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Wednesday 14 December 2016

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Mercredi 14 décembre 2016

**Standing Committee on
Finance and Economic Affairs**

Pre-budget consultations

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

Consultations prébudgétaires

Chair: Peter Z. Milczyn
Clerk: Eric Rennie

Président : Peter Z. Milczyn
Greffier : Eric Rennie

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS

Wednesday 14 December 2016

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Mercredi 14 décembre 2016

The committee met at 0900 in the Residence Inn by Marriott, Ottawa.

PRE-BUDGET CONSULTATIONS

The Chair (Mr. Peter Z. Milczyn): Good morning, everybody. The Standing Committee on Finance and Economic Affairs is in session this morning in the lovely city of Ottawa to hear pre-budget consultations. Deputies will have 10 minutes for their presentation, followed by five minutes of questions from a caucus, and we do the caucuses in rotation.

LOYALIST COLLEGE

The Chair (Mr. Peter Z. Milczyn): Our first witness is Loyalist College. Good morning.

Dr. Ann Marie Vaughan: Good morning.

The Chair (Mr. Peter Z. Milczyn): As you heard, you have 10 minutes. Your round of questions will be with the New Democratic caucus. If you could please state your names for the official record as you begin.

Dr. Ann Marie Vaughan: Absolutely. Thank you, Mr. Chair. My name is Ann Marie Vaughan. I'm president and CEO of Loyalist College. I'm joined today by Cathy Rushton, who is the vice-president for finance and administration at Loyalist College.

Thank you very much and good morning. I am pleased to have the opportunity to speak to you about the Ontario colleges' recommendations for the 2017 provincial budget.

As president of Loyalist College, with campuses in Belleville and Bancroft, I have some comments about our particular needs in the region of eastern Ontario. As I'm sure you are all aware, 2017 marks the 50th anniversary of the college system in Ontario. It's an opportunity to celebrate the tremendous contributions of our college graduates from eastern Ontario and across the province.

College graduates contribute to our communities each and every day. They deliver the services we need in health, policing, human studies, building technologies and applied sciences. They keep our economy moving.

Just think about the footprint. You may drop your child at child care in the morning, located in a building that has been designed by college architectural technology grads and built by building science and engineering graduates. At every turn and every day, we rely on

the services provided by college graduates. We depend on them for the economic and social health and strength of our communities, and we will continue to do so.

As a society, we need to support college education as a viable post-secondary choice for students. In 2014, 58% of all new fall entrants in Ontario post-secondary institutions enrolled at a college.

When we think about how rapidly our world is evolving, we know that strengthening the career-focused programs out of Ontario's colleges must be a priority, and yet, those programs are threatened by serious underfunding. Without a significant long-term investment in colleges, many of our institutions will not be equipped to educate the workforce of the future.

We are in a new age. The World Economic Forum calls it the fourth industrial revolution. Minister Deb Matthews has described it as a disruptive economy, noting estimates that more than 40% of Canada's workforce is at high risk of being affected by automation.

These changes bring opportunities to create whole new jobs and new enterprises. At the same time, there's a lot of anxiety about the elimination of jobs and the changing landscape of the workplace, both for young people and for those who have been working. But many now find themselves unemployed or working in low-end jobs to make ends meet. We need to provide college programs to allow them to retrain and recalibrate their skills and knowledge to help them succeed in today's workplace. It is more important than ever to ensure that individuals can access college programs, which can bridge to the labour market.

The government is taking some important steps in that direction, with measures to improve student assistance so that more individuals will be encouraged to pursue post-secondary education. But there's a great deal more that needs to be done, and that work has to start with the support of our colleges. At a time when college education is more important than ever, the reality is that funding for college programs has continued to drop in real dollars, largely because the funding has been directed towards enrolment increases while the cost pressures created by inflation have been ignored.

In its 2017 budget, the government needs to make a meaningful commitment to the long-term sustainability of college education in this province by providing inflation protection to college operating grants. The fact is that with enrollments trending down because of

demographics and cost pressures rising, there is simply not enough money to be invested in our institutions today. This reality has been recognized and addressed for the public school system over the past 10 years. Even government fees have now been indexed to inflation. It's time to do the same for colleges.

I want to talk to you about Loyalist College in particular. Loyalist is located in the beautiful, extensive rural area beyond the cities of Belleville and Quinte West. The college is a key driver of the social and economic health and prosperity of the area and has a direct impact on the labour market. It contributes 5.4% to the gross regional product, representing an overall effect on the regional economy of \$530 million, according to an EMSI report completed in 2014.

Everywhere I go, I meet Loyalist grads. The college has a strong community affinity on many fronts. Loyalist grads help our communities to thrive. Yet, with the challenge of demographics and declining enrollments, we need a review of the current funding allocation, and in particular, the Small, Northern and Rural Grant, which is intended to deliver additional funding to smaller colleges and colleges in Ontario's north which experience higher per-student costs due to a lack of economies of scale that lower per-student costs of education delivery.

However, with the current funding allocation, a small southern college like Loyalist is at a relative disadvantage on a per-student basis, when compared with northern colleges of a similar size, despite having very similar cost pressures. In absolute dollars, this gap represents as much as \$2.7 million at a flat rate over \$3.4 million, when compared on a per-student basis, to other northern colleges. Yet, we have to provide the same suite of services to support our students and their success. Clearly, if this funding were to be provided on a more equitable basis, it would allow Loyalist to deliver its programs and services more effectively.

The budget should also ensure that people from all walks of life, including some of our more marginalized groups, are able to attend college to acquire the qualifications they need to succeed. This includes support for students with special needs and disabilities to help more of them obtain the professional and technical skills that lead to well-paying careers.

The budget should also provide new investments to deliver college education to more indigenous learners. At Loyalist, over 10% of our full-time students identify as aboriginal. We work closely with our aboriginal education circle and our neighbours, the community of the Mohawks of the Bay of Quinte and Tyendinaga territory, as well as other First Nations, to encourage higher levels of participation in and completion of college programs. The budget should include commitments to allow more indigenous learners to enter and complete college programs.

0910

Thank you again for providing the opportunity to speak today, and I'm pleased to answer any questions you may have.

The Chair (Mr. Peter Z. Milczyn): Thank you very much. This round is with Ms. Fife.

Ms. Catherine Fife: Thank you for coming this morning and for sharing some of your direct concerns as to how college funding is flowing in the province of Ontario. It is not an uncommon theme that we've heard. Just yesterday in Sudbury, we heard from Laurentian, essentially asking for a moratorium on future cuts or reductions until Sheldon Levy, who is the deputy minister, actually follows through on the promise to modernize the funding formula. Would a moratorium be helpful to Loyalist College as, really, just buying some time until the government decides how they're going to fund colleges and universities?

Dr. Ann Marie Vaughan: In some respects, yes. The bigger challenge—and I'll let Ms. Rushton speak to it further—is that we really need the accessibility of the Small, Northern and Rural Grant to apply to southern colleges. What's happening is that we currently have a gap in funding, so we're dealing with deficits in our institutions.

Ms. Catherine Fife: Is that the \$2.7 million that you mentioned?

Dr. Ann Marie Vaughan: That's the deficit, yes, that we're not getting and that other institutions would get. What happens as a result of that is that you're focused on that as opposed to focusing in on what our primary mission is, which is ensuring that we have the best programs, that our programs are relevant, that we're attracting the students we need to and that we have a direct impact on the labour market.

Ms. Catherine Fife: How do you protect your student population from that deficit? You did reference that you would love to do more outreach for aboriginals and you would like to offer greater opportunities for special needs students. These actually are very common themes in the public education model as well, because when enrolment is the main driver of funding, then there's no stability going forward. Do you agree with that?

Dr. Ann Marie Vaughan: I do believe that there should be a combination of certain essential services that you have to provide to a student, regardless of your size.

Ms. Catherine Fife: I agree, yes. So that's the model that you're currently discussing with the deputy minister for how to address the disparity, if you will.

Dr. Ann Marie Vaughan: That's part of it, for all the 24 colleges that are involved in the dialogue. For Loyalist, why we're hear today is because we have a specific need around the small and northern colleges to apply to the southern.

Ms. Catherine Fife: Absolutely. It's interesting, because there is a very important discussion happening around the roles of colleges in Ontario.

You referenced the economy. My own son, for instance, was going to go to four years of university and then go to college, but after discussing it with him, he has just gone to college, and he'll be more employable sooner. There is a stigma still, I think, that colleges are facing around their role in the education system in

Ontario, but also in the importance of colleges to the economy. It's an uphill battle still, but I think you've made good progress. Would you agree?

Dr. Ann Marie Vaughan: I believe so—

Ms. Catherine Fife: Usually when people nod I just say, "Would you agree?"

Laughter.

Dr. Ann Marie Vaughan: Yes, I would agree with that, and the sheer number of students that are coming from universities to colleges to get the skills they need to bridge them to the labour market is one of the validations of the fact that that has been achieved. Almost 20% of the student population in Ontario colleges now are students coming with previous degrees, so even university students are acknowledging that they need the specific skill sets that colleges give them to bridge them to the labour market.

Ms. Catherine Fife: The experiential learning is really, really important, I think.

Dr. Ann Marie Vaughan: Yes.

Ms. Catherine Fife: Anyway, I do want to thank you for coming in. Just know that your concerns have been heard, and consistently, across the province.

Dr. Ann Marie Vaughan: Thank you very much, and thank you to all members of the panel today. We really appreciate your time.

The Chair (Mr. Peter Z. Milczyn): Thank you very much. If there's anything further that you would like to submit in writing, you have until 5 p.m. on January 20.

OTTAWA-CARLETON DISTRICT SCHOOL BOARD

The Chair (Mr. Peter Z. Milczyn): Our next witnesses are from the Ottawa-Carleton District School Board. Good morning.

Ms. Shirley Seward: Good morning.

The Chair (Mr. Peter Z. Milczyn): You have up to 10 minutes for your presentation. Your questions will be from the Liberal caucus. If you could please state your names for the official record as you begin.

Ms. Shirley Seward: Thank you very much. My name is Shirley Seward and I am the chair of the Ottawa-Carleton District School Board, which consists of over 70,000 students in the Ottawa-Carleton area. I am joined on my right by Norah Marsh, who is the associate director of education; and on my left by CFO Michael Carson. We are absolutely delighted to have this opportunity to meet with you today.

If you look on page 2 of your handout, you will see that we are making six recommendations today. Given the shortness of time, I'd like to focus on the first three or four and leave the others with you.

You'll all be pleased to know that the first recommendation is not just about more money. Of course we want more money, but the critical component in this is, as you will see, to ensure sustainable multi-year funding of public education, facilitate effective long-term planning

with the earlier release of the Grants for Student Needs and flexibility to allow boards to meet local needs.

We believe in long-term planning. We have a four-year strategic plan which we monitor and evaluate four or five times every single year. In February, we are meeting at a retreat to see what we've accomplished so far and to stretch that four years out so that we have a rolling strategic plan. I know in Ontario, all parties believe in long-term planning, but it is very difficult for boards to engage in long-term planning in a system where funding allocations are made only months before the start of the new fiscal year and are only for one year. Multi-year planning on our part requires stable multi-year funding and flexibility to meet local needs.

Also, we, like all boards, have collective agreements. Both the province and the local boards develop those collective agreements. Some 80% of our budget goes to our staff, including teachers. We have to make decisions with respect to staffing in March according to those collective agreements, and often, we have not even received the GSNs.

The CFO will tell you, if you ask him, that every week earlier that we can receive information about our Grants for Student Needs would help us, given that we have to commit 80% before we have the details.

The second recommendation is to establish a regular capital funding cycle and protect capital investments with sufficient facility maintenance funding. The board is very appreciative of the government's generosity in recent years with respect to capital projects. This year, we have opened three brand-new schools in rapidly growing areas. But at the same time, we are looking at every area of our district and conducting learning and pupil accommodation reviews that will result in school closures, consolidations and needed improvements.

As we go through this process of developing our plans, which are tough decisions to make—there's nothing more heartbreaking for parents than a closing school. We're prepared to make those decisions and to be tough about it, but what we've noticed as we've rolled out these plans is that the backlog of unfunded renewal costs is staggering. So if we are consolidating two schools, saving money because one school is gone, having better learning because we have more pupils together, we can offer them a wider choice of programs. We have to be able to improve the remaining facility. Our backlog right now is close to \$600 million in maintenance and upkeep.

0920

The third topic close to everybody's heart is child care. This is interesting, because years ago the provincial government asked us to roll out full-time kindergarten, and also to establish extended-day programs in all of the schools where there is a demand. We have done that. In fact, about 5,000 children are receiving child care from the Ottawa-Carleton District School Board. It makes us one of the biggest providers in Ontario.

The problem is that we cannot reach the most vulnerable people, and the reason for that is because there are

not enough subsidies for very low-income, vulnerable people. These are the kids who need it most. These are the kids who benefit from having a rich, warm, caring and safe environment, and child care associated with their school day. Please help with the subsidies. They come from the city. The city will tell us, “We need more funding from the province.”

The fourth area is student learning. We are proud of how we are doing in terms of the EQAO testing. In seven categories out of 10, we are higher than the entire province’s average. However, that hides very serious gaps and weaknesses for poor people; people from low socio-economic backgrounds; First Nations, Métis and Inuit people; children with special needs; and English language learners. One in five children in our public school system are English language learners—20%. We cannot reach them well without having additional funding targeted at that vulnerable population.

A particular aspect of that is refugees. In Ottawa, we have over a thousand refugees. Between 500 and 600 are with our school board. Some of them, the earliest arrivals, are coming to the last month or two of being funded by the federal government. We are being funded for these students as for any student in our system. We get that funding, for which we’re grateful, but they have huge needs. They have psychological needs. Many of them have been in camps. They have all been in war-torn countries. They have been in refugee situations in other countries before coming to Canada. We have reached out to them. We are happy to have these kids in our system. They bring richness not only to the public education system, but to those students who have never been exposed to what these children have gone through. But it costs much more to do this properly than the normal amount we get based on a person sitting in a seat: social workers, psychologists, addiction counsellors, grief counsellors for those children who have lost family members—it is a big one.

I know that certainly in Toronto, the problem is even more acute within the school boards there. It’s something that we need to do, but as the federal money dries up, after a year, it falls on the province. If we are going to break the cycle of poverty for these people, then we have to reach the kids. We have to reach the kids through our education system.

There are other recommendations here, but I’d prefer to leave a little bit more time for questions. Thank you all very much for listening, and I’m happy to answer questions.

The Chair (Mr. Peter Z. Milczyn): Thank you very much. This round of questions starts with Ms. Hoggarth.

Ms. Ann Hoggarth: Good morning, and thank you for your presentation. I am currently a member of one of those collective agreements. I’m on leave from the Simcoe County District School Board. Everything that you say, I understand fully. When you first said you weren’t going to ask for money, that would have been twice this round of presentations, which really surprises us. Just about everyone asks for money. That’s what we’re here to—

Ms. Shirley Seward: It was subtle; it was subtle.

Ms. Ann Hoggarth: Well, thank you very much, and I thank you for pointing out that we’ve committed a lot of money to capital in order for students to be in good facilities. Children do learn better when they’re in good facilities, and we’re working hard to try to fix up the ones that need fixing up too. Thank you for being patient. I know it is hard to be patient waiting for those funds.

Earlier this year we announced increased funding for education to \$22.9 billion, an increase of 59% since 2003. The graduation rate has increased to 85.5%, more than 17 percentage points since 2004, when the rate was just 68%.

Can you tell the committee more about how programs introduced through the Student Success Strategy are helping to sharply boost the graduation rates since 2004, please?

Ms. Shirley Seward: I’d be happy to start, and then I’ll ask the associate director to continue.

Our concern, and I think you share our concern, is for the most vulnerable students, whether they’re struggling because of mental health issues or special learning needs or their refugee status—whatever. This is the core of what gets me up in the morning and makes me eager to get into school board business.

But on the specifics, I’ll ask the associate director, Norah Marsh, to answer your question.

Ms. Norah Marsh: Thank you. We’ve been very appreciative of the student success initiative, and there has been a lot of success connected to the outcomes for our students. In particular, I think the re-engagement strategy, the credit recovery strategy and a focus on sound assessment and evaluation have all been helpful.

I would suggest, however, that it has focused on secondary school outcomes primarily. What we know is that early interventions are most important, so we would ask for that initiative to be spread from pre-kindergarten to grade 12. Certainly, one of the areas that we know is a focus is well-being, and we think that’s grown out of the student success initiative. However, the attention we’re paying to mental health currently isn’t sufficient. We have some interventions in place, thanks to funding, but they’re not making the difference we need to see in our schools. We are seeing anxiety and acting-out behaviour at earlier and earlier ages. More focused intervention early age—that’s one of the reasons why we’ve embraced the extended day program within our district. It was trying to embrace that holistic view of the child. But we’re recognizing that there are gaps that we don’t have the resources to fill.

Ms. Ann Hoggarth: As a junior/senior kindergarten teacher, I have noticed how much that has impacted on the whole elementary system, that that is good for everyone. Could you comment on that, please?

Ms. Shirley Seward: I’d be happy to do that. We are already seeing a difference. The readiness of children by the time they get to grade 1, which is when they legally have to be in school, is quite pronounced. It’s because of that that we want to reach those children who most need

that kind of an intervention, trying to get communities to take advantage of what subsidies we have, but more importantly, trying to increase the number of subsidies so that we can bring in the children who will benefit most.

But as Norah Marsh indicated, we are seeing some serious behavioural issues across the province emerging at the kindergarten level, so the interventions must be early to be effective. Given the positive impact we have had with older children through the program, I think it's well worth the investment in our youngest learners.

Ms. Ann Hoggarth: Thank you very much and thanks for all you do for kids.

0930

The Chair (Mr. Peter Z. Milczyn): Thank you very much—

Interjection.

The Chair (Mr. Peter Z. Milczyn): Just a moment, Ms. MacLeod.

If you have any further written submissions you'd like to provide, you have until 5 p.m. on January 20.

Ms. Shirley Seward: Thank you. I hope everyone does have the submission that we handed out today.

The Chair (Mr. Peter Z. Milczyn): We do.

Ms. Shirley Seward: Excellent. Thank you.

The Chair (Mr. Peter Z. Milczyn): Ms. MacLeod.

Ms. Lisa MacLeod: Thank you very much—just a brief point of order to congratulate my daughter's school board for a great presentation today. I just really wanted to reiterate the importance of assisting our school boards across Ontario with the influx of refugees. There are 70 refugees, young children, in my daughter's school at Manordale. I just do not believe that we have the proper supports, linguistically, for some of these children. I appreciate you bringing that up. I thought you did a great job.

The Chair (Mr. Peter Z. Milczyn): That's not a point of order, but thank you for your intervention.

Ms. Shirley Seward: It was quite clever, wasn't it?

The Chair (Mr. Peter Z. Milczyn): It can only happen once.

Ms. Shirley Seward: Thank you very much to everybody for inviting us.

AIR TRANSPORT ASSOCIATION OF CANADA

The Chair (Mr. Peter Z. Milczyn): Our next witness this morning is the Air Transport Association of Canada. Good morning, sir.

Mr. Michael Skrobica: Good morning.

The Chair (Mr. Peter Z. Milczyn): You have up to 10 minutes. Your round of questions will be with the Progressive Conservative caucus. If you could please state your name for the official record as you begin.

Mr. Michael Skrobica: I am Michael Skrobica, senior vice-president and chief financial officer of the Air Transport Association of Canada, ATAC. My organization is a trade association representing commercial aviation in Canada. It has approximately 177 members.

ATAC members in Ontario include airlines, air taxis, flight-training units, cargo carriers and air ambulances.

Ontario has remote areas as well as metropolises, so aviation is a binding force for the province. It is an integral part of the health care system for remote areas. In some areas of the province, commercial aviation is the only means to deliver food and groceries.

Therefore, I come to tell you today that some of Ontario's tax policies are putting this province in a less-than-favourable economic position.

ATAC recently commissioned a study on aviation fuel taxes for all Canadian provinces and territories, along with US states adjoining Canada. The study indicates Ontario's rate to approximate the rate for those provinces that have a carbon tax, even though Ontario does not have a carbon tax regime.

I hope the Clerk has distributed my presentation, because I'm going to read from a table here.

The first two provinces listed in this table are Alberta and British Columbia. Both of them are the only provinces in Canada that have carbon taxes in place. Alberta's is 1.5 cents for the excise tax and 5.1 cents per litre for the carbon tax, to a total of 6.67 cents. British Columbia's is two cents for excise, and 7.83 cents for carbon tax, for a total of 9.83 cents. The rest of the provinces, as you'll see from the table, do not have a carbon tax.

However, it stands out that Ontario's aviation fuel tax is at 6.7 cents, effective April 2017. This is out of line with all of the rest of the provinces. We ask, "Why us?" No other transportation sector is hit to this degree with excise taxes. We would ask you to reconsider this rate and lower it to an average, or a weighted average, of non-carbon-tax-province levels, in order to provide us with equity with other transportation modes.

The study also indicated that Ontario was unique in levying a fuel tax on international travel. This violates the United Nations Chicago convention on extra-territorial taxation of fuel. We would appreciate it if you would review this. Our only other alternative is to have a US member make a complaint under the open skies policy. We would like to avoid a federal-provincial dispute, and we would ask you to kindly look at that.

ATAC has a number of flight schools in its membership, many in the province of Ontario. The competitive nature of flight schools is impacted by provinces offering costs at lower prices. Over 30% of the average flight school's students are foreign. Therefore, those schools that offer lower costs inevitably win out. Since 30% of the school's clientele can either make or break a school financially, it is critical to ensure that Ontario's schools are competitive.

ATAC analyzed the fuel burned by school and discovered that a complete remission for the educational component of their fuel burn would amount to \$148,000 a year. I have attached appendix A, which shows the calculations on that. This amount is a pittance. It would go towards education because these flight schools are, for the most part, vocational educational institutions and, as a result, would improve education in the province.

The Chair (Mr. Peter Z. Milczyn): Thank you very much for your presentation. This round of questions begins with Mr. Fedeli.

Mr. Victor Fedeli: Thank you very much. It's great to see you again, Michael. You were here last year?

Mr. Michael Skrobica: Yes.

Mr. Victor Fedeli: And you made a presentation that talked about some of the impacts of the pending aviation fuel tax increase. You warned us of certain categories in certain areas. Can you talk to us about what's happened in the 12 months since you were last here?

Mr. Michael Skrobica: Flight schools, as a general rule, are experiencing difficult times because foreign students are now deciding to go elsewhere. There's an influx of Chinese students who are going to British Columbia, believe it or not, but they also locate to other provinces that have lower rates.

These are small businesses, for the most part. Yes, we have some colleges that are a part of the flight school makeup here in this province, but it's very difficult for these people to make ends meet. The fees that the students pay do qualify for an educational deduction. From our perspective, we think that we should have an exemption on aviation fuel taxes, similar to what school boards or colleges would have.

Mr. Victor Fedeli: I'm just working my way backwards here. The United Nations' extraterritorial taxation: Can you tell me just a little bit more about that? What year was that convention resolved?

Mr. Michael Skrobica: It was done in 1945 in Chicago. It was a predecessor to even the UN, because the UN was set up months later. It is a convention that Canada has signed on to, and that most other countries that have international flights have signed on to. Included in there is a standard that signatory governments do not charge fuel taxes for international flights.

Mr. Victor Fedeli: What percentage? Do you have any idea what number this is that we're talking about?

Mr. Michael Skrobica: It would be substantial. There are international flights—a significant number—out of Toronto and Ottawa in this province, so you'd be talking millions of dollars.

Mr. Victor Fedeli: Okay. Are you pursuing that in any way or is that guidance from you, that if we don't do something about this, don't be surprised when an international carrier—

Mr. Michael Skrobica: —makes a complaint with Canada, and then Canada is going to have to take up the issue with Ontario. Part of the fuel study is that Ontario is the only province that does this in Canada.

Mr. Victor Fedeli: That's why you say we're unique.

You talk about the carbon tax, but let's talk about cap-and-trade in January. Is there an effect on your fuel come January or not?

0940

Mr. Michael Skrobica: There isn't. We're excluded. We're not one of the significant emitters. From our perspective, we're still feeling the impact as if it was a carbon tax.

The thing is other emitters in the province like other transportation—railways, bus lines, cargo carriers—are not being taxed this type of tax. From our perspective, we think that's inequitable.

Mr. Victor Fedeli: So 6.7 cents, compared to the other provinces—excluding the carbon tax, where Alberta basically comes up to almost the same rate as Ontario. Manitoba, New Brunswick and the others are at two cents or one cent or that type of thing. What were we before this new aviation fuel tax?

Mr. Michael Skrobica: The province started it at 2.7 cents.

Mr. Victor Fedeli: We were at 2.7 cents?

Mr. Michael Skrobica: You were right in the pack.

Mr. Victor Fedeli: Is April 2017 the last increase that we'll see?

Mr. Michael Skrobica: There are four one-cent increases.

Mr. Victor Fedeli: So this is four years in a row we've increased—

Mr. Michael Skrobica: This is the last one.

Mr. Victor Fedeli: Did you have a comment?

Ms. Lisa MacLeod: I do, quickly. We talked briefly beforehand about the impact on some of the flight schools. You had indicated that one of the flight schools here in Ottawa will be relocating out of the city. I'm just wondering if you could share 20 seconds' worth of comments on that.

Mr. Michael Skrobica: It's trying to obtain work in Cornwall. They have facilities which are going to be somewhat cheaper to operate out of Cornwall.

Ms. Lisa MacLeod: How many employees and students does that impact, do you know?

Mr. Michael Skrobica: Typically, a flight school has 30 to 40 employees.

The Chair (Mr. Peter Z. Milczyn): That's all the time we have in this round. If you have any further written submissions, you can submit it by 5 p.m. on January 20.

Mr. Michael Skrobica: Thank you very much.

The Chair (Mr. Peter Z. Milczyn): Thank you, sir.

GREATER OTTAWA HOME BUILDERS' ASSOCIATION

The Chair (Mr. Peter Z. Milczyn): Our next witness is the Greater Ottawa Home Builders' Association. Good morning, sir.

Mr. John Herbert: Good morning.

The Chair (Mr. Peter Z. Milczyn): You have up to 10 minutes for your presentation. This round of questioning will be with the New Democrat caucus. If you could please state your name for the official record.

Mr. John Herbert: Thank you, Mr. Chairman. Committee members, good morning. My name is John Herbert. I'm the executive director of the Greater Ottawa Home Builders' Association. We are the voice of the land development, renovation and home construction business in Ottawa. We have about 400 member companies who employ over 25,000 people in Ottawa. We're

one of the largest private-sector employers. We pay out about \$1.2 billion in wages annually and generate about \$3.8 billion in economic activity.

These numbers are actually down about 20% relative to our 10-year average, because in Ottawa, as they say, we're caught between a rock a hard place. We have on one side the federal government, who went into a job-cutting mode several years ago. That resulted in a 25% decrease in housing starts in Ottawa, so we're having to deal with that. And on the other side, we're dealing with the city of Ottawa, which is constantly increasing fees, charges, taxes and levies, creating more complex processes and procedures, and generally slowing the land development and housing construction business. We've got our work cut out for us here in Ottawa. We're hoping that we can get some help from the province on that.

I'm going to shift gears here and move right into a couple of points. I have three points that I wanted to address today. The first one is the HST threshold. First of all, we wanted to congratulate the province for its work in 2009, when it established a threshold of \$400,000 on housing for that. That was an important measure that hasn't been done in all provinces in Canada, so we're grateful for that. At the time there was a request made by us for an indexing of that amount to be established at some point. We would like to request that consideration be given to that indexing now, because as the price of housing continues to shift, there are fewer and fewer people who qualify at that threshold. I think in 2009, the average home price in Ottawa was a little over \$400,000, so it made sense. Today it's about \$535,000 or \$540,000, so there aren't many people who qualify at that threshold level anymore. Indexing would make a huge difference.

This brings back memories for me of the late 1980s, when the federal government introduced the HST. They promised at that time that they would index the HST. Although we have lobbied them every year ever since, we haven't seen any results of that, and it doesn't look like we're going to. They continue to reap some pretty significant windfall profits from those measures.

Labour and material cost increases pale in significance compared to the tax increases that are driving the cost of housing, by all three levels of government. We hear anecdotally every day on the radio about housing affordability and the problem of housing affordability. This is driven by the federal, provincial and municipal governments across the province. I think the sooner we recognize that and begin to deal with it, the better off we'll all be.

The second item I wanted to touch on was climate change. Our industry has probably been the most aggressive in Canada in terms of reducing greenhouse gas emissions. When the building code is changed on January 1, new homes will be required to consume 50% less energy than they have since 2005. That's a pretty significant decline, so we're all pretty pleased about the progress that we've made on that.

Ottawa builders were among the first in Canada to have adopted energy-efficient construction technology, Energy Star particularly, so our membership are amongst

the highest in Canada in terms of the use of those energy-efficient technologies. There isn't another industry in Canada, really, that has made the progress that we have in terms of greenhouse gas reductions.

Just to give you an example, since 1985, Chevrolet has achieved about a 3% increase in mileage. We've achieved about an 80% reduction in greenhouse gas emissions, just to put it in context. It shows just how much progress our industry has been able to make on the greenhouse gas front.

But we only build 60,000 to 70,000 houses a year in Ontario, so we think that the low-hanging fruit now is to deal with the inventory that exists. There were tens of thousands of houses built in Ottawa before the building code even existed. If we start to deal with those, we think we can make some pretty significant further gains.

We really support the climate change action plan's home energy rating and disclosure system, so that every house that was going to be listed for sale would have to get an energy rating and disclosure. It's a couple hundred bucks. It's not a significant amount of money for somebody selling a home worth \$300,000, \$400,000 or \$500,000, but it would alert them and the buyers to just where that home stands in terms of its energy efficiency and the kinds of monies that could be consumed in the future for energy purposes.

That's where the low-hanging fruit hangs, as far as we're concerned, so we really support the province in terms of implementing that rating and disclosure plan. We think it could be a really significant turning point in Ottawa, because the renovation sector here represents about \$2 billion a year. If we could only get a relatively small amount, say 5% of that market, that would convert into about \$100 million a year, so there are significant gains to be made on that front as well.

If the government were to simultaneously introduce a renovation tax credit, which has existed before, and allow it exclusively for energy-related technologies in homes, we think we could make some huge additional gains in terms of greenhouse gas reductions, so that's one major point that I would leave with you.

The last item I wanted to touch on was infrastructure. We favour what we call "core infrastructure" or "hard infrastructure." These are roads, bridges and sewers, versus soft infrastructure, things like community centres and so on and so forth. Hard infrastructure is the way to try and address housing affordability, if there's an interest there to do so.

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In Ottawa, one of the biggest projects here where infrastructure has played a role is funding of our LRT system. That has driven a lot of investment in Ottawa. Of course, when government invests in large infrastructure projects like the LRT, the private sector follows very closely and will be investing in Ottawa hundreds of millions of dollars in high-rise projects around LRT stations.

Government infrastructure investment generates tremendous private sector investment, and we're grateful for that.

I would remind you, though, that these large infrastructure projects are very difficult for municipal government property taxpayers to fund. They're beyond the reach of development charges. In Ottawa, we're paying about a third of the LRT system, but in Hamilton, Toronto and other jurisdictions, 100% of their LRT systems are paid for by the province, so we need some help on that front.

In terms of future infrastructure investment, the second phase of the LRT would be an excellent way to go, because it would generate significant amounts of money from the private sector.

The last thing I wanted to mention, in terms of infrastructure projects, was what we think of as the missing link in Ottawa, which is a connection between Highway 416 on the west and 417 on the east, a line that would run parallel to Ottawa across the south end. This would essentially create a loop, a ring road, that is currently missing. If the province is not interested in funding the construction of that, we suggest that you should acquire the right-of-way and protect the right-of-way so that in future, that link can be built. It is going to be required; there's no question about that. It's just a matter of when. By acquiring the right-of-way and protecting the right-of-way, you will protect the future transportation interests of Ottawa.

Those are the three main things I'll leave you with: the HST threshold, combatting climate change, and transportation infrastructure.

Thanks very much for your time today. I'd be pleased to try and answer any questions that you might have.

The Chair (Mr. Peter Z. Milczyn): Thank you, Mr. Herbert. Our AV technicians tell us that your phone is interfering with the mike, because it's on top of it.

Mr. John Herbert: Oh, sorry. That was my timer.

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

Interruption.

Mr. John Herbert: See? How's that for timing?

The Chair (Mr. Peter Z. Milczyn): Excellent.

This round of questions begins with Ms. Fife.

Ms. Catherine Fife: Thank you, Mr. Herbert, for coming in and sharing your top three major concerns, I would think.

Just to go to the HST, around the new housing threshold, you say in your presentation that you're asking the government to review whether or not the \$400,000 threshold is an appropriate number, given the changes that have occurred in the housing market, and then you give some specific examples.

Has your organization done any research or done an environmental scan around what an appropriate threshold would be? I understand that you're not making a specific recommendation today, but this government probably needs some assistance in trying to determine what that number is. Can you speak to that a little bit, please?

Mr. John Herbert: Sure. We don't have the funding to do a study of that nature. We think the provincial government does. We would be thrilled to provide the

expertise, the consultant expert input, for a study like that and assist with it.

It's a difficult thing to peg. That's why we didn't pick a number for it. It does vary from city to city, in many respects, because the market conditions shift or are different from city to city.

Ms. Catherine Fife: And has this been a consistent request, though, since 2009?

Mr. John Herbert: Yes.

Ms. Catherine Fife: So every year, you've come and you've asked the government to review the HST threshold for housing.

Mr. John Herbert: In one way, shape or form. I didn't make the cut here last year, so I wasn't able to ask last year.

Ms. Catherine Fife: Well, we're glad you made the cut this year, sir.

The other issue, around an energy-specific home renovation tax credit—this idea has multiple benefits, I think.

Mr. John Herbert: Yes.

Ms. Catherine Fife: We've heard that it would flush out the underground economy around cash-only work, it would address much-needed revenue from the provincial perspective, and it would address safety concerns—consumer protection and the safety concerns of workers who actually would be qualified to do the work.

The last home renovation tax credit was very successful. Do you have any sort of rationale as to why the government has not pursued what is a progressive idea that would be very helpful to local economies and home builders across the province?

Mr. John Herbert: No, we don't really understand why. As well, we did lobby the federal government very heavily on this prior to their budget, because they are also interested in the climate change file. They did not include it either. So we're confused as to why neither the province nor the federal government have chosen to implement what you rightfully described as a very successful program over history.

Ms. Catherine Fife: It's quite contradictory, I think. We're very supportive of the idea of bringing, as you point out, an energy-related specific home renovation tax credit. I think that this province needs it.

Thank you for raising the issue around the need for greater coordination between the levels of government as well. I think you did a very good job today, so I just want to thank you for coming in.

Mr. John Herbert: Thank you very much.

The Chair (Mr. Peter Z. Milczyn): Thank you very much, sir, for your presentation. If there's anything further you'd like to submit in writing, you may do so until 5 p.m. on January 20.

CHAMPLAIN COMMUNITY HEALTH CENTRE NETWORK

The Chair (Mr. Peter Z. Milczyn): Our next witness on the list isn't here yet, so we'll proceed to the Champlain Community Health Centre Network. Good

morning. You have up to 10 minutes for your presentation. This round of questions will be with the Liberal caucus. If you could please state your name for the official record.

Ms. Simone Thibault: Simone Thibault. Good morning. Bon matin à Ottawa. You just skipped the two snow storms, from two days ago and the one coming up. Impeccable timing.

Thank you for the opportunity you provided me to present. I'm the executive director at Centretown Community Health Centre, which is just a few blocks away from here, but I'm here on behalf of our Champlain Community Health Centre Network, which is 11 community health centres across Champlain. We provide interprofessional care to people in our community all across Ottawa and the Champlain region.

We serve many vulnerable populations, such as isolated and frail seniors; francophones; immigrants and refugees; homeless and precariously housed people; racialized and LGBT communities; low-income individuals and families; and those living with mental health and addictions issues, amongst many others.

This morning, I'm asking you for money, but I'm asking you for smart money so that we save money elsewhere.

I want to speak to you specifically about three crucial areas that the Ministry of Health must address in their budget 2017 to support its objectives of moving care into the community and reducing the current strain we have on our emergency departments. I want to speak to you (1) on recruiting and retaining the workforce necessary to provide services in the community, (2) realizing the value of integrated care by imbedding care coordinators in primary care teams, and (3) funding additional community dental clinics to deliver preventive oral health services to low-income families and individuals.

As community-based care providers, we support the health ministry's objectives of providing the right care, in the right place, at the right time. Currently, however, community-based services are under-resourced, and particularly, salary rates for staff in community health centres, established by the government, are not competitive and we are increasingly losing key members of our staff, such as our nurse practitioners and our dietitians, to higher-paying jobs that have benefits in other parts of the health care system, such as hospitals and public health units.

Four years ago, in 2012, we did a market rate of our salary rates for interprofessional primary care. It was determined at that time that we were 10% to 35% below market value. That was in 2012. We have yet to see what it would look like in 2016 or 2017.

We were actually pleased to see increases for interprofessional staff salaries in the Ontario budget 2016. This was a really good first step. However, that funding still leaves us with a shortfall to remain competitive and appropriately resourced.

Our ask: In partnership with the Association of Family Health Teams of Ontario and the Nurse Practitioners'

Association of Ontario, we recommend that the government provide an additional \$130 million annually for interprofessional staff at community health centres, family health teams, aboriginal health access centres and nurse practitioner-led clinics. This will help ensure that interprofessional primary health care services can be provided in communities throughout the province.

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As for our second point on care coordination, when adequate resources—and I think we all know that—are in the right place at the right time, we can realize the value of our investments in health care. These investments must be used wisely. We support the renewed attention to the importance of care coordination in the Patients First Act that just passed last week, but we want to see it embedded within primary care.

At Centretown Community Health Centre—my centre—we see countless examples of people who require multiple community supports. Our dedicated and caring staff work with home care providers and informal caregivers to provide the fullest spectrum of care to the best of their ability. However, when home care supports are insufficient or an informal caregiver's health begins to deteriorate, the delicate balance of supports quickly falls apart. This is particularly crucial for people receiving palliative care, and I have examples from my nurses, social workers and docs every week on this.

Our work in the community cannot continue with the current lack of supports. When our work is stopped, the hospital becomes the backup. This is not acceptable.

As an interprofessional team of primary care providers, we have a 360-degree view of our patients' daily needs, needs that include many social determinants of health, such as safe housing, access to healthy food and safe transportation. Care coordinators must be embedded within interprofessional primary health teams to provide truly integrated care for patients receiving care in the community or at home.

To reiterate our ask: We recommend that care coordination be fully embedded in interprofessional primary health teams to avoid gaps and prevent people from landing in emergency rooms when there are too many barriers to receiving services in the community or in their home.

Our third part is on oral health. Emergency rooms are too often the only stopgap for people with health emergencies. In the Champlain LHIN alone, there were 6,000 visits to emergency rooms for oral health problems in 2013. But people cannot get dental care in an emergency room; they can only get a prescription for painkillers. Considering the minimum cost of \$513 for such a visit, dental emergencies seen in hospital emergency rooms were at a cost of more than \$3 million that year in our LHIN alone, with no treatment provided.

This is not a good use of our acute care system. These funds should be redirected to community dental clinics where people who cannot afford a dentist can get the preventive oral care they need. This is the right care, in the right place, at the right time.

Oral health is an essential part of overall health and well-being, and I don't need to convince the people in the room of that. Research tells us that there is a link between poor oral health and diabetes, cardiovascular disease and respiratory diseases. Preventive oral care can improve a person's health in other ways as well.

There was data from the Gateway Community Health Centre, which is in our neighbouring South East LHIN, that showed their services were very effective, because they have a dental clinic. For every dollar invested in the community dental clinic by that LHIN in 2015-16, the health care system saved \$2.34 by diverting people away from the emergency room. This is a 234% return on investment.

Meanwhile, the number of people visiting emergency rooms continues to increase. A year ago in our town of Ottawa, our Ottawa medical officer of health flagged the increase in emergency room visits for dental decay. He reported that in 2014, there were 1,740 visits to the ER for ambulatory care sensitive dental conditions such as dental cavities, eroded teeth and gingivitis, problems that could have been mended at a clinic. That's 600 more hospital visits compared to 10 years ago, and the patient only leaves with painkillers, not proper treatment for their teeth. Only 42% of people in Ottawa living below the low-income cut-off have dental insurance.

Our ask: We understand you already heard from the Ontario Oral Health Alliance as well on this topic, and we support their recommendations, basically—specifically, their recommendation that the government invest \$10 million in the first phase of a public oral health program. This program would maximize the use of existing public investments in dental clinical infrastructure in community health centres, aboriginal health access centres and public health units to bolster patients' circle of care. Importantly, it would set the stage for a broader program of public oral health services for all low-income adults and seniors in the province by 2025.

In conclusion, these services are crucial to provide the right care in the right place at the right time. In the absence of adequate funding for the interprofessional primary care workforce to provide services, care coordination that is embedded in interprofessional primary care teams, and increased access to preventive dental care, people will continue to rely on hospitals and emergency rooms—not a wise choice, both fiscally and in terms of quality of care.

Thank you for your attention. I'm happy to answer any questions you may have.

Si vous voulez les poser en français, c'est bien aussi.

The Chair (Mr. Peter Z. Milczyn): Merci. This round of questions is with the government caucus. Mr. Baker.

Mr. Yvan Baker: Thank you very much for coming in to speak with us today. In advance of your presentation, we were doing some reading about what you do, because not all of us are familiar with the work of your network. Most of us are not from the Ottawa region. I was reading about, for example, Ottawa Inner City Health working with the homeless population in Ottawa,

and how you're working with homeless folks in part struggling with alcoholism, for example.

I was reading about the Carlington CHC, and that you're in construction for an expansion that will include an additional four-storey building, and it will be dedicated to a brand new medical centre, with the remaining three floors for seniors' housing.

Although I represent a community in the suburban part of the city of Toronto, I have to say that these are the kinds of services, the seniors' services, the services for those who are homeless, that I can appreciate, how important they are. So I just wanted to start by thanking you for the work that you and all your members do.

Ms. Simone Thibault: Thank you.

Mr. Yvan Baker: I think it was announced in October that the provincial government is providing about \$425,000, if I'm correct, to fund the establishment and operation of the Limoges satellite site, which is a community health centre.

Ms. Simone Thibault: Yes.

Mr. Yvan Baker: I'm glad to hear that we're doing what we can to support you in that area.

As you were speaking, I was reading your presentation. I appreciate your feedback, and we'll definitely take that back. I appreciate that very much.

My question may be a broader question. Over time, the provincial government and the Ministry of Health have tried to continue to provide additional funding to the LHINs across the province. If you had to make this more tangible for us, for those folks who are watching at home or for those who are reading this transcript after the fact—forget about the LHINs for a moment. How would the funding provided to your network impact people? Can you make that real for us? How would people's lives be impacted by that?

Ms. Simone Thibault: I want to acknowledge that there have been some investments in our sector. I think where the issues have been is that our base budgets have been frozen for five years. There was some investment in compensation.

As we move towards the Patients First Act and how that's going to roll out, and CCACs with the LHINs, it will be important—which is why we're making the point about care coordination. It's investing smart, investing whatever resources we have within the community.

Right now, when we offer services—I gave the example of people in palliative care. We had a couple, and he was in palliative. He has died since I made the presentation. His wife had huge issues with dementia. She broke her hip and was hospitalized. They have nobody else in their lives. Our workers, our nurses, our doctors and our social workers worked with this couple for a long time, trying to address the care coordination and the lack of it, being caught with, "Now I have to send them to emergency, and that's not where they should be. This man wants to die at home, but I'm stuck. I have no other resources."

If we had better care coordination, and if care coordination would be part of our team, it would be much better.

I think when we look at LHIN funding and how that comes out, and with the current transformation that's happening, that's quite significant. How we ensure that interprofessional teams are working together to support people so that they can stay in their home, when that is possible, is where I would see the investment.

Sometimes it's the current resources that just have to be done differently, and sometimes it's more investments in certain areas. But for sure, we need more supports in the home. For many of us who have aging parents, we understand that.

I think in terms of community health centres, where we have interprofessional teams working in local communities, trying to make that community better, with the interprofessional teams we have—I think there's opportunity coming, but we have to get it right, because it's a very challenging time right now. With staff feeling over-stretched already, they badly want those care coordinators as part of our interprofessional teams so that the right person does the right thing. I don't want my doctors, nurses and dieticians doing work that should be done by a practical assistant worker or a home support worker. We all have scopes of practice, and we just need to use whatever resources much more smartly. I'm hopeful, with the transformation, that we can get it right. That would be my pitch.

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Mr. Yvan Baker: Chair, how much time?

The Chair (Mr. Peter Z. Milczyn): Ten seconds.

Mr. Yvan Baker: I'm done. Thank you very much.

The Chair (Mr. Peter Z. Milczyn): Thank you very much. If you have a further written submission you'd like to provide, you have until 5 p.m. on January 20 to submit it.

Ms. Simone Thibault: Okay. Thank you very much. Merci beaucoup.

MR. ROBERT ARMSTRONG

The Chair (Mr. Peter Z. Milczyn): Our next witness is Mr. Robert Armstrong. Good morning, sir. You have up to 10 minutes—

Mr. Robert Armstrong: One second, please, while we get ready. You've had lots of time to get ready, and I need equal time.

The Chair (Mr. Peter Z. Milczyn): Absolutely. Take your time, sir. I just wanted to say that you have up to 10 minutes for your presentation. It will be followed by five minutes of questions from the Progressive Conservative caucus. Whenever you're ready, begin, and please state your name for the official record when you do start.

Mr. Robert Armstrong: I shall do so immediately. I was here once before in March 2013, and in January 2015, but I didn't get very far because I was too discursive. I talked of Obamacare, I talked of the whole world, but I did not focus in on what I consider the real issues. I feel a bit guilty being here today, given the terrible unrest in our world and the killing of innocent people in Syria, but I'm pleased to be with you.

The focus is pretty narrow in a sense, and I'm working from some notes for a meeting of the Standing Committee on Finance and Economic Affairs.

Thank you for coming to Ottawa. It's a bit awkward to travel at this time of year; I understand that, and many of you have families and children at home, so I appreciate your coming.

Now, why am I appearing? There are health issues that have tax implications. There's a complex interplay—and you might have just heard something about that—of public and private players. There is much work that has been done in the past on the public side. It's not a negative.

In my almost 80 years or more, I was diagnosed with Guillain-Barré in 1979. I had cancer of the colon in 1991, with surgery by Peter Capello; problems of the prostate under the care of Dr. Christopher Morash at the Civic; and Allan Rock did my cataract surgery. There's a lot of value and care on the public side. We mustn't see that in a negative way.

My concern is a bit detailed. It's at the level of medical assistance at home. That's where the problem arises. It's medical assistance. What does that mean? It means eye care, supervising medication, bathing and help with dressing. It's provided privately to a large number of people in Ontario, because the public health hours are very restricted.

The issue is really this: It is subject to HST, and I really feel that there should be some relief. In essence, the government is spending a lot of money on one side and it's taxing back on the other. Governments at both levels are, in effect, taxing health care.

What I'm asking you to consider, recommend and ensure the implementation of is to drop the HST on medical assistance at home. It's contradictory. It may be legal, but it's almost immoral. At the level of personal income tax, the people who are with me—some are volunteers, some are paid people. I pay the salaries of a number of different people, yet I'm not able to claim that on personal income tax. It seems to me that all of those expenses should be fully deductible on personal income tax. That's the other issue.

I'm really urging you and your colleagues—for example, Mr. Morneau, the federal Minister of Finance, says that the tax system should be fair. Well, in the instances I described to you, it's not fair; it's grossly unfair. Governments should be taking into account that, in effect, you are taxing health care. It seems to me that that's very contradictory.

I'd invite you, as a committee, to show leadership, which you have, and try to bring this issue forward.

I do concede that when I was here before, I made a very global presentation. I did not get into the specific detail, and I should have.

When you charge HST on a visit of three hours, it comes to \$7.80. On a nine-hour visit during the week, it's \$23. In a month, it's about \$100, and in a year, it's over \$1,000. That would provide a lot of care.

I know you have to get money somewhere, and I understand the tax system to a degree, having worked at

Treasury Board. My background is that I was Assistant Deputy Minister of Labour federally. Mr. Clark had the wisdom of appointing me as the government representative on the ILO, Geneva, for several years. I'm not unaware, I'm not unappreciative of the role you have. I've worked very closely with politicians, since I've been in Ottawa, really, which goes back to 1960. I worked very closely with Mr. Trudeau—that's father. I never called him "Pierre"; I didn't ever feel that was my right to do so. So I respect your role, and you have an important job to do.

These technical issues, almost, maybe don't resonate with your own finance people, but they ought to. It really is unfair that the care that I have is subject to tax, and that the personal income tax side doesn't really acknowledge those expenditures.

That's basically what I have to say. Thank you.

The Chair (Mr. Peter Z. Milczyn): Thank you very much, Mr. Armstrong. This round of questions begins with Ms. MacLeod.

Ms. Lisa MacLeod: Thank you very much, Mr. Armstrong, for coming in today. As somebody who has spent a career in the civil service, taking these matters very seriously, I appreciate you taking the time to join us here today.

I'm also very appreciative that you talked about health care and the impact the HST has had. In 2009, I was actually the revenue critic for the Progressive Conservative caucus, and talked about some of the issues surrounding the lack of revenue neutrality that was going to impact our health care system, but also businesses—and we did hear that from a previous presenter. Although it was not health care, we heard from the Greater Ottawa Home Builders' Association about the impact of the harmonized sales tax.

One of the things that has happened, obviously, as you know: It became a \$4.5-billion tax grab because it didn't lower the sales tax on some items, but it increased the sales tax on many others, which was a departure from many of the other jurisdictions across Canada that did implement an HST, notably in Atlantic Canada and other provinces.

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Having said that, you said they're taxing health care. I agree with you. I put forward a private member's initiative that every member here supported, calling for a compassionate catastrophic-care plan for the province of Ontario, to help people who are forced to either fundraise or pay out of pocket for basic health care in the province of Ontario.

I'm just wondering: During your time in the civil service, and when you worked at the federal department of labour, in some of these cases when you looked at those who would have been injured perhaps in the workplace, and those who had chronic issues, whether that is health-care-related or mental-health-care related, when you discussed those issues, did you look at the impact—something from the top may not necessarily work at the bottom, where we all are when we're dealing with the basic policy needs.

Mr. Robert Armstrong: I'll make as short an answer as I can. For any international labour organization, there's an annual meeting in June. All provinces are represented, and Ontario has always had a very strong presence, as all provinces.

The labour jurisdiction, as you know, is divided both federally and provincially. Federally, it tends to be the things that link the country: radio, television, rail, air and all of those. Now they're wrestling with other aspects of the communication system.

We had had a convention dealing with people with disabilities. Ontario was very well represented. A young woman came up to me—she had a very serious problem. She said to me, "I know why you chose me." I didn't choose her; she was part of the Ontario delegation.

Those conventions often deal with those broad issues. One of them that I chaired—and I chaired three of them—was on health care and people with disabilities. The federal labour department is not necessarily a leader on those issues, but collectively the ILO can be, and the provinces respond. Alberta particularly is extremely sensitive on these matters, as is Quebec, and all of the provinces, given their resources. It's not that we are unaware that there are different avenues—let's put it that way—where these matters may be dealt with.

But I urge you to consider the points that I have raised. I think they're quite legitimate. I perhaps could get along without the change, but it's money that goes back into the community through my caregivers.

We had a big fuss a few years ago about seniors' debt, but we were not buying new Nissans or flat TVs; we were exhausting our Visa accounts because your current income wasn't enough to cover the care, so you went into lines of credit. Mr. Carney never really understood that. I wrote him about that at one point, and he said, "Oh, well, we're dealing with macro issues." I understand what that means. Macro is great, but I guess I'm micro.

In fairness, I think these issues should be looked at. The HST should certainly be dropped at the provincial level, and the feds and you guys together should see that the personal income tax recognizes legitimate expenses. They should be fully deductible, and they're not.

Ms. Lisa MacLeod: I think you've made a great presentation, and I applaud you for taking the time today to speak with us on a very important health care initiative. I think you would find that you would be speaking for hundreds of thousands, if not millions, of Ontarians.

Mr. Robert Armstrong: I don't want to get into the politics of it, but the issues I raise affect thousands of people in Ontario. There can be no doubt about that. I guess I'm in a happy position to have had enough good health to come before you.

I want to thank the committee members, the staff of the committee and all of the people in the hotel, who have been very, very helpful in getting me here. There was great courtesy at Queen's Park in responding to questions about where this would be and whether it would be accessible. Everyone was very patient and very

kind, and I want to acknowledge that. I want to acknowledge the courtesy and pleasantness of the associated staff, and Mr. Clerk might want to note that to the various individuals. And the Marriott people have been tremendous in letting us come and having a ramp and all that stuff. So thank you, and have a great time in Ottawa.

The Chair (Mr. Peter Z. Milczyn): Thank you, Mr. Armstrong. Thank you for a very detailed and focused presentation. It's good advice for all of us to take back.

Mr. Robert Armstrong: More focused than the last time.

The Chair (Mr. Peter Z. Milczyn): If you do want to submit anything in writing to us, you may do so until 5 p.m. on January 20.

Mr. Robert Armstrong: I think you've had enough.

The Chair (Mr. Peter Z. Milczyn): Thank you, sir.

Mr. Robert Armstrong: Thank you.

CANADIAN PRODUCE MARKETING ASSOCIATION

The Chair (Mr. Peter Z. Milczyn): Our next witness is from the Canadian Produce Marketing Association. We can take a few minutes to get organized. You have up to 10 minutes for your presentation following which there will be five minutes of questions from the New Democratic caucus, and if you could please state your name for the official record as you begin.

Mr. Ron Lemaire: Thank you, Mr. Chair. My name is Ron Lemaire. I'm president of the Canadian Produce Marketing Association.

Honourable members of the Standing Committee on Finance and Economic Affairs, on behalf of the Canadian Produce Marketing Association, I would like to thank you for the opportunity to speak today regarding Ontario's pre-budget consultations for 2017.

The CPMA is a 92-year-old trade association representing Canadian and international members who are responsible for 90% of the fresh fruit and vegetable sales in Canada. Our diverse membership of over 800 members is made up of every segment of the produce industry supply chain, including 225 Ontario companies. From growers, shippers, packers, distributors, foodservice operators to retailers, CPMA members bring fresh fruit and vegetables from farm gate to dinner plate for Ontario families.

CPMA is fortunate to represent a sector that is both a significant economic driver for communities and that also improves the health and productivity of Canadians, including supply chain and induced impacts. It is estimated that the economic footprint of the produce industry in Canada totalled \$11.4 billion in real GDP in 2013.

The produce industry is a unique entity. This important economic engine is made up of rural, provincial, national and multinational companies, all working together to increase consumption of fruit and vegetables.

In 2013, the sector supported 30,000 farm-based, non-family jobs in Ontario, as well as a further 8,700 jobs specific to horticulture and specialty crops.

Over 125 different fruit and vegetable crops are grown in Ontario, with an estimated annual farm gate value of \$1.6 billion.

On behalf of our industry, CPMA recommends that the budget 2017 contains a policy statement that sets a goal for increasing consumption of fruit and vegetables in Ontario by 20%. This is equivalent to a single serving per day over the next five years. Such a policy statement would have no new cost to the taxpayers in the budget 2017, but would allow for current programs under health, agriculture, poverty reduction and innovation mandates to be reinforced or aligned towards meeting this important target. CPMA is partnering in this effort with the Canadian Public Health Association.

In addition to our request to you, it is a call we are also making to your federal, provincial and territorial partners. The government of British Columbia has taken a leadership role on this issue, establishing a target that by 2023, 55% of British Columbians will consume at least five servings of fruits and vegetables per day, from a baseline of 44% in 2012. This has allowed existing programs to be leveraged and repurposed to meet agriculture, health and education goals.

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CPMA and CPHA have consulted widely across government, industry and the health community in the development of this request, including with representatives from the Ontario government.

Increasing fruit and vegetable consumption is a complex and challenging issue. A common message is that a whole-of-government approach is needed, one that will align policy and integrate activities and programs in support of a common objective: improved economic and health outcomes. The approach would renew and reinforce existing programs and funding in support of multiple areas of priority to government.

There are a number of contextual issues that affect the food environment and food security in Canada, including affordability, accessibility, availability and food literacy. To address a complex food environment, a systems approach is required that identifies and enables the conditions required to support healthy food choices and is built on interdependence and interaction between all elements and stakeholders. Characteristics include different strategies for different populations; inter-sectorial collaboration; public-private partnerships; enabling infrastructure; and culturally appropriate programs and education.

The consumption statement is intended to provide a framework for integrating increased fruit and vegetable consumption into existing health promotion activities and other government priorities. It links multiple ministries' mandates and lenses on which the government of Ontario is focused, including the Healthy Kids Strategy; programs to address and prevent chronic disease, such as diabetes, cancer, heart disease and others; the food security strategy, under the mandate of the minister responsible for the Poverty Reduction Strategy; Ontario's innovation agenda; infrastructure; and many aspects of

the agriculture mandate, including supporting the growth of the agri-food sector; ensuring sustainability of agriculture; providing business support to farmers; expanding agriculture in the north; and fostering vibrant rural communities.

Measurable outcomes are critical to deliver success. Their development would be guided by the policy statement and objective, and would be based on the implementation plans and given visibility across all sectors and ministries.

Evidence shows that a balanced diet rich in fruits and vegetables is the cornerstone of good health and is an important line of defence against chronic disease and excess weight. Despite this evidence, Ontarians consume fewer servings of fruit and vegetables than recommended in Canada's Food Guide, and the incidence of chronic disease such as heart disease, cancer and diabetes continues to grow. In 2013, Ontarians consumed an average of 4.3 servings of fruits and vegetables per day, equivalent to the Canadian average of 4.37.

The consequences of low fruit and vegetable consumption for Ontario's health care budget and the economy are significant. According to a study by H. Krueger and Associates, this low consumption is associated with an annual economic burden of \$4.4 billion across Canada. In Ontario, the annual economic burden attributed to low fruit and vegetable intake is \$1.5 billion. If the consumption of fruit and vegetables were to increase by 20%, then we could expect an appropriate reduction in the economic burden of approximately \$308 million per year.

Additionally, the Conference Board of Canada has calculated that an increase of one serving per day, or 20%, would add \$3.16 billion in spending on produce, with multiplier impacts resulting in an increase of \$1.6 billion in GDP and 30,000 jobs. Being the largest centre of the fruit and vegetable sector in Canada, as well as having the highest share of population, Ontario has the most to gain from this impact.

The benefits of increased produce consumption are clear. It will reduce Ontario's risk of chronic disease and excess weight, it will reduce the health care costs associated with these conditions, and it will stimulate growth in the fruit and vegetable sector, including increased activities on Ontario farms and throughout the supply chain.

But to get there, we need concerted action, and a key part of that will be support of research, innovation, infrastructure and education. Food security is a concern for both industry and government. Innovation and research can help improve access and affordability to quality fruit and vegetables for all Ontarians, and especially rural, remote, First Nation and Métis communities. Innovation and research in the produce supply chain can support long-term solutions for food production, distribution, storage and infrastructure for rural, remote and northern communities.

The changing tastes and demands of Canadians are both a challenge and an opportunity for our sector. As

Ontario's population becomes more diverse, consumer demand becomes more complex. Research and innovation support can help the Ontario fruit and veg sector meet complex demands through the development of new varieties or adapting non-traditional crops to be grown in Canada.

Along the same vein, different age groups have different expectations in terms of product offerings and convenience. Our industry has been at the leading edge of providing value-added products to consumers to meet their demand for ready-to-eat products that fit their busy schedules, from bagged salads to pre-cut apple slices to pre-made cauliflower rice. Support for innovation in this area is important not only to ensure the continued development of new, exciting products that make eating a healthy diet easier for Canadian consumers, but also to support research to address the differing food safety concerns of these products.

A challenge the industry faces is environmental sustainability and the need not only to reduce the use of inputs like water and crop protection tools, but to meet emission reduction targets and adapt to our own changing climate. Technology has already allowed us to make substantial progress in these areas. Drones and other innovations are being used to monitor fields and improve irrigation, reduce the use of pesticides and other crop protection tools, but more can be done, and the investment and innovation will be essential to get us there. While this is critical at the grower level, support for environmental sustainability across the rest of the supply chain should not be forgotten.

The foundation of Ontario's fresh produce supply chain is made up of approximately 3,000 small, medium-sized and large farms that produce vegetables, fruits and potatoes. The produce industry is one of narrow margins and little bandwidth to absorb increased costs—

The Chair (Mr. Peter Z. Milczyn): I'll cut you off there. You already have gone a bit over.

Mr. Ron Lemaire: No worries.

The Chair (Mr. Peter Z. Milczyn): This round of questions begins with Ms. Fife.

Ms. Catherine Fife: Thank you very much, Ron, for coming and presenting. You obviously make a very compelling case around the impact that fresh fruit and vegetable consumption can have on our health care system and our economy, very much in line with a previous presentation that focused on the social determinants of health. So there's good alignment.

I'm sorry if we're a little distracted over here. I'm beginning to feel a little crowded with my five PC colleagues on this side of the table. I apologize for any distraction.

But what I do want to focus on—you asked that the government include a policy statement that sets goals of increasing consumption of fruit and vegetables by 20%, equivalent to a single serving. So you're asking for the government to set a benchmark, if you will, that Ontarians have one additional single serving per day. Then you reference some of the challenges around affordability,

accessibility, availability and food literacy, which is helpful, but those 3,000 small, medium-sized and large farms that we hear from have real challenges in the province of Ontario.

What I'm asking for you to do is to connect those challenges that those farmers have—because there's a definite disconnect between policy and the work that farmers want to accomplish in Ontario. Could you please address that, Ron?

Mr. Ron Lemaire: The integrated approach of trying—and that's what the policy statement was trying to achieve in a most simplistic way. We went to a consumption target based on the experience we've seen in other jurisdictions. By establishing that consumption target, it does enable multiple ministries and multiple mandates to be connected, which then transfers back down to the rural communities and to the family farm.

The challenges we see on the farm come through gaps in access to the right infrastructure, access to the right energy costs and challenges they have on the right technology for production. How do we engage and enable an innovation strategy that is effective, that not only supports the large, multinational companies, but also has that trickle-down effect that can enable and support not only the large farms, but also the small to medium-sized farms?

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It can be as simple as the right infrastructure and distribution channels for these farms and the right dealer mechanism to ensure that they can work in a hub model and consolidate their production to be able to sell into the market. A lot of this is happening, a lot of new channels are opening, some of which—as an example, in BC with the ag in the classroom program and the work with the industry and government to enable product to be flowing into channels where children have opportunities to taste new and exciting product that then goes home. So there's a range of opportunity.

Ms. Catherine Fife: I totally agree with everything that you're saying, but on the ground, that's not really happening in Ontario. Take our hospitals, for instance. Where we should be serving the most healthy foods to address illness—those hospitals, because of funding constraints, have outsourced, and you receive a tray full of processed goods, which makes no sense whatsoever. We're supportive of your policy statement. My new critic portfolios are economic development and research and innovation, so your presentation actually has a lot of impact on me, and I will be taking it back to our caucus. But I think we need more than just the high-level policy directive to this government and its application.

For instance, even yesterday in Sudbury, we heard that local crops have to go to a food distribution centre, have to travel all the way down to Toronto before that same produce can be distributed in Sudbury. How does that make any sense from a climate change perspective of reducing greenhouse gas emissions? So I truly do appreciate the fact that you're here and that you've raised a good economic and preventative health perspective on fresh fruits and vegetables.

Non-traditional crops are something that I think there's a lot of room for improvement in, but I would urge you to perhaps follow up this presentation with some tangible examples, because we're at a stage right now where we have to get food security and food distribution right in the province of Ontario. It's a matter of economic security and health security, I think.

Mr. Ron Lemaire: I totally agree. I will say that there's a lot of great programming happening in the province already—and this is where we go back to a non-compact impact within this budget by establishing the simple statement. The goal is, how do we align programs that are in existence and siloed?

There's a lot of activity in the market using small pots of money that only achieve a small amount of success. It is success, but is it scalable? The trick we need to look at is, how do we create scalability, to that point about the Sudbury discussion, and how do we create access to and production of fresh food in those regions that can stay in the community and be sold in the community? We need to look at how we drive and develop an infrastructure that enables opportunity to go even farther than Sudbury—so access to other communities in the north.

The Chair (Mr. Peter Z. Milczyn): Thank you. That's all of our time for today. If you have any further written submissions, you have until 5 p.m. on January 20 to submit them to the Clerk.

Mr. Ron Lemaire: Thank you, Mr. Chair.

CANADIAN FUELS ASSOCIATION

The Chair (Mr. Peter Z. Milczyn): Our next witness is from the Canadian Fuels Association.

Mr. Han Dong: Point of order.

The Chair (Mr. Peter Z. Milczyn): Mr. Dong on a point of order.

Mr. Han Dong: I strongly recommend you to give a two-minute minor to the opposition for too many men.

Laughter.

Ms. Catherine Fife: There's a woman here.

Mr. Han Dong: Oh, excuse me.

The Chair (Mr. Peter Z. Milczyn): Yes, it's too many persons, but that's their problem if they start running out of oxygen on that side.

Good morning. Thank you for coming in. You will have up to 10 minutes for your presentation, followed by five minutes of questions from the Liberal caucus. I would just caution you: If you do have phones with you, keep them away from the microphones because they do cause some interference.

If you could please state your names for the official record as you begin.

Mr. Peter Boag: Good morning, Mr. Chairman. Thank you very much, committee members, for allowing us to appear today. My name is Peter Boag and I'm president and CEO of the Canadian Fuels Association. With me this morning as well is Lisa Stilborn, vice-president of our Ontario division. Our organization represents the refiners, marketers and distributors of

petroleum products. Our members include Husky Energy, Imperial Oil, Irving Oil, Parkland Fuel, Federated Co-operatives, Shell Canada and Suncor Energy.

Ontario is home to five of Canada's 15 refineries. That's a little over a quarter of Canada's overall refining capacity. It is an important economic and jobs pillar of the province, particularly for southwestern Ontario. Our members produce gasoline, diesel and aviation fuel. Our refineries also produce asphalt, heating fuels and feedstocks for chemicals and lubricant manufacturing facilities. Simply put, we consider that our industry actually fuels the economy.

Petroleum fuels power 95% of Canada's transportation needs today. That's keeping people and goods moving across every sector of our economy, both into and out of Canada. Our fuels underpin Ontario's economy and Ontarians' quality of life. While the fuel mix is changing—it is becoming more diverse over time—independent forecasters, including the National Energy Board, have confirmed that petroleum fuels will continue to play a vital role for decades to come. But it's an industry that does face competitiveness challenges.

Advances in transportation infrastructure mean the market for gasoline and diesel products is now global. Ontario refineries compete with refineries in the United States, Europe and, today, even in Asia. At the same time, demand for petroleum products in North America and, for that matter, throughout the developed world—the OECD nations—is flat-to-declining. Mature transportation systems, increased fuel efficiency and fuel market diversification all contribute to that.

We're also facing additional sources of supply that we compete with. As we indicated, the US, in particular, is now a major exporter of fuels to Canada and fuels to Ontario, largely due to the competition from very large, highly competitive refineries on the US gulf coast. These US refineries, beyond the economies-of-scale advantages they enjoy, also enjoy a number of other competitive advantages. This includes substantially lower electricity costs, which is a significant energy input to refineries. Like other manufacturers, we are concerned that this gap could further widen, particularly now with the new, incoming Trump administration in the US, which has again reaffirmed its support for the coal industry and coal-fired electricity.

The regulatory regime has a big impact on competitiveness as well. Our sector is unique in that both our fuels and our facilities are highly regulated. The cumulative impacts of these measures carry significant compliance costs. Ontario refiners are currently dealing with a dozen different federal and provincial legislative and regulatory initiatives, most of which relate to the environment. Provincial requirements alone include greener diesel regulations, new benzene air emission regulations, expected reductions in sulphur dioxide emission limits at refineries and, of course, starting next month, Ontario's new cap-and-trade system.

In 2012, an independent study by consulting firm Baker and O'Brien found that eastern Canadian refiner-

ies—that includes refineries in Ontario—are increasingly vulnerable to international competition and possible closure, and reinforced the need for regulations to be prioritized, phased, staged and paced to provide adequate time to manage transitions and make required capital investments. Since then, a refinery in Dartmouth, Nova Scotia, closed, the third to close in Canada in the past decade. We're in the process of having the study updated to provide an additional perspective on the competitiveness challenges posed by regulatory initiatives and would be able to share that with committee members, hopefully, in early 2017.

The upshot of all that, really, is that policy alignment with competitor jurisdictions is critical to maintaining business competitiveness. If a business faces cumulative regulatory compliance costs that are higher than those faced by competitors, it can have a problem competing and staying in business.

Climate policy is a very good case in point. I want to first say that we were among the first industries to come out in favour of Ontario's cap-and-trade initiative. We also support the federal government's initiative to create a pan-Canadian carbon pricing framework. We believe that a properly designed, economy-wide carbon pricing mechanism is the best policy choice to cost-effectively drive real GHG emission reductions. However, if competitiveness implications aren't a top priority when governments design and implement carbon-pricing mechanisms, we could end up closing Canadian businesses, eliminating Canadian jobs and importing goods from places that don't put a price on carbon.

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All Canadians are harmed if we lose the economic impact and jobs close or move elsewhere. In Ontario, a cap-and-trade system, realistic cap levels and adequate free allowances are critical to avoiding this carbon leakage in energy-intensive, trade-exposed sectors, like refining. Today, this is now more important than ever, given the recent US election outcome and the seemingly diminished prospects of US-Canada climate policy alignment. We urge Ontario to factor this into its planning for the post-2020 compliance period and, ideally, maintain emission caps and allowances at the 2017-19 level.

There are also opportunities for better alignment on fuel policies. There are currently six—five provincial and one federal—different renewable fuel mandates in the country. Actually, it's 12 when you consider separate gasoline and diesel requirements. Two are in Ontario, and the climate change action plan released this spring committed Ontario to a new gasoline and renewable fuel standard.

This market fragmentation across the country is inefficient. It's costly, and it undermines fuel's security of supply by impeding the timely movement of fuel from one province to another, because fuel faces different requirements on one side of a provincial border compared to the other.

Now, in the meantime, the federal government recently announced its intention to collaborate with

provinces and the territories on a new national clean fuel standard. Harmonizing disparate federal and provincial standards into one national clean fuel standard would deliver uniform, efficient, cost-effective environmental performance in Canada. We would support that kind of harmonization across the country. Climate change, after all, is not a localized challenge; it's a global one. Let's not compound the existing inefficient and costly fragmentation by adding yet another Ontario standard, particularly now that the federal government has announced its intention to consult on a new national clean fuel standard.

We recommend that the Ontario government, for the moment, put aside its proposed 5% renewable fuel standard for gasoline and support the federal government's initiative to develop a single national clean fuel standard that replaces the existing inefficient and costly patchwork of provincial and federal mandates.

We also offer some additional recommendations, particularly with respect to the cap-and-trade system. Cap-and-trade proceeds are finite, and should be invested in the lowest-cost GHG-emission-reduction opportunities. To this end, energy conservation programs are among the most cost-effective measures. The Ontario action plan features several initiatives to promote energy savings in the building sector, and we recommend that this be expanded to the transportation and transportation fuel sector.

Efficiency is a huge opportunity for us to reduce our emissions footprint, particularly in transportation, so we're doing a number of things ourselves to show leadership in that area. In freight transport, which is the fastest-growing part of transportation emissions, our members are proactively looking to how they reduce their own freight emission signatures and how they can promote that by being leaders, particularly through the SmartWay program, which is a federal initiative that's directly aimed at reducing freight emissions.

Earlier this year, we partnered with the Ontario Ministries of Energy and Transportation and Scout Environmental on what's called a Smart Drive Challenge. That was a consumer engagement program to promote better driving habits that reduce fuel consumption. "Drive less, drive better" are the key words of that initiative. It reduces fuel consumption and it reduces emissions.

Finally, technological innovation is delivering rapid improvements in the efficiency of internal-combustion-engine-powered cars and trucks, and will continue to do so for the foreseeable future. Optimizing the efficiency of conventional internal combustion engine vehicles remains the lowest-cost pathway, by far, to reduce GHG emissions. We're working very closely with the auto sector on how the fuel formulations need to evolve as they deal with the technology innovations that they're required to do under regulation, but going beyond that in the years past 2025.

In summary, our sector is an integral component of Ontario's economy. It contributes in a substantive way to Ontarians' quality of life. But, at the same time, we're

facing increasing competitive pressures and encourage your government to seek opportunities for policy alignment with other jurisdictions that contributes to, rather than detracts from, the competitiveness of this important industry. We believe that maintaining a strong refining sector is the best guarantee of a secure, uninterrupted supply of high-quality, competitively priced fuels for Ontario businesses and consumers.

Thank you very much for the opportunity to present today, and I look forward to your questions.

The Chair (Mr. Peter Z. Milczyn): Thank you, sir. This round of questions begins with Mr. Rinaldi.

Mr. Lou Rinaldi: Thank you so much for being here today. Obviously it's one of our biggest industries that we have in this country, as you alluded to in your presentation, and it's something that governments of all stripes at all levels certainly need to pay attention to. It has been around for a long time, and provides all the benefits that you alluded to in your presentation. It was well put forward.

As we face the challenge to save our planet, I just want to say congratulations to you folks for trying to be ahead of the curve. I do have a son who is an engineer in the automotive sector, at one of the major three. Although sometimes he complains about how much of a pain governments are to them and the challenges they face, on the other hand they also understand that we all live on the same planet.

I think your statement of co-operation with the auto sector is crucial. I'm not sure there's any other way around it if we want to end up somewhere, and government, I think, needs to be a partner in that, to make sure that we land in the best possible place. I'm not sure there's a magic wand that will get us to a perfect place, but I think our goal is to aim towards that, and we certainly appreciate your efforts and your commitment.

I guess my question is—or maybe if you can add a comment, not so much a question—as we move forward with a linked carbon market system, to allow for greater flexibility for industries that cannot make a quick low-carbon transition, can you speak a little bit about the benefits of having an environmental action plan that is comprehensive in nature, and how that would help you folks out?

Mr. Peter Boag: Certainly, and I think you've hit on a very important point that addressing the challenge of climate change is not simple. There is no single fix to the problem, to the challenge. That's why we would see the need for a comprehensive approach, and certainly we would see the underpinning of that comprehensive approach to be an effective carbon pricing system.

That's why we're very pleased to see the approach of the current federal government to develop a more pan-Canadian approach to carbon pricing. Fragmentation of what is already by global standards a small market and a small economy is not helpful. It leads to higher costs than necessary. Certainly, from our perspective, the goal for all governments should be to drive to the lowest cost on a per-tonne basis for abatement costs in their policy

architecture for climate policy. The way to do that is in a comprehensive way, and not to do it in silos or in a fragmented way.

Mr. Lou Rinaldi: Because at the end of the day, we're all going to end up paying for whatever the outcomes are.

Mr. Peter Boag: And I think the other key element of that is a recognition that while there always will be local dynamics in various communities, and local political dynamics, this is a global problem. It's not that we're trying to deal with the carbon emissions in one jurisdiction over another jurisdiction; it's a global problem, so that calls for a much more coordinated and comprehensive approach for it to be successful, in particular for it to impose the lowest possible costs on our society.

Mr. Lou Rinaldi: I just want to end by saying thank you so much. I know that your organization has had the opportunity to meet with the minister to discuss specific issues and how they impact your industry, and you can rest assured that that dialogue will continue. Obviously the input that you brought to the table today—I think from all sides—is very, very much appreciated as we move forward.

Again, thank you for being here today.

Mr. Peter Boag: Thank you.

The Chair (Mr. Peter Z. Milczyn): Thank you very much. If there's anything you would like to submit in addition to your submission today, you have until 5 p.m. on January 20th.

OTTAWA HEALTH COALITION

The Chair (Mr. Peter Z. Milczyn): Our next witnesses this morning are from the Ottawa Health Coalition. Good morning. You have up to 10 minutes for your presentation, and then your round of questions will be with the Progressive Conservative caucus. If each of you could please state your name for the official record as you begin.

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Mr. Stuart Ryan: Thank you to the standing committee for allowing us this opportunity to present on the 2017 budget. My name is Stuart Ryan. I'm co-chair of the coalition. I'm here with Al Dupuis, also a co-chair and a health care worker at the General Campus of the Ottawa Hospital.

Next to him is Mary Catherine McCarthy, the chair of our communications and outreach committee and a former health care worker at the Civic Campus, and Nancy Parker, our administrative officer and a retired researcher with the Canadian Union of Public Employees.

I'm a retired employee of a CUPE local at Carleton University who wants to ensure that our health care system will be accessible to us and all the people of Ontario when we need it.

The Ottawa Health Coalition is a local volunteer-based organization of individuals and organizations who advocate for the preservation and enhancement of our

public and accessible health care system in Canada. We support the principles embodied in the Canada Health Act. We include in our membership health care advocates, health care workers, retirees, students, and faith and community groups.

As an affiliate of the Ontario Health Coalition, we participated in the 2016 province-wide referendum in May, asking people if they believed we should stop the cuts to our community hospitals and restore services and staff to meet our community needs. In Ottawa alone, over 9,000 people participated in the referendum, and 8,942 agreed, sending a clear message to the Ontario government.

Our coalition also presented to this committee last January, to highlight the impact of health care cuts in Ottawa.

We held a town hall in the 2015 federal election, where we invited all of the political parties running in Ottawa to present their positions on promoting our universal, publicly funded health care system.

We also participated in the 2016 Canadian Health Coalition lobby of federal MPs for increased federal funding of public medicare.

Our presentation has outlined our specific concerns in the Ottawa area. Nancy will outline her family's personal experience with the health care system. Mary Catherine will describe how our coalition sees how the new Civic Campus should serve the people of Ottawa and eastern Ontario. Al will summarize the principles of a public, democratic, people-centred health care system which will need the financial and political support of the Ontario government.

Nancy?

Ms. Nancy Parker: Hello. My name is Nancy Parker. Thank you once again for giving us the opportunity to meet with you.

This is my second pre-budget meeting. Last year, I was overcome with emotion as I attempted to share my story about my husband's first-hand experiences with long wait times.

On one of his many trips to emergency, following complications from a heart attack, he waited from midday on a Tuesday until 4 p.m. on a Thursday for the first available bed. Staff advised that there were at least five patients ahead of him, waiting for a bed. The staff said this was a common occurrence. Wait times in our area hospitals continue to be a problem.

Sadly, I'm returning this year with another personal story to share with you. My sister-in-law was in need of a stronger defibrillator. She had her appointment set and headed to the hospital. She was prepped at the hospital with the IVs and ready for her procedure. There was an earlier patient who took longer than expected, due to complications. My sister-in-law was sent home without her procedure that day, but was told they would get her in as soon as possible because she needed to have the procedure done as soon as possible.

Her appointment was rescheduled for two weeks later. On the morning of her rescheduled appointment, she was

found dead in her bed by her daughter and her 87-year-old mother. My sister-in-law was only 55 years old. Did the delay play a part in her death? It's not a question that anyone should be faced with.

Long wait times, rescheduled surgeries and early discharges—the list goes on—all evidence that our health care system is being underfunded, and it's having a devastating impact on people's lives. Please do what you can to improve the funding to our health care system so I can return next year with a happier story to share.

Thank you again for your time.

Ms. Mary Catherine McCarthy: Hi, I'm Mary Catherine McCarthy. This year, we have some major concerns about the proposed new Ottawa Hospital Civic Campus. We're not here to discuss parking or location, which are the two major issues that are being reported on. We're very concerned about the capacity of the new hospital and further privatization of health care in our community.

Will the new hospital have improved capacity to provide the full range of medically necessary diagnostic, surgical and therapeutic services to meet the health care needs in Ottawa? We're concerned about the privatization of elective surgeries, including knee and eye surgeries as well as diagnostic procedures like endoscopies, to name a few. Moving these to private clinics will result in reduced access, user fees, increased costs and poorer care. We're asking that the provincial government—which is contributing 80% to the construction of the new hospital—require that the hospital not be constructed with a view to contracting-out services to private, for-profit clinics.

In Ottawa, Pinnacle, a multinational corporation, is building two private, for-profit clinics in Kanata and in Ottawa South, with a view to opening in 2017. They are planning to perform surgeries, among other health care services. Research has shown that the biggest source of waste in Canadian health care is the private, for-profit sector.

The provincial government has the opportunity to take leadership and provide funding to improve wait times, access and quality by ensuring that surgical and other medically necessary services are provided for in our 21st-century hospital.

Secondly, the development model for the new site is likely to be a public-private partnership, a discredited model that will likely cost more and deliver less. There are several examples. In Ottawa, there's the example of the Royal Ottawa that had cost overruns and ended up with fewer beds, but there are also many examples in Ontario, BC, Quebec and, of course, the UK. They have shown that government should no longer be pushing this model.

Bonnie Lysyk, the Ontario Auditor General, noted that the government, in pushing the P3 model, has not adequately assessed the all-in costs of P3s, and that the traditional method of public procurement will cost less with public financing and operation. We request that this committee recommend that the province act on the

auditor's recommendations and take leadership to ensure that the procurement for public hospitals be fully transparent and open to public scrutiny and accountability.

Public solutions, like improving access to high-quality, public, long-term care, home care and community health centre primary care, can take some of the pressure off community hospitals and still safeguard our public health care system for all of us.

Thanks for your attention.

Mr. Albert Dupuis: Good morning, and thanks for having us again. My name is Al Dupuis. I'm a co-chair of the Ottawa Health Coalition. I only have about a minute left in our presentation time, so I'll just touch on a couple of points.

The first one is that, as of yesterday, the occupancy rate at the Ottawa Hospital was 107%. The Auditor General, as you all know in this committee, has made reference to what that means in terms of outcomes and all kinds of problems when we have that kind of capacity stretch in any of our hospitals in Ontario.

I would also like to mention that over the last four years there has been about \$100 million cut from the Ottawa Hospital budget. There's been a bit of a reprieve in the last year, but not nearly enough to cover the amount of loss of staffing and patient care that's resulted: about 500 support staff eliminations—in excess of that, actually—since 2011, and hundreds of nurses and other allied support staff at the hospital.

1110

The referendum essentially focused on the gap between the funding levels in Ontario compared to the rest of Canada. When confronted with that information, most people in Ontario—in Ontario, there were almost 100,000 people who responded to that referendum, about 9,000 in Ottawa. Well over 95%—I think it was about 99%, actually—voted in favour of putting an end to the cuts.

The result of that difference in funding means that even for Ottawa, there's about a \$300-million gap compared to the per capita funding in other jurisdictions, and that has serious impacts, as I've highlighted here, on the number of nurses and other staff that would be present in Ottawa area hospitals if that funding was at the same level per capita as the rest of the country.

That change in the per capita level funding has significantly changed since around 2005, as I also outlined here. The thing is, as you know, the Ontario government also—and it brags about this from time to time—is at about the bottom for North America in terms of its per capita revenue intake as a proportion of GDP. There are many billions of dollars that could be collected by the Ontario government to fund our public services and still not put Ontario at a competitive disadvantage vis-à-vis other jurisdictions—

The Chair (Mr. Peter Z. Milczyn): I'll stop you there. I gave you a little bit of extra time.

This round of questions is with the Progressive Conservative caucus. Mr. Yakabuski.

Mr. John Yakabuski: Thank you very much for joining us this morning. To Ms. Parker, first of all, I offer

my sympathy on the death of your sister-in-law. That had to be a traumatic experience for all of you, your family and all who would be closely connected to her. That's tremendously unfortunate. I'm sorry to hear that.

Ms. Nancy Parker: Thank you.

Mr. John Yakabuski: The cuts to hospital funding: We hear about them all the time. We don't hear about them from the government, but we do hear about them from hospitals—at least, the hospitals that are willing to talk, because there is a certain amount of fear out there that saying too much is going to raise the ire of the powers that be, as they say. So it is appreciated that you bring this kind of presentation to us.

It was interesting to note on one of your surveys—I say this to all of you, Mr. Ryan as well. How often would you get a survey where 9,000 people participate and 8,942 agree with the general premise of your question—which I think would lead us all to accept that the general public out there has serious concerns about our health care system.

There are ebbs and flows on issues, depending upon the circumstances of the day, but health care is always sitting at the top. If it loses the top slot for a day, it's just because something else is making the news. As our population ages and the demographics change, it is even more of a concern.

I am aware of that in a small town where I come from, in Barry's Bay. My wife is a real estate agent. If somebody wants to move to the area, the first question they ask is, "What is the availability of health care in your community?" So I recognize the commitment and the message that you're bringing forward, and I hope that the government members who are here—and I'm sure they're listening—are going to take that back, because we have concerns.

The Auditor General has expressed her concerns specifically with the increase in wait times for many procedures here in Ontario. When the goal is always to see wait times decrease, we're seeing the opposite happen.

It's very difficult to be specific in a 10-minute presentation, and we understand that, but I would encourage you to continue driving this message to the government. They need to hear from all parties—I don't mean that politically; I mean all parties out there who are striving to build a better health care system for all of us, particularly as I'm going to be in that age group very shortly, too, so I'm getting a little nervous myself. And it is something that I think we all—but it's not just the age of people; it's everybody. But that is one demographic that is changing and is going to change rapidly over the next several years.

I appreciate the presentation that you made today, and I encourage you to continue driving that message.

Mr. Stuart Ryan: We intend to keep going. Don't worry.

Mr. John Yakabuski: Thank you very much. I appreciate you coming today.

Interjection.

Mr. John Yakabuski: Go ahead. If you have something to add, use my time. I have no specific questions, because it's very hard to—

Ms. Nancy Parker: I just wanted to make the point that you're commenting on the response to the referendum that we did. That was something that we did with limited capacity in a very short period of time. I'm sure that if we would have had more time to prepare for that, we would have had a much greater outcome.

Mr. John Yakabuski: Well, your outcome is great, because the percentage—maybe you could have got to more people—

Ms. Nancy Parker: That's what I meant to say, yes.

Mr. John Yakabuski: Yes, you could have had a broader survey; I understand that. But on a percentage basis, that's astronomical. So congratulations to you for doing that, and I think we can extrapolate that to any number of people we choose to.

Mr. Jim McDonell: I just have a quick question. In our riding, in Cornwall, we see people whose hip surgeries are being cancelled into the new fiscal year, in April. Are you seeing that in other areas like Ottawa? That's a huge waste of operating room time—when operating rooms are there but not being used.

Mr. Albert Dupuis: I'm really not sure what the status is in particular with regard to our hospitals. For our hospital here in Ottawa and a specific procedure like that, I don't have the numbers. I can't really share that with you.

Ms. Mary Catherine McCarthy: I know some of the research about hospitals shows that surgical rooms are not used to their maximum capacity, and that probably relates to staffing, to be able to perform the surgeries. Hearing about people's experiences—there are long wait times, but I don't think the surgeries in Ottawa or hospitals around Ontario are at maximum capacity.

Mr. Jim McDonell: In this case, it's a matter of funding. We have doctors working in Massena because they can't get operating room time. The operating rooms are there; they're just not being used. So we need you to carry that message across. It is an area of funding; not doctors.

Ms. Mary Catherine McCarthy: Yes, or facilities sometimes.

The Chair (Mr. Peter Z. Milczyn): Thank you. That's all of our time we have today. In addition to what you've provided today, if there's anything further you'd like to submit, you may do so until 5 p.m. on January 20, to the Clerk.

Our next scheduled witness is not supposed to arrive until 11:45, so we stand recessed for at least 20 minutes.

The committee recessed from 1118 to 1140.

CANADIAN CANCER SOCIETY,
ONTARIO DIVISION

The Chair (Mr. Peter Z. Milczyn): Good morning. The Standing Committee on Finance and Economic Affairs is reconvened.

Our next witness is the Canadian Cancer Society, Ontario division. Good morning, gentlemen. You have up to 10 minutes for your presentation, which will be followed by five minutes of questions by the New Democratic caucus. If you could please state your names for the official record as you begin.

Mr. Gabriel Miller: Thank you, Mr. Chair. Thank you, committee members. My name is Gabriel Miller. I'm the vice-president for policy for the Canadian Cancer Society. My colleague—

Mr. Rob Cunningham: Rob Cunningham, senior policy analyst with the Canadian Cancer Society.

Mr. Gabriel Miller: It's a real pleasure to be with you here today. Rob and I spend most of our time lobbying folks a few blocks from here, but we were asked by our provincial colleagues to present on their behalf because you're in Ottawa. It's great to get a chance to spend some time with you and, I assure you, if there are any questions we can't answer, we'll be following up with them to get answers for you.

With an estimated two in five Canadians developing cancer in their lifetime, cancer remains our most pressing public health issue. At the Canadian Cancer Society, we believe that healthy public policy for both the treatment and prevention of cancer is imperative. In this spirit, we would like to present our priority recommendations in both treatment and prevention: enhancing access to take-home cancer drugs, and tobacco control. The Canadian Cancer Society recommends that the government of Ontario take two steps: first, develop a provincial program that provides public coverage for all eligible take-home cancer drugs and, second, increase provincial tobacco taxes by at least \$10 per carton.

For patients and their families, coping with a cancer diagnosis is difficult enough; they should not have to face the stress of how to fund their drugs. As new cancer drugs continue to be developed, an increasing number are being taken at home. It is estimated that more than half of new cancer drugs will be administered at home. However, this means that the financial burden is shifted to patients and their families. Prescribed take-home cancer drugs are sometimes covered by group or private insurance, usually with a copayment, paid out of pocket by individuals or covered through public drug programs. Unfortunately, Ontario lags behind the four western provinces, all of which have programs that provide coverage for all eligible cancer drugs, whether taken at home or in a hospital setting. It is time for us to act.

For some comments on our prevention priority, I'll turn to Rob, who is our senior adviser for tobacco control.

Mr. Rob Cunningham: Thank you, Gabe. Thanks for the opportunity to testify today. First, I'd like to begin by acknowledging the \$3-per-carton increase in tobacco tax in the 2016 budget as well as the additional contraband prevention measures that have been brought forward by the government and supported by all parties.

Tobacco is our leading preventable cause of disease and death in Ontario and in Canada: 37,000 Canadians

die each year; kids beginning every month. We have a lot of work that remains to be done.

Tobacco taxes are important because of their impact on reducing smoking. Overall, a 10% increase in the real price of tobacco after inflation leads to a 4% decrease in consumption, and even more among youth because youth have less income, are more price-sensitive and are less likely to be yet addicted.

To refer to this handout that you have from us, the first page is a tobacco tax graph comparing provinces and territories. We see that Ontario and Quebec have the lowest tobacco taxes. The West and the Atlantic have been able to sustain far higher tobacco tax rates, and in the West in particular there is very little contraband compared to Ontario and Quebec. So there's an opportunity for revenue. There's an opportunity for further measures to reduce contraband and to reduce smoking.

Just to note, for Ontario, the little green bit at the top of that is an inflationary increase of about 60 cents to come into force June 1. So there's a type of indexing that's been applied in Ontario.

The Ontario Convenience Stores Association has already appeared before this committee. They've had some studies. We think their studies are exaggerated in terms of the level of contraband. Clearly, contraband is a problem. They're funded by the tobacco industry and have their motivation to overstate the levels of contraband. You can ask Imperial Tobacco later today when they appear how much they give to the convenience stores association and other similar organizations.

We're certainly concerned by the poor record of convenience stores in selling to minors. A 2014 Health Canada study for Ontario found that, for 17-year-olds, 17% of stores sold illegally to minors; and in a 2015 study, for e-cigarettes, 36% sold to minors.

So what can we do to reduce contraband? You'll see in the documentation that we have a couple of recommendations in terms of intercepting raw materials being supplied to the illegal factories on reserves. The key is to focus on and be aware of the source of contraband. It's primarily unlicensed factories on a few reserves: Six Nations near Brantford, Tyendinaga near Belleville, Kahnawake near Montreal and the US side of Akwesasne.

If we can block the raw leaf tobacco, the cigarette paper and the cigarette filter material, that can help to deal with it. Allowing local enforcement authorities and police to keep fines generated from prosecutions helps to recover their costs. That has been used successfully in Quebec.

But our main recommendation is to focus and implement in Ontario a refund system. Right now, when cigarettes are shipped to a reserve for tax-exempt sale, there is no Ontario tobacco tax included. That means they're really cheap for non-natives to go on the reserve to purchase them or for those products to be disseminated off-reserve. If you included an amount equal to Ontario tobacco tax from the manufacturer-wholesaler point, before they get to the reserve, they're suddenly full price. There is no incentive to go on-reserve. We've seen six

other provinces do that with success: Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick and PEI. It's not going to deal with all contraband, but it's going to deal with a significant chunk of current contraband.

I was in Mr. Fedeli's riding two weeks ago. I purchased this pack on-reserve. The tax stamp, which is peach in colour, indicates federal tobacco taxes paid, but it's not yellow, which would indicate that Ontario tobacco tax has been paid. This shouldn't be happening. This shouldn't be available at such a cheap price. This is a remedy that is feasible for Ontario to implement, and it has been a recommendation that we have that would be of benefit. It's an opportunity to further advance public revenue and public health objectives with respect to tobacco taxes and contraband prevention.

We look forward to your questions.

The Chair (Mr. Peter Z. Milczyn): Thank you very much. This round of questions starts with Ms. Fife.

Ms. Catherine Fife: Thank you very much for coming in and connecting the contraband tobacco issue and ongoing health issues in Ontario. I'm really curious to hear from you the recommendations, for the example that you just gave, around having a provincial tax prior to a non-native purchasing a tobacco product on-reserve. What have your conversations been like with the government on this? They did introduce some minor improvements to contraband and raw leaf tobacco in the 2015-16 budget. How far have these discussions gone?

Mr. Rob Cunningham: Certainly the government has received the recommendation. There's a recent report in terms of a review of the allocation system. This was identified as a possible remedy; that was done independent of government. The government has not indicated that they intend to move forward on it, but it is something that I think they would be in a position to consider, and it would certainly support our recommendation for, in Ontario, a \$10-per-carton tobacco tax increase, which would still mean that we're much lower than Manitoba or New Brunswick. They've been able to have those tobacco tax increases maintained in their provinces.

Ms. Catherine Fife: But your point is, of course, that \$10 increase on a carton of cigarettes would be an effective deterrent, particularly for youth, but only if the contraband piece is dealt with and managed in a responsible way.

Mr. Rob Cunningham: I think the implication of both aspects of those recommendations, the tobacco tax increase of \$10 combined with contraband prevention measures, would be the best approach.

Ms. Catherine Fife: Okay. To go back to the take-home cancer drugs and having public coverage: Pharmacists, of course, have been lobbying MPPs on this. Local community health care has, as well. Having coverage for cancer drugs at home makes compassionate sense and economic sense. What do you see as the barriers on that issue?

Mr. Gabriel Miller: First of all, I just want to echo exactly what you said: I think most Canadians would expect that if you were to get a diagnosis that serious, the

system would be there to make sure that your drugs were provided, not just if you happen to be standing in a publicly owned hospital, but if you're standing in your own home or lying in your own home. It makes big economic sense, because this is all part of serving more of our citizens outside of the very costly setting of hospital care. But we're not going to be able to move to a more community- or home-based health care system if the most essential medical treatments can't follow people there and be covered.

I think the obstacle is cost, and the perception that this is an additional burden on the health system. That's just my perception. I think that where this conversation needs to go is to help our government understand that we can't make the transition to a more home- or community-based system in bits and pieces. We have to see it as a whole. If we want to collect the savings from moving away from hospitals and into communities, we have to build the infrastructure to do it.

There are obviously some immediate costs associated with expanding coverage, but it should help us generate savings through a more affordable system overall.

Ms. Catherine Fife: We definitely agree with you. I don't know if you've noticed, but there are more and more commercials with insurance providers encouraging Ontarians to get additional coverage for exactly this sort of service. There's a market out there for the insurance companies to access Ontarians who don't have coverage. But I think the onus is really—if this government is still committed to universal health care coverage, which I have serious doubts about, personally, as do New Democrats across this province, but if they are, there's a good economic case for delivering chemotherapy drugs at home and having coverage for those.

The other piece that I wanted to touch on is the prevention piece, around preventing smoking. We have seen an influx and an increase in youth in particular using e-cigarettes and other options. Can you comment on this trend? Our health critic, France Gélinas, fought against opening the door to these sort-of-healthier options, if you will, when there's no regulatory system in place right now. But this is an important piece I think of that conversation.

Mr. Rob Cunningham: The Ontario Legislature adopted legislation on e-cigarettes, and most of that is not yet proclaimed. The sales-to-minors part is, but not the other provisions. We certainly hope that that would be able to come into force soon.

We recognize that there are potential benefits and potential risks for e-cigarettes. We certainly don't want youth using these. The Ontario legislation would help with that respect.

Ms. Catherine Fife: Okay. I mean, businesses saw this as a new opportunity, right? Three vaping stores opened up in downtown Waterloo within the course of three months. It's the oversight piece that actually has to be in place, right?

It's the same thing with anything. You can have some progressive legislation on raw-leaf tobacco, but if you're

not monitoring, if the oversight is not there, then it's just good words on a piece of paper, as far as I'm concerned.

Mr. Rob Cunningham: Well, yes. The Ontario legislation needs to be proclaimed. There has been quite a period of time of waiting for that.

Ms. Catherine Fife: Okay, so that needs to happen.

The Chair (Mr. Peter Z. Milczyn): Final question? Is that it?

Ms. Catherine Fife: That's actually it. We need to proclaim that legislation. I hope that the Liberal side of the House heard that.

The Chair (Mr. Peter Z. Milczyn): Thank you, gentlemen, for coming in today. If you have any further written submissions, you may submit them to the Clerk by 5 p.m. on January 20.

Mr. Rob Cunningham: Thank you.

Mr. Gabriel Miller: Thank you.

The Chair (Mr. Peter Z. Milczyn): The committee is recessed until 1 p.m.

The committee recessed from 1154 to 1300.

The Chair (Mr. Peter Z. Milczyn): Good afternoon. Committee is back in session for this round of pre-budget consultations.

DR. EOGHAN O'SHEA

The Chair (Mr. Peter Z. Milczyn): Our first witness this afternoon is Dr. Ian O'Shea. Good afternoon, sir.

Dr. Eoghan O'Shea: Eoghan.

The Chair (Mr. Peter Z. Milczyn): Eoghan. My apologies.

Dr. Eoghan O'Shea: It's an Irish name. It's like Owen Sound.

The Chair (Mr. Peter Z. Milczyn): You have up to 10 minutes for your presentation, followed by five minutes of questions. In this round, it will be the Liberal caucus. If you could please state your name for the official record as you begin.

Dr. Eoghan O'Shea: Hi. My name is Dr. Eoghan O'Shea and I'm a family physician working in the Ottawa area for the last 23 years. I work in an academic family setting. I'm also chair of the local branch of the OMA, chair of OMA district 8. I have various teaching roles, including director of clerkship at the University of Ottawa, family medicine. So I have various roles. I get to see the big picture.

I think it's very important that the committee be aware that family physicians are not a happy bunch at this time. I haven't had time to totally digest this morning's statement from the minister, but it's not going to get any Brownie points because the deal that was rejected just a little while back is more or less being recycled again, and it fails to address the needs of our constituents.

The government's contract expired almost three years ago, and physicians experienced roughly a 7% cut to their payments. I think it's important to realize that a lot of physicians are small business people, and they've got to lease buildings; they've got to deal with nurses and secretaries.

We had a town hall meeting involving our OMA president, Dr. Walley, who talked to your group just a week ago. One of the doctors there was an allergist and he said, "My lease goes up; I have to pay more rent and I have to pay my staff. So even if people don't want to pay me personally, I've still got to attract my staff and have three good nurses and reception and all these things." As a result of this, if he loses his staff, he's going to be less able to help people needing consultations.

What's unique about Ontario? The population grows by approximately 140,000 a year and we have 100,000 new seniors every year. As I look around the room here, there are lot of people with grey hair who will have need—

Interjections.

Dr. Eoghan O'Shea: —who will have need of good primary care physicians and supporting physician specialists to back up their services. In other words, once you're over a certain age, like it or not, your knees fall apart, your back falls apart, you develop blood pressure. Some 80% of Ontarians over the age of 45 have a chronic condition; of these, approximately 70% suffer from two or more chronic conditions.

The government of Ontario has a great deal with physicians. We can't go on strike; we can never go on strike. One of the reasons is that the College of Physicians and Surgeons of Ontario limits the kinds of actions we can take. But that should not be used by the government as an excuse to treat us poorly. I think we need better treatment and respect than that.

The physician services agreement was presented and rejected by Ontario medical doctors. They felt that this was an insult, and the most recent statement that has come out is totally—I don't know the working background of everybody around the table here, but some of you must have been involved in businesses where you had to hire and fire staff, lease offices, pay staff. You can't impose a unilateral 7% pay cut on people and expect them to be able to do their job well. The figures of the government have shown that there is a need for a 3.6% increase in funding, and that's just not happening.

We don't know why this is happening. We'd like to see some form of real-world binding arbitration. Currently, if the firefighters or the teachers or any other group that is respected in society has an issue, they can't go on strike; everybody expects that. But there is a process in place for binding arbitration. The current proposal brought out by the minister to-date fails to address this issue or need for our group.

I'm willing to take any questions at this stage now.

The Chair (Mr. Peter Z. Milczyn): Thank you, Dr. O'Shea. Questions begin with Mr. Dong.

Mr. Han Dong: Good afternoon, Mr. O'Shea. It's a very important issue you've brought up to the committee today. Although I don't think we have anyone here who is a physician on this side of the committee, nor on the other side of the committee today—in our lives, we depend on the services of our physicians. You mentioned today that there was a new plan offered to the OMA by the Minister of Health.

Dr. Eoghan O'Shea: Released this morning. Apparently, it was released at about 8 o'clock and then there was a publicity announcement by 9 o'clock and there was no discussion—

Mr. Han Dong: I would just like to share some of the details included in the plan. With the Ontario Medical Association, it proposes a three-year plan that would improve patient access to care and provide more service for family physicians and care, and build stability into Ontario's health care budget.

Under the terms of the proposed plan, patients would receive more timely access to family physicians, family doctors would receive additional support, and fees paid to specialists would be reduced for certain procedures that can now be conducted with greater ease and at less cost.

Specifically, the three-year plan proposed to the OMA would include increasing the physician services budget by 2.5% each year, an additional \$185 million in compensation to family doctors, a fairness review of fees paid to physicians to reflect technological advancements and ensuring that all doctors are equitably compensated, and increasing to 1,440 the number of family doctors able to join the model to deliver comprehensive care to patients.

This proposed investment will help deliver better coordinated, more locally delivered and accessible primary care, which is where most patients access the health care system. A reduction in fees paid to physicians that bill over \$1 million will help enable new investments, allowing the reduction in fees for specific procedures.

What are your thoughts on these changes that we're proposing? To me, this answers some of the previous concerns we heard.

Dr. Eoghan O'Shea: I don't hear the consultation piece. I don't hear the respectful communication piece. I hear the unilateral decision being made without meaningful input from my representative organization.

I am not in a position to represent the whole organization. We've had a lot of conflict in the profession, but we realize that we have to get together—we're trying to put patients first. We feel that there's always a danger, for those who were around over 20 years ago, that physicians may—hopefully they won't move away again. That's not my position to make that statement. I think really respectful communication—you can always disagree with us, but why are we not at the table? We appear to be on the table—

Mr. Han Dong: This is actually a very good point. The proposed plan, specifically, provides an opportunity for the OMA to consult with their members. This is the province offering the plan to the OMA, and the consultation will take place amongst the members.

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Dr. Eoghan O'Shea: If this is basically the same deal being recycled, but even worse, because it's cutting—a million dollars sounds like a lot of money to a lot of people, and it is, but it depends on what your overhead is. There's a huge difference between your take-home and what you actually see on the cheque, and I think this has not been addressed by the minister.

To me, I would like to see someone say, "Why is the physician group being discriminated against and not having access to some equivalent of binding arbitration?" This is a fundamental right, and you know what's going to happen, because these things have gone down through the Supreme Court of Canada, where they've looked across the country and said that people such as ourselves who are working in essential services, who cannot go on strike—and we don't want to go on strike—are entitled to a certain form of respectful communication, such as under binding arbitration.

That's why this was rejected, and when it was presented before to the membership, Dr. Walley, who is the president of the OMA, who talked to you about a week ago, accepts and takes responsibility that they tried to ram this down—

Mr. Han Dong: Mr. O'Shea, I just have a quick question—

Interjection.

The Chair (Mr. Peter Z. Milczyn): Unfortunately, that's all of our time for this round. And Mr. Yakabuski, you're out of order.

Mr. John Yakabuski: Oh, pardon me.

The Chair (Mr. Peter Z. Milczyn): Thank you, Dr. O'Shea. If there's something you'd like to provide to the committee in writing, you may do so by 5 p.m. on January 20.

Dr. Eoghan O'Shea: Thank you, Mr. Chair. I hope you've had a good trip to Ottawa and that things go well for you, and I hope your families see you soon.

Interjections.

The Chair (Mr. Peter Z. Milczyn): All right, gentlemen. We're going to have order in this committee. I don't think it's acceptable for you to be trading back and forth like this, especially in front of the public. We're here for the public today. This is not question period.

RUNNYMEDE HEALTHCARE CENTRE

The Chair (Mr. Peter Z. Milczyn): Our 1:15 and 1:45 deputants have cancelled. Our 2 p.m. witness is here, however, so she will be coming forward: Runnymede Healthcare Centre. Good afternoon.

Ms. Connie Dejak: Good afternoon, and thank you so much for the opportunity to speak before you.

The Chair (Mr. Peter Z. Milczyn): You have 10 minutes for your presentation, which will be followed by questions from the Progressive Conservative caucus for five minutes. Please state your name for the official record.

Ms. Connie Dejak: Absolutely. My name is Connie Dejak, and I'm the president and CEO of Runnymede Healthcare Centre.

Runnymede is a rehab and chronic care facility which is located in the city of Toronto proper. We were initially slated for closure, and fortunately recently built a brand new hospital, which was a wonderful investment. We have a 98% occupancy rate and a waiting list of well over six to eight months to get in.

As recently as last month, the Ministry of Health and Long-Term Care re-designated us as rehab under the Public Hospitals Act, which is providing us with great opportunities to expand on-site, and that's why I'm here before you. I understand that there was a decision made that there would be no new long-term-care facilities built in the province—well, in Toronto, at least; I won't speak for the province of Ontario—and that, in fact, the focus was to retrofit and to bring those facilities that are currently existing up to standard.

I'm here to say that there is a lost opportunity in that decision. We currently have enough land to build adjacent to the hospital, moving our parking underneath, and we could build up to a 154-bed long-term-care facility.

Even if you were to go out and retrofit, or if you were to go out and renovate any of your long-term-care facilities, you're talking about individuals in the beds. The wait-lists are long. It's in a crisis state right now for long-term-care beds, so you would have to move those individuals somewhere. You're going to be moving them into acute care.

The next thing you'll be reading is that there are long wait times. Wait times are directly related to the number of individuals in the acute-care hospitals that cannot get into long-term care, chronic care or rehab facilities.

We right now have two partnerships, one with Trillium Health Partners in Mississauga, from which we take all of the Etobicoke patients, and one with St. Joseph's Health Centre, which is on the Queensway in the Parkdale area. Currently, St. Joe's has 85 long-term-care waits, so they have ALC, alternate-level-of-care, waiting.

What we're able to do is build a brand new facility on-site and have an opportunity—I was meeting with Veterans Affairs today—to actually designate some of those long-term-care beds as specialty beds for veterans, for example or, because we are a hospital under the Public Hospitals Act, really provide a continuum and maybe look at those with Alzheimer's or dementia: the difficult-to-place individuals, because their acuity is so high.

I'm going to leave that over there, because I'm afraid I'm going to run out of time for my second phase of this proposal.

I've been meeting with a number of individuals, and I'll just read out their names so I don't get them wrong. So far, I have Mark Saunders, who is chief of police for Toronto Police Service; Chris Varcoe, who is chair of the Mississauga Fire Fighters Association; and Dr. Silvain Roy, who is president of the Ontario Psychological Association. What we've been talking about is a clinic, a centre of excellence, for post-traumatic stress disorder.

The reason why we want to make it a specialty is that we feel there's a real opportunity—I know that there was a great announcement that the province has invested a tremendous amount of money, but we want to provide a clinic on-site with a focus in post-traumatic stress disorder.

I started to go out and talk to people about this, and I started to get a number of phone calls from educators, as well, who have said that they're seeing a lot of students who have been refugees, who have come in and are displaying the same symptoms. They are asking me, "Is your clinic open?" I said, "No. We're just in the process of working through WSIB, seeing if we can anchor it so that we can have this area of specialty on-site."

Our hospital is nestled in a residential area. It's a very wonderful, gracious-looking hospital. It doesn't look like acute care, and certainly doesn't carry the stigma of anything around mental health. I think that what I'm saying is that there are great opportunities available on our current site in the city of Toronto to meet some fairly urgent system pressures. Going through and providing the continuum, one of the biggest stumbling blocks is that this decision was made unilaterally not to have any more long-term-care facilities built.

What I would say to the committee is, respectfully, if you could give consideration to the effects of that kind of decision and the lost opportunities in terms of the big picture three and five years down the road, then that's all I can ask for—in under 10 minutes.

The Chair (Mr. Peter Z. Milczyn): Thank you, Ms. Dejak.

Ms. Connie Dejak: Thank you.

The Chair (Mr. Peter Z. Milczyn): This round of questions is with the Progressive Conservatives. Mr. McDonell?

Mr. Jim McDonell: Thank you for coming out today. I understand you have the ability to provide long-term-care beds, or to build them. Have you made an application with the government or corresponded with them to identify that possibility?

Ms. Connie Dejak: Yes. I've met with the Minister of Health. I've also met with the Ministry of Health and Long-Term Care. But as I said, even to make an application—they're not building any new facilities. That's a decision that was made. The Toronto Central LHIN, which is where our hospital falls under, is also behind us, completely supportive, and hoping that we can in fact be successful.

What's really interesting is that when I met with the Ministry of Health and Long-Term Care, they felt it was a finance decision that was made and not one in health. So that's how I ended up here.

Mr. Jim McDonell: I know that the government talks about the desire to build these beds. I know that our senior population is up dramatically. But those are the results. We see no money for this type of thing.

It's the same with PTSD: no acknowledgement there of the ability to look after these patients that they talk so strongly of.

Ms. Connie Dejak: The first thing we wanted to do—the reason why I have the city of Mississauga is that they're in the forefront. They have actually incorporated it into their program. But even before that, we have to incorporate into the new recruits' training an understand-

ing of what this is, and the effects of it, and somehow destigmatize it.

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In any fire department, when there's some kind of traumatic accident, what happens is that they take the team away and somebody comes in and talks to them. I can tell you, three out of those five guys or women will not talk in front of their colleagues because they all say, "If one person says, 'Well, that's the job,' then that's the job."

My background is that I have a military family. I have a sister on the Toronto police force and my husband is a retired captain with the firefighters, so I absolutely understand how they're not even aware of when they're in this kind of situation. So what I wanted to do is to provide a very positive environment, not just for them but for their families, so that they can seek help. We can make it a place of wellness, and not a place that sick people go.

Mr. Victor Fedeli: Thank you very much.

Ms. Connie Dejak: You're welcome.

Mr. Victor Fedeli: I wanted to go back to your original statement that you're designated as a rehab facility. We see this prevalence of opioids in Ontario and across Canada. Can you talk a little bit about what's happening with opioids today?

Ms. Connie Dejak: No.

I'm kidding—

Laughter.

Mr. Victor Fedeli: Well, thank you.

Ms. Connie Dejak: Actually, I received our rehab designation one month ago. The Toronto Central LHIN and I are negotiating what type of programs we'll be offering. We're not in that sort of business yet. We may be—I don't know—but not today.

Mr. Victor Fedeli: I'm sorry. I didn't mean to put you on the spot.

Ms. Connie Dejak: It's okay.

Mr. Victor Fedeli: I thought you would want to go down a path—

Ms. Connie Dejak: I think there's somebody from the LHINs here who might hear me.

Mr. Victor Fedeli: I thought maybe you would want to talk about—

Ms. Connie Dejak: A rant?

Mr. Victor Fedeli: —the prevalence of fentanyl use in Ontario and other opioids.

Ms. Connie Dejak: No. I'm sure the physician—is he still here?—I'm sure he would like to do that.

Mr. Victor Fedeli: We heard about, from the physician a moment ago, 140,000 new people in Ontario every year and 100,000 new seniors. I know in our community what we were told is probably the same as every other community, that if you are looking at new long-term care, you tear down the old long-term care to build the new long-term care. I think, really, we're one for one today. So I don't think there is any surprise that when you have a facility, it's only to replace other facilities. I don't yet know why that is in Ontario, and I'm hoping maybe you've heard from the government why.

Ms. Connie Dejak: In all fairness to the government, because I know that most people on this side might want to throw the blame all on the government, the way you fund long-term care is that there is a percentage that's funded for ongoing renovations. What's happened is that over the years—I believe, anyway; this is what I've been told from the long-term-care sector—there hasn't really been the check and balance on how those dollars have been used. They've been thrown into, for whatever reason—it may be a good reason that they needed more in operating, they needed more in transportation, they needed more for pharmacy services. It hasn't been used for its designated purpose, so what happens is, like anything else, when you have stick construction—it's not complicated construction—when it's built to the specs that it's built to, it deteriorates quite quickly.

If we were to follow that plan—and I have a personal bias and think, "When you start retrofitting, you get into all kinds of trouble." If you were to tear down one long-term care in your facility, which is 160 beds, let's say, where do they go? Where are you going to put those 160 people? Let's stop talking about beds; it's people. Where are you going to put the 160 people while you build new? Are you going to go get land, then build new, and then transport everybody? I think that's the kind of peel-back, detail-in-the-weeds we need to really look at.

I'll tell you, one of the greatest risks—it wasn't building our hospital; I built it two months ahead of schedule and on budget. My greatest fear and risk was transporting 95 patients from the old building to the new. When you start moving people who have not been outside for a very long time, it's high risk. It sounds great on paper and it sounds like a very academic exercise—the number of beds. Just remember, there's someone in each and every bed, because there's a long waiting list.

The Chair (Mr. Peter Z. Milczyn): Thank you, Ms. Dejak. That's all of your time for this afternoon. If you want to provide something in writing to the committee, you can do so by 5 p.m. on January 20.

Ms. Connie Dejak: Thank you so much for your time. Merry Christmas.

The Chair (Mr. Peter Z. Milczyn): Merry Christmas to you, too.

RICK HANSEN FOUNDATION

The Chair (Mr. Peter Z. Milczyn): Our next witness is the Rick Hansen Foundation. Good afternoon, sir. You have up to 10 minutes for your presentation, following which there will be five minutes of questions from the New Democratic caucus. If you could please state your name for the official record.

Mr. Brad Brohman: I will. Thank you. Good afternoon, and thank you for taking time with me today. My name is Brad Brohman and I work with the Rick Hansen Foundation. I have left you with some speaking notes that will follow along more or less with what I'm saying.

Imagine a world that can bring to life Rick Hansen's vision, where barriers are removed and we achieve an

inclusive world where people with disabilities are living to their full potential, contributing to the Ontario and Canada that we all want.

The mission of the Rick Hansen Foundation is to inspire leaders, influencers and the public to join Rick in creating a global movement to remove barriers in the built environment and thereby liberate the potential of people with disabilities. With that key foundation in place, other barriers can be addressed, including employment, education, transportation, communication and health care.

We want the built environment in Canada, as defined by the buildings and places where people live, work and play, to be accessible for people with disabilities by 2050. This goal very much complements the equally ambitious goals of the province of Ontario.

For 30 years, Rick Hansen, the foundation and many others have been dedicated to raising awareness, changing attitudes and breaking down barriers for people living with disabilities, and we're grateful that the government of Ontario has been a generous supporter of our journey and mission. To date, by leveraging the funds from the Man in Motion World Tour, along with government and corporate support, over \$342 million has been raised to support initiatives that promote awareness, improve accessibility and facilitate spinal cord injury research through national and global partnerships.

A lot has been done, but more needs to be done if we want to make Ontario and Canada truly accessible and inclusive. According to StatsCan, approximately one in seven Canadians 15 years or older reported having a disability that limited them in their daily activities. With the aging baby boomers, that number will rise to as many as one in five Canadians within the next 20 years. It's this demographic that's going to drive the business case in support of accessibility.

As well, there are over 400,000 working-age Canadians with disabilities who are not working, but whose disability does not prevent them from doing so. Almost half of these workers have a post-secondary degree.

How will we unleash the social and economic power of all people with disabilities, along with their extended families' and communities'? I've listed four important points here:

- raising awareness that disability and accessibility are big issues;
- changing attitudes about the potential of people with disabilities;
- removing those barriers that prevent them from fully participating in society, starting with the built environment; and
- going on to measure progress and celebrate success as we go.

We have a funding proposal to present which will drive the government of Ontario's stated objectives to build a more inclusive society, including supporting the work of Minister MacCharles as she works to fulfil her mandate to "help people with disabilities realize their full potential and meet the goals and objectives of Ontario's

2025 plan." We'll do this while complementing and staying true to Rick's vision.

In 2015, on the occasion of the 10th anniversary of the AODA, the then responsible minister, Minister Duguid, stated, "I'm proud of how far Ontario has come on its accessibility journey. But there's still a long way to go to reach our goal of becoming an accessible province. This will require a sustained and collaborative effort...."

"Over the coming months and years, we will continue to seek advice and new ideas from the many partners who play an essential role in helping realize this shared vision...."

"In order to truly be successful in achieving our goal, we need to reach higher, to go beyond the requirements of the AODA and its standards. We need to integrate accessibility into everything we do, until it becomes second nature." Collaboration with others is absolutely the right orientation, and the foundation wants to help the province of Ontario reach higher and realize a shared vision.

More recently, Minister MacCharles, the minister responsible for accessibility, spoke in the Legislature on the occasion of the International Day of Persons with Disabilities and said, "We came together to promote the inclusion and equality of people with disabilities. We believe it's an issue of human dignity, a matter of social justice and a driver of economic prosperity...."

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"Everyone in this House knows that people with disabilities have remarkable talents to offer, and that many are able and willing to work. But they're being shut out of the labour market, often because they lack the experience and training that would help them build a resumé and get a job. Speaker, it's time for action."

We couldn't agree more. We see addressing accessibility as an economic and social imperative of a modern Ontario.

At the national level, Prime Minister Trudeau, again on the International Day of Persons with Disabilities, was quoted:

"On the International Day of Persons with Disabilities, we celebrate the contributions made by persons with disabilities to our country, and recommit ourselves to building a Canada that is truly inclusive and equal."

"Around the world, far too many persons with disabilities still face major barriers—stigma, discrimination, limited accessibility, even denial of basic human rights—to fully participate in society...."

"Today, and every day, let us take action to break down the barriers that exclude Canadians with disabilities. We cannot rest until persons with disabilities have the same opportunities as everyone else."

This is not just a provincial challenge and opportunity, but a national and global issue requiring a loud call to action. We have some ideas about how to accelerate Ontario's 2025 plan. Here are our recommendations and solutions.

We recommend that the government participate in the Rick Hansen Accessibility Innovation Strategy, which is

a five-year, multi-initiative plan to work in partnership with the federal government, other provinces, municipalities, the community of people with disabilities and the business community to accelerate the shift to a fully accessible society. In summary, the strategy has a variety of initiatives that will support the government of Ontario's commitment to building an inclusive Ontario, and those are outlined in your document.

The centrepiece of our strategy is our accessibility program. This is a framework inside which several initiatives are anchored by a LEED-style certification program designed to rate the accessibility of the built environment and promote and recognize the adoption of universal and inclusive design principles. It will include a professional accredited training program; exciting and meaningful employment opportunities for people with disabilities; an accessibility lens on public infrastructure spending; and research to better support the business case required to do accessibility well. We want to pilot its application in Ontario.

With Ontario's participation in the federal government's infrastructure program, we have a once-in-a-generation opportunity to build an accessible Canada in which nobody is left behind. By simultaneously helping to pilot a certification program, the government of Ontario can take a leadership position in helping to accelerate the building of a universal and accessible province and country. Our goal is that the certification program will be self-financing and paid for by industry within the five-year window of this plan and will have the potential to become globally relevant, supportable and scalable as a made-in-Canada solution.

As an added benefit, we believe that launching a robust professional certification program in the built environment will drive higher compliance with the AODA, because industry will be actively engaged and they'll better understand the benefits and incentives to embrace universal and inclusive design. There will be public recognition for businesses going beyond the minimum. They will collectively create visible examples for other business leaders to follow. It's a positive approach to working with and incenting industry to go further.

We're also looking for funding to support or activate several of our awareness-driven initiatives that are jumping off from our Canada 150 signature event, which has been funded by the federal government. Again, all of those initiatives are listed at the back of the presentation. They're intended to inspire and engage communities and youth and be a provincial and national call to action to build, measure and celebrate an accessible Ontario and Canada.

We're recommending an investment from the government of Ontario of \$3.75 million in the 2017-18 budget toward this strategy. We also ask that the government of Ontario create an accessibility fund to provide a supportive route for non-public infrastructure projects to embrace accessibility and inclusive design principles, ideally at the community level.

It's one thing to have a positive program like a certification program to point building owners, landlords

and community leaders in the right direction, but we also think it's important to have some funding to come in from behind to help leverage the kinds of retrofits and other projects necessary to make progress visible and measurable.

With this fund, we'd look to the government of Ontario to use our certification program methodology to determine the eligibility of projects seeking funding, along with any other eligibility requirements such as matching funding etc. I think this would provide an efficient and creative method of assessing project eligibility while providing real-world skills for our trained accessibility experts to hone their skills on the job.

It should be noted that in a recent Angus Reid Institute survey, 88% of respondents agreed that Canada should be a world leader in ensuring universal access to public spaces, and a similar percentage agreed that a LEED-like program, to rate the accessibility of buildings, would be worthwhile.

We have undertaken significant efforts to lay the groundwork in Ontario to help make our strategy a success, including participating over the last year in consultation with the province of Ontario to bring in a third-party-led accessibility certification program. The certification models we have presented for consideration have been very positively received by both the government as well as the public, who were invited to comment.

At the core of our program is a commitment to recruit, train and employ people with disabilities to become the first wave of experts rating and assessing the built environment in Ontario.

People with disabilities have a unique lived-experience perspective that will be incredibly valuable when applying our pan-disability, multi-sensory rating methodology. This could be the beginning of a very exciting career opportunity for a group of people who we all know have been marginalized and disadvantaged in the world of work.

We've also been very active building a network of support for our strategy with the federal government, where we've submitted funding requests; other provinces, including BC; municipalities, including a number of mayors in Ontario; and large developers and landlords—

The Chair (Mr. Peter Z. Milczyn): I'm going to cut you off there. I've already given you about an extra minute.

Mr. Brad Brohman: Okay.

The Chair (Mr. Peter Z. Milczyn): This round of questions begins with Ms. Fife.

Ms. Catherine Fife: Thank you, Brad, for coming in and sharing the success that the Rick Hansen Foundation has had—and hoping to transfer some of that success to the province.

The same day that the minister gave her statement, I also gave my statement on behalf of the NDP. I called on the government to be a better leader on inclusive employment strategies. I don't know if you've been tracking, but the government can do a better job itself in

leading and putting into action the language that we hear around inclusive policies.

Everyone agrees that the AODA standards—it's important to have a benchmark. It's important to have a goal. But there have been some real challenges around funding, particularly on the business side. Is the idea that the \$3.75 million would be an enhancement, a fund that would help businesses reach their goal of truly being accessible? Is that the goal?

Mr. Brad Brohman: Yes. Part of it is to fund the recruitment and training of people with disabilities to go out and rate and assess the built environment and provide advice, guidance and direction to those businesses that have agreed to be rated.

We're not looking to shame people and that kind of thing in this program. We're trying to field-test this certification program, and the funding would help us do that. It would also help us raise awareness and engage with industry to help them see the benefit and value of going beyond the minimums of the building code or other things like that, just like LEED did 30 years ago. It's exactly the same idea.

Ms. Catherine Fife: Absolutely. I'm sure that the foundation has also been tracking new movement around ensuring that our schools are accessible. This is 2016, soon to be 2017. These are things that are within the government's control. Don't you agree? Every child should be able to access their classroom, if need be, don't you think?

Mr. Brad Brohman: I agree. They should be able to access any public space in the province. I think that there are things that can be done. Obviously, there are challenges with heritage buildings and other kinds of things like that. But we don't have to start there and lose our momentum. Let's start with things that are manageable and doable and work forward from there.

Obviously, schools are a big part of our programming. Part of our Canada 150 effort is, we have a \$1.7-million fund that we're using to grant schools to do some projects across Canada.

Ms. Catherine Fife: And playgrounds and what have you, as well?

Mr. Brad Brohman: Yes, it's very important.

Ms. Catherine Fife: Those continue to be barriers.

On the pilot application in Ontario, the goal is that you want to—the government talks about Rick Hansen all the time. They're very proud of their partnership. I think all the parties have tried to reach out in a meaningful way. I just want the foundation to be cognizant of the fact that the government—the reason that I like the foundation is that you're hoping to incentivize, inspire and motivate through a strong business case that inclusion and accessibility are strong economic principles, as well. But the government, I think, also needs to hear this message.

Mr. Brad Brohman: Yes, and we've been working with them very closely over the last year through the consultation process that was undertaken. I think there has been a lot of resonance with not just the model that we put forward, but working in partnership with others

who have similar ideas. I think we can make advances, but obviously the government has to step up and work with groups like ours to compound and grow the benefit of working with groups like ours in the community.

Ms. Catherine Fife: Well, your public awareness and education outline, I think, would go a long way to actually bring businesses on board. There is some relationship damage control that has to happen, because sometimes the oversight around accessibility has not been as strong as it can be. But I do think that a balanced approach, which is what you're proposing, will go a long way.

Thank you very much for being here today.

The Chair (Mr. Peter Z. Milczyn): Thank you very much, sir. If you want to provide something additional in writing, you can do so until 5 p.m. on January 20.

Mr. Brad Brohman: Thanks so much.

The Chair (Mr. Peter Z. Milczyn): Committee members, our next scheduled deputation isn't until 2:15, so we stand recessed for 30 minutes.

The committee recessed from 1341 to 1412.

OTTAWA POVERTY REDUCTION NETWORK

The Chair (Mr. Peter Z. Milczyn): The Standing Committee on Finance and Economic Affairs is back in session for the afternoon of witnesses in Ottawa.

Our next witness is the Ottawa Poverty Reduction Network. Good afternoon. Thank you for your patience. We are right on time, actually. You have up to 10 minutes for your presentation, followed by five minutes of questions. Your questions will be from the Liberal caucus. Please state your name for the official record as you begin.

Ms. Linda Lalonde: My name is Linda Lalonde: L-A-L-O-N-D-E; Linda with an I. I'm speaking on behalf of the Ottawa Poverty Reduction Network, which is a coalition of different organizations and agencies in Ottawa that work on poverty issues. I have four quick points.

The first one: You'll see you have a piece of paper that looks like this. The guaranteed annual income supplement was brought in in the mid-1970s by a gentleman named Darcy McKeough and was intended to raise seniors out of poverty. As many of you probably know, that's still being paid out. In 1988, it was \$83, which in 2016 dollars is \$148.41; the difference being \$65.41. If you look at the column beside the grey stripe, at the very top you will see "Ontario Guaranteed Annual Income System" and if you look under "monthly payment," you will see that a single person receives—did I mention that in 1988 it was \$83? Well, a single person is still receiving \$83. They have lost, with inflation, \$65.41 a month with that program. It would be helpful if you would increase that in this budget.

My second item is the low-income transit pass. Today at Ottawa city council, they passed their budget. It included a low-income transit pass, which will bring a pass for people who are under the low-income cut-off

level to \$57.75 a month, which is a reduction of \$56. That is going to make transit very accessible for a lot of people, but it will not make it accessible for everybody who is on low income. We would like to see an infusion put towards transit and transportation for low-income people. I see my friend Toby over there is going to raise his eyebrow at me. It should not be funnelled through OTranspo, which is our local transit company, because that's not going to reach the folks for whom there is no transit, i.e., people who are in rural areas and/or who work outside of busing hours. We would like to see it put in and distributed with the Trillium benefit, which comes on a monthly basis. You've already done the income testing. You've already established who is low-income. That would allow people to get out of their homes, to get to work, to get to school, to get to medical appointments etc.

The third point I have is the basic income pilot. As you know, in the last budget there was a commitment to a basic income pilot which will be happening soon; they're in the process of organizing it now. We are expecting that the implementation will start sometime during this fiscal year. There will obviously be a period—the minister's mandate letter says that by April 1, there is to be an introduction of a pilot, which means that in the coming fiscal year we will have both the actual set-up of the pilot and the arrangements with municipalities etc. that need to be done before it happens. Hopefully some people will actually commence getting some kind of benefit from that pilot. That money needs to be in this budget.

My last point is around the administration of this lovely committee. It would be really nice if instead of renting hotel rooms like this one, which I'm sure doesn't come cheap, you would use municipal facilities or other government facilities when you're in the various towns around the province, which would save a lot of money.

Secondly, you're asking for 25 copies of everything that we produce. I'm willing to believe that every single one of you owns a computer or some kind of electronic device on which you could read submissions. I won't put you on the spot and ask you how long it is between when I hand you a brief and when you put it in the shredder, but I know that that material is not maintained permanently in a paper format. Can I say my "trees crying" comment? If you multiply the number of submissions that you get when you're travelling around the province by 25 copies—I know the forestry industry has been to talk to you, so just pretend I didn't say this, but I do hear trees crying.

My last admin thing: It would be great if you could set up a regular cycle of when you do these hearings, because most of us have work plans. If we're trying to prepare for this—sometimes you're here in December, sometimes you're here in January, sometimes you're here in February—when I say "here," I mean out and about. It would be great if you could do a six-week period in November and December so that we could predict when we have to be ready, whether it's an actual visit with you or whether we're putting in a written submission, which

would give you January and early February to do report prep. You could actually have your final product in the minister's hands well in time to actually influence the budget and not be an addendum to the budget, so that it could actually make a difference.

That's it. Thank you.

The Chair (Mr. Peter Z. Milczyn): Thank you very much. This round of questions begins with Ms. Hoggarth.

Ms. Ann Hoggarth: Thank you very much for your suggestions and thank you for your presentation. I know from reading my information that you've been working very hard in this area and I thank you for doing that.

As you know, the province has a well-defined framework with regard to municipal housing and homeless plans. I understand you've had interest in a similar idea around poverty plans. What do you think a provincial framework might look like for this?

Ms. Linda Lalonde: A framework for poverty reduction or for homelessness?

Ms. Ann Hoggarth: For housing for the homeless.

Ms. Linda Lalonde: We already have a long-term plan in the province for housing, and we have one in this municipality, as well as, I understand, in every service delivery manager place across the province; they have 10-year housing and homelessness plans. We already have that in place.

Ms. Ann Hoggarth: And you're saying that you want the government to implement that plan? Or would you think a combination of what the province has in mind and your plan? Can you share with us what your plan is?

Ms. Linda Lalonde: What the city's plan is? I'm not the city of Ottawa. I just want to make that clear. I am from a community organization.

Ms. Ann Hoggarth: Right.

Ms. Linda Lalonde: The 10-year housing-and-homelessness plan is with the city. Certainly, I can refer you back to my previous presentations to this committee, several of which talked about housing as a priority. We've actually seen the housing plan going into place in Ottawa. We have seen the province's long-term-housing plan; I can't remember how long "long-term" is with the province, but there is work happening at the provincial level that we would endorse, if that's what you're asking.

Ms. Ann Hoggarth: I'm wondering how you could combine the two.

Ms. Linda Lalonde: Our municipal 10-year housing-and-homelessness plan is—I won't say it's a subset of the provincial plan, but it's a requirement under the provincial plan, so they are already integrated in some way.

Ms. Ann Hoggarth: Okay.

Ms. Linda Lalonde: Build more houses. How's that? Does that answer your question?

Ms. Ann Hoggarth: That sounds like a good idea.

Ms. Linda Lalonde: Yes.

Ms. Ann Hoggarth: Which jurisdictions do you think are doing exciting, transformative work in this area?

Ms. Linda Lalonde: Housing is not my expertise. When you say "jurisdiction," you want to know—

Ms. Ann Hoggarth: In poverty reduction.

Ms. Linda Lalonde: Oh, in poverty reduction. Okay. Newfoundland is doing a great job. They have actually moved people off poverty.

Ontario has made a few drops in the bucket with the provincial poverty reduction plan, but the province of Ontario could do a lot more in the area of poverty reduction, and there are a whole lot of ways they could do that. One is building housing, so people aren't putting all their money into the roof over their head. Transit would be great; transit and transportation is a huge item for a lot of families. A food supplement would be a great idea.

Ms. Ann Hoggarth: Could you tell me your feelings or your ideas about the guaranteed basic income?

Ms. Linda Lalonde: Yes. This is a personal response, because we don't have an official position yet; the consultations aren't until January. I think there should be a basic income. It should be done as a net income tax set-up, so that you put your income tax in at the beginning of the year, and then, based on that, you get an allocation with family size taken into account and so on.

There must be a way that if someone's situation changes during the year, if I lose my job or I have more kids or whatever, outside of that income tax testing, to adjust the amount that the family gets.

Ms. Ann Hoggarth: Thank you very much.

The Chair (Mr. Peter Z. Milczyn): Thank you very much for presenting today. If you do wish to provide something additional in writing, you can do so until 5 p.m., January 20.

Ms. Linda Lalonde: That was scrawled at the top of my first page and I forgot to say it. Sorry. I will be putting something in in writing.

The Chair (Mr. Peter Z. Milczyn): Thank you very much.

Committee members, our next witness is not here, so we will recess until 2:30 or as soon as they arrive. Please stay in the room.

The committee recessed from 1423 to 1430.

The Chair (Mr. Peter Z. Milczyn): Good afternoon. The Standing Committee on Finance and Economic Affairs is reconvened for afternoon witnesses for pre-budget consultations.

RENEWABLE INDUSTRIES CANADA

The Chair (Mr. Peter Z. Milczyn): Our next witness is Renewable Industries Canada. Good afternoon. You have up to 10 minutes for your presentation, which will be followed by five minutes of questions from the Progressive Conservative caucus. As you begin your presentation, if you could please state your name for the official record.

Ms. Andrea Kent: Absolutely. Thank you very much, Mr. Chair. I'm Andrea Kent. I am the president of Renewable Industries Canada. It's an absolute pleasure to be here in Ottawa with you this afternoon and to see our local MPP as well, which is very, very exciting.

We really appreciate the opportunity to come and make a presentation and help you inform the committee's

work. You certainly have a pretty big and important task ahead of you.

From our perspective, we wanted to introduce you to our members, the work that they do in Ontario, and some of the work that we have been engaging with, especially over the past 18 months or so, since the government released its climate change discussion paper and then, ultimately, the climate action plan, from about six months ago.

I'm sure that you don't need me to tell you that Ottawa has followed suit and made some recent announcements, when it comes to looking at a national carbon price. We're very interested in helping everyone in Ontario, from a business perspective, figure out what that could mean for Ontario industry opportunities, and specifically the producers of biofuels, which is who we represent.

We presented two pieces of materials for your information today. There is a placemat-type document which will give you an overview of the industry at large, our products and what they do, as well as a presentation deck for your reference that you can use, looking at our specific recommendations in terms of what Ontario can do to capitalize on the opportunities and challenges presented by climate change programs, the cap-and-trade program, and also what our businesses have been up to, several of which are in your ridings.

Renewable Industries Canada has existed as the Canadian Renewable Fuels Association since about 1984. We represent people who are, by the nature of their businesses, low-carbon-fuel producers, retailers and sellers, as well as the providers of new cutting-edge technologies for things like waste-to-biofuels technology.

Looking at our core products, while we have expanded our membership to include more than just ethanol and biodiesel producers, they still remain at the heart of the work that we do. To give you a sense of it, a very significant portion of Canada's ethanol industry is located in Ontario. As well, there are renewable diesel and biodiesel producers throughout the province.

Looking at biofuels, we'll talk about ethanol and renewable diesel. These are added into the gasoline pool for ethanol. Renewable diesel gets added into the distillate pool. Nationally, there are requirements that say that there needs to be renewable content in gasoline and diesel. The national standards are 5% ethanol in gasoline, and then it's 2% for renewable diesel.

If you look down—we'll skip ahead a little bit—to I believe it's the sixth slide, it'll give you an idea of where the policies are right now across the country so that you can see that there are national requirements, as well as specific Ontario requirements, for bio-based materials in diesel and in 5% ethanol. Looking at bio-based diesel, there's a really great program called the greener diesel mandate, which goes up to 4% of renewable diesel content in the diesel pool, with a reduction of 70% of greenhouse gases. That goes through to 2017.

The crux of our two recommendations has to do with expanding these mandates. So looking at what Ontario

has set out as its ambitious reductions, looking at the climate change action plan, transportation will be a very, very critical and very difficult portion of getting to those GHG reduction targets. We think that biofuels are a natural fit in reaching that objective. As well, at the same time, the mandates—we know this because we represent the producers of these products—give them the business certainty that they need to expand their operations.

Looking at biofuels production across the country, it's already a \$3.5-billion industry. Looking at Ontario, as I mentioned before, there are just under 10 plants in Ontario that are producing ethanol and biodiesel. The reason why they chose Ontario is because there were already very strong policy mandates in place for ethanol and biodiesel provincially that nest really well with the national program. We have seen a very robust build-out of ethanol, as a result of that, and also biodiesel.

Looking at what a cap-and-trade program creates, it's a different type of program. It's also an opportunity for biofuels to have an increased market share and a very important role in GHG reductions. If you look at biofuels, they burn up to 99% cleaner, right? As consumers, you probably don't even know that you're using them, so it's not too hard of a political sell either.

By increasing the mandates in Ontario, which are two recommendations at the end, you can see that by going up to 7.5% ethanol by 2018, you're going to get an additional 1.6 megatonnes of reductions annually. Looking at going up to 5% renewable diesel, you're going to see even more megatonnes come off, so an additional one megatonne annually by just going up that one extra per cent on the renewable diesel side.

The higher blends aren't difficult to get to. As I mentioned, the infrastructure is there. Even with a 5% requirement, we know that you're usually seeing an over-compliance anyway. In terms of new infrastructure into the fuel system that would be required, those demands are going to be quite minimal.

Looking at what you get in return—we talked about the GHGs. Sometimes megatonnes are kind of this abstract concept that can be difficult to understand. But what I think is really easy to understand is—looking at slide 9, and that's what it means for the business side of it. There are a lot of talking points floating around about the economy and the environment having to work hand in hand. We think we're an excellent case study for that.

These are two recent announcements that have come out in the past six months from Ontario businesses: The first one is BIOX; they're located in Hamilton. They have a biodiesel production facility. Because of the greener diesel mandate, they have acquired an additional facility in Sombra, Ontario, that had been shuttered. It was shut down. It wasn't employing people anymore. It wasn't producing. Nobody was really interested in buying it. BIOX was able to realize that there was a business opportunity created by the mandate, and rather than selling its product into the American market, it purchased the Canadian shuttered facility in Sombra, Ontario. It's going to bring that online and it's going to

be reopening that formerly closed facility. That is a direct result—you can see the quote there; that's from the CEO of BIOX—because of the greener diesel mandate. Going up to 5% would mean more business opportunities like that.

Looking at IGPC Ethanol, they're located in Aylmer, Ontario. They are—as I'm sure you can appreciate, if you've been to Aylmer—right in the heart of corn country. It's a really important local business that is an anchor tenant for investment and agriculture, and a very large employer in southwestern Ontario as well. They're looking at doubling their facility as a result of Ontario's announcement in the climate action plan to increase ethanol content in gasoline.

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So you're going to hear a lot, I think, in the coming year when the climate action plan continues to roll out in the province. You're going to hear a lot in Ottawa from your federal colleagues as well: "What's the price on carbon? What should it be? How is this going to all work out?" But what I'd like to leave you here with today is that there are some immediate things that you can do in the very, very near term that are going to not only kick-start the GHG reductions but can also result in more local economic development, more rural economic opportunities, more new jobs and kind of keep Ontario businesses going in a time where there's still a lot of uncertainty. We don't know how the other environmental costs of programs can shake out, like with cap-and-trade, but we do know that there's a direct link between increasing the mandates and jobs.

So I'll just leave it there. I'm looking forward to questions from anyone around the table.

The Chair (Mr. Peter Z. Milczyn): Thank you very much. Your round of questions is with the Progressive Conservative caucus. Mr. Barrett?

Mr. Toby Barrett: Thank you for the presentation. You indicate that we already have federal legislation—a 5% ethanol blend and 2% biodiesel or other product. Ontario sits at 5% ethanol and 4% biodiesel or biomass. Now, at one time, the government was on its way to 10% ethanol, as I recall. I recall at the time that we got into the food-versus-fuel debate and the McGuinty government backed off, if I'm not mistaken. Where are we at on that now, as far as public opinion?

Ms. Andrea Kent: I'll answer in two parts, because it is an issue that comes up quite a bit. When you look at ethanol technology in the past 10 or 15 years, it really is like comparing your iPhone of today to the old school Alexander Bell telephone. It's important to acknowledge that there have been tremendous improvements in sustainability practices of agricultures as well as in just the efficacy of ethanol production over those 10 or 15 years, whereas those food safety and food security concerns haven't evolved in the same trajectory. Looking at ethanol production today, there are no food security concerns with it. Also, looking at it just as a net exporter of agriculture in Ontario, there's a very, very important tie-in to economics for your farm, your farmers and your

farm gate income and ethanol production. So it's a win-win on that side.

We did some polling just at the end of last year, and there was 88% support for increasing renewable fuel mandates. So Canadians are ready for it. There is about 10% that is very, very vocal that still brings up food versus fuel, but they're a vocal minority. They're not where the majority of thinkers are.

Mr. Toby Barrett: So just quickly, as my colleague has a question: You indicate here that Ontario intends to set a renewable standard or, obviously, increase the renewable standard. What document is that in?

Ms. Andrea Kent: That was part of the climate action plan that was released. They talk in broader terms about wanting to boost renewable content in gasoline. We've crunched some numbers, so they would need to be at around an E10 to keep that track. We think, as well, that it's a broader plan, but there really is no practical reason why the biofuels mandates shouldn't be fast-tracked and proceed, even with the other announcements that are coming out of Ottawa.

Mr. Toby Barrett: My colleague has a question.

Mr. Jim McDonell: Is there a technical target that you would want to go to as far as the ethanol percentages?

Ms. Andrea Kent: Very specifically, for ethanol, we would recommend going to 7.5% and coupling that with 35% in GHG reductions by 2018—2018 being kind of the latest that this should start. The reason for that is that the business decisions of companies like IGPC or GreenField ethanol—GreenField is the largest ethanol producer in the province. They are in a position to use these as good business opportunities, but if they continue to stall, then that becomes more doubtful, less bankable. We can go up to E10 after that.

Looking at increasing to E10, we would also recommend a 40% GHG reduction. That can be done by 2020. Looking at the biodiesel side, it's already up to 4% with the greener diesel mandate. We would recommend raising that to 5% by 2020.

Mr. Jim McDonell: You talk about employment opportunities. You're talking about just in the production of ethanol?

Ms. Andrea Kent: Looking at the Biox story that we were talking about a little bit earlier, that's biodiesel. There's one from each, right? There is IGPC Ethanol with their press release from I believe maybe about a month ago. Biox's was from a couple of months ago.

Mr. Jim McDonell: On the farming side, of course, they're pretty well at their limit as far as productivity when it comes to corn or soybeans in this province. The increases all come through the production of ethanol, which would typically drive up the price of corn or—

Ms. Andrea Kent: We're already looking at blends of upwards of 7% for ethanol 2. Some of it is imported, but there is no reason why we could not use domestic corn without disturbing any of the other market opportunities for that crop with E10 by 2020. That's a safe progression without disturbing any of the other agricultural markets.

Mr. Jim McDonell: Are any other countries going to that—the US, of course, is not at this point.

Ms. Andrea Kent: It's interesting to see. I think that you're going to continue to see strong biofuels policies coming out of the US because very much—where I think in Canada, it's become more of an environmental policy going forward, looking at the US, there's still a very, very strong energy security component and an agricultural component. I don't think that's going to change with the new president-elect. I think in some ways, there is probably more security for that there.

Looking at the placemat document, we did some international comparables for you, so you can see there are still very strong mandates in the US; South America has some of the world's strongest mandates as well. Interestingly, going back to the point on food security issues and just how far this issue has come, Ethiopia has an ethanol mandate now.

The Chair (Mr. Peter Z. Milczyn): Thank you. That's all the time we have for today. If there's anything further you'd like to provide to us in writing, you can do so until 5 p.m. on January 20.

Ms. Andrea Kent: Excellent. Those were great questions. Thanks so much.

MS. RACHEL SAMULACK

The Chair (Mr. Peter Z. Milczyn): Our 2:45 witness has cancelled, so our next witness, who is present, is Ms. Rachel Samulack. Good afternoon.

Ms. Rachel Samulack: Good afternoon.

The Chair (Mr. Peter Z. Milczyn): You have up to 10 minutes for your presentation, following which there will be five minutes of questions. In your round, it will be with the New Democratic caucus. If you could please state your name for the official record.

Ms. Rachel Samulack: My name is Rachel Samulack. I feel like I'm on the hot seat.

Good afternoon. My name is Rachel Samulack. I am here to talk to you about my family's story with regard to budget considerations regarding Bill 141, the Pregnancy and Infant Loss Awareness, Research and Care Act.

Our lives were forever changed on Thursday, February 18, 2016. What had started out as a normal and uncomplicated pregnancy all crumbled to pieces during a routine 19-week ultrasound of our son Aaron. Around 15 minutes in, the technician went quiet and started to concentrate deeply. The 20-minute ultrasound lasted almost an hour and she was writing question marks on the screen. After I miscarried at 10 weeks with my first pregnancy, and a healthy, happy boy named Gabriel, born in September 2014, this was not what we expected to hear.

That afternoon I received a call at work from our midwife. The results had come back and the radiologist had not been able to see kidneys and the fluid level was very low. That was Thursday.

Another ultrasound was scheduled for Monday morning at the high-risk unit at the general hospital. That Saturday night I experienced what I thought was fluid

loss and we went to the emergency department at the Montfort Hospital. I was turned away from the birthing unit at the hospital as I was 19 weeks and one day, not the required 20 weeks. We sat for five hours in the emergency department with people who were vomiting and coughing while I had contractions. We were told by the emergency department triage nurse that we had to be patient because there was only one gynecological bed and it was busy, and that there was another pregnant patient who was bleeding and also needed a bed. We found out from her husband that she had lost two previous pregnancies and was likely losing this pregnancy as well, at 15 weeks, in the ER.

1450

We went home after five hours, never seeing a doctor, because we decided that we should get some rest if our baby was going to be born soon.

The contractions stopped on Sunday morning.

On Monday, February 22, 2016, we attended our follow-up ultrasound at the general hospital. On the second ultrasound, we heard our son's strong heartbeat and saw his beautiful profile and his right hand in front of his face, like he was waving at us.

We were directed to a meeting room where a doctor told us that Aaron was not compatible with life. The doctor explained that our little baby had bilateral renal agenesis, meaning no kidneys. There was no measurable amniotic fluid around Aaron because of this condition, which meant that his lungs were not able to develop enough for him to survive after birth. He was otherwise perfect and growing right on track.

In addition to this, she also said that the placenta was covering the opening of the uterus, which meant that if I went into labour, I would suffer significant bleeding. If we continued with the pregnancy, I would have to have the baby delivered surgically via caesarean section. She said that most families decide to end the pregnancy at this stage, as it is easier and safer. Because of the placenta previa, the termination would need to take place as soon as possible.

After hearing Aaron's strong heartbeat and feeling him move constantly, I told her no, we wanted to continue the pregnancy, but we would think about it. We were given no resources about the option to continue the pregnancy or a referral for counselling. Through our own research, we later found out that the rate of termination for this condition is in the high nineties, and that the probability of having this condition is between one in 3,000 and one in 5,000.

We were to come back that Thursday morning for another appointment.

There is only one case worldwide where a child has survived with this condition. This child was born at Johns Hopkins Hospital in the United States. She is still alive today. My husband Rob, a nursing student, advocated for the same treatment plan, which was weekly amniotic fluid infusions, followed by dialysis and a kidney transplant after birth. At the next meeting with our obstetrician at the maternal-fetal medicine unit, Rob presented

his research, but we were told that this treatment is too risky and is not offered in Canada.

Rob and I were devastated, but with the support of our midwife, families, friends and church community, we decided to continue on with the pregnancy. Only after we fought to continue with the pregnancy were we referred to Roger's House, which is a perinatal hospice and palliative care house for children in the Ottawa area. Amongst other services, Roger's House provides family-centred care for families whose babies are likely to die before, during and shortly after birth. The Roger's House team helped us to write a birth plan, advocated for our plan, arranged for a photographer to come after Aaron was born, and offered counselling with a social worker both before and after the birth of our son.

The placenta moved at 32 weeks, which was not supposed to be medically possible. However, Aaron was in a breech position, where one foot was up and one foot was down. In 2009, the Society of Obstetricians and Gynaecologists of Canada recommended that physicians should no longer automatically opt to perform a C-section in the case of a breech birth. However, these babies are almost never delivered vaginally in Canada.

In our case, we knew that Aaron's life would be short, and that a vaginal birth would allow us to have the time and privacy as a family immediately after birth that an operating room and a C-section would not. We met with a fellow, a doctor training in the specialty of maternal-fetal medicine, at 32 weeks, and asked for a referral to an obstetrician who would deliver a breech presentation. The fellow commented that we may as well have terminated our pregnancy if we wanted to attempt a breech birth. This implied that choosing a breech birth would be killing our baby.

We told the palliative care team at Roger's House and our midwife about the appointment, and they advocated for our breech birth plan by contacting the staff obstetrician for the necessary referral. The breech birth OB agreed to our plan when I was 34 weeks pregnant.

Aaron was an active baby. He loved spicy food and music. During church or at night, when my husband would play the piano, he would move constantly.

Our son, Aaron Isaiah Robert Peters Samulack, was born on Father's Day, June 19, 2016, a short six months ago. It was a fast labour. We arrived at the hospital at 9:10 a.m., and he was born at 9:29 via a textbook breech birth.

Interjection.

Ms. Rachel Samulack: Yes, especially compared to our first one.

We had 100 precious minutes with Aaron. He was born at 36 weeks and weighed four pounds and eight ounces. He was a beautiful little boy with strawberry-blond hair and big lips like his big brother, Gabriel. Gabriel met him in person, as did his nana and papa and, via webcam, his grandpa, grandma and aunts and uncles. He did not appear to be in any distress except when a camera flashed. I do not believe that he experienced any pain. It was sad and it was hard, but it was beautiful. He was surrounded by love.

Our nurse, doula and the team at Roger's House were amazing. Rob and I just completed an eight-week group counselling session at Roger's House, which has been so helpful. Rob and I will be organizing a run next October in Ottawa called Aaron's Butterfly Run to raise awareness about pregnancy and infant loss. The proceeds raised will go to the perinatal hospice and counselling program at Roger's House.

This brings me to my recommendations for the 2017 Ontario budget. These recommendations come from the first summit on pregnancy and infant loss awareness in Toronto, held in 2016—I have a copy of it here and I'll pass it around—as well as my own personal experience.

My first recommendation is to establish early pregnancy assessment clinics across Ontario, such as the program at the North York General Hospital. These clinics are for women who are miscarrying or are experiencing pregnancy complications under 20 weeks' gestation. Sadly, miscarriages are a very common occurrence. Sources vary, but many estimate that one in four pregnancies end in miscarriage.

No woman should have to miscarry in an emergency room, where there is little privacy and long wait times. These clinics should be open seven days a week to provide women with timely care and follow-up.

With our first pregnancy, which ended in a miscarriage, we went for our dating ultrasound at 10 weeks. We found out that our baby had no heartbeat. We were told to go to our family doctor. It took four days' further referral to an obstetrician, where we were told that we had two options: I was able to take medication to start the miscarriage, or go to the labour and delivery unit for a medical procedure. There was no literature made available to me, nothing about support or counselling. We went home and I took the medication. Although not as strenuous as labour at term, it was real labour, complete with a full day of contractions, all at home with only family around and no medical support. Based on my experience, I am recommending that funding be put into place for early pregnancy assessment clinics across Ontario.

My second recommendation is that every community in Ontario should have access to a perinatal hospice program. Unfortunately, there are only a handful of perinatal hospice programs in Canada.

Perinatal hospice is care that is offered by a pediatric palliative care specialist in conjunction with an obstetrical team and other pediatric teams. It includes the preparation of a specialized birth plan that outlines choices for care received during pregnancy and support in the labour, delivery and beyond. It also allows parents and family members to explore choices and life issues as well as prepare for precious time spent with baby, and offers ongoing support for the family through counselling. Roger's House in Ottawa also offers counselling for women who have experienced a stillbirth after 20 weeks or for families who have decided to choose an elective termination.

Perinatal hospice should be introduced to families at the same time as the option of elective termination.

Roger's House in Ottawa is an amazing resource for our community, and all communities in Ontario would benefit from perinatal hospice programs.

In my husband's words, if you asked, "Would we do it again," we would both say yes. The time that we had with Aaron was amazing and precious. All the battles that we fought were worth it. It would have been logistically easier to end his pregnancy early, but that was not the decision for us. That decision may be different for other people, but we feel that we could make no other decision. Thank you.

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

Ms. Fife.

Ms. Catherine Fife: Thank you very much, Rachel, for coming in and for sharing your story. It takes a lot of courage. I know I speak on behalf all the members: We do appreciate it.

It is frustrating, though—and I'm sure it's frustrating, because for four years I've been on this committee, some others longer, and we continue to hear painful stories, unnecessarily painful stories, of women who experience very complicated pregnancies. The system, which is growing and growing without places like Roger's House—Lisa has told me there are only two such places in Ontario. So your recommendation of having an early pregnancy assessment clinic in conjunction with specialized care that deals with palliative issues, and has midwives very much attached to that—because you've had this personal experience, if you were to design it in a perfect world, can you just share what that would look like?

1500

Ms. Rachel Samulack: I have two different examples—my career as a research librarian, as you may have guessed.

There's an early pregnancy clinic at Mount Sinai. These are separate from the perinatal hospice programs. This clinic is designed for women who are under 12 weeks. I would propose that it actually go to 20 weeks. There's one at the Southlake Regional Health Centre in Newmarket, as well. They are nurse-run clinics that help women through their early pregnancy complications. The nurse is the one who does the assessment. It doesn't cost as much as having a gynecologist or an obstetrician run the clinic. They consult, review and discuss the concerns, and they also seek advice with a physician when it's necessary. All options are provided to the patient, and the patient is encouraged to follow up with the clinic afterwards. There's a referral process through your family doctor, your midwife or from the ER. If the program is set up at your local hospital or it's an external clinic, there's a referral process.

At the BC women's health centre, it's up to 20 weeks as well. They provide care, and their clinic is staffed by nurses and a gynecologist, Monday to Friday, 8 to 4 p.m. They seek patients within two business days of the receipt of referral. It's not a walk-in service, but you do get that referral and they help manage things, like the medication that I needed to take. They would have

helped if you needed a D&C. I have a co-worker who lost four pregnancies and required D&C surgery every time. She had to wait five days to get into the labour and delivery unit to have this operation performed with every pregnancy. Having these clinics would actually be a way to expedite that system. If they're in place and you need that surgery, at least you can get a referral and go directly to the hospital instead of waiting.

Ms. Catherine Fife: It's interesting because Mike Colle—this was his private member's bill. There is a genuine interest in creating more compassionate care, but there are obviously some obstacles around resourcing it. So you've come to the right place. We're going to take your recommendations. The Mount Sinai model is in the presentation, right?

Ms. Rachel Samulack: Yes.

Ms. Catherine Fife: Thank you very much for coming in. I'm very happy that you had those 100 minutes.

Ms. Rachel Samulack: Me too. My husband, I should mention, is a nursing student and completed his placement in the nursing unit six days before Aaron was born.

The Chair (Mr. Peter Z. Milczyn): Thank you, Ms. Samulack, for sharing with us. It touched everybody, and you can rest assured that everybody will be advocating for improvements to the system. Please leave your written submission with our Clerk.

CHAMPLAIN REGION FAMILY COUNCIL NETWORK

The Chair (Mr. Peter Z. Milczyn): Our next witness is the Champlain Region Family Council Network. Good afternoon.

Ms. Grace Welch: Good afternoon.

The Chair (Mr. Peter Z. Milczyn): You have up to 10 minutes for your presentation, which will be followed by five minutes of questions from the Liberal caucus. Please begin by stating your name for the official record.

Ms. Grace Welch: My name is Grace Welch. I'm chair of the advocacy committee of the Champlain Region Family Council Network. I'm here with my colleague Doreen Rocque, who is the chair of our network.

First of all, I'd like to thank you for the opportunity to speak to you today about issues critical to long-term care in this region and in the province. Our earlier speaker spoke about the very beginning of life. We're talking now for those who are near the end of their life.

We're a network of volunteers representing family members and friends in 60 long-term-care homes in the Champlain region. Family councils were established under the Ontario long-term-care act to allow family and friends to advocate on behalf of their loved ones in long-term care.

We are here today because we want our loved ones to have quality care in a safe environment where they are treated with dignity and compassion. The recommendations that we make today are based on first-hand ob-

servations and experience in long-term-care homes, combined with a review of government papers, research reports, and studies of care for seniors. We're here to speak for the many residents who don't have a voice and can't speak for themselves.

We have identified three priorities—I think you've got our paper. They are: improving care, ending violence in long-term care, and better capacity planning. Essentially, these are the same priorities I brought to you last year, but nothing has changed in the period of time since I was last here.

When we talk to families of residents, their number one concern is ensuring that their loved ones receive quality care. "Quality care" means there need to be more front-line staff, which means more nurses and more PSWs.

Funding for long-term care has failed to recognize that the nature of long-term care has changed considerably in the last decade. As someone who has been visiting long-term-care homes for nine years, I can attest to that. They are now essentially chronic care hospitals.

The expansion of home support in Ontario—which is a good thing—combined with the prevalence of retirement homes and stricter admission policies for long-term care, means the elderly only go to long-term care when they are older, frailer and have multiple medical conditions that can no longer be managed in a home environment. What is probably most challenging for the long-term-care sector is the number of residents with Alzheimer's, estimated at between 60% and 80% of the total population. Many homes have actually set up special units for their Alzheimer's patients who wander or have responsive behaviours, but no extra funding is provided for staffing for these units.

Most residents now need help with all aspects of daily living: dressing, feeding and even toileting. I serve lunch on Wednesdays at a long-term care here, and I was looking: Out of the residents at the unit, 27 people, half of them are in wheelchairs and have to be brought to the dining room to be fed, and more than a quarter of them—about a third, actually—have to be fed by the nursing staff. One estimate says that about 33% of all residents are totally dependent on staff. At the same time, many long-term-care homes are now providing services that once were confined to hospitals, such as peritoneal dialysis and IV therapy.

Coupled with the increase in resident care requirements, the reporting requirements required by the province have become more complex and demanding. Less than half of the average workday of a personal support worker is spent on direct care for residents. It is said that Ontario has one of the most highly regulated long-term-care sectors in Canada, while being one of the lowest-funded. Figures from the Ministry of Health and Long-Term Care show residents receive about 3.4 hours of care per day, well below the four hours of direct care recommended by a number of research studies in Canada and the United States. We're not the only group asking for 4.0 hours; there's a bill now, a private member's bill, Bill 33, asking for four hours.

The number of stakeholders interested in seeing a minimum standard set continues to increase. These include the Ontario Association of Non-Profit Homes and Services for Seniors, the Registered Nurses' Association of Ontario, the Ontario Council of Hospital Unions, and the Ontario Health Coalition.

Most recently, a multinational, multi-institutional study, led by Pat Armstrong, who is a distinguished research professor from York—I'm quoting her. She "saw plenty of evidence to support the conclusion that direct care staffing should be set at a minimum of 4.1 hours per resident per day." Research shows that lower staffing levels are associated with higher levels of aggression, more falls, more pressure ulcers, increased incontinence and use of restraints.

As we noted in our previous presentation, staff in long-term care are stretched to the limit. There are many dedicated individuals in the long-term-care sector, but they are frustrated, because they cannot provide the care that they know the residents need.

Those of us who are regularly visiting long-term-care homes see the impact of insufficient staffing: requests for toileting ignored; residents unfed or having food shovelled into their mouths while the overworked care worker tries to feed multiple residents; and staff so harried that they don't even have time to just have a brief social interaction with the residents.

We are convinced that the only way to ensure the government funding goes directly to personal care for long-term-care residents is to have a legislated minimum-care standard that meets or exceeds those recommended in current research, which is four hours, and that standard needs to be continuously reviewed and assessed against care requirements.

1510

We also are recommending that the Ministry of Health and Long-Term Care work with stakeholders to identify ways to reduce the burden of reporting, so that more long-term-care resources are committed to personal care. We know that statistics are good—we have to monitor quality—but at what point are we taking away from care for our loved ones?

When we talk about care, we're also looking at improvements in the raw food budget. We're asking that it be increased in recognition of the important role that food plays in the physical and emotional well-being of long-term-care residents.

Long-term-care homes only receive \$8.03 per day to feed each resident three meals a day and snacks. It also includes specialized meals for cultural and medical reasons, nutritional supplements, and nutrition delivered via feeding tubes. The food allocation has fallen very short of inflation, so we are asking, as OANHSS, that there be an increase in the daily food budget of 62 cents per day.

Our second priority is ending violence in long-term care. Family members are very concerned about the significant increase in aggressive behaviours in long-term-care homes across the province. As a measure of the

increase, the Geriatric and Long-Term-Care Review Committee of the Ontario coroner's office reported that there were 25 homicides in long-term-care homes between 2001 and 2011, but in the last three years, there have been 21 homicide deaths, and those are not including the ones that were recently reported, by the nurse in Woodstock.

Roger Skinner, the supervising coroner for the 2015 coroner's report, indicates that these deaths are just the tip of the iceberg. I'm sorry, I have to say this: Imagine what the public outcry would be if 21 toddlers died while in daycare.

Also, much of the aggression is a result of the significant percentage of residents who suffer from dementia. As I noted, it's between 60% and 80% of all residents now. They estimate that 46% of all long-term-care residents exhibit some level of aggressive behaviour, with nearly 10% exhibiting severe levels of aggression.

Some of this is that the closure of mental health facilities has contributed to some of the violence as well. We were heartened to see the Ombudsman's report, where they are recommending that adults with developmental disabilities be moved to more appropriate housing, rather than using long-term care as the last resort. We're encouraged that the Minister of Community and Social Services has accepted the recommendations.

As much as we're concerned about our loved ones in long-term care, we're also concerned about the staff who care for them. A York University study found that Canadian personal support workers are more than seven times more likely to experience violence on the job compared with their counterparts in Nordic countries.

We're asking that we have more behavioural support units. We currently have six across the province, although I've heard that the one in our LHIN is closing, so that means there will be five. We're asking that that be moved to 18. We are also asking for funding that would allow for there to be a behavioural supports team in every long-term-care home.

We also would like to see more specialized training for front-line staff, to help them deal with responsive behaviours for residents with dementia, and we also recommend that funding should be provided to backfill personnel, so that direct care hours are not reduced.

Lastly in this category, we support the 2016 recommendation of the Geriatric and Long-Term-Care Review Committee that the Ministry of Health and Long-Term Care immediately convene a widely representative, multi-stakeholder expert panel to develop a concrete plan to address resident-to-resident violence in long-term-care homes.

Our last priority is better capacity planning. Last year, the Minister of Health and Long-Term Care announced that they were doing a capacity plan. It's a year later, and we've seen nothing. We have over 24,000 residents in Ontario waiting for a long-term-care bed, and that number is rising as each day passes. Frail seniors with complex care needs wait years for a bed, creating pressure on families and home support systems that are already stretched to the limit.

Caregiver burnout is becoming more common, with some family members becoming so desperate for a long-term-care bed that they're bringing their loved ones to hospital and abandoning them there.

The Chair (Mr. Peter Z. Milczyn): I will cut you off there. We already gave you an extra minute.

Ms. Grace Welch: Oh, I didn't realize that. Sorry, I missed your timing.

The Chair (Mr. Peter Z. Milczyn): That's all right. This round of questions is with the government side. Mr. Baker.

Mr. Yvan Baker: Thanks very much for coming in and for your presentation. As you were speaking, I was reading your submission. Your presentation was very thoughtfully put together, so thank you for that and for all your—

Ms. Grace Welch: It's another research librarian sitting in front of you.

Mr. Yvan Baker: Is that right?

Ms. Grace Welch: Yes.

Mr. Yvan Baker: Well, now I know who to go to for presentation preparation. You did a wonderful job, so thank you for that, and thank you for your advocacy. I know that this is something that you do on your own time because you believe in something that you're passionate about. So thank you for that.

Ms. Grace Welch: You're welcome.

Mr. Yvan Baker: I represent a riding that has one of the highest percentages of seniors in the country. We've put a number of long-term-care homes in the riding, so I've actually become quite familiar over the last two and a half years, since being elected, with the issues that you've talked about.

My predecessor was somebody by the name of Donna Cansfield. She was an MPP there for many years—since 2003, prior to my election. Some of the members who have been here for a number of years will know that she was, certainly when she was in office, and continues to be an advocate for some of the things that you're talking about, to improve the quality of care in our long-term-care homes.

I'm very receptive to the challenges that you've identified here and to the urgency of addressing some of those things.

I know you have it in your presentation, but one of the things that I wanted to highlight, in light of what I just said, is that I was pleased that the Premier has recognized the importance of some of the issues that you've raised. I know we have a lot more work to do—I've heard that from you. But just in terms of what she has put into the mandate letter for the Minister of Health—I know you have that in your presentation, but I'll just read it for the record, if that's okay.

Ms. Grace Welch: Sure. I appreciate that.

Mr. Yvan Baker: This is quoting from the mandate letter: "Improving the safety and quality of life for those living in long-term-care homes today and in the future, by considering necessary investments, including staffing, and by advancing the Enhanced Long-Term Care Home Renewal Strategy as quickly as possible and ultimately

eliminating all four bed wards in Ontario's long-term-care homes."

One of the things that I often ask people who have come here, who are advocating, is to make this real for us and for the people who are watching at home or who might be reading this after the fact. If everyone had the level of care that you're talking about, if we were able to make those investments in Behavioural Supports Ontario that we've made—I was at an announcement with the minister when we made a further investment, but I've heard that you would like to see more. If that were to happen, what do you think the result would be on the ground? How would this impact people?

Ms. Grace Welch: If we increase the staffing, we're talking about 30 minutes of care a day for each resident. It would mean the few minutes that they would take to talk to the resident, to just make sure that they had a few minutes extra, so they're not shovelling the food in.

I know that many times, I'm looking for staff after lunch. I've seen people who are about to fall—I'm trying to find staff to help this person—or they have an urgent request. With only two people to bring them to the bathroom or put them to bed, there's nobody on the floor. That's one of the changes that we'd see: There would probably be an extra staff person around.

Mr. Yvan Baker: I think the average is—I don't know if you referred to it, or if I just know it from my own work, so forgive me—we're at around 3.4 hours on average. Is that right?

Ms. Grace Welch: Yes.

Mr. Yvan Baker: You may have mentioned that in your presentation. Going from 3.4 to four is what you're asking. It sounds like you're saying that would make a substantial difference. Am I hearing that right?

Ms. Grace Welch: Certainly, there has been a lot of study on this topic. They say that it really does make a difference in terms of prevention of falls. They've got more staff, so they're moving people more, so there are fewer pressure ulcers. Certainly, the studies seem to indicate that.

I made reference to Pat Armstrong's report, which was funded by SSHRC. They looked at 10 different countries, and that's what their recommendation is. So they've seen it. They've gone in. They looked at the best homes, they looked at bad homes and they looked at good homes, and they identified what the differences were, and one of the most significant differences was staffing level.

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Mr. Yvan Baker: Okay. Thank you very much. Thank you for your time.

The Chair (Mr. Peter Z. Milczyn): If there's something further you'd like to provide in writing to the committee, you can do so until 5 p.m. on January 20.

Ms. Grace Welch: Thank you so much.

IMPERIAL TOBACCO CANADA LTD.

The Chair (Mr. Peter Z. Milczyn): Our next witness is Imperial Tobacco Canada. Good afternoon, sir.

Mr. Eric Gagnon: Good afternoon.

The Chair (Mr. Peter Z. Milczyn): You have up to 10 minutes for your presentation, which will be followed by five minutes of questions from the Progressive Conservative caucus. If you could please state your name for the official record as you begin.

Mr. Eric Gagnon: My name is Eric Gagnon. I'm head of external and corporate affairs for Imperial Tobacco Canada. Good afternoon, and thank you for the opportunity to be here today.

Imperial Tobacco is the largest tobacco company in Canada, and I specify the word "legal," because there is a thriving illegal tobacco trade in Canada and here in Ontario particularly. My comments today will focus on the size and scope of the problem in Ontario, and our recommendations to address it.

To put things in perspective, I'd just like to start by stating that the RCMP says that there are 50 illegal manufacturing operations on Canadian soil, 350 smoke shacks dealing illegal tobacco and 175 organized crime groups dealing illegal tobacco in this country. According to the data released by the Ontario Convenience Stores Association last month, the illegal tobacco rate in Ontario is 33%. This is by far the highest rate in the country, and it represents an increase of 8% since the last OCSA survey in 2015. This rate is also consistent with a 2015 study by KPMG, which found that Ontario had the second-highest illegal tobacco rate in the Americas, at 31%, trailing only Panama and El Salvador.

The regional trends are stark. For example, the OCSA found that the illegal tobacco rate in northern Ontario is 54%, with five cities having rates over 50%: Sudbury, Huntsville, Orillia, North Bay and Sault Ste. Marie. The rate in Sault Ste. Marie was a staggering 75%. The problem is also significant in eastern Ontario, with Kingston and Belleville both reporting rates of over 45%. The rates in the GTA and southwest Ontario, at 21% and 26% respectively, may look good in comparison, but those rates are still higher than in any other provinces.

The committee should care about this for at least three reasons. First, illegal tobacco is robbing your government of upwards of \$800 million in lost tobacco tax revenue annually. Second, Canada's illegal tobacco trade is run by organized crime groups, and I have shared with the committee a document that shows the very clear links between illegal tobacco and other criminal pursuits, including drug trafficking and Canada's opioid crisis. Third, illegal tobacco undermines virtually all government efforts at tobacco control, including sales to youth.

This is a brief overview of the problem. Now let me turn to the solutions. There are four pillars to a successful illegal-tobacco reduction strategy. Fortunately, Ontario has taken action on a couple of these, but with the illegal tobacco rates increasing in the province, clearly more needs to be done.

The first pillar is to avoid tax shocks with increased amounts for legal tobacco products. Ontario took action here in the last budget and introduced a five-year plan for moderate annual tobacco tax increases on June 1 of each

year. Given the already high rate of illegal tobacco in Ontario, that model should remain in place.

The second pillar is to invest in enforcement to curb illegal tobacco trafficking across the province. Ontario has taken an initial step here with the creation of a dedicated illegal tobacco enforcement unit within the OPP, but more could be done. For example, the OPP unit has roughly \$1 million in funding, which is the same amount that New Brunswick has invested in a similar unit. In contrast, Quebec invests around \$18 million annually in illegal tobacco enforcement, and the government credits that with an \$180-million increase in tobacco tax revenue, so a 10-to-1 return on investment for its 2014-15 budget year.

The third pillar is to introduce legislation to give law enforcement more powers to deal with illegal tobacco. The model here is Quebec's Bill 59, which was passed in 2009. The powers of this legislation are detailed in our handout.

I just wanted to add that earlier today, you had somebody from the Canadian Cancer Society here, who endorsed some of the aspects of Bill 59 as it relates to law enforcement revenues from seizures. I'd like to add that when the Canadian Cancer Society and my company agree on something, I think the government should act on it.

We cite Quebec a lot because it's a model that worked. Quebec's legislative changes and its investment in enforcement have helped the province reduce its illegal tobacco rate from 40% to roughly 15%, despite having almost identical market conditions as Ontario. You do not have to reinvent the wheel to have the same success here. Quebec provides an off-the-shelf solution.

However, there is one caveat to that. Ontario is the only province that still has tobacco farming, and unfortunately, the oversight system for that has broken down. We believe that there is enough raw leaf tobacco being diverted to illegal cigarette factories in this province to supply the entire Ontario contraband market today. Therefore, Ontario needs to do a better job with raw leaf oversight and, to give credit where due, we continue to have productive discussions with officials within the Ministry of Finance on that issue. Ultimately, however, political will is needed to ensure that enough resources are provided to enforce the law.

Finally, the fourth pillar is to adopt a whole-of-government approach to tobacco policy. With a third of its market being illegal, the government has to recognize that tobacco control policies cannot be made in a vacuum and must take contraband realities into account. For example, policies that make sense on paper, like banning menthol cigarettes, are pointless when there are twice as many illegal menthol brands available in Canada as there are legal ones. In effect, banning menthol cigarettes simply hands a monopoly on these products to the illegal operators, which is ironic since we have government talking about legalization of marijuana to get it out of the hands of organized crime groups.

Ontario should also be gravely concerned about the federal government's plan to implement plain packaging

of tobacco products. This is a reckless policy in a market that is already so permeated by illegal tobacco. Australia remains the only country with plain packaging fully in effect, and their illegal tobacco rates increased by 20% in the years following its introduction. Australia has no domestic illegal manufacturing. Canada, on the other hand, as I said earlier, has 50 or more illegal cigarette factories, with half of those in Ontario alone. If this policy is implemented fully in Canada, we expect illegal tobacco rates to exceed the past peak in this province, which was roughly 50% of the market in 2008.

To recap, we have four recommendations: first, maintain the tobacco tax model introduced in the last budget; second, increase investment in illegal tobacco enforcement to at least the level found in Quebec; third, adopt legislation giving all peace officers greater enforcement powers around illegal tobacco and improve oversight of tobacco farming, backed up in both cases with the political will to exercise these powers; and finally, adopt a whole-of-government approach to tobacco policy.

We thank the government for the measures put in place already, but as I stated earlier, the increase in illegal tobacco clearly shows that much more needs to be done.

Thank you again to the committee, and I look forward to your questions.

The Chair (Mr. Peter Z. Milczyn): Thank you, Mr. Gagnon. This round begins with Mr. Barrett.

Mr. Toby Barrett: Thank you, Imperial, for all of this information. It's become a very complex problem year after year.

I look at your map of Canada and Ontario and the linkages in the States and South America. I represent Haldimand-Norfolk. I represent most of the tobacco farmers in Canada, and have done for the last 21 years.

Not last summer, the summer before, just to paint a picture of what I think is even more significant than what you're talking about as far as Ontario's reputation within the international underground economy, I received a visit from a journalist from *Reforma* newspaper. We sat down and did an interview, and she asked me, "Why is all your tobacco coming to Mexico?" We knew that the state government had just lowered taxes, which is a guarantee—no, it just increased taxes, which is a gift to organized crime; it always is.

I had a film crew come up from Costa Rica to my little constituency office in Simcoe to interview me about their country being flooded by Norfolk county tobacco. A film crew came up to my little office—I mean, Toronto film crews don't come to my office—from Guatemala to interview me, and also a film crew from Mexico. Just a few weeks ago, a film crew was coming up again from Costa Rica to Queen's Park to do interviews on local Ontario tobacco being shipped down by the container load. For some reason, they were stopped at the border. They didn't get their visas; I don't know what's going on there. I just tell that story to indicate how significant this is. Ontario now has an international reputation with respect to illegal tobacco. It is lucrative.

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We know tobacco is being shipped down. What comes back up? We know the organized crime groups that are manipulating native communities in Ontario. What are we dealing with in these countries? What kind of organized crime groups do they have down there? Can you expand on that a little bit?

Mr. Eric Gagnon: Obviously, I'm not an expert in what happens in other markets or other countries. I can tell you that what we're seeing is that the organized crime group that's dealing contraband tobacco in Canada is very well organized. Their supply chain is fully operating, and they have the ability to distribute their products not just in Canada, not just in Ontario, but anywhere in the Americas and in other parts of the world.

I think one of the challenges we're faced with is, there seems to be a misconception of, if the government acts on the contraband problem, it attacks the First Nations community, which is not the case. Like I said earlier, 175 organized crime groups are dealing illegal tobacco. Quebec has put in place a system that is not going after First Nations communities—because the products are leaving the First Nations reserves and they're making their way through Canada and through the provinces and the cities. Addressing the problem is not addressing the First Nations issues, but it's addressing the supply chain of the illegal product.

Mr. Toby Barrett: I just find it passing strange, and you seem to indicate in your brief that we have a modicum of legislation in Ontario now—not nearly to the extent of Quebec—but we don't seem to have the enforcement. I see that locally, maybe because we're not organized: the reluctance to take on organized crime that's involved not only in tobacco, but of course money. Money changes hands. There's the laundering of money in so many sophisticated ways. Guns are involved. Violence is involved. The groups that are involved in a lot of this low-hanging fruit sell guns. They're involved in other drugs, of course, and the trafficking of people.

Mr. Eric Gagnon: I've shared with the committee about Project Mygale that went on a couple of months ago. You can clearly see that this is not mom-and-pop shops dealing illegal tobacco. This is well-funded, well-organized crime groups. The RCMP has found that some of the money related to illegal tobacco is funding al Qaeda, funding terrorism. So it is a big problem.

To go back to your point about Ontario, I stated in my comments that I think there needs to be the political will here to really address the problem. Bill 59 in Quebec is a model that works, and we'll continue to advocate for that model to be introduced. Quebec went from 40% to 15%. It's not the silver bullet, but obviously it would help a lot in Ontario, to decrease.

The Chair (Mr. Peter Z. Milczyn): Thank you, Mr. Gagnon. That's all the time for today. If there is something additional you'd like to submit to the committee in writing, you have until 5 p.m. on January 20 to do so.

Mr. Eric Gagnon: Thank you.

ROBERTS/SMART CENTRE

The Chair (Mr. Peter Z. Milczyn): Our final witness of the day is Roberts/Smart Centre. Good afternoon. You have up to 10 minutes for your presentation, and that will be followed by five minutes of questions from the New Democratic caucus. Please state your names for the official record as you begin.

Ms. Vanessa Woods: My name is Vanessa Woods. I'm the current chair of the voluntary board of the Roberts/Smart Centre. This is Kathie Lynas, who is a past chair of the board, and Kathy Neff, who is the current executive director of the centre.

Again, thank you very much for providing us with this opportunity to appear in front of the committee to participate in the pre-budget consultations.

Essentially, our overarching message for today is that investing more funds in community-based children's mental health is the right course of action for Ontario. It will improve the lives of thousands of children and youth and their families who are struggling to get high-quality mental health treatment, and it will save money for the Ontario government.

Funding shortfalls have affected the Roberts/Smart Centre's delivery of service for many years, and we have witnessed the impact of chronic underfunding in our partner agencies in Ottawa and the eastern Ontario region. Today, we will talk briefly about our experience and how it exemplifies the challenges of the mental health system across Ontario.

First of all, a brief overview of the Roberts/Smart Centre agency and its role within the community children's mental health system. The Roberts/Smart Centre has been delivering services since 1973 and is accredited by CMHO, Children's Mental Health Ontario. We have developed expertise in providing residential treatment and other services for adolescents who have severe behavioural and emotional problems and for whom other interventions and organizations have failed to provide them with the treatment that they require. Our youth are typically between the ages of 12 and 18.

Of the 44 children that we served in residential care in this past year, 93% of these individuals' needs could not be met by any other placement in the province. Our residential treatment programs include the secure treatment program, which provides treatment for adolescents with a mental disorder who have demonstrated that they are a danger to themselves or to others and that they require services in a high-secure facility. Admission to this program is determined by the legislation within the Child and Family Services Act, and we are the only agency delivering this program in eastern Ontario and one of three in the entire province of Ontario. We take in children from across the province.

Our mental health residential programs: We operate two residences for youth with mental health concerns. Here, we provide care and services for adolescents whose difficulties mean that they require 24-hour support and supervision. We also provide some community programs for youth with a severe mental illness.

Why are these services so important to our community? One of the many reasons is the major public health crisis we are facing in terms of youth suicide. Many of the children and youth who come into our programs have attempted to complete suicide. Of the 44 clients served in residential services in this past year, the average number of times any one of our youth has tried to take his or her life is six. The maximum number of attempts by one individual was 55.

Our staff has the responsibility of keeping these young people safe, to provide them from continuing to attempt to harm themselves or to take their lives while in our care. At the same time, we are seeking to provide treatment to help them get well and to manage their symptoms of mental health. This requires us to provide one-on-one staffing; that means one staff member providing constant supervision for any one child. However, the funding that we are provided frequently does not cover such one-to-one staffing. We provide it anyway because it is in the best needs of the people that we serve and it is crucial. But at the same time, it contributes to our budget deficits.

Ms. Kathie Lynas: I'm Kathie Lynas, and I'm past chair of the Roberts/Smart Centre board.

Another reason that community-based programs such as ours are so important is that hospitals are experiencing significant increases in the number of children arriving on their doorsteps for mental health treatment. As we've heard from Children's Mental Health Ontario, since 2006-07, hospital emergency department admissions for children and youth with mental illness have increased by 54%, and in-patient admissions have gone up by 60%.

Kids and families end up going to hospital emergency rooms because they can't get therapy in the community, but hospitals aren't set up to provide the long-term therapy that is needed to help them. Hospitals frequently have to keep the children in their care because there are no viable community options.

In terms of the Roberts/Smart Centre, of the 44 clients in the past fiscal year, 32 had spent at least some period of time in a hospital psychiatric ward, 13 clients spent over one month in a ward, and four clients were in the hospital for over five months.

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The Roberts/Smart Centre is able to be a therapeutic and safe place that hospitals can release their clients to, and that allows us to provide these clients with therapeutic services in a less institutionalized setting.

To briefly talk about the economic impact, our 44 clients spent a total of 1,285 days in the psychiatric ward before they were admitted to see us. Each of those days in the hospital cost over \$2,300, a total cost of just over \$3 million. By contrast, each day in the RSC costs \$431. Therefore, each day in the hospital is approximately five and a half times as expensive. If each of these days that they spent in the psychiatric ward had been spent in the community health centre, the Roberts/Smart Centre, the cost would have been half a million dollars. That compares to over \$3 million.

CMHO has calculated that if you extrapolate these kinds of numbers province-wide, investing in the right treatment in children's mental health centres in communities will save the government \$145 million a year in hospital costs.

Back to Vanessa.

Ms. Vanessa Woods: The Roberts/Smart Centre, like other children's mental health agencies within Ontario, is constantly facing struggles to provide services within its budget. Every year, our costs rise. Consider the fact that we operate a residential program. We are constantly dealing with spending on everything from food to heat to hydro, on top of the care required for these young people.

As we mentioned, the severity of mental illness amongst the population we serve is increasing, and more and more we are called upon to provide one-on-one staffing outside of our budget allocations. Again turning to the CMHO data, since 1992, our agencies have received base funding increases of only 8%, while inflation has risen to nearly 53%.

We would like to extend our appreciation to the officials of the eastern Ontario regional office within the Ministry of Children and Youth Services, who have been working with us to find solutions to our budget challenges and to develop models that will put us on the path to financial sustainability. These officials, along with our community partners, recognize the importance of the Roberts/Smart Centre as a player within the larger children's mental health system. However, long-term solutions can only be realized if significant investments are made in community-based children's mental health centres.

On behalf of all board members of the Roberts/Smart Centre, we join with CMHO in its call for provincial government action and we urge you to increase funding by \$80 million a year to ensure our children and youth receive the services they need to overcome their mental health challenges and to fulfill their potential.

Thank you very much.

The Chair (Mr. Peter Z. Milczyn): Thank you very much for your presentation. Ms. Fife?

Ms. Catherine Fife: Thank you for coming in and essentially costing out the life of a child, but also making a very compelling case for us. It's not the first time you've made this case, and I think that's the frustrating piece at this stage in the game.

Now we have the Auditor General's report that just came out on November 30, where we are seeing exactly as you have described locally. The children with mental health in our emergency rooms have gone up by 50%, and yet there has been no corresponding critical thinking or strategic plan to deal with that. You have given this committee a strategy and a plan, and if the government is listening, as they should, they need to honour the commitment to community-based children's mental health.

Quite honestly, my colleague also tells me that you have some capital issues as well, your space issues. Did you want to talk about that a little bit?

Ms. Lisa MacLeod: You deserve a new space—a brand new space.

Ms. Catherine Fife: I think, given the work that you are doing, having the appropriate capital funding to have the space to actually house a residential program is very important. For a local provider in my community, their suicide prevention model is being funded by a local furniture store, and while that is great, it is not sustainable and it is not leadership on children's mental health.

So please talk about your capital issues as to space.

Ms. Katherine Neff: We are currently looking at relocating our secure treatment program, which is the space in question. It is a space that was converted quite a number of years ago, back in the early 1980s, from an open residential setting to a secure setting. We've made adaptations over time, as our needs have expanded and increased, but it was never a building designed to work with the type of children who require secure treatment, and we are constantly faced with the challenge of how to manage up to eight very ill children in a space that was designed to be basically an open-door group home.

That, in a nutshell, is what we need. We've had some very preliminary discussions with the regional office on how to move forward with this, and they're doing some preliminary work with some architects as well. We will also begin to have some discussions with the Royal Ottawa hospital, which is where we are currently located, on their grounds.

Ms. Catherine Fife: But the regional offices need provincial funding, unless we're just going to move the pieces around the chessboard, right? There has to be significant investment in children's mental health, and there is a compelling economic case to do so, aside from the compassionate and ethical considerations. Do you agree?

Ms. Katherine Neff: Absolutely, yes.

Ms. Catherine Fife: Also, the suicide prevention piece—I think that advocates and activists have started just throwing every argument at the government. We've heard, actually, in the evidence-based report that we received, that the cost of a suicide can range from \$345,000 to almost \$7 million—for one suicide. The numbers do not lie here, right?

Ms. Katherine Neff: They don't lie.

Ms. Catherine Fife: So this committee has to make a very strong recommendation to the government—all of us around this table—that the money that has been promised for children's mental health needs to go to children's mental health in the community, to keep those kids out of the emergency room.

I want to thank you for your report. I will carry it around with me, as I'm sure my colleague will do as well. Sometimes groups come here and think, "Okay, this isn't going to make a difference," but it does make a difference, especially when you bring evidence-based approaches to us as well. So thank you very much.

The Chair (Mr. Peter Z. Milczyn): Thank you for your presentation. If there's something additional in

writing that you'd like to submit to us, you have until 5 p.m. on January 20.

Ms. Vanessa Woods: Thank you very much.

Ms. Katherine Neff: Thank you.

The Chair (Mr. Peter Z. Milczyn): That concludes our witnesses for today. However, before we recess, I would just like to note for the record that today is Ms. Fife's last day as a permanent member of this committee. I just wanted to say that in my time on this committee, I've seen her to be extremely well prepared and always very engaged, and she has fulfilled her role with great integrity. We will miss you.

Applause.

Ms. Catherine Fife: Thank you very much, Chair. In turn, I would also like to extend my thanks to the interpreters and the broadcasting crew. Research has been amazing; thank you very much, Susan. The Clerk's office takes very good care of us. Let's be honest: We're not very easy people to manage. And also, I have appreciated Hansard on many occasions as well. Thank you for the support, and thank you for the kind words, Chair.

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

The committee stands adjourned until 9 a.m., Thursday, December 15, in Windsor.

The committee adjourned at 1548.

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