Oakville. We're particularly thrilled with the new hospital that's being built. We recently hosted Minister Matthews at a keynote luncheon event, during which she spoke about the medical, the community and the economic benefits of this wonderful new facility. What she didn't mention, and what we particularly appreciate, though, is the creative approach to the funding model, with the private sector building, financing and operating the facility. We think we'll need to be looking for that kind of creative and pragmatic approach to issues.

You're going to face countless requests for support as you go through this process. Priorities will need to be set and some difficult decisions will need to be made.

I know that one of the highest priorities in this region is transportation. Daily, our members face challenges in moving goods, services and people into, through and out of Oakville. I am constantly amazed at how many goods and services start their journey literally within just a few minutes of this hotel room and they end up in markets thousands of miles from here, often sent on their way by chamber members in the transportation sector who ship things around the world. I believe the exports out of Halton region total $5 billion, so it's a significant amount of revenue that we're talking about.

A recent advocacy survey clearly showed that transportation is a top-of-mind issue for our members, and this isn't a surprise when you consider how increased congestion and ongoing population growth make those journeys longer and more arduous. It's very inefficient on many levels, in itself evident. I'm not going to take up your time going through all of the points and the impacts of it. But we support the Big Move project, and that's the first key point I want to make. We need to get traffic and trade moving.

Like our colleagues at the Ontario chamber, we encourage the provincial government to invest in transportation infrastructure in the GTHA by establishing new revenue tools while ensuring that—and it's important that these principles are met—all new revenue tools must be dedicated. The collection of revenue and the distribution of funding must be efficient and transparent. The costs must be distributed and funding allocated fairly, and revenue tools must not impact our economic competitiveness.

It's not lost on me that I've just said you need to balance your budget and, by the way, I want you to spend $50 billion. So I get that. I get that.

When we were considering our remarks today, we sort of framed them with, "What could the province do that would stimulate the economy and that you wouldn't have to write a big cheque for?"

We have two comments we'd like to make. We think strengthening our ties with our current trade partners while aggressively diversifying our export base around the globe would be the best thing that we could do to stimulate the economy. Cross-border trade with the US is and always will be important for Ontario, but at the same time, emerging economies offer new destinations for Ontario exports and the potential for economic growth.

We therefore ask the provincial and the federal governments to work with business in developing a comprehensive export strategy that will foster stronger ties with the US and leverage the global linkages of Ontario's diverse population to facilitate trade with emerging economies.

In line with that, we strongly support regulatory alignment. When you consider the inefficiencies created by misalignment of regulations between and among governments interprovincially, federally and internationally, there are huge inefficiencies there that we could overcome. As an example, a local Oakville company looking to expand into the US is dealing with at least five levels of government. We have municipal, regional, provincial, federal and, of course, the US government. We're also hearing increasingly about regulatory issues with conservation authorities, which are adding a sixth layer of regulation to our members.

Don't get me wrong: We support smart and efficient regulation to keep markets safe and equitable and to keep Ontarians safe. However, six levels of red tape can choke off job creation. I have a couple of examples literally just around the corner from here. We have a wonderful food store, Whole Foods Market, which you may be familiar with. They have a wonderful line of in-house products and they're at risk of losing those in Canada because of the differing label regulations between where—some of them are produced in the US and here in Canada, and in the size of their operations there's not enough critical mass to justify a second labelling regime. Also, things like the retail holiday sales act, which is a patchwork across the province and creates problems for our members. This level of regulation can be crushing on some of our members, especially the smaller ones.

Greater regulatory alignment across governments will reduce these barriers, increase jobs and wealth creation.

Very quickly: Transportation, we just need to get on with it. We look to support enhanced trade opportunities and work on regulatory alignment. I'll leave it there.

I'm happy to answer any questions you may have. Again, thank you for the opportunity.

The Chair (Mr. Kevin Daniel Flynn): Thank you, John, for appearing on behalf of your members. We've got about seven minutes. Donna?

Mrs. Donna H. Cansfield: Thank you very much for your presentation and also thank you for the fact that you recognize we have a significant debt load and that we need to be able to balance how we strengthen the economy at the same time we ensure that the bank is also strengthened.

This has been an interest of mine for some time, I guess ever since I was in transportation. Every time we talk about transportation, we tend to talk about rail and road and we forget about the H_2O highway, the shipping. We have a port in Hamilton that easily could take a significant amount of shipping. We forget about air. Of course, Hamilton airport could easily be expanded beyond what it is doing to deal with more in terms of the kinds of export that they could do.

We did a lot of work bringing that portfolio—this isn't a criticism, because it was a decision made. The previous government took those two desks out of transportation because they deemed them to be federal. We put them back in because we knew, when you looked at the whole concept of transportation and sustainability, it had to include all modes of transportation and how you interconnect those modes was really pretty important.

I'm interested in what you'd have to say about that and how we again—because those are federal jurisdictions as well—how we can work with them.

1110

Then the other is the Niagara corridor. At some time somebody somewhere is going to have to deal with that, because you can't ship everything through Windsor and everything to Montreal when you've got an export—just south of you here, not very far away. The QEW is not going to take the traffic. So you have to find another route.

I'd be really interested in how that's progressing, because again, at some time, somebody's going to have to bite that bullet, because you've got too many people just south of you who are an enormous export market for you—and import, by the way—that you're not actually being able to grasp. I'd really like to hear what you have to say.

Mr. John Sawyer: Thank you. Those are really good questions. We recognize the need for that integration you spoke of. As a matter of fact, on May 2 we're hosting a symposium with the Professional Engineers of Ontario on that specific subject, so that we can look at how we can integrate those four modes.

We're fortunate; we have an excellent working relationship with Lisa Raitt, who is the transport minister. We met with her in a similar forum just a week ago, to have similar discussions. I think we have to look at all four modes. It's not just road and rail.

From a business perspective too, the focus on transportation has tended to be on people. For the business community, it's just as important that we look at goods and services, which incorporate those other two modes that you refer to.

With regard to the Niagara corridor, I'm embarrassed to say that we have not discussed it. But now that you've brought it up—I'm sorry; we haven't discussed it within our government relations and advocacy committee. But it should be on our agenda, because it will have a great impact on Oakville. I am going to take it back to our advocacy committee and get it on their agenda. We don't have a formal position. I can't imagine we wouldn't support it. But that's John speaking personally. I'm not speaking on behalf of the chamber there.

Mrs. Donna H. Cansfield: I just see this as something that, if you wanted to put economic development into that region, you need the corridor.

Mr. John Sawyer: Absolutely.

Mrs. Donna H. Cansfield: Interestingly enough, if you look at Kitchener-Waterloo and the fact of where their growth is in the southwest area, they need the corridor as well, to be able to move—because they're not going to be able to move everything through Windsor—if they want to grow that whole technology.

Mr. John Sawyer: Absolutely.

Mrs. Donna H. Cansfield: The other question that I have that would be of interest is the whole issue around the logistics. I remember speaking with David a while ago. They can't get the drivers anymore for the trucks. It's just simple: They cannot find them. Now they're looking at double trailers—which are, I think, an accident or a collision waiting to happen somewhere in the not-too-distant future—as opposed to putting them on the boats, which actually, I think, could take three or four or five times as many as any fleet of trucks could.

Have you sat down with those folks as well, in the logistics industry?

Mr. John Sawyer: Yes. It speaks to the bigger issue of training and skilled trades. Driving a truck isn't what it used to be. It is really a skill that needs to be learned and practised.

One of the challenges, sitting on this side of the table, is that we know we only have a few minutes to bring points forward, so we didn't talk about skills and training, but that's very high on our list. What you speak to falls within that area. The average truck driver is something like 52 years old now and getting close to retirement. As the son of a truck driver—and my brother owns a truck—I'm intimately familiar with that business.

Logistics are critical to this area. We need to get the material moving. The town of Milton has done a fabulous job of making itself a hub for logistics.

One of the things I deal with is the misperception by some politicians that logistics is a big empty warehouse that doesn't provide jobs. In a past life, I ran a distribution centre, and we employed over 200 people. They were really good jobs for those people. So there's an opportunity in logistics.

Sorry; I'm rambling. I hope I've answered your question.

Mrs. Donna H. Cansfield: You have, because I think what you're saying to me is that you've looked at how you can—we have a corridor, Quebec to Windsor, that is so congested that we need to move some of that congestion off, because you can't add more. The corridor would work, looking at other transportation, and distribution hubs are absolutely essential in how you move those goods and services.

Of course, the last piece—and I'm sure you've had this discussion as well—is what happens at that border. How do you move it over the border?

Mr. John Sawyer: As an organization, we are very, very fortunate. We have an outstanding relationship with the local US consulate. We've hosted the past two US ambassadors and hope soon to host the third ambassador. We've had many private discussions about the thickening of the border.

An initiative that's going on now between the US and our federal government is called Beyond the Border, so that we can actually get border issues resolved before people in trucks get to the border. It's a great initiative, but very complicated.

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

Mr. John Sawyer: My pleasure. Thank you for all you do for us.

The Chair (Mr. Kevin Daniel Flynn): Good to see you.

PEEL POVERTY ACTION GROUP

The Chair (Mr. Kevin Daniel Flynn): Our next delegation this morning is Edna Toth from the Peel Poverty Action Group. Edna, if you'd like to come forward, make yourself comfortable.

Ms. Edna Toth: Thank you. May I pass this out?

The Chair (Mr. Kevin Daniel Flynn): You certainly may. We'll help you pass it out.

Like everybody else, 15 minutes: You use that any way you see fit, and if there's any time at the end—

Ms. Edna Toth: Okay. I've timed it. I think I'm down to about six minutes.

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

Ms. Edna Toth: It's not particularly heavy-hitting.

The Chair (Mr. Kevin Daniel Flynn): No problem. The questions, this time, will go to the Conservative Party.

It's all yours.

Ms. Edna Toth: Thank you. My name is Edna Toth. I'm the chair of Peel Poverty Action Group, an organization in the region of Peel, which is chiefly a lobbying organization, making presentations on poverty issues to all levels of government.

Among the tasks is production of Tough Times. This is a social justice newspaper. It's now in its third year. It's supported chiefly by the labour movement in Peel region and by the advertisers. We are within $300 an issue of breaking even—Bob, if you happen to hear that. Neither Peel Poverty Action Group nor Tough Times uses public money to stay in business. We are self-supporting; everybody is a volunteer.

Our target audience is people who are homeless, using soup kitchens, food banks, families who are struggling, people who are trying to help them, faith groups, labour unions, politicians, small business, big business, and the public in general. We are distributed in every public building in Peel.

We ask the Ontario government to help cash-poor people in Peel. A good place to start would be the $100-a-month increase in Ontario Works and ODSP recommended by the Lankin-Sheikh social assistance review. I think you've had that in hand now for a couple of years, and some changes have taken place, but nothing substantial in our view.

Peel needs more affordable housing. Some 12,853 were on the waiting list for subsidized housing in 2011. It's closer to 14,000 today.

Peel region's population is growing by about 30,000 a year, which pushes property prices higher. Not only that, but many cash-poor people rent single rooms in private homes at $450 a month when their total income may be little more than $600 a month. You can't live on what's left.

We commend the Liberal government on requiring municipalities to admit secondary units. Mississauga has already held consultations and passed the necessary bylaws. Brampton is on its way. We expect that more units will come on the market, and we hope, perhaps naively, that any increase in the housing supply will act as a price control.

PPAG has lobbied all municipal councils in Peel to forbid acceptance of election donations from corporations and labour unions. We believe that councillors can play hardball with corporations, which includes developers, when planning permissions are considered, and that municipalities can demand more social housing in new developments. You probably know that the provinces of Manitoba and Quebec and the city of Toronto have made such rules. Would the province of Ontario consider banning such contributions?

We have many homeless people in Peel. There are no statistics. Well, there are some, but they're not very helpful. Some live in the woods; some in cars, in underground parking lots, in empty buildings, and 14,000 people used emergency shelters in 2011 in our area. That number is not falling; we checked yesterday.

1120

Our homeless people and others pressed for cash eat in soup kitchens—two open every day in Brampton; no daily soup kitchens in Mississauga. The most recent statistics available show that demand for midday meals at the Knights Table soup kitchen in Brampton has gone up 11% in the last six months.

Health care is at risk among cash-poor people. A huge factor for our members is dental care. The region of Peel helps seniors in need of dental care with money from property taxes, but it can't help all of them or provide all services. Property tax is not the treasure chest that dental care should come from. Please add dental care to OHIP; you would win many votes, I am sure.

Seniors need dental care, but also cash-poor people of all ages. I have been given permission to invite all of you, MPPs and civil servants, to visit Knights Table, which is a soup kitchen in Brampton, and meet the people who live in this affluent and health-conscious country but whose teeth are rotting in their heads. They have no cash, no dental insurance, no dentures, no teeth. According to the experts, they are first in line for heart trouble and infections that will put them in hospital for costly care. We ask that dental care be added to OHIP as a service for all. If money for treatment is provided now, we won't need to extract cash later.

Transit is another issue for us. Peel Poverty Action Group members, many of them looking for work, complain that fares of $3.35 to $3.50 for adults are far too high. Mississauga and Brampton transit systems are not integrated, and Caledon has no public transit at all. Many politicians and civil servants are engaged in trying to improve the travel experience. I don't think any of them ride the bus. In the Peel Poverty Action Group's opinion, we must be prepared to underwrite the costs of transportation in new developments so that families can survive without a car. That means buses must go where people want to go and service must be frequent, even in non-rush hours.

We have limited our presentation to these few items: housing, health care and transit. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Edna. You've left eight minutes, actually, for questions, going to the Conservative Party. Ted.

Mr. Ted Arnott: Ms. Toth, thank you very much for your presentation. I think it's very important information that the committee needs to consider as we continue our deliberations leading up to the budget for 2014-15, the upcoming provincial budget in the province of Ontario. Obviously, your passion and your advocacy are clear to everyone who is here today, and we appreciate it.

Before Christmas, I had the opportunity to visit the Ste. Louise Outreach Centre of Peel in Brampton, which is a food bank as well as an organization that exists to provide a number of services to low-income people. You must be familiar with it.

Ms. Edna Toth: I do know it.

Mr. Ted Arnott: Could you inform the rest of the committee about the work that they do?

Ms. Edna Toth: Ste. Louise, I understand, is a food bank and also provides clothing and a number of services for people who are hard pressed for cash. Being hard pressed, as you know, in Brampton—if you're using a food bank, you haven't got a lot of income.

Mr. Ted Arnott: The government has raised expectations with respect to their anti-poverty strategy that they enunciated earlier, I think in their first mandate. If you were to give a grade to the government for the success of its anti-poverty strategy, what grade would you give it and could you explain your reasons for giving that grade?

Ms. Edna Toth: Well, I would not grade any government on what they're doing because we will still have to work with them, no matter what.

Mr. Victor Fedeli: I think that's a pretty good answer.

Mr. Michael Prue: That's a good answer. What she's saying is it's an F.

Mr. Victor Fedeli: Exactly. That's the answer I heard.

Ms. Edna Toth: So the Liberal government has done a number of good things, and I did mention—or did I mention?—the matter of requiring municipalities to permit secondary units. That was a good move, but it's really cash in the pocket that is necessary, and we see that as necessary for small business. Money in the pockets of cash-poor people is going to be spent right there in the municipalities. It goes back very quickly, in the form of taxes, to the government, so they can put it out again.

Mr. Ted Arnott: Without adequate, decent, affordable housing, low-income people have a very difficult time having an opportunity to escape poverty. Could you again explain a bit more about the housing needs in Peel region that you see, and what response you would expect from the provincial government as well as the local government?

Ms. Edna Toth: Okay. Mental health is a very serious matter, and your mental health is not improved if you haven't got a place to stay. I would think that if we can provide more shelters—and there are empty buildings around which are not being used and could be used for housing people. That is the most serious part.

It's also involved with drugs, because people who have no place to stay, no place to live, spend their entire day wondering where they will be an hour from now, where they're going to eat, where they're going to sleep and will they be able to sleep. As it's been explained to me by people who use it, one smokes marijuana because it softens the blow. You don't have to think, then, about what's going to happen an hour from now. It kills off that thought process, and you just exist. I think if we want to attack the drug problem, then that is one of the things that has to go. We do have to have housing that people can afford, and we do have to have, at this point, more shelters.

I have the advantage of great age, having survived the Second World War in Britain. There, there were workhouses, which you can now see on Downton Abbey, where people lived because they had nowhere else to go. Then along came the war, and believe it or not, the workhouses were empty because a whole bunch of people were called up. Everybody's house was looked at—how many people could you accommodate in this house—because evacuees were going to be coming from London. There was no longer anybody in the workhouse. It's stupid, but that is what happened.

Mr. Ted Arnott: Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Very good. Thank you very much for coming, Edna. We appreciate it.

Ms. Edna Toth: Thank you.

CAMPAIGN FOR ADEQUATE WELFARE AND DISABILITY BENEFITS

The Chair (Mr. Kevin Daniel Flynn): Elizabeth McGuire, Campaign for Adequate Welfare and Disability Benefits: Come on forward, Elizabeth. Make yourself comfortable.

Ms. Elizabeth McGuire: I'd need a cup of tea to do that.

The Chair (Mr. Kevin Daniel Flynn): A cup of tea and some slippers?

Ms. Elizabeth McGuire: I brought an updated version of that hastily written submission.

The Chair (Mr. Kevin Daniel Flynn): Okay. Well, perhaps you can give that to Katch.

Ms. Elizabeth McGuire: Nice to meet you. We talked. Thank you.

Mr. Bob Delaney: If you tell us how you like your tea, we'll arrange that.

Ms. Elizabeth McGuire: Really? Could I have a pot? And I would need a pitcher of milk, and a warmed mug, if you wouldn't mind.

Mr. Bob Delaney: Any sugar?

Ms. Elizabeth McGuire: No, thank you.

The Chair (Mr. Kevin Daniel Flynn): Get to that, Bob, will you?

Mr. Bob Delaney: I'll take care of that.

The Chair (Mr. Kevin Daniel Flynn): There you go. Okay, you've got 15 minutes, like everybody else. Use that any way you see fit. At the end, if there's any time for questions, it will come from the NDP. It's all yours.

Ms. Elizabeth McGuire: My name is Elizabeth McGuire, and I am the chairperson of the Campaign for Adequate Welfare and Disability Benefits.

I just want to open my remarks by telling you what it is to be a member on our committee. You're poor. You don't cook at home. You go to Out of the Cold for supper. You go to Wesley for lunch. If you get up early enough, you go to Wesley for breakfast. If it's cold and windy, well, tough. You've got to get out there to get your breakfast, if you want to go out looking for a job, because you need the calories, because you need to burn energy. Every member is still looking for work, although it may not be an option for some of them. But we share stories and share information, and that is the only way we find out about clothing giveaways or toiletry giveaways or coupons for suppers, things like that. As a group of 30 people, we stick together and share the information, and we're all suffering as a group.

1130

That's the campaign. We do partake in activities and try to come up with novel ideas for explaining how we're suffering and we can't go on like this. Of course, attending this standing committee was one of the things that we can do.

Thank you very much for the opportunity—oh, aren't you wonderful? Are you married?

Mr. Bob Delaney: My other half thinks so.

The Chair (Mr. Kevin Daniel Flynn): Cookies are extra.

Ms. Elizabeth McGuire: Oh, that's so nice. Thank you.

Ms. Catherine Fife: I've never seen that before.

Interjection: It's a first.

Ms. Elizabeth McGuire: I think so too.

The Chair (Mr. Kevin Daniel Flynn): All you have to do is ask.

Ms. Elizabeth McGuire: Oh. Could I have a million dollars?

The Chair (Mr. Kevin Daniel Flynn): Nice try.

Interjection: Maybe ask the feds for that.

The Chair (Mr. Kevin Daniel Flynn): Yes, that's federal, I think.

Ms. Elizabeth McGuire: Anyway, I'm here representing not just members of the campaign but all of those who live on the lowest rung of the economic ladder. I'll be bringing to you three issues which we think are important, critical and an opportunity to effect change.

The first thing we need is seismic change. There is no denying that the world is changing. The economies are changing. We don't have full-time jobs. We don't have job security. This is happening all over the world. The economy that had served us well for the last 50 or 60 years is crumbling, and we can't depend on those full-time jobs and their good wages anymore, because the world is now full of part-time jobs and precarious employment.

The people of Ontario can't survive on sole incomes from these part-time jobs and precarious employment. We all know that they can't. I don't have to itemize the reasons for you why they're not.

Everyone globally is recognizing now that the former model of capitalism is no longer working. Every country in the world, except for a few exceptions, has looked at the option of basic income, and it's really the only way we can guide ourselves through the economy in the future, at least for the next 50 or 60 years. I'm sure I don't have to tell you what basic income is. I'm sure we've all read information, books and reports. Certainly Hugh Segal is an advocate of basic income.

How would you finance this? I have two recommendations on how you can impact MCSS and free up millions of dollars. My first recommendation—there are three, and the first is that the government of Ontario look to moving to a GAI with a federal partner within five years. I know that the federal-partner part is not a possibility right now, but we could begin provincially.

I think that it would take at least five years, perhaps less, because we have practice in bringing in guaranteed income with seniors and a few other groups, so it's not like we're reinventing the wheel. By the time we implemented it we would probably be on par with other governments in the world that are moving to that now. The European Union is currently considering whether to consider a basic income.

The second issue that I want to bring to you—this is a very critical issue: We have to change the delivery model of social services. Currently it's structured under a surveillance-and-punishment model. It's very expensive to administer. It's paper-intensive. It drives a nail into the heart of every recipient.

Changing this model to something like the CRA would free up millions of dollars, because that surveil-and-punish model is paper-intensive. For example, in Hamilton, 3,000 suspension letters go out every month—or 3,000 nails, as I like to call it. That's a lot of paper—envelopes, stamps, administration time—and it's because it's based on the model that everyone is guilty.

The CRA is based on a model that 3% of people will cheat on their income tax, and it's staffed like that. MCSS assumes that everyone is guilty, and it's staffed like that. If you change the model, you'd free up all kinds of money—streamline the system.

The growth of mental health that the Peel lady spoke about, we see it every day. People who lose their job hang on for as long as they can. After two suspension letters, you're talking mental health issues. Everyone on the campaign has a mental health problem, and it's directly attributable to the kind of delivery model that we use for social services. I mean, 3,000 suspension letters in Hamilton; how many are going out province-wide? That's a lot of money, a lot of paper, a lot of stamps, a lot of administration, and it's really not necessary.

These suspension letters also support the two industries or two processes for the poor. One is the Social Benefits Tribunal and one is the landlord-tenant court. Both of these are corrupt. I really thought about using that word and yes, I think it qualifies. This is just a waste of money. It's traumatizing the poor, contributing to mental health problems and only perpetuating the problem as it is now.

The third thing is the $100 increase. I know it was your intention to stagger the $100, but I would remind you that everyone, including the social assistance review commission, said "an immediate $100." The reason they said "immediate" was because we're in crises. That was supposed to address the crises. The second $100 could be staggered.

That pretty much concludes my report. I wanted to thank you for the opportunity to speak to you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Elizabeth, for your presentation. You've left about five minutes for questions; that goes to either Catherine or Michael.

Mr. Michael Prue: I have a couple of questions, if I might. You made the statement—and I think I understand why, but I want it to be clear for the record—that Ontario adopt an income security as a GAI while seeking a federal partner, and you said you don't think that's possible at this time. Is it because of the nature of the present federal government or is it—

Ms. Elizabeth McGuire: Directly.

Mr. Michael Prue: That's what it is.

Ms. Elizabeth McGuire: Yes. We need a new federal government before—we could start now, but we'd need a different partner.

Mr. Michael Prue: Is it just who the leader is? Because one of the key proponents of a guaranteed annual income was Senator Segal, and other Conservatives in the Senate, I guess, more than in the House, are on board with this. Is it because this government in Ottawa is singularly dismissive of the poor? I'm trying to get why you think it's not even possible to ask them.

Ms. Elizabeth McGuire: We live next door to Tim Hudak—

Mr. Michael Prue: Okay.

Ms. Elizabeth McGuire: —and I think our current Prime Minister is not representative of the Canada that I was born into. I know we all grow and change and learn and that, but still I don't see our leader as representative of the provinces.

Mr. Michael Prue: Okay. The second thing you talked about was the surveil-and-punish model. You would recommend that we do away in totality or just in part with the landlord-tenant court and the Social Benefits Tribunal? Do you not see any purpose for them at all? Or do you see that government should use them only sparingly?

Ms. Elizabeth McGuire: Well, the landlord-tenant court is—it's fair market rents and people with jobs, presumably, who can use the landlord-tenant court when they have disputes with a landlord. Certainly, when I was employed, I had a dispute with my landlord and I used the landlord-tenant court. When I was on assistance and used the landlord-tenant court, it was stacked against me. The landlord always wins.

1140

So to answer your question, am I recommending you just do away with surveillance and punishment and have no recourse to catch people, I would suggest you use the CRA model with a built-in appeals process. CRA right now doesn't have an appeals process once you're charged.

Mr. Michael Prue: Okay. You think that that would save money? You're nodding your head. You have to say something because otherwise it's not recorded.

Ms. Elizabeth McGuire: Yes. Sorry. Yes, absolutely. I could see by doing it better, smarter, leaner and nicer we could save millions.

Mr. Michael Prue: All right. And then that money could, in turn, be put back—

Ms. Elizabeth McGuire: Contributed to the basic income. Also, of course, having the lowest business tax rate hasn't brought in the business we thought it would. So why don't we put it up one more per cent?

Mr. Michael Prue: Okay. Finally, you talked about the $100 immediate increase, as has been recommended by Frances Lankin and Munir Sheikh. The government is presently in an $11-billion hole. Where would you propose that the money come to pay this additional money? I want to you to be inventive here. Do you think you should tax people more? Do you think there are other government programs that could be cut and the money transferred here? Where do you see that $100 coming from?

Ms. Elizabeth McGuire: I have a 20-minute rant I can give you on the corruption in the government and certainly, when I was compelled to declare bankruptcy, my trustee exposed me to what else is going on. These people who were employed for 20, 30 years lose their jobs. They're eligible for EI. The EI is held up and held up and held up until they're compelled to go and apply for OW. As soon as the OW cheque comes in, they're charged with an overpayment for the amount of the EI, not for the amount of the benefit. All of those people are now compelled to declare bankruptcy.

The Chair (Mr. Kevin Daniel Flynn): You've got about 25 seconds.

Ms. Catherine Fife: Okay, good. It's just a quick statement. Elizabeth, I think that you've raised some excellent points, especially around the precarious employment piece. There has to be a more efficient, fairer way to not re-victimize people who do live in poverty. That's been consistent with a number of other delegations. I just wanted to thank you for coming today.

Ms. Elizabeth McGuire: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Elizabeth. Thank you very much for your time and your presentation.

Ms. Elizabeth McGuire: Thank you. Can I take my tea with me?

The Chair (Mr. Kevin Daniel Flynn): We do take-out.

HALTON POVERTY ROUNDTABLE

The Chair (Mr. Kevin Daniel Flynn): Our final delegation before lunch is the Halton Poverty Roundtable. June, Leena and Colleen, if you'd like to come forward.

Ms. Leena Sharma: I'll be speaking for the group.

The Chair (Mr. Kevin Daniel Flynn): Make yourselves comfortable. Like everybody else, you have 15 minutes. Leave some time maybe at the end for questions. Questions this time will come from the Liberal Party. Because there are three of you, what would be good is that each time you spoke if you would introduce yourselves so that people from Hansard know who is speaking.

Ms. Leena Sharma: Okay, great.

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

Ms. Leena Sharma: Good morning, and thank you for the opportunity to speak before the standing committee today. My name is Leena Sharma and I'm with the Halton Poverty Roundtable.

The Roundtable is a multi-sector collaborative composed of 25 members representing business, government, community organizations, faith groups, labour, as well as people with the lived experience of poverty.

We work together to reduce poverty in Halton and work towards a greater shared prosperity. We accept that it is no one sector's responsibility to reduce poverty, rather the work of all citizens in a community. We recognize that working collectively to address some of the systemic causes of poverty will yield a greater long-term impact.

As a community-builder, the Roundtable continues to focus its efforts to convene, engage, educate and act as a catalyst for systemic change and social inclusion in three overarching areas: healthy families, with priority consideration to food, recreation, education and transit; housing, with priority focused on affordability and accessibility; and income security, with priority given to long-term stability through liveable incomes, training and education, and opportunities for engagement by overcoming barriers such as discrimination and lack of access to child care and disability services.

We are here today to ask the government to continue to prioritize poverty reduction, regardless of the current financial pressures. Despite some of the advancements made over the last year, we know that one in 10 adults and one in seven children in Ontario continue to live in poverty. Marginalized groups experience even higher rates of poverty, with one in three racialized children living in poverty.

The moral argument for reducing poverty is apparent. In a community as affluent as Halton, in a province as resource-rich as Ontario and in a country as wealthy as Canada, it is unjust and unconscionable for any of our fellow citizens to be living in poverty. We have the resources to address poverty. We have a great deal of knowledge and experience, good public policy models and a concerned population.

At a recent Halton event, Senator Hugh Segal pointed out two Canadian examples of policy initiatives undertaken in the 1970s that served to lift people out of poverty. First was a guaranteed annual income experiment known as "Mincome" in Manitoba, and second was the guaranteed income supplement for seniors that was introduced at the same time. Senator Segal challenged us with the question, "If we can do this for seniors, why can't we do this for people within the working age group who are living below the poverty line?"

Not addressing poverty head-on is costly. Let's consider some health care costs. A 2010 study by McMaster University found a 21-year difference in life expectancy between the poorest neighbourhood and the wealthiest neighbourhood in Hamilton. Living in the lowest quintile of income earners means that these citizens access the health care system 50% more. This is as a result of higher stress, poor nutrition, substandard housing and an unstable social environment.

An estimate from the Ontario Association of Food Banks' The Cost of Poverty report estimates that poverty costs Canada's health care system $7.6 billion per year. And there are child poverty costs. Twenty per cent of the children living in poverty today will live in poverty as adults. With skills training and higher education, the income gain for Ontario is estimated at $3.2 billion per year. The total economic cost of child poverty in Ontario is $4.6 billion to $5.9 billion annually.

Perhaps the most crippling is productivity costs. A recent article in the Globe and Mail reported research that found that poverty is like a tax on the brain. It imposes a measurable burden on the mental capacity of those who must struggle with the stress that poverty causes day after day. And it goes further to state that "It's not handling problems" that slows down the mental performance of the poor, but it's "the lingering preoccupation on the mind" that comes with living on the economic edge. This implies that poverty affects productivity and limits an individual's ability to make a contribution to their community.

We propose the following recommendations: first, an immediate $100-a-month increase for single adults on Ontario Works and ODSP, the Ontario Disability Support Program, echoing the comments of some of our colleagues made earlier today. This recommendation speaks to providing greater food security for those living on social assistance. This again echoes the findings in the Lankin and Sheikh Brighter Prospects: Transforming Social Assistance in Ontario report.

The principle behind this recommendation is adequacy, so that one can obtain nutritious food, secure housing and other basic necessities no matter what region of the province you live in. Food security is defined as a situation where all community residents obtain a safe, culturally acceptable, nutritious diet through a sustainable food system that maximizes community self-reliance and social justice.

Poverty is a key social determinant of health and is linked to food insecurity, reduced diet quality and increased risk of developing chronic disease.

The results of the local Halton Nutritious Food Basket for 2013 demonstrate that the cost of a nutritious diet is rising. It is becoming increasingly difficult for many low-income households to afford nutritious food.

The second recommendation we make is that we ask Ontario to negotiate with the federal government to commit to a housing framework for Canada that includes adequate, stable, long-term federal funding and encourages its housing partners and stakeholders, including municipal governments, to work with the federal government to secure this commitment. This reflects recommendation 19-14 in the Drummond report.

Housing does not just reflect inequality; it magnifies it. Housing is far and away the largest expense of moderate- and low-income households. Because housing takes such a large share of income, inequality in disposable income is greater after housing costs. Housing that is not affordable has a fundamental impact on quality of life, leaving low-income households without enough money to meet their other basic needs, including food, health costs, clothing and transportation.

1150

Although social and affordable housing is provided by our municipalities, the province is responsible for setting rules and standards, flowing federal dollars to municipalities and directly funding various housing and related support programs. Much of Ontario's social housing was constructed over 30 years ago, and they need to invest in repair and rehabilitation. At the same time, Ontario's population continues to grow and age, which will require specialized affordable housing.

The three-year bilateral agreement that was signed with the federal government for investment in affordable housing was signed in 2011. As we know, this agreement provides $480.6 million, cost-shared 50-50 between the federal and provincial governments, to fund the creation or repair of about 6,000 affordable housing units. There is currently no federal funding commitment beyond the end of this current agreement, which ends this year. The absence of an agreement with the federal government for affordable housing would impact both capital programs as well as operating programs.

We see housing as a key lever for action that the government can work with to improve the lives of those living in poverty.

Our final recommendation is to immediately raise the minimum wage to $14 and to work to index the minimum wage to the cost of living so that no Ontarian who is working full-time and full-year is forced to live in poverty. The work of the recently convened Living Wage Halton group is grounded in the core belief that it is unacceptable that people engaging in full-time and full-year work are unable to lift themselves out of poverty. The current minimum wage rate, which has been frozen at this level for over three years, still amounts to a poverty wage for many Ontario families. While we are advocating for a living wage in Halton of $17.05, which is calculated for a family of four with two parents working, we see our work as complementary to the work of the Raise the Minimum Wage campaign, which is calling for the Ontario government to raise the minimum wage to $14 an hour, which would effectively bring the roughly 25% of Canadians living below the low-income measure to 10% above it.

Trail-blazing companies like Lee Valley and Costco, which are paying a living wage, highlight benefits such as greater employee retention, greater employee engagement, and higher productivity.

In a recent Environics poll, Canadians were asked what they think of the idea of providing everyone with a guaranteed annual income. Forty-six per cent of respondents either strongly or somewhat strongly supported the idea, suggesting we have the "potential foundation for building public support for [guaranteed income], especially if it was accompanied by the elimination of other programs." So we know that there is public will to support greater government action in this area.

In closing, if our goal is to allow people living in poverty to survive, barely, then maybe we have reached that goal. If we want to end poverty and eliminate the costly repercussions, we need to try something else. We ask the provincial government to act decisively to ensure that our social assistance program, our housing program and our wage structure make access to a healthy quality of life a reality for all Ontarians.

We know from a growing body of international literature that societies which tolerate high levels of income inequality suffer higher levels of stress, greater levels of crime, worse health outcomes and diminished trust, both in each other and in their democratic institutions. So the question is not, "Should we act now to reduce income inequality?" but simply a question of how quickly we can act. Our recommendations represent a few ways that the Ontario provincial government can act now to stem the tide of growing income inequality.

Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you. You've left about four minutes.

Steve or Donna.

Mrs. Donna H. Cansfield: Thank you very much for your presentation. I didn't get a chance to read everything, and I look forward to finishing it.

I'd like to discuss a couple of things with you. One of the biggest challenges is really getting a handle on poverty statistics. We've heard from a variety of folks. The similarities for the recommendations are there, but the dissimilarities are in the statistics themselves. It's interesting that you quoted Hamilton in the Halton region—I understand why, because you presume that's to be a transferable discussion; fair enough.

My question is around the immigrant population. I always believe the best way out of poverty is a job. Most people want to work, where possible. I accept and recognize that sometimes that's not possible, but most people—people with disabilities—want to work where possible. How do you increase employment opportunities? When I look at these statistics, I know that—I don't mean to imply profiling or whatever, it's just that how many of those statistics are our new immigrants that are not able to get jobs in their chosen professions because of issues around accreditation, issues around the famous "I don't have Canadian experience"? It's almost like we need two sets of statistics because sometimes they have different approaches. If you've got a really good, solid statistic around the inability to access meaningful employment in the chosen profession, which limits their ability to get that Canadian experience, that changes your statistic. Have you done any work on that at all?

Ms. Colleen Sym: It's Colleen Sym from Halton Community Legal Services. I represent the legal clinic on the Roundtable.

One of the initiatives that is going on in Halton, that Halton region is involved with—and the Halton Multicultural Council—is to explore the issues around the supports that newcomers need to establish themselves in the Halton community. I'm not totally familiar with the work that is ongoing, other than to say it is ongoing and in development.

Quite frequently, what we do find in examining statistics is when data has been aggregated and the ability to disaggregate it—so data collection does become an issue. Joey Edwardh would have been the expert to have asked more specifically those types of questions this morning, but it is an ongoing issue as we attempt to drill down into how to identify the specific needs of the individuals who are experiencing poverty because, as Elizabeth has—every person's story is different. There are going to be similarities and themes that can underpin public policy, but to be able to target the specific needs of specific individuals, to know the steps that are going to help them specifically, is probably a better investment of the resources that currently go into the surveillance and punishment model of social assistance.

Mrs. Donna H. Cansfield: But the idea of being able to disaggregate, if that's a term, those statistics would enable us to actually identify the different sets of challenges and thereby put in different sets of policies. I guess I would encourage that, if that's possible, to come up with some of those discussions. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you all for appearing today. It was appreciated.

The committee is recessed until 1 o'clock.

The committee recessed from 1158 to 1302.

ONTARIO TRIAL LAWYERS ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): Let's call back to order again. Our first delegation of the afternoon is the Ontario Trial Lawyers Association. Welcome.

Mr. Steve Rastin: Thank you.

Mr. John Karapita: Thank you.

The Chair (Mr. Kevin Daniel Flynn): You have 15 minutes. You use that any way you see fit. If you want to leave a little bit of time at the end for questions, that would be great. The questions this time around will come from the Conservative Party. The floor is yours.

Mr. Steve Rastin: Thank you. Our intention is hopefully to only speak for five minutes or so and have a conversation. We're hoping that might be more beneficial. My name is Steve Rastin. I'm the president-elect of the Ontario Trial Lawyers Association. The gentleman to my left is John Karapita. He's our director of public affairs.

We would like to say that we're thankful to have the opportunity to speak to this body and make submissions. We're going to focus our submissions on the area of financial services, generally and specifically with respect to what we think is the hot-button issue of automobile insurance in Ontario.

Just by way of some background, the Ontario Trial Lawyers Association was formed in 1991. We're an organization of lawyers and law clerks that represent exclusively injured individuals in the province of Ontario. We represent individuals that have suffered injuries and losses as a result of wrongdoings by others. Our mandate is to represent those individuals in the system.

We want to point out that we have submitted a paper to you. I'm not going to waste your time by reading the paper, but I would ask that the members here take a look at that paper. Our submissions today are going to focus on three key areas. One, there was a discussion in the last budget about implementing a process about transparency and accountability with respect to auto insurance, and we'd like to talk about the desirability of moving forward that initiative.

The second issue is to emphasize to this group that further reductions in auto insurance, which is something that's being discussed, are really not necessary if we did move forward with that transparency initiative, which is something that we think we need to do so that we're all playing from the same page. We would see that those further reductions are not necessary. Further, we want to emphasize the fact—this group may or may not be aware of it—that there was a round of sweeping changes made in 2010 to auto insurance. One of the things that we think is important for this group to realize is that, for the most part, most victims of car accidents in Ontario are really getting very little, if any, benefit already for the premiums that they're paying.

With respect to the transparency initiative, we want to point out that the government announced as early as last year in the budget that there would be a transforming of the auto insurance dispute resolution system. There would be licensing of health care clinics, and there would be an introduction of a transparency and accountability mechanism in the form of an annual report by experts that are going to look at the impact of auto insurance reforms that have been introduced to date, both with respect to cost and premiums.

We would like to submit to this group that that announcement and initiative is an excellent idea. One of the primary problems that we have today is that we have radically different submissions and viewpoints as to where the system stands. The reality is—and there have been submissions on this. As late as September 2013, there was a submission made by an economist by the name of Bill Andrus. He's a former insurance industry insider and businessman. He pointed out a fact that we're facing now. There is massive dispute about how profitable the auto insurance industry is now. The reality is, if there's an objective review of the numbers, that should not be possible. Math is math.

As he pointed out, "A problem arises when data becomes"—the data itself—"the subject of debate and conjecture ... everybody is entitled to their own opinion" but "they're not entitled to their own facts. Data in the insurance industry is no different: There's only one set of numbers, and they must be reported accurately and free of interference from any stakeholder or group."

The Ontario Trial Lawyers Association supports the idea that the Ontario insurance industry needs to be healthy and profitable. At the same time, we want to point out to this group that auto insurance is a mandatory product. You have to buy auto insurance. People are spending more and more money to buy auto insurance. What they're getting is less and less in response for that insurance.

Changes were introduced in 2010 to our auto insurance system. The reality is this, and most people may or may not realize this: For approximately 80% of people today—for approximately 80% of people—they're being placed in the minor injury guideline, and they're getting $3,500 worth of medical coverage. We have reached a point where people are paying more and they're getting less. We would submit that there are all kinds of data out there already. There's HCAI, OSFI and a number of different sources out there. If we take the time to put together and really look at the issue, we can have a conversation about what is a fair and reasonable auto insurance system.

We need this independent annual report, because there are a number of changes coming forward to the system. There's going to be a three-year review. There's a DRS review going on right now. There's a number of process reviews going on right now. Before we make further changes to the auto system, we need to look at the impact of the changes that are already there, and we need to determine a way of going forward that's fair to both the auto industry and to Ontarians in the province that have been injured. What we need in the coming months is to have that process go forward in a way that we can look at.

I've got further submissions in the paper, and I thank Mr. Karapita for those, but what I'd like to do is open it up to questions in the seven or eight minutes that are remaining so that we might have a conversation.

The Chair (Mr. Kevin Daniel Flynn): Perfect. Thank you very much. You've got about eight minutes remaining.

It'll be the Conservatives. Vic?

Mr. Victor Fedeli: Thank you very much. Thank you, Steve, for the presentation, and John, for being here. So you understand the format, the only questions you're going to get come from Ted and myself. That's the way we rotate. We won't be able to have more of a fulsome discussion, sort of an all-party discussion, to get into the meat of these things. You're limited to us.

At the beginning you mentioned there were three areas, and transparency and accountability was the first. I wrote down "the reduction not necessary" as the second, and I'd like you to maybe define that as a heading, if you don't mind, and then the third I couldn't articulate.

Mr. Steve Rastin: The third is the fact that we're already in a system, after the changes, where accident victims in Ontario are getting so little. We need to have a meaningful analysis of what bang for the buck the citizens are getting for having to buy this mandatory product.

1310

The third point is that victims of accidents are already getting too little in this province. The point to look at in terms of further reductions not being necessary—there has been no meaningful, outside, independent analysis of these problems, of the profitability issue. There were these massive changes made in 2010, and an independent review of those September 2010 changes hasn't started.

One thing that we can say for sure, because the data is coming out, is that there are two sides of a case. There's the tort side—the "I hit him and you sue me" side—and the accident benefits side. The claims paid out per accident benefits claim in the province of Ontario are plummeting. All the government data shows that these numbers are dropping from tens of thousands of dollars to mere thousands of dollars.

Before we look at further changes, because the IBC and other people would say to you that we need to reduce the benefits people are receiving to get to that 15% rate reduction—our only point is that if you look at the number and look at the changes that are already made, because we had the most sweeping changes in September 2010 that I can recall in my 20 years of practice—before we look at whether we need to further reduce numbers to get there, we need that independent review process, because it's our position that those further changes are not necessary.

If we have somebody that's independent, if we have an annual review, if we have somebody who looks at the impact, we're going to find out that premiums are up in spite of the 15% comment and that profits are down. What we're afraid of, and what the issue is—well, look at it.

For instance, on December 17, the government announced some sweeping changes to the auto insurance system by way of regulatory change to attendant care benefits. This is the kind of thing that concerns us, because there was a regulation published on December 17 saying that the way that attendant care benefits are paid out is going to change in the province. There was no consultation, there was no discussion, there was no debate and there was no financial analysis of this.

You know what it's going to do? It's going to take hundreds of thousands of dollars away from the most seriously injured people. Those costs, in our submission, are going to fall back on the government, and that's the kind of process that we need an independent review on, so that we can take a look at it.

The Chair (Mr. Kevin Daniel Flynn): Go ahead, Ted.

Mr. Ted Arnott: Thank you very much, Mr. Chair. Thank you for your presentation. It's been very interesting.

You mentioned the transparency and accountability mechanism in the form of an independent annual report by outside experts on the impact of auto insurance reforms introduced to date on both costs and premiums. You've suggested that that's a good idea, and I agree with you. I think it is a good idea, and it's high time that this was done. I'm surprised that nobody else has done it to this point.

And yet, as you point out, almost a year has passed. We're talking about the next provincial budget now during the course of these hearings, and, really, they haven't made significant progress. Why do you suppose it's taken the government so long to get going on this? Does it have something to do with the commitment that was made to reduce premiums by 15%?

Mr. Steve Rastin: I don't know. I know that it was in the budget last year, and we strongly support it. I guess that what our concern is going forward is this: We're doing something called a DRS review right now—and I think that members at this table are involved in that—which is a process of dispute resolution. We're doing a bodily-injury claims review right now. We're doing a three-year insurance review right now. We're making all these changes to the system.

What I'm going to say about auto insurance is this: In the 20 years that I've been practising—auto insurance is like pop and chips. Twenty years ago, you used to buy a two-four of pop for $6, and you used to buy a big bag of chips for $2. Today, you go in and you still buy pop for $6, but you get six. You buy a bag of chips, and instead of this bag of chips you get this bag of chips.

This is what happened for most people. There are about 500 people who are really badly injured who get a lot of coverage, but for the other 50,000 people who are injured, they're getting that little bag of chips today, but they're paying the same amount for it, and that's the only reason.

This is why we think it's crucial—I don't know why it didn't happen before, but it's why it's crucial that we have raw numbers—hard, independent numbers—to look at the changes, because we force citizens to buy this coverage, and they're not getting very much for it today.

Mr. Ted Arnott: And many of them are not aware that they're not getting very much for it.

Mr. Steve Rastin: Most people are shocked. If you're in an accident, you don't get the first $30,000 of your damages. Most people don't know that. And worse, if I tell a jury about that in a trial, the judge will throw me in jail. I'm not allowed to tell a jury that people don't get the first $30,000 of their damages. People don't get all of their economic loss; they get 80% of their net economic loss. They get covered for part of their medical treatment. They don't get covered for the first 50 kilometres driving to medical treatment. They don't get covered for their cab fare.

There are 100 things that people aren't being completely covered for, and people don't know. People think, "If I pay $150 or $200 a month for auto insurance, I'm covered." Then people get in an accident and they lose their house. That's the situation that we're facing today, because most people think, "For what I'm paying, I'm covered." We've reached the point where you might be better to buy something else other than accident benefits auto insurance if you had a choice. But we don't because it's a mandatory product.

Mr. Ted Arnott: For everyone who drives. Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Ted; thank you, Vic—and John and Steve, for coming today.

Mr. Steve Rastin: Thank you for your time. We appreciate it.

ACROBAT RESULTS MARKETING LTD.

The Chair (Mr. Kevin Daniel Flynn): Our next delegation is from Acrobat Results Marketing. If you'd like to come forward, Tim.

The Acting Chair (Mr. Bob Delaney): Welcome. Make yourself comfortable.

Mr. Tim Sinke: I looked up and the Chair changed.

The Acting Chair (Mr. Bob Delaney): It often happens for reasons of pure biology.

If you've been around for any length of time, you'll know that you have 15 minutes to make your presentation. If you finish in less than 15 minutes, the questions will be asked, in this case, by Mr. Prue and the NDP. The time is yours; please proceed.

Mr. Tim Sinke: Thank you to the committee, of course, for being here and accepting my submission today. I believe the Clerk is passing out a hard copy of my submission, so I obviously won't read that verbatim but will take you through the highlights of that.

I'm the president of Acrobat Results Marketing, a company that has been operating in Ontario for the past 20 years. March is our 20th anniversary. We started with a bunch of folding tables and a few telephones and now employ over 350 people through a variety of offices and work-from-home infrastructure across the province.

Our business is IT research. We conduct business profiles and surveys with IT executives and managers amongst companies across North America and across the globe. We have to have cutting-edge training for our employees. This allows them to establish rapport with respondents in a constantly changing environment and, obviously, allows them to conduct the business of IT research in a professional manager.

We have, pretty much from day one, taken the approach of trying to focus on providing employment to either under-employed or unemployed persons across the province. We operate in areas that are more economically depressed and we work with a variety of government agencies at different levels in order to fulfill our staffing needs. We've been recognized for that with a number of awards, as well.

Following the 2008-09 recession, we were obviously feeling the competitive pressure of what that recession brought about, and in particular the pressure from the United States. Quite a number of businesses there slashed their margins, and jurisdictions started to aggressively pursue relocating jobs to that environment. What we did at that point was evaluate our competitive needs to see what we could do in Ontario to continue to provide employment. At that time, we became sponsors of the information technology contact centre trade codes as apprentice sponsors for trade codes 634A, D and E. This allows us to purchase training for our staff that's immediately germane to their work and also allows them to become a certified journeyman at the completion of their studies. Not only is the program very popular amongst our staff; it has helped us as a company to become more competitive. It distinguishes us from our competitors and allows us not only to create more jobs but also to provide better jobs as we do our work.

In discussing, with a number of members of this committee in May and June of 2013, when the 2013 budget was being provided and the consultations were being provided, at that time, it was clear that there was some sense that the government was not receiving value for money from this program—and in particular, it was highlighted, very low graduation rates from the program.

1320

The ministry guidelines call for apprentices to move through the coursework and hours submissions in a period of two to four years. At that time, obviously, almost a year ago, our graduation rates were lower. I'm proud to say now, as of this moment, we've graduated 51% of our enrollees in the apprenticeship program, and we anticipate graduating 80% to 90% of them by the end of this calendar year.

We think that track record is very good. We are using the program as it was intended, and we are getting benefit from it. I suspect the government will be able to see that that kind of a graduation rate would be extremely beneficial as well for the money spent on the program.

In light of that, I'm asking the committee to consider re-implementing the Apprenticeship Training Tax Credit for these three trade codes: 634A, D and E. We think that we can demonstrate value. We think we can show that we can hit program objectives and that we can do so in a reasonable manner.

In order to demonstrate that, to show a better pay-for-performance model, we are suggesting that, in particular, for trade code 634A, which is the IT technical support agent code, that the ATTC be re-implemented for that code, following the level 1 exam being passed by the apprentice—that's about halfway through the coursework—and for trade codes 634E and 634D, which are IT customer service agent and IT sales agent, respectively, that the ATTC be re-implemented upon completion of their coursework.

Furthermore, we suggest limiting the duration of the ATTC to 36 months for 634A and to 24 months for 634E and 634D.

We think, in total, this would deliver better value, allow more jobs to stay in Ontario and create a more competitive workforce. Thank you.

The Acting Chair (Mr. Bob Delaney): Thank you very much. Mr. Prue, you've got about eight minutes.

Mr. Michael Prue: I'm going to share half of it. You must have some too? Sure.

Since the government, in the last budget, made these decisions, what impact has it had on your company?

Mr. Tim Sinke: We have taken the approach of assessing our workforce that was enrolled in the program and trying to hurry them through the program as much as we can.

The ministry had called for two to four years. Let's say somebody joined the program in January 2013. Obviously, that two-to-four-year window is no longer applicable for them, so we have tried to hurry them through the program as much as we can.

For people who were not going to be able to complete on time, we were discontinuing the use of the program for them.

I understand that some of the other companies have been trying to just flood people into the program with the intention of trying to continue to scoop as many training tax credits as they can until March 2014, when the ATTC is suspended. We have not taken that approach. We have tried to focus on people who can graduate in the time frame.

Mr. Michael Prue: Okay. Well, that's commendable, because I did understand that some of the other companies were flooding.

Mr. Tim Sinke: I have as well.

Mr. Michael Prue: Okay. Your presentation is almost identical, and the requests are identical, word for word, to one that was made today by Erik Hamalainen, of ApprenticeLMS Ltd. Is this an industry-wide push? You're all asking for the same things?

Mr. Tim Sinke: We have worked with Erik for a number of years. Erik is a training provider, so, obviously, this affects him and his line of business as well. We buy our training from Erik. This is something that we talked about with Erik and with others as well. I can't say it's an industry-wide push. I only have a relationship with Erik, so I'm not sure how many other people or organizations may be in touch with Erik as well. I'm not sure.

Mr. Michael Prue: All right. So this is Erik's position and you've bought into it, and you're using the same words and have the same request, for basically the same reasons?

Mr. Tim Sinke: Yes.

Mr. Michael Prue: Okay. I think those are my two questions.

Ms. Catherine Fife: Thank you very much for being here. This morning, when Erik was presenting, there was a question from the government side questioning the value of a two-year training tax credit and questioning whether or not there was true value for the taxpayers of the province of Ontario for that two-year—

Mr. Steven Del Duca: There was no question about that. I didn't ask that.

Ms. Catherine Fife: You mentioned two years.

There's a turnover—a turnover was addressed. Can you talk a little bit about the value?

Also, the second point is that there was a point made this morning that if this training tax credit remains permanent going forward, we will see an exodus of jobs to other jurisdictions which are more, I guess, positive towards the apprenticeship training credits.

Mr. Tim Sinke: I'm a little unclear on the first question, but I think in general—what is the value of a two-year program? Is that generally the first question?

Ms. Catherine Fife: Yes.

Mr. Tim Sinke: This is a combination of coursework and hours on the job. In order to earn the hours needed to get the professional experience, for most of our people, that would be a minimum of two years. It might be a little bit longer depending on the number of hours that we work in a typical week. We find that for our people, it is difficult because they do this learning on their own time. It is difficult to mandate that they go through all of the coursework within a shorter period. We generally find that about two years, sometimes a little more, is the time that it takes for both the coursework and the practical hours. They kind of go at the same pace.

So for us, they start learning on day one. We put those skills to use on day one, but obviously over time it increases in value for us.

The second question, if you could?

Ms. Catherine Fife: Jobs going elsewhere, to other jurisdictions.

Mr. Tim Sinke: Okay. We are in the research business. We find competition from all over North America. There's Canadian competition and there's obviously American competition. Following the recession, we saw quite a number of states in the US really pushing on relocation, so aiding organizations to relocate their office with office credits and build-out credits and so on, but then also wage rebates and training credits south of the border. We have an operation in the US as well. We have not relocated any jobs because we felt this was the better take. Our staff are able to do a better job than the equivalent of somebody in the states that doesn't have this kind of training. So they're putting a big effort to lure jobs there. I find that a better-quality workforce has more benefit and commands a higher wage as well. Our business has grown in the last few years, not shrunk.

Ms. Catherine Fife: Thank you very much.

The Acting Chair (Mr. Bob Delaney): Thank you very much for your time.

For the benefit of committee members, the next scheduled deputation, the Ontario Council of Hospital

Unions, has withdrawn and, I'm advised, will present in North Bay.

The next scheduled deputant, entitled Racing Under Saddle Ontario, I don't believe is here. So with that, this committee will now take a five-minute recess. I'm asking members not to go too far away because if the deputant shows up then we're just going to begin. The committee is in recess.

The committee recessed from 1328 to 1334.

RACING UNDER SADDLE ONTARIO

The Chair (Mr. Kevin Daniel Flynn): Okay, we can call back to order. Our next delegation has arrived. Sarah and Julie, if you'd like to come forward. Have a seat at the end of the table there. Make yourselves comfortable. Every delegation is getting 15 minutes; you use that any way you see fit. If you leave some time at the end, the questions this time around will come from the government.

Ms. Sarah Town: Okay. Perfect. Julie is just going to hand out a copy of our presentation.

The Chair (Mr. Kevin Daniel Flynn): Yes, we'll get the Clerk to do that.

Ms. Sarah Town: My name is Sarah Town and I'm the vice-president of Racing Under Saddle, or RUS, Ontario. This is the president, Julie Walker, of Racing Under Saddle.

We thank you today for the opportunity to appear before all of you. We are here today to offer you a snapshot of today's horse racing environment and to discuss what is necessary to maintain stability and public confidence in our industry in the coming years.

In Ontario alone, the multiplier effect of the horse racing industry is approximately $2.6 billion per year in estimated revenues. Horse racing is considered the number three agricultural sector in all of Canada, based on revenue.

Horse racing is very labour-intensive. It is housed in rural areas where there are limited employment opportunities and where there are no large factories. Basically, where the racetrack is is the only source of employment. People who race and compete with their horses generate a lot of opportunity to spill out past the people who work with the horses. For example, there is the person who supplies the feed; there is the blacksmith; there is the tack person, and there is the person who sells the trucks and services the trailers. It starts at the top with the horse people but it branches out well past that into the economy of the general rural areas.

It is approximately three to four years before an investment made in a yearling turns into an actual, viable racehorse. Ideally, we need to know that four years from now we are going to have the ability to race our horses. Our concern is that what was meant to be a well-intentioned move to maximize revenue opportunities for our government has the potential instead to rapidly become an economic and social catastrophe.

Going ahead with the abrupt change, implemented without enough analysis of the impact that it will have and without any alternative measures having been put in place to offset this damage, risks ruining the lives of tens of thousands of ordinary, hard-working people, wiping out an industry that directly contributes more than $2.6 billion to Ontario's annual income and also three times as much when you add the indirect and induced multipliers, and squandering rather than enhancing revenue potential for your government.

These days, horse racing and breeding is much more an industry of ordinary folks. It employs 55,000 people, 31,000 of whom are full-time, and very few are rich. Many live outside Toronto in rural areas, running small farms, breeding and boarding horses, or in nearby towns, providing veterinary, training, feed and transportation services. In Toronto itself, people work at the racetrack grooming and walking horses and keeping the horses healthy and fed.

Horse breeding and racing, in other words, is a far bigger industry than the officials who developed this recent policy change appear to understand. It spends more than $1 billion annually producing, training and maintaining horses alone, nearly all of it in Ontario. Almost 40% of that is spent on training, which is the largest single cost, with much of the overall expenditure made in rural communities. Horse breeding alone pays out over $60 million annually in wages, again mostly in rural Ontario.

What can racing under saddle, or monte racing, offer the Ontario gambling market? RUS provides a second career to a large number of standardbred trotters. It also provides an alternative industry for employment for thoroughbred and quarter horse jockeys. Racing under saddle is the second-largest wagering market in all of Europe. In Europe it generates just as much wagering as the live, on-track standardbred feature. Currently, many internationally recognized corporate sponsors such as McDonald's, UPS and other notable brands invest heavily in the industry to ensure its viability. It is with this model that Racing Under Saddle Ontario believes that we have a product that can generate corporate partners, offer Ontarians something new and will create an excitement in a market desperate for rejuvenation.

We feel that having a world-class racing circuit featured at Woodbine, Mohawk, Grand River, Hanover, Ajax Downs, Western Fair and Rideau would better represent the fan base in the greater Toronto area. The existing racetracks that have been proposed by the panel are centred on the standardbred horse population and not on the geography of the customer. Customers living east of Yonge Street would not attend live racing at the proposed venues due to the logistical challenges of reaching each venue. From a business perspective, it is paramount that some form of standardbred racing continue at Woodbine Racetrack. Simple improvements to the racing venue and an aggressive marketing campaign targeted at downtown Toronto would generate a new fan base and much-needed wagering revenues. Off-track betting parlours just don't offer the same experience to a new customer as going to a track and feeling the thunder that hooves provides.

1340

Ajax Downs is part of our proposal as a standardbred venue. We feel that the market surrounding the racetrack would be conducive to a new standardbred racing product and that a one-time investment in upgrading the racetrack would allow for a successful venture. By diversifying the racing circuit to include tracks that have never hosted the standardbred product, we can ensure that we keep the focus on the customer and not on the horse population. Ajax Downs would also service a whole eastern Ontario market that isn't currently reflected in the panel's proposal. The current racetrack alliance outlined by the panel will not prove to be sustainable for the live standardbred market.

We don't claim to have all the answers, and there is literally no limit to the initiatives that can be undertaken. But we would like to share with you here a few initial suggestions.

Work with current corporate sponsors to host an international racing under saddle series that would see teams from France, Norway, Denmark, Australia, Sweden, the United States and Canada compete for international glory.

Incorporate Racing Under Saddle Ontario to be a strategic partner in the Pan Am Games in 2015 by bringing a truly unique equine experience to potential customers in downtown Toronto.

Reduce the bureaucratic process to allow for wagering on racing under saddle products. Develop a lottery process that would complement the racing under saddle product and the live on-track product.

Direct the OLG to provide horse racing under saddle betting at all of its 11,800 distribution outlets to provide a new revenue stream for both government and industry.

Work with the Ministry of Tourism, Culture and Sport to develop and recommend a plan for maximizing racing under saddle and tourism benefits of all horse-related facilities and assets in Ontario. Offer a reciprocal travel arrangement with our European partners to offer world-class racing to non-industry based participants.

Work with the Ministry of Health and Long-Term Care to explore ways to maximize health, social and economic benefits that can be derived from therapeutic human interaction with horses; for example, with regard to autism, cerebral palsy and dementia.

What is important is to approach the new racing industry in Ontario with excitement and optimism, which racing under saddle embraces every day. For these reasons, we are urging you to urgently consider that there are alternatives that can enable our government to achieve its fiscal objectives much more effectively. These concepts we have presented are consistent with our government's stated commitment to maintaining and improving the quality of life for all Ontarians and particularly the most vulnerable.

Mr. Chair, I hope that the work we've done on this vital issue can demonstrate that we at RUS Ontario do not believe that the burden of our economy can continue the way that it is. We truly believe that Ontario is and can be a magnet for the world. Thank you, Mr. Chair.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much for your presentation. Very good. You've left almost seven minutes. The questioning this time comes from the government.

Mr. Steven Del Duca: I'll start. I have one quick question. I'm not sure if either of my colleagues will have any other follow-up questions. I wanted to thank you for being here with us this afternoon and for your presentation. You may be aware that recently the government of Ontario announced some transitional support or funding for the industry. I'm just wondering what your thoughts are with respect to the report that the committee brought forward and also the transitional support or funding that the government is proceeding with.

Ms. Sarah Town: I think a lot of what it says and the five-year projection that it's given—racing under saddle offers the new product that we're hoping will attract more customers, new customers into racing. I think it's a good way to cultivate more interest in racing outside of the horse community and into the more general public.

Mr. Steven Del Duca: Okay. That's it for me. I'm not sure if Donna—

The Chair (Mr. Kevin Daniel Flynn): I'm just wondering, just for the Chair and the rest of the committee, perhaps, too—I could be the only one. I don't know what racing under saddle is.

Mrs. Donna H. Cansfield: No, I don't. That's my question.

Ms. Sarah Town: Julie's actually a standardbred trainer, so I'll direct it at her a little bit. I know the answer, but—

Ms. Julie Walker: There were actually some pictures sent. I don't know; I guess everybody didn't get it. There was a briefing and information note, and a few pictures were sent because we were hoping that we wouldn't have to explain it.

Anyways, it's standardbred racing, except standardbreds aren't normally ridden; they're usually driven in a sulky. What this is is a hybrid between thoroughbred racing and standardbred racing. What we're hoping to do is combine the two and really come out of the standardbred world and really make it a big—

Ms. Sarah Town: Horse racing world.

Ms. Julie Walker: Yes, a horse racing world. We've got our thoroughbred world, our quarter horse world and our standardbred world. We're kind of a hybrid between the two. We're riding standardbreds.

The Chair (Mr. Kevin Daniel Flynn): Okay. I'm sorry, Donna, I didn't mean to steal your question.

Mrs. Donna H. Cansfield: No, no, that's fine, because I couldn't get that either. A second part of it is, it says here racing under saddle is the second-largest wagering market in all of Europe. Is that what you're working here to do, to produce a wagering market?

Ms. Sarah Town: We're working towards that, yes.

Ms. Julie Walker: That's how the horsemen benefit from racing, through wagering, and also the government. That's where the government and the horse people benefit, through the wagering.

Mrs. Donna H. Cansfield: Then that's the transition that the industry is going through. Have you been a part the discussions with the three individuals—the government set aside a certain amount of money towards the industry as a whole. Have you been part of that discussion?

Ms. Julie Walker: Yes. What we need to do right now is become an actual part of standardbred racing, which we're in the process of with the Ontario Racing Commission. Right now, you've got your thoroughbreds. With Standardbred Canada, it's split into sections, and we need to become a part of the standardbred section. You need your rules and your regulations, and that's what we're in the middle of right now. That's where we're hoping the funding will help us, because when you go to the ORC, they're limited; their budget is limited, and they need new programs and everything in order for the bettors to have the information that they need in order for us to race.

Mrs. Donna H. Cansfield: I don't mean this to be an unkind question, but what makes this whole proposal so different from existing racing programs?

Ms. Sarah Town: We're been able to cross over, like Julie was saying, all three types of those. We had eight races last year, all of them being exhibition because we aren't at the point where we can be wagered on yet.

We invited Emma-Jayne Wilson, a top jockey from Woodbine on the thoroughbred circuit, and she rode for us.

A lot of the fans that standardbreds currently have—we also introduced thoroughbred race fans to Mohawk, which they would have really no other reason to come, unless they were already betting. So by crossing over the two—and then you've got exercise riders on top of that who can cross into this because we don't have the same weight regulations. So it's allowing a way for all the different types of racing to actually cross over and work together, which is what needs to happen, instead of these individual sectors.

Ms. Julie Walker: And also becoming international is a big thing. It's so—

Mrs. Donna H. Cansfield: Okay. It's the international part.

Ms. Julie Walker: It would be very different for thoroughbred and for standardbred racing to become very international.

Mrs. Donna H. Cansfield: But it's very expensive to bring horses over here from France and Norway and wherever. That's a very expensive proposition, to bring those horses over. I just look at what the cost is through the Queen's Plate.

Ms. Julie Walker: Yes. We've sent emails and messages, and what we're hoping for is a sponsor from Air Canada, to have an Air Canada international race and have them sponsor it. Every year, they have an international drivers' race with standardbreds, and there's a man in Europe who puts all these races together. They don't invite horses over, but the drivers go over. That's kind of what we're hoping, that we can travel as riders—and hopefully horses, when they get the chance—to travel all over and make it international.

Mrs. Donna H. Cansfield: So, essentially what you're asking for is at the very preliminary stage, isn't it? I mean, in terms of discussion.

Ms. Julie Walker: Yes. We're hoping for funding to get us started. In order to get wagering, in order to get rules and regulations, it all costs money that the ORC is limited to.

Mrs. Donna H. Cansfield: What kind of money?

Ms. Sarah Town: We were proposing $15,000.

Mrs. Donna H. Cansfield: So $17,000?

Ms. Sarah Town: It's $15,000.

Mrs. Donna H. Cansfield: So $15,000.

Ms. Sarah Town: We're in discussions with the ORC and Standardbred Canada. One of the things that they're running into—well, there are a couple of things. To incorporate us into their IT program so that we can have charted lines: We already have charted lines on the horses, but if we start into wagering stuff, they're going to have to incorporate us into their program. Last year, any of the marketing costs or promotional was literally out of the two of our pockets.

Mrs. Donna H. Cansfield: Have you been well-received by the—I don't want to call them the three amigos, but that was taken by the Conservatives a while ago—by the three folks? Are they interested? Do you feel welcomed when you talk to them about—

Ms. Julie Walker: In our business? Like within the ORC and that?

Mrs. Donna H. Cansfield: No, no, no. Snobelen and whoever they are, the—

Mr. Steven Del Duca: Buchanan and Wilkinson.

Mrs. Donna H. Cansfield: Have you talked to them?

Ms. Sarah Town: Yes, we have sent emails and spoke with them. We haven't had a meeting with them yet, so I can't say a face to face—

Interruption.

Mrs. Donna H. Cansfield: I apologize. I think I took some of your time.

I think you should have a conversation with them. You're not talking a significant amount of money here, and they do have transition dollars.

Ms. Julie Walker: We've sent away all our fundings to the government. We talked to Gwen—I'm not sure; what's Gwen's last name?

Ms. Sarah Town: McBride.

1350

The Chair (Mr. Kevin Daniel Flynn): Well, Sarah and Julie, thank you very much for coming today. Great presentation.

Ms. Julie Walker: Thank you.

Ms. Sarah Town: Thanks for having us.

The Chair (Mr. Kevin Daniel Flynn): Are we going to see you again in Peterborough? I noticed you were on the upcoming agenda.

Ms. Sarah Town: You may.

The Chair (Mr. Kevin Daniel Flynn): We may?

Ms. Sarah Town: You probably will see us. We're all over the place for the next little while.

The Chair (Mr. Kevin Daniel Flynn): This time I'll know what racing under saddle is. Thank you.

Ms. Julie Walker: Thank you.

REGIONAL MUNICIPALITY OF HALTON

The Chair (Mr. Kevin Daniel Flynn): The next presenter is no stranger to any of us: Former Speaker Gary Carr, former MPP Gary Carr, former MP Gary Carr and now Regional Chair Gary Carr.

Mr. Bob Delaney: And goaltender.

Laughter.

Mr. Gary Carr: And former goaltender for the Legiskaters.

Well, thank you very much. It's so great to see everybody again. I just want to very briefly thank you for coming out. It's great to have you out here in Oakville. I want to thank both Kevin and Ted, of course, who are our members. I've really enjoyed working with them.

Going around the table, and I say this in all seriousness, we have all three parties—Michael is here, as well—but you've all been very good. Over the course of years, you've all been in government; you've all been in opposition. I must say that the ministers we've dealt with, the present one and the opposition leaders—it's a real pleasure to come in today.

With that, thank you very much. It's great to see you. I'm going to start by talking about the Legiskaters' breakout program and what we're going to do when we do the forecheck—I'm just kidding.

Laughter.

Mr. Gary Carr: The goaltender looked at me.

Today what I'm going to do is go through and fairly quickly just give you a bit of an update. There are a couple of slides towards the end that I would like to bring to your attention. I did put a presentation together; I'm not going to spend a whole lot of time, because a lot of you are from this area, but I did want to hit on a couple of things.

First of all, as you probably know, we at the region are a two-tier government. Today I'm going to talk about some of the things that we're requesting. The real important slides will be towards the end. If you see on there, there's a little bit of a background on Halton region, a little bit of our details. We have one of the—in fact, it is the highest average income in the country, at about $129,800. It talks a little bit about our employment, our businesses and so on. That's just for your information.

For those of you who don't know, I did want to put in what the services are, for some people like Michael who come from Toronto, which is now one-tier. If you follow it, in the morning, getting up, when you recycle—that's done at the region. The water service is water/waste water. Driving to work, we have regional roads and we also have local roads. Where you go for lunch, we do public health inspections. We do business development. In the afternoon, we have children's programs and children's services. Then, at night, we do operate three seniors' facilities.

This is a little bit of background on our citizens' priorities and what we're doing. As we sit here today, we have a AAA credit rating here at the region of Halton. The reason I say that is that it's one of the things I'm going to talk about in the end slides; we'd like to keep it that way, and it's no secret that Great Britain, the United States and the province of Ontario don't. The federal government has been in and out of AAA credit ratings, and so on. Everything is driven by trying to keep our AAA credit rating, because I don't need to tell anybody around the table how important that is.

We've been fortunate in being able to freeze taxes. Essentially, we've actually had four years of reduction since 2006, and I'll explain a little bit about how we do that as we move forward.

We want to talk about these issues, which are being able to talk about fairness, providing for growth, a little bit about the highways, and, as we move forward, some of the presentations will talk a little bit in more detail about where some of the real pressure points are. As you'll see in a minute, I'm going to show you where it really comes into play, because you are one of the largest funders for regional governments right across this province.

This one I've put in, and you may have seen this. Different numbers have been used, but the real key there is to see that this is the breakdown of the total taxes that are paid by the average family. The federal government takes 55%, the provincial government—and most of you will know this—gets 34%. We get 11% in municipalities, and that's split about 50-50 between our locals; so, here in Oakville, Oakville will get half of that 11% and half would be the region's.

Next, and this is the real key that I wanted to point out to you: Places to Grow, which is mandated by you in provincial government. Certainly, Places to Grow—I think I even remember back, that that started with Chris Hodgson, and we called it something different back then. But the real theme about all of the growth plans, I think, is something that is noncontroversial among all three parties. We know we have to plan for growth.

So our numbers have been set. We're a little over 500,000 now, but we're expected to go to 780,000, and we're the fastest-growing region, percentage-wise, not only in Ontario but in all of Canada, along with our good friends, of course, in York region—Milton being the fastest percentage, and I'm going to talk a little bit about where that plays into things like schools and hospitals and the whole paying for growth. So that's my real interest here today.

I won't spend a whole lot of time on it, but that is the capital budget for the region to the right there, and then a little bit about some of our projects. You can see the numbers. If you look, prior to—I guess when the who-does-what services came in, the region was spending in total maybe about $50 million. This year alone, one of the roads, Tremaine, is $93 million, and the one bridge across Neyagawa was $60 million. So one bridge cost what the region used to do historically for every road and every resurfacing. I wanted to give you some of the magnitude of what that means as we move forward.

The other quick one is Metrolinx. For those of you who don't know, regional chairs sat on that, and it worked reasonably well, the first Big Move. I was part of that, along with my good friend Bill Fisch and the politicians. Hazel McCallion was on there, and Mayor Miller. They changed that and took the politicians off there. But Metrolinx is extremely important to us. I don't need to tell you, because of the getting around—the number one issue to us in Halton region is being able to get around. So I wanted to highlight that. I wanted to thank you for some of the projects: the BRT project that we have, our half-hour GO service along Lakeshore West. Thank you for that.

We do have some pressure points, though: the Milton all-day GO service. We had that when I was on the board, and that has changed, so we wanted to highlight that for you and really point out the importance of Metrolinx. I think I don't need to tell anybody around the table here—most of you are from the GTA—that it's very, very important to everybody in our community.

This is the one I really wanted to show you, because it does highlight what has happened. I won't get into the details, but as you know, some of the changes and the who does what and so on and change—some of the funding responsibilities have changed as a result of the regional context. The reason they have changed is because of this: We all understand that the province has financial concerns, but what happened is because of the concern over the debt and the deficit, all of the growth has been capped at the rate of inflation to all of the ministries. That needed to happen; we understand that. But when you're growing beyond the rate of inflation, you don't need to have a PhD in math to know that what happens is—and I'll take paramedic services. Originally, it was supposed to be 50-50. That now is 45, so we have to pick up the shortfall. So when I meet with our good friend Deb Matthews, the Minister of Health, what we say to her is—we can't say, "Well, we're not going to have EMS services," because, quite frankly, they're, as we all know, life-saving services. We have to pick up to be able to provide the services in those areas, and so we are actually helping fund it. There are some services where you may be able to say, "Okay, we're not going to fund those ones." Particularly when it comes to EMS, I think we all know that we can't. So in order to provide those services, we actually have to spend some extra money.

The bottom line in all that is the amount of money that that adds up to is approximately $7 million a year, and I'll call it on our operating side, where we don't get funding. It's primarily the paramedic services, the EMS, and a little bit in the public health services, because as you know, the region does that.

Then, on the capital side, by not collecting through DCs—we have about $8 million that we don't collect, because we've had to pick up things that normally would be in there through the DCs, and you know you're taking a look at the DCs.

So to put that in perspective, it's about $15 million, and the $7 million on the operating side—about $2 million works out to be a 1% increase in our property tax rates here at the region. So, essentially, what you're looking at is with that $7 million—it's actually a little over $7 million. You're looking at about a 3% to 4% increase by losing this funding, and that's not far off. I've heard Susan Fennell talk about the 3% to 4% in the Brampton area as well. So I wanted to highlight that for you.

1400

Where I'm going with all of this as we move forward is, with your financial circumstances, all we're saying is based on Places to Grow, we will continue to meet that mandate that you've forced on us. But if you don't provide the funding, then we respectfully reserve the right not to continue to grow based on what the sharing is.

I'm also going to show you a little bit of the affordable housing, because that's an important component that we do. I don't know what you're doing in most of your communities. Toronto, I don't think, has built any. Toronto has a real problem that, when they got their stock, a lot of it was outdated and not in very good shape. Halton's was in pretty good shape when housing was given to us, but we've been able to actually build 894. When I came in as chair in 2006, we put together a task force. With your help at the province and the federal government, we've been able to do that.

But, as you know, the critical thing is now the federal government hasn't said they're going to do it. We've met with the minister. There's no commitment on it. We will continue to be able to provide affordable housing, but we need your help and the federal government's support. If the feds don't jump in past 2015, then we're in your hands to what you want to do, because, as you know, it's a third, a third and a third.

Our message here—and it's an important one. Unfortunately, I can't see it, but provincial subsidies are 21% of our revenue. The federal government is only 2% of subsidies, and it's no secret: We are the creatures of the province. We have more. You do health care. You do education. That federal 2% is primarily in the housing and a little bit of infrastructure.

The reason I wanted to show you that, that is regional services, at the local level they don't have that as much. So we are really relying on your subsidies as a regional government more than the local municipalities would be. That's why we need your help. If any changes are coming to your funding—good, bad or indifferent—we need to have a little bit of time to be able to adapt to that. That's really all we're asking.

Having been at the provincial level, it's up to you. I think everybody knows things need to be done. I can be political. Different parties have different levels of how they want to do it. Regardless of that, just let us know in enough time so we can prepare. If it's going to be a dramatic reduction, that's great. We can prepare for it. If it's a more gradual one, that's good too. We will adapt. But please just let us know.

Oops. That's the button I wasn't supposed to hit, Jon.

Anyway, in wrapping up—that's the last one, actually. So to open it up to questions—there isn't a whole lot of time today: gary.carr@halton.ca if anybody has any follow-up questions.

Obviously, again, thank you very much for your help and support. I say this in all seriousness: I really, really appreciate it. I've got a lot of friends around this table, and it's great working with all of you. I really enjoy it. With that, I'll open it up to questions. Thanks, Mr. Chair.

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

The questions, this time, come from the Conservative end of things: Ted Arnott.

Mr. Ted Arnott: Thank you very much, Mr. Chair, and thank you very much, Mr. Chair, for your presentation this afternoon. I certainly would like to reply to you that it is a pleasure to work with you and the other members of regional council. I think regional council does an outstanding job and, under your leadership, there's been incredible progress in recent years. I certainly wish you luck in the year ahead.

I think you're a bit too modest, because you could have dwelled more so on the fact that this is the eighth consecutive year of an average 0% tax increase for regional programs and services while maintaining the AAA credit rating. It's an incredible achievement, really. It's only over a period of sustained, I think, fiscal discipline and continued efforts to ensure efficiency in government services that any municipality can achieve. Would you care to comment on how that's been achieved and, over time, how it will be achieved going forward?

Mr. Gary Carr: First of all, I should disclose my friendship with Ted. For those of you who don't know, when we came in in 1990, we came in together. A and C—he was my seatmate, so everything I learned about politics, I learned from this fine gentleman. We kiddingly say Mike Harris put us together, but I think it was just alphabetical. So thank you very much, Ted.

But in all seriousness, the way we've been able to do it—I've talked about the growth. We have been able to capture the full cost of growth where other municipalities haven't. How we've done that is, and without getting too technical—what happens in most cases, the developers ask municipalities to front-end it. We don't; we ask the developers to front-end it. Over the course of the next few years, it's $3.5 billion.

One of the developers said to me—actually it was at one of the fundraisers for the political parties—"I was going to invest $200 million in the US and I can't because I have to front-end all of this growth up here in the region." What I said to him was that, "My responsibility isn't helping you to grow in the US, as good as that is." It's great market strategy to do that when the market is low, but we have to protect our taxpayers, and the way we've done that is getting them to front-end it. You can imagine, with $3.5 billion, if we had to front-end that, our AAA credit rating would be in jeopardy.

Having said that, without getting too long-winded in the answer, the way that you do that is by being able to provide—

Interruption.

Mr. Gary Carr: That's my call time, is it? I'll wrap up very quickly.

The way we do that is to be able to have them front-end-load it. What we can do then is increase our budget, which we've done on the roads, for example, from about $60 million up to $298 million, but they pay for it.

In closing, let me say this. Most people say, "If you increase development charges, the price of homes will go up." I can tell you right now, as the fastest-growing region, we have the highest development charges. Just today I was talking to the developers. There's an opening of a new subdivision. They literally are busing people in because they're selling out within hours. We don't pay for any of that—all of the front-ending on all of the costs. So the old theory by the developers that if you do that, nobody will be able to afford it, isn't true. We've been able to keep our AAA credit rating and we're still the fastest. So we look forward to continuing to do that over the next little while.

The Chair (Mr. Kevin Daniel Flynn): Thank you for joining us today, Gary. It's appreciated. Good presentation.

Mr. Gary Carr: My pleasure.

Sorry, Mr. Chair, I can't get this off.

Mr. Michael Prue: They do it from there.

Mr. Gary Carr: They do? Okay. That's so Katch can cut me off if he has to.

The Chair (Mr. Kevin Daniel Flynn): You're used to the region.

Mr. Gary Carr: I had that when I was Speaker. I got to cut everybody else off. Thanks, ladies and gentlemen. Great to see you.

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

MS. KATHRYN BATEMAN OLMSTEAD

The Chair (Mr. Kevin Daniel Flynn): Our next presenter this morning is from the Halton school board: Kathryn Bateman Olmstead. Kathryn, if you'd like to come forward? Make yourself comfortable. Do you have a handout for us?

Ms. Kathryn Bateman Olmstead: I do, but I'm really confused because I was very clear that I was here as an individual, an independent person.

The Chair (Mr. Kevin Daniel Flynn): Oh, okay.

Ms. Kathryn Bateman Olmstead: Is that what it says there?

The Chair (Mr. Kevin Daniel Flynn): Okay, that's fine, then.

Ms. Kathryn Bateman Olmstead: It says, "Individual"?

The Chair (Mr. Kevin Daniel Flynn): It just says your name. I just knew you were a trustee so I was trying to—

Ms. Kathryn Bateman Olmstead: I need to be clear on that, thanks.

Mr. Victor Fedeli: So she's here as an individual? Is that what I heard?

The Chair (Mr. Kevin Daniel Flynn): Yes, she is an individual.

Ms. Catherine Fife: As is her right.

Ms. Kathryn Bateman Olmstead: Absolutely.

I would like to thank everybody for this opportunity.

"I am a 56-year-old. I have struggled and worked all my life. I had a small stroke, lost my job, stopped eating, drank too much alcohol and lost my short-term memory. I've been in hospital since August 9. I've been medically healthy since about the 25th. I have no place to go and no place to call home. I have Korsakoff syndrome; it's more like amnesia.

"I rely on old memories to keep me going. My morals, values and pride are intact. I have all of the same emotions that each and every one of you do. I can still contribute to my living environment. I can take care of my personal hygiene. I can cook, clean, serve, care for others, read, write, add, subtract, shop, walk, complete crosswords and Sudoku, talk and engage you in a decent conversation.

"I'm on the wait-list for a long-term-care facility.

"I do not belong in a long-term-care facility, where I am prohibited from making tea and toast, showering independently, earning an income or helping others. I do not belong in a facility that is geared to medically and behaviourally fragile people over the age"—

Interjections.

The Chair (Mr. Kevin Daniel Flynn): Guys? Guys! Ted! Gary!

Mr. Michael Prue: We can't hear.

Ms. Kathryn Bateman Olmstead: Thank you. I appreciate that.

The Chair (Mr. Kevin Daniel Flynn): That's okay. You pick up anywhere you want to.

Ms. Kathryn Bateman Olmstead: "I'm on the wait-list for a long-term-care facility.

"I do not belong in a long-term-care facility, where I am prohibited from making tea and toast, showering independently, earning an income or helping others. I do not belong in a facility that is geared to medically and behaviourally fragile people over the age of 75, unless, of course, it is also my place of employment.

1410

"I am only one of thousands in Ontario. My story is becoming more common each and every day. I am young, I have issues and I need alternative living arrangements. Please don't write me off. Work with me and I will contribute until I can no longer. I want to earn my keep. Please help me to do so."

In truth, as you know, my name is Kathryn Bateman Olmstead. I understand the complexities and the competing interests. I am a mother, daughter, wife, sister and the sister in-law of the woman I just spoke about. I am only two years younger than Lynda, and what we have experienced with the health and long-term-care system is unbelievable and not unlike many other government services.

Lynda is what we know as a bed blocker. It is not her fault, and at this time there is nothing our very small family can do to help her except to visit, stimulate her brain and advocate for her. Lynda requires 24-hour support only because she forgets. She forgets to eat, she forgets where she is and she may forget what she is doing. She will get lost and cannot easily remember or learn new information. Lynda's memory is improving despite her prognosis. Lynda is on alternate care in the hospital, which means she receives nothing other than food and some encouragement to shower every few days. She really receives nothing. It's been five months now. Just imagine—nothing.

Initially, we attended a discharge planning meeting with hospital staff where we were told that we must accept the first available long-term-care bed known as an idle or empty bed. I diligently did what I was told and visited homes with empty beds and short wait-lists. I encourage each and every one of you to do the same. There are empty beds for good reason. These old facilities still have four beds per room separated by dirty, torn curtains; some broken windowpanes; stained, smelly old furniture; narrow hallways; minimal natural light; and crowded living spaces without a room to sit and visit with a friend. Imagine calling this home.

Thankfully, I did my research and learned that the hospital policy contradicts the CCAC policy, which meant that the initial discharge meeting with four hospital staff, where we were given inaccurate information, was unnecessary and misleading. We then met with CCAC and hospital staff. Then we met with four CCAC staff and four hospital staff, and then I met with the manager of the hospital unit, and I met with the social worker and I met and I met, and I continue to meet. This, all at the expense of the taxpayer.

I have jumped every hoop, over and over again. Lynda is still in the hospital, unable to access the daily activities provided to other patients because she resides on the wrong floor. Lynda is unable to access the on-site gym equipment because it is only for outpatients. Lynda is unable to access volunteers in the hospital because she doesn't qualify. Lynda is unable to go to a day program for mental stimulation because it is for residents living in the community. Lynda does not qualify for any of the brain injury programs because she cannot retain the information quickly enough. Lynda does nothing every single day. Lynda is not appropriate for the group home because they fear she will get lost, and yet nothing is being done to ensure that Lynda's condition improves.

The wait-list for long-term care is between one and three years. Though this is a completely inappropriate and costly solution for Lynda, it is our only option at this time. I know we should be thankful.

My brother works long days and some weekends. I work for a stipend. My retired 76-year-old mother resides in Whitby. We have exhausted every avenue to find affordable, supportive living arrangements for Lynda or for Lynda and my brother. There is nothing. Now we wait. We will continue to support Lynda and hope that our circumstances change so that we may become her primary caregivers. We are average people. We are all Lynda has, and we know that there are alternatives.

I applaud the work the government is doing to improve the system. I applaud the client-focused philosophy and the Home First program, but we must do it differently, we must do more and we must do it quickly.

In the meantime, I concern myself with the education of my children. I have jumped those hoops, too. I have attended the meetings and experienced the wait-lists for psychoeducational testing and for child and adolescent mental health support. I have paid for tutors, volunteered in the playgrounds and classrooms, and supervised primary students during lunch so that they would not be required to eat alone. I have intervened in the bullying and inappropriate interactions between students on the school ground and listened endlessly to the stories of unhappy students and parents.

Ontario does provide a decent education for most students, but, just like in health care, there are gaps in service. I know this government continues to invest in and improve education, but again, we must do it differently, we must do more and we must do it quickly.

Like the government of today, I believe in public health and education. I believe in prevention, early intervention and I believe in safe, supportive living and school environments. I believe in the power of a caring doctor, teacher or practitioner, and I know that the specialization of a teacher in the classroom or a doctor in the operating room can make the difference between a productive existence, life and death.

And so goes the circle of life in the western world. We are born into and leave out of the health care system. We graduate into and out of the education system and somewhere in between, we work to support ourselves and our systems.

Today, I want to thank you for this opportunity and for the difficult work you do. I ask that health and education remain top priorities for the government of Ontario and I respectfully ask that the politicians of the day work to:

—eradicate the duplication and redundancies in the education, health and long-term-care systems;

—create one school system;

—streamline health care services;

—eliminate the bureaucratic, systemic and financial barriers to excellent education and excellent health care;

—resource alternative, less restrictive and supportive living environments so couples, families and others may live together in safe, intentional communities;

—resource healthy, safe and accepting schools by investing in the supervision and guidance of elementary students during unstructured times;

—invest in emergency and mental health first aid and CPR strategies beginning in kindergarten and with members of the public sector; and

—integrate business and education.

Finally I ask: If not you, then who? If not now, then when?

I am happy to take questions, and I thank you once again.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Kathryn—a very good presentation.

The questions this time come from the NDP. Catherine or Michael?

Ms. Catherine Fife: Nice to see you, Kathryn, and thanks very much for coming in. It's a very powerful presentation that you gave us today. I think Lynda is incredibly lucky to have an advocate like you.

You move into the education system later in your presentation, but the frustration that you are currently undergoing with regard to finding an appropriate intentional supportive housing option right now—is the best-case scenario waiting for long-term care? Is there no alternative out there at all?

Ms. Kathryn Bateman Olmstead: Nothing. I have spent hours, days, weeks.

Ms. Catherine Fife: And so all of these people who are employed through our LHINs and our CCACs—none of these people have been able to help you either find not just housing perhaps in Halton, but perhaps someplace else?

Ms. Kathryn Bateman Olmstead: They suggested that we could try Niagara Falls. We could try Whitby. None of this is real. When you are the only support for somebody who is aware, just can't remember, you can't abandon them.

My brother took the hit in the last economic downturn, so he works for minimum wage at the age of 52 because there's nothing else for him. So we are the average citizen. It doesn't make sense, as it wouldn't for us to move one of our children requiring support hours away from their support network. It just doesn't make sense. So we wait.

Ms. Catherine Fife: Thank you. Actually, your presentation has given a little bit more weight to some of those that we heard this morning around people who are living on the margins of society. I just wanted to thank you very much for coming in.

Do you have any questions?

Mr. Michael Prue: Yes. How much time do I have?

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

Mr. Michael Prue: Okay. You've made a very compelling case here, and I have often thought that the long-term-care facilities are geared primarily to those over 75 and those with dementia and other things. I had an aunt—she has since deceased—who had a series of strokes. Although she had her wits about her to the end, she resented enormously living in a long-term-care facility where nobody had any wits about them, but there was nowhere else for her to go.

1420

I question: Have you inquired as to why there's nowhere else for people to go? I get this at least a couple of times a year in my constituency office—stories like your sister's. There's nowhere else to go except a long-term-care facility and live among people with dementia.

Ms. Kathryn Bateman Olmstead: I think we haven't caught up yet, as a matter of fact. That's what I think is happening. I hear that there are changes occurring, but we have very strict rules. That's why I wanted to explain to you why Lynda can't access any of the other services that are actually out there that could be helping her right now and also filling in her time. We have such stringent rules. You see it in education, too. I have to tell you that personally I almost lost my mind and had to take a couple of weeks away from the hospital because there's no difference between dealing with the education and the hospital and long-term-care systems. They are systems. We're not focused on the individuals. The system is continuing to work for the system, and somewhere along the way, because of our stringent rules and regulations, the actual people aren't getting what they need. You see it in education, you see it in health care and you see it in social services, where I worked for 10 years. It's a systemic issue. I believe that everybody has a place and that the good work of the front-line workers should not go unnoticed, but it is the system that permeates a constant barrier to what's really good for the individual.

Mr. Michael Prue: Is this because it's micromanaged out of Queen's Park instead of being based in the community? Is that part of the problem?

Ms. Kathryn Bateman Olmstead: I think that could be. I think that there could be more and more community answers. There are all sorts of people right now who are living in intentional communities; that's why I put it there. They're living in intentional communities. Well, I would run an intentional community, but right now, I can't afford to. I can't move out of my just newly downsized home to incorporate my brother and Lynda and eventually my mother. I believe that there all sorts of solutions outside of the box that will be less costly and create a more happy environment. Thanks.

The Chair (Mr. Kevin Daniel Flynn): Thank you for coming today, Kathryn. It was an excellent presentation, and I think it got a few people thinking here. Would you talk with Ellen on the way out? Ellen is sitting in the audience.

Ms. Kathryn Bateman Olmstead: Okay.

INTERIOR SYSTEMS CONTRACTORS ASSOCIATION OF ONTARIO

The Chair (Mr. Kevin Daniel Flynn): Our next presenter for today is Interior Systems Contractors Association: Jeff Koller. Jeff, would you like to come forward? Make yourself comfortable. You have 15 minutes like everybody else. Use that any way you see fit. If you do have any time left at the end, the questions will come from the government side this time.

Mr. Jeff Koller: Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): You're welcome.

Mr. Jeff Koller: Ladies and gentlemen of the committee, thank you very much for allowing me to present to you today. I'm here really to reinforce something that I think everybody in this room is aware of, thanks to the good work of Mr. Del Duca and the Honourable Dave Levac before him.

Let me begin just by reading what you have in front of you. It's about the need for prompt payment in the Ontario construction industry.

The construction industry is widely acknowledged as one of the primary drivers of growth in Ontario's economy. Yet all too often, construction contractors are made to wait unreasonable lengths of time to get paid while maintaining their own obligations to pay their employees, the Canada Revenue Agency, Workplace Safety Insurance Board premiums, employer health tax premiums, and health and welfare benefit plan contributions. This is unfair and it creates a serious imbalance that undermines the liquidity of employers and their ability to help drive the economic growth of this province.

Construction is unique in how employees get paid. Developers control the money through private investors and bank financing. In most cases, developers hire general contractors who often act as project managers, overseeing the project and contracting out work to the various trade contractors for structural, electrical, plumbing and interior finishing work, just as examples.

Often the trade contractors will further subcontract portions of their work to other companies or individuals, the result being a pyramid structure where those who control the money do not directly employ most of the employees who do the work. General contractors are forced to wait to get paid by developers before they, in turn, can pay their trade contractors and subtrades. Those at the bottom of the pyramid are frequently forced to wait 120 days or longer to get paid for the work they have completed.

It is worth noting that more than half the workers in this industry are employed by firms with fewer than 20 employees.

In 2012, the construction industry provided employment to 434,000 Ontario workers, which represented 6.4% of overall employment in the provincial economy. This comes from a study called The Need for Prompt Payment Legislation in the Construction Industry, which was conducted by Prism Economics and Analysis.

The same study also points out that construction accounts for 40% of all active apprentices in the province, making the industry the largest investor in apprenticeship training.

The existing inequity imperils employment and apprenticeship growth, and inhibits the ability of small and medium-sized contractors to invest in machinery and equipment as well as bid on additional work and grow their business. That means fewer jobs are created, and slower economic growth for the province.

The study goes on to cite seven main reasons such legislation is needed, from a perspective of fairness in the industry as well as its economic importance to both the province and the industry.

(1) Employment in the construction industry is lower because contractors must limit their payroll commitments to reflect the amount of payment risk that they can afford to take on.

(2) There is less investment in apprentices. The logic of the apprenticeship system is that an employer recoups its investment in the later stages of an apprenticeship. However, that requires a long-term commitment to increase payroll. Payment risk discourages long-term payroll commitments and, by doing so, discourages investment in apprenticeships. This, in turn, has a broader economic impact, because the construction industry accounts for approximately 40% of all apprenticeship.

(3) There is a greater use of independent operators. This touches on another area that I'd like to just touch on briefly, and that's the underground economy. The previous two provincial budgets have addressed the issue of the underground economy. I'll just say briefly that $36 billion is what Stats Canada has identified. Approximately one third of that comes from the construction industry. You as a province, and the federal government, lose between $1.4 billion and $2.4 billion each year in revenue leakage to people who are participating in the underground economy. A lot has been said about it in the past, but still nothing is done.

Getting back to the main part of the presentation: Greater use of independent operators—which, by the way, is the single biggest catalyst to the underground economy; as an example, individuals working as subcontractors—in place of hourly-paid employees reduces exposure to payroll risk but also eliminates deductions at source, which, in turn, significantly increases the opportunity for tax evasion and complicates the collection of WSIB contributions.

(4) There is less investment in new machinery and equipment. Faced with the risk of late or uncertain payment, contractors curtail the overhead risk that comes with leasing or purchasing new machinery and equipment. The effect is to reduce productivity growth.

(5) Construction costs are higher because contractors must factor into their bids the financing costs associated with the risk of late payment. Owner-developers in both the public and private sector must pay this risk premium even when they adhere to prompt payment norms. The opportunistic behaviour of the minority drives up costs across the board.

(6) Construction costs are also higher because bidding pools are smaller. Payment risk limits the amount of work that contractors take on. As a result, bidding pools are often reduced.

(7) Late payment practices erode the level playing field. Those that maintain honourable practices are put at a disadvantage, compared to those who "game the system."

Again, that all came from this study.

It's time to adopt the example set by the United States, the United Kingdom, Ireland, the European Union, Australia and New Zealand. In the US, the federal government and 49 states have prompt payment legislation in place for publicly funded construction projects, and 31 states have legislation in place governing private sector projects.

It is simply the right thing to do, as demonstrated by the all-party support that Bill 69, Steven Del Duca's private member's bill, received at second reading last May. All three parties identify job creation as a focus and top priority. Prompt payment in the construction industry provides an opportunity to help those who create jobs, the small and medium-sized businesses of Ontario. By supporting and enacting this important legislation, you have an opportunity to advance that goal, to help employment and apprenticeship growth in Ontario, and specifically help the hard-working Ontarians who grow our economy with their disposable income.

Mr. Del Duca's Bill 69, the Prompt Payment Act, 2013, would oblige construction developers to pay their contractors and subcontractors within a reasonable time frame after work has been completed. This is not a novel concept for anyone outside of the construction industry—just ask anyone who has ever had a utility, their cable or their telephone service cut off for non-payment—and it is not the first time an MPP tried to address this important issue. The Honourable Dave Levac also introduced a private member's bill on prompt payment: Bill 211, Protecting Contractors Through Prompt Payment Act, 2011.

1430

Money flows in the construction industry from developers to general contractors to trade and subcontractors, and so on down the line. It is the trade and subcontractors at the bottom of the pyramid who hire employees to do the work, creating jobs and driving the economy forward.

Unfortunately, a different set of standards seems to apply in construction that wouldn't be tolerated in any other sector. Late payment has become more the norm than the exception, which in turn prevents a small contractor from hiring new employees, paying their own bills and tax obligations, and, in extreme cases, meeting payroll. As an example, just one residential drywall contractor has recently been reported in the media as having accounts receivable of $7.6 million, $6 million of which were more than 120 days past due at the time.

One would think that, in a minority government, if you have a piece of legislation that all three parties support and which would appear to be the morally right thing to do, and which would seem to make economic and common sense, it should be a no-brainer, yet that's not what has happened so far, as we still do not have this important legislation in place.

I appear before you today to implore you to do the right thing and commit to passing a prompt payment law to help protect the hard-working, tax-paying construction contractors and their employees, but I ask you to keep in mind that it is the vast majority of the construction industry that is asking for this. The following list is of construction associations that endorse the adoption of prompt payment legislation. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Jeff. Any questions coming from the government side? Steve? Is your first question, "Why is Bill 69 such a wonderful bill?"

Laughter.

Mr. Steven Del Duca: How much time?

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

Mr. Steven Del Duca: So, really quickly, I noticed that at the end of the presentation, in the handout, you do list all of the construction associations that are supportive of what you're asking for today. Just out of curiosity, on the other side, I guess, of the equation in terms of labour unions, organized labour, what's the feeling with respect to the bill from that community?

Mr. Jeff Koller: Fully supportive.

Mr. Steven Del Duca: "Fully supportive" being—can you elaborate a little bit?

Mr. Jeff Koller: They would love to see prompt payment legislation passed as well. I mean, it's the workers who are employed by the contractors who are suffering.

Mr. Steven Del Duca: So when you say "they," is it the building trades that we are talking about, or—

Mr. Jeff Koller: Yes.

Mr. Steven Del Duca: Okay.

Secondly, are there any other sectors within the construction industry that have concerns about the bill, or the idea, the concept?

Mr. Jeff Koller: Perhaps.

Mr. Steven Del Duca: Could you elaborate a little bit?

Mr. Jeff Koller: Those would be the people, most likely, who control the money at the top of the pyramid and don't want to pay their bills. In terms of a morally defensible opposition, I would say no.

Mr. Steven Del Duca: Okay. I'm done with questions. Thanks, Chair. Thanks, Jeff.

The Chair (Mr. Kevin Daniel Flynn): Jeff, you did a great presentation. You obviously answered all the questions.

Mr. Jeff Koller: Thank you.

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

Mr. Jeff Koller: My pleasure. I have business cards; if anyone would like one, I can come around the table. They're brand new.

Mr. Victor Fedeli: Well, we'd better have one.

The Chair (Mr. Kevin Daniel Flynn): Freshly printed. Why don't you just leave a pile on the corner there?

RETAIL COUNCIL OF CANADA

The Chair (Mr. Kevin Daniel Flynn): Our next presentation this morning comes from the Retail Council of Canada. Gary, if you'd come up. There you are. Make yourself comfortable. You have 15 minutes; use that any way you'd like. Leave some time at the end if you want to for questions. Questions will come from the Conservative Party this time.

Mr. Gary Rygus: Excellent.

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

Mr. Gary Rygus: Thank you very much, Chairman. Good afternoon. My name is Gary Rygus. I'm the director of government relations for the Retail Council of Canada. On behalf of Retail Council of Canada members operating across the province of Ontario, thank you for the opportunity to appear before the committee today.

The Retail Council of Canada has been the voice of retail since 1963, and we have members who operate more than 45,000 storefronts nationally, 17,000 of which are in Ontario. We represent an industry that touches the daily lives of most people in the province. Our members represent all retail formats: department, specialty, discount, independent stores and online merchants. While we do represent large mass-merchandise retailers, a significant number of our members are in fact small, independent merchants.

As an employer, retail is number two in Ontario, with more than 810,000 jobs generating over $165 billion in annual sales.

Retailers invested over $3.5 billion in Ontario in 2013, as they did in 2012, and it's expected that they'll do the same in the future for the province of Ontario.

According to Stats Canada, Ontario sales are up 1.7% for 2013, as compared to 1.6% in 2012. The 2013 year in sales will probably be up by about 2%. Ontario continues to be in the bottom third of provinces, growth-wise, along with New Brunswick and British Columbia. Going forward, retailers expect to generate sales in the range of 2% to 2.25% for 2014.

The average wage for full-time front-line staff, according to Statistics Canada, is about $16 per hour, or $11.37 hourly for part-time.

Consumer debt remains at an all-time high level, and this continues to have an effect on disposable income and discretionary purchasing going forward. According to a recent survey, one of many, Canadians remain cautious when it comes to opening up their wallets. More than half of Canadians surveyed feel the country is still in a recession, despite the fact that the economic downturn officially ended in the fall of 2009. This creates challenges for retailers. The global financial crunch continues to make it tough to forecast future sales, especially with slowly recovering economies in many countries. Faced with these challenging circumstances and a turbulent economy, the government must focus on improving the conditions for economic development. The government must foster a positive, job-creating environment.

RCC supports the leadership Ontario has taken with adoption of the HST as part of its tax reform package in 2009, and the government needs to continue the changes that were introduced in that same budget, which includes reducing corporate income taxes. In fact, accelerating the unwinding of the restricted input tax credits would be an indicator to business that Ontario is mindful of supporting business activity and reducing costs. However, more needs to be done for controlling business costs. We offer a few examples.

RCC was an active member of the recent minimum wage panel. The report was finalized and submitted to the Minister of Labour last month and is expected to be released sometime this month. RCC provided input into the process based on principles that support the need for certainty, predictability and affordability as cornerstones of any future minimum wage adjustment.

We believe the adjustments should be linked to Ontario's consumer price index, and adjustments should provide businesses with a minimum of a four-to-six-month lead time to implement. This approach is a reasonable path that should minimize job creation impact in this nervous economy.

During these difficult economic times, the government must create the conditions that support job creation. We believe large minimum wage increases do not create jobs. In fact, labour costs for retailers are set as a percentage of sales, and when large changes take place in minimum wage, this would cause retailers to shift full-time jobs to part-time jobs, and part-time positions would have their hours reduced accordingly.

The government needs to find additional ways to reduce taxes—and changes that support job creation.

As support to smaller businesses, RCC continues to recommend raising the employer health tax exemption threshold to $1 million. At its current level, Ontario is uncompetitive with other provinces that have payroll-type taxes. We acknowledge the 2013 budget move of increasing the exemption threshold to $450,000, but this is too small a change to provide significant impact on the job creation front. To further support hiring of full-time staff levels, the government should consider providing, in fact, a one-year employer health tax holiday for employers.

RCC supports the efforts of WSIB management to reduce the unfunded liability fund, currently set at $11.3 billion. A 0% increase for 2014 premiums will not add further costs to make Ontario less competitive in the job creation front. The WSIB must maintain its laser focus on managing the revenue stream and not become complacent in its efforts to achieve a zero unfunded liability.

On the environment front, RCC recommends that the government work with other provinces to harmonize product stewardship programs. The introduction of Bill 91, the Waste Reduction Act, as drafted, does not improve the level of waste diversion in Ontario. It only creates additional costs and an administrative burden for the retailers. RCC looks forward to working at committee stage to present amendments that will add value to this significant piece of legislation.

1440

We'd like to remind government that retailers must be permitted flexibility to show environmental levies separate on the sales receipt. Visibility of fees provides the opportunity for customer education. This approach is consistent with an open and transparent approach that is currently being supported by the government when it comes to funding potential infrastructure improvements.

Along the infrastructure front, retailers understand the need for infrastructure improvements and congestion reduction for transportation of consumers and for logistics because of their broader economic impact. However, retailers will not support tools that disadvantage any one sector of the economy or create economic distortions, as was previously suggested regarding parking space taxes or regional sales taxes. New tax sources should be a last resort, with every effort made to reallocate first from existing funds, and with strict audited controls in spending programs. Spending must be open and transparent so as to demonstrate accountability to the taxpaying public.

We support fast-tracking the Open for Business initiative. Change the way government creates legislation and adopt a business lens focused to creating legislation by asking the question, "Does this legislation add economic value to the province?" Quantify the changes; contain sunset provisions for legislation. Adopting this type of approach will require significant adjustment in government policy development. Now is the time to take up the challenge to create jobs.

On behalf of the Retail Council of Canada, I thank you for your time. With less than 351 days until Christmas, RCC asks that you please remember to shop each and every day at your local retailer. It is never too early to start. The jobs you support and save may be of friends and family members. The Ontario economy will thank you.

The Chair (Mr. Kevin Daniel Flynn): Very good. Thank you very much, Gary: a great presentation.

Who would like to ask the first question? Vic? Go ahead.

Mr. Victor Fedeli: How is our time?

The Chair (Mr. Kevin Daniel Flynn): You guys have six minutes exactly.

Mr. Victor Fedeli: Gary, thank you very much for your presentation. It's funny you mentioned Christmas. My first question to you was, what was the season like here, first of all throughout Canada, and specifically in Ontario?

Mr. Gary Rygus: Christmas season was soft. I think that retailers were struggling to make a go of it. If it's any indication south of the border, they won't be as good as last year.

Mr. Victor Fedeli: You talked about 810,000 jobs, $165 billion in sales. Give me a picture of Ontario versus the rest of Canada, if you can—in about a minute, Gary.

Mr. Gary Rygus: In terms of how we are doing, ranked, we're probably number six or seven in sales growth for the year for 2013.

Mr. Victor Fedeli: Out of 10 or 11 or 12, I guess?

Mr. Gary Rygus: Out of 10 provinces. Saskatchewan would be number one, with roughly 6%, Alberta with 3%, and then Newfoundland with 3% or 3.5%. We're in the laggard category, as I indicated earlier in my discussions.

For retailers to be able to grow and add jobs into the economy, we need something close to 3% to 3.5% in terms of growth, and we haven't had that in the last three years.

Mr. Victor Fedeli: You talked about how government's role should be to improve the conditions, and then you segued about three or four minutes later into the revenue tools.

You obviously know where I'm going with this: the gas tax hike, the HST hike and the corporate tax hike. Give us your thoughts on the effect on retailers of those three hikes.

Mr. Gary Rygus: I think we operate in a very—

Mr. Victor Fedeli: I didn't say "devastating" effect. I was good. I was polite.

Mr. Gary Rygus: We operate in a very competitive environment. If retailers don't get it right in retailer A, the consumer can go to B through Z, and if that isn't appropriate, then Internet sales and cross-border shopping are always avenues left open to consumers today. It's a very competitive market.

What we have to be able to do as retailers is to get product to the marketplace at the right time, at the right price. It's a many-faceted challenge that we have. We understand that the infrastructure situation in Canada, not just Ontario, is at risk in some very important cities, such as Vancouver, Montreal, Toronto, even Halifax, and money has to be reallocated, if you will, to those important priorities. We're not convinced that all that money has to be generated in terms of new funding. We strongly believe that there needs to be a review of existing expenditures or net revenue streams that are collected to see that they're efficiently utilized.

Mr. Victor Fedeli: It would be no shock to you, I'm sure, that our party feels the same way. New taxes—we would go so far as to call them job killers. I know you've talked about a nervous economy, and you called Ontario the laggard—and that new taxes should be a last resort. Is there anything of that—am I mischaracterizing anything?

Mr. Gary Rygus: No, I think you pretty well characterized what I said.

Mr. Victor Fedeli: Okay. So if the government should support job creation, what would you suggest that the government do to assist the retail side of job creation, then—the one thing that we could do?

Mr. Gary Rygus: The one thing that you could do? I think part of the challenge that businesses face on a day-to-day basis is administrative bureaucracy burden, if you will. I think that we still continue to see legislation that adds to that level of bureaucracy and burden.

I would suggest that Bill 91 is a classic example. We firmly believe the role of government is to set policy and to set targets for certain things, in the case of the Waste Reduction Act, as opposed to fully prescribing, to the nth degree, how to go about doing something. If business is supposed to be accountable for the way things are done on the waste side, then allow them to achieve those items and targets. At the end of the year or a set-out time frame, then hold them accountable and provide enforcement provisions if, in fact, things haven't gone according to plan. But to tell us to do everything to the nth degree is a challenge at best. It adds costs, at the end of the day, on products, which we have to pass on to consumers.

Mr. Victor Fedeli: I haven't heard you talk about energy prices, and I'm not sure how much of input costs energy rates have on the retail sector. Can you weigh in on that one quickly?

Mr. Gary Rygus: As far as hydro is concerned, hydro is a large piece of our operating expenditures because we do have to operate, and we can't always be in daylight. Some of our members operate 24/7, so we need to be able to have reasonably priced energy to be able to make that happen because we don't want to have any health and safety issues along the way. The fact that energy prices are going up 30% to 40% over the next few years is going to be a significant challenge facing us.

Mr. Victor Fedeli: So if I stood and spoke in the Legislature, would you recommend I continue to talk about lower taxes, lower energy rates and less red tape? Are those the three issues that I've heard from you?

Mr. Gary Rygus: For us, it's all about competitiveness. We need to be competitive, and if we can't be competitive, we're not going to increase our sales; they're going to go in the other direction.

Mr. Victor Fedeli: Thank you, Chair.

Mr. Gary Rygus: Thanks very much for the time.

The Chair (Mr. Kevin Daniel Flynn): Thanks for coming, Gary.

Mr. Gary Rygus: You're welcome.

ONTARIO NURSES' ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): Okay, our next delegation this afternoon is the Ontario Nurses' Association: Jo Anne, if you'd like to come forward. Like everybody else, you get 15 minutes. Use that any way you see fit. If you want to leave a little bit of time at the end, the questions this time will come from the NDP. Welcome to the committee.

Ms. Jo Anne Shannon: Thank you. Good afternoon. I'm Jo Anne Shannon, a registered nurse and a professional practice specialist at the Ontario Nurses' Association, or ONA. My background in nursing includes 25 years as an RN in the intensive care unit at the Greater Niagara General site of the Niagara Health System in Niagara Falls.

As part of my responsibilities at ONA, I am the lead on a number of our independent assessment committee hearings, where front-line RNs identify continuing professional practice and workload concerns affecting patient care in their hospital. Most of these hearings are underpinned by staffing decisions made by administrators in response to funding pressures rather than evidence-based best practice. I just completed such a hearing last week at the Rouge Valley Health System, in Scarborough.

ONA is Canada's largest nursing union, representing 60,000 registered nurses and allied health professionals as well as more than 14,000 nursing student affiliates, providing quality care each and every day in hospitals, long-term-care facilities, public health units, community clinics and industry.

Registered nurses are extremely concerned about the extent of understaffing that exists in Ontario hospitals, long-term-care homes and in the community and the resulting impact on quality care for our patients, residents and clients. In the Hamilton and Niagara region, registered nurses have identified significant challenges to the delivery of safe and quality patient care as a result of ongoing restructuring of clinical services and the implementation of staffing mix models that would replace RN care with less-qualified staffing.

First, let me give you the basic facts on the extent of RN understaffing in Ontario. The ratio of RNs to 1,000 Ontarians is the second-lowest in Canada. Ontario has seven RNs per 1,000 population, compared to 8.3 RNs per 1,000 population in the rest of Canada. The difference creates a significant gap in RN care in Ontario. In fact, it means 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.

1450

This afternoon, I want to focus my remarks on the dire need for more registered nurses in our hospitals to meet the increased care needs of our complex and unstable patients, as patients with alternate-level-of-care needs are increasingly moved to the community sector. There can be no further argument about the need for more RNs in our hospitals.

When you talk directly to Ontarians, they see the lack of enough registered nurses every time they seek care in an emergency room, recover after surgery or for other treatments and testing. Make no mistake about it, the state of RN staffing in our hospitals is firmly on the minds of many Ontarians and is becoming a serious point of conversation in many communities.

There's extensive literature on the relationship between higher RN staffing levels in hospitals and improved quality-of-care outcomes for our patients. Conversely, decreasing RN staffing has a negative impact on patient health outcomes.

Unfortunately, RN staffing levels in Ontario hospitals have not kept pace with the increasing complexity of patient care and are not keeping patients or nurses safe. From the research literature, we know that higher levels of RN staffing in hospitals are essential for patients with complex and unpredictable conditions. Research clearly shows that adding one patient to a nurse's average caseload in acute-care hospitals is associated with a 7% increase in complications and a 7% increase in patient mortality.

RN staffing is associated with a range of better patient health outcomes: reduced hospital-based mortality, hospital-acquired pneumonia, unplanned extubations, failure to rescue, nosocomial bloodstream infections and length of stay.

In Ontario, however, two years of frozen base funding for hospitals has resulted in the elimination of millions of hours of RN care—millions. In one year alone, from 2012 to 2013, more than 1.5 million hours of RN care were cut from Ontario's health care system, completely ignoring the vast evidence linking RN care to improved patient health outcomes.

One seminal study balanced the cost of increased nurse staffing in hospitals with the associated cost savings that might be achieved by reducing adverse outcomes and reducing length of hospital stay and avoiding patient deaths. They concluded that raising the proportion of nursing hours given by RNs resulted in improved patient outcomes and reduced the costs associated with longer hospital stays and adverse outcomes compared to other options for hospital patient care staffing.

A further study has shown that improved patient care from additional RN staffing prevents nosocomial complications, mitigates complications through earlier intervention and detection and leads to more rapid patient recovery, which creates medical savings and shows the economic value of professional RN staffing, let alone the impact on saving patients' lives.

Ontarians want the government to make health care funding a high priority, to protect this funding envelope from cuts, and believe health care is government's most important service. Some 90% of Ontarians agree that reducing the number of nurses would really hurt the quality of the health care system.

ONA is calling on the government to fund a multi-year plan of action to hire and maintain RN positions in hospitals to make significant progress in reducing the RN-to-population ratio gap of more than 17,000 RNs between Ontario and the rest of Canada. A simple fact based on evidence is that the health outcomes for Ontarians in hospitals suffer when fewer RNs are part of the staffing mix to provide quality care. Patients are being put at risk.

Let me leave you with some examples from two recent independent assessment committee hearings, where front-line RNs had identified significant ongoing professional practice and workload concerns affecting the level of care in their specific hospital units. The independent assessment committee, or IAC, is a panel of three external nursing experts who conduct a hearing in a specific hospital setting to examine RN staffing levels and make recommendations. The panel hears evidence from front-line nurses about the negative impact on patient care caused by inadequate RN staffing levels and makes recommendations to resolve any issues that are identified.

Last week at Rouge Valley hospital, RNs in the post-acute-care unit, who have a professional obligation under their college standards to notify the hospital when they cannot provide safe patient care, indicated that the hospital had replaced half of the RNs and RPNs with unregulated care providers, leaving the nurse-to-patient ratios unsafe, unmanageable and dangerous for patients. Patients in the post-acute-care unit have complex medical issues, with multiple health conditions that require the broad scope of practice, skills and experience that RNs bring to the table. It appears that this type of staffing model, implemented to balance hospital budgets, has taken precedence at the expense of the care patients receive.

RNs consistently provide written documentation to hospital administrators to outline their inability to properly and safely provide patient care. The IAC is then tasked with determining whether nurses are being assigned more work than is consistent with proper patient care.

In an earlier IAC regarding staffing in the emergency room at the St. Catharines General Hospital site of the Niagara Health System, the IAC concluded that RNs had been asked to perform more work than is consistent with proper patient care because they had not been staffed with the appropriate level of RNs.

Hospitals are currently experimenting with alternative staffing models due to extreme budget cuts. But it is clear from these hearings that alternative staffing models cannot replicate the level, nature and complexity of care provided by RNs. The IAC recommendations verify what ONA has been saying for far too long: There simply are not enough RNs left in our hospitals.

As you know, the old hospital closed. And just this past April, a brand new, much larger hospital site opened in St. Catharines. Unfortunately, that hospital site is underfunded. The nurses working in the new site are now beginning again to consistently document serious practice and workload concerns since the first day the building opened—the first day.

The new site is underfunded and understaffed. In fact, along with a move to the new site, simultaneously, that same day, they cut the number of RN hours in most of the units, especially on the night shift. They were cut dramatically.

For example, the nurses working in the new hospital ER are unable to triage patients within the Canadian emergency department triage and acuity scale guidelines and are possibly heading for the first time that an independent assessment committee hearing has occurred in Ontario for the second time in the same unit, with the same nurses looking after the same patients. It's going to happen for the second time, because it's so badly understaffed.

In addition, just this week, ONA received layoff notices for more RN cuts in the surgical in-patient unit. Again, they're cutting RNs and replacing us with lesser-qualified staff.

So they're replacing RNs with RPNs. The problem is this: The patients in this unit are complex. Our College of Nurses, which governs our practice, has stated that RPNs can only care for complex patients if there are sufficient RNs available to consult and collaborate with. As a result of this new model of care, there won't be. So there will not be enough RNs left to consult and collaborate with the RPNs, who will be given more, and it's just simply unsafe.

Nurses working at the Niagara Health System are caught in the middle between hospital administrators and government decision-makers. They're the pawns in the middle. They're working within nurse-patient ratios and working conditions that are unsafe, unmanageable and dangerous. And they're, most importantly, experiencing significant ethical and moral distress as they work within untenable conditions that place patients at risk. It's time for the Ontario government to step up for hospital patients.

Immediate changes to the funding model for hospitals are necessary and essential to properly staff and meet the care of our acute patients. Our recommendation for government to invest in our hospitals and in RN care to meet the care needs of Ontarians is submitted with the goal of refocusing government on its key initiative: to restore RN care levels in our hospitals as a top priority. Our patients deserve no less than patients across the country. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much for your presentation, Jo Anne.

The questioning, this time, comes from the NDP. Catherine or Michael?

Mr. Michael Prue: How much do we have?

The Chair (Mr. Kevin Daniel Flynn): Four minutes.

Ms. Catherine Fife: Thank you very much, Chair. Thank you, Jo Anne, for coming out today. You mentioned you're from Niagara. I suspect Niagara is going to be getting a little bit more attention than it normally has in the next couple of weeks. So your timing is good. Thank you very much for the presentation.

We've been, just like you—and I'm really happy that you did a cost analysis, because the argument that's going to come back to you is, "We can't afford to invest in RNs in our hospitals." I think that making a sound financial case, that there's a cost to not providing a certain level of quality care, is the direction that we need to be going in.

You mentioned, though, in some of the tracking of your workplaces, that RNs are being replaced by unregulated providers. Can you give us some sense of who those people are and then connect it to the safety issue, if you will?

Ms. Jo Anne Shannon: They are unregulated. The names vary. Because there is no regulation, there is no protected title. So they're called PSWs—personal support workers—health care aides, assistants. But they are unregulated, so there are no standards for care. Their education varies from—again, there's no standard. So it can be on-the-job training; they can be trained on the job.

I know that at Rouge Valley Health System what happened was, because of the collective agreement with the service union, they actually trained dietary staff, housekeepers and porters to become personal care assistants, and they were tasked with providing hands-on patient care to patients.

1500

Ms. Catherine Fife: So you see a place for those people in the health care system, but you have concerns around when they're working with patients and what the ratio is and training, right?

Ms. Jo Anne Shannon: What the evidence in this hearing showed is the fact that these PSWs did not have adequate supervision by the RNs and RPNs. They were basically going off on their own to provide hands-on care, and the remaining numbers of RNs and RPNs were simply inadequate to provide that supervision.

Ms. Catherine Fife: Okay, thank you.

Mr. Michael Prue: You mentioned the number, at the beginning of your presentation, of 17,500 new nurses to bring us up to par with the rest of the country.

Ms. Jo Anne Shannon: Yes.

Mr. Michael Prue: What kind of costs are we looking at? I ask that because this is the finance committee.

Ms. Jo Anne Shannon: Actually, I think I'm at a disadvantage.

Mr. Michael Prue: In my head, I figured somewhere in excess of $1 billion.

Ms. Jo Anne Shannon: I'm sorry. I'm embarrassed. I can't answer that.

Mr. Michael Prue: Okay. Whatever that figure is, where do you propose getting it from? The government is presently running an $11-billion deficit. There are only two things we can do, really, if we are to provide more nurses: to find it from some other government agency or within the hospitals or from within the health system itself—or raise taxes. What are you suggesting?

Ms. Jo Anne Shannon: I'm suggesting that they take a look at who's doing what in hospitals. I've been a nurse a long time. Since I have become a nurse—and in fact, since Niagara Health System merged—we have many more layers of administration than we used to have before. It is very top-heavy and they're highly paid, as you're well aware. Certainly, using NHS as an example, there used to be a small administrative body in each site, and now there's them plus two more layers plus the senior layer. It's just very top-heavy. I think that the health care system can release dollars if it's looked at and if we prioritize RN care and look at where else money is being spent.

Mr. Michael Prue: Okay.

Ms. Jo Anne Shannon: But funding increases will be needed, to be clear.

Mr. Michael Prue: I believe it was last year, although it might have been the year before: We had the RNs coming and saying that part of the way the money could be saved is by getting rid of the CCACs. I don't know that you remember part of that argument—

Ms. Jo Anne Shannon: I don't believe that was us.

Mr. Michael Prue: —the LHIN argument.

Ms. Jo Anne Shannon: I don't believe that was us.

Mr. Michael Prue: Okay, it could've been the RPNs; I'm not sure who it was.

Ms. Jo Anne Shannon: It wasn't us.

Mr. Michael Prue: Somebody came and said that. Is that something that we should consider? If you need to get rid of levels of bureaucracy—I understand about hospital administrators at all levels, because they get a lot of money, some of those people. Is there any other part of the health system that we're not getting good value for money that we'd get better value with nurses?

Ms. Jo Anne Shannon: We don't support the elimination of CCACs; we think that they're very necessary to protect our very vulnerable population that's being cared for in their homes. We think those nurses who are working in there are doing a valuable service and a good job.

Again, it's about looking for waste elsewhere, but there is going to be new funding needed to do this.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Jo Anne. Thank you very much for coming. Thank you for your presentation today.

WOODGREEN COMMUNITY SERVICES

The Chair (Mr. Kevin Daniel Flynn): If I can call forward the next delegation: WoodGreen Community Services, if you'd like to come up and set up.

The Acting Chair (Mr. Bob Delaney): Good afternoon. If you've been sitting in the audience for more than a few minutes, you'll know that you've got 15 minutes to do your presentation. You may wish to leave a little bit of room for question time, if you don't use the 15 minutes. At this point, the questions will come from the government side. So just introduce yourselves for Hansard and proceed.

Mr. Brian Smith: My name is Brian Smith. I'm the president and CEO of WoodGreen Community Services. I have Glen Herring, who's the chair of the board of Home Suite Hope, which is the local organization we're partnering with, and Peter—

Mr. Peter Kolisnyk: Kolisnyk.

Mr. Brian Smith: —Kolisnyk, sorry, who is the CEO of Home Suite Hope in Oakville.

Thank you very much for the opportunity to present to you today. WoodGreen's Homeward Bound program is a comprehensive fiscal investment for the province of Ontario. In our work on the front lines of homelessness, WoodGreen Community Services has witnessed first-hand the tragic plight of some of the over 1,000 mother-led families who are living in Toronto shelters each day. We have heard from other communities in Ontario who are facing the same issue.

With little in the way of education or employable skills, homeless single mothers find themselves and their children without any real options. The cycle of poverty is difficult to break, and these mothers, and eventually their children, often have no choice but to continue to rely on social assistance throughout their lives. However, there is a way to break this cycle of poverty for mother-led families. The solution is WoodGreen's Homeward Bound.

Piloted by WoodGreen in 2004 and unique in Canada, Homeward Bound is an award-winning, four-year program that helps homeless or inadequately housed single mothers to achieve lasting economic self-sufficiency and change their lives and their children's lives forever.

Throughout the four-year program, women and their children live at WoodGreen's 76-unit campus in affordable two- and three-bedroom furnished apartments and receive goal-oriented case management, on-site child care, after-school programs for children and youth, financial literacy education, parenting support, and psychotherapy and trauma counselling.

Graduates of the program who only a short time ago were living in shelters or precarious housing are now proud holders of college diplomas, have developed essential parenting and job-readiness skills, and are employed by some of Canada's finest corporations. Their children are thriving and excelling both socially and academically.

In order to help single mothers transition from living in poverty to earning family-sustaining salaries and becoming economically self-sufficient, Homeward Bound brings together all the resources that struggling single mothers need to permanently change their lives:

(1) Education and training in marketable skills: a full menu of career preparation education, including life skills, academic upgrading, employment preparation, computer skills training, and a college diploma—tuition paid by WoodGreen—geared to meet current demands in the labour market.

(2) Personal development support: individual support for each mother by trained caseworkers regarding conflict resolution, parenting skills, housing and tenancy issues, and financial literacy and planning.

(3) Housing and child care: rent-geared-to-income housing for each family, free child care, a children's tutoring program, and an after-school and summer program to provide children with a stable and nurturing environment.

(4) A guaranteed job at the end of the program: The Homeward Bound Industry Council is a private sector partnership and is made up of senior-level human resource executives from all the major banks, major law firms and major IT corporations. Industry council member corporations provide Homeward Bound participants who have finished their college diploma requirements with four-month internships and job placements in career-track positions.

In 2013, WoodGreen partnered with the Boston Consulting Group to complete a pro bono social-return-on-investment analysis for the Homeward Bound program. BCG looked at the pre- and post-program socioeconomic status of the initial participant cohort. They found, based on the data, that for every dollar invested, the Homeward Bound program returned $4 back to society. On average, $180,000 of benefit is generated for every woman enrolled. Homeward Bound program graduates who get a college degree and become fully independent generate $295,000 of cumulative benefit to society; in net present value, $176,000. Homeward Bound success rates have continued to improve over the past five years. This will increase the future social return on investment.

Since 2004, 176 women with 216 children have lived at Homeward Bound. The future cumulative societal benefit of Homeward Bound's first cohort of participants is estimated at $10.3 million.

Homeward Bound is supported by private and public sector partners, with significant seed investment from Ed and Fran Clark, TD Canada Trust, the Counselling Foundation of Canada, and many more private donors that have contributed $5,443,392 in capital donations and $3,786,782 in operating donations, for a remarkable total of $9,230,174. These private donors believe that lives can be changed and mother-led families can escape from the cycle of poverty. These donors have invested in the research and development of the Homeward Bound model, removing risk and documenting financial returns.

1510

However, philanthropy alone cannot sustain the program or cover the cost of replicating the model in other urban communities. The province's support is necessary. WoodGreen is now beginning to replicate Homeward Bound. The first program replication will be launched in Oakville—Halton—in September 2014, led by our local partner, Home Suite Hope.

A second Homeward Bound replication is also being developed in Peterborough, led by the Peterborough Housing Corporation as our local partner. Local municipalities, colleges, employers and other service providers are also collaborative partners in these replications.

WoodGreen's vision for the future: Homeward Bound is an evidence-based program and has a success rate of 80% for its graduates and current participants. Now, it is time to reach out to the many more families in desperate need of this transitional support, and move from the first 10-year pilot to a fully replicable model for systemic change.

Homeward Bound is a powerful and economically feasible model of poverty reduction through effective employment training that could be used across Ontario. As Homeward Bound expands its reach and undertakes research and development around applying the model on a large scale, WoodGreen Community Services is respectfully asking for funding of $1.9 million per year for operating costs of the Homeward Bound program.

The program works. The results are proven. Let's work together to give single-mother-led families the chance to change their lives and their children's lives forever. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Wonderful. Thank you very much. The questions—you've left about five minutes for them—are coming from the government side. Who would like to ask first? Donna?

Mrs. Donna H. Cansfield: Thank you very much. Thank you for your presentation. I'm quite familiar with your work, and kudos for the work that you do do. It sounds very familiar to Beatrice House. Are you familiar with Beatrice House?

Mr. Brian Smith: I know that's run by the YW, yes. This is a much more comprehensive program than the Beatrice House program. There are some similarities but—

Mrs. Donna H. Cansfield: There are a lot of similarities. I was on the board of Beatrice House with Dr. Fraser Mustard, and the same fundamental principles that you have incorporated are in Beatrice House, or they were originally in Beatrice House. I haven't been involved in the last number of years, but it was the same idea. It has the same apartments. It deals with children under the age of 12, primarily, and with their mothers. They have their own apartments. Their services are there. The child care is there. The counselling is there. The school is there next door. I mean, it's very, very similar.

It's similar. There are obviously some differences, but there must be some lessons learned as well because your pilot is a small pilot and Beatrice House has been going now for 10 years easily, if not more, because I've been a member for my 11th year. It was before I was still on the school board—when I was on that board. Have you spoken with them about what has worked and what has not worked?

Mr. Brian Smith: Well, I know Heather McGregor, who is the CEO of the YW, quite well. She had been a person I worked with for some time prior to our current positions. But I know that program. I think the difference relates in—the focus of the Homeward Bound program is really on employment and having career-sustaining jobs at the end. I think one of the critical success factors of our program is the industry council headed up by HR professionals across major corporations like all the banks, major law firms and IT. That is something that we, in doing our research back in early 2000, because it took us a number of years to put the program together—it was a program that was actually in Ireland called Fast Track into Information Technology, which was developed for long-term unemployed individuals in Ireland. We used some of their ideas, so we did extensive research, including focus groups with women in shelters, to find out what is a way that we can help them transition to being self-sustained.

We set a target of roughly $40,000 as the salary that we wanted each of the women to be able to achieve in order to be successful and be able to care for their family without being dependent on government or social assistance. That, I think, is the major difference: not just the care on the housing and child care side—all that is important, but really the focus is on having people get self-sustaining jobs so that they can provide for their families.

Mrs. Donna H. Cansfield: Well, to me it sounds very similar in terms of the objectives. I know that part of the challenge was having the support services in place, because obviously there are other issues when individuals are leading homeless lives. That was an important component, because you can't take someone off to school until you deal with some of the other issues that they have to deal with.

Mr. Brian Smith: Well, we've gone through—obviously, not everybody. We direct and get individual women who have other challenges. There are many health challenges to their children or themselves, or their former relationships that they're still working through. Many women have suffered trauma from abuse, and a lot of those issues need to be dealt with, because you can't focus on your educational and employment goals. So, we make sure that the women deal with those before they enter our program, because we don't want to set women up for failure.

Mrs. Donna H. Cansfield: I couldn't disagree with you. That's absolutely true. It was exactly, as I said, the same fundamental principles.

I'm interested in Halton's experience. How long has the Halton program been up and going?

Mr. Brian Smith: I'll let Peter or Glen—

Mr. Glen Herring: The program in Halton is called Home Suite Hope, and tomorrow is our 10th anniversary.

Mrs. Donna H. Cansfield: Wonderful.

Mr. Glen Herring: We're basically doing what you described at Beatrice House. We are giving people support for up to two years. It's single-parent families. Currently, we have 11 families within our care, and we work with them on the issues that caused homelessness. Why we're interested in Homeward Bound is really because of the educational component and the employment likelihood through an industry council at the end, which we basically see as taking them out of poverty for generations to come.

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

Mr. Brian Smith: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Good to see you all again.

ONTARIO CONVENIENCE STORES ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): Dave, it's your turn. Dave Bryans from the Ontario Convenience Stores Association, welcome. Make yourself comfortable. You have 15 minutes; use it in any way you see fit. If there are any questions, they'll come from the Conservative Party.

Mr. Dave Bryans: Okay. First off, thank you for coming to Oakville, my hometown, rather than racing downtown, for a change.

The Ontario Convenience Stores Association is pleased to submit for review its consultation document in advance of the Ontario 2014 budget. For the last 10 years, the OCSA has been advocating the concerns of Ontario's convenience store sector at Queen's Park. We believe our industry can be a strong partner for the provincial government as it looks to implementing things like an anti-obesity strategy, future tobacco cessation initiatives—

Interjections.

The Chair (Mr. Kevin Daniel Flynn): Dave, could you hang on a second?

Guys, could you take it outside? Michael?

Interjections.

The Chair (Mr. Kevin Daniel Flynn): He was listening loud. It's hard. I know how it feels to sit there.

Mr. Dave Bryans: No, it's okay. I've watched question period.

The Chair (Mr. Kevin Daniel Flynn): Go ahead, Dave.

Mr. Dave Bryans: Okay. Sorry.

The Chair (Mr. Kevin Daniel Flynn): Go ahead. Not a problem.

Mr. Dave Bryans: We believe our industry can be a strong partner with the provincial government as it looks to implementing things like an anti-obesity strategy, future tobacco cessation initiatives and other public education programs.

In brief, we have 5 recommendations for the government. Each recommendation is intended to provide the government with an actionable directive that could be implemented this year.

(1) Draft and initiate a comprehensive consultation process that engages all stakeholders to understand the best way to modernize Ontario's alcohol retailing system.

1520

(2) Pilot an expansion of the LCBO agency model.

(3) Act on the commitments made in the 2012 and 2013 Ontario budgets on contraband tobacco, including more power for law enforcement and immediate commencement of a consultation process. This also includes maintaining the current tax rate on tobacco products.

(4) Commit to investing in the OCSA's We Expect ID age verification training program over the next two or three years, and develop a government certification program that would mandate all retailers of tobacco products and lottery gaming to undergo comprehensive training. This program would be administered by the OCSA and the Ontario government and would echo the Smart Serve program.

The OCSA is a not-for-profit industry association funded by its 7,500 members. Members include the majority of chain convenience stores, oil companies, small independent convenience store owners, and other key suppliers to the industry.

The Ontario convenience store sector employs over 60,000 people and accounts for approximately $12.5 billion in sales each year. Nationally, this sector pays out more than $2 billion in wages to convenience store employees.

Our stores are present in every city, town and village in Ontario and interact with over three million customers every day.

The alcohol retailing system in Ontario today is, at its core, the same one that was created by the Ontario government 85 years ago. The legislation that created the government-run LCBO and now the foreign-owned Beer Stores was passed in 1927, but while the rest of Canada and jurisdictions around this province have modernized their alcohol retailing system, Ontario's remains a relic of the past.

For some time, Ontarians have been saying that our province should move forward and broaden the retailing system. We believe that now is the time to have that discussion with everyone.

An economic study that was sponsored by the OCSA but independently conducted by the faculty of the University of Waterloo shows that, were Ontario to expand the current retailing system beyond the LCBO, Beer Stores and other private retailers, it would not only preserve the $1.7-billion profit that the LCBO returns to the government but would increase it. This is because Ontario earns most of its profit from the LCBO from its role as the province's wholesaler of alcohol, not retailer. The OCSA is suggesting that this be expanded.

The opportunity for the Ontario government in expanding the retail network for alcohol products has the potential to directly benefit provincial revenues. We believe one way of doing this would be through the LCBO's agency store program. This program authorizes independent local retailers, including many convenience stores, to sell beverage alcohol in conjunction with other goods. Expanding that agency model program would not only increase provincial revenues but do so without any capital costs to the province.

This is only one option to achieve this goal, and the OCSA would be very interested in bringing our expertise in alcohol retailing to a discussion on any of these types of scenarios.

Let's turn to contraband tobacco. Our retailers firmly believe that no minor should have access to any tobacco products. However, contraband products are sold without age verification checks, making them far more accessible to young people, to whom they are sold without any mandated health warnings.

Contraband products are also not subject to all levels of taxation, resulting in millions of dollars in lost revenue to this province.

The 2012 Drummond report noted the province could gain an additional $2 billion in revenue by taking action on the underground economies, such as contraband tobacco.

For convenience stores, contraband indirectly impacts retailers' sale of other products such as groceries, lottery etc., and, sadly, many stores have been forced to close their doors due to the impact of contraband tobacco.

A November 2013 study conducted by the OCSA examining 130 sites from across the province found that the average use of contraband tobacco products across the province sits at around 21%. However, rates of contraband use at high schools and hospitals were absolutely alarming. As an example, Eastwood Collegiate Institute in Kitchener, 40%; Pauline Johnson Collegiate and Vocational School in Brantford, 39%; F.J. Brennan Catholic High School in Windsor, 37.8%; Kipling Collegiate Institute in Toronto, 30%; and Hôtel-Dieu Grace Hospital in Windsor, where I'm from, a shocking 46%.

The provincial government made commitments to address the illegal industry through increased power for law enforcement in the last two provincial budgets, but since that time, 80 municipalities, representing 90% of the Ontario population, have passed resolutions asking the government to follow through on the budget commitments to address contraband tobacco.

Tax increases on the legal tobacco market have an unintended consequence of worsening the illegal contraband market. We ask that you consider tax proposals carefully to avoid this from occurring again. As this is a multi-jurisdictional issue, we also ask that you speak to your counterparts in Ottawa to tell them that a move to increase the federal excise tax would be detrimental to the Ontario government's commitment to fighting contraband.

Here's what we'd like the government to do:

(1) That the Ontario government follow through on its commitments to address the illegal tobacco trade made in the last two provincial budgets, including a consultation of stakeholders.

(2) That the Ontario government maintain the current rates of taxation on tobacco products so there is no increased incentive for the illegal market.

(3) That the Ontario government follow through on the consumer education initiative to explain the impact of contraband tobacco to everyone in Ontario.

(4) As small family-run stores are hurting, we ask that this committee encourage action on contraband tobacco in 2014.

Now let's turn our focus to We Expect ID, or age verification.

The Ontario Convenience Stores Association is requesting an opportunity to partner with the Ontario government to develop and distribute a comprehensive training program that will allow convenience stores to build on our existing age certification training in enhancing the training for every retailer subject to provincial oversights in the sale of age-restricted products. The OCSA wishes to partner with the government in training specifically in three areas: investing to fund the OCSA's We Expect ID program over the next two or three years; developing a separate government-led age verification program; and mandating that all retailers of tobacco and age-restricted products, and their employees, be certified to handle them.

Our industry has a goal of zero sales of age-restricted products to minors. To achieve that, in March 2007, the OCSA launched the most comprehensive system for age verification in Canada, called We Expect ID. We Expect ID offers training materials, including videos, presentations, curriculums and an evaluation and testing mechanism in three separate languages—English, French and Korean—for over 8,000 convenience stores in this province. No government funding has ever been used for this initiative. We are asking that a very small portion of the tax revenues that are realized from the reduction in the contraband tobacco market, which is estimated at $375 million in 2012, be invested in helping to ensure that Ontario's regulation of tobacco products also includes an enhanced training program. A proposal to this effect has been made to and discussed with the Ministry of Health and Long-Term Care. However, as a long-term strategy, the OCSA feels that all Ontario retailers, public and private, as well as the government and public, could benefit from a comprehensive government-administered age verification program similar to the existing Smart Serve program that we see in Ontario.

In conclusion, the Ontario convenience store sector is at a critical juncture in its history. Being a part of the dialogue and the issues we've highlighted is key, and the OCSA hopes that serious consultation will take place and that our industry will have a key role to play in these deliberations.

The OCSA wishes to thank the committee for its attention to these recommendations as it continues to work towards compiling your successful 2014 budget document. Should staff or any other officials wish to discuss these issues further, the OCSA is always available and happy to accommodate.

Thank you for your time.

The Chair (Mr. Kevin Daniel Flynn): Very good, Dave. Thank you very much for the presentation.

The Conservative side: four minutes.

Mr. Victor Fedeli: Four minutes? So let's split it in two.

Dave, I want to go to the contraband tobacco first. You spoke of some alarming numbers from the November surveys that were done, and I know my hometown, North Bay, was on the list as well. I, too, must tell you how shocked I was at both the Chippewa high school, Scollard Hall high school and the North Bay hospital—the percentage of contraband tobacco. Can you tell everybody—because this shocked me when I learned this—how you do this, how you calculate that number?

Mr. Dave Bryans: We actually hire a company called NIRIC that goes out and scouts out the sites every day. We did casinos; we did hospitals. We did where people congregate—malls. They look and see where a smoker smokes that day, because we have smoking sections and you're relegated—especially in hospitals, it's easier, and casinos. You're relegated to certain areas. They sweep those butts, take them back and analyze each and every one of them. It's the dirtiest job in the world. I did it once about five years ago and I'll never do it again. Then they categorize them.

Of course, with a domestic-made cigarette where tax is collected, the name is on the barrel. Anything made on an aboriginal reserve, whether it be New York state or Ontario, usually has no markings at all, and we have to assume it's cheap, unregulated tobacco and the government has no benefit. So that's how we do that.

1530

Mr. Victor Fedeli: So you sweep these things up into a green garbage bag—

Mr. Dave Bryans: Little bags; no, no.

Mr. Victor Fedeli: They won't be so little at the hospital.

Mr. Dave Bryans: No, they were in the casinos. It's actually shocking. Where people congregated, it was absolutely shocking, some of them, like that hospital in Windsor.

Mr. Victor Fedeli: So it's not a guesstimate. This is a very serious—

Mr. Dave Bryans: It's not scientific because, first off, illegal deliverers to your community don't admit they're doing it, and people who buy contraband don't really come out and tell you they're carrying it. That is really the most unscientific study. We've done it three times and we haven't seen any improvement. That's the sad part.

Mr. Victor Fedeli: Unscientific but incredibly accurate and very telling—to find so many of the non-branded cigarettes being found not only at schools but so far into the heart of a community, if you will.

Mr. Dave Bryans: We're actually seeing more and more of it in urban Ontario. At one time it was more of a rural issue, closer to reserves, easier delivery. We're seeing it now in Toronto, we're seeing it at Casino Niagara. We're swamped with both of the casinos—and hospitals in Windsor, which is probably the furthest from any reserve—three hours, I think, from First Nations or Six Nations—and you're seeing high schools in Windsor just infiltrated. It just shows you there's a very well-organized underground economy in a product that has no advertising or promotion.

Mr. Victor Fedeli: So how much tax revenue would the province of Ontario be losing from that?

Mr. Dave Bryans: The Auditor General estimated two years ago about $500 million. There was a study that came out just this week from the Canadian Taxpayers Federation that said it's $1 billion.

Mr. Victor Fedeli: One billion dollars?

Mr. Dave Bryans: Yes. That could just be recouped by working together on how we can fix it.

Mr. Victor Fedeli: And that's only tobacco. What about gasoline? Is there a number on that?

Mr. Dave Bryans: It's interesting, because we've had this discussion. It's getting worse. This province loses all the HST on gas being delivered to every reserve. So Ontarians are getting smart and they're lining up outside of North Bay, outside of Thunder Bay, at all the reserves, and filling up. On top of that, the government loses a lot of the 14.9% as well.

The Chair (Mr. Kevin Daniel Flynn): Thank you. You're pretty well out. Oh, no, you've still got a minute.

Mr. Victor Fedeli: Okay. I'm not going to get to the LCBO because I'm still on this. Is it legal or illegal—or what can you describe?—purchasing or consuming tobacco and gasoline? For my in-laws; I'd like to know for their sake.

Mr. Dave Bryans: I'd never want to pick on your in-laws—

Mr. Victor Fedeli: Oh, I do.

Mr. Dave Bryans: —or Ma and Pa Kettle—

Mr. Victor Fedeli: Especially my father-in-law. My mother-in-law, she's an innocent one in all this.

Mr. Dave Bryans: All I'd like to say is that it's not those people going to the reserve. If you want to buy two cartons, drive all the way to Brantford, hats off to you.

Mr. Victor Fedeli: But what's legal and illegal?

Mr. Dave Bryans: It's all illegal.

Mr. Victor Fedeli: I don't know that we as a society understand that.

Mr. Dave Bryans: Everyone who fills their car with gas is obligated to pay Ontario tax and federal tax. Everyone who buys cigarettes is obligated to pay provincial tobacco tax and HST. There is no exception under the tax act—only for aboriginals, if they consume it on their own reserves. It's become quite a lucrative business. I know it's a very difficult topic for everyone in this room, including myself, but I'll continue to sing and help all of you fix it, if we can.

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

Mr. Dave Bryans: Thank you very much. I appreciate it.

The Chair (Mr. Kevin Daniel Flynn): Thanks for your presentation.

MR. CHRIS WEST

The Chair (Mr. Kevin Daniel Flynn): Our next presenter this afternoon is Chris West. Chris, if you'd like to come forward. Make yourself comfortable. Do you have a handout for us?

Mr. Chris West: I do, yes.

The Chair (Mr. Kevin Daniel Flynn): We have it already. Great. You have 15 minutes, like everybody else. Use that any way you see fit, and if there's any time left over for questions, it will go to the NDP.

Mr. Chris West: Thank you very much. My name is Chris West—from Downtown Pontiac Buick, a GM dealer in St. Marys, Ontario, and AllRoads Dodge Chrysler, a Chrysler dealer in St. Marys, Ontario.

One of our previous members of provincial Parliament was John Wilkinson. I'll always remember what he said, that jobs were the most important thing to an individual. That's one of the things I want to talk about today.

I'd like to talk about St. Marys from the time I got there in 1983 to sort of demonstrate what I feel is important going forward. In 1983, when we set up the dealership in St. Marys, the Downtown Pontiac dealership, most of the young people were leaving town. There were no jobs for them. Many years later, the young people are staying. You see the buggies going up and down the street and young children walking with their parents. The reason for that is St. Marys has been able to develop a tremendous increase in the job market, probably doubling the number of jobs since 1983. There are more people coming into town to work than are leaving town to go outside and work, which is unusual for a small town of about 10,300 people.

St. Marys is supported by four pillars, the way that we see it. One is the agriculture pillar. Within 100 kilometres of St. Marys produces 50% of the agriculture products of Ontario. Another pillar is the tourism pillar, which has improved considerably with the Stratford Festival. A lot of people will stay in St. Marys, shop in St. Marys and visit the Canadian Baseball Hall of Fame in St. Marys. Another pillar, as many communities have, is the retail pillar. The other pillar is the manufacturing pillar, and we've been very fortunate with some major employers. St. Marys Cement, of course, is one of the most well-known employers. We have the advantage of Heinz. Echo-Tech is a manufacturing plant, and Maple Leaf

Foods. Four of the major employers are currently hiring. We have a new tire plant that is supposed to open in March of this year; it will employ about 340 people, and I expect it to go to 1,000 employment.

Important to the growth in St. Marys is the supporting mechanisms. Two of those very important mechanisms are Via Rail service—because the economy grows along rail and transport lines—and a hospital that is very efficient; it was built after the Second World War. It's a memorial hospital that was built in recognition of the veterans from World War II. Via Rail has been very, very important to the success of St. Marys. The hospital has been very important to the success of St. Marys. We interview new people moving to St. Marys; those are two factors that are regularly brought up. The reason they moved to St. Marys is because there was a hospital, or they moved to St. Marys because they saw it as progressive. The Via Rail station, which by the way, is owned and run by the town of St. Marys, was also considered as a very progressive measure.

Via Rail, I believe, is very, very important to the communities across Ontario. I think it's very important to link rural communities to some of the major cities. Some 50% of the population of Ontario is rural. We need to connect to Toronto. We need to connect to London. The reason we need to connect is for a hospital; we need to get to those big hospitals in Toronto and London when we've got a major emergency that we can't handle at St. Marys or our small towns. People want to visit relatives; the social aspect is important. People are going to meetings and jobs. There's a tremendous number of tourists coming to Canada that need to get from A to B. We need to be able to connect our communities.

Earlier, Jo Anne Shannon spoke about the importance of health care. The question was asked, where can we get the money? I think there are two areas that are fairly apparent to me. My sister, who lives in West Palm Beach, Florida, on a visit four or five years ago, broke her leg. She was in the hospital for two or three hours, four or five people looked after her, and I was amazed that the bill was less than $1,000. To me, there's an opportunity for us to charge more, not only to people from outside of Ontario but for people who are injured in motor vehicle accidents. Currently, there's a $22-billion a year cost to the economy across Canada by motor vehicle accidents. Via Rail—putting more people on the rail would decrease the amount of people on the road. It would obviously improve congestion in our major cities and would improve the environment. I think that's one area where we can gain a little additional revenue.

There was a comment about bureaucracy. I think that's absolutely right on the money. Once you get beyond two or three levels, it just becomes a bureaucratic nightmare. One page of our document just shows some of the different bills that we have to operate under at our dealership. We have under 20 people—I think it's page 7. I picked about 15 different bills we've got to operate under. Not only do we look at bureaucracy from the government, we look at bureaucracy from our manufacturer. General Motors and Chrysler add a lot of bureaucracy. We absolutely must reduce the bureaucracy.

We talked about the CCACs and the LHINs. To me that's just another level of bureaucracy we don't need. My friend Murray Borndahl in Ingersoll tells me that in Turkey you don't see any seniors' homes because seniors live with their children. We just have to change the way we look after seniors and the CCAC.

1540

In terms of job creation, water finds its own level. We have to be competitive not only with the US, but we have to be competitive with areas across the province. The energy situation in Ontario—we're at a disadvantage because some of the other provinces have lower costs. Water finds its own level. We risk the possibility of people moving and businesses moving to other provinces, and the same is true with taxes. Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Very good. Thank you, Chris, for your presentation. You've left about six minutes.

We're going to the NDP this time. Michael? Catherine?

Mr. Michael Prue: I was trying to read through this as quickly as I could while listening to you as well, and I counted 19 or 20 recommendations you've made.

Mr. Chris West: Yes.

Mr. Michael Prue: You're here as an individual, or is this part of your automotive group? Do you just do this yourself? I'm curious.

Mr. Chris West: I'm more interested in the future of the province than I am from an automotive perspective. I look at the province. We need to do well. As a young person, I was helped out by baseball coaches, by teachers, by peers, and it's time for us to do what we can to help Ontario move forward. So I would say it's not automotive-presented as much as—I'm very, very concerned about the province and what we can do for the province.

As automobile dealers, we make a tremendous contribution in our own marketplaces right across Canada. One time, I counted 30 different initiatives from our own dealership, a very small group, of things we were doing locally to support the community, which of course supports Ontario.

So it's obviously a wide-open thing; it's not strictly automotive.

Mr. Michael Prue: The automotive market appears to have rebounded quite well. Sales are anticipated being up this year. I ask you because you're in the industry. Can we anticipate that kind of continued growth in automobile production and sales in Ontario for this year?

Mr. Chris West: Yes, I think we can count on increased levels. Obviously, the big problem occurred in 2008 and 2009, and the governments of Canada and the United States made a good move in supporting the auto industry, protecting jobs and creating jobs down the road. So I think there's going to be good growth in the automobile business.

I think we do need to have a balanced transportation system. Even though as an automotive dealer—I support Via Rail because we've got to have a better balance. We've got to get more people on rail and less people on the roads. John DeLorean, who was an outstanding executive with Pontiac motor division 40 years ago, or 50 years ago, as part of his book, knew at the time that General Motors had to do something about the upcoming congestion. So I feel that from the automotive perspective, we need to do what we can do on all levels of transportation.

Mr. Michael Prue: You said that name "DeLorean." I still admire his car.

Mr. Chris West: Absolutely.

Interjection: You should get one.

Mr. Michael Prue: I wish.

Do you have questions?

Ms. Catherine Fife: Yes, thank you. Thank you very much, Chris, for coming in. You've made a number of recommendations, all of which are of interest to us. I would say actually, we've had mayors come and regional chairs, and your presentation is quite comprehensive. You clearly are a strong advocate for the region and obviously for the province.

I just want to say, the thing that is most timely, I think, and definitely a powerful message for me, being from Kitchener-Waterloo, is the transportation issue, especially around the expansion of Via. I just wanted to let you know that the city of Kitchener and Waterloo and the region have put forward a proposal to increase the level of two-way GO and transit from Kitchener-Waterloo and Toronto. It was presented yesterday. It may be of interest to you, because the idea obviously is to connect that rail line. You quite rightly point out that the province has to work more or put more pressure on the federal government around federal funding for transit, for rail transit specifically, because they've moved away from southwestern Ontario. It's now very much Ottawa, Montreal and Toronto, that triangle, and that limits the economic growth of the entire province. So I really do appreciate someone who is obviously connected to the automotive industry coming in here and talking about the value of rail. If you wish, I can make sure that you get that other proposal. You would be very interested in it. Thank you very much.

Mr. Chris West: Thank you.

Mr. Michael Prue: Is there still time?

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

Mr. Michael Prue: Okay. One of your concerns that you outline on page 4 is managing Ontario's electricity system. We pay amongst the highest rates of any consumers in North America, and it is only likely to go up. What kind of effect is electricity having on your business or people you know in St. Marys? We know that a lot of factories are shutting down, and some of them are citing the fact that it just costs too much to do business here in terms of power.

Mr. Chris West: I really believe, although you don't very often see it, that a lot of the reason that we're losing jobs in Ontario and Canada is because we're not competitive, and certainly one of the areas where we're not competitive is energy costs. When we had the big hit back in 2008-09, we had to look at ways to reduce all of the expenses at the dealership. One of the things we did is we put in more efficient lighting in the dealership because we couldn't handle the additional energy costs. We cut back on the time that our lights are on in the lot, which obviously decreases safety and makes it harder for consumers to look at vehicles. We turned the heat down in the evening. It does affect it, and it does make Ontario somewhat, I believe, uncompetitive compared to other jurisdictions.

Mr. Michael Prue: Do you have any suggestions about what the finance committee could recommend to the government in terms of energy costs, electricity? Should we be telling them to hold the line, to make electricity available to industry at a cheaper rate than we're doing it now? Do you have any suggestions for us?

Mr. Chris West: It seems to me that one of the problems with electricity is there's not enough competition. I get that impression when I speak to people at the different companies. I certainly don't get that impression from Stratford, but talking to people in Ontario about Hydro One—I get the impression they could care less. To me, you don't have customers if you don't offer service. I think it's a competitive situation.

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

Mr. Chris West: Thank you.

The Chair (Mr. Kevin Daniel Flynn): I have a question: Why did you pick Oakville and not Kitchener?

Mr. Chris West: I'm not sure. I think it was probably the day. I tried to pick a day that worked out best.

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

Mr. Chris West: I would have come by Via train, but it's a little hard in Oakville. Queen's Park is easier.

The Chair (Mr. Kevin Daniel Flynn): Thank you for coming. Is Ivonne Spicer with us? Ivonne Spicer? Ivonne Spicer was scheduled for 4 o'clock and may not be joining us; at 4:15 was Chris Invidiata.

ASSOCIATION OF DAY CARE OPERATORS OF ONTARIO

The Chair (Mr. Kevin Daniel Flynn): The next speaker, then, would be Kim Yeaman. Kim, are you here? Would you like to go a little bit early?

Ms. Kim Yeaman: I'm ready to go.

The Chair (Mr. Kevin Daniel Flynn): Perfect. Come on forward.

Ms. Kim Yeaman: Good thing I was early.

The Chair (Mr. Kevin Daniel Flynn): You get 15 minutes, Kim. Use that any way you see fit. If there's any time left at the end, it'll come from the government side.

Ms. Kim Yeaman: My name is Kim Yeaman. I am the co-president of ADCO, which is the Association of Day Care Operators of Ontario. I'm also actually a small business owner. I own a child care centre in Innisfil, Ontario.

I couldn't get time in Toronto, so that's why I'm in Oakville today—

Mr. Steven Del Duca: Before you ask.

Ms. Kim Yeaman: Before you ask, just in case.

Interjection.

Ms. Kim Yeaman: Actually, it wasn't bad; it was a great day to drive, I have to tell you.

In order to fully understand the context of my presentation, I'd like to start with a quick primer about Ontario's licensed child care industry.

Roughly half of the licensed child care spaces in Ontario exist in what I will call the independent licensed child care sector. The independent licensed child care sector includes centres that are run as small businesses or as not-for-profit corporations. We say "independent" because these centres are not affiliated with any government agency, municipality or any other large multi-service agency such as the YMCA.

All licensed child care programs are governed by the Day Nurseries Act, which means they are regularly inspected and licensed annually by the Ministry of Education. All licensed child care programs have to follow the same rules and adhere to the same standards. These standards are considerably more stringent than the government-run early learning program that most of you know as school-based full-day JK/SK.

1550

Some children attend licensed child care with the help of provincial fee subsidies. The funding is provided by the Ministry of Education and administered by municipalities which enter into purchase-of-service agreements with licensed child care programs.

From the standpoint of cost to taxpayers, independent licensed child care programs are less expensive than early learning and child care programs delivered by municipal governments or school boards. This is why some municipalities, including Peel and Windsor, have gotten out of delivering child care services directly. They can serve more children at less cost through purchase-of-service agreements with independent licensed programs.

There are two other things you need to know about Ontario's independent licensed child care sector. It is one of the few industries in Ontario in which women are equitably represented in the ranks of owners, senior managers and supervisors. Within the Association of Day Care Operators of Ontario, or ADCO, women comprise the majority of centre owners and executive directors. The independent licensed child care sector is also a popular career choice with new Canadians, who often invest their life savings into their new enterprises. The majority of new child care owners joining ADCO during a start-up have been in Canada for less than seven years.

I'd like to share with you a bit about my own experience as a licensed child care owner/operator so you can understand what we do and why it's important. My licensed centre is located in Innisfil. I started it in 2002, and I have a degree in psychology. I am also a RECE. We serve 190 children each day, ranging in age from 12 months to 12 years old. We serve families of all income levels and provide transportation to all the local schools. We operate our own buses. We employ a full-time chef to provide hot meal services to the children who are with us all day and bag lunches for the children who need them for school. We offer extra-curricular activities on-site so children can participate in sports, music or arts programs without their parents having to drive them to other locations. If you have more than one child, you know what that's like, right? You can only split yourself in so many pieces. Our centre is fully inclusive, co-ordinating a host of specialized services for the children who need them. Most of our staff have been with us for five years or more and some of them since we opened our doors. Our centre accounts for 20 local jobs and roughly $1 million annually in wages and direct local purchasing activity.

Across Ontario, there are over 1,000 people like me who operate independent licensed child care programs that meet or exceed provincial standards. The vast majority of them are women. No matter what our centre's incorporated status is—commercial or non-profit—our goal is to provide a positive, supportive, high-quality early learning and care experience for every family who comes through the door.

In most communities across Ontario, independent licensed child care programs like mine were the first licensed child care services available. We did not use taxpayer dollars to build or expand our centres. Most of us used our savings or mortgaged our homes. Having met hundreds of licensed child care operators or owners over the years, I've never met a single person who is in this field just for the money.

ADCO, the Association of Day Care Operators of Ontario, is comprised of people like me. Some run their centres as small businesses and some as community-based not-for-profits. Of the ADCO centres that are run as small businesses, over half are owned by registered ECEs. We also have registered nurses, professional engineers, environmental scientists and certified teachers within the ADCO ownership ranks.

By now you've all probably heard that access to licensed child care is an important factor in workforce participation rates and that it helps children get the skills they need to succeed in school and in their careers. The real question is how governments can best increase access to licensed child care.

In 2006, economist Peter Taylor produced a research paper that examined Canadian and international daycare policies. He concluded that there are significant advantages for citizens and their governments when there is a thriving independent licensed child care sector that includes both commercial and not-for-profit operators. These advantages are choice, access, responsiveness and efficiency.

The inclusion of both commercial and not-for-profit child care owner/operators in a province's child care mix increases the range of high-quality choices that families have in selecting care. Restricting the provision of child care services to the public sector or just to not-for-profits, as seen in the case in Saskatchewan, results in reduced access to regulated early learning and child care services for parents. It's unfortunate that the city of Toronto and the province of Ontario seem to have their sights set on imposing similar restrictions here.

Jurisdictions that treat commercial and not-for-profit child care centres equally in terms of government regulation, subsidies and grants have found that the commercial sector is best able to respond quickly to increased demand. This is an important lesson for parts of Ontario such as Peel region, where they're experiencing rapid population growth and don't have enough licensed spaces to keep up. This limits the potential economic growth of these regions.

Jurisdictions that treat commercial and non-profit child care operators equally also display lower costs per regulated child care space than do jurisdictions that discriminate. The phenomenon can mostly be seen notably in Alberta, BC and the Atlantic provinces.

The research suggests that in the interests of family well-being and sound economic policy, independent licensed child care centres, both commercial and not-for-profit, must be considered important components of a national or provincial child care system. The government's focus must therefore be on removing barriers to the success of independent licensed child care owners and operators and creating a level playing field for all such programs.

I'm here today because hastily designed and implemented provincial and municipal policies are reducing the range of regulated child care choices available to families. It's costing taxpayers hundreds of millions of dollars and putting children at risk. When regulated child care for Ontario's youngest children is not readily available and families face increased financial pressure, they will turn to unlicensed, informal caregivers. As we've seen, the government of Ontario is already facing many problems with unlicensed, informal care. In some instances, these problems have led to tragic consequences.

Over the last eight years, provincial responsibility for child care policy and funding has been transferred among ministries on three separate occasions. It has gone from the Ministry of Community and Social Services to the Ministry of Children and Youth Services and, at the start of 2012, to the Ministry of Education.

Even though the regulations governing licensed child care have remained relatively consistent, each change in ministry has meant changes in provincial advisory and licensing staff and dramatic changes in how regulations are interpreted. As a licensed owner/operator, it's often hard to keep up. This constant state of rapid, arbitrary, government-imposed change certainly does not benefit taxpayers, and it has already put children at risk.

Since landing at the Ministry of Education, responsibility for the well-being of Ontario's youngest children has taken a back seat to the development of the school-based, government-run program that we all know as full-day JK/SK.

Some of the provincial offices that used to provide licensing and inspection services to the child care sector have been closed. It's very clear that the staff at the offices that remain are stretched extremely thin. Many licensed child care owners have successfully passed their annual licensing inspections and have waited nearly a year to receive the licences they are supposed to be posting within their centres. No wonder so many parents are confused about the difference between licensed and unlicensed care.

Yet, in December, the Minister of Education proceeded to introduce Bill 143. Bill 143 was promoted as necessary for cracking down on unlicensed informal caregivers and closing an obscure legal loophole that allowed some private schools to deliver services outside of the Day Nurseries Act. However, it also gives provincial and municipal officials sweeping new powers over licensed child care centres.

If passed in its current form, Bill 143 will force many more independent licensed child care centres to close. Yet, the demand for regulated child care services isn't going to suddenly disappear. The province will then be under pressure to finance replacing the spaces Bill 143 has destroyed.

If the Drummond commission thought the cost of the full-day JK/SK program was too much for Ontario's economy to withstand, can you imagine the commission's reaction to the costs associated with this plan? And what happens to all of the families who are displaced in the process? How is it that their children would be made safer?

Media reports published in November of last year revealed that the Ministry of Education's own research shows that full-day JK/SK isn't yielding the results it had hoped for. Ontario's taxpayers don't want their government to double down on that bet. They also don't want government-run programs as their only regulated child care choice from the time their children are born.

There is a better way to increase access to regulated early learning and care services for all Ontario families. There is a less expensive way to deliver these services without a loss of quality, and there are tens of thousands of Ontario families who are already relying on it every single day. That way is Ontario's independent licensed child care sector.

Let's not forget that just a few short years ago, prior to the advent of the government's full-day kindergarten, there was a fully functioning licensed child care system in Ontario. Most licensed child care spaces were within walking distance to a school and many were located right on school grounds. The challenge in some areas was that there weren't enough licensed spaces to meet the demand. In others, there were plenty of spaces, but cash-strapped families couldn't afford them.

The government has many options to address this challenge. It could provide low-interest loans to new and existing licensed child care owner/operators to create new spaces in underserved areas. It could invest more in fee subsidy assistance for lower- and middle-income families, which will help fill spaces that are sitting empty. To date, however, the government has only sought to eliminate what is already working in the private and non-profit sectors and replace it with something it owns and runs itself.

The time has come to stop putting Ontario's children at risk, to protect the rights of the tens of thousands of Ontario parents who choose independent licensed child care programs every day, and to breathe new life into this vital sector of Ontario's economy.

There are two very important things this government can do, neither of which will cost taxpayers a cent: follow the recommendations of the Drummond commission and don't continue to expand the full-day JK/SK program; and place an immediate five-year moratorium on regulatory or legislative changes aimed at all licensed child care programs, both existing and new, and focus on enhancing the safety of unlicensed environments.

Together, these steps would help protect the children who are currently most at risk, preserve licensed child care spaces, and respect the rights of parents to make choices for their children, and all at no additional cost to taxpayers.

Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Kim. Thank you for your presentation. You've left about two minutes for questions.

Donna.

Mrs. Donna H. Cansfield: Thank you. I just have one question. At the beginning, you said that all licensed child care programs have to follow the same rules and adhere to the same standards, and that they're more stringent than the government-run early learning program. Can you tell me what those differences are?

Ms. Kim Yeaman: The ratio of child to—

Mrs. Donna H. Cansfield: Well, that's 12 to 1 in the day nursery.

Ms. Kim Yeaman: No, the day nursery at JK is 1 to 10.

Mrs. Donna H. Cansfield: One to 10.

Ms. Kim Yeaman: One to 10. So they're at 1 to 13, if not more, in JK classrooms.

Mrs. Donna H. Cansfield: But they have assistants and support services in there, so is that the only difference?

Ms. Kim Yeaman: There are regulations about window space, toys, program—exactly what the program has to be—to meet those needs; what care is provided, too. At the same time, there's a lot more flexibility in child care programs than there is in schools.

Mrs. Donna H. Cansfield: Interesting. I spent 30 years in day nursery programs and so I'm finding it difficult that you think there is such a difference between what's offered in the all-day program and in kindergartens. With the exception of the learning component—it's different, because there is a curriculum. Certainly, in my nursery school, we followed that curriculum, so I'm not sure where the differences really are.

Ms. Kim Yeaman: One of the things that is becoming really evident is that the schools-first policy for child care and for the JK/SK—that everything is going to be in the schools first—that parents are not going to be allowed to have any choice about where their children are during the day, either before—

Interruption.

Ms. Kim Yeaman: Ah, time's up.

The Chair (Mr. Kevin Daniel Flynn): Finish that thought. You came all the way from Innisfil—

Ms. Kim Yeaman: I really did.

The Chair (Mr. Kevin Daniel Flynn): I cut you off in mid-sentence. Finish your sentence.

Ms. Kim Yeaman: Thank you. One of the things about independent child care that is not located in schools: The parents will still have choice about where their children go every day. What the parents need, too, can be very different. And the school board says, "We're in school from this time to this time and this is what we offer." A lot of independent child care centres can offer very different things, depending on the need in the community.

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

Interjection.

Ms. Kim Yeaman: I realize that, yes.

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

Ms. Kim Yeaman: Thanks so much.

Interjections.

The Chair (Mr. Kevin Daniel Flynn): Take the 407.

Mr. Michael Prue: Only if you're rich.

The Chair (Mr. Kevin Daniel Flynn): That's right.

We're still waiting for Chris Invidiata—I haven't seen Chris enter the room yet—and Dr. James Swan, the cardiologist. Why don't we take a little break and recess for a few minutes and see if these folks show up?

The committee recessed from 1604 to 1612.

MR. CHRISTOPHER INVIDIATA

The Chair (Mr. Kevin Daniel Flynn): Okay. Let's call back to order. Our next delegation this afternoon is Chris Invidiata. Chris, you get 15 minutes, like everybody else today has had. Use that any way you see fit. If you leave some time at the end, the questions will come from the Conservative Party this time.

Mr. Christopher Invidiata: Okay. Wonderful.

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

Mr. Christopher Invidiata: Thanks for doing what you're doing in opening up to us commoners so you can hear what we're experiencing.

I've been in real estate for 29 years, most of it here in Oakville, Mississauga, Burlington, and a lot of it had to do with construction and selling new homes etc.

One of the things that has impacted the industry is the HST's effect on the new home industry when it applies to homes that are, let's say, in excess of $800,000 to $1 million. So the impact of the HST has caused a lot of builders to stop building, because that 13% on their sale price is actually more money than they make constructing the home. So the risk-reward has disappeared.

What we've come to see is builders now retreating and becoming just general contractors, working for the end-user. So the buyer used to be a builder, buying a property, then building it, putting it out to the market, registering with Tarion and hoping to sell that home as a new home and build his brand and build his business. Well, that has since stopped, and so the builders are looking for the end-user to buy the home, build the house.

The end-user moves into this home, and, quite often, that end-user turns out to turn around and sell this home in the future, which is now unwarranted by Tarion. So you have a situation where homes are not being registered with Tarion for warranty, and you have a public who's looking to buy homes now that—basically the seller is a resale home and there's no warranty involved anymore, and the builder is no longer building his brand as a business. He's just simply contracting to build the house.

Our feeling is that the land itself should be exempt from HST. I consider land now equal to food and equal to resale business, that it should not be taxed as HST. So if you were to credit the land portion in these transactions, you would have HST on all of the components that went into building the home, including the profit, and the homes would be warranted again. The balance would be there for the builders to make just a profit, which is about 8%—the industry is at about 8% or 9%—and I think it would revitalize that whole industry and bring the builders back. It would put it back into balance. Right now it's clearly out of balance.

The exemption, I think, should also apply even to developers. Developers who deal in the high-end part of the market are also feeling this impact. When they buy a big tract of land, they divide it up. When they go to sell the land, that HST portion is, again, so excessive that it's unaffordable when you compare it to infield lots. It's also clearly an excessive amount on the land portion, and I think that all should be exempt for developers as well.

I think, in conclusion, that it's as simple as that. I think that if the credit was put in on the land portion you'd see a whole industry, the custom builders, coming back to the market and starting to build again. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Chris. You've left quite a bit of time for questions from the Conservative Party.

Vic?

Mr. Victor Fedeli: Thank you very much, Chair. Welcome.

Mr. Christopher Invidiata: Thank you.

Mr. Victor Fedeli: May I just call you Chris?

Mr. Christopher Invidiata: Yes, sure. Christopher is fine, yes.

Mr. Victor Fedeli: When you talk about the fact that the land should not be taxed with the HST and that that will help a warranty come back—can you just make that link for me again? I missed that interlocutor.

Mr. Christopher Invidiata: Okay. If you go back to pre-HST, you will find with Tarion, that I would say that close to 100%—100% is too high, but let's say 90% of all custom homes built in the province would be registered with Tarion.

Mr. Victor Fedeli: Okay.

Mr. Christopher Invidiata: After that date, you will see that it falls off completely. The builders are not registering with Tarion, because legally they don't have to as long as they're not selling the home. If they're contracting it for the consumer, the end user, then they're not breaking the law by not registering with Tarion. They are breaking the law if they're buying the property, building a home and selling it before it's finished. They need to register with Tarion. That's the law.

Mr. Victor Fedeli: I just miss the link as to how not taxing the land would make that complete.

Mr. Christopher Invidiata: Oh, okay. So, pre-HST, when there was GST, every builder would buy property, would register with Tarion, would build the home, would put it back on the market, and they would take the risk of selling it, but now the amount is too high, so they're not taking the risk. They've retreated from doing that, and some of them have left the business. They've gone into other fields.

Mr. Victor Fedeli: I understand that link that you have made now.

Do you have any questions, Ted, on that particular?

Mr. Ted Arnott: No.

Mr. Victor Fedeli: So, we've got some time. Let me just ask you a little bit about the real estate market, then.

Mr. Christopher Invidiata: Sure.

Mr. Victor Fedeli: Just in general, I don't have any idea: What's happening out there?

Mr. Christopher Invidiata: Well, in our industry right now, I would say, as a whole it's pretty healthy. I would say that this one area is an isolated part of the market which has been hit hard.

Mr. Victor Fedeli: Which area is isolated?

Mr. Christopher Invidiata: The custom builders. You can see a big hole, or a drop in the chart, if you would, if you do the analysis. But overall, I think that the interest rates, the state of the economy and the immigration influences are good.

I think that the immigration policies should be a little bit streamlined for people who have means. Right now I deal with a lot of the high-end immigrants, and some of their stories about being totally frustrated about trying to get into the country, where they have millions and millions of dollars, they have technology and they can bring businesses. That's another area where they feel—or I feel, anyways—that we could, using their words, have a fast track, if you will, like at the airport where you have your American express line. It would just bring more people with money into the country.

Mr. Victor Fedeli: Let me ask you: We met with OREA just—was it about a month ago that OREA was in Toronto? Maybe a month and a half ago, the Ontario Real Estate Association was in Toronto. Do I remember—was one of the bigger issues that we talked about electronic signatures?

Mr. Christopher Invidiata: As an issue?

Mr. Victor Fedeli: Yes.

Mr. Christopher Invidiata: I don't find that to be a problem, to be honest with you. I think that the world of electronic signature registry has accelerated the efficiency. I think it causes more problems for fraud. It opens it up to that whole world of whether it was fraudulent or not. But I think for the 99% of the deals that are done legitimately, it has actually accelerated the business and helped the business along.

1620

Mr. Victor Fedeli: Chair, I don't have any further questions.

The Chair (Mr. Kevin Daniel Flynn): Wonderful. Anything, Ted?

Mr. Ted Arnott: No, I'm fine.

The Chair (Mr. Kevin Daniel Flynn): Wonderful. Thank you very much, Chris. We appreciate you being here today.

Mr. Christopher Invidiata: My pleasure. Thanks for having me.

ONTARIO ASSOCIATION OF CARDIOLOGISTS

The Chair (Mr. Kevin Daniel Flynn): Dr. Swan, is it? Perfect timing. Chris just finished his delegation, so you can have his seat.

Dr. James Swan: Traffic couldn't be any better.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much for joining us today. You've got 15 minutes like everybody else. If you want to save some time for the end, that would be great. The questioning this time will come from the NDP. The floor is all yours.

Dr. James Swan: Do I push a button here?

The Chair (Mr. Kevin Daniel Flynn): No, you just talk; we take care of the rest.

Dr. James Swan: First of all, thanks very much for inviting me to speak today. My name is Jim Swan, and I was here last year on behalf of the Ontario Association of Cardiologists. I appreciated the dialogue which we were able to open up with your committee. It turned out to have many positive results, I think, both on the government side and for cardiac patients in Ontario.

I don't think I have to tell anybody here around the table that cardiac disease is one of the major concerns that we have in our country. As you know, 29% of the deaths that occur in Canada are related to cardiac disease, and it consumes 21 billion of the dollars that we spend in our country. So for each of the provinces and across the country, $21 billion is spent on cardiac disease.

This dollar number is growing because the burden of cardiac disease is changing. Some of that has to do with not only our own population; the population that's coming to Canada from the immigration side brings with it a fairly large burden of disease which we have to look after.

What the cardiologists each day in Canada and here in Ontario do is, we meet with our patients, we diagnose the problem, we treat the problem, we manage the problem, and we try to rehabilitate the patient after we've involved them in whatever treatment it is for cardiac disease, whether it's primarily medical or whether we've done an intervention.

As you know, this is the number one killer, and it's the major public health threat to the Canadian economy, again because of the cost. One of the things I think you have to always be careful of is—if you involve us, the cardiologists, at the beginning of your planning in your programs, we can help you do it in a more efficient and cost-effective way so that we can use those tax dollars best to deliver the best care that we can here in Ontario and we can maintain our world-class status.

The other thing is, we have a good track record here in Ontario, the cardiologists working with you and with government. We really want to continue the excellent relationship that we have with you, but success in that relationship depends on two things. It depends on the mutual trust and respect that we have for each other. The government has to respect us, and we have to respect you. If we don't have that respect, then we're not going to go anywhere. It's very critical that you respect us and we respect your job, and we are prepared to do that.

If you follow the recommendations that I've given in the background to what I'm talking about today, you will find that not only will we improve cardiac care, but we can achieve future expansion of services within the health care budget that you have. I want to stress to you again that we in cardiology understand that our province is under fiscal constraint because of the dollars that are there. But if you work together with us early on, we can do much.

The recommendations that I've outlined in the brief really consist of five specific areas. A little over a year ago, I was here and we talked about the order in council which was passed in May 2012. That order in council would have changed the definition of "self-referral" and it would have put out of business a lot of non-invasive cardiac labs, whether they lay in a university environment, in a hospital environment or in the community. We were able to work with government to change that definition, and I'm pleased to report that we appreciate the positive effort of not only the Liberal government but the Conservatives and the NDP, because we went and met with each of you, and I believe it was a combined effort that led to the success in that area. On behalf of the cardiologists but mostly on behalf of the cardiac patients in Ontario, I thank you for your hard work in that area.

On the last one, if you look at the cuts that took place under the physician services agreement, $54 million went out of cardiac services. If you look at that number, changes in ECGs went to $17 million of that cut. The actual amount for an ECG was chopped in half, by 50%.

This is something that is very offensive to cardiologists. The ECG is probably the most important test that we do when we see a patient. It takes a great amount of expertise to read an ECG. It's not something that a computer can read. If you put 100 complicated ECGs in front of a computer, it would be lucky to get 2% right.

When patients come to see us in our office, they're complicated. They're not easy patients to deal with. I think what some people in government understand now is that you can just have a computer-generated ECG with a report. If they're normal, the computer will pick up 99% of it. That's not the population that we're talking about.

The ECG cut hurt cardiologists tremendously in the reward for the time and effort that they have to spend on reading ECGs. You don't just read an ECG in 10 seconds; it takes expertise. Oftentimes, it will take you a number of minutes to do it.

We've identified this as a problem with the Ministry of Health. They said that the fee cut that took place in ECGs is a problem. We've met with Susan Fitzpatrick, and she wants to address it. We've met in our own organization, which was a party to this cut, and we've told them that this is the number one thing that has to be rectified for cardiologists, and they are cognizant of that. So I want to stress that to you.

A little over a year ago when we were here, we talked about the provisions for echocardiography in Ontario and how we're doing there. As you know, if you go back and look at the documentation, you'll find that if we have the standards in place, we'll get the right test done on the right patient at the right time by the right people for the right reason, using the right equipment. ICES analyzed our document—and I'm one of the authors of the document. We could save $42 million. I'm happy to report that we've got some labs certified and we're moving forward in that area. The goal is that within two years—maybe faster, if you in government tell us you want to do it; I think it's not a bad idea to go faster—we can get that done and we can save more money there. We can get the right test done.

The other thing I want to alert you to is to be cognizant of a program that's coming across in Canada that's called Choosing Wisely. What Choosing Wisely is—it's again talking to patients, doctors and technologists: Use the right test, do it at the right time and use our resources better. All of the medical organizations in Canada are on board with that. Our program in Canada is going to be a little different than in the US. You can leave the US—you'll find that it's got some problems.

What we're trying to do here in Canada is do it a little bit better and also get some outcome data so we can see, as the program is rolled out, how we're doing: whether we're doing a good job or whether we're not. We're going into the medical schools, if you can believe it, and we're educating the young men and women who are becoming physicians about this program. I think it's very exciting. I had the privilege of teaching young students and examining them, and I've had some young students in first and second year ask me about the Choosing Wisely program, and, really, there are very good questions that they ask, and they really want to do a good job. So I think we can be encouraged there.

1630

The other thing is, there's a program going on in Ontario right now about looking after the patient with congestive heart failure. The congestive heart failure patient is a patient who requires a lot of expertise to look after and eats up a lot of resources. There's a program that the government rolled out called Health Links. In our opinion, the program has merit, but the way it was rolled out and the fact that you did not involve cardiologists at the beginning of the program in some of the ideas that you had I think in the long run will end up costing you extra dollars.

We've met with Helen Angus, who is in charge of the program. We've talked about heart failure, and she liked the fact that we brought positive suggestions and new ideas on how we could roll out a program for heart failure so that wherever you lie in this province, you would get equal access to a similar program. As you know, the Cardiac Care Network states that wherever you lie in this province, you should have equal access to care. So if you lie on University Avenue and you need an angioplasty, it should be the same as if you live in Orangeville and you want to get access. We should be able to give you the same service.

So what we've done—the Ontario Association of Cardiologists—is we have experts. If you look in our board, we have tremendous experts there. We have world-class authorities on heart failure, and we've put together two pilots which we're in the process of rolling out. I want to alert you that we are working with the Ministry of Health, the Cardiac Care Network and our own Ontario Medical Association to roll out these two pilots. It looks like if the pilots are successful—one will be in a large community; one will be in a small community—then it would be something that we could move out across the province, because we're interested in delivering care, as cardiologists, well across our province. So we would like your support there.

Two years ago, Don Drummond, when he was talking about what was the matter in Ontario, said, "The ultimate challenge in the years ahead will be to find ways to make government work better and preserve as much as possible the programs Ontarians cherish most."

We think that the programs that they cherish most involve cardiac disease, because whether you like it or whether you don't, cardiologists save lives. It's care that's administered directly by cardiologists. It's not care in cardiac disease delivered by family physicians or oncologists or obstetricians; it's direct care by cardiologists. By that, we mean when patients come out of hospital after major cardiac interventions, they need to see a cardiologist within two or three weeks. The literature supports this. ICES has recent data to support this. You'll see background information in the background document. Don't forget: The more encounters you have earlier on after you have an intervention with a cardiologist, the better your care is and the least cost to government.

So we believe that if the government works directly with us in the initial stages of planning in what you're going to do in cardiac care, we can do a better job in a tough time.

I'd be glad to take any questions.

The Chair (Mr. Kevin Daniel Flynn): Okay. Thank you, Dr. Swan. You've got two minutes left.

Michael or Catherine?

Mr. Michael Prue: Yes, a number of questions. The first one: Your recommendation number 2 is to reverse the cuts for $17 million. It was my understanding that the OMA and the government signed a deal. The cardiologists may have been represented by the OMA, perhaps not to your satisfaction, but wasn't that deal agreed upon by all parties and signed?

Dr. James Swan: Well, the deal was signed by the OMA and the government. As cardiologists, we've had an excellent relationship working with the Ministry of Health. And I've heard both sides of this equation. I've heard our own organization tell us one thing, and I've heard the government tell us something else. The real problem is—I don't think we need to go back there. There has been a mistake that has been made here with the amount of money that we are paying for an ECG. This needs to be corrected so that the people, the men and women who are doing this test, are adequately rewarded for the expertise which they have.

Mr. Michael Prue: Okay, so this would involve, then, an expenditure of an additional $17 million—

Dr. James Swan: Well, I think there are negotiations going on, and each section is asked to put forward what they think is important. There were some mistakes that were made, and we're trying to rectify it.

One of the things we see that would be very helpful is to get the ECG rate up to a reasonable level. Just to give you some background, the Cardiac Care Network has a committee on ECG and Holter monitoring. We are actively involved there, and there are some recommendations coming forward. They realize it's a problem too. I think what you'll see in the negotiations on behalf of government is that they're going to move on this, and our own organization is. But we feel that this was something that was very, very badly overlooked.

The Chair (Mr. Kevin Daniel Flynn): You're going to have to be really brief.

Ms. Catherine Fife: Is your ask, then, to restore the $17 million so that those ECG tests—

Dr. James Swan: We know that $54 million was taken out of cardiology, and $17 million of those cuts came from ECGs. We don't know what's going to happen this time. People go back and forth in negotiations. But what we want to see is, first of all, no further cuts to cardiac services; we want to be very clear about that.

Also, as I mentioned to you, if we can work with you in government early on as you roll out your programs, we can save you money in a tight budget time. We think there are savings there, if we work together, but the savings will only occur if we trust each other and we work together.

We're asking you in government to get us involved up front; get us involved at the beginning. We have experts who are willing to do the job, but we'd rather be asked at the beginning than halfway through.

Ms. Catherine Fife: And you want them to negotiate in good faith. That's one of your hard asks.

Dr. James Swan: Oh, yes. Everybody should negotiate in good faith, yes.

Ms. Catherine Fife: You shouldn't have to come here and ask for it.

Dr. James Swan: Cardiologists were dealt with very strictly in the last negotiations.

Ms. Catherine Fife: Very strictly.

Dr. James Swan: Yes, and we have taken a cut in income, and it has hurt people. So we're asking this time for—go somewhere else, not us.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Dr. Swan. Thank you for coming today. It was appreciated.

This committee is adjourned to Peterborough.

The committee adjourned at 1637.

Continued from back cover

CONTENTS

Tuesday 14 January 2014

Continued on inside back cover