



ISSN 1180-4386

**Legislative Assembly
of Ontario**

First Session, 41st Parliament

**Assemblée législative
de l'Ontario**

Première session, 41^e législature

**Official Report
of Debates
(Hansard)**

Tuesday 27 January 2015

**Journal
des débats
(Hansard)**

Mardi 27 janvier 2015

**Standing Committee on
Finance and Economic Affairs**

Pre-budget consultations

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

Consultations prébudgétaires

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Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS

Tuesday 27 January 2015

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Mardi 27 janvier 2015

The committee met at 0900 in the Clarion Hotel and Conference Centre, Fort Erie.

PRE-BUDGET CONSULTATIONS

The Chair (Ms. Soo Wong): I'm going to call the meeting of the Standing Committee on Finance and Economic Affairs to order. Good morning. We're here in beautiful Fort Erie, so I want to welcome everybody.

Today we are hearing from witnesses from Fort Erie. I believe we're going to have two conference calls this morning, so I want to start on time.

WINERY AND GROWER ALLIANCE
OF ONTARIO

The Chair (Ms. Soo Wong): Welcome, gentlemen. Your presentation this morning will be 10 minutes in duration, and then five minutes for members of the committee to ask questions. This round of questions will be from the official opposition party, because we rotate in terms of asking questions.

You may begin any time. Please identify yourself and your position with your organization, the Winery and Grower Alliance of Ontario. Welcome.

Mr. Del Rollo: Thank you very much. Good morning. My name is Del Rollo. I am the secretary-treasurer of the Winery and Grower Alliance of Ontario as well as a director of eastern estates and industry relations for Constellation Brands Canada.

Accompanying me is Patrick Gedge, president and CEO of the Winery and Grower Alliance of Ontario.

The WGAO is the only trade association in the Ontario wine and grape industry that is composed of both wineries and independent grape growers. Our members produce 85% of all wine in Ontario, purchase over 85% of all the grapes grown by independent farmers in the province, and operate the largest iconic tourism wineries in the province, such as Inniskillin, Peller Estates, Jackson-Triggs, Trius Winery at Hillebrand, Château des Charmes etc. We represent 89% of all exports of Ontario wines to some 73 countries around the world.

We are going to try and be brief and focused today, given that the session specifically relates to the upcoming Ontario budget.

Every single person who deals with the wine and alcohol file comes away with the realization that, "This is

really complex." We could not agree more, and our major role as an association is to inform and share facts and experience about the industry with government.

More often than not, there are unintended consequences that need to be understood and analyzed before final public policy decisions are made. Not surprisingly, we need to correlate any discussion of the budget with the upcoming report by the Premier's Advisory Council on Government Assets, which includes the LCBO. We have found the council to be very consultative and transparent about their activities, and we have had, and continue to have, meaningful dialogue with them.

Our core message to the council and to government is that our \$3.3-billion, 14,000-job industry creates jobs and investments in the province through agriculture, manufacturing, retailing and tourism. Every bottle of Ontario wine sold generates \$39.67 of economic impact for the province. Imported wines are our competitors, and they create jobs and investments in Italy, France, California, Australia, Chile etc.

The best and most sustainable source of increasing revenue to the government is through supporting the growth of the domestic wine and grape industry in Ontario, not in other countries. The driver of such growth is an increase in the sales of Ontario VQA wine—25% of Ontario wine sales volume—and international Canadian blends, ICB wine: 75% of Ontario wine sales volume.

Both of these categories of Ontario wine compete against imported wines, VQA against Appellation wines over \$10, and ICB against imported value wines under \$10.

In every speech by the Premier and all the ministers, the public policy goal of increasing jobs and investments in Ontario is emphasized. This in turn produces more sustainable revenue to the province.

The LCBO is an asset of the provincial government, and, as such, was included in the scope of the Premier's advisory council mandate.

Now I'd like to turn the floor over to Patrick.

Mr. Patrick Gedge: Thank you. We strongly recommend that the government leverage the government asset called the LCBO to both generate provincial revenue and grow Ontario businesses, jobs and investments at the same time. Through this leveraging of the LCBO, there is absolutely no reason that we could not grow the economic impact of our industry from \$3.3 billion to \$5 billion by the year 2020. We doubt that there's a consumer or a

taxpayer in the province who would disagree with this sentiment and logic.

The LCBO has an extensive network of 650 full-service stores and 219 agency stores in the province. Annual Ontario wine sales are \$128 million of VQA wine and \$272 million of international Canadian blend wine, for a total of \$400 million. Imported wine sales through the LCBO are \$1.39 billion—about \$1 billion more.

Our potential to grow the sales of both categories of wine is enormous. For example, the market share by value of Ontario wine sold through the LCBO is 20.5%. In British Columbia, the comparable number for BC wine sales through their liquor board is 42.8%—more than double. In many other provinces in Canada, the market share sale of domestic wine is higher in their liquor boards than that of the LCBO, home to the largest wine and grape industry in Canada.

The growth of new, sustainable revenue to government and more jobs and investments by the Ontario wine and grape industry will come from leveraging the LCBO and its large network of talented and knowledgeable staff and management. With that growth comes a comparable increase in the demand for Ontario grapes, which is key to the agriculture sector, as well as regions such as Niagara.

To illustrate these impacts: An increase of 10% in VQA and ICB sales by the LCBO, in their general list, would represent an economic impact of \$163 million to the province. An increase of market share from some 4% to 10% for Ontario VQA wine through Vintages would result in an economic impact of another \$126 million to the province. This increase of VQA sales through Vintages would also be particularly beneficial for Ontario's small wineries and far exceed any other retail options under consideration. This added economic benefit, totalling \$289 million to the province, would result in new investments in jobs and agriculture, manufacturing, retail and tourism.

Finally, we are extremely aware that the province is also reviewing all options to increase revenue. While growing the economy is, in our view, the most sustainable way to generate revenue, we realize that there may be additional decisions made in the short term. We've identified a number of such opportunities to the Premier's advisory council, including the increase in minimum prices of wine through the LCBO, and potential increases in across-the-board markups. We would like to ensure that any such changes would impact domestic and imported wines in the same manner, so that the competitiveness of Ontario wines in the marketplace is not negatively affected. If there were any tax or markup increases just applied to the sale of Ontario wine, then the result would be reduced investments and reduced grape purchases in Ontario.

We're pleased that the Grape Growers of Ontario and WGAO have communicated the same messages to the council and government in a joint letter dated December

5, 2014, and together, we'll be meeting with the Premier's advisory council on January 28, 2015.

In conclusion, we have three very straightforward points to make which we believe Ontarians and taxpayers would support:

(1) Consider all proposals and ideas for the provincial budget through the lens of whether the economic contribution of the Ontario wine and grape industry and ultimate revenue to the government will grow or shrink as a result.

(2) Leverage the LCBO and its extensive store network to increase Ontario wine sales and market share, with the resulting positive economic impact on Ontario jobs and investments.

(3) Ensure that any proposals for the provincial budget not negatively affect the financial soundness and future growth potential of the Ontario industry, thus making it less competitive against imported foreign wines.

Thank you very much for your time and consideration. We look forward to your leadership in creating more jobs and investments in the province through the Ontario wine and grape industry, and we look forward to our discussion.

The Chair (Ms. Soo Wong): Thank you very much, gentlemen.

Mr. Arnott, do you want to begin the questions for our witnesses?

Mr. Ted Arnott: Thank you, Madam Chair, and thank you very much, gentlemen, for your presentation. It was interesting. We do appreciate the work that you do and the end product as well.

Mr. Patrick Gedge: Thank you.

Mr. Ted Arnott: I've got a couple of questions. You mentioned that the total impact of your industry in Ontario is around \$3.3 billion and about 14,000 jobs. Are those all-in numbers, in terms of the processing, the agriculture, the manufacturing, everything?

Mr. Patrick Gedge: Yes. There was an economic impact study done by a firm out of California called Frank, Rimmerman and associates, and we actually did it on a Canadian basis and then in each of the individual wine-producing provinces: British Columbia, Ontario, Nova Scotia and Quebec. So we had a common methodology, and it covered all of the sectors that we touched, both from a direct, indirect and induced economic impact.

0910

Mr. Ted Arnott: The industry goal that you've articulated quite effectively this morning is that you'd like to be a \$5-billion industry by 2020. Is there a jobs estimate associated with that increased amount of economic activity—another 6,000 or 7,000 jobs—

Mr. Patrick Gedge: Yes, our best estimate is—when it comes to economic studies, you can only use estimates. But our expectation is, by growing to \$5 billion, that would add another 3,000 to 4,000 jobs in the province.

Mr. Ted Arnott: You said that the market share by value of Ontario wine sold by the LCBO is 20.5%, but in BC it's more like 42.8%. What are they doing differently to double the result?

Mr. Patrick Gedge: It's a great question. The most fundamental issue, I think, is that British Columbia has been extremely committed to growing their domestic industry. In any speech that they make that even touches on the industry, they very explicitly identify their interest in growing the industry, their jobs and their investments in that province. They also have a number of programs that are similar to what we have in Ontario but are stronger incentives for the industry to produce more wine and sell it through their liquor board.

Del, do you have any comments?

Mr. Del Rollo: I agree with Patrick. Their government is very supportive. When you look at the similar programs that we have to them, you would just sort of take the government's commitment from the province and times it by 10. But our commitment is here. Then, when you look at their Premier, obviously, her riding is in wine country, and she's very dedicated—not to say that our Premier is not. But it's very, very important to that province.

Mr. Ted Arnott: This government has a propensity to look at the revenue side of the equation more so than the expense side, and they look for opportunities to raise the revenue more so than to reduce expenditures [*inaudible*]. But you said very clearly that if there's any tax or mark-up increase that's applied to the sale of Ontario wine, it will result in reduced investment in grape purchases in Ontario. I would assume that means those thousands of jobs that you're looking to create between now and 2020 would not materialize.

Mr. Patrick Gedge: Yes, that's the consequence of that. We're in an extremely competitive market environment. We can all have our discussion about the pros and cons with respect to the LCBO, and that's a much broader issue. But the reality is that when you go into any LCBO, which is the primary distribution channel in the province, we're competing against the world. So anything that affects the financial soundness of our wineries to be able to compete and invest in selling their products through the LCBO and direct to consumers etc. is something that's going to have negative impacts. Unlike many other industries, the profit margins of the wine industry are extremely low, so our ability to compete with the giants, globally, through the LCBO is, frankly—a very tough, competitive marketplace, and that includes investing a lot of dollars into marketing programs so that we are, in fact, able to compete in the marketplace.

So every dollar that we have that is taken away from our ability to compete is ultimately going to affect our sales and our market share, and we have to then make investment decisions based upon our ability to grow the industry and grow the wine sales through each of the wineries.

Mr. Del Rollo: I would just add to that that it's important to note that the wine industry, when companies are making decisions to invest—it takes four years for a grapevine to get to the point that you actually start harvesting the grapes. We have to age the wine for a period of 12 to 24 months. When there's a period of

uncertainty and we don't know what's going to happen, then we're not going to contract for more grape purchases, and we're not going to make capital investments if we don't know that there's going to be the support of the margins to be able to sustain that. It's not just a flip of the switch. That's why we need to have a period of calm, where we can actually operate our business, rather than every couple of years wondering whether or not there are going to be new taxes levied on the system or otherwise.

The Chair (Ms. Soo Wong): I think that's it, gentlemen. Thank you for your presentation and thank you for your written submission.

Mr. Patrick Gedge: Thank you so much. We appreciate it.

INTERNATIONAL ASSOCIATION OF HEAT AND FROST INSULATORS AND ALLIED WORKERS

The Chair (Ms. Soo Wong): The next group coming before us is the International Association of Heat and Frost Insulators. I believe it's Mr. Vince Engel—

Mr. Vince Engel: Good morning.

The Chair (Ms. Soo Wong): —good morning—and Dave Gardner.

Mr. David Gardner: Good morning.

The Chair (Ms. Soo Wong): Good morning. Gentlemen, you have 10 minutes for your presentation and five minutes for questions from the committee members. This round of questions will be from Ms. Forster for you. You may begin any time, and please identify yourself and your position for Hansard purposes. Thank you. You may begin.

Mr. David Gardner: Good morning, committee members. My name is David Gardner. I'm the Ontario business manager. Thank you very much for taking the time to hear from us this morning. I'm with the International Association of Heat and Frost Insulators. Joining me today on my left is Vince Engel, vice-president of western Canada for our association.

This morning we will be speaking with you about the benefits of mechanical insulation, which has the potential not only to save the provincial government money but also to reduce greenhouse gas emissions and put Ontario's skilled labourers to work. You'll find in front of you a brief for the PowerPoint presentation as well as a two-sided document which highlights the importance of insulation and what can be achieved by working with our association to promote its use in the province.

Mr. Vince Engel: Mechanical insulation is just what it sounds like. Our members and insulator tradespeople in Canada install materials that restrict heat loss or gain from mechanical systems, which ultimately increases the energy efficiency of those systems.

Insulators are industry leaders in health and safety through hazardous waste removal, such as asbestos, lead paint, etc., and fire prevention through the installation of fire-stopping materials and devices.

Of Canada's 15,000 insulators, there are approximately 1,800 in Ontario. The impact of our work extends beyond installation to the manufacturing sector, where insulation is manufactured in Ontario. There are two major plants in Ontario, one in Milton and the other in Ottawa, and I believe there are three other smaller facilities in Ontario that also manufacture insulation. Simply put, our industry puts the skilled trades to work and it's an important component of Ontario's manufacturing and construction sectors.

Mr. David Gardner: The benefits of mechanical insulation extend beyond employment. As mentioned earlier, use of mechanical insulation has the ability to significantly reduce greenhouse gas emissions. In fact, if mechanical insulation use were widespread across Canada, 4.3 metric tonnes of GHG emissions could be eliminated. We understand that the Ontario government has set ambitious targets for GHG reduction, and we are confident that we can help you in meeting these emission-reduction goals.

Mr. Vince Engel: Not only can insulation reduce emissions; it also increases energy efficiency. Properly installed and maintained insulation systems save up to 500 times the energy and 750 times the greenhouse gases that were required in the production of the insulation. So it pays for itself many, many times over the life of a building, facility or plant. Insulation is more cost-effective than virtually any other effort designed to reduce energy and operating costs. The great thing about mechanical insulation is that our work pays for itself. Upon installation, cost recovery can be achieved in as little as six months, and frankly, many times in as little as one month, but on average, under a year for sure.

Mr. David Gardner: The return on investment from mechanical insulation is significant. Given Ontario's fiscal challenge, support for mechanical insulation is a relatively low-cost initiative that will pay for itself and save energy and dollars in future years. Our experts can help identify current inefficiencies, particularly in older buildings owned by the provincial government. Our professionals have executed projects like the University of Western Ontario or high-rise residential buildings in BC as well as, south of the border, undertaking a state-wide project evaluating the efficiency of government-owned buildings in the state of Montana. Working together, there is a potential for substantial cost savings for Ontario taxpayers through the better promotion of using mechanical insulation.

Mr. Vince Engel: We'd like to work with the Ontario government to realize cost savings in provincially owned and operated buildings and to promote our trade to Ontario's private sector. We are prepared to offer a complimentary energy audit in a provincially owned and operated building, with the goal of recommending upgrades and installation of insulation where needed. That would be similar to the University of Western case study that you'll find in your binders, where they found very substantial cost savings and energy reductions.

0920

We also recently did this for a federally owned building in Ottawa. We found several inefficiencies—about 124 inadequate insulation efficiencies—which could be improved through the use of proper installation of mechanical insulation.

At a broader level, we want to work with the Ontario government to ensure that public sector building managers are aware of our services and also aware of the value that we can provide in meeting energy reduction targets. We are also hopeful that the government can advocate for the use of mechanical insulation to private sector, commercial and industrial enterprises. We're also working to reduce energy consumption and eliminate greenhouse gas emissions. This could include possible financial incentives for commercial and industrial enterprises that choose to install mechanical insulation as part of their energy efficiency initiatives.

The Chair (Ms. Soo Wong): Thank you very much. This round of questions—

Mr. Vince Engel: Oops, one more page.

The Chair (Ms. Soo Wong): Your presentation is well beyond 10 minutes, so I just want—

Mr. Vince Engel: Oh, is it?

The Chair (Ms. Soo Wong): Yes; I've been checking the clock. I wanted Ms. Forster and the NDP to ask you some questions from the committee. Ms. Forster?

Ms. Cindy Forster: I'll let you actually make your comments in the first part of my five minutes.

Mr. David Gardner: No, no, please.

Ms. Cindy Forster: Are you sure?

Mr. David Gardner: Please.

Ms. Cindy Forster: Okay. You talked about cost-saving measures for the government by doing mechanical insulation of government buildings. Have you been in contact with the minister responsible at this point in time?

Mr. Vince Engel: Not yet, but we are—

Mr. David Gardner: We have meetings today and tomorrow.

Ms. Cindy Forster: Oh, you do?

Mr. Vince Engel: Yes.

Ms. Cindy Forster: That's great.

College of Trades: Are your insulators part of the College of Trades?

Mr. David Gardner: Yes. I'm also a director. I sit on the board.

Ms. Cindy Forster: Oh, you're a director? Okay. We've had lots of comments over the last year with respect to that. What is your feeling about the College of Trades and the insulators who actually are part of your association?

Mr. David Gardner: How do I feel? If it's used properly and not to push other trades out and it's mandated as a college to give skilled, trained workers what they need to compete in Ontario as a global economy, I think it should work out well.

Ms. Cindy Forster: I've heard from many of the trades and the skilled workforce that some feel there's a

real inequity with the fees, depending on what wage bracket you happen to find yourself in. Hairdressers perhaps making \$14 or \$15 an hour as opposed to electricians making as much as \$50 an hour and all paying the same fees—do you think there is some appetite or a way to tweak that to satisfy all wage brackets?

Mr. David Gardner: It should be prorated.

Ms. Cindy Forster: And is that something that actually will be coming forward as a recommendation through the College of Trades?

Mr. David Gardner: It could. Nobody has actually come up and presented it to us.

Ms. Cindy Forster: Wayne, do you have—

Mr. Wayne Gates: Yes, just on the Ontario procurement policy and the opportunity to make sure that our tradespeople are getting the work. Do you have any comments on that?

Mr. David Gardner: On the procurement? How our tradesmen get the jobs?

Interjection.

Mr. Wayne Gates: That's why I came up with it, yes.

Mr. David Gardner: How would we keep skilled trades in Ontario? To be honest, this is a made-in-Ontario story. We manufacture the product that we use here. They are great-paying jobs, great manufacturing jobs and great-paying construction jobs. Right?

If we could just get in to the Ontario government, as we're just starting to do now, to present to them how we can save them money, if you could just give us a building or a room—we don't do the energy audits; it's a third party that does it. Then you can sub it out to either union or non-union; we don't care. As long as they're qualified C of Q or Red Seal through the Ontario government or the federal government that do the job, you will see the actual benefits of how much money you save.

Mr. Wayne Gates: The reason why I'm asking that question is, we've come across—not necessarily to deal with your company or your particular thing, but certainly with our local trades, when the procurement policy doesn't help the small and medium-sized businesses. I think what's important to what you just said is that it puts Ontarians to work in good-paying jobs in communities right across the province of Ontario.

If you take a look at what we've gone through over the last little while, in Ontario in particular, we've lost a lot of our good-paying jobs, particularly on the manufacturing side. I think it's important that the Ontario government continue to look at a made-in-Ontario solution. It sounds to me like you're bringing them a solution that can work—for communities and for the government. I think it's something that should really be looked at, and I wish you the best over the next couple of days that you're finally getting some meetings with the government. I can tell you that if you need any support from the Niagara Falls riding at all, which you're sitting in today, you're certainly going to get it. We need to put people back to work. We need to put our trades back to work.

On the issue of the College of Trades, as a director—and I've had the opportunity to meet a few times on the

issue—it has only been a little over a year. Obviously, with any organization—any new organization; doesn't matter if it's the College of Trades or the lawyers—there are growing pains in the organization. It's good to hear that you are certainly aware of them and you're certainly open to make some tough decisions but certainly to make some corrections. I think that over the course of the last year and a half, it has been successful. What do you feel on the College of Trades? Has it been successful, and do we need to put Ontarians back to work with good-paying jobs?

Mr. David Gardner: Definitely in Ontario—and we are a small-pop operation. Most of our companies are anywhere from the range of 10 to 20 men. We're not the EllisDons where we have thousands of people building, so our group ties them to what you were saying.

The College of Trades: If anything—like you said, it's growing pains. I'm not perfect. I'll never be perfect, and if nobody presents a problem or gives us an issue, how do we know how to fix it? I'm always open-minded. As long as you're open to change, things will go well.

Mr. Wayne Gates: Have I got time to follow up?

The Chair (Ms. Soo Wong): Yes.

Mr. Wayne Gates: Just to follow up on your question: Most of the contractors—and we're going to hear this throughout the day, I would think, in some of the presentations—a lot of them are small to medium-sized contractors, and we have to make sure, in my eyes, that the procurement policy is fair, not only for the EllisDons of the world but also for your type of company, companies that are in Niagara.

I'll talk real quick about a situation that we had here. They'll come to the small and medium-sized businesses to take apprentices in co-ops from local colleges right across the province of Ontario. Those same companies are opening their hands to our young people who need the hands-on experience as they get into their third and fourth year, and yet when we put out procurement, they don't get the jobs. Then what happens is, their work dries up. It filters down. The young people don't have the opportunity to go to the small and medium-sized businesses in the local community because they're not getting the work that they should be getting. So I think that when you talk to the government, you have to talk about procurement policy to make sure that we need to put some changes in place so that small and medium-sized businesses have the same opportunity as a big business that maybe comes out of a bigger centre than local communities. Hopefully when you do your presentation with the government, you can hit that home, because we're seeing it right here in Niagara, and we have one of the highest unemployment rates, quite frankly, in the province or even in the country. We have to make sure that you get the opportunity to get the work. So I just wanted to make sure I said that.

Mr. Vince Engel: I think that's a good point. I just want to say that the College of Trades in the apprenticeship system has ratios for journeymen to apprentices. On the procurement of insulation services for the Ontario

government, the only thing we would suggest is to make sure that they have a registered apprenticeship system and journeymen working for them; that way, kids get to complete their apprenticeship and become journeymen and be able to be engaged in long-term employment that way. The completion of the apprenticeship is a big part of it.

The Chair (Ms. Soo Wong): One more minute, Mr. Gates.

Mr. Wayne Gates: One more minute. To your point, I guess what I was trying to say was that if you don't get awarded the work, then a small or medium-sized business can't take on that young person that needs that hands-on opportunity. I think that was the point I was trying to make. I understand about the ratios. Like I said, I've spent some time meeting with the directors of the College of Trades, but my concern is that if the small and medium-sized businesses are being left out of the procurement policies and being left out on getting the opportunity to get the jobs, then the jobs for our young people in our communities—they're not going to get the opportunity because the business doesn't have to work to bring them on to teach them. That was my point. Thank you.

0930

Mr. Vince Engel: Fair enough. Thank you very much for your time.

The Chair (Ms. Soo Wong): Gentlemen, thank you very much for your presentation and your written submissions.

MS. ANGELA BROWNE

The Chair (Ms. Soo Wong): Okay, folks, our next presenter is coming to us by a conference call: Angela Browne. Angela, are you on the line?

Ms. Angela Browne: Yes, I am.

The Chair (Ms. Soo Wong): Good morning. My name is Soo Wong; I'm the Chair of the Standing Committee on Finance and Economic Affairs. I'm delighted that you're able to join us in the discussion of the pre-budget consultations 2015. Before I let you begin, I'm going to introduce the members of the committee who are at the table this morning. Okay?

Ms. Angela Browne: Okay.

The Chair (Ms. Soo Wong): So from the government side are Laura Albanese, Yvan Baker, Ann Hoggarth, Peter Milczyn and Daiene Vernile; from the official opposition are Ted Arnott and Vic Fedeli; and from the third party are Cindy Forster and Wayne Gates.

Ms. Browne, you have 10 minutes for your presentation, followed by five minutes of questioning from the government side this morning. Please begin by stating your name and any organization you're representing. You may begin at any time.

Ms. Angela Browne: My name is Angela Browne. I actually live and work here in the Niagara region. I wear many hats. I'm a practising licensed paralegal, I'm a disability advocate, I do policy analysis, and I also sit on a

number of boards that deal with disability and poverty issues.

The reason I'm presenting today by telephone is because whenever your committee or any other committee arrives in Niagara, it chooses to locate in places that people have to drive to get to. I don't drive. As a result of that, I've had about 99% of my employment opportunities denied to me, so I have to do everything that I can do as being self-employed. I'm fortunate to be self-employed, but most people who are in this position can't do that.

I know a lot of people who have spent years and years on Ontario Works unable to obtain work beyond a casual job because of the lack of transportation options in this region. Even when employers are situated on a bus route and work is largely indoors, employers seem to say, "You've got to have a car and a driver's licence." It's just this craze here in Niagara region that doesn't seem to allow people to progress in any other way.

What I want to say today is, I want to talk about people with disabilities: 50% of people with disabilities don't drive, for various reasons. Some of them just can't afford to because of costs. If you're living on a disability budget, there's no money. For many others, even beyond those who have been excluded from driving by the Ministry of Transportation medical review committee—there's medications they're on, the expense of an adapted vehicle, a blanket judgment for certain kinds of disabilities—it's simply a way to keep people with disabilities poor without any meaningful work.

I hear that the provincial government is trying to make large investments in transit in the greater Toronto area and even up to Hamilton. But Niagara always gets left out of it. What we need is to have good, effective regional transportation here so that people can get from place to place. Also, on the AODA, they have to standardize transportation as being a necessary service so that people don't have to drive, and employers can't readily say you have to have a driver's licence and a vehicle unless what you're doing for the employer is driving people around or delivering goods and services.

I'm not surprised whatsoever that the AODA is failing to address any of this and how it affects people with disabilities because the trouble is, policies like this are drafted by people who always drove, always had four cars in the driveway, and don't realize what it costs for people like myself to get around using taxis. To get to Fort Erie and back would cost me about \$200 if I was to go there in person. I think there needs to be some other options so that people don't have to worry about that kind of thing.

Basically, I'm very critical and very observant of how policy works and how it doesn't work for various people. I think we have to see how it works from the perspective of people who are living with the situation, and the situation is that it is not always working for people who live with the problems, because the people who live with the problems are not the ones who get to make decisions about it. I just want to give some very clear examples

about this and I want to give some examples about ODSP.

ODSP is now trying to get more people to work and into the workforce. That's fine. There are many of them who can and want to work, and so forth, although I doubt, in this era of unemployment, with the 20% unemployment rate in Niagara, that people are going to find many jobs to go to. But I think the goals are laudable; however, we have to be very, very careful when we try to address these issues.

When people try to go to work and they are on ODSP, they're very, very different than people who are millionaires. I think that the government right now is patting themselves on the back by saying that you are allowing people to make and keep the first \$200 of earnings, and then after that they get clawed back 50%. If you told that to the wealthy population of millionaires, that the first \$200 of their earnings wouldn't be taxed and after that they get back 50%, I don't think the reception towards your government would be very good, so I don't know why it would be any better with people with disabilities. I think that this needs to be looked at, with respect to the marginal tax rate of people going back to work.

For example, if a person is making \$30,000 a year just from a job, and a person is making \$30,000 a year gross from a combination of a job and perhaps some ODSP income from one of their family members, they should not be taxed differently. There should be the same kind of incentive for someone to work and get more hours without it being clawed back significantly. People are not going to go back to work when they think that their income is going to be clawed back.

One of the proposals on the table is that, right now, people do get a \$100 work allowance if they go back to work and have earnings in any given month. The government's plan is to get rid of that and put it into some kind of basket of goods and services that they would have to get from their worker or from Ontario Works. I don't think that's a good idea either, because, first of all, in some regions they don't exercise their discretionary authority very well and people often walk away empty-handed, and they make services deliberately difficult to access. Secondly, people should not be going to Ontario Works if they're on ODSP. They should be staying within the ODSP system and through those programs that ODSP offers and accesses, even if you're a family member of a person on ODSP.

Another thing: Our Ontario Works office is located two buses away from most people who are on ODSP here in St. Catharines. I don't know where they are for other people, but ours is very difficult to access and many times you do have to go there and wait. Most of us don't have the kind of time to do so, and a lot of my clients have come back and said that they don't have the money for this or they won't pay for this.

Given the fact that this new program that wants to be put into place is going to be discretionary—so if you go there and they turn around and say no to you, they're not going to give you any right to appeal. Basically, they can

decide that they are only going to serve blond-haired people with blue eyes, and if you're not blond and you don't have blue eyes, and you don't get it, you can't go back and appeal to a higher authority and say how unfair that is. There has to be a way of making things fair, and it's not fair the way that they want to set things up. Niagara has always been underfunded in many ways in that area anyways.

I would just prefer everything to stay within ODSP and the work-related benefit not cut, because it's bad enough that people who do work have to do without that. It's a \$1,200 cut; it's effectively taking \$1,200 a year out of a person's pocket for people who don't have it.

The second thing that I want to say about that is the government says, "Well, they could use the first \$200 a month to pay their expenses." I can tell you, anybody who even works part-time has to pay more than \$200 a month to work. Think about gas. Think about transportation. Think about bus fare. Think about clothing for work. Think about lunches at work. Think about different things that you have to do because you work, and if you sat at home and didn't do anything, you wouldn't have to pay out. That far exceeds \$200. I think that gas alone, for people who travel, is more than \$200. For people in Niagara region, it's more than \$200 for transportation, even if you use the bus, because you have to supplement it by taxi rides and so forth.

0940

The other thing is, this has been a death by a thousand cuts. Over the last year, we have got rid of the home repair benefit, so I know about four people sitting in Niagara region who are living in their owned premises—

The Chair (Ms. Soo Wong): Ms. Browne, can you wrap up your presentation? Your 10 minutes are up. I want you to say the last sentence so that we can go to the government side to ask you some questions.

Ms. Angela Browne: Okay. I just want to say that we have to look at adequacy, as well. ODSP rates are set at rates for prices that are within the 1970s, and people can't live on it. I'm having a lot of problems with people coming in here with breakups of their marriages, because ODSP still uses the family income as its basis, which doesn't work very well. It keeps people out of relationships. It keeps people out of—

The Chair (Ms. Soo Wong): Okay, Ms. Browne. I'm going to stop you right here. I'm going to turn to Ms. Hoggarth from the government side to ask you some questions for the next five minutes.

Ms. Hoggarth?

Ms. Ann Hoggarth: Good morning. Thank you for your presentation, Angela. I agree with you that the issues with people with disabilities are ongoing. We have them in our constituency office all the time. Our government is aware of these issues, and we are trying to address them in a balanced manner by adding or maintaining services, while keeping in mind that we have to keep our eye on the deficit.

What do you think our government could do to improve your situation in particular, keeping what I just said in mind?

Ms. Angela Browne: Well, the thing is, I don't think people who don't have enough to eat and so forth are worried about the government deficit. I think that there are a lot of things the government does spend money on that they could stop spending money on; for example, giving money to big businesses, and also some of the other things that we were talking about in the last year, such as the moving of gas plants. Just by minding the public purse in that way, I think, you can help keep the deficit under control.

People with disabilities are not the cause of the government deficit. I think that we should not be paying for it by not having benefits. In fact, if we did have adequacy and if people had enough to live on, there would be money being put into the local economies, which in turn becomes more taxation revenue for the government, to help them with the deficit and other things so that our economy improves. But right now, when people can barely afford to pay their rent and they're not able to afford groceries and can't get around—first of all, they're not going to be working, and secondly, they're not going to be contributing to the economy. This is always affecting people—because it always disproportionately affects the people who have nothing.

I think that there needs to be a good study of tax reform, a good study of a guaranteed annual income. I'd be very willing to participate in any kind of government study on guaranteed annual income, because I've done a lot of research on that issue. We have to make it less stigmatizing and more effective to keep people in the workforce, to have them contribute as much as they can without being held back, like they currently are by the 800 rules that appear to be crashing the computers right now at OW and ODSP.

Ms. Ann Hoggarth: This government has made supporting the hiring of more individuals with disabilities a priority. How is this being received by the community that you represent?

Ms. Angela Browne: I don't see anybody getting jobs. I haven't seen anybody get any jobs around here. I created my own job because there are no jobs. Right now, every employer here wants you to have a car and a driver's licence. If you don't have a car and a driver's licence, you're on Ontario Works for the rest of your life. I think that there has to be something in the AODA saying that they're not allowed to do that and there have to be better transportation services provided so that people can get around, and then people will want that too in the business.

The Chair (Ms. Soo Wong): Ms. Browne, I think Mr. Baker has a last question for you.

Ms. Angela Browne: Okay.

Mr. Yvan Baker: Ms. Browne, thanks again for calling in. I know, as I think about many of my colleagues in government, that some of the issues that

you've raised are of concern and something that we all consider a priority.

One of the questions I had: You just spoke in your previous response about the need for tax reform. I was wondering if you could talk a little bit about what you would envision as far as tax reform.

Ms. Angela Browne: First of all, let's close off all the loopholes that wealthy people have. I was wealthy at one time before I lost my driver's licence. I've lost about 85% of my income as a result of losing my driver's licence. The thing is, when I was wealthy, I paid something at that time called the high-income surtax, and I didn't care. I actually didn't care because I was contributing to the economy, I was part of the community, and if I was making more I'd give more to the community. It's just a matter of fairness. Right now, what we're doing is we're cutting back ODSP by the death of a thousand cuts, which has actually hampered many of them from even advancing and getting off the system. With the rules of keeping people at earning only \$200, I pay about, I would say—because my husband is on ODSP. I'm not the one who's on it; my husband is. Every dollar I make, I lose about 85% off his cheque, and that's a high taxation rate.

The Chair (Ms. Soo Wong): Okay, Ms. Browne, thank you so much for your presentation. Thank you for joining us this morning at the committee. If there's any written submission, please submit it to the Clerk by this Friday at 5 p.m.

Ms. Angela Browne: Yes, I've got some of that too.

NIAGARA HOME BUILDERS' ASSOCIATION

The Chair (Ms. Soo Wong): Our next presentation is the Niagara Home Builders' Association, I believe. I just heard from the Clerk that there is one written submission submitted, so he's going to make copies for us. Unfortunately, there's only one copy.

All right, gentlemen, welcome. As you heard, you have 10 minutes for your presentation. This round of questioning will be coming from the official opposition party. Please identify yourself for Hansard, and your position with the Niagara Home Builders' Association. Thank you.

Mr. Ed Lucchetta: Ms. Chair, members of the committee, good morning. My name is Ed Lucchetta and I serve as the president of the Niagara Home Builders' Association. I also co-own, with my brother Rob, Lucchetta Homes, which was founded over 50 years ago by my father. We are proudly affiliated with the Ontario Home Builders' Association. Joining me here today is the Niagara Home Builders' Association past president, Jonathan Whyte, who also serves as the vice-chair on the Ontario Home Builders' Association's land development committee and works with prominent Niagara region builder Mountainview Homes.

Thank you for coming to Fort Erie and for providing us the opportunity to submit our recommendations for the

upcoming budget. Here in the Niagara region, our industry supports approximately 7,700 jobs in new home construction, renovations and related fields, making us one of the largest employers in the region. All these jobs account for some \$423 million in wages, and the total residential construction-related economic activity represents about \$1 billion in annual investment across Niagara region.

Despite the Ministry of Municipal Affairs and Housing's view that Niagara region is one market area, Niagara has four general and distinct markets. In the northwest corner of the region, we have seen the greatest number of housing starts, spurred by employment opportunities in the greater Hamilton and Toronto areas, while the southern municipalities have unfortunately seen very little growth due to a lack of services and employment opportunities. More centrally, the region is maintaining modest growth, while Niagara-on-the-Lake has become a predominantly gentrified market of retirees from Toronto.

I'll turn it over to Jon to give our perspective on challenges facing our industry.

Mr. Jonathan Whyte: Thank you, and good morning. We are concerned that housing affordability has become an obstacle for many people in Niagara region. A growing share of households are struggling amid rising housing costs, and we are concerned that escalating taxes, charges and fees across Niagara region are having a negative impact on housing affordability and choice, particularly in the northern communities of the region where housing demand is greatest and supply is most limited.

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Now, in saying this, I want to be clear that we are proud to support the financing of infrastructure, through our home purchasers, that is directly tied to the communities that they are moving into but we believe that a better balance needs to be struck between the taxes levied on new homes, which are of course passed on to consumers through increased home prices, and taxes generated from the broader population, who also benefit from new and upgraded infrastructure. Failing to address this imbalance will have an impact on the future affordability of homes and on Niagara's ability to grow economically.

Escalating land values created by policy constraints in the north, combined with DCs and other embedded taxes, are contributing to the affordability impediment, the policy intent being that affordability or the lack thereof will drive growth south into designated urban areas of less marketable communities. Unfortunately, this isn't happening in any significant way, due to a lack of essential services and employment opportunities. Port Colborne, for instance, recognizing the impact that DCs have on housing affordability, has recently decided to waive their development charges in an effort to sweeten the deal and encourage investment in their municipality, yet the market continues to invest elsewhere.

We support growth in every corner of this region. Unfortunately, the reality is that even the most affordable

housing isn't broadly marketable if it lacks the services and employment opportunities, or at least connectivity to employment opportunities. The policy expectation that growth will occur in the existing supply of urban areas without supportive infrastructure isn't realistic and fails to recognize the unique challenges, circumstances and market considerations within Niagara. Without infrastructure and services where people need them, growth will continue to languish in Niagara.

I'd like to turn it back over to Ed to discuss the underground economy.

Mr. Ed Lucchetta: Our association also represents the professional renovation sector within the region. We promote the RenoMark program, which helps to protect consumers by ensuring that our members provide warranties and written contracts, carry insurance, pay their taxes and obtain all the necessary permits. Despite these efforts, the underground economy forms a big chunk of the \$24-billion renovation sector that employs over 182,000 Ontarians. I'll say that again to let that sink in: The renovation sector in Ontario is a \$24-billion business, and billions of dollars in transactions are happening underground.

Underground cash operators don't play by the rules and pose a serious risk to the government, legitimate businesses and, most importantly, consumers. These illegal businesses aren't on a level playing field with legitimate business. They don't pay GST, HST, WSIB, CPP or EI, and they aren't likely filing income or corporate tax returns. They also aren't typically applying for building permits, meaning that there are no inspections and no one to ensure that they are adhering to the building code or the fire code.

These individuals are placing consumers at significant risk. It all comes down to tax avoidance with the question, "How much will that be if I just pay cash?" In an effort to avoid taxes, contracts are nonexistent, workmanship could be shoddy, and in some cases the illegal contractor just walks away with the money. The underground contractor also likely isn't adhering to health and safety standards, and in the unfortunate event of an accident on-site the homeowner is liable. They are cheating the government, consumers and hard-working taxpayers.

Mr. Jonathan Whyte: The provincial government, in the last budget and the fall economic update, have stated their intent to target the underground economy and to ensure that we have an effective tax administration system that ensures that businesses pay their fair share of taxes. We are obviously very concerned that a significant sector of the economy is escaping oversight and is taking place in the underground.

We would like to work with the government through our provincial association, the Ontario Home Builders' Association, on an underground economy task force to combat underground renovations. We have a number of ideas to combat underground economic activity, and we would look forward to working with the government and

other stakeholders to take strong action against underground, illegal renovations, three of those ideas being:

First, the province should take a serious look at consumer-focused tax credits, similar to the previous federal government's Home Renovation Tax Credit, to deal with the problem of the underground economy in the renovation sector. This type of program would incent good behaviour by offering a tax credit to those who collect receipts from legitimate businesses and submit those receipts to the CRA. We also believe that such a program could be targeted to achieve specific public policy goals and designed to target the underground economy. It could, in fact, bring in additional tax revenues that are currently leaking into the underground. Fundamentally, this is a problem that is best dealt with through a regulatory system that targets these underground operators, alongside a plan to incent good customer behaviour.

Our second recommendation was also highlighted in the Ministry of Finance's fall economic statement. The government should explore "additional measures that would enable better information sharing across government ministries, agencies and jurisdictions" that detect and combat the underground economy. We need a stronger system in which information collected by the CRA and other agencies can be analyzed and cross-referenced to catch underground operators. We think the collection of more renovation receipts through a tax credit is a great first step in this initiative.

Lastly, we would like the government to consider public awareness campaigns about the negative impacts of the underground economy in the home renovation industry. The fact is that this isn't just about government revenue; this is about consumer liability and risk, as well as the health and safety of workers and the potential for shoddy workmanship.

I'd like to ask Ed to conclude our presentation with a discussion about infrastructure specific to Niagara region.

Mr. Ed Lucchetta: Our association strongly supports infrastructure investments made to support strategic projects that create jobs, enhance productivity and improve our quality of life. We believe in the expansion of core infrastructure, and by that I mean prioritizing roads, bridges, transit, water and waste water over other types of infrastructure to support our growing economy.

I should also note that the government shouldn't just focus on new infrastructure, but that we need to ensure that we have in place long-term asset management plans to ensure the ongoing maintenance and state of good repair for Ontario's existing infrastructure.

I would also add that housing affordability and choice must be recognized as one of the priority outcomes of public infrastructure investment. Investments made by the public sector facilitate additional private sector investment and job creation from our members. We can point to the increased housing starts and retail development in Welland as a result of the twinning of the 406 to East Main Street.

Infrastructure investments should be more strongly coordinated among all three levels of government, which would provide stability and predictability as to when and where infrastructure dollars are going to be spent. Not only can these investments be used to support policy directives, but this will allow for the private sector to adequately plan projects and target our investments to better align with new and upgraded public facilities.

The Chair (Ms. Soo Wong): Mr. Lucchetta, can you please wind up your presentation?

Mr. Ed Lucchetta: To end it, I guess we're going to go right to some of our key themes and points.

We're concerned that escalating taxes on new neighbours are eroding housing affordability.

We support a permanent home renovation tax credit to combat the underground economy.

We support greater information-sharing agreements to combat the underground economy.

We are seeking a role for any provincial task force or stakeholders' group to review the underground economy.

We support continued provincial investment in core infrastructure.

Lastly, here in Niagara, with our high unemployment, we specifically support the extension of daily GO train commuter service to Niagara. The widening of the QEW to include HOV lanes, a new south Niagara hospital, along with a longer-term commitment to extend Highway 406 south and east to the QEW as the first leg of the—

The Chair (Ms. Soo Wong): Mr. Lucchetta, I'm going to have to get to Mr. Fedeli because you're well beyond the 10 minutes.

Mr. Ed Lucchetta: Yes. Thank you.

The Chair (Ms. Soo Wong): Mr. Fedeli, can you begin your questions, please.

Mr. Victor Fedeli: Thank you very much. Thank you, Ed and Jon. I've got three areas. Number one was the lack of services and employment opportunities. Is there anything else you wanted to add to finish off, basically, that area?

Mr. Jonathan Whyte: Thank you. Our biggest point was connectivity—if jobs aren't being created in the southern tier of this region, infrastructure and connectivity to provide those living in the southern half of the region with the opportunity to get to work, the GO train being a key part of that.

Mr. Victor Fedeli: I hear that a lot. When I come through Hamilton down to this area, I hear that a lot. It's the GO train. "If the jobs aren't here, at least let us get to them." Is that a good summation?

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Mr. Ed Lucchetta: A hundred per cent.

Mr. Victor Fedeli: Okay.

Number two, this underground economy and the dollars lost to the government: I don't think it's any surprise that we continue to see that. You've nailed it when you say, "How much if I pay cash?" Sometimes it's human nature. I agree with you entirely that it's all about education. If people knew that you are liable if there's something that happens in your home when you're doing

a cash deal with a contractor—so I completely support that.

Do you have a further example?

Mr. Ed Lucchetta: When somebody does purchase a home from us, upon closing we actually have a letter that they sign off on, talking about the underground economy. We do tell them, “Hey, look. By you guys saving X amount on not paying taxes, this is what it’s doing to our industry and to the rest of the province.” These are even government employees—teachers, for example—who, as soon as we leave, go and finish their basements off, again with a cash operator. We can’t compete with that.

Mr. Victor Fedeli: Well, we can if—I like the comment that you made about the Home Renovation Tax Credit. That’s how we can compete with that—

Mr. Ed Lucchetta: Right, definitely.

Mr. Victor Fedeli: —by bringing it back to a legitimate reason. If it is, I dare say, greed that drives that, one way to resolve that is by offering a cash incentive, much like the feds did with the Home Renovation Tax Credit. When it was put—it must have been about five years ago, because I know the limit—we changed things in our house. We had it painted; we had lights put outside. We kept our receipts and were able to submit those. It was a good incentive, not only to do it properly but to do it. There was a good reason to get out and spend the dough into the economy because of the tax credit.

Mr. Ed Lucchetta: Absolutely.

Mr. Victor Fedeli: So you’re absolutely in favour of some kind of provincial program, of a renovation tax credit?

Mr. Ed Lucchetta: Yes, definitely.

Mr. Victor Fedeli: I will ask you, because I believe that the money will be returned to the government through the taxes that are collected: Is that your analysis as well? Not all of it, but—

Mr. Jonathan Whyte: As you’ve stated, just the money being spent to help keep the economy going, the taxation that can be assigned to the goods and services that people will retain in order to receive the tax credit—yes, it’s going to do more to help the provincial coffers than the loss of money currently taking place in the underground economy.

Mr. Victor Fedeli: I don’t think it would be a wash, the money that’s put out by the province in terms of the tax credit as opposed to the money coming in, but it would be pretty substantial, if it would help balance our costs.

The asset management plan: In this region, are these asset management plans being done by the municipalities? Do you know if they’re being undertaken now?

Mr. Jonathan Whyte: I believe the region is involved in reviewing their asset management—managing their assets, rather; excuse me. The degree to which municipalities have the means, the capabilities, though, I’m not certain.

Mr. Victor Fedeli: I know that when I served as mayor of the city of North Bay for two terms, we had those vehicles that had the underground radar and

mapped all of the sewer and water and all of those things. In my hometown, I was shocked that the upgrade and the repair to all of our sewer and water at that time was \$880 million. That was the number that we came up with in our municipality. It’s a large region. It’s a large community by geography and has a lot of roads and a lot of services. I’m curious, then, whether the data is available from your region’s municipalities.

Mr. Ed Lucchetta: I imagine it is. Definitely.

Mr. Jonathan Whyte: I’m not sure—

Mr. Victor Fedeli: That’s something that we may want to ascertain and have available.

Were you familiar with one of our proposals on sharing the gas tax with all communities, whether they are communities with transit or not? Are you aware of what I’m speaking about?

Mr. Jonathan Whyte: Was it population-based, that each one would get a proportion of the tax?

Mr. Victor Fedeli: Right now, you get a federal gas tax, every municipality, population-based. The provincial gas tax is only for the 93 communities that have transit, not all 444 communities. One of the things we’re suggesting is that all 444 communities equally share the gas tax. That would go into the majority of communities that don’t have transit, as one way to supplement that. Is that something that you would consider a fair and equitable support?

Mr. Jonathan Whyte: Absolutely. One of the points we didn’t get around to mentioning was that the highest unemployment rate in the country is within Niagara, and Niagara has long been deprived of stimulus funding from governments. We would like to ensure that in this budget we see our fair share of infrastructure spending.

The Chair (Ms. Soo Wong): Okay, Mr. Whyte. Thank you so much, gentlemen, for your presentation this morning. I believe you have a written submission as well. Thank you very much.

ONTARIO MEDICAL ASSOCIATION

The Chair (Ms. Soo Wong): The next presenter is the Ontario Medical Association, Dr. Scott Wooder. Come on down. Good morning. Gentlemen, you have 10 minutes for your presentation and five minutes for questioning from the members of the committee. This round of questions will be from the official third party. Please identify yourselves and the positions you hold with the Ontario Medical Association. You may begin anytime. Thank you.

Dr. Scott Wooder: Thank you very much, Chair. My name is Dr. Scott Wooder. With me this morning I have Scott Witmer, who is the regional manager for LHINs 3 and 4, which does include Fort Erie and the Niagara Peninsula. I’ve been a family physician in Stoney Creek for 29 years. I’ve practised in the Hamilton Family Health Team, and I’m the past president of the Ontario Medical Association. At the OMA, I had a hand in developing the current primary care payment and practice models for doctors in Ontario. I’ve also served as the chair of the

OMA negotiations committee in 2008 and 2012. During my time as OMA president, I led the development of a comprehensive, province-wide end-of-life strategy.

Today I represent physicians not only in the Hamilton Niagara Haldimand Brant LHIN, which includes Fort Erie, but the 34,000 doctors and medical students across the province. I'm here to call on the Ministry of Finance and the Ontario government to adequately fund our health care system, one that is facing pressures from growth in patient numbers and need.

As you may know, recently, following a year of negotiations, the government gave the Ontario Medical Association a take-it-or-leave-it offer. They threatened that if the OMA didn't agree with their cuts, they would move ahead without us, with even deeper cuts. The OMA board of directors rejected that ultimatum and the government is implementing cuts. That's not a partnership. It's not a way to improve the health care system.

I want to take a few minutes to explain why this decision is so critical to understand, as we believe the government's recent actions have serious implications for our patients and their families across the province. One of the building blocks of a healthy economy is a healthy population. The fact is, Ontario's population is growing, and it's aging, but the government has decided to fund less than half of the additional care that will be needed. They don't want to pay for new doctors to treat existing patients who are struggling to access the care they need. This is not right, and we will not support it.

By the Minister of Health's own estimates, demand for medical care will grow by at least 2.7% due to population growth in Ontario, an aging population with more complex needs, and the need for new doctors to treat existing patients who currently can't get timely access to the care they need, yet the government is only willing to fund 1.25%. That's a gap of over \$150 million.

Looking back over the last five years, growth for medical services has increased by an average of 3% annually. Why is this happening? It's because doctors treat the patients that need care. We want to provide care. It's happening because our population is growing and aging. More care for more complex treatment needs is being delivered across the province, and the government knows this is increasing. Every year, 140,000 new patients come to our health care system in Ontario. That's almost the population of Prince Edward Island, and coincidentally it's about the same population as Fort Erie, Welland and Niagara Falls combined.

This LHIN is home to 1.3 million people, or 10.9% of the population of Ontario. Relative to the province, this LHIN has a higher proportion of seniors, those with activity limitations and daily smokers. With each of these risk factors comes a higher prevalence of chronic disease such as diabetes, high blood pressure and arthritis. These chronic conditions place a higher burden on the health care system and reduce the quality of life for patients. With a population in need of more complex care comes the need for more physicians to meet the demands.

The LHIN is also home to 56,000 unattached patients, patients without a family doctor. That does not include children under the age of 16, close to 5% of the population in the network. The government's imposed agreement is going to make this situation much worse.

Wait times are also a concern in this region. MRI wait times for adults in the Niagara Health System are 84 days, far longer than the provincial target of 28 days. In the past, as doctors have moved to reduce wait times by working harder, by working nights and weekends, we've been criticized by the government for increased costs. We're working overtime and being criticized as having an increase in pay.

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Under the contract proposed by the government, doctors will be penalized if they see too many patients. This will lead to longer wait times to see a family doctor, to have a diagnostic test done or to schedule surgery. This is unacceptable, particularly in areas with a higher percentage of seniors with chronic conditions.

I mention these facts because recent physician services agreements in British Columbia and Alberta demonstrate how these governments have accounted for the changing needs of their populations and have made the changes required by funding system growth. However, in Ontario, the government is shirking its responsibility to fund the medical needs of its population.

Ontario doctors have offered the government a two-year freeze on all fees. This offer stands today. This means no increase in the fee paid for a physician's service, from a standard assessment by a family doctor to the most complex surgery. All the OMA asks is that the government accepts its responsibility to fund new doctors, to treat the patients we have today and to provide the extra care needed to treat Ontario's growing and aging population.

Ontario doctors understand and acknowledge the economic challenges facing the government. A freeze on fees and a government commitment to fund growth are the right things to do in today's economic environment.

In 2012, Ontario doctors accepted a 5% cut. Doing so helped save \$850 million in the system. We did this because we could accept that the cuts being made would have minimal impact on patient care. The changes were firmly based in evidence and were supported by my profession. Now, less than three years later, the government wants to cut another 4% from medical services. This pattern is unsustainable and unrealistic if we want the best care for our patients and if we want the best doctors available in Ontario. This pattern is a race to the bottom. It's not right, and we will not support it.

It's important to acknowledge that OHIP billings are calculated before expenses. For example, a doctor's rent for office space, staff salaries, and office and medical supplies and equipment are paid from OHIP billings. Doctors are employers. In fact, a doctor working in the community employs, on average, four full-time jobs in the community. In all, physicians employ 96,000 full-time jobs in Ontario. The government's attempts to

demonize doctors by equating billings with salary are unfair.

Government cuts are real. Last week, the government took a 180-degree turn in the wrong direction. I was astonished to see that the biggest part of the cuts the government is imposing is focused squarely on family practice, specifically on our group and team-based models of delivering primary care. These are models we've spent the last 10 years building, developing and promoting to improve access and quality. Now the government is dismantling them, taking us back to a time when millions of patients couldn't find a family doctor, students did not want to become family doctors and doctors were leaving the province in droves.

When government imposes these terms, doctors will do everything we can to limit the impact these cuts will have on our patients. We're not planning any job actions. But make no mistake: There will be negative impacts on patients and the care they receive.

This is our message: We want the government of Ontario to fulfill its obligations and responsibilities to Ontarians and fund the unmet needs of our current population and the natural growth to provide care for our aging and growing population. Patients in Ontario deserve this from our government.

I'd be happy to take questions.

The Chair (Ms. Soo Wong): Thank you very much. Ms. Forster, do you want to begin the questioning?

Ms. Cindy Forster: Thanks for being here. I was in Sudbury, as well, for the presentations, and I think it's certainly a message that all parties need to hear.

I want to spend my five minutes, though, talking about the lack of mental health services in the province and how the government cuts to physicians over the next couple of years are going to impact a system that's already in crisis. Here in Niagara, we have been underfunded for mental health for many years. We've had a lack of psychiatrists here in the Niagara region for several—for a couple of decades, in any event, and we all know that when people don't have access to mental health services, it creates joblessness for them; it certainly increases policing and correction costs. All of those kinds of things could be less severe if we had more funding for mental health, not only adult mental health but for children. Can you make some comments on what the impact of these cuts will be?

Dr. Scott Wooder: Sure, and I appreciate the question. It was a little unexpected, but I'm glad you brought it up, because mental health care is such an important thing.

The gaps are real, especially for children. I'm a family physician in this region and I have a desperately difficult time getting mental health services for children. These are people who will live a lifetime feeling the impact of the lack of care: underemployed, possibly; unproductive in terms of contributing to the tax base.

One of the impacts of these cuts will be the inability of new family physician graduates to join capitated models of care, to join family health teams. Why is that import-

ant? Because family health teams employ mental health workers. They have psychiatrists integrated into their practice. They have addiction counsellors. I'm fortunate enough to practise in a family health team. New graduates won't have that luxury, even though in all six medical schools in this province they train in that model. So we're condemning a cohort of new family medicine graduates to practise in solo fee-for-service models, which is contrary to everything we've been trying to do in reforming primary care over the last two decades. Their inability to practise in teams is going to have a direct impact on their ability to access mental health services for their patients, especially children in the practice.

Ms. Cindy Forster: Now, psychiatry has changed. I mean, today patients aren't seeing their psychiatrist on a regular basis, or psychotherapy or counselling. It's really left to the family doctors in many cases to kind of provide the maintenance for psychiatric patients and those suffering from mental illness.

Dr. Scott Wooder: Sure. As a family physician, over a quarter of what I do every day is psychiatry. The best way to utilize the skills of a psychiatrist is by integrating them into a team and leveraging their skills with a mental health counsellor, with a family physician. Instead of asking the psychiatrist to do all of the hands-on work, he can leverage his skills much more broadly.

Ms. Cindy Forster: You said there were 56,000 patients without access to primary care just within this LHIN, Hamilton Niagara Haldimand Brant. How many patients are without access to primary care across the province?

Dr. Scott Wooder: Nine hundred thousand.

Ms. Cindy Forster: So almost a million patients. What will the impact be to that growing list of patients?

Dr. Scott Wooder: Yes. It's not just the cuts in general; it's some of the focused, specific cuts this government has made. Not letting young physicians join family health teams or capitated practices; taking away rostering incentives; not allowing income stabilization for new physicians wanting to practise in northern and remote regions—these are all going to have a dramatic effect. They're going to exacerbate the shortage of primary care, and I expect that number of 900,000 to grow.

The Chair (Ms. Soo Wong): One more minute.

Ms. Cindy Forster: You talked about the population growing and aging. Actually, there was a story in our local newspaper this week. A 105-year-old woman—Elena Turrone is her name—had a pacemaker put in just recently. She's still living in her own home with some home care supports. I think it's important to know that because of health care, people are living much longer than they did several decades ago. Do you have any—

Dr. Scott Wooder: Well, what a great story. When I was a medical student, we never would have considered putting a pacemaker into someone of 105. I think it's a really positive development that with support for a patient and her family, who are providing most of the care in general, people are able to maintain themselves.

The Chair (Ms. Soo Wong): Thank you very much, Dr. Wooder, for being here today, and for your written submission as well.

Dr. Scott Wooder: Thank you.

SNAKEHEAD GAMES INC.

The Chair (Ms. Soo Wong): The next group coming before us is Snakehead Games Inc.: Christian Latour. Good morning. Welcome. Please have a seat. As you probably heard, you have 10 minutes for your presentation, and this round of questioning, for five minutes, is coming from the government side. You may begin any time. Please identify yourself and your position with your organization for Hansard purposes.

1020

Mr. Christian Latour: My name is Christian Latour, and I've been in the video game industry for approximately 14 years. My corporation is currently offering services to both Snakehead Games and BattleGoat Studios, which are both located in Hamilton, so I have the advantage of being able to provide feedback from two studios, though most of my analysis comes from my work with Snakehead Games.

On behalf of myself, Snakehead Games and BattleGoat Studios, I'd like to thank the committee for taking our input on this matter. A partnership between industry and government is key to any strong economy, and we trust that by sharing our experiences here today, the government of Ontario will renew its commitment to supporting the digital media sector.

The existing Ontario Interactive Digital Media Tax Credit program has become a vital component in the success of many studios across Ontario, including both Snakehead and BattleGoat. Labour costs represent a large portion of the budget for any digital media project. Receiving cost offsets in the form of tax credits allows Ontario companies to remain competitive on the national and international stage. The tax credit has certainly allowed Ontario studios to create jobs and generate revenue they would not have without the program.

One of the strengths of the program has certainly been the people behind it. We have multiple examples of support staff responding to requests late on a Friday evening during the summer. The effort and professionalism of the OMDC staff leave no doubt that they truly care about the success of the companies that are creating and innovating across our province. We greatly appreciate all of their hard work in helping studios understand and complete the required documentation.

The OIDMTC does have room for improvement, though. The current length of time required to claim and receive the tax credit diminishes the impact of the program. The process involved from the time a company spends its first dollar to receiving their tax credit is simply too long. Consider that Snakehead Games currently has more money in the OIDMTC pipeline than the previous year's revenues. Current best-case scenario estimates for a two-year project put the expected time frame

for receiving the tax credit at around the five-year mark from the first dollars being spent. Much of this is due to the application process which requires established partners to prove themselves with each new project. Before tax credit forms can go to the Canada Revenue Agency, projects require review and approval regardless if the studio is holding T4s and has previously successfully submitted to the program. Compare this to much of our tax rules, which use a trust and verify system, and you'll understand the frustration that this can cause for studios like ours.

If the program continues to be such a long process, we limit the ability of studios to grow with each consecutive project. By decreasing the time involved in completing the tax credit, the government can foster growth in existing studios, encourage the creation of new studios and provide stability to digital media companies. The province currently has a large number of graduates, entrepreneurs and businesses eager for this opportunity.

Regardless of the process, the OIDMTC remains one of the most effective tools for encouraging employment in the digital media sector and establishing a digital media company in Ontario. We hope the committee understands the further economic benefits we could see from helping studios across the province spend less time focused on the approval process and more time bringing new products to market. Thank you very much.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. This round of questions will begin with Ms. Vernile.

Ms. Daiene Vernile: Christian, thank you very much for coming to Fort Erie, sharing some of your concerns and giving us an insight into your business and your industry. I'm going to take your suggestions on the tax credit back to Queen's Park and share this with my colleagues. I'm the parliamentary assistant for research and innovation, and I want you to know that our government greatly wants to foster the innovation and commercialization of new technologies and of products such as what you're producing, not just here, but seeing the commercialization of that around the world.

I see here that Snakehead has received almost \$22,000 since 2012 through the Ontario Media Development Corporation Export Fund, and you use this to expand your international networks. Can you share with us some details on how you are growing your business in other markets?

Mr. Christian Latour: As far as growing the business in the other markets, one of the key things is reaching out and making sure that our product is visible. That is certainly one of the things that we've used some of this funding for: to be able to tap into communities that might not otherwise see our products, and simply making them aware. As you would imagine, the video game sector is very competitive; there is a large selection of products. Being able to approach other markets and market ourselves—mostly nurturing relationships is a lot of where we spend our effort.

Ms. Daiene Vernile: Christian, my eldest son owns a game company in Waterloo region. He came through the Communitech Hub, if you're familiar with them. I think that's been a pretty good bang for the buck. The Ontario government has invested in Communitech since 2009, and my son was one of the early people there. In that time, we've seen 1,700 tech companies come through there, equalling 10,000 jobs. That's very impressive.

At his little company, he's got 25 employees. He has his head office in Kitchener, and a subsidiary is in Los Angeles, but he chooses to stay in Ontario because he likes the business climate here. Let me ask you about that. How do you see the business climate in Ontario?

Mr. Christian Latour: Well, I can echo some of his comments in that I know that both Snakehead and Battle-Goat, at various times, will be courted by other jurisdictions, both within the country and abroad. Some of the key decision-making factors are looking at what we are going to face in terms of running a business in Ontario. Yes, the current climate makes it easy for us to know that we have the roots here and that it's worth us staying here.

Elements like this tax credit are key to that because we are competing with lower labour costs, in terms of software development, in countries such as Turkey, Bulgaria and Romania. The former Eastern bloc countries are really pushing the digital media markets at times. Even within the country, we are seeing some of the efforts that have been done though Quebec to foster businesses. So knowing that industry has the support is a big factor.

I can also say that, when it comes to creating jobs, having a tax credit like this where it is key that our program employs Ontarians to remain eligible for the program, as a studio that means that any time anybody is approaching us with a resumé looking for employment, one of the first things we consider is, are they an Ontario resident? It really promotes for the business to think about the fact that, when employing, we should look to employ locally first and not simply contract out. Tax credits like these don't completely bridge the price gap between employing locally versus contracting externally, but they certainly make it a lot closer, and they give our studios the ability to expand.

Ms. Daiene Vernile: Well, you're in a new, exciting industry, and you are providing many jobs, so this is wonderful. I know that it's the dream of every teenage boy to work at a place like that, right?

Mr. Christian Latour: Yes, we get a lot of questions like that.

Ms. Daiene Vernile: Thank you.

The Chair (Ms. Soo Wong): All right. You've got two more minutes. Anybody want to ask questions on the government side? Mr. Milczyn.

Mr. Peter Z. Milczyn: Sure. Thank you very much, Christian, for your presentation today. I noted that in your presentation you talked about some of the difficulty with how the tax credits flow back and the application process. I know the government has implemented measures to reduce red tape and the burden on business to do

taxes for its government programs. The process for applying for these tax credits, do you have any specific ideas on how that could be improved? Is it something that's online, or is it paper-based? Do you have any suggestions on how we could improve the application process?

Mr. Christian Latour: Certainly. The biggest thing we'd like to try and contribute to this discussion is the fact that, currently, a project must be completed. It then goes through an approval process at the OMDC, I believe, and it does not actually proceed to the Canada Revenue Agency until that approval process has been completed. So when we're talking about the example I gave of a two-year project, the project must reach its completion, they must file their taxes, they must then receive approval, and then it goes to the CRA which, understandably, is likely going to give it a passing grade because it's been approved at a previous level.

With most tax systems that we use within the province, you are allowed to immediately file as part of your taxes, to say, "I certify by my own word that I will be eligible for this," and it is submitted, and the government trusts. Then they verify it to make sure that the person who has claimed it actually qualifies for it.

1030

Making this sort of change could notably reduce—and I do recognize that we have seen that the times are being reduced, but we're still looking at a five-year total because of the completion, filing, approval to the CRA and then having it paid out. The video game industry is extremely fast-paced. The timeline for projects can at times be as short as six months, so when you're trying to take revenue from one project to become the capital to undertake a new project and expand your company, knowing that it's five years can be a big barrier to that.

At Snakehead—we currently sit at roughly 10 employees—there have been discussions that if it was a trust-and-verify system and we were looking at two and a half or three years, we could very well be at 40 employees at this stage in our studio, but the length of time simply slows the process. We're still able to be productive—

The Chair (Ms. Soo Wong): Mr. Latour, thank you very much for your presentation, as well as your written submission.

Mr. Christian Latour: Thank you.

DR. ALBERT SCALES

The Chair (Ms. Soo Wong): All right. The next person coming to speak to us is Albert Scales. Mr. Scales, can you please come forward?

Dr. Albert Scales: Good morning.

The Chair (Ms. Soo Wong): Good morning. Welcome. As you heard, you will have 10 minutes for your presentation, followed by five minutes of questions by the committee members. This round of questioning will come from the official opposition party. Please begin and identify yourself, and any organization you represent, for Hansard purposes.

Dr. Albert Scales: Thank you very much, Madam Chair. My name is Dr. Albert Scales. I have been a practising chiropractor in St. Catharines for the past 33 years. I've been married for 33 years. My wife is a member and employee of the Niagara Health System in dialysis, and I have three wonderful children.

I've been an active member of my provincial and national associations for many years. As well, I've been a consultant with the Workplace Safety and Insurance Board and an insurance assessor for the past 20 years. I wanted to take this opportunity out of my busy schedule this morning—I now have been told it's going to be a busier schedule this afternoon—to speak with you today with regard to many concerns that I currently see in the treatment and assessment of musculoskeletal conditions in a large part of our community today.

This is primarily a bit of a personal story. Patients with multiple chronic conditions often suffer from what we call MSK conditions, which contribute to pain and limit their mobility. This can further weaken musculoskeletal strength and prevent patients from engaging in the active phase of their care, thereby exacerbating their existing conditions. Currently, about 14% to 28% of primary-care physician visits in North America are for conditions related to MSK, demonstrating that it is indeed a significant issue in primary care.

I believe that the current government is truly on track in understanding the need for patient-centred care. Many of my patients suffer from neck and back pain, and also have chronic conditions such as diabetes, chronic obstructive pulmonary disease, cancer and heart disease. The Niagara region has a large senior population and, as well, a very high unemployment rate, which leads to difficult socio-economic status.

So in review: The government has been implementing its action plan for health care to strive towards an increasingly high-performing, patient-centred, sustainable health care system that is ensuring that Ontarians have access to the right care at the right time in the right place. Low back pain is exceptionally pervasive and costly to manage and negatively impacts the economy because of reduced productivity due to lost work time.

To address these challenges, the government has been rolling out its Low Back Pain Strategy since 2012, including two pilot projects: the Inter-professional Spine Assessment and Education Clinics, which you'll know as ISAEC, and primary care low back pain pilots, working with chiropractors and other providers on efforts to improve the way the system manages low back pain. Positive results have been demonstrated.

In addition to this Low Back Pain Strategy, in the fall of 2013, the government authorized interprofessional primary care teams to employ chiropractors, but additional funding is still needed to make this possible. There are opportunities to further leverage the use and expertise of chiropractors in reducing unnecessary health care expenditures while improving patient outcomes and, more importantly, access to care, so I hope that you will con-

tinue your commitment to this enhanced low back pain patient care program.

There are many Niagara region health issues and challenges that I continue to see personally in my practice which cause delay in effective treatment and proper outcome measures so that patients can get on with their lives and be productive members in their communities. One such example was a 42-year-old woman who developed acute back pain without any specific reason. Now, this happens very often; I'm sure you'll all agree. You wake up some morning and it's there. This patient had not suffered through this at all, but due to the patient's suffering of this type, they became very concerned about how this was going to not only affect their lives, but, more importantly, how long was it going to last?

She's a single mother with two teenage children at home. She works full-time in an office environment. She wasn't able to sit or perform her duties at work as a result of this acute pain. She could not get an appointment to see her family doctor, but was able, however, to get to an after-hours clinic.

She was assessed and given pain medication with the advice to follow up with her family doctor. She was not able to consult with her family doctor for seven days and continued taking the pain medication, which did minimize the pain, but only slightly, and affected her activities of daily living.

After consulting with her family doctor and outlining her pain and the medication that she was on, she was advised to consult with a specialist, but that, unfortunately, would take about four months.

She didn't return to work after this incident and began to worry about her prognosis. She was very concerned about her financial situation since she did not have any sickness or accident insurance through her company or her employer.

It was on the advice of her co-worker that she consulted my office for a second opinion and, simply, some treatment. She attended for evaluation. I was able to reassure her that it did not appear to be a serious condition and she was treated with gentle mobilization exercises and postural habits to consider while at home.

Within one week, she was able to return to her work and noticed an improvement to her function and pain levels. She was grateful to get back to work and stated that without this step towards earlier treatment intervention, she simply would not—she would have had to wait to see the specialist and probably would have chosen to stay off of work out of fear that the pain would worsen.

I have treated, over my 33 years, many such patients who have waited several months to see a specialist, only to learn that, based on their objective presentation and clinical findings, they were not surgical candidates and should consider some other forms of treatment first. The sad part is most of these patients were not proactive earlier and also saw their condition deteriorate further.

Chiropractic care in conjunction with standard medical care will offer a significant advantage for a decrease in

pain and improving physical functioning when compared to only standard care.

I myself receive many, many referrals from local family physicians who appreciate the collaboration with me in dealing with their acute and chronic pain patients suffering from a variety of these MSK conditions. Mostly, these patients require simple reassurance, but also direction on the steps that they must take to help resolve their problems.

I report back to the family doctor so that they are kept up to date with regards to the patient's progress. This interprofessional relationship is incredibly welcomed by the patients and leads to a more positive prognosis in their care.

This is a really fun project because during the summer of 2012, some members, including myself—and I'm currently vice-president—of the Niagara Chiropractic Society began a collaborative volunteer chiropractic program at Quest Community Health Centre in St. Catharines. We have community health care right here in Fort Erie. This was a first for this community health care centre.

The physicians working at the centre work were deluged with chronic pain conditions that were presented to them every day. Many of the patients were already on the maximum dose of pain medication that they could prescribe, with no other option for treatment that would be affordable to them. In essence, they didn't have any access to further care without the financial burden.

The program has been running now every week since that time, and each treatment day is very busy. My treatment day is tomorrow; my roster is tomorrow. The patients have been very happy with this program, as have the staff at the centre as well, since the program gives these people simply another option for treatment rather than the ER at the local hospital.

One of our regular patients talks about the program in his own words: "I am a 35-year-old male with whole body pain and generally feeling messed up. I have been part of the program since July 2013 and attending for treatment on a regular basis. I have virtually no money, homeless with serious life changes and was not able to access this type of treatment anywhere else. This program has allowed me to get back to school and start getting my life back in order. I could not be able to do this without their help."

Since our inception, we have consulted and treated several hundred patients who would have gone to a walk-in clinic or to the hospital ER department. The staff at Quest have found our collaboration to be very instrumental in dealing with their patients.

One of the staff physicians, Dr. Ziad Malak, MD, indicated, "The clients I work with have repeatedly commented on what a positive experience it is to participate in the volunteer chiropractic program and how happy they are with the services provided by the chiropractors. As their physician, I have noticed a reduction in overall chronic pain. The program is especially important to

Quest given our goal to reduce and control pain without medication/narcotics and using alternative approaches."

1040

You've probably all read in a recent *Globe and Mail* report, "Experts say the remedy isn't to throw more money at the system but to triage patients so those who potentially require operations see surgeons and those who don't get the care they need."

A recent *Toronto Star* article, just this past Sunday, discussed the concerns of patients addicted to cocaine-based pain medication and attempting to acquire Tylenol No. 1 at their local pharmacies on a regular basis.

In conclusion, thank you very much for your time in helping to hear the concerns and stories from not only myself as a health care practitioner, but the many patients our profession treats on a daily basis. There is much work to be done, but I'm hopeful that change will continue to take place for the benefit of all who live in this province.

The Chair (Ms. Soo Wong): Thank you very much. Mr. Fedeli, you can begin the questioning.

Mr. Victor Fedeli: Thank you very much for this really enlightening presentation. We quite enjoyed it. In Ottawa, last week, we had a similar presentation from a chiropractor, but you've brought a solution here, which I really appreciate.

There's nothing worse than chronic pain. I think everybody would agree with that. Your solution has been this volunteer program at Quest. I don't know that that humanitarian aspect will be replicated in every single community throughout Ontario. What would a more permanent pan-Ontario solution be, in your own opinion?

Dr. Albert Scales: There certainly are conditions that we all have been inundated with, whether it be heart disease and cancer and—those are certainly in the forefront. I think we find that MSK and musculoskeletal conditions take a bit of a back seat, because they don't appear to be critical. But it's a ripple effect. I think what I try to emphasize here is the deterioration in socioeconomic status. People just get scared.

I know it's difficult when you're trying to have so much allocatable health care dollars, but I think what we're trying to decide is, how are those dollars disseminated and where do we shift them? We're finding it very difficult, but we are doing our volunteer part—I think if funding is perhaps getting to some of these community health care centres a little bit more and maybe to support family health teams, so there's a little bit more initiative, collaboration being done.

I listened to our previous discussion. In 33 years of practice, I've said this over and over: I don't think health care should be individual islands. I think we have to work together as a team. I'll be the first one to say I don't have all the answers.

I've been asked, "Are you going to have to see me three times a week for the rest of my life?" Believe me, I don't want to see any patient three times a week for the rest of their life.

At the same time, I think if we all work together in collaborative efforts, that's where we're going to get

some health care solutions. Funding, certainly, to the community centres helps, but a little bit more collaboration on how we can spend dollars for MSK is really important.

Mr. Victor Fedeli: What about funding in chiropractic? What are your thoughts on what has happened in the past and where we should perhaps be going in the future?

Dr. Albert Scales: Funding, again, is a difficult thing. You're going to hear a lot of criticism over the years, where people have said, "Well, chiropractors can treat everything." The Ontario Chiropractic Association—I have a lot of material on this in some of my work over the 33 years of practice that I've done with insurance assessments and also the Workplace Safety and Insurance Board. I think everything we have to focus on right now has to be evidence-based. Any funding that's going to go anywhere should be evidence-based. Currently, there's a significant amount of evidence on the efficacy of low back pain studies. I think the current relationship, what the government is currently doing with this ISAEC project and certainly with low back pain, is a step in the right direction. But I think we could probably extrapolate further into other areas of musculoskeletal conditions such as shoulders, low back, as well.

Mr. Victor Fedeli: If you wake up in the morning with awful back pain and you let it go for a day and it starts to become chronic, the go-to for most people, then, who can't afford to go to a chiropractor would be to go to the ER. Is that a correct assumption?

Dr. Albert Scales: That's a very, very correct assumption. I hear people all the time saying, "I wish I came here sooner." The problem is that they're financially burdened, of course.

Mr. Victor Fedeli: The ER, we also continue to hear, is one of the most expensive places—from the provincial coffers—for people to end up, as well.

I'm a big fan of chiropractic. I told this committee last week, when I was thrown from a Ski-Doo—I must have this habit of getting thrown because I was thrown from a horse in 2011.

Dr. Albert Scales: I'll give you my card. How's that?

Mr. Victor Fedeli: Dr. Brian Wolfe in North Bay—

Dr. Albert Scales: I know Brian very well.

Mr. Victor Fedeli: I figured you would. He's taken very good care of me.

Dr. Albert Scales: Tell him I said to say hello.

Mr. Victor Fedeli: He got me back on a horse. You know the expression: When you fall from a horse, get back on it. Well, Dr. Brian Wolfe has helped me get back on a horse.

There are some people who can afford to go the chiropractic route and there are some who can't.

Dr. Albert Scales: Correct.

Mr. Victor Fedeli: Do you have any thoughts, then, on what happened in the past and what we should be doing in the future?

Dr. Albert Scales: Yes. I think a lot of people—and we all agree with this—are certainly utilizing their

extended health care benefit plans a lot more. That's being restricted now because a lot of that is between the individual companies. I think the bottom line is, there are a lot of seniors who find it very, very difficult. I believe I've heard some innuendos that perhaps partial funding for seniors who are a lower socio-economic status may help. I do not believe ODSP even covers chiropractic, so that's one of the reasons why we're trying to help out with the community health care centres.

It all comes down to patient access. It's amazing how, when people have an extended health care benefit plan, they feel perfect or they think they are better when their extended health care benefit has expired. But the bottom line is, I think a lot of it is not to get them on a treadmill, but to educate them and inform them about how they can do the best they can for themselves.

Mr. Victor Fedeli: Dr. Scales, thank you. I enjoyed that.

The Chair (Ms. Soo Wong): Thank you very much, Dr. Scales, for your presentation, and thank you for your written submission.

Dr. Albert Scales: Thank you for your time.

CHILDREN'S MENTAL HEALTH ONTARIO

The Chair (Ms. Soo Wong): The next group coming before us is Children's Mental Health Ontario. I believe it's Kim Moran, the chief executive officer, coming before us. Good morning. Welcome, Ms. Moran. As you heard, you have 10 minutes for your presentation followed by five minutes for questions from the committee. This round of questioning will be coming from the third party. You may begin any time. Please identify yourself and your position for Hansard purposes.

Ms. Kim Moran: Thank you very much. My name is Kim Moran and I'm the CEO of Children's Mental Health Ontario, which represents 88 accredited community-based children's mental health treatment centres. We work to build a children's mental health system within an integrated system of care that provides treatment for children and families when they need it.

I came to this position because I have a kid. My kid got very ill when she was 11. She became sad and depressed and we needed help. We couldn't get it. There were wait-times of over a year, and within a couple of months, she deteriorated and became suicidal. For those of you who are parents, you can imagine what that feels like, to have a suicidal 11-year-old.

We ended up in an emergency room and then an inpatient psychiatric unit and then transferred to a community-based children's mental health centre for five months—five long months of 24/7 treatment—because she was a danger to herself. Through medication and treatment, we were so happy to have her come back home, but I can't tell you how hard that time was on our family.

She needed two more years of intensive treatment from community-based children's mental health centres and she was ready to go back to school just over a year

ago. I'm happy to say that now she is better. She's a happy-go-lucky 15-year-old struggling in grade 9 just like every other grade 9. But she has a chronic illness. She has mental health problems that are going to wax and wane over the course of her life and she's going to need supports.

In my professional life, I'm a chartered accountant. I've worked for big companies and small companies—Ernst and Young, TD Bank, and most recently as chief operating officer at UNICEF Canada. I think in cost-effective systems and processes and, I must say, when I went through this, that wasn't the case. That's what makes me passionate about changing the system. I estimated—don't forget I'm an accountant—that the care for our daughter cost probably half a million dollars of government money. I couldn't negate the fact that if we had had help early on, it wouldn't have cost that much. It didn't make sense to me.

1050

Right now, there are over 6,000 kids across the province just like my daughter who are on wait-lists for treatment. They're in many of your ridings. It's spread across the province; there's no area unscathed. If those kids don't get treatment in a reasonable amount of time, they're going to end up in expensive emergency rooms, expensive in-patient psychiatric units, child welfare and youth justice systems, and will need incredible amounts of support from the school system. All of those resources are far more expensive for the government than investing in treatment right now for those kids.

If you need a better reason for investment, that investment goes further. There's lots of research demonstrating the fact that if you invest now with children, the lifetime cost of supporting those children, like mine, who have chronic mental health issues to get the short-term benefit plus the long-term benefit is reduced.

The government has made some substantial investments in mental health over the past couple of years, through the new strategies that they've implemented. For children's mental health, they're rolling out lead agencies across the province, which is a really strong structural change that will impact in three to five years. The government invested in wait time reduction in 2011. What those did was create much better access, quicker access. Walk-in clinics were announced across the province. For kids who need two or three sessions to get them back on track, those clinics are extraordinarily effective. However, for the children who need longer terms of treatment, who are mentally ill, who have significant mental health issues—like my daughter—those wait times and wait-lists are still significant.

Conversely, the reform that has gone on across the government actually has created additional demands in the community-based children's mental health treatment sector. Hospitals are focusing on high-acuity cases. It's important that they know their spot in an integrated system of care, and they've sorted that out. They're discharging those kids into the community sector. Those kids, like my daughter, can't wait a year.

In child welfare, they're decreasing the number of group homes that are used. They're increasing the number of kids who are staying in homes. Those families and those kids need help, and they can't wait a year.

School Mental Health ASSIST, which educates teachers across the education sector—an amazing program—about early signs of children's mental health issues is a great program, but it's also causing referrals into the community sector as well. Days like Bell's Let's Talk, which is tomorrow, have caused a decrease in stigma, so parents like me get help earlier.

All of those have created demand pressures that amount to 10% per annum for children in this sector. So what we are asking is for an investment to reduce wait times in long-term counselling and therapy. For \$30 million, the wait-list will drop from over an average of a year across the province to an average of four and a half months, and you'll treat almost 7,000 kids every year with that investment.

Thank you very much.

The Chair (Ms. Soo Wong): Thank you very much for your presentation.

Ms. Forster, do you want to begin the questioning?

Ms. Cindy Forster: Yes. Thanks so much for being here. Living here in Niagara, we are severely underfunded—

Ms. Kim Moran: Yes.

Ms. Cindy Forster:—lack of access for children's mental health services. I'd like to hear your comments about why children should be treated in their communities and not have to go far and wide to actually get some treatment, get some counselling, get some psychotherapy.

Ms. Kim Moran: It's really important that they're in their communities, because it has to be a joint effort with their families. Both families and children need to understand how to deal with these chronic mental health issues. Our family needed support and training as to how to deal with a highly anxious kid. Every day, I have to employ those techniques to help her when I go home.

For families that struggle, they need support directly to them so that they can be that support network for their children. You can't do that when your kids are far away. You can't do that when you have to drive hours to get to treatment. This has to be an ongoing treatment support system, that you can get help in your community. It's absolutely crucial.

Ms. Cindy Forster: Last year—I don't remember if you were here specifically—

Ms. Kim Moran: No, it was Gordon Floyd.

Ms. Cindy Forster:—but somebody was here and said that you had significant financial challenges—

Ms. Kim Moran: Yes.

Ms. Cindy Forster:—in the child and youth mental health sector that continued to threaten existing services and undermine efforts. Now, you did talk about some investments in 2011 and some programs that are working but that have wait-lists and growth. We know that hospitals are being starved with flat-lined budgets, which is really impacting hospital care, as well. Did the govern-

ment listen to you last year and continue to make investments in the child and youth sector—inflationary increases?

Ms. Kim Moran: No, we haven't had inflationary increases or base funding increases for over a decade. As a result, this of course impacts on wait times and wait-lists across the sector, but even more importantly, I would say, it really impacts trying to build high-performing organizations. Minister Hoskins was clear that we need community care to be an important cornerstone of health reform, and you can't build high-performing organizations when you haven't had funding increases for over a decade and when your staff are paid 30% to 35% less than the hospital and education sector. For social workers, they tend to come into our sector, and once they're trained, then they go off into other sectors where they can get substantial pay increases, which certainly, for long-term care of our kids, doesn't make any sense at all.

Ms. Cindy Forster: Question, Wayne?

Mr. Wayne Gates: Yes. It's kind of timing for me, actually. I had a young lady come into my office yesterday, quite frankly in tears. She has a young child who has severe mental health issues, and quite frankly she's at the end of her rope. She's going to end up having mental health issues herself, along with her family and her kids.

It was a very tough couple of hours yesterday afternoon, but what she was saying to me—maybe you can help me with this, because I have my staff looking into it today and I actually phoned this morning. They can't do it anymore. Their son needs 24/7 care, and she doesn't want to put him into the system, which would be FACS, where another family would take care of him. So, to your point, we've got to find ways and solutions, and this one obviously wasn't done at an early stage.

Ms. Kim Moran: That's right.

Mr. Wayne Gates: Is there something out there that this mother and this family can look at 24/7 for their son, and in some cases maybe a daughter? Because, quite frankly, there isn't anything more important to us than our children. In Niagara, quite frankly, we've seen an increase in suicides among young people. There are a number of issues that are going on in Niagara for a number of reasons. Some of it is family-related, some of it is jobs and some of it's the circumstances going on in Niagara. But is there something I can say to this parent on where I could direct her to go to get the help that not only their son needs now but, quite frankly, the entire family needs?

Ms. Kim Moran: Absolutely right. That's a very common complaint, where people don't know where to go. In that specific area where it's very severe, there are, in the community system, residential placements for families like that, where you get respite and treatment for both the child and the family, so that then you can get ready to take care of your child again when they come back home. We can talk off-line and I'll get you some contact information, but I certainly understand how a family feels like that. We certainly weren't in that state,

but I have to tell you, when your daughter is actively suicidal and you have to put knives away, it's pretty hard to leave the house.

The Chair (Ms. Soo Wong): One minute, Ms. Forster.

Ms. Cindy Forster: The government is cutting \$500 million over the next two years from our schools.

Ms. Kim Moran: Yes.

Ms. Cindy Forster: I know there's a relationship, certainly, between children's mental health and the education system and the supports that are in place there. What impact do you think the cuts to the education system—how is that going to impact children in need with mental health issues?

Ms. Kim Moran: Well, I think that it will have an impact with regard to kids like my daughter. When she goes to school, she requires substantial supports. I mean, she is a high-performing kid, very intelligent, but she has an anxiety disorder. She needs extra time. She needs extra support. She needs an extra guidance counsellor; I'm on the phone with her guidance counsellor frequently. So for cuts in education, you're going to see that those kinds of kids are going to struggle more, which only means that you have to have a stronger community-based sector in order to support that. That's what my concern would be.

Ms. Cindy Forster: Thanks so much.

The Chair (Ms. Soo Wong): Thank you very much, Ms. Moran. If there is any written submission, can you make sure the Clerk receives it by this Friday at 5 p.m.?

Ms. Kim Moran: Yes.

The Chair (Ms. Soo Wong): All right. Thank you very much.

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ONTARIO NURSES' ASSOCIATION, REGION 4

The Chair (Ms. Soo Wong): The next presenter is the Ontario Nurses' Association, region 4: Dianne Leclair.

Ms. Dianne Leclair: Good morning.

The Chair (Ms. Soo Wong): Good morning; welcome. Ms. Leclair, as you heard, you have 10 minutes for a presentation. This round of questioning, for five minutes, will be coming from the government side. You may begin any time. Please begin by identifying yourself and your position at ONA for Hansard purposes. Thank you.

Ms. Dianne Leclair: Thank you very much. Good morning, and thank you for the opportunity to speak. My name is Dianne Leclair. I'm a registered nurse and I'm the vice-president for region 4 for the Ontario Nurses' Association, or ONA.

I have been working as a registered nurse for more than 30 years. My time has been evenly split between Port Colborne hospital, and currently I work for HNHB CCAC, the community care access centre, as a care co-ordinator.

ONA is Canada's largest nursing union. It represents 60,000 registered nurses, RNs, and allied health professionals, as well as 14,000 nursing student affiliates. We provide quality care each and every day in hospitals, long-term care, public health, the community, clinics and industry.

Registered nurses are extremely concerned about the extent of understaffing that exists in Ontario hospitals, in our long-term-care facilities and in the community, and we feel this is strongly impacting the quality of care for our patients.

In the Hamilton and Niagara region, registered nurses have identified significant challenges to the delivery of safe and quality patient care as ongoing restructuring takes place and the implementation of staffing mixed models replaces RN care with less qualified staffing.

First, let me repeat the basic facts on the extent of RN understaffing in Ontario. Overall, Ontario has 71 RNs per 10,000 population. This is compared to 83.6 RNs per 10,000 people in the rest of Canada. This ratio is the second-lowest in Canada. This creates a significant gap in RN care for Ontarians while you're in a hospital, whether you are discharged to community care or you're in a long-term-care facility.

In fact, it means, first of all, that the hospital-based operating budgets must increase, and secondly, a nursing human resource plan must be developed for Ontario just to start to catch up with the staffing levels in the rest of the country.

This morning, I'll begin my remarks with the examination of the dire need for more registered nurses in our hospitals to manage the increased care needs of our complex, unpredictable and unstable patients. I'll start by looking at overcrowding and overcapacity in our regional hospitals. Hamilton Health Sciences, for example, reports that \$25 million in savings are necessary in this fiscal year, which only makes matters worse. Hamilton-area acute care hospitals already report that the pressure on acute care bed resources in the Hamilton Niagara Haldimand Brant LHIN is reaching "crisis levels." This warning comes from a report prepared directly for the LHIN.

As of December 2013, for example, there were 544 patients in the HNHB LHIN assessed as needing a level of care that did not require them to be in the hospital, and 70% of those patients were waiting in acute care beds. This essentially means that 17.5% of acute care beds in operation in the HNHB LHIN are unavailable for patients to be admitted. The majority of these patients occupying these beds are 75 years or older and they have different levels of physical and cognitive impairment. Fifty-five per cent of these individuals were waiting for home care from the community care access centre and waiting for placement into a long-term-care facility.

The standing committee should be aware that in late 2013, the HNHB CCAC announced a Home First program, a program that discharged from the hospital, with home care supports, people waiting for long-term-care beds. But this was not financially feasible and sustainable

within their funding capacity. As a result, changes were introduced to the assessment process for the level of care and risk management for patients that could be supported in the community. This has an impact on discharge planning for patients who do not meet the criteria. In addition, according to the LHIN alternate-level-of-care report, patient waiting times for placement in a Hamilton long-term-care facility range from 10 to 526 days. This scenario plays out across the province.

As a result, elective surgeries are being cancelled. Emergency patients are facing longer waits and overcrowding and are being redirected. Regional referrals are being restricted, except for those critically ill. Patients are being repatriated back to community hospitals that are already overcapacity and understaffed.

There is extensive literature on the relationship between higher RN staffing levels in hospitals and improved quality-of-care outcomes for our patients. Unfortunately, RN staffing levels in Ontario hospitals have not kept pace with the increasing complexity of patient care and are not keeping patients and nurses safe.

RN staffing is associated with a range of better patient outcomes: reduced hospital mortality, hospital-acquired pneumonia, infections and length of stay. In Ontario, however, three years of frozen base operating funding for hospitals has resulted in the elimination of millions of hours of RN care. At the same time, this care can't be replaced in the community, and waiting lists for home care and placement in long-term care grows.

Any discussion of relieving overcrowding and overcapacity in hospitals must look at a strategy for home and community care, as it is the integration across the continuum that is a critical factor for patient transitions. However, to take funding from one sector at the expense of another health sector seems, to front-line nurses, like a major mistake, and will not integrate care, but will lead to unintended care consequences for patients and families. ONA is calling on the government to restore base hospital operating funding to at least account for the costs of inflation and population growth.

In addition, it is essential to address the inadequate ratio of RNs to population in order to integrate care across the continuum to provide improved access to nursing care, to retain our experienced nurses and to rebuild our aging nursing workforce. That is why we are calling on the government to develop a nursing human resources plan.

We also have to address inequalities in working conditions to attract new nurses to community care and to retain experienced nurses as services are shifted out of the hospital as part of the government's plan to transform the delivery of health care in Ontario.

At the same time, our long-term-care facilities must have minimum staffing standards. They should be funded and regulated to manage the increasing levels of senior citizens who now require more care as they are discharged from the hospital.

These are not isolated decisions and they must be considered together. Addressing challenges sector by sector

will not achieve the government's objective of quality care and improved patient outcomes.

A key success factor to improve the accountability, transparency and quality of care in the transition to home and community care, and to expand capacity across the continuum of care, must be to improve the coordination and quality of care received by patients discharged from hospital acute care to community care. It must be one continuum.

Currently, there is a massive duplication of services and resources in CCACs and in provider home care agencies just to manage the existing request-for-proposal contracting process. At the same time as there are reports about quality of services by provider agencies, we have new roles being introduced directly into CCACs that include a rapid response nurse that provides the first in-home nursing visits to patients with high-risk conditions within 24 hours of being discharged. These nurses are helping patients with the transition from hospital care to home care to reduce the risk of readmission. It appears to us that this is a good model to replace the current fragmented home care system that really requires one central point for the coordination of care and of more integrated roles.

The current care coordination practice in Ontario CCACs does not provide complete care coordination for patients. The current practice should be expanded to coordinate the full range of care needs for clients in home and in community care, but also as the need for services crosses into other sectors, such as primary care.

There is evidence that shows that when a care coordinator was able to coordinate a range of services for the frail elderly based on need, the use of hospital emergency care, acute care and long-term care declined. Therefore, we are calling for a clear redefinition of care coordination in CCACs as complete care coordination based on patient needs.

Now is the ideal time for CCACs to begin to bring the delivery of home care nursing services directly into the CCAC. First of all, the approach would result in cost reductions for the procurement process and the elimination of multiple levels of management in a variety of home care providers and in CCACs. This approach will focus on the complete coordination of patient needs, combined with the delivery of their direct nursing services in CCACs, to measure outcomes and address patient concerns related to the quality of care being delivered by multiple provider agencies and worries about the care being curtailed if patients complain.

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The Vice-Chair (Mr. Peter Z. Milczyn): Ms. Leclair, I have to cut you off. You're already well over 10 minutes and I want us to have some good questions.

Ms. Wong has some questions of you.

Ms. Soo Wong: Thank you very much, Ms. Leclair, for being here today. I'm going to put on record that I was a member of ONA. I think my colleague Ms. Forster is also a former member of ONA.

Thank you very much for your presentation this morning and for being here to represent ONA and your region. I want to begin by thanking your members, but also the collective nurses, for your contribution to the system called health services, because, at the end of the day, being the largest body in Canada in terms of recognizing nurses in Ontario, your members provide quality care in the system. So I want to recognize that piece.

Are you aware that Minister Hoskins has recently announced the review of the CCACs?

Ms. Dianne Leclair: Yes.

Ms. Soo Wong: And what is your members' and your region's participation in the CCAC review?

Ms. Dianne Leclair: I actually sat on one of the reviews, so I was there with the group that was meeting.

Ms. Soo Wong: And then you had some opportunity to provide some input, which you just shared with us at this committee?

Ms. Dianne Leclair: I did. One of the nice things about working for CCAC was that I was able to bring the stories, the actual things that were going on, and how we then can improve.

Ms. Soo Wong: Okay. In your presentation this morning to the finance committee, you raised some concerns with respect to the long-term care, the acute care and CCAC. Let's go on record. First of all, there has been significant research put forward that here in Ontario we have the most institutionalized care when it comes to long-term care. Can you provide some evidence to this committee? How do we deal with it, because we have an aging population, right?

Ms. Dianne Leclair: Absolutely.

Ms. Soo Wong: So how do we address it? Because the data already proves that we have the most institutionalized long-term care in the system. Yet the community—I believe this area has one of the most aging populations.

How do we address this piece? I know, coming from a very diverse community in Toronto, in Scarborough, that seniors don't want to be in long-term care. How does your organization address this issue? Institutionalized care—you cannot build enough long-term-care homes.

Ms. Dianne Leclair: Absolutely.

Ms. Soo Wong: So how do you address that issue, and can you share some insights in terms of best practices?

Ms. Dianne Leclair: I think one of the issues is that you have to ensure that if you're not going to move to institutionalization, you put the care, then, into the community. One of the things I see is that right now, we are reactive—we react to a person getting into a crisis, we react to a situation—instead of being preventative and putting resources upfront.

I'll give you an example when I worked over Christmas. I had a gentleman who was 50 years old; he was a new diabetic. He was mentally challenged but very, very high functioning; he lived at home and had great, great community supports. I put in the nursing to go ahead and teach him now to give his insulin, but our

criteria under CCAC really didn't allow me to put in a dietician because it wasn't considered urgent.

To me, if you think about it and you walk through the system, maybe one or two dietitian services would have helped him in what was proper to eat, because it's not just about giving the insulin; it's about knowing the whole person and what they're about to eat. Yes, I had a dietitian in the hospital, but we all know that I can tell you anything, but if I go into a home and see what their food is actually like, what their cupboards actually have, I would have better outcomes.

We're so afraid to put in those one or two visits upfront because it's going to cost the system. In the end, I got that gentleman home safely—he did not return—because I put the proper dietician and the proper nursing in.

A lot of what I think happens is we don't put the proper care where it's needed first, in the right place at the right time, and we actually create people who then decline so rapidly that institutionalizing, whether it's coming back to the emerg or going into a nursing home, becomes the issue.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you, Ms. Leclair. No doubt we could spend the rest of the day on that.

If you do have anything in writing that you'd like to submit, please send it to the Clerk.

Ms. Dianne Leclair: Thank you.

CEM ENGINEERING

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness is CEM Engineering: Mr. Lensink—two Mr. Lensinks—and Mr. Pillar. If you could just state your name and position for the record.

Mr. Martin Lensink: My name is Martin Lensink. I'm the principal in charge of CEM Engineering in St. Catharines.

The Vice-Chair (Mr. Peter Z. Milczyn): You have 10 minutes, sir. I see the engineer has come prepared.

Mr. Martin Lensink: The engineer is very prepared. Bear with me: I have a PowerPoint presentation. It's quick.

I've entitled my presentation "If Ontario Adopts a Carbon Tax." What I didn't put in words, but which I want to say, is "as a new revenue source." I'll just throw that out, to get your involvement. Perhaps Ontario will introduce a carbon tax as a new source of badly needed revenue.

I'll give you the background on the issue, define what the issue is and the impact that it will have on Ontario, and define our ask.

Several years ago, the province of Ontario, via what was then the Ontario Power Authority, introduced this program called saveONenergy. It's a conservation program to help customers of all types use less electricity, because the cheapest form of new electricity is conservation. In the lower left, there's a program called "process and systems upgrade," where electricity-intensive

customers can get up to 70% for initiatives that reduce their use of electricity.

We have customers who have directly benefited from this program. Magna, who you all know about, which employs 1,200 people in Guelph, got a \$7.3-million grant from the province. Campbell's soups, Etobicoke—and if you walk through these plants, members, it's like Canada; there are people from all over the world; there are a lot of new Canadians working in these plants; these are very valuable, high-end jobs—400 employees in Toronto, and they got a \$5.1-million grant. Toyota employs 4,000 people in Cambridge. They got a \$10.8-million grant; and 3M in Brockville, with 170 employees, got a \$2-million grant.

These are all valuable employers in the province of Ontario for whom we have provided engineering services and who have benefited from a program which was then offered by the Ontario Power Authority, which is now part of the Independent Electricity System Operator.

Some other recent developments: Ontario's Long-Term Energy Plan includes combined heat and power procurement.

The next one is what I wish I had brought along for you. Ontario's Conservation First Framework directive includes small-scale—I emphasize "small-scale"—under-10-megawatts, behind-the-meter customer generation as a conservation and demand-management initiative.

There's a wonderful order in council from your own Bob Chiarelli, where he instructs the OEB and what was then the OPA, which is now the IESO, which is considered in the public interest.

Just by way of background, I started CEM 14 years ago after a 21-year apprenticeship. In 2011, I had 13 employees. Now, because of the initiative of the province of Ontario through the program I just told you about, I employ over 40 people. That's very important: 40 people in Niagara, in an area where there are not many jobs.

This is the article in the Globe and Mail that shook me to my core—I didn't sleep that night: "BC Premier Clark Extols the Virtue of a Carbon Tax During Ontario Visit" to Kathleen Wynne. What did I say to myself? "Oh, shit. This is a problem for me, and it's a problem for my customers."

So here's the issue: If Ontario adopts a carbon tax, the business case for high-efficiency, behind-the-meter cogeneration combined heat and power disappears. It disappears. Engineering firms like ours will have to let staff go. Energy-intensive clients, like the four examples I cited earlier, will not have the option to reduce and manage electricity prices in response to the infamous Dalton McGuinty Green Energy and Green Economy Act. The Green Energy and Green Economy Act came in: lots of solar, lots of wind. Power prices went up. Industrial customers like the ones we serve say, "Oh, shit," and now the province offers them an option, which is this behind-the-meter stuff to manage electricity prices. But if Kathleen Wynne introduces a carbon tax, that's the end of that.

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Our ask, in closing: Please, members of Parliament, avoid the contradiction between the carbon tax and Ontario's Conservation First framework, because there's a direct contradiction there. If Ontario does adopt a carbon tax, please exempt those clients who generate electricity strictly for their own use if the utilization of fossil fuel exceeds 65%. That's it.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much. I believe Mr. Arnott has some questions of you for five minutes.

Mr. Ted Arnott: Thank you for your presentation.

Mr. Martin Lensink: You're welcome.

Mr. Ted Arnott: It was very graphic and direct.

Mr. Martin Lensink: How many presentations have you heard this morning already, right? A bunch?

Mr. Ted Arnott: Well, you made your point. Certainly, from our perspective as the official opposition, we are opposed to the imposition of the carbon tax in the form that the government appears to be going, but I think it's very helpful for government members in particular to hear what the practical impact may be if indeed the government proceeds at this time: 40 jobs in Niagara region. As you said, the unemployment rate here is high.

Mr. Martin Lensink: Yes.

Mr. Ted Arnott: We can't afford to lose any jobs in the Niagara region. Obviously your employees have to be informed of what might happen too. But I want to commend you for coming forward, and I think that, hopefully, we can work together to make sure that the government understands the impact.

You mentioned Magna in Guelph. Did you mean Linamar?

Mr. Martin Lensink: No, I meant Polycon.

Mr. Ted Arnott: Polycon. Okay.

Mr. Martin Lensink: Right across the street from Linamar is a company called Polycon that makes bumpers. They are a Magna company. It's well known that Magna in Ontario—get this: Magna in Ontario spends \$85 million a year on electricity. So the Green Energy and Green Economy Act and the ensuing price increases that resulted had a huge impact on that \$85-million bill. Can Magna pass on the price increases to the Big Five, Toyota, the big automakers? No, they can't. They're stuck. This way the province made it possible for them to manage that present and future electricity price by giving that 40% grant, which Magna immediately matched with a 60% capital allocation. It's across the street from Linamar.

Mr. Ted Arnott: Have you ever seen an estimate of how much electricity has been saved or conserved through the saveONenergy program? Has there been an estimate?

Mr. Martin Lensink: That's a very good question. I'd love to table that and I'll get back to you. Yes, what was then the Ontario Power Authority, which January 1 of this year became the IESO—there have been estimates done on that. Yes, sir. I personally don't have it. What has already been saved through these conservation initia-

tives is in the long-term energy plan for the province of Ontario.

Mr. Ted Arnott: If we could ask, Mr. Chair, to have legislative research look into that and give an answer to the committee, I'd appreciate that very much.

Thank you, sir.

Mr. Martin Lensink: You're welcome.

Mr. Ted Arnott: My colleague Mr. Fedeli has some questions too.

Mr. Martin Lensink: Sorry, I'm a little bit ignorant. You guys are—

Mr. Victor Fedeli: PCs.

Mr. Ted Arnott: We're the Conservatives.

Mr. Victor Fedeli: We're the good guys.

Mr. Martin Lensink: You're the good guys. Are you Liberals or Conservatives?

Mr. Ted Arnott: We're the Conservatives.

Mr. Martin Lensink: Conservatives. Okay.

Mr. Victor Fedeli: I told you, we're the good guys.

Mr. Martin Lensink: Okay.

Mr. Victor Fedeli: Do I get his extra time as well, by the way?

The Vice-Chair (Mr. Peter Z. Milczyn): You have about two minutes left.

Mr. Victor Fedeli: Well, all right. You were very succinct in the criticism of the Green Energy Act, which I entirely agree with, and you know that we would completely repeal that. It has tripled our hydro rates in Ontario and caused, as you mentioned, higher unemployment: 300,000 people who used to work in manufacturing in Ontario aren't there today, primarily because of high energy rates.

When you talk about Magna, I want to switch gears just for a second, because not only do they pay \$85 million in electricity rates; they also commented not only about the carbon tax but about the Ontario pension tax that's being introduced by this government. They said that it will cost them \$36 million a year in additional tax and that they will no longer open any plants in Ontario if the registered pension plan is integrated.

I want to go to your ask about the contradiction between the conservation framework—can you further explain how a carbon tax contradicts that? When you say it would negate it, would cancel that program, how, specifically, would it do that?

Mr. Martin Lensink: If I look at what BC has introduced in terms of the carbon tax, 90% of the life cycle of costs of what we're doing for these industrial customers is natural gas. If there's a carbon tax applied to natural gas, the cost would go up by 25%, and there would be no more investment potential by the private sector. It would become—

Mr. Victor Fedeli: Because there would be no savings?

Mr. Martin Lensink: Yes, there would be no savings and they wouldn't invest. The beauty of the program is that the province is getting new power without putting up any public money. This is all private sector initiative. It's high efficiency. The Magnas of the world and the 3Ms of

the world simply could no longer justify the capital investment.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Arnott and Mr. Fedeli have used up their five minutes of questioning. There is, however, about three minutes left that the witness hasn't used. Is there agreement to allow additional questioning?

Mr. Martin Lensink: If I could just make one comment: If we're going to get off coal, which we did, there's a price to getting off coal. If there is a decision to get off coal, it's inevitable—it has been borne out in every jurisdiction in the world—that it's going to cost more. The fact that prices went up—the province should have known that.

The Vice-Chair (Mr. Peter Z. Milczyn): The question I pose to the committee is, is there agreement to allow the Conservative caucus to use the remaining time for additional questions?

Interjection.

The Vice-Chair (Mr. Peter Z. Milczyn): You have about two minutes left if you have any extra questions.

Interjection.

Mr. Victor Fedeli: It doesn't work that way.

Mr. Martin Lensink: No? That's too bad. How can I enter this directive from the minister? This is where the contradiction starts.

The Vice-Chair (Mr. Peter Z. Milczyn): Any written submissions that you wish to submit, you can give to the Clerk.

Mr. Victor Fedeli: When you talk about the coal—and we all agree that Elizabeth Witmer, a former MPP from our caucus, is the one who first ordered the coal plants to be closed—why did you say that the government should have known that there would be increased costs? I agree with you, by the way, and I think I have a thought, but I'd like to hear yours.

Mr. Martin Lensink: The price of coal has historically been very cheap because there's 500 years of it in the ground. So when they decided, for a multitude of reasons, to get off of coal, the alternatives, which are infinitely cleaner, are going to cost money. That's borne out in Europe, in Australia, in the UK. It's not possible to get off of coal, which is the cheapest form, and not have it cost more.

Mr. Victor Fedeli: The former Auditor General was pretty clear in November 2011. He told us that when the Green Energy Act was developed, it was done without consultation and it was done without a business case, much like the smart meters. This new Auditor General told us the same thing: It was done without consultation, done without a business plan. I think everybody would acknowledge that if you don't do a business plan or a case study or a business assessment or a case assessment, you're going to have surprises. The biggest surprise in the Green Energy Act was the fact that not only was it one of the richest subsidies, but we have 20-year contracts—but the biggest problem was the fact that the government agreed to take the power whenever it was generated and they were not aware, because they didn't

write a business plan, that wind makes most of its power at night, when it's not needed in Ontario.

Mr. Martin Lensink: Just a closing comment—thank you very much.

Mr. Victor Fedeli: Please.

Mr. Martin Lensink: I thank the government for the initiative they took two or three years ago with this program, and I ask the government to look out for jobs in Ontario. Let's keep the jobs in Ontario, please. This is just one strategy towards keeping those jobs. Thank you.

Interjection.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Gates, we've got 30 seconds left—

Mr. Victor Fedeli: And it's my 30 seconds.

The Vice-Chair (Mr. Peter Z. Milczyn): And it's Mr. Fedeli's.

Mr. Victor Fedeli: That's all right. Do you want to make a point?

Mr. Wayne Gates: I just want to make a point that I think that—

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Gates.

Mr. Victor Fedeli: Is it a point of order?

Mr. Wayne Gates: I just want to make a point—

The Vice-Chair (Mr. Peter Z. Milczyn): Is it a point of order?

Mr. Wayne Gates: Yes.

The Vice-Chair (Mr. Peter Z. Milczyn): What is your point of order?

Mr. Wayne Gates: Just for the presenters, because I don't think we're clear on—

The Vice-Chair (Mr. Peter Z. Milczyn): No, no. Points of order are to the Chair.

Mr. Wayne Gates: To the Chair: I think we should make sure that the people who are coming here know that it's only one party who can ask questions so there is no confusion around that.

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The Vice-Chair (Mr. Peter Z. Milczyn): That's not really a point of order, but that will be clarified by the Chair.

Mr. Martin Lensink: I should have known that. I apologize. Please forgive me.

The Vice-Chair (Mr. Peter Z. Milczyn): That concludes our time for this witness. Thank you very much, sir. As I said, if you do have any written submissions, please do submit them to the Clerk.

Mr. Martin Lensink: I do. I left that with the Clerk.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you.

NIAGARA HEALTH COALITION

The Chair (Ms. Soo Wong): I believe the next presenter is Niagara Health Coalition. Sue Hotte is the co-chair. Am I correct? Welcome. Good morning. Please introduce yourself and your position with the Niagara Health Coalition.

You have 10 minutes for this presentation, followed by five minutes of questioning from the committee. This

round of questions will be from the official third party. So welcome. Please identify yourself for Hansard.

Ms. Sue Hotte: Thank you very much. My name is Sue Hotte, and I am the volunteer co-chair of the Niagara Health Coalition, which is a non-partisan organization dedicated to protecting health care for all and ensuring that public policy regarding our health care system is democratic and equitable.

I'm also co-chair for the Save the Welland Hospital and Save the Niagara-on-the-Lake Hospital citizens' groups.

Looking at the key issues: In repeat surveys across Ontario, the Ontario Health Coalition has found that Niagara has faced the most severe hospital cuts. Cuts have had a detrimental impact on patient access to care in our region. In the 2013 budget, the hospital global funding was frozen. A zero increase in the face of increasing inflation means real dollar cuts and cuts to care.

More than 100 hospital beds have been cut since 2008 in our area. That's about one in every seven hospital beds in Niagara. Our hospital is on code gridlock most of the time. That means that all the beds are full. More than 200 hospital staff, including nurses and support staff, have been cut. Each clinical person—for example, a nurse—contributes an average of 1,900 hours of patient care. At the present time, we're losing 10 more beds and face the closure of a small community hospital in Niagara-on-the-Lake. The scope of hospital cuts in Niagara has been truly devastating.

The cuts bear no relation to community needs for services. They're just cuts to meet arbitrary budget levels, and this has to stop.

We urgently need the health care cuts to stop and we need the government to reinstitute sound planning to meet our community's needs for health care services. There have been no needs assessment, bed planning or regular health system capacity planning since the early 1990s.

Home care is an excellent service, but it is inadequate to meet the complex needs of patients offloaded from our hospitals, and it is severely rationed. Health care services need to be based on sound planning to meet community needs.

Finally, we'd like to draw attention to the auditor's findings on the high costs of privatized P3 hospitals. We know that if we hadn't had them, we could have saved \$8 billion. So privatization is not saving money; it's costing us billions. The new St. Catharines hospital was financed at an interest rate of 9.1%—much higher than if the government had gone out and taken a loan. At the end of the day, the government pays for it, so why go for a higher interest rate? You certainly wouldn't do that if you were looking for a car.

Recommendations in terms of hospital cuts:

(1) After eight years of hospital funding increases that have been set below the rate of inflation, hospital cuts are very severe, and access to all vitally needed hospital services has been compromised. Nowhere in Ontario have the cuts been as draconian as in Niagara. Hospital fund-

ing needs to be improved and stabilized and a moratorium must be placed on cuts to hospital services and expanded user fees for seniors.

(2) In Niagara, in particular, the plan is to close five hospitals and replace them with one. These plans should be stopped. Niagara Falls does need a new hospital. That being said, the other hospitals should not be closed. The Welland hospital serves over 90,000 people. The Fort Erie and Port Colborne hospitals cater to complex care patients. Where will they go? Certainly not to the new small proposed Niagara Falls hospital.

In the 2014 budget, funding for hospitals was again frozen. Ontario has the fewest hospital beds per capita of any province in Canada, by far. Our province has the highest level of hospital occupancy of any jurisdiction. Too many people are spending a lot of time in emergency rooms—five or six days—before they can even get a bed.

Long waits for long-term care: According to data from the Hamilton Niagara Haldimand Brant CCAC, there are more than 3,144 people on wait-lists for long-term care in Niagara, and average wait times are almost two years but can be up to six years. This further underlines the fact that the hospital cuts must be stopped. There is truly nowhere to place patients unless you're bumping others in need further back in the line.

Key facts: To give a sense of the scale, we have 3,144 people on wait-lists. Our total long-term-care bed capacity is 3,529. According to CCAC data, on average, 90 spaces in total become available per month across Niagara's long-term-care homes. It would take approximately 35 months, or three years, to clear the backlog.

The bottom line: The data shows that there is no plan to ever provide care for more than 1,000 residents on the wait-lists. This is planned and purposeful rationing of needed care on the part of our government.

The average number of days Niagara residents are waiting for basic long-term-care home spaces is 615 days. Wait times for public homes, which are preferred by most people, are much higher than that.

Our third recommendation: Access to public and non-profit long-term care must be improved. Our area already has many communities where over 28% are 65 and older, and it's getting greater with each year. We need more non-profit long-term care in our region to meet the needs of our senior population living at or below the poverty line. We do have a very poor population in Niagara. They cannot depend on their families to help them out.

Patients should not be offloaded from hospitals without adequate care. Care levels in long-term-care homes must be improved to meet the higher acuity and more complex care needs. We recommend a minimum care standard of four hours of hands-on nursing and personal support per resident.

Recommendation 4: Stop the privatization of P3 hospitals and use the savings to improve operational funding to our hospitals and access to needed health care services. In December, the auditor found \$8 billion in higher costs due to the P3 privatization. I've given some details in my report.

Our health region has experienced the high costs of P3 privatization. The new St. Catharines hospital was built as a P3. Over the course of the negotiation of the contract, the projected cost for the hospital increased from \$305 million to more than \$851.4 million. Over the 30 years of the contract, we will pay about \$1.5 billion. That's a heck of a lot of money for a hospital that, first of all, was only going to cost \$305 million. That money should really go back into long-term care, into home care, into providing the beds. Now what we have is Niagara experiencing some of the worst hospital cuts of any hospital in Ontario.

When we started to look at the P3 contract, we were having a great deal of difficulty getting some costs, and what exactly was going on. There is an outline there of the process. The Niagara P3 project continues to be shrouded in secrecy, and the main document containing the P3 deal is a project agreement that's hundreds of pages long. All the vital information pertaining to costs is redacted, meaning that the information is blacked out—this despite the fact that the public is paying more than \$1 billion for this project.

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Our big concern is that there is going to be a new hospital built in Niagara Falls, and we certainly don't want to see that hospital be a P3.

Peterborough was able to build its hospital without being a P3. It's the same size as the St. Catharines hospital and there were great savings. That money is much needed in our health system. Thank you.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. Mr. Gates, do you want to begin the questioning?

Mr. Wayne Gates: Sure. First of all, thanks very much for your presentation. I think it's important for the other parties to hear exactly what's going on in Niagara when it comes to health care. You talked about the P3s. I've been talking about P3s long before becoming an MPP and long before I became a city councillor.

I don't know how anybody in any party can justify spending \$1.1 billion on the St. Catharines hospital when you can build the exact same hospital like they did in Peterborough for about \$350 million. If you care about money, why would you not save that money and then reinvest that money into front-line health care, whether it be home care or whatever it would be? It makes absolutely no sense to me.

We just talked about Niagara-on-the-Lake. We had another presenter talk about Niagara-on-the-Lake where 26% of that population is aging. What are we going to do in Niagara-on-the-Lake? We're closing their hospital and getting rid of their beds. There are a lot of things here.

I want to talk about the new Niagara Falls hospital. That hospital is eight to 10 years away. That's not a hospital that's going to be done in a very short period of time, yet we continue to close beds. We continue to cut.

I want to say, give us a suggestion on what we should do with health care in Niagara outside of the P3, making sure that we spend that money back on proper care.

Ms. Sue Hotte: Well, the first thing is certainly the funding. The system is underfunded. That's why they're cutting. That's why they're closing the Niagara-on-the-Lake hospital, why they're closing those beds. It's basically looking at how I can make sure that I don't have an operational deficit at the end of the year.

In the report they had indicated that none of the hospitals would be closed until the new hospital was built. Guess what? They're closing it. Why are they closing it? It's to save money. Why are they trying to save money? It's because they're having an operational deficit. Why are they having an operational deficit? It's because of the funding, and you have to increase the funding. You can't keep it at zero per cent. Inflation keeps rising. There you go; that's it.

Mr. Wayne Gates: Thank you.

The Chair (Ms. Soo Wong): Ms. Forster?

Ms. Cindy Forster: Thank you, Ms. Wong. Thank you for being here today, Sue. It's interesting. The government has been talking today about health care and about the move from hospitals, and how we couldn't possibly create enough long-term-care beds to support our aging population, and people don't want to be in a long-term-care facility. They need to be in the community.

Unfortunately, the maximum care that they can get is three hours a day. You can't actually take somebody who's getting 24-hour care a day, who has multiple, complex problems, and give them only three hours of care a day and expect them to actually not end up in the emergency department again.

They talk about respect for those people who work in the community, but in fact the nurses who work for the community care access centre may be on strike on Friday because they don't respect them enough to give them wage parity with the hospital nurses. So they really don't respect them at all.

How do we reconcile all of these things? We don't have enough nursing home beds. It took this government nine years to build 96 beds and the ground just broke a month ago. They promised those beds in 2007. They made this announcement and they made it year after year for nine years to get only 96 beds in Welland, when we have 3,100 people on the wait-list. How are we going to address those issues?

Ms. Sue Hotte: That's a very good question. I think the government does have to address those issues and certainly do the planning. It's no surprise that we need these beds. We've known about it. We've been talking about the baby boomers aging for 20 years now. Somehow, somebody has really been asleep at the switch because we have people who need to get into long-term-care homes and there's no place, and they're waiting and waiting and waiting.

The families are trying their best to help them. They're putting in all kinds of support etc. But at the end of the day, that's the government's responsibility. The government needs to do something about it, and they need to do it quickly, because it's not just in Niagara; it's everywhere. Someone has been asleep at the switch in the

Ministry of Health. You need to really address that problem.

The Chair (Ms. Soo Wong): Thank you very much for your presentation.

Ms. Cindy Forster: I have a few more questions, Soo.

The Chair (Ms. Soo Wong): I'm sorry, but the time's up.

CHRISTIAN LABOUR ASSOCIATION OF CANADA

The Chair (Ms. Soo Wong): The next group is the Christian Labour Association of Canada. I believe we have two presenters.

Good morning. Welcome. As you heard, there are 10 minutes for your presentation, followed by five minutes of questioning from the government side. Can both of you identify yourselves, along with your position within your organization, for the purposes of Hansard, please? Thank you.

Mr. Hank Beekhuis: Sure. Thank you. Good morning, Chair and members of the committee. My name is Hank Beekhuis. I serve as the provincial director for CLAC. I'm joined today by Andrew Regnerus, who is our provincial construction coordinator.

For those of you who are not familiar with CLAC, we are the largest independent multi-sector labour union in Canada and one of the fastest-growing unions in the country. We represent over 65,000 workers in a broad spectrum of sectors, including construction, health care, manufacturing, oil and gas, service and mining. In Ontario, specifically, we represent over 15,000 workers, primarily in health care and construction.

Our deputation today will focus on two main priorities for the 2015 budget: first, legislated, minimum-standard-of-care funding for long-term care of four hours per day, per resident; and the second is in the construction industry. We are looking for fair and open construction tendering for public work.

Let me start with health care. It's nice to be able to agree with some of the people who spoke before me. I'll be laying out the need for a legislated minimum standard of care.

In this province, we fund our long-term-care homes on a per diem basis, through three funding envelopes, the main one being the nursing and personal care envelope, which is used to provide direct patient care on a flow-through basis. The criteria for what can be funded out of this envelope is tight and it is not exclusive to costs incurred in providing hands-on care. For instance, costs associated with nursing supplies, dietitians and WSIB claims can be funded out of this envelope, as well.

At last report, the ministry claimed to be funding at a level of 3.4 hours of care. Our estimate of actual hands-on care in long-term care is much closer to 2.8. With so little time to look after our complex care needs, patient dignity, safety and care are being seriously compromised. This is nothing new. I've been doing this for 30 years,

and, frankly, we've been talking to the government for 30 years, and very little has changed.

These residents are our mothers, fathers, grandparents, siblings and friends. Despite this and the well-intentioned investments that have been made by successive governments, we are still failing these patients. In fact, in Ontario, we have one of the lowest per capita long-term-care fundings in Canada, second only to British Columbia and well below the average. The average for Canada is about \$183 per resident a day. In Ontario, it's \$155.

While we are cash-poor in our long-term-care homes, we are regulation-rich. Our members consistently report to us that they feel the system places more emphasis on keeping the record that a service like a bath was performed rather than on how the bath was performed. Many are reporting they have only enough time to give residents what they call "dips" to satisfy the regulatory requirements.

Further, they report that their time is so compromised that they have under eight minutes in the morning to get patients dressed, toileted and ready to attend breakfast. Have you ever tried to get anyone dressed and ready in eight minutes? Now add physical and mental challenges and see how you fare. In fact, I challenge each of you to try it tomorrow morning.

Rushing patients is not only undignified, but it can significantly upset patients with mental health conditions like Alzheimer's and dementia, and puts both patients and staff at risk of violence. In a 2000 study done by Albert Banerjee and others from York University, they found that 43% of long-term-care workers encountered violence daily. This is compared to 10% in Nordic countries that were part of the same study who did not report the staffing challenges that we face in Ontario.

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In the same study, 43% of workers reported working short-staffed on a daily basis and 66% on a weekly basis. Since 2008, when the study was published, the funding and staffing situation has not improved in long-term care. Furthermore, patient acuity levels in our homes are increasing significantly, primarily due to longer life expectancy and the emphasis that the ministry has placed on aging at home—which is a good emphasis, by the way, but adds pressure to the staff in resident care when residents finally make it to a long-term-care facility and are much more compromised than they used to be. The establishment of a minimum standard of care at four hours of funding will ensure that patients are cared for with the dignity and respect they deserve and that patient and staff safety is adequately protected.

On top of the aforementioned reasons for moving forward with the minimum standard of care, the studies we have reviewed point to benefits for patients that go far beyond safety and care with dignity and respect. The evidence from a number of US and Canadian studies, including studies prepared for the US Congress, have linked staffing levels at 4.1 hours of hands-on care to improvements on many health conditions, including urinary tract infections, sepsis and pressure ulcers.

Accordingly, based on evidence we reviewed, we expect that funding to a minimum standard of four hours would result in better care outcomes and the avoidance of some potentially significant acute care costs.

To sum up, Ontario needs to establish a legislated minimum standard of care to do three things. It will ensure Ontario seniors get the care they deserve, it will reduce violence in our long-term-care homes for staff and patients, and it will improve patient outcomes and avoid acute care costs. After numerous calls for a minimum standard of care for Ontario and the evidence to support that initiative, we hope that this committee will recommend moving forward with this item in the 2015 budget.

Now, we'd like to go to our second ask, which is fair and open tendering. What we're asking for is a fair and open tendering for all publicly funded construction projects. As a matter of principle, CLAC supports fair and open competition, whether it is concerning who to affiliate with or who to allow to bid or work on a public project. We believe fundamentally in the superior benefits of open competition from the perspectives of fairness, value and efficiency.

For construction procurement, it is our contention that all publicly funded construction projects should be openly tendered to all qualified Ontario contractors and workers. This is the practice at the provincial and federal levels, but unfortunately certain municipalities and other provincially funded bodies are forced to restrict tendering on certain public projects as a result of their certification with a particular construction craft union. The impact of closed tendering for municipalities in Ontario has been estimated by a recent study to be approximately \$283 million. On a per-project basis, the cost for each project can increase anywhere from 2% to 40%, wasting scarce infrastructure dollars. The reason for tendering restrictions on certain municipalities and public bodies that are not in the principal business of construction is a flaw in our provincial labour law, which treats anyone doing construction as a construction industry employer for the purposes of the Labour Relations Act.

Unfortunately, municipalities and others, like school boards, can be treated as if they are private construction companies under the law and be forced to participate in province-wide bargaining designed for construction companies. This is an unintended consequence that has been used legally by some to gain monopoly over work. It does not benefit the vast majority of construction workers in any way to keep the law the way it is. The primary impacts are fairness for Ontario contractors and Ontario workers who are excluded from public work and on to the costs to government and taxpayers who are paying for these projects.

As mentioned earlier, the costs for closed tendering in Ontario have been estimated at almost \$283 million. We have learned of a recent case in Hamilton where restrictions cost the taxpayers there \$300,000 more on a \$2-million project. I ask you, Chair and members of the committee, if you think that the province or our municipalities should be wasting provincial taxpayers' money

because of a loophole in labour relations law. Put another way, closing this loophole would save half the amount needed for a legislated minimum standard of care for Ontario seniors. Isn't it a better way to spend our hard-earned and in-demand tax dollars? As with the minimum standard of care, we hope you will recommend that the Ontario Labour Relations Act will be amended to prevent municipalities and other public employers who are not in the primary business of construction from being classified as construction industry employers.

Thank you. We will be sending our written submission electronically before Friday.

The Chair (Ms. Soo Wong): Okay. That would be great. Thank you very much. This round of questioning is from the government side. Ms. Albanese, do you want to begin?

Mrs. Laura Albanese: Yes, I'll start the questions. First of all, I want to thank you for presenting to the committee today, and I want to thank you for the issues that you've brought to our attention and for the work that you do every day. It is important to everybody.

I do understand, and I think everyone at this table would concur that we want to treat our fathers, our mothers and our grandparents in a respectful way and with dignity. We're all aging, ourselves. We would want to create a system that is good for when our turn will come, so we're with you on that.

You are right in identifying that as we implement more resources into the community, the seniors who do reach the long-term-care homes have more complex conditions. That's something that I've been able to see myself in my own riding of York South-Weston. When they reach the long-term-care home, they are in more need than they would have been in the past.

I know you're asking for the four-hour minimum standard of care. How long has it been at 3.4 hours, the standard that we have now?

Mr. Hank Beekhuis: It's been there for a long time. Resident acuity in the province increases by about 2% annually. I don't think anything has changed since 2008.

Mrs. Laura Albanese: So it's been a few years that it hasn't been increased.

Mr. Hank Beekhuis: Yes.

Mrs. Laura Albanese: The other question I had: Because we do see, as you mentioned, more patients with Alzheimer's and dementia living in long-term-care homes, do you believe there should be a different standard for caring for those patients?

Mr. Hank Beekhuis: It's certainly time-consuming if you want to deal with compromised patients who have dementia or Alzheimer's. It's much more time-consuming than residents who are quite capable, because you can't do things quickly.

Mrs. Laura Albanese: No, absolutely, I realize that. But for example, you were mentioning the eight minutes to get dressed, and if you have some patients who are more high-functioning and others who are slower, you may divide your time. But if most of your patients suffer from dementia and perhaps from Alzheimer's, then I do

understand that it becomes a situation that puts you under more pressure.

I guess my question was, and I repeat it, do you think we should have two levels of standards for people suffering from dementia, or is one standard enough?

Mr. Hank Beekhuis: I'm not quite sure of that, whether two standards would help. I think the problem is strictly underfunding in the sense that there is just not enough time. If you have 10 residents to get up in the morning, you start at 6 o'clock in the morning—frankly, I wouldn't want to be gotten up at 6 in the morning—and breakfast is at a certain time. It's an assembly line process. You can't differentiate between one resident and the other.

I think our argument is that a healthy person can't do it in eight minutes. We know that these residents are much more compromised now than they used to be. When I started representing health care workers, there were people who had cars in the parking lot, and they would drive to a local bar. They don't do that anymore. It has changed so radically over the last 30 years. They've largely become chronic care facilities, and we're not recognizing that.

As legislators, you decide exactly, because it's a flow-through envelope. Every penny that goes in gets spent. There's no profit margin in there. You control the hours of care on the floor. What the Legislature is telling us is that eight minutes is enough, and none of you can do it yourself. At a certain point, when you have residents who are very frail and you can't move them very fast, and who need to have a little bit of socialization in the morning, it just doesn't work. I think we can do better than assembly-line care in this province.

Mrs. Laura Albanese: I would have other questions, but I know that my colleague wants to—

The Chair (Ms. Soo Wong): Mr. Baker, one last minute.

Mr. Yvan Baker: Sure. I'll get my mike—oh, there it is. Thanks so much for coming in and for speaking to this issue. It's an important issue in my riding of Etobicoke Centre. We have one of the highest proportions, if not the highest, of seniors in the province, and a number of long-term-care residences. The need to take care of our seniors, the need to care for our parents or grandparents, effectively is something that I spend a lot of time on.

One of the things that I wanted to ask you is this, and I'm going to continue along the lines of Ms. Albanese. You talked about underinvestment in long-term care. What's your view on how we allocate resources between long-term care, community care and other parts of the health care system? Because one of the challenges that the ministry faces is, when you take that envelope of resources, that you allocate it properly amongst all those different areas.

Mr. Hank Beekhuis: Yes, that's always the million-dollar question. I think, from a union perspective, bricks and mortar don't look after people. People do.

I think that, yes, building new facilities is required. Sometimes I think we spend money on physical improve-

ments that could better be spent on actually doing the care, because at the end of the day, that's where real care takes place.

I think home care and, as we had earlier today, getting at things early instead of late—it's always better to get at things early rather than late.

The Chair (Ms. Soo Wong): Thank you very much for your presentation, Mr. Beekhuis. I understand you will be sending a submission electronically to the Clerk, so thank you very much. Thank you to your colleague.

Ladies and gentlemen, I'm going to recess the committee until 1 p.m. We need to be on time because we will have another teleconference around 1:45 this afternoon. I'll recess until 1 p.m. Thank you.

The committee recessed from 1200 to 1300.

The Chair (Ms. Soo Wong): Good afternoon, everyone. I'm going to resume the committee. It's 1 o'clock.

WINE COUNCIL OF ONTARIO

The Chair (Ms. Soo Wong): I believe the first presenter this afternoon is the Wine Council of Ontario. Mr. Schmidt is here. Welcome.

Mr. Richard Linley: It's Richard Linley.

The Chair (Ms. Soo Wong): Oh, okay. There's a new person.

Mr. Richard Linley: Sorry about that.

The Chair (Ms. Soo Wong): So, sir, you have 10 minutes for your presentation, followed by five minutes of questioning from members of the committee. This round of questions will be from the official opposition party. Given that it's not Allan presenting, can you please identify yourself and your position with the Wine Council of Ontario for the purposes of Hansard?

Mr. Richard Linley: Yes, it's Richard Linley—L-I-N-L-E-Y—and it's president of the Wine Council of Ontario.

The Chair (Ms. Soo Wong): All right. Thank you very much, Mr. Linley. You may begin any time.

Mr. Richard Linley: Thank you, Ms. Chair, and members of the committee. I'm Richard Linley. I'm the president of the Wine Council of Ontario. Let me begin by expressing my gratitude for the invitation to appear today as part of your pre-budget consultations.

The Wine Council of Ontario's role is to promote Ontario VQA wines and vintners, support the production of excellent local wines valued both at home and abroad, and build on the substantial economic benefits the VQA wine industry brings to the province.

The wine council celebrated 40 years as an organization in 2014. When the council was formed 40 years ago, the Ontario wine world was a different place, with few wineries, little reputation and not much more than a vision for the future and a willingness to work hard.

Today, we are an Ontario success story. VQA wines and vintners in Ontario have grown from 66 in 2003 to more than 145 today, and we remain dedicated to looking forward and working diligently to meet the needs of our

members and the Ontario wine consumer and the Ontario public.

The opportunities that exist for Ontario consumers, the government and our industry, building on our past success, can be realized by working together. This is my key message to you today.

We have seen significant gains over the past several decades: increased access to the LCBO, the ability to sell directly to licensees, relief from excise taxes and, most importantly, the recognition of our wines as world-class by the international community. But much work remains to be done.

Ontario consumers are demanding increased access to quality Ontario wines, and we will continue to work with the provincial government to realize more opportunities for consumers and our members while, at the same time, investing in our businesses and creating new jobs.

We firmly believe that the government has a stake in our continued success. We need to take advantage of opportunity and solve our competitive challenges together to continue to grow, invest, create jobs and remain competitive.

Ontario's VQA wine industry is important. It is a growing sector, as I said, of the Ontario economy, and we need to create more opportunities.

To give you a snapshot, the total retail value of VQA sales to March 2014 is \$395 million. Every litre of VQA wine sold in Ontario generates \$85.39 in added value, and over 14,000 Ontario jobs are tied to the continued success of VQA wines.

Ontario's Premier has challenged the industry to double its annual growth rate and create 120,000 new jobs by the year 2020—that's across the entire agri-food sector. She has asked the wine industry to see ourselves as a major player in Ontario's economy, a driving force that has the support of the provincial government. We do see ourselves that way, and we know that to meet this challenge, we will have to leverage our many strengths to take advantage of opportunities at home and abroad.

However, global competition, at home and around the world, challenges our future competitiveness. We need to make sure that as our competition innovates and evolves, we also innovate and adapt to stay competitive.

Having more rational and strategic regulatory oversight, along with permanent programs, are important tools to continue our positive growth. But our greatest challenge is the inability of Ontario's distribution structures to keep up with the growth of the industry. This is a lost opportunity.

So we congratulate Premier Wynne and the Premier's Advisory Council on Government Assets for having the insight to address this significant issue of distribution and access. This kind of change is about fairness, about opportunity, about leveraging new investments and, most importantly, creating jobs while producing a local quality product.

For the upcoming budget, we have three priorities that do not require additional government investment but which we believe will provide the right climate for our

industry to continue to grow, invest, compete and create jobs.

(1) Consolidate programs, oversight and accountabilities within one ministry. Our preference would be OMAFRA, the Ministry of Agriculture, Food and Rural Affairs. This will bring a more rational and efficient regulatory approach and more strategic focus to our government interactions.

(2) Ensure public investment in our industry is invested wisely and most effectively. We believe that the current support program for VQA wines would be more effective in leveraging investment and supporting growth if it were a permanent program. We believe this would be best accomplished with tax changes similar to those for Ontario craft brewers.

(3) Achieve greater market access for Ontario VQA wines. We believe this would be best achieved by allowing for private wine retail stores that would be trade-compliant. Giving consumers more access to VQA wines is the most effective opportunity to remain competitive. We believe that Ontario's economic health is best served by the increased investment and job creation that comes with a robust and competitive VQA wine industry. This means growing the whole economic pie, not just being concerned about LCBO revenues. We saw the first small piece of progress with VQA wines at farmers' markets.

To sum up, we want to continue working collaboratively with the Ontario government to maintain and grow our success. The three priorities I have outlined will allow our industry to continue to grow and compete, to invest and to create new, good jobs. I want to thank you again for the opportunity to appear and I look forward to your questions.

The Chair (Ms. Soo Wong): Thank you very much. Before I turn the microphone over to the opposition party, can you make sure you submit your presentation in writing? Because I understand from the Clerk that there isn't anything submitted. We need it by this Friday, by 5 p.m. Okay?

Mr. Richard Linley: Yes, not a problem.

The Chair (Ms. Soo Wong): Mr. Arnott, you'd like to begin the questioning?

Mr. Ted Arnott: Thank you very much, Madam Chair.

Thank you for your presentation. It was very interesting. We heard this morning as well from the Winery and Grower Alliance of Ontario. I assume that you have an involvement with that organization as well and work in concert with them as partners.

Mr. Richard Linley: We do, yes. That's right. We work with them in partnership with the government.

Mr. Ted Arnott: They had some slightly different recommendations, but I want to focus on yours. You said that all of the programs should be consolidated under one ministry, ideally OMAFRA. Can you give us a few examples of how the lack of consolidation currently holds you back and inhibits progress in the industry?

Mr. Richard Linley: Absolutely. Thank you for the question.

Currently the wine industry reports to approximately six different ministries in terms of regulatory oversight. For example, the Ministry of Consumer Services has oversight of VQA Ontario, so that's related to domestic content requirements in Ontario wines through the Wine Content and Labelling Act. That's with respect to the 25%/75% reg for all wines. The Ministry of the Attorney General, for example, has oversight of the Alcohol and Gaming Commission. The Ministry of Finance has oversight of the LCBO. The Ministry of Agriculture has responsibility for grape pricing.

Our ask to government is to find a way to streamline that, which they've done to an extent through the Wine Secretariat, to create a one-window approach for the industry in terms of bringing some of our grievances, irritants or solutions forward in discussions we have with the government. But we would like to see some of the budget programming move over from MEDEI to OMAFRA as a start in that process; then, as we follow up, the expectation that maybe through Open for Business initiatives, we could start to maybe talk about some of the regulatory red tape, just to help both us and the government in terms of having a more streamlined conversation.

Mr. Ted Arnott: That makes a lot of sense on the surface, and I would hope that we as a committee can make that recommendation to the government to evaluate that, hopefully quickly enough to have consideration in the budget.

Mr. Richard Linley: That would be great. We've had very good, constructive conversations with Minister Leal and Minister Oraziotti, who are the co-chairs of the Wine Secretariat, on that particular matter.

Mr. Ted Arnott: The second one, ensuring that public investment has the maximum positive impact: You said that the VQA program should be permanent.

Mr. Richard Linley: That's right.

Mr. Ted Arnott: How precarious are they now? Are they renewed on an annual basis or every two to three years?

Mr. Richard Linley: Yes, the VQA support program is part of the wine and grape strategy, as you probably know, Mr. Arnott, and it's renewed every five years. For example, right now we're moving into the renewal of the program, which the Premier announced in December 2013. That will start April 1, but it's always subject to Treasury Board submissions and government approvals.

The ask that we've made is just to make that program permanent as a whole. That way, we have certainty and predictability from the government in terms of the dollars that are applied to the industry, and that will allow our members through the wine council to invest more wisely and think more long-term about not only their growth, but how they invest in their operations.

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Mr. Ted Arnott: We're living in uncertain times, and that would give your industry some greater certainty going forward.

Mr. Richard Linley: Exactly.

Mr. Ted Arnott: Okay. Good. Lastly, greater market access that is trade-compliant: What specifically would you suggest needs to be done to ensure that that goal is achieved, while at the same time not having us forced to defend ourselves before the WTO?

Mr. Richard Linley: We have a very good working relationship with the WTO, and they're a valued partner for wine council members. What we've suggested, and part of our public policy problem, the definition, is that over 85% of the VQA SKUs that are available through wineries aren't currently in the LCBO. As we've grown as an industry from 2003 up until now, we've nearly doubled in terms of the number of wineries that have product in the market, and currently they can only sell through their on-site winery store or through the LCBO, unlike the craft beer industry, which has both the LCBO and the Beer Store. The ask we've made of government in the discussions that we've had to date is about maybe creating a system that would be complementary to the LCBO, of 25 to 50 stores that would have VQA-only—stand-alone stores to help facilitate that retail channel.

Mr. Ted Arnott: Thank you very much.

Mr. Richard Linley: Sorry, just one last thing, to qualify that on the trade compliance side: Imports would also have access to those stores. You could potentially have a store model that is maybe for wine enthusiasts or at a higher price point that would be trade-compliant. The imports would have access to it, and also the local market, as well.

The Chair (Ms. Soo Wong): I think Mr. Fedeli also has some questions for you.

Mr. Victor Fedeli: Can you give us a quick summary of interprovincial selling of your product and export of your product?

Mr. Richard Linley: There is legislation that has been passed at the federal level in terms of allowing that to happen, in terms of wines to be sold between provinces. We're still limited in that regard. In terms of our strategic imperative, we've tried to make inroads into other provinces in terms of selling our product, to look beyond our own borders. That has been a challenge, but it's something that we continue to work on.

As part of the renewed wine and grape strategy, there is a focus and an onus placed on trying to drive VQA products toward other export markets, whether it be in Canada or overseas, so that will be a big strategic focus for us as we carry on discussions both with the government and through the Wine Secretariat over the next two to five years.

Mr. Victor Fedeli: Are there any impediments today to selling your product to British Columbia or to Quebec?

Mr. Richard Linley: Yes, there currently are restrictions on us being able to sell to Quebec and BC. We have to go through the LCBO in order to be able to do that.

Mr. Victor Fedeli: And how about to the States?

Mr. Richard Linley: The States? We can do that, yes.

Mr. Victor Fedeli: Is it easier to sell to the States than to other provinces?

Mr. Richard Linley: It is if it's for export purposes, yes; that's correct.

The Chair (Ms. Soo Wong): Okay. Thank you very much for your presentation, and make sure you submit your written submission to the Clerk by Friday.

Mr. Richard Linley: Okay. Thank you very much. Cheers.

MULTIPLE SCLEROSIS SOCIETY OF CANADA

The Chair (Ms. Soo Wong): The next group before us is the Multiple Sclerosis Society of Canada, Ontario division. Given that the previous witness changed, I'm going to ask the witness to come and identify herself for the purposes of Hansard, but also for us to know.

You have 10 minutes for your presentation, followed by five minutes of questioning from the committee members. In this round, the third party will be asking the questions. Welcome.

Ms. Donna Czukar: Okay. Thank you very much. My name is Donna Czukar. I'm the manager of government relations with the Ontario and Nunavut division of the MS Society. I was to be accompanied by our president, who, I'm sorry, could not be here today; she sends her regrets. The society wishes to thank the government and the committee for allowing us to come here and present our recommendations.

Today I'm going to touch on four areas that we've noted in our pre-budget submission, and our recommendations that are associated with them. These areas are: the funding of multiple sclerosis clinics, job retention and income support, independent living support, and funding for vitamin D testing.

First, though, I'd just like to start with some key points about multiple sclerosis, because I think that these are beneficial to know; they kind of set the stage for what it is that we're asking and why. First of all, people may not know that Canada has the highest rate of multiple sclerosis in the world, and Ontario, having Canada's highest population, has the largest number of Canadians who are living with multiple sclerosis. Recent statistics are estimating that there are close to 38,000 Ontarians who live with multiple sclerosis, and then if you add to that all the other people who are affected—their families, their friends, their caregivers, their employers, their health care providers and decision-makers such as yourselves—it's a lot of people in our province who are affected.

Most people are diagnosed between the ages of 15 and 40. There are some children who are diagnosed, but the majority are between 15 and 40. These are the prime years for education, entering the workforce, raising families, paying down mortgages, saving money for retirement and contributing to the community. Being diagnosed with a progressive disease during those very productive years can be really devastating, and it affects people for the rest of their life. We'd really like to be able to influence that direction, and we believe that we can.

One of our volunteers, Amanda Piron, is a 24-year-old—some of you, I know, have met her. She was diagnosed two days before her 17th birthday, and she puts it really clearly:

"I don't want to feel as though I might lose my job if my boss finds out I have MS. I would love to be independent for as many years as possible. I need to know that I won't go bankrupt because I have to purchase out-of-pocket catheters, diapers, walking aids, a caregiver ... even my medicine.

"And this is not something I can wait on. The truth is that the sooner you can give someone with MS the support they need, the higher their probability for success is. Because with support I can keep my job, I can live on my own....

"I don't know what my future holds—my disease runs its own course and always has. But I can commit to doing everything I possibly can to fight back and continue to be independent, hold a job, be a contributing member of society—I just know I can't do it alone. I know that no matter what happens to me, I will need support. MS is manageable but it cannot be manageable without support."

So here we are today to talk about some of the ways that we can provide that support.

I'd like to also point out that a lot of our recommendations are probably similar to ones you're hearing from other organizations that support people with chronic illness and disabilities. I think by listening and taking these recommendations from all of us, we can do a lot for the people in our province.

I'm just going to give a brief overview in each of the areas. There's going to be more explanation in the submission that we provided.

The first item is MS clinic funding. Multiple sclerosis is complex, and access to specialized medical care is essential for people with MS. In Ontario, there are nine hospital-based multiple sclerosis clinics across the province, seven of which need additional government funding to continue the level of services that they're providing. It should be noted that in addition to people getting the care they need with this kind of investment, it also helps to reduce the burden within the rest of the health care system. In the 2015-16 fiscal year, and in subsequent years, a minimum of \$650,000 is required to maintain current services. This is with the goal of planning for longer-term solutions, in consultation with government, to meet people's needs.

Jobs and income support is another important area. Ontarians with MS who are employed, like others with disabilities, need support to stay in the workforce. The sooner that they're given support for their needs—accommodation, understanding of their employers—the better their likelihood of staying employed and contributing to society. Unfortunately, though, as much as people with MS and other disabilities want to continue working, there are always some who are unable to do so. These people need improved income support to reduce the hardships that they experience and to participate in

their communities. Existing income support programs and tax credit benefits just aren't adequate for basic needs like housing and food and utilities and transportation, and then add on to that the fact that they have additional requirements for equipment, medical supplies and services associated with their MS. We're recommending that the government take action to provide supports for job retention so people can continue working, and for those who are unable to maintain employment, we're also requesting increased income support. For people with MS and other disabilities, this will help them afford their very basic needs, as well as their health-related needs.

Independent living support is another area that we're focusing on. Ontarians with MS face many limitations that need assistance to manage. They require practical support, such as equipment, medical supplies, home support and rehabilitation services. There's also an associated high cost of electricity to operate equipment and utilize services that are provided during daytime hours. These costs are especially unmanageable when a person's income is compromised.

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While there are existing funding programs for seniors, a lot of people with MS can't access those; they're not eligible for them. We would really like to see the government extend the existing funding programs for equipment and services to be available to people with MS who are not currently eligible for assistance. We also request to have electricity costs reduced for people who need increased electricity for their medical equipment and services that are provided during daytime hours when costs are highest.

Again, I'd just like to quote one of our volunteers who lives with MS, Karen Scott, who reminds us that MS doesn't just occur between 7 p.m. and 7 a.m. when the prices are at their lowest. She has overwhelming fatigue, vision loss and spasticity, and she can't tolerate excessive heat, which means she has to run air conditioning throughout the summer. The temperature can't even go up. If her body core temperature is raised by one degree, it will affect her vision. She needs support to charge her wheelchair battery; she needs a chairlift, all of these things that tax her electricity. What Karen has said is that she would like to remain in her own home as long as possible and she's sure that taxpayers would appreciate not having to pay for her to be in long-term care.

Our final item on our list is around vitamin D testing. As I mentioned earlier, Canada has the world's highest rate of MS. Through research, we're trying to understand why that is and what we can do about it. Recently, studies are showing that there is a relationship between low levels of vitamin D and the risk of developing multiple sclerosis.

There's also evidence suggesting that the levels of vitamin D can influence the course and severity of the disease. This is really significant, the fact that with vitamin D and making changes to vitamin D levels, we

could affect both people's risk of getting multiple sclerosis and the course and severity of their disease.

There is opportunity to improve the situation by managing vitamin D levels into their prevention and care, but to do so we need to be able to have access to testing. Vitamin D testing was delisted to be paid for as an insured service; we would like to have that reinstated so that testing can happen and then that will allow health care providers to better manage people's care.

In summary, action on these priorities has strong potential to achieve Ontario's goals for a more fair and healthy province. It can help to reduce poverty, protect vulnerable citizens and boost productivity in ways that benefit people living with MS, their families and caregivers, and many others throughout our province.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. Ms. Forster, you're going to begin questioning?

Ms. Cindy Forster: Thank you, Ms. Wong.

Thank you very much for being here. The MS clinic funding: I'm assuming that it has been flatlined along with all the other health care funding in the province?

Ms. Donna Czukar: Yes.

Ms. Cindy Forster: And have you had any increases in MS clinic funding in the past four or five years to assist you with the growing numbers of patients living with MS?

Ms. Donna Czukar: Yes. The MS clinic funding goes directly to the hospitals where those clinics are located. It doesn't go through the MS Society.

Ms. Cindy Forster: Right.

Ms. Donna Czukar: We're advocating for there to be additional funding to those clinics so that they can continue to provide the services that they need to provide.

Ms. Cindy Forster: You talked about how you want the government to extend their existing programs. Are you talking about existing programs outside of the funding that they provide in the MS clinics?

Ms. Donna Czukar: Yes. We're talking about services that people need for community support services, so whether it be the cost of medical equipment or the cost of electricity, there are some practices in place and programs that seniors can access, but a lot of our people are not seniors. They're not able to get some of the support, like for physiotherapy or, like I say, the cost of electrical—

Ms. Cindy Forster: So you want the existing programs expanded to actually reflect the age group of people with MS.

Ms. Donna Czukar: Yes, that's right.

Ms. Cindy Forster: Now, you also talked about the need for people to have accommodation in the workplace. Unfortunately, in Ontario we have a lot of precarious, temporary, part-time employment that certainly doesn't assist workers, particularly workers with chronic illnesses, with respect to having a wage that can support a person and a family, perhaps benefits for drugs and devices that they might need to deal with their

chronic illness and sick leave when they need it. I don't know how you get around that without making sure that we have good jobs in this province where people can earn a living that can help them support their chronic illness. I guess the flip side to that is, then you don't work and you go on Ontario disability support, which doesn't do much for keeping people mentally happy and motivated when they have a chronic physical illness.

Ms. Donna Czukar: That's correct. It's certainly a challenge. One of the volunteers whom I referred to has talked about the fact that she has three part-time jobs—that's how she's getting by—and none of those are going to allow her to build up any kind of capacity in terms of where she's going to have benefits.

But I have to say, we're also very aware of people who are working in large companies, large institutions, who've actually lost their job when they've been diagnosed. In those cases, so much could be done to accommodate if there was understanding and a willingness on behalf of employers to do so.

The Chair (Ms. Soo Wong): Mr. Gates, you have two minutes.

Mr. Wayne Gates: Thank you. Yes, that's the unfortunate part, about the accommodation. Through no fault of their own, they get sick and then they're not accommodated in the workplace. They lose their job and then the hardship just becomes more.

There are a couple of things that I think that I'm sure all three parties probably didn't think of. In this case, it was the cost of hydro.

Ms. Donna Czukar: Yes.

Mr. Wayne Gates: When you raised that, I wrote that down: the funding for hydro for people with MS. They have to do what they have to do when they're feeling good—

Ms. Donna Czukar: That's right.

Mr. Wayne Gates: —and it certainly isn't in the middle of the night.

Ms. Donna Czukar: That's right, and a lot of the services that they need—if they have a PSW coming in, that person is doing their laundry during the day. They're not coming at night to do it, when it's a cheaper rate.

Mr. Wayne Gates: The other one I also found interesting on your presentation was vitamin D testing. You'd like to see that—the need to reinstate that. We all know how important that is. How much does it cost to have the testing done?

Ms. Donna Czukar: I'm sorry; I don't know the answer to that.

Mr. Wayne Gates: It might be one that when you make other presentations—I don't believe that cost would be that much, quite frankly.

Ms. Donna Czukar: Right.

Mr. Wayne Gates: To be able to test for vitamin D is so important with somebody with MS that I think it's a minor cost for the need. So it might be something you want to have that answer for, all right?

Ms. Donna Czukar: Okay. Thank you. Yes. Thanks for that advice.

The Chair (Ms. Soo Wong): All right. Thank you very much for your presentation. Thanks for being here.

CANADIAN COALITION FOR FARM ANIMALS

The Chair (Ms. Soo Wong): The next group before us is the Canadian Coalition for Farm Animals. I see two people, so the list is changing, guys. I'm just giving you a heads-up.

Good afternoon. Welcome. As you heard earlier, you have 10 minutes for your presentation followed by five minutes of questioning from the members of the committee. This round of questioning will be coming from the government side. I noticed that there are two people here, so can you please identify yourself and your position with your organization for the purposes of Hansard? You may begin any time. Thank you.

Ms. Vicki Fecteau: Yes, my name is Vicki Fecteau. I'm a member of the Canadian Coalition for Farm Animals. I'm accompanied by Stephanie Brown, who's the director of CCFA.

The Chair (Ms. Soo Wong): Thank you. You may begin any time.

Ms. Vicki Fecteau: Thank you for inviting me to speak today. You should all have copies that look like this. This is my presentation and then a backup document that has more details on the points that I'll make today.

The purpose of my proposal today is to keep Ontario pig farmers competitive and specifically to do that by offering some funding to assist them with converting from gestation crate systems to group housing. Let me give you a little bit of background.

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If you look on the second page—first of all, what are gestation crates? On the left-hand side, you will see a picture of these contraptions. Most of the breeding sows in our province are kept in these gestation crates for almost their entire lives. As you can see, the crates are barely bigger than the animals themselves. They can't lie down comfortably, even. They can't move at all. They must lie in their own waste. After about four years and maybe eight to 10 litters, then they are led to slaughter.

On the other side is a picture of group housing. You can see that, in this picture, the sows are free to walk around. They can lie down comfortably. They can interact with each other. So it is a far better system than the gestation crates.

Canada is somewhat behind in terms of eliminating these crates. Most of the rest of the developed countries—the EU, Australia, New Zealand—and many American states have already banned them. The reason that this is important to Ontario pig farmers is that they export their product to these countries and states, and they are demanding that the welfare of the animals of the pork they import match the welfare standards of their countries and states. Also, within our own country, consumers want more humane conditions for farm animals.

That's being reflected by Canadian restaurants and retailers, who are calling for a ban of gestation crates.

There have been a couple of developments recently. About a year ago, the National Farm Animal Care Council and the Canadian Pork Council released a new code of practice for pigs, and part of that code of practice was that, after last July, in any newly built or renovated facilities that housed sows, they must be housed in groups. As of July 1, 2024, all facilities must be essentially group housing.

The other development is that Ontario's portion of Growing Forward 2 funds, some of them have been allocated to provide subsidies for conversions. That's up to \$100,000 per proposal, for 35% of the cost.

If you look at the actual conversion costs, the estimate is \$575 per sow. There are approximately 342,000 breeding sows in Ontario, for a total of \$197 million. It may be less. We think that the cost per sow is probably high. There are some grants available from Growing Forward 2 that can be put to this purpose, but we think that the Growing Forward 2 grants are only going to cover a small portion of the conversions.

As you may know, Growing Forward 2 covers a wide range of initiatives, some environmental, some animal health and welfare, some business-building initiatives. So there isn't a specific amount allocated for this purpose, but most probably it's going to be a small percentage of the farms.

In terms of the proposal for the budget, what I'm proposing is that Growing Forward 2 grants be supplemented within the Ontario budget in the years 2015 to 2018. That is the three years remaining on the current GF2 program.

Using the same guidelines, \$100,000 for 35% of the cost: 35% of \$197 million is \$69 million, and spreading that over three years is \$23 million a year. So for the budget, it would be \$23 million minus the GF2 grants. The GF2 grants are probably not going to be known until the end of the year, so for administrative purposes, the full \$23 million could go the first year, and then it would be subtracted from the following years.

Now, there are many good reasons for doing this—for the animals, obviously. You don't have to look at those pictures very long to understand that. But for the pig farmers in Ontario, they have to do this. They have to make this conversion to reach the new code of practice for pigs. It is a financial burden. There's no question about that. It's also a logistical burden, because they have to convert their barns, and they have to manage all of their animals, not just the breeding sows, but the rest of their animals at the same time. So it is a financial burden and a logistical burden.

Also, they need to do it soon to remain competitive. I showed you how the other countries and states are demanding that they have reached the state welfare standards. Manitoba, one of the other large pork-producing provinces, is really working on this very aggressively. I think Ontario should be able to keep up.

In terms of the precedence for this level of funding, I'm sure you know that it's not unusual for funding to be given to the agriculture sector when they have financial challenges. For example, a few years ago, \$76 million was put in to address swine flu—many examples over the years of major funding for the agriculture sector to keep it viable.

Also, as you know, there are other industries in Ontario that have benefited from this kind of funding, like the horse racing industry and the wine industry, who I think were just here. So I don't think it's an unreasonable amount to fund the farmers to address this issue.

I went through a lot of numbers pretty quickly there, so you may have some questions.

The Chair (Ms. Soo Wong): Okay. Mr. Milczyn from the government side is going to begin this round of questions.

Mr. Peter Z. Milczyn: I want to thank you very much for your deputation today. It's certainly bringing a very different issue to our attention than what we have been hearing, but no less important.

You noted some of the work that's already being done. Our government, certainly, as you probably know—there's an Animal Welfare Task Force that was established a few years ago that has been working with the industries and coordinating across ministries as to policy, regulation and legislation. So we have been working on this. You also mentioned the new codes of conduct that are coming into force. So all of that work is being done.

I'm very pleased that you also brought some specific numbers for us, because many groups come in and talk about what they perceive as gaps, but they don't necessarily tell us the dollar amount. So I really want to thank you for your presentation in terms of that.

Now, you mentioned a number of other jurisdictions. Manitoba is the Canadian one. Do you know what they're doing in terms of providing financial assistance to their pork industry? Are there any dollars that you're aware of?

Ms. Vicki Fecteau: Do you want to answer that?

Ms. Stephanie Brown: I don't know the specific dollar amount, but they are active in terms of developing research systems-wise, costs for those—they have been the leader in that. They are also one of the provinces, as is Ontario, that are providing funds through Growing Forward 2. So they are very active. They are a large pig producer, just as Ontario and Quebec are. But they are on the leading edge.

Mr. Peter Z. Milczyn: And some of the US jurisdictions that have also adopted these new practices—are they providing financial assistance to their pork industries?

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Ms. Vicki Fecteau: No, they're not. They have just banned them, and that's it in the US. Now, in the EU there are some examples where they've offered substitutes to the farming community for this. Ireland and Denmark, specifically, are ones that I could find where they gave subsidies to their farmers to alleviate the cost.

Mr. Peter Z. Milczyn: In all of your research, which is obviously very extensive, have you identified anything in terms of export markets? Can you quantify what this might mean to the Ontario pork industry—how much our exports could go down or how much they could go up—depending on how quickly this issue gets addressed?

Ms. Vicki Fecteau: I don't have a specific number. I do have some data on that, but not with me, so I will get that data and send it to you.

Mr. Peter Z. Milczyn: Yes, if you could send it to the Clerk before 5 p.m. on Friday, that would be very helpful.

Ms. Vicki Fecteau: Can you comment on that, Stephanie?

Ms. Stephanie Brown: No, I don't have that either.

The Chair (Ms. Soo Wong): Okay. I believe Ms. Vernile has a question. Ms. Vernile, you have one minute.

Ms. Daiene Vernile: Thank you very much for coming and informing us on this important issue of animal welfare. When I look at this picture of the gestation crates, my heart sinks. Besides speaking to this committee today, have you had the opportunity to go before the Ontario government in any capacity, such as the ag ministry, and talk about this already?

Ms. Stephanie Brown: We've been to speak to Greg Douglas, who is the Chief Veterinarian for Ontario, about a number of farm animal welfare issues. There are initiatives in Ontario which are positive, such as the impact program, whereby \$2 million is being spent to educate producers to do a better job. The thinking is there and the good intentions are there, but in terms of providing actual dollars for the conversions, so far that's not there, and that's what we would encourage.

I would just add to your comment about those sow stalls that sows cannot turn around—literally cannot turn their bodies around—for the four months when they're pregnant, when they are kept in the gestation stalls. Then they're moved to another crate, called a farrowing crate, where again they cannot turn around. It is a constant process of being in a cage where you cannot turn your body around.

Ms. Daiene Vernile: I think the fact that you are approaching this from a dollars-and-cents point of view as well as humanitarian or animal welfare is the right approach, so you're on the right track. Thank you.

The Chair (Ms. Soo Wong): I think Mr. Baker has the last question. Mr. Baker?

Mr. Yvan Baker: Just a very quick question. Thank you so much for raising this. Where is the pork industry on this? You spoke about how, if this kind of financial support were provided, it would help the industry to adapt more quickly to what you think the new approach should be, but where are they on this? Are they advocating for this, and are they asking for financial support to be able to retrofit their facilities?

Ms. Stephanie Brown: Well, the new codes of practice for pigs—the Canadian Pork Council is part of the process of developing those codes of practice, so they're

very much on board; they realize that they have to do this. From our perspective, we thought that giving them some funding to accelerate it—that's really the reason behind us coming.

The Chair (Ms. Soo Wong): Ladies, thank you very much for your presentation. If there is any additional information, please submit it to the Clerk by Friday at 5 p.m. Thank you very much.

MR. JEFF MOLE

The Chair (Ms. Soo Wong): Our next presenter is coming to us by conference call: Jeff Mole. Jeff, are you on the line?

Mr. Jeff Mole: Yes, I am. Can you hear me?

The Chair (Ms. Soo Wong): We can't hear you. Can we have the audio? Jeff, can you hear us?

Mr. Jeff Mole: I can hear you. Can you hear me?

The Chair (Ms. Soo Wong): We need it a little bit higher. Can we get a little bit higher volume?

Mr. Jeff Mole: Okay.

The Chair (Ms. Soo Wong): That's great, Jeff.

You know who I am. I'm Soo Wong, the Chair of the Standing Committee on Finance and Economic Affairs. I'm delighted that you can join us this afternoon in this discussion of the pre-budget consultations. Let me begin to introduce the members of the committee at the table. From the government side we have Laura Albanese, Yvan Baker, Ann Hoggarth, Peter Milczyn and Daiene Vernile; from the opposition party, Ted Arnott and Vic Fedeli; and from the third party, Cindy Forster and Wayne Gates.

Mr. Mole, you have 10 minutes for your presentation, followed by five minutes of questioning. This time around, it will be from the official opposition party. You may begin any time. Please identify yourself and the organization you are from. Thank you.

Mr. Jeff Mole: Thank you, Madam Chair. My name is Jeff Mole. I'm here today as an individual. I have acquired specialized knowledge in the field of community enterprise as it relates to government procurement and government assets.

I'm presenting today because I believe governments have overlooked a significant opportunity to create jobs and grow our economy through a business model referred to as community enterprise.

Let me begin by explaining that a community enterprise is a co-op, without share capital, that creates jobs and generates economic activity, with a view to reinvesting any surplus, or profits, for the betterment of Ontarians.

A co-op is a business run by a group of people who get together to develop a business that meets a need and provides benefits. The co-op structure provides each member with a vote on the affairs of the corporation. This model creates a democratic governance structure which is used to determine if a business need can be met in a self-sustaining manner.

Madam Chair, we often find ourselves competing with other jurisdictions to attract companies so that they will create jobs and invest in Ontario. These so-called strategic investments are often referred to as “corporate welfare.” When this model works, it is usually very good for the province. However, when this model fails, it makes the government look really bad.

Let’s be honest: Offering millions of taxpayer dollars in grants and inducements to profitable private companies does not sit well with taxpayers.

Another way to develop jobs is through government procurement. This is particularly evident at this time, as we consider investing 5% of our GDP in building new infrastructure.

Clearly, we need to address the infrastructure deficit, and in so doing, we can create jobs, but at what cost to the taxpayer?

As we look to the private sector to provide the skills and services in this area, we should ask ourselves: Why do we privatize, and is there an alternative?

In an effort to find additional revenue to fund new infrastructure, the Premier has appointed a council to review, identify and consider opportunities to sell government business enterprises. The council report is imminent, and their report is expected to inform the government’s budget process.

Unfortunately, despite numerous requests, the council has been, shall we say, a little difficult to get a hold of, so that I could make a submission about community enterprises. Accordingly, I’m concerned that the government will overlook the role that community enterprise can play in maximizing the value of government assets for Ontarians.

Why do we privatize? There are many reasons. Some would argue that the private sector is more efficient at delivering services, and sometimes the public sector does not have the skills required to undertake certain tasks. Other reasons include: encouraging competition to lower costs; shifting the risk from public to private sector; attracting private investment; reducing wages; and the list goes on.

I would suggest that one of the main reasons for privatization may be that many Ontarians want to reduce the size of government and ensure that the public sector focuses on delivery of core services.

It is my submission that there is an alternative to privatization that enables governments to achieve the goals sought through privatization, but with a better return on investment for taxpayers and better outcomes for our economy and future generations.

Let me be clear: I have nothing against the private sector seeking out opportunities to innovate, create markets and fulfill a need for specialized goods and services. I do, however, take exception to enriching private and foreign corporations with opportunities that are taxpayer-funded, that exploit our valuable natural resources or valuable government assets and crown lands, or that take a regulated public service and turn it into a private one. As stated earlier, there is an alternative.

What is the downside to privatization? Standard procedure for government is to issue a request for proposals for the asset, or the delivery of the goods or services needed, through a competitive process. The problem with this model is that it reduces our ability to protect the public interest and provide maximum benefit for Ontarians. This is mainly because the process does not permit us to protect these opportunities from foreign ownership. It is also my submission that privatization may exacerbate the problem of income inequality.

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It is my submission that we have a lot to learn from examples such as the privatization of the 407 toll highway. But we could also learn from the not-for-profit Greater Toronto Airports Authority. Therefore, I encourage any member of the Ontario Legislature to introduce a community enterprise act so that we can have a conversation about this innovation.

I submit that community enterprise can supply the skills and services to fulfill the needs of government while protecting the public interest and providing a better return on investment for taxpayers and providing maximum benefits for Ontarians. This reduces burdens on government and, in the long run, by providing a new source of revenue for social programs, can help build up Ontario.

I submit that, given the right policies and priorities, community enterprise can deliver public services in a competitive manner. Community enterprise can sustainably develop and process our natural resources for the benefit of Ontarians and future generations. Community enterprises can acquire various assets from the government at fair market value, thereby freeing up the value in these assets for building infrastructure. Furthermore, community enterprise would ensure that the benefits from these assets remain in Ontario and provide ongoing benefits for Ontarians.

Opportunities exist for Ontarians to benefit from economic activity and jobs from community enterprise. However, there are hurdles, mainly mobilization and access to affordable capital.

The primary hurdle is mobilization of Ontarians. Ontarians don’t seem to recognize government procurement opportunities before it’s too late. Community enterprise does not have the capacity to take advantage of these opportunities, but we should in order to create jobs and, yes, stimulate the economy.

My mission today is to ask this committee to recommend that the 2015 budget contain measures to help build this capacity. I ask the government to please give Ontarians the tools they need to attract the human resources, affordable capital and expertise necessary to move forward on the acquisition of public assets and development of domestic procurement opportunities. To do this, we need strategic policies and investment by government.

Job creation is an urgent priority. Community enterprise can help achieve this priority. There are similar models in other jurisdictions; however, this variation on

these models is a made-in-Ontario innovation. Governments can create jobs and deliver taxpayer value by making strategic policies in these areas.

Some of the areas where this model would apply are school busing; farming and local food processing and distribution; mining in the Ring of Fire; energy generation and distribution such as electricity, biodiesel and oil refining; liquor and beer sales and distribution; toll highways and highway maintenance; and resource extraction and processing such as mining, forestry, aggregate and, yes, even water. Other areas are waste management and waste-to-energy. Even invasive species eradication could be an area to pursue. One area on the federal level is wireless communication and licensing, perhaps even data warehousing. The list goes on: attainable housing, community building. Community enterprise can build vibrant downtowns, can help retain youth in small communities and can create jobs. Untapped retail markets, real estate development and even insurance—

The Chair (Ms. Soo Wong): Mr. Mole, can you wrap up your presentation? Your 10 minutes are up, and I want to give the opposition party an opportunity to ask you some questions.

Mr. Jeff Mole: Sure. I have a number of asks about what will go into the budget, but I will send them in writing. Basically, we're looking for amendments to various acts, some omnibus measures. Finally, I would ask that each member of the Legislature challenge the Premier's Advisory Council on Government Assets to undertake a thorough analysis of community enterprise within the context of their mandate.

Madam Chair, it's my hope that the committee agrees that the measures proposed herein will provide jobs and growth for Ontario. Thank you for your time and consideration of these measures.

The Chair (Ms. Soo Wong): I'm going to start with Mr. Arnott. You can begin your questions for Mr. Mole.

Mr. Ted Arnott: Hi, Jeff.

Mr. Jeff Mole: Hi, Ted. How are you today?

Mr. Ted Arnott: I'm fine, thanks. How are you?

Mr. Jeff Mole: I'm doing great, thank you.

Mr. Ted Arnott: Good. I want to thank you very much for your presentation. Even though you weren't here, I can tell you that all the members were listening intently, and we appreciate your interest in participating in this process. I thought your presentation was very interesting and thought-provoking.

But I do have a question, and that is, has the community enterprise concept been adopted in any other jurisdiction, say in North America? Or is it something that you've come up with on your own?

Mr. Jeff Mole: Well, I would suggest that the Greater Toronto Airports Authority is an example of a community enterprise. That's a not-for-profit corporation providing a very valuable service and making money. They happen to reinvest their revenue that they make into the growth of the business. That's just one example.

The community energy sector has been very large in other jurisdictions, such as Denmark, Germany. The not-for-profit sector is not something new to the Legislature. The not-for-profit sector, however, tends to focus on smaller, shall I say, social enterprises and doesn't really go after the big fish, the big opportunities, such as government procurement and government assets. One could argue that, over the next decade, we could be spending upwards of a trillion dollars on infrastructure and other government procurement. We need to find a way to ensure that we get the best bang for the buck on that spending.

Mr. Ted Arnott: Okay, thank you very much.

The Chair (Ms. Soo Wong): All right, I have Mr. Fedeli who wishes to ask you some questions, Mr. Mole. Mr. Fedeli?

Mr. Victor Fedeli: Jeff, how are you this afternoon?

Mr. Jeff Mole: Great, thanks. I'm glad to hear from you.

Mr. Victor Fedeli: Yes, it's good to have your presentation. Thanks for the thoughtful presentation, Jeff.

Let me preface my question with a little history from a year ago in December. The Auditor General showed us in the Ontario Northland presentation that we received in December that a fire sale of all of Ontario Northland's assets would not have saved the \$265 million that was put in the 2012 budget, but rather it would have cost the province \$820 million to go through with that sale.

After we disclosed that, nonetheless, the government did put a halt on the sale of the majority of Ontario Northland, but did go ahead with the sale of Ontera, and it's going to cost the taxpayers—we haven't seen the documents yet—somewhere between \$50 and \$70 million. We're still waiting for that number.

Jeff, how would a community enterprise solution have worked in the case of the government's sale of Ontario Northland's Ontera?

Mr. Jeff Mole: So, as I said, the immobilization is the issue. Basically what I'm asking the government to do is make a strategic investment in mobilizing community enterprises so that we can form a corporation to represent Ontarians' interest in Ontera. What would happen is a corporation would look at Ontera and come up with a business case to save that corporation and protect it for the benefit of Ontarians and for the benefit of future generations. If there's a business case there for the sale of it, I would argue there's a business case there for turning it into a community enterprise.

Does that—

Interruption.

Mr. Jeff Mole: Can you hear me? Did you hear my answer?

Mr. Victor Fedeli: Yes, we did, Jeff. Thank you very much.

Mr. Jeff Mole: Did I answer your question?

Mr. Victor Fedeli: Yes. Of course, all of that is academic now because the Ontario division is sold. It was sold for something along the lines of \$6 million, even though most recently, \$22 million was spent putting a

fibre ring in, so we've got a loss of somewhere between \$50 and \$70 million. As I said, we're still waiting for the Auditor General's final report on that.

Do you have any final comments? Because you're familiar with Ontario Northland and Ontera, do you have any closing comments on that before we let you go?

Mr. Jeff Mole: Well, I would say that Ontario Northland is a great asset for development in the Ring of Fire. There's \$60 billion worth of chromite and other resources in that area and the proponents are asking Ontarians to invest \$10 billion in infrastructure. I think there is a great opportunity to expand Ontario Northland to fulfill that need, but also there has to be a business case for it, and I believe there is.

Mr. Victor Fedeli: Jeff, I feel the same way. Sadly, even though the Ring of Fire was discovered in 2007, Ontario Northland, the only company that has ever moved iron—or ore, I should say—in the north is not even at the table for the Ring of Fire discussions, never has been and has not been invited. The fact that the government wanted to put them for sale or had put them for sale, I think, speaks pretty clearly to the fact that they have no interest in having a northern Ontario solution to the Ring of Fire transportation.

1400

Mr. Jeff Mole: I will be trying to approach the Ring of Fire development corporation to explain the business case for community enterprise because I believe that Ontarians do need to get a better return on investment if we're going to invest \$10 billion in infrastructure in the Ring of Fire.

But the list goes on. In your area in particular, Vic, you've got a lot of waterfalls that could be developed for the benefit of Ontarians, but the way it's going right now, if those waterfalls are going to be developed by foreign corporations, that needs to stop and it needs to stop right away. The province is prepared to procure \$10 billion worth of renewable energy this year. We need to extend a policy directive from the minister to the IESO to stop giving out contracts to these foreign companies, but we can't do that under the trade agreement or else we'll end up in trouble, but we can say community enterprise is going to take a priority.

The Chair (Ms. Soo Wong): Okay, Mr. Mole, thank you very much for your presentation. Please submit anything in writing to the Clerk by this Friday, 5 p.m. Thank you.

ONTARIO GRADUATE STUDENTS' ALLIANCE

The Chair (Ms. Soo Wong): Our next presenter is the Ontario Graduate Students' Alliance. Good afternoon. Now, we have three names here. I'm going to let you introduce yourselves once you take off your jackets. You have 10 minutes for your presentation followed by five minutes of questioning. This round of questioning is from the third party. You may begin anytime. Please identify

yourselves and your positions with the Ontario Graduate Students' Alliance. Thank you.

Mr. Michael Makahnouk: My name is Michael Makahnouk. I'm the president of the OGSA and I'm a PhD student at the University of Waterloo.

Ms. Frances Lasowski: My name is Frances Lasowski and I'm the secretary for the OGSA. I'm doing my PhD at McMaster University.

Mr. Michael Makahnouk: Robert is also on your list. He's actually got a concussion and apologizes for his regrets. He's with the doctors today.

You're receiving our proposal right now and we can give some high-level information about it. Where we're coming from, we see an opportunity for students to benefit from a refundable tax credit for technology purchases in Ontario.

I guess the main question would be, how did we come to the route of a tax credit versus an upfront grant? We don't see an opportunity for a tuition grant at this point in time with the fact that, really, that program is primarily focused on undergraduate students in Ontario. We see value in the fact that we actually use so much technology for our research and innovation in this province to see that we get a credit at the back end based on our expenditures for that technology that we use.

I mean, the best example would be a laptop. There is a broad price range with respect to what constitutes a good laptop, but, really, to run computer simulations or numerical models you need something upwards of \$2,000. If a student is not lucky to be with a researcher or professor who has money in their operating grants to fund those types of expenditures, those are out of student pockets.

So that's where we're at in our proposal. We are looking for upwards of a 25% tax credit based on a maximum \$4,000 expenditure. We're using that as sort of an opportunity to start discussion. We definitely acknowledge that Ontario's tuition is the highest in the country, not just the highest in the province—well, obviously the highest in the province. Students are paying the highest tuition in the country. Graduate students pay tuition three times annually, so those costs add up.

At the same time I'd like to turn it over to my colleague to add anything that I might have missed.

Ms. Frances Lasowski: I just wanted to reiterate that it really is imperative for us to do our research, and that actually spans any discipline that the graduate students are in, from the humanities to science to engineering, that all of us do use various levels of technology. To have some way to recoup some of that cost back would certainly enable us to buy better equipment, better software, and hopefully get us out sooner and into the real world, as it were.

Mr. Michael Makahnouk: A closing remark, I guess, from our perspective before we answer questions: We see an opportunity for this proposal to be worked on from the government of Ontario, maybe concurrently with the federal government of Canada. We know that the

government of Canada does like tax credits, and we see this as a definite political opportunity for this proposal.

The Chair (Ms. Soo Wong): Thank you very much for the presentation.

Ms. Forster or Mr. Gates, who wants to begin? Mr. Gates?

Mr. Wayne Gates: Sure, I'll start. First of all, I want to say that I have a 17-year-old daughter at home who has been working really hard on her exams this week so she gets her marks so she can go to university and post-secondary education. So I have a lot of concerns particularly around cost and what's going on.

But some of the things that have come up lately—and it was just in December, quite frankly. The Ontario association is saying that food banks report that students are among the fastest-growing group who are using emergency food banks. Can you comment on how food and security issues are affecting students?

Mr. Michael Makahnouk: I'll do my best. Obviously I'm not an expert in that area, but I would say, from my perspective as being a student in Ontario, to eat on campus at a university, the costs are definitely inflated compared to going off-campus. Obviously, from what I see, the students are really looking at value, and they go to fast food. I think the concern with that is not only the fact that people are going to food banks to receive food to survive, but at the same time there's a nutritional perspective there. I think that there is an underlying problem. It's definitely something that our organization hasn't looked at yet, but I would say that costs are high. The American dollar going the way it is doesn't help this problem either.

Mr. Wayne Gates: You're good?

Ms. Frances Lasowski: I know at McMaster we just re-evaluated how the graduate students are paid. I think it's something that not everybody understands, the way graduate students are now paid at McMaster. When the change came in, some students will make under \$200 a month after tuition comes out. In order to be able to sustain yourself on that, it's obviously quite challenging. If you're not fortunate enough to be able to live either with a partner or with parents or something like that—we don't necessarily have access to some of the same grants that we had access to as undergrads, because of our age, because of our technical income levels and stuff like that. If you're not able to save money and if you're not able to have some help from family, it can be really, really difficult.

Mr. Wayne Gates: Thank you. Do you have any sense, in talking to students around campus, how desperate they are for work experience and what they end up taking as unpaid work after they graduate? What do you think the government should do to stop that?

Mr. Michael Makahnouk: I know that our colleagues at the Ontario Undergraduate Student Alliance are working on that. I think a lot of these unpaid internships are focused on the undergraduate level.

We can look at graduate studies in Ontario. We work for a pittance because we see value out of the education

we're getting post-university. You could argue that graduate students are being paid slightly but are almost working as interns in the same sort of context. I think right now it's just a culture of, "This is how things are done," and we just do our best to navigate through the checkboxes to get our degrees.

Mr. Wayne Gates: Okay. Obviously, you probably feel like I do: that if you perform work you should be paid for it.

Mr. Michael Makahnouk: I would agree with that; absolutely.

Mr. Wayne Gates: I think one that is a concern to probably everybody, no matter what party you're with, is debt level. When you finish post-secondary education in the province of Ontario, you haven't got a job yet and in some cases you're actually working for free, and meanwhile you've got a mortgage to pay for your education. I'd like to hear how you feel about that, on affordable post-secondary education.

Mr. Michael Makahnouk: It's interesting. I come from northern Ontario—I'm very proud of that—but I was raised old-school: "You're 18; get out and figure out how you're going to pay for it." That's honest to God. So I've had to work hard. I've had to work in a sawmill. I'm lucky that I was able to have a job that paid overtime, but the economy has changed. A lot of good, hard-working, blue-collar jobs just aren't available to students.

I think that, partially, too, there's an argument that students might take less money in employment to get more job experience related to their disciplines. I know that that is an option too.

I think, really, with tuition being the highest in the country, students definitely are graduating with the highest levels of debt probably ever if you're funding yourself, as myself as an example. Further to that point—I'm just collecting my thoughts.

The Chair (Ms. Soo Wong): Ms. Forster, would you like the last question, for a minute?

Ms. Cindy Forster: Yes.

Mr. Michael Makahnouk: It's an issue.

Ms. Cindy Forster: I want to go back to your tax credit proposal. Your tuition is kind of waived in your graduate studies and then you earn a couple of hundred bucks a month. That's what I heard.

1410

Mr. Michael Makahnouk: There are no tuition waivers because, based on the funding formula, the universities of Ontario have to charge tuition to get grants. There is a stipend. It's highly variable. There's no minimum guarantee for graduate students in Ontario. It basically comes down to what your individual supervisor is willing to give you or can give you. From there, your tuition is then paid for.

Ms. Cindy Forster: Right, and some students get none. Do you have the ability, with the hours that you're at the university, to work outside there, so you would actually get a tax benefit by getting a tax credit for a \$2,000 computer?

Mr. Michael Makahnouk: Yes, you may.

Ms. Frances Lasowski: That also varies depending on the supervisor, also depending on the master's and PhD level. I think it's a little more pronounced at the PhD level because you're signing on for four to six years of doing this after the master's, but some professors will not allow you to work outside. We have to get approval, and if you are fortunate enough to get an external scholarship, either through NSERC or OGS, there are stipulations on where you can work. Oftentimes, we are expected to TA to actually secure some of that necessary money. That TA is factored into our total dollar amount, but that ends up actually amounting to the hours that we're allocated to work with some of these scholarships and within these labs.

The Chair (Ms. Soo Wong): Okay, thank you very much, Michael.

Mr. Michael Makahnouk: Can I quickly—I know you're going to cut us off. I'm concerned about these external barriers placed by funding agencies that say that students can't work. To me, it's an infringement on human rights. I think if somebody wants to work 80 hours to survive, that's their God-given right. I'd like to encourage the government to look at that.

The Chair (Ms. Soo Wong): Thank you, Michael and Frances, for coming.

APPRENTICELMS LTD.

The Chair (Ms. Soo Wong): The next group before us is apprenticeLMS Ltd. I believe the presenter is here. Is it Hamalainen?

Mr. Erik Hamalainen: Hi. Erik Hamalainen. How are you?

The Chair (Ms. Soo Wong): Thank you. Welcome. Good afternoon. Sir, you have 10 minutes for your presentation, followed by five minutes of questioning from the members of the committee. This round of questions will be from the government side. Please identify yourself, your organization and your position. You may begin at any time.

Mr. Erik Hamalainen: Does everybody have a copy in front of them? I'm Erik Hamalainen. I'm the president of apprenticeLMS and we're here to talk about creating jobs for Ontario. I think the group just ahead of me, the Ontario Graduate Students' Alliance, would be a perfect group to take on some of these jobs that we're trying to create here.

This presentation consists of a letter—I want to move through this—and there are quite a few slides that we can take a look at. This letter is from IT companies that represent, hire and train network, hardware and technical support personnel.

The demand for workers in this industry has outpaced the capacity. Many of the companies I'm working with today are actually hiring temporary foreign workers to fill these roles. That's a shame, because we have workers here in Canada who can fill these roles.

We have a solution to this issue, and at the same time we can create over 50,000 jobs for Ontario. These are

good-paying jobs. They pay between \$40,000 and \$100,000 a year.

The IT trades apprenticeship program provides training that leads to full-time permanent employment and demand. It covers three different trades, including technical support, network technician and hardware technician. The entry-level trade and basis for the entire industry is tech support. It's an entry-level job. It is currently not covered by the Apprenticeship Training Tax Credit.

Apprentices who graduate from the two-year technical program are most likely to fill the demand for jobs in network and hardware trades. These jobs are the backbone of the Canadian technology industry and make us competitive on a global scale.

We are recommending the Apprenticeship Training Tax Credit be applied to the IT trades as follows: trade code 634A, IT technical support agent, maximum duration 24 months; it's a two-year program. But the employer would only be eligible to collect this credit after the apprentice has completed level 1 exams, not prior to.

The tax credit only covers a portion of the overall training investment by the company, and without it, the jobs will simply disappear into the United States, where there's ample very cheap labour currently today. So we're asking for your assistance to approve the above recommendation to create jobs here in Ontario.

I'm going to flip to the actual presentation slides; the first page is a cover. The importance of IT in Ontario—it's labelled page 2: Every aspect of our lives today includes technology. We're all carrying these devices. I see laptops; I see all sorts of technology in this room here today.

Off-shoring of IT: Is it really cost savings or a security threat? Your personal data and confidential information are on your phone, in your laptop, in the cloud. Is the cloud safe? Where do you want the cloud to be? Do you want the cloud to be in Toronto or do you want the cloud to be in Washington, DC? We've all read stories about the NSA. We're encouraging Ontario server storage, Ontario network support, Ontario hardware support and Ontario tech support, but we've got to train the workers.

The IT trades program in Ontario—page 3 consists of how it's broken down. There's a two-year entry level program called tech support, code 634A. This leads to the more advanced jobs in hardware and network technician roles. Some of them go into cabling, which is another trade.

Wages: Currently in the GTA, entry-level first-year wages are over \$40,000 a year. The demand has driven the wages up. A network technician apprentice averages \$50,000 a year, and a journey person, once they graduate from the four-year program, averages \$73,000, but in the GTA today, companies are bidding as high as \$100,000 a year to get a qualified worker. There is definitely a demand for these high-paying jobs.

Again, advancement in these trades: 634A is the prerequisite for B and C. You've got to know the techie stuff

before you can work into networks, servers or hardware. Make sense? I hope so.

Currently, 634A is not eligible for the Apprenticeship Training Tax Credit. Again, our recommendation—on the next slide—is to approve trade 634A for the tax credit at the end of March 2015. We're putting some restrictions on here, because we don't want companies to get tax credits for not doing the training. You need to do the training, hire the workers, create the jobs, do your payroll, and then at the end of the year, after you've proven all this stuff, the government is going to give you a tax credit, unlike how the program is run today, where you can get a credit upfront just for registering. We want to put some teeth and some rules in the program to make it effective for all taxpayers.

I want to talk a little bit about completions. I've been involved with this trade since 2005. I had 2,400 of my own employees in this program at one time. Today, I run a company that provides online distance learning to colleges and companies. Our completion rate for 634A is over 75%. Wow. Why? We force the sponsors to have a contractual obligation to the training. They can't just sign up and get a tax credit; they have to do the work. We create a culture of training and development in the workplace. Performance and progression data is available in real time to ministry personnel if they want to check on the sponsor doing the work. The tools are there to make this effective and to measure it and monitor it.

I have a few examples. Here's one in the Toronto Star. I think we've all heard of this paper and we trust their words. "... IT and Skilled Trades Are the Canadian Jobs of the Future," according to the Toronto Star, January 2015. "The jobs of the future are likely to be in ... computer technology and the skilled trades, experts say, given an aging population, growing global demand for resources, and Canadians' love affair with electronic gadgets." That's per the Toronto Star.

The Toronto Star again: This is from the CEO of the Bagg Group, which is a leading Toronto-based staffing agency: "The trick is finding qualified candidates that meet employers' criteria...." This is why the wages have been driven up in size to \$100,000 a year. "It is hard to find people, across the board, we find it challenging to find good people. It's one of the most difficult things to explain. You keep hearing everybody's out of work. And then you talk to companies and they say they can't find" good people. Wow. "There's obviously a bit of a gap between what the market is demanding and what the labour pool is providing," according to the Toronto Star and Mr. Bagg.

The Waterloo Region Record: They talk about Silicon Valley of the north. According to the Information and Communications Technology Council, "A recent study from the council indicates Canada is facing an 'alarming' shortage of information and communications technology labour over the next five years." In Ontario alone—just Ontario—we're going to need 51,000 workers in these trades. We're not trying to create a handful of jobs.

1420

If we flip over to the next slide on IT demand—I personally work with over 50 IT companies, all in Ontario, from Timmins to Sault Ste. Marie to Sudbury to Ottawa to Cornwall to Brockville to Windsor, London and, of course, Toronto. I work in all regions. The feedback I have is that they all require trained personnel to grow their workforce. Some are currently hiring, again, temporary foreign workers. Let's train people here. A basic Internet search of indeed.ca—and I did this just the other day while preparing this—has 1,482 open jobs today, a snapshot of a single day. We could put 1,400 people into jobs paying more than \$40,000 a year today, right now, if we had trained workers. But instead, they're looking for TFWs and trying to make it happen somehow.

In Ontario alone, 51,000 jobs will be needed to fill the jobs in the next five years, according to the Waterloo Region Record. The information technology skill shortage requires training and investment. Let's change the labour shortage and start creating these jobs here. I don't want my network servers being maintained in the United States. I don't want the NSA having access to our information. It's not right. We can do it at home, here.

There are some examples of these trades and the type of people who are involved with them.

The next slide is just an overview of the network technician and, according to Service Canada, the occupational titles that could fit into that trade.

The following page is examples of hardware technician occupational titles as per Service Canada, and the type—

The Chair (Ms. Soo Wong): Mr. Hamalainen, can you wrap up your presentation? You're at 10 minutes.

Mr. Erik Hamalainen: Yes. We're right at the end. Thank you.

The Chair (Ms. Soo Wong): That would be great. Thank you.

Mr. Erik Hamalainen: Again, Service Canada talks about career advancement. In large companies, user support technicians serve as the gateway to computer-related occupations. These entry-level roles build to more advanced roles. You work from the bottom up.

Again, we've proven we have a way to make completions happen through progress report analysis, putting a tax credit after the fact so you have to do the work before you get the money. We can manage this. We've managed this to a 75% completion rate over the last five years. We can do this. We can have these jobs happen here.

The last slide is our recommendation, again, and we're asking for trade 634A to be included in the Apprenticeship Training Tax Credit, but with restrictions. There may be more restrictions than we've laid out, but the ones we laid out will work.

The Chair (Ms. Soo Wong): Thank you very much. Mr. Baker, do you want to begin the questioning?

Mr. Yvan Baker: Thanks very much for coming in today and talking about the issue of making sure that particularly our young people, but people of all ages,

have the skills necessary to be prepared for the workforce, as it is a truly important one.

What I'd like to ask you is to take a step back. I don't know how knowledgeable you are about the ATTC. It sounds like you're pretty knowledgeable.

Mr. Erik Hamalainen: I've been living it for the last decade.

Mr. Yvan Baker: Perfect. Can you share with us what types of training are covered by the ATTC, just so we have a sense of the scope of what it covers?

Mr. Erik Hamalainen: The ATTC covers 156 different apprenticeships. I work with three technology trades, and those are networks, hardware, and tech support. This is everything to do from your data storage, network security, fixing your computer, setting up an office with new equipment—these are the types of jobs, mostly medium and small businesses. I have a client with two apprentices who could grow to four tomorrow, if they could find them. I have a client with 1,300 people, who, again, could grow—they're continually trying to hire and not finding people.

Mr. Yvan Baker: That's helpful. These 156 programs—has the ATTC, in your view, been beneficial for the purposes of making sure that businesses have the support they need to make sure that people have the skills they need and can ultimately be employed and succeed in their careers?

Mr. Erik Hamalainen: This program is extremely successful when used and monitored properly. We have a company in Toronto right now that has 25 employees. They desperately need to grow to 100 people in the next few months. They can't hire them right out of school, so we're using this on-the-job training to get our employee base from 25 to 100 so that they can do the work.

So as the students were saying before, they're coming out of college and they're not having a job, because they don't have the hands-on training, where apprenticeship gives you the hands-on training. You can work for an IT company, and you can learn as you're working and earning money, not creating student loan debt.

It's a perfect solution to the dilemma we're in today. It reduces student loan debt. It helps companies. It helps people get into an entry-level job that leads to a job that pays six figures.

This is going to be the future of Canada. We're not going to be manufacturing and competing with the southern United States in some manufacturing—glassware. We're going to be doing the high-tech work, and that's where our future lies here.

Mr. Yvan Baker: Thank you. IT trade 634A, this particular program—those folks who have it now, how would they obtain it?

Mr. Erik Hamalainen: How do they obtain it?

Mr. Yvan Baker: Today.

Mr. Erik Hamalainen: Well, on-the-job training is 90% of any apprenticeship, so it's learning through certified workers ahead of you in the workplace.

There is also an in-school component. The IT trades rely heavily on distance learning. I actually provide soft-

ware to colleges and businesses that use the distance learning software. It's very successful. It has a very high rate of completion. Again, when you work with companies that are contractually obligated to do the training, we have a very high completion rate.

Mr. Yvan Baker: Okay. Do you have a sense, if this was included under the ATTC—634A, as you have proposed—how much this would cost, more or less?

Mr. Erik Hamalainen: Well, I don't think it's going to be a cost, actually. What's going to happen here is, we're going to have companies hiring and training internally and advancing people. So when you hire somebody at \$40,000 or \$50,000 a year, and they start paying taxes and they're spending that money in the community, there's a multiplier effect. If you have a three-and-a-half times multiplier effect, we may have given that company a tax credit of \$10,000, and the employee spent \$150,000 in the community when you have their money spent multiple times over. So there is no cost to this.

The Chair (Ms. Soo Wong): Okay. I believe the last question is from Ms. Hoggarth, if you want to ask a question—one minute.

Ms. Ann Hoggarth: I'm a little confused here, because my notes say that your organization does qualify for the ATTC.

Mr. Erik Hamalainen: The hardware network trades definitely qualify for the ATTC. One trade, the entry level trade, doesn't qualify, but the two advanced trades do qualify. So it would make sense to have the entry level trade qualify also because it's what feeds all the jobs into the more advanced.

Ms. Ann Hoggarth: So that's what you're looking for. Thank you.

Mr. Erik Hamalainen: That's all we're asking for, a very minor change in the tax code.

The Chair (Ms. Soo Wong): Okay. Thank you very much for your presentation, and thank you for your written submission as well, sir.

Mr. Erik Hamalainen: Thank you for having me.

ONTARIO LUNG ASSOCIATION

The Chair (Ms. Soo Wong): All right. The next presenter is the Ontario Lung Association. There are some changes, folks. Change is what we're known for in this group. I believe it is Bev Black—am I correct?—as well as George Habib, the president and chief executive officer from the Ontario Lung Association. Welcome. You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be from the official opposition party. You may begin at any time. Please identify yourself for the purposes of Hansard. Thank you.

Mr. George Habib: Great. Thanks very much, Madam Chair, Mr. Vice-Chair, committee members and Clerk. I'm pleased to be joined by Bev Black, who is a St. Catharines resident, and who actually lives each day with chronic obstructive pulmonary disease no differently than over 870,000 Ontarians live with. We just thought

the best way is for you to hear from somebody who lives with lung disease every single day. So, Bev, I'll turn it over to you.

Ms. Bev Black: Thank you, George. Hi, everybody. I was diagnosed with COPD in 2002, and on January 6, 2009, I woke up and I had great difficulty breathing. I ended up in the hospital for seven and a half weeks. I was placed on life support twice. I went down to 71 pounds. It was quite a ride; it really, truly was. However, I wasn't going to let COPD define me. I wanted to live my life as comfortably as I could.

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I went to a program. I saw in the newspaper, the St. Catharines Standard, an article on maintaining one's health at the St. Catharines general hospital. I took it to my doctor. They knew nothing about the program. They said they would investigate it and let me know.

I had the good pleasure of going to that program. It was six weeks. It's called "maintenance for lung health issues." It was amazing, the things we could do. We did warm-ups, we did cardio, we did weights, and we did cool-downs. We talked about diet and sleep habits. We learned so much. That only enhances our life. It doesn't cure anything, but it helps you maintain.

My lung capacity is 19%. It's a very low number. But I'm proud to say that for the past two years, I've maintained the 19%.

When my doctor told me a couple of years ago that I might have to go on oxygen—no way. I went into a gym and approached a gentleman and the Zoom-Airs were born. I am the lung health ambassador for St. Catharines. However, at the Zoom-Airs, we have from Welland, we have from Port Colborne, we have from Grimsby and we have from Niagara Falls. We're quite a good group, and we're all people with the same illness who support each other. The camaraderie motivates us.

It's \$500, \$600 a year out of our pocket. It's not tax-deductible, and we don't care. It's something that we do to maintain our health.

To me, it's not rocket science. If we are going to be continually hospitalized—which I was again, for seven days in 2012—that amount of money that it costs our health care is oranges and apples. It just does not compute. It's not rocket science to us. If we can maintain our level of life as what we know, then we're not going to get worse. We're not going to end up in a hospital and costing taxpayers thousands of dollars. It just makes sense.

Thank you.

Mr. George Habib: Thanks very much, Bev. That's a great story. Bev so aptly represents her group, and it's a support group.

By the way, just as an aside, the Lung Association has started a support group network across the province for people living with, generally, lung disease, but most of the individuals who are members of it have chronic obstructive pulmonary disease, which is, for those of you who may be more familiar with emphysema or chronic bronchitis, those two lung diseases.

Unfortunately, Bev's diagnosis with chronic obstructive pulmonary disease is growing, and growing predominantly in women. To give you an idea on that, we did a study, which is in your package, called Your Lungs, Your Life in 2011. When we came out with the stats on chronic obstructive pulmonary disease, it was 770,000 Ontarians living with it. That's as big as, or bigger than, the city of Mississauga, which I live in. It just gives you an idea. And it's growing, so more recently, we've updated the data. It's now over 877,000 Ontarians living with chronic obstructive pulmonary disease, and that's one disease, for those of you who may be familiar with it.

I think we all may know or realize that somebody is living with lung disease. I know some of you—we've met before, and you've told us your personal stories. But many others, you either know a child with asthma or somebody living with COPD or somebody having lung cancer or maybe cystic fibrosis or whatever. Those are all considered part of it. It's unfortunate, because one in five Ontarians—2.4 million Ontarians—live with lung disease.

We don't have a comprehensive policy approach to dealing with lung disease in the province. It's unfortunate. We do some things extremely well in pockets, but we don't have a comprehensive look at it or a view of dealing with it.

In many instances, people like Bev tell us stories that the hospital systems may have had an exercise group or may have had pulmonary rehabilitation as a part of them, but because of budgets and no focus on lung disease, those budgets have been cut, and people like Bev have been out in the cold to survive, themselves or with help—

Ms. Bev Black: Yes, there's nowhere to go.

Mr. George Habib: —with organizations like the Lung Association. They were very fortunate in that they had a local gym with a couple of owners who said, "Yes, come on in," because—well, first of all, nobody says no to Bev; she's so compelling. But secondly, the owners realized that these people who are looking to maintain their health and stay out of the hospital system are looking to be able to improve their health, and not just to maintain their health. They want to be productive again. They want to be able to volunteer. They want to be able to go back to their jobs. They want to add to the Ontario economy and add value, or to be able to care for their grandchildren or children as they need to in lieu of day-care and those kinds of things, so it's a very compelling story here. On their behalf, we're submitting the 2015 pre-budget submission which is in your package.

There are a few numbers I should tell you about. In our recent health and economic report that we published, it was estimated that lung disease cost the Ontario economy in 2011 \$4 billion. Since then, that figure has grown to more than \$27 billion for 2015, and it will continue to rise to more than \$76 billion six short years from now. What you're seeing is a tsunami that is hitting us, but there are solutions, and this is really what we want to get at, solutions that will bring savings to the economy

and a better quality of life for those people living with lung disease such as Bev.

To that end, the Lung Association, when we started on this journey to advocate for individuals living with lung disease in Ontario, felt that we needed to reach out to those who have a vested interest in lung health. So what we have done is create the Ontario Lung Health Alliance. It encompasses more than 40 organizations. To include the big ones: the Ontario Medical Association, pharmacists, nurses and many organizations that are a part of it—including CAMH, by the way. We formed that to create one voice for lung health in this province. We didn't want everybody coming at you with different voices and so on, so we are all aligned around the need for an Ontario lung health action plan.

To that end, because we've been at this for a while in terms of coming forward—I've been with the Lung Association a little over seven years, and that could be, in your terminology, four elections, I would think—we've been trying to advocate in the same way, but trying to tell the story a little bit differently. On November 19—that was Lung Month in Ontario and Lung Month right across the country—MPP Kathryn McGarry added legislative weight to this campaign when she tabled a private member's bill, the Lung Health Act, in 2014.

Applause.

Mr. George Habib: Thank you, and thank you for your support of that, because it passed second reading and the bill was debated. It proposes a couple of things: first of all, establishing a lung health advisory council to make recommendations to the Minister of Health and Long-Term Care, and requiring the minister to develop and implement an Ontario lung health action plan to address research, prevention, diagnosis and treatment.

Much of the work has already been done, ladies and gentlemen, because we couldn't wait. It's in your package, if you have your package, on the left-hand side. It's this blue document. It is the outline, and it has had hundreds of individuals' input, including the government's, into the outline of the Ontario lung health action plan. We as the Lung Association and members of the lung health alliance felt that we needed to carry on doing the work while we're trying to convince you to invest in this, so we've done that—

The Chair (Ms. Soo Wong): Mr. Habib, can you wrap up your presentation?

Mr. George Habib: I can.

The Chair (Ms. Soo Wong): Thank you.

Mr. George Habib: Thank you, Madam Chair.

What we simply want to do as a part of this submission is to add something called certified respiratory educators to the system. They would act like nurse navigators, but would be trained in lung health, and that's a couple hundred of them. Together with that, we want to be able to put in some of the interventions that work, which are outlined in the material, to include spirometry, things like pulmonary rehabilitation and comprehensive smoking cessation.

For the investment of approximately \$21 million a year over the next four years, that investment will come back to us many times over, and we think that investing a dollar now will save billions of dollars down the road in terms of that.

That's really what we're advocating for, and we'll be happy to address any questions, Madam Chair.

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The Chair (Ms. Soo Wong): Thank you very much. Mr. Arnott, you may begin the questioning.

Mr. Ted Arnott: Thank you for your presentation. It was very interesting. We really appreciate, Bev, your being here, too, to give us your personal experience of what it's like. That's very helpful.

Ms. Bev Black: Thank you. I have a granddaughter. My daughter was eight months pregnant when I was hospitalized in 2009, and I got to meet her. She's going to be six in March, and she has asthma, so it's a double whammy for me because I want to help the Niagara region get better.

Mr. George Habib: One in five children has asthma, and it's growing, unfortunately.

Mr. Ted Arnott: I wanted to speak to your recommendations as well. You recommend an increase in the tobacco tax. I want you to know that there are many of us in the Legislature who have supported efforts in the past to reduce tobacco use, especially amongst young people. I think that there's a consensus amongst all three parties, amongst many of the members, that more has to be done.

It's also true that as tobacco taxes have gone up, there have been times when it seems to provide a boost to the illegal sale of tobacco. You didn't address that issue. Do you want to comment on that? Do you have any specific recommendations for dealing with the illegal sale of tobacco?

Mr. George Habib: No specific recommendations for dealing with the contraband issue. We know that, of the young people who are smoking, half of them are getting contraband tobacco already. The tobacco tax was suggested, actually, in the last budget, so we're delighted that there was a small increase, but it wasn't as big as we would have recommended.

Secondly, there's no research that indicates that there would be growth in the contraband issue at this stage in the game. The Ontario Tobacco Research Unit is actually doing research on that. We'll have their report shortly, so hopefully we'll get that detail back to actually settle that issue once and for all. But generally we have not found that that has been the case overall.

Mr. Ted Arnott: Certainly our caucus has felt, for years, that the government should be doing more to discourage contraband tobacco and the illegal sale of tobacco.

Mr. George Habib: Absolutely. The other thing is, we're trying to find a way to pay for this investment. There's an easy way of paying for it: by increasing taxes. It certainly brings in far more revenue than the \$21 million or \$25 million a year that we're asking for over the next four years.

I will say, on that front, too, that we're not looking to create new infrastructure. We're not looking to create new overheads or anything. This is direct program delivery right into the system, and it can align to already existing family health teams, CCACs and so on and so forth. The certified respiratory educators can actually be trained and so on. We do all of the training for them, but they can be existing positions or net new positions to navigate newly diagnosed patients in the system.

Mr. Ted Arnott: I do recall the debate on Bill 41 in the Legislature in the fall, where we discussed the need for the lung health advisory council. You've asked for \$4.7 million, assuming that that council could be set up. What would that money be used for? How would you spend the \$4.7 million if you had it?

Mr. George Habib: Essentially, a couple of ways: Most of it is implementing the four interventions that are in the report itself, with only about half a million dollars to support the work of the council. That's the way we've taken it. It really is program delivery while we're developing the lung health action plan because, with that particular investment, we can get started with programs like Bev is enrolled in. We can get started in terms of moving spirometry along, doing the education and training required for the health system, working with the LHINs and the family health teams and so on.

We are doing pockets of this. There are programs that have been fully researched in-market or have been done, and our experts recommend these four interventions that will give you the immediate lift that we're recommending. Most of it will be program delivery.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. Sir, you just showed us a chart. I'm just looking through our package, and I can't locate it. Can you leave that—

Mr. George Habib: Was the lung health action plan—

Interjection.

Mr. George Habib: Oh, it was not? We'll send copies around, Madam Chair. I will leave you this copy, but we will make sure that you get copies of this.

The Chair (Ms. Soo Wong): Okay, you can send it to us electronically.

Mr. George Habib: Absolutely. We'd be delighted to do that.

The Chair (Ms. Soo Wong): Thank you very much for your presentation and for being here today.

Mr. George Habib: Madam Chair, I'd be remiss if I didn't say that if you can't breathe, nothing else matters. That's the Lung Association motto, for those of you who enjoy breathing.

The Chair (Ms. Soo Wong): Thank you very much for your good work.

KRISTEN FRENCH CHILD ADVOCACY CENTRE NIAGARA

The Chair (Ms. Soo Wong): The last presentation for today, ladies and gentlemen, is the Kristen French Child

Advocacy Centre Niagara. I believe it's Janet Handy, the executive director. Welcome. You have 10 minutes for your presentation, followed by five minutes of questioning from the committee members. This round of questions is from the third party. You may begin any time. Thank you.

Ms. Janet Handy: Madam Chair and committee members, thank you so much for the opportunity to speak on behalf of the funding needs of the Kristen French Child Advocacy Centre Niagara.

We now recognize that child advocacy centres constitute the leading practice in child abuse investigation in Canada and the United States when responding to the developmental needs of the youngest and most vulnerable victims of crime. The child-friendly, trauma-informed practice ensures that children and their families receive the best response to the experience of abuse that we can provide, through coordinated service delivery.

In 2014, we renamed the child advocacy centre the Kristen French Child Advocacy Centre Niagara. Child abuse experiences range from incidents that require parents and caregivers to improve their parenting skills, to the experience Kristen had of extreme violence and degradation. In order to understand the true nature and scope of child abuse, we felt it was important to acknowledge all forms of child abuse, including the most horrendous. It also acknowledges the work the French family did to help set up the centre, and honours Kristen's courage in the face of her experience. Adding Kristen's name to our centre reminds us all that there are real people behind the many untold stories of child and youth maltreatment, and that the centre investigators work hard to prevent such extreme tragedies from happening again. It is our hope that the renaming of the centre will bring home to the Niagara region a clear understanding of what the centre is concerned about and works toward every day, and that is quality investigation of child abuse that balances seeking justice with the child's well-being.

New surveys estimate that one in three Canadians have suffered some form of child abuse. Before the centre existed, children would, on average, have to retell their experience up to seven times. This process, not understanding of trauma or its manifestations over time, would intimidate young victims, create the possibility of recanted testimony due to adult pressure, and re-traumatize children as they relived their experience in the re-telling.

Now these young victims are interviewed once, in a child-friendly environment with trauma- and crisis-informed professionals. The centre seeks to reduce the trauma of the investigation experience by minimizing the impact on the young victims and their families through faster and streamlined investigative processes, increased support and therapeutic responses, and long-term support and follow-up for the child victim and their family.

As a unique collaboration of service delivery to young victims, there is no duplication of service in Niagara, with professionals travelling to meet the child and their

non-offending family members at the centre. Once at the centre, the family advocate provides critical care to the children and their families by helping them navigate the investigation and the complexity of the investigation process, and by providing links to ongoing support.

Working together with the Niagara Regional Police Service, Family and Children's Services Niagara, Family Counselling Centre Niagara, Niagara Health System, the child abuse and assessment program at McMaster, and the office of the crown attorney, we're able to provide a service that more effectively addresses the needs of Niagara's children, without jeopardizing the requirements of an effective investigation.

For far too long, victims of child abuse, and their families, have had to navigate a system that has been designed to facilitate the successful prosecution of offenders. The centre's leading practice now balances this focus with the immediate and ongoing mental health needs of victims. The capacity to address cross-multidisciplinary case issues that take place in the real timeline of investigations—because investigative teams and disciplines are in communication from the outset—now increases our chances to address the trauma earlier, make sure the system of investigation does not cause further trauma, and allows investigators to benefit from working jointly at the same time on issues of protection and gathering of evidence while attending to the mental health needs of children and their families.

With the existence of CACs, children, youth and families are given an immediate and comprehensive response to the serious crime of child abuse. Niagara's children and youth and their families experience confidential and caring treatment of the highest quality through the Kristen French Child Advocacy Centre Niagara. The centre also supports the rights of all children, and complements the Niagara Children's Charter.

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It is proven that when community partners and community services collaborate, innovative, successfully and mutually beneficial partnerships are developed where all parties are invested in ensuring that abused children and their families have a coordinated and improved experience when disclosing abuse.

Kristen French CACN services are victim-centred. Child abuse is a crime that leaves scars that can last a lifetime. However, through our various community, education and awareness programs, Kristen French CACN also strives to open the discussion on child abuse and to create conversations throughout the Niagara region about child abuse, which empowers us all to take action. In recognizing the ripple effect of child abuse on our communities, we create an opportunity to understand that collectively we're responsible for stopping child abuse.

When comparing communities that have CAC services versus those that do not, the Department of Justice has noted the following outcomes from those communities:

- communities with CACs use more coordinated and collaborative investigations that include more multi-

- disciplinary team interviews, recorded interviews and joint investigations;

- children who receive services from CACs are more likely to be interviewed in a child-friendly facility, they are more likely to receive a forensic medical examination, and they are more likely to be referred to mental health services than if they're not in a centre that is co-ordinated;

- parents whose children receive services from CACs are generally satisfied with the services received and more satisfied with the investigation process and the interview process; and

- children who attend CACs are generally satisfied with the investigation experience and are more likely to state that they were not scared during the forensic interview.

All of this translates into better prevention and mitigation of long-term impacts and more hope for future social relationships than if trauma were to go untreated. The benefits for communities as a whole in the long term are enormous.

Until recently, the Kristen French Child Advocacy Centre Niagara was the only fully operational child advocacy centre in Ontario. Recognized now as a leading practice model, there are now four, including ourselves, in Ontario that are open and operational, and another six at various stages of development. Across Canada, however, there are 12 functioning CACs and another 14 at various stages of development.

Through our community relations program at the Kristen French CAC, we have established a network of centres in Ontario. This network shares best practices and aims to speak in a unified voice as we work to achieve financial support for the CAC model in Ontario. We are developing standards and guidelines that will inform ourselves, as well as the country, on Canadian accreditation best practices, in particular for the centre's role in assisting families to navigate the investigative process and follow-up supports available to them.

The centre is currently funded through partner support, grants, fundraising events and donors. Our grants are time-limited and project-specific and come from government, foundations and corporate donors, but there is no core sustainable funding.

Niagara communities have been generous supporters of the centre and are doing their part to keep the centre open. However, government grants have been time-limited from the federal justice department, and provincial funding is now needed for sustainability.

With a 2015 budget of close to \$400,000, we are asking the province to provide one quarter of that budget for the Niagara region's child advocacy centre in your 2015-16 budget as we continue to develop the Ontario network of child and advocacy centres and a sustainable presence in this province. Thank you for your time.

The Chair (Ms. Soo Wong): Thank you very much. Ms. Forster, would you like to begin the questioning?

Ms. Cindy Forster: Thanks so much for being here today. Today there has kind of been a theme of children. We had Children's Mental Health Ontario here, and your presentation leads into what we heard from them earlier today, which was, if children have mental health services accessible to them early on and consistent treatment, it can prevent lifelong mental health issues. Right?

Ms. Janet Handy: Right.

Ms. Cindy Forster: First I want to commend you for operating the children's advocacy centre on a shoestring budget. I know, from presentations that you made at the region when I was there, that it's always a struggle. It shouldn't be a program that is dependent only on donations from the community; it should be a core funding program that can sustain the needs of the kids in our community.

What kind of a budget are you looking for? We didn't quite catch your numbers.

Ms. Janet Handy: One quarter of \$400,000, so \$100,000.

Ms. Cindy Forster: It's a very small amount of money.

Ms. Janet Handy: It's a small amount, but if we could get a sustainable core to the budget—many of the things we do in terms of fundraising do not support the operational core, and that's why we're always in need.

Ms. Cindy Forster: Right. Unfortunately, victims' services budgets are being cut across the province as of April 1, 2015. In fact, I think it was Middlesex that went public earlier this year to say that they had been informed by the AG's office that their core funding was going to be reduced by 50%. So good luck, but I would urge the government to certainly have a look at this, because I know the good work that you do here and the number of children and the number of families that you've actually been able to assist over the last few years.

Ms. Janet Handy: I think what's critical is that where there is a CAC operating, evidence has shown at least a 48% cost benefit compared to communities that don't have a coordinated service. It's actually saving money to do it this way—

Ms. Cindy Forster: Right.

Ms. Janet Handy: —because the services are streamlined and the discussion that happens in real life, real-time investigation, doesn't have to spend months going back and forth between professionals because they're all on site, doing that discussion right off the bat.

Ms. Cindy Forster: And the savings that will be realized in the long term by actually having these services available at the front end—it's that huge prevention piece.

Ms. Janet Handy: We know that the faster we can respond to children's experiences, the faster they can integrate and move on.

The Chair (Ms. Soo Wong): Mr. Gates.

Mr. Wayne Gates: I just to want to say that the Kristen French name has really taken on a life of its own here in Niagara and probably right across the province on what happened to that poor girl. She went to Holy Cross school—and this is more for a little bit of an education for some of the people here. She went to Holy Cross school in St. Catharines. My daughter went to Holy Cross school in St. Catharines at the exact same time, Tara-Lynn. The French family lived on Geneva Street; I lived on Geneva Street.

There are a couple of things that can happen when you lose a loved one. You can kind of just stay depressed; you can stay under a lot of stress and—

Ms. Janet Handy: And collapse.

Mr. Wayne Gates: —and collapse. Her mom did something else. Her mom decided, along with her supportive husband, to heighten awareness, not only in this community but right across the province of Ontario, so that Kristen's name will never, ever go down with the way that it did and how she died. The role of the family—and now you have a centre that's named after her.

I think I could talk about what Cindy was talking about. The theme today, actually, has been cuts, cuts, cuts, but if there is one organization that I believe the province of Ontario should be giving \$100,000 to, it's yours.

Ms. Janet Handy: Thank you.

Mr. Wayne Gates: The work that you've done over the last 25 years—I think it's 25 years now; it certainly is in that area.

If I can lend my support to what you're doing—if you have the opportunity to talk to the French family, I've always admired what they've done in the community in unbelievably tough circumstances around a daughter who they obviously loved dearly. I hope my colleagues are hearing this on both sides, all three parties, because it isn't a lot of money, but the value of the work you've been doing in heightening the awareness of what's going on is just incredible. On behalf of myself and, I'm sure, our party and everybody around here, thank you very much. Say hi to the French family for me. I'd appreciate it.

Ms. Janet Handy: Doug was just in the office this morning and he brought in a series of cheques of \$100 apiece that someone had gathered from out west from a visit he and his wife did, family members and extended families. He just keeps working away at it, and we just love him. He's really a gem.

The Chair (Ms. Soo Wong): Thank you very much, Ms. Handy, for your presentation. Thank you for your continued work to support children across Ontario.

All right, folks. We are adjourning today and we're heading to London tomorrow. Thank you.

The committee adjourned at 1459.

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