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(Hansard)**

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des débats
(Hansard)**

F-45

**Standing Committee on
Finance and Economic Affairs**

Pre-budget consultations

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

Consultations prébudgétaires

2nd Session
41st Parliament

Wednesday 17 January 2018

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41^e législature

Mercredi 17 janvier 2018

Chair: Ann Hoggarth
Clerk: Eric Rennie

Présidente : Ann Hoggarth
Greffier : Eric Rennie

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Wednesday 17 January 2018

Mercredi 17 janvier 2018

The committee met at 0900 in Courtyard by Marriott Ottawa Downtown, Ottawa.

PRE-BUDGET CONSULTATIONS

The Clerk of the Committee (Mr. Eric Rennie):

Good morning, honourable members. In the absence of the Chair and Vice-Chair today, it is my duty to call upon you to elect an Acting Chair for the meeting. I remind members that pursuant to standing order 117(b), the Chair of the Standing Committee on Finance and Economic Affairs shall be a member of the party forming the government.

Are there any nominations for Acting Chair? MPP Rinaldi.

Mr. Lou Rinaldi: I would like to nominate my good friend MPP Grant Crack.

The Clerk of the Committee (Mr. Eric Rennie): MPP Crack, do you accept the nomination?

Mr. Grant Crack: Yes, sir.

The Clerk of the Committee (Mr. Eric Rennie): Are there any further nominations for Acting Chair? Seeing none, I declare the nominations closed and Mr. Crack elected Acting Chair for today's meeting.

Could you please come to assume the chair?

The Acting Chair (Mr. Grant Crack): Good morning, everyone, and thank you for the vote of confidence. I'm happy to be your Chair this morning.

Welcome to everyone. Today we're here in Ottawa, a great city, to hold pre-budget consultations. Each witness this morning and this afternoon will have up to 10 minutes for their presentation, followed by five minutes of questioning from the committee. I'll try to be as fair as I can, with about a minute and a half plus to each side.

Members of the committee, any questions before we begin? There being none, then we shall get right to business.

ASSOCIATION OF MUNICIPAL
MANAGERS, CLERKS,
AND TREASURERS OF ONTARIO

The Acting Chair (Mr. Grant Crack): We have, as the first presenter, the Association of Municipal Managers, Clerks, and Treasurers of Ontario. We have the president, Yvonne Robert, and the director of member services and sector relations, Rick Johal. We welcome the two of you to committee this morning.

Mr. Victor Fedeli: Chair?

The Acting Chair (Mr. Grant Crack): Mr. Fedeli, before we start.

Mr. Victor Fedeli: Chair, thank you very much, and congratulations on your ascension to the chair-dom.

Generally, at the beginning, the Chair announces that we have five minutes for one party for each. It's not a rotation on this committee.

The Acting Chair (Mr. Grant Crack): Thank you.

Mr. Victor Fedeli: I'm asking the Clerk, but I think it ended with the government last night, so it would begin with the opposition today, if I am not mistaken.

The Acting Chair (Mr. Grant Crack): So it's five minutes, and it's going to start there. The next presenter, it's five minutes there, and the next presenter, it's five minutes.

Mr. Victor Fedeli: And a 10-minute presentation.

The Acting Chair (Mr. Grant Crack): Correct. Thank you very much for the clarification.

Mr. Victor Fedeli: Thank you.

The Acting Chair (Mr. Grant Crack): Is that clear? Good.

We welcome the two of you. Please, for the record, state your names. You have up to 10 minutes. Thank you.

Ms. Yvonne Robert: Good morning. First, thank you very much for the opportunity to speak with you today. My name is Yvonne Robert. I am the administrator clerk for the township of Elizabethtown-Kitley, but today I am representing the AMCTO in my position of president.

Today, we also have with us Rick Johal, who is our director of member and sector relations.

The AMCTO is the largest voluntary association of public servants in local government in Ontario. We have over 2,000 members working in almost every municipality in Ontario. As one of the largest municipal associations in Ontario, we work closely with AMO and other municipal organizations to promote sound municipal policy and good governance at the local level.

Although our name says "Clerks and Treasurers," we have a diverse membership made up of senior municipal public servants working in every area of municipal management and leadership. The majority of our members are CAOs and senior managers.

I'd like to talk to you today about some of the challenges facing Ontario's municipal sector, and some of the opportunities for solving those challenges. As you can see from our submission, we've highlighted three

policy areas that we think are crucial priorities for the Ontario budget: fiscal sustainability, the reporting burden, and succession planning and capacity-building. For each of these priorities, we have proposed a number of recommendations that we believe will empower municipalities to build stronger, healthier and more inclusive communities.

I'll start by discussing the fiscal challenges facing Ontario municipalities. As I am sure many of you are aware, municipalities in Ontario are facing a challenging financial situation. Though the services that we offer are becoming more complex, the sources of revenue that we use to fund these services have not changed in many years. There is a growing consensus that the current fiscal framework for local government is neither appropriate nor sustainable.

Take, for example, the work done by AMO, which projects that municipalities will have to raise their property taxes by 4.51% every year for the next 10 years just to maintain the current level of service. AMO also projects that in order to tackle the province's \$60-billion infrastructure gap—something that is not optional, that it is essential that we address—municipalities would have to increase property taxes by 8.35% every year for the next 10 years. This is simply to maintain the status quo. But the status quo is no longer good enough. From poverty reduction to public safety, housing, economic development, climate change and infrastructure, there are needs in the community that municipalities are simply not able to meet.

Over the past year, the government has taken a few welcome steps to give municipalities greater financial freedom. Its 2017 budget gave municipalities access to a hotel tax. Amendments to the Municipal Act, passed in the spring, made prudent investor status available to a larger number of local governments. In their last two budgets, the federal and provincial governments have outlined historic investments in infrastructure.

But every year, municipalities also assume new responsibilities, such as the implementation of recreational cannabis and the new mandates created under Bill 68.

At the same time, the majority of municipal services continue to be funded by property taxes. But as we all know, property taxes are deeply unpopular with residents and with politicians. They're subject to shifting political pressures and do not grow with the economy. This makes it incredibly challenging for municipalities to raise new revenue when they need to.

Transfers from the province serve as an important supplement to the property taxes, but they often lack predictability and come with mandated service standards and burdensome reporting requirements, which I will speak to shortly.

We also know, from international experience, that the best-governed, most accountable local governments are those that have the ability to set their own tax rates and raise their own revenue.

The fiscal challenges facing the municipal sector are complex, and there is no single solution. Every

municipality faces its own unique challenges and has its own unique needs. We believe that the best solution is for the province to remove its constraints on municipal autonomy and allow each municipality to decide what is right for its own community. Our submission contains a number of reforms that we believe will help move us forward in that direction.

I'd like to turn now to the next important priority for the municipal sector, and that is the growing amount of reporting that municipalities do.

Local governments in Ontario report to the province and the federal government on a wide range of programs and policy initiatives. This reporting is important; we recognize that. It helps the province ensure that municipalities are accountable and that money transferred from the province is spent efficiently and appropriately. However, the amount of reporting that municipalities do has grown substantially over the past decades and has become a significant burden.

0910

In February of last year, the AMCTO published new research on the municipal reporting burden in Ontario. Our research found that the province collects hundreds of reports from municipalities every year. Most municipalities submit somewhere between 90 to 200 reports every year, while the government collects more than 422 reports from municipalities across the province. As we outline in the report, while municipalities think reporting is important, they also think that its purpose is often unclear, and that it is onerous, excessive and highly fragmented.

The most alarming finding of our research is that the reporting is negatively impacting service delivery in municipalities. In a survey of public servants conducted for the report, we found that 75% of public servants thought that the provincial reporting is too time-consuming, 73% agreed that it was too onerous and 48% are concerned that the reporting is negatively impacting their ability to deliver services to their citizens.

This is a problem that affects all municipalities, whether they are large or small. Larger municipalities have greater resources, but they also end up with a greater range of programs that they have to report on. Smaller municipalities, on the other hand, may have less to report on, but they do so with fewer resources. I can speak from my own experience, from working in a small municipality: That reporting can take a significant amount of time for our staff.

Finally, I would like to talk about succession planning, an issue that is very important to me and to our association.

All sectors of the Canadian economy are dealing with the effects of the baby boomers' retirements. But the public sector generally has an older workforce and is therefore more vulnerable to the shocks of demographic change.

In Ontario, the retirement wave has already started to hit local government. Over the past several years, scores of senior public servants working in local government in

Ontario have retired. We also know from research about our own membership that this problem will not end any time soon. According to the data that we collected in November, 31% of our members plan to retire within the next five years, and 51% plan to retire within the next 10 years.

As experienced public servants leave, they take significant accumulated knowledge, experience and expertise with them. Often, these individuals are not only leaders in their communities but also across the province. While some municipalities are working on strategies to mitigate the effects of these demographic changes, many others are not. The reality is that the pressures of delivering services to their citizens make it hard for some municipalities to move beyond the day-to-day operations and focus on planning for the future.

We have a couple of recommendations in our submission that we believe will help to mitigate the challenges posed by the wave of retirements. One of these recommendations is the creation of an internship program that would help municipalities find and retain new talent, and help new professionals get meaningful job experience in the sector.

For many years, AMCTO and the province partnered on the municipal management internship program, which was a highly successful program placing interns in municipalities across the province. And 72% of those interns continue to be employed by municipalities today. We believe that the time is right to recreate this program.

Thank you very much for your time, and we are happy to answer any questions that you might have.

The Acting Chair (Mr. Grant Crack): Thank you very much. You're right on time. I appreciate it.

We'll start with the official opposition: Mr. Clark.

Mr. Steve Clark: Thanks very much, Yvonne and Rick, for being here. As someone who was briefly a chief administrative officer, I know your association very well. I want to thank you for all the work that you do with municipal managers in the province.

This is a great document. I guess I've got a number of questions. The first one is a statement. I'm glad that in your 2018 budget recommendations, you talk about reforming joint and several liability. I know that the leader of my party, Patrick Brown, was very direct when speaking at the last AMO conference, again reiterating our party's support for those types of reforms, so I'm glad it's still first on the list for your association. I know that many municipal leaders act as well.

In terms of your budget recommendations on the reporting burden, it's again something that I know my colleagues on this side of the table are very concerned about. You mentioned that some other jurisdictions have created a central data portal where municipalities can go in and provide this reporting. Can you give me an idea of what other jurisdictions do this and how much money it would cost to set up something like this?

Mr. Rick Johal: Sure. One of the jurisdictions that we look closely at is the UK, with the audit commission. They've done a fairly good job at a modernizing effort

when it comes to reporting. They have a much stricter reporting regime, but they've invested heavily in the reciprocal value piece of, if you're going to report in centrally, how does that data become relevant both for the senior order of government and also for municipalities in terms of performance measurement, comparison benchmarking and so on? What we found in our research around the reporting burden is that right now you could report 25 times into one ministry; for example, the Ministry of Health and Long-Term Care. Those 25 reports are completely isolated from each other. There's a lot of redundancy and duplication within them. Even within one ministry, there isn't a really good sense of why that information is redundant between the requested reports.

The additional concern is that that reporting—and I've worked in the province myself. Everyone knows that reporting goes somewhere—in the report, we facetiously call it a black hole. But it really does go somewhere where there is very little value. The reporting does not necessarily come back to the sector, where there is some utility in terms of making decisions at council and presenting that data. Oftentimes, the reporting goes in and that's it and we don't get that reciprocal value out of it.

Mr. Steve Clark: How long did the UK—was this a project that they took over a five-year period, or was it longer? It's obviously something that they're going to have to tweak on a regular basis.

Mr. Rick Johal: I believe it started during the "best value" era—the Tony Blair government, probably, in the mid-1990s. It's an ongoing effort that they do to refine it over time. As the central government in the UK became more concerned about accountability at the local level, they put this regime in place and then modified it over time. So it has been a long time.

One of the things that AMCTO puts forth in its report on the reporting burden is that this is not a problem you can solve in two years or five years, but you can certainly get started on it. We've had conversations. We sat down with the secretary of cabinet and we talked about this. There's an acknowledgement that we have an issue here. But the solution is one that you either chip away at or you put a larger plan in place. One of the things that we heard back was that you can't boil the ocean with this one; you have to really find a reasonable plan to go forward. That's the big challenge of it. Certainly we can make some modifications on the fringes, but if you're going to put a bigger plan together, I would say that you're talking about a five- to 10-year initiative.

In terms of cost, I couldn't really speak to that. I'd have to do some more research into it.

Mr. Steve Clark: Okay. We'll have another talk off-line.

I do want to say, Chair, if I have a few more minutes—

The Acting Chair (Mr. Grant Crack): One.

Mr. Steve Clark: I just want to again commend you on the third piece, about the succession planning.

Certainly, it's something that I'm very concerned about. Anytime a university graduate comes to me and talks about a career in public service, I always try to push them towards the municipal level of government because I know the big crush that's going to happen when these employees retire.

I agree with you: The internship program was great. How much money are we looking at to recreate that program?

Mr. Rick Johal: The internship program was fairly modest. We ran it with our partner association, the municipal finance officers. To put eight to 10 one-year interns in place, it came in at a clip of \$250,000 a year. It was something that the Ministry of Municipal Affairs ran for about nine years. The associations administered the program. The way that the program was structured was that the province would put \$20,000 in place, the municipality would add another \$20,000, and then there would be a \$5,000 professional development budget that would allow the interns an opportunity to grow throughout that year. The success of the program, I think, speaks for itself.

Mr. Steve Clark: It's a great program; absolutely.

The Acting Chair (Mr. Grant Crack): I thank the two of you for coming before committee and sharing your thoughts. We appreciate it.

Mr. Rick Johal: Thank you.

CHEMISTRY INDUSTRY ASSOCIATION OF CANADA

The Acting Chair (Mr. Grant Crack): Next on the agenda, we have the Chemistry Industry Association of Canada. We have Bob Masterson, president and chief executive officer.

Sir, we welcome you before committee. You have up to 10 minutes for your presentation, followed by five minutes of questioning and comments from the third party: Mr. Vanthof. Welcome. The floor is yours, sir.

0920

Mr. Bob Masterson: Thank you, Mr. Chair. Chair and committee members, good morning. It's a pleasure to be here today on behalf of Ontario's chemistry industry and to provide some input to your pre-budget consultations. I know you've been on the road and you're going to be on the road. As in past years, I'm sure these consultations mean that you hear from many disadvantaged Ontarians and the advocates who work on their behalf to try to improve their circumstances, opportunities and living conditions. It's really important work, and one can't help but be moved by their stories and their determination to achieve better outcomes. In short, though, I'm sure you're hearing that Ontario's needs are substantive, and they're especially challenging for a province still trying to fully shed the significant debt taken on during efforts to fend off the harshest edges of the financial meltdown in the last recession.

From our perspective, though, we do appreciate and we do believe that fiscal discipline and sound steward-

ship of public finances are very important, but we also believe that only robust economic growth is going to provide the province with economic opportunities and prosperity for Ontarians. Only economic growth from new investment is going to provide the treasury with the new revenues it needs as it contemplates how to meet these many pressing needs you hear about during these consultations and during your everyday work as representatives of your communities. In my brief time this morning, then, I'd like to just provide you our perspective on Ontario's competitive position and what we believe can be done to improve it to retain and attract new investment from the global chemistry industry.

Let's start first by explaining why this matters. I think it's important for decision-makers like yourselves to understand that the chemistry industry is a vitally important industry in Ontario. We are a \$22-billion-a-year industry; that's the province's third largest, behind transportation and agri-food. We directly employ 45,000 Ontarians and indirectly support another 200,000. These are very highly skilled, well-paying jobs with an average salary exceeding \$70,000. That means even the average worker in our sector is in the top 10% of wage earners in the province.

It also matters because the chemistry industry is a quickly growing industry globally, and, with the right conditions, significant investment can be realized in Ontario. Our industry, globally, is a \$5-trillion-a-year industry, and growth is at rates near double global GDP growth over the past 10 years. We expect the volume of chemicals in demand to increase—to triple, in fact, over the next 20 years.

When we look closer to home in North America, we've seen spectacular growth in the last five years. Driven by the low-carbon shale gas phenomenon in the United States, we've seen 320 new global-scale investments announced in the last five years with a value of about C\$250 billion, and more than 62% of that is foreign direct investment into the United States. We've seen 700 additional downstream jobs taking those chemicals and turning them into products for industry and consumers. In fact, the US National Association of Manufacturers says that chemistry is the fastest-growing sector of the economy and is responsible for half of all manufacturing investment in the US over the last five years—in short, the poster child for the reshoring of advanced manufacturing in the United States.

What about Ontario? Well, I'd put in the category largely of missed opportunities. Based on historical trends, we would have expected to see 12 to 15 global-scale investments, worth about \$15 billion. Instead, until late last year the province saw no global-scale investments and only about \$1.5 billion, or 10% of expected value, in capital investment. That is discouraging, but the news isn't all bad. We know that Canada and Ontario are in the mix and they're regularly considered by global companies looking to make that next global-scale investment in the chemistry sector, but it is a highly competitive environment for investment, and we seldom place

first. Unfortunately, it's a winner-takes-all environment, and when you come second or third it provides zero benefit to Ontario and its citizens.

Let me just highlight quickly a few of the recommendations from our submission. I think our largest concern is that the finance departments at both the federal and provincial levels continue to rest on the laurels of corporate tax reductions made a decade ago. In fact, I think yesterday there was an article on this in the media that you've probably seen. The world has caught up with us. We no longer have that competitive advantage, which used to be very strong. In fact, with the recent US tax reforms we can see that our closest competitors have raced right past us. So we don't believe we can stand still, and one of the simple things we believe we can do is to take steps to match our nearest competition where it makes most sense and costs the least.

With respect to tax policy, we believe the most important area to focus on is depreciation treatments. Those will reduce the amount of money that companies need to go to markets to borrow. That is the single most important way to lower the cost of investment and make it more attractive. In Canada, we have a temporary capital cost allowance; in the United States, it's permanent. In Canada, we have a very narrow scope of coverage for that depreciation treatment; in the US, it applies to basically everything except for fixed buildings. In Canada, it's now on the temporary measure: about a two-year writeoff. The new tax reforms in the US—it's an immediate one-year depreciation treatment. Estimates are that that can provide up to a two-digit reduction in the capital cost for making a new global-scale investment. That's an important area.

The second area is investment programs. Last year, we shared with this committee a report from the Canadian Energy Research Institute that concluded that, on average, chemistry investments in US jurisdictions receive a 10% to 15% higher return based on front-end supports that are provided by local, state and federal entities. If you saw the news last week, the latest development in Louisiana: a major chemical complex—\$700 million in tax credits from local governments and school boards. That's the competition we face, and I don't think that's what we're asking for here, but we need to be cognizant of what the competition is doing and take our own steps. We do have the Ontario jobs and prosperity grant program, and it provides an opportunity for the province to take some steps to help level the playing field. I think the evidence is that this works.

Hopefully you noticed in December, but with the assistance of \$100 million from this provincial program, Nova Chemicals announced a final investment decision to proceed with a global-scale \$2.1-billion expansion to its Sarnia-area operations—\$2.1 billion. By the way, that's a 2,000% return on the province's own contribution: \$100 million in, \$2.1 billion of new investment. That's one of the single largest private sector investment decisions ever in the history of Ontario. That's a really big investment, and it's going to provide 2,000 highly

skilled and much-needed jobs during the first 10 years of the project; a tremendous success. That's great news, but that's only one project; there are huge opportunities to realize five to 10 more of those in the coming years. So as you consider budget 2018, we encourage the province to continue to expand the jobs and prosperity grants program. Without a program like that, or similar measures, those types of investments just will not happen.

Another area, of course, that I'm sure you continue to hear about from manufacturers is electricity costs. For many years, it's our observation—and data to prove it—that electricity costs vastly outpace inflation rates. We can understand increases, but when they vastly outpace inflation year after year after year, it becomes difficult to make the case that Ontario is a great place to invest.

We know there are some programs in place for smaller manufacturers, especially those that can shift their load depending on time of day or time of use, but we need a longer-term, large-scale program for industrial users who, like us, must operate for 24/7 periods, both for production needs but also for safety needs. It's not simple to just turn off a chemistry plant. You don't want to do that; it's the last thing you want to do. We need to be cognizant of that.

Certainly, when we look just across the border from here into Quebec, we see the government realizing a number of very important, large manufacturing investments through a more flexible approach to electricity pricing.

Another area I'd like to draw your attention to is the province's chemistry Red Tape Challenge process, which was initiated by the Ministry of Economic Development. We have worked closely with the department, and we've identified a number of regulatory burdens that can be addressed to improve the business climate but without any negative impact to the people and environment. Those will all require some very modest involvement of capital and people from the province.

I'll give you one example, just to make this point, that it's not about lowering standards. You all have your electronics in front of you, but we have a proliferation of electronic communications. Industrial waste generators in the province still have to complete a carbon copy waste manifest with more than a dozen copies. Each different manifest is generated individually. If you have to do 10 of these a day, you're doing it 10 different times. It's a cumbersome and burdensome process for both our industry and the province, and we think it's ripe for modernization. Fortunately, the province thinks so too and has initiated a task force to look into that. That's just one example. In our Red Tape Challenge process, we've identified a number of other burden reduction opportunities that we think can be pursued.

0930

The Acting Chair (Mr. Grant Crack): Sorry, but I have to cut you off at that point. Thank you.

Mr. Bob Masterson: Thank you very much.

The Acting Chair (Mr. Grant Crack): A pleasure.

We'll move to Mr. Vanthof of the third party.

Mr. John Vanthof: Thank you, Mr. Masterson, for your presentation on behalf of the chemical industry. I don't think anyone is surprised about auto and agri-food, but that chemistry is number 3—I think that, in itself, is worth coming to the table and telling us, and to tell a lot more people. That's very important.

Mr. Bob Masterson: We've been trying.

Mr. John Vanthof: Well, you've done a good job today. On your tax proposal, an accelerated capital cost allowance: Have you done any work on how many jobs that could possibly impact?

Mr. Bob Masterson: Not in terms of jobs, but to look at the investment opportunity, we believe that Ontario, based on historical trends, could realize \$10 billion to \$15 billion of new investment. If you take the case of Nova, that's 2,000 jobs over 10 years. You could think about what that might mean.

What we do know is: It is a federal tax measure, but when we got the temporary allowance, the only reason it came is because provinces like Ontario lobbied, advocated with the federal finance minister—Minister Flaherty, at that time—to make sure it happened. That's really what Ontario needs to do again.

There is work for everybody to do. You're here on behalf of Ontario, but we also have the federal government, and we have to have all our oars pulling in the same direction at the same time. Certainly, depreciation treatment is an area where we need some collaboration.

Mr. John Vanthof: Just to clarify: Our role in there would be lobbying the feds or working on the feds, because it is a federal measure.

Mr. Bob Masterson: Lobby the feds and then match it, should they put it in place. Commit to matching it, and indicate why it's important going forward.

Mr. John Vanthof: Just for a layperson—I know what it means; I ran a small business. Basically, if you purchase equipment or whatever, you could write that off at a much more accelerated pace.

Mr. Bob Masterson: Yes. Again, the difference with the United States is, their treatment is permanent; ours is temporary. We're more than halfway through the seven years. That means that if you're a large company like Nova and you're making an investment and you're going to be putting capital in the ground for the next five to seven years, only for the first three and a half years of that will you be able to take advantage of this accelerated capital cost treatment.

Secondly, we have a very narrow scope on which machinery and equipment can qualify, where, again, in the United States, it's very broad—everything but fixed buildings. All your land prep, things like that, would be counted in the US system, and they're not counted here.

Mr. John Vanthof: Okay. Another thing you brought up was electricity. That's an issue across the province. We hear it much more loudly from individuals.

One thing that you mentioned, and it has struck me on other occasions: Your members have to operate 24 hours a day, and many of them use a lot of electricity.

Mr. Bob Masterson: Many of them.

Mr. John Vanthof: In my past experience in business, when you have people who are your base customers, they often get the best rate as opposed to the worst rate. Can you comment on that?

Mr. Bob Masterson: I'm sure you've heard a lot. Electricity pricing in Ontario continues to be a big challenge for large manufacturers. There are a lot of different players in the provincial bureaucracy as well. When you believe you're making progress in some areas to remove some of the burden from the global adjustment charges—we have a company that had a proposal to have some on-site generation. They thought they had all the permissions to do that, but at the end of the day they were told, "Well, yes, you can have your on-site generation, but you're still going to pay the global adjustment fee." So after spending \$40 million getting ready to do the project, it was, "Why would I invest the money if it's not going to reduce my costs?"

A lot of different people involved; a lot of mixed messages—the process needs to be rationalized. If we care about large manufacturers like chemistry, auto and others, we need to have a rational electricity pricing system that works to attract investment rather than to discourage it.

Mr. John Vanthof: I take it that this issue with electricity isn't something that has just popped up in the last six months. People have been bringing this forward for a long time.

Mr. Bob Masterson: Yes. We've brought it to attention every year. Your point is exactly right: You have, in the past, heard a lot more from individuals and small businesses. I think you would hear even from some members of our association that have that ability to do demand shifting. Things have improved significantly. I'm just making the case that if you're looking for large manufacturing operations, they will be 24/7. The measures in place provide no relief to them.

Have another look. Look at the successes built on what has been done in the last few years for individuals and smaller businesses, and think about what can be done for larger businesses.

The Acting Chair (Mr. Grant Crack): Thank you.

Mr. John Vanthof: How much?

The Acting Chair (Mr. Grant Crack): Zero.

Mr. John Vanthof: Okay.

Mr. Bob Masterson: Thank you very much for your time.

The Acting Chair (Mr. Grant Crack): Thank you, Mr. Masterson, for coming before committee this morning. It's much appreciated.

GREATER OTTAWA HOME BUILDERS' ASSOCIATION

The Acting Chair (Mr. Grant Crack): Next, we have the Greater Ottawa Home Builders' Association. We have John Herbert, who is the executive director.

Mr. Herbert, we welcome you to committee this morning. You have up to 10 minutes.

Mr. John Herbert: Thank you, Mr. Chairman and committee members. Good morning. Thanks to most of you for making the trip to Ottawa today. Thanks also for the opportunity to say a few words about the upcoming budget.

As you mentioned, my name is John Herbert. I'm the executive director of the Greater Ottawa Home Builders' Association. We are affiliated with the Ontario Home Builders' Association and the Canadian Home Builders' Association. We also just celebrated our 60th anniversary, so we've been in Ottawa for a while.

The home builders' association is the voice of the residential construction industry in Ottawa. We represent the new housing, land development and professional renovation sectors in the city.

Our association includes about 400 member companies in the industry so vital to our local economy. We support about 25,000 jobs in the new housing and renovation sectors, and pay out about \$1.5 billion in wages every year. The total investment on an annual basis is approaching \$4 billion across the region. We're proud of the work that we do and the contribution that we make to the economy.

The residential construction industry is apparently the biggest industry in Canada now, so it makes a significant contribution right across the country.

Overall, 2017 was a pretty amazing year for us. Our starts had declined by about 25% since the deficit reduction budget was introduced federally in 2014. But last year, we saw a 41% year-over-year increase in housing starts across the sector in all dwelling types. It was the second-best year in Ottawa's history in terms of housing starts, so we're pretty happy about the recovery that we've seen there.

The federal government has hired back most of the jobs that were previously eliminated, and the high-tech sector seems to be hitting on all cylinders, so from an employment perspective, the city seems to be in pretty good shape.

Unfortunately, the bad news is that affordability remains under pressure, like in many other areas of the province. Last year alone, there were a lot of regulatory changes at the provincial level. Just to name a few, there were changes to rent control, changes to the Construction Lien Act, and changes to the Conservation Authorities Act. The OMB was eliminated. There was legislation that splits the regulatory and warranty functions of the Tarion Warranty Corp.

There were regulations allowing municipalities to implement inclusionary zoning policies, which could have a significant negative impact on affordability again. There are new excess soils management frameworks coming out. There were changes to the building code for electric vehicle charging systems, which had a huge impact in Ottawa and were pulled back at the last minute by municipal affairs, and they introduced some grandfathering, some transitional measures, that give us another two years. So that was a break on that front.

There are about 35 other major issues that the Ontario government has introduced that are having a negative

impact on the housing industry and consumer affordability, but I'm not going to mention them here today.

Our industry has been grappling with a tsunami of regulatory change, and the rubber really hasn't even hit the road yet, because it's only over the next year that your partners, the city of Ottawa and the housing industry, are going to have to work together to figure out how to implement all of these changes and adapt to them, all at the same time.

I'd like to just quickly shift gears now and focus on three main areas today with respect to the budget priorities. Number one is the HST threshold for new housing; the second item is the underground economy; and the third one is local infrastructure priorities here in Ottawa.

When the HST was first introduced in 2009, the Ontario government recognized that housing was different. So, unlike the Atlantic provinces, where they introduced the HST across the board, Ontario decided to use a \$400,000 threshold, which we supported and was a great idea. Houses up to \$400,000 would pay the same amount of tax as prior to the HST; homes in excess of that amount would pay more.

As I say, we supported that as being fair, but we did ask the government to review or index that threshold, to recognize that as housing prices increased over time, something would have to be done.

A lot has changed since the HST was introduced in 2009. Back then, the average price of a single-family home or a detached unit was about \$400,000. As of November, CMHC reported that that is now \$530,000—a very significant increase. It means that tens of millions of dollars in excess HST are now being paid relative to 2009.

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In fact, across Ontario the Altus research group recently did some research that discovered that \$7.3 billion had been paid in HST on new home sales between 2010 and 2016. Some \$3.9 billion of that would have been paid anyway as PST prior to 2009, but there's another \$3.4 billion in excess tax that has been collected since then that would not have been paid before.

Today I'm not asking to get rid of the HST; I'm not even offering a specific value to be used. But we are concerned about housing affordability. Your government has discussed your own concerns about housing affordability and looking for ways to improve it. This would seem to be an ideal opportunity to deal with that. So we're simply asking that the government review the indexing to determine whether it's as appropriate as it was in 2009 when it was introduced.

The second issue today is the underground economy. As I mentioned at the outset, our association represents the professional renovation industry in Ottawa—I'd like to emphasize "professional," and by that I mean the RenoMark designation, which is used by us, by the Ontario association and the Canadian home builders across the country. This is a program that helps to protect consumers by ensuring that members provide warranties

and written contracts, carry insurance, pay their taxes and obtain all necessary permits etc. This is in contrast with a lot of the underground economy, where not much of that, if any, is done. These operators pose a serious risk to government and to legitimate business, but most importantly to homeowners, who think that they're getting a good deal. These folks generally don't contribute to WSIB either. If any accidents occur on a site where an underground operator is working, homeowners don't realize they're the ones who are going to be liable. They could lose their home; they could lose their livelihood. So it's a serious threat to all of us. These cash operators are competing against legitimate businesses that are doing all the right things, playing by the rules, paying all the taxes. It's hard for them to compete against underground operators who are paying 30% to 40% less in many cases.

In terms of the underground economy, I'd like to offer two ideas that you could use. One is, similar to the federal government's home renovation tax credit, which has now expired, the province of Ontario could implement an Ontario renovation tax credit to deal with the problem of the underground economy. This tax credit would be offered to those who collect receipts from legitimate businesses and submit those receipts to the CRA. We think this would be one of the most effective ways of dealing with the underground economy and protecting homeowners.

Secondly, the province recently launched a Green Ontario rebate for very specific energy-efficient upgrades. We're very supportive of this initiative, provided that there are rigorous checks and balances to ensure that the work is all being done above board. Kudos to the government for launching this initiative. Our only recommendation is to look for opportunities to expand into other energy-efficient updates beyond what is currently contained within the Green Ontario program.

Lastly, in terms of Ottawa infrastructure, as you know, investments made by the public sector facilitate additional private sector investment and job creation from our members. One recent example of this is the LRT system. This will not only generate widespread medium- and long-term economic development opportunities, but has already generated hundreds of billions of dollars in new projects surrounding LRT stations, and it will continue to drive new projects resulting from a lot of the upzoning that the city of Ottawa planning department has done to facilitate the LRT.

One other major transportation initiative that the government could consider would be the completion of an outer ring road. Most of this system is already in place. All that remains is a section linking Highway 416 on the west and Highway 417 on the east—which could be well south of the existing urban boundary. Even just acquiring and protecting the right-of-way for future construction of this road would be a very economical and strategic way to begin. This link would dramatically reduce traffic on the existing sections on the 417 system and act as another economic development stimulator—

The Acting Chair (Mr. Grant Crack): Thank you very much. One of the worst parts of my job is having to cut people off. I find that not fun at all.

Mr. John Herbert: I keep hoping that one of these years, I'll finish in time, but I never quite make it.

The Acting Chair (Mr. Grant Crack): It was a good try. You were close.

Mr. Rinaldi, from the government.

Mr. Lou Rinaldi: Thank you very much for being here today and bringing, I believe, some really good points to committee for consideration.

Just a couple of comments—I guess one is a question. We talk about the affordability of homes. In the last year or so, there has been an explosion that's making affordability challenging for some folks. I'm just going to relay a situation that happened in one of the communities in my riding—a small, rural community, a small centre.

During the summer, one of the developments—there are about two or three housing developments in the community. We're on the 401 corridor, if you can picture where we are. During that housing burst, real estate agents from the GTA came in with a bus full of potential investors. They bought 10 houses on a Saturday afternoon—unbuilt, just lots. On the Monday morning, the same houses went up by \$50,000.

Now, I've been self-employed all my life. I know that businesses need to make money, and I appreciate that. But I'm not sure what measures government could put in place. Obviously, the builder was making money before; otherwise, it wouldn't be in business. But \$50,000, on the Monday, the same houses went up.

Any idea how one could deal with that? I understand supply and demand; I get it. We're in that situation. I don't know if you could—

Mr. John Herbert: Sure. Briefly, you hit on it right at the end: It is supply and demand. Any time that demand exceeds supply, there are going to be price increases and they're uncontrollable. The biggest thing that the government can do is ensure that there's an adequate supply. That has been a serious problem, and that's one of the main things that our associations, provincially and locally, have been talking about for years.

There are a lot of problems provincially, in terms of the supply being constricted. There are a lot of problems locally, municipally, with approval systems of every sort taking just too long. One of our past presidents is famous for saying that the Second World War was fought and won in less time than it takes to get a subdivision approved in Ottawa. It's true, sadly. It used to be two to three years; now it's five to seven years.

That's not all the city of Ottawa's responsibility; a lot of that is provincial regulation, much of which I talked about. But it's a combination of ongoing, constant regulation that is tightening the supply and reducing supply.

Mr. Lou Rinaldi: John, you had a comment.

Mr. John Fraser: Thanks very much, John, for being here today and for your presentation. It was very well thought out. I appreciate very much your comments on the underground economy.

I noted your comments on the GreenON program. I can assure you, there will be a move forward to expand the different programs and criteria. That's all part of cap-and-trade. What it has enabled us to do is to provide these programs that target energy reduction but it will also support an industry to do the right thing.

I wanted to talk a little bit about your infrastructure priorities and the idea of a ring road, which I think is something that we've talked about for a long time. Myself, I think that that would be an important step forward for us, but the size of that project would require literally all three levels of government. It's a big project. But it would eliminate a lot of our downtown core problems with traffic and relieve, at some point, hopefully, all that stuff that's pouring in through King Edward. That's one of those options. I hope we can get to that. But with the investments that we're making in light rail right now, it probably pushes it out a little bit, as you can appreciate.

I appreciate your comments on light rail, as well. I think that that's going to make a big difference in the development of our city as we get into the next phase.

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I'm very pleased that there will be an extension of heavy rail south of the city as the next leg, the first phase of the next phase coming forward, because I've felt very strongly that the south end of the city was where a lot of development was happening, but our transportation corridors weren't sufficient to handle what we had. Hopefully, once it gets online, that will make some difference and get some traffic off the roads.

The Acting Chair (Mr. Grant Crack): Mr. Herbert, just a final comment?

Mr. John Herbert: Just in conclusion, there's no question that the link would be a very costly item that should require all three levels of government. That's why, if the Ontario government was to step up to the plate and pay its third right now and just acquire the right-of-way, then we're protected.

The Acting Chair (Mr. Grant Crack): Thank you very much. We appreciate, Mr. Herbert, you coming before committee this morning. Have a great day, sir.

CANADIANS FOR PROPERLY BUILT HOMES

The Acting Chair (Mr. Grant Crack): Next we have Canadians for Properly Built Homes: president, Karen Somerville. Ms. Somerville, we welcome you to committee this morning. The floor is yours. You have up to 10 minutes.

Dr. Karen Somerville: Good morning. Thank you for the opportunity to be here.

Canadians for Properly Built Homes is a national non-profit dedicated to healthy, safe and energy-efficient housing in Canada. We're all volunteers. I'm here with you this morning as a volunteer. I'm a small business owner, and I really welcome the opportunity to meet with you and to take time out of my business to do that. This is so important to us, and to so many Canadians and

Ontarians generally. Our organization is in its 13th year of operation.

It's nice that you're here today in Ottawa, my hometown. Again, welcome to those of you from out of town. We travel around Canada, in different parts of the country, to meet with government organizations and, perhaps as importantly, to meet with homeowners who are having trouble, having purchased a new home that was improperly built, with serious construction defects.

As an example, two weekends ago I was in MPP McDonnell's constituency to meet with a mom and a dad and their three children who are dealing with very serious issues with their newly built home. On Saturday, I'm travelling to the GTA, into MPP Kwinter's constituency, at the request of homeowners there. I'm told I'll be greeted by about 50 homeowners in that meeting on Saturday. That just gives you a little bit of a sense of what we do and why we're here today.

I also should tell you, in presenting to you as the Standing Committee on Finance and Economic Affairs in relation to the budget, that I'm a professional accountant in my real life—CPA, CGA—so I know a little bit about finance. I want to talk to you about two matters today for the budgetary considerations, and they also relate to accountability and transparency, which we also understand are important to the Ontario government.

The first one relates to mandatory oversight fees paid to the Ontario government by administrative authorities. The Ontario government has implemented mandatory oversight fees for administrative authorities—AAs, previously known as DAAs, as you probably know. For example, from 2009 to 2015, the Tarion Warranty Corp. paid approximately \$1.6 million to the Ontario government. That's a substantial amount of money, I think we would all agree. A number of people have been trying to ascertain precisely what these fees were used for, but the responses have been unclear, and this is just one example of an AA. I'm giving you a specific example to think about all of the AAs that are in operation.

As an example of an effort to try to understand how the monies have been used, MPP Pettapiece inquired in 2015, and I'll read briefly from the minister's response:

"The Ministry of Government and Consumer Services charges oversight fees to its administrative authorities, including Tarion Warranty Corp., to offset the cost to government of overseeing Tarion's operations.

"The oversight fee amount that is charged is based on various costs incurred by government. For example, costs related to the development and administration of the administrative agreement between the authority and government and costs incurred for policy development and amendments to legislation and regulations administered by the authority."

A copy of the minister's response—at that time, Minister Orazietti—is provided in the package that we've provided to you today.

That sounds good at the 40,000-foot level, but we need to dig deeper to understand specifically how that was used. We understand that there is no specific budget

allocation or reporting to ensure that the mandatory oversight fees paid by an AA are actually spent on overseeing the AA. We would hope that monies that are being collected are being spent on what they were intended for. We also understand that the \$1.6 million paid by Tarion for oversight fees between 2009 and 2015 may have been spent on matters unrelated to Tarion oversight.

Our recommendation for you today on this is to ensure that there's transparency in the budget concerning these mandatory AA oversight fees, as well as reporting and transparency regarding how they are spent by the Ontario government.

That's the first piece on administrative authorities.

MPP McDonnell has a bill right now around administrative authorities, so this is an important area for the government's consideration.

The second area that I'd like to speak briefly about today is the cost related to special reviews such as the Tarion review. Our organization, CPBH, has repeatedly requested information about the total costs of the Tarion review that was announced by Minister Orazietti in November 2015 and concluded in December 2016. That's when Justice Cunningham filed his report to the Ontario government.

We were advised that the total final costs for the Tarion review are not available. It appears that this review may not have been budgeted. We can't be sure. Documents obtained via freedom of information and other related estimates suggest that the total costs for the Tarion review were in excess of \$750,000. I believe that one of your colleagues, MPP Hillier, is using a number of about \$1 million.

Our recommendation for this is that there should be transparency in the budget concerning special reviews such as the Tarion review, as well as reporting and transparency regarding the total costs spent for such special reviews compared to the budget provided. Again, I'm using a specific example related to Tarion, but I'm asking you to think about this more broadly in the government of Ontario.

Thank you for your time today. I'm happy to address any questions or comments you may have.

The Acting Chair (Mr. Grant Crack): Thank you very much, Ms. Somerville. We appreciate your comments. We'll start with the official opposition. We have Mr. Clark.

Mr. Steve Clark: Thanks, Karen, for being here today.

Dr. Karen Somerville: You're welcome.

Mr. Steve Clark: We appreciate your deputation and your suggestions. I put in an order paper question back in November regarding documents that I think the government was trying to block from you on the new home warranty program renewal working group.

Dr. Karen Somerville: Right.

Mr. Steve Clark: Have you received that information from the government, or have they tried to do further delays to your request?

Dr. Karen Somerville: There are further delays. We have not yet received the information. We're troubled by this, but we're still waiting.

Mr. Steve Clark: Why do you think the government is so reluctant to be open and transparent when it comes to this information?

Dr. Karen Somerville: This is a very interesting question. To make sure everybody is aware of what has transpired, just briefly: After Justice Cunningham submitted his final report in December 2016, we were very pleased with Justice Cunningham's report. He provided 37 recommendations. We then started trying to understand what the government was going to do with this. It was quiet. We had difficulty getting information; we met with ministry personnel. Then we learned that there were secret meetings under way last summer and that those secret meetings, convened by the ministry, were dominated by Tarion and the building industry. Obviously, that was very troubling.

We started inquiring. We couldn't get information and, unfortunately, had to resort to a freedom-of-information request, at a substantial amount of money for our little organization. It may not sound a lot to you, but we are talking about budgeting. It was about \$250. We don't have that in our budget. We found the money and filed our freedom-of-information request. We asked for an exemption, by the way, and they wouldn't consider our exemption for those costs.

We are now waiting and waiting. As you folks all know, I'm sure, Bill 166 was passed in December. We believe that this was vital information that would have been very helpful as Bill 166 was being debated. But as MPP Clark has said, we are still waiting here in January; we don't have that. So that's a bit of a backstory there.

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Why this delay? What we're being told by the ministry is that there are a lot of documents involved. They're now going through—I forget the official term—third-party requests for people to be identified as making certain statements. We understand that process is going through.

We filed our freedom-of-information request in September, I believe, and we're still waiting here in January. So it is perplexing. It's sad that we didn't have this information before Bill 166 was passed. We are very concerned about Bill 166. We do not think it will be very helpful at all to consumers.

That's the best I can say to you right now: We're being told it's a process.

Mr. Steve Clark: Chair, I believe MPP Fedeli is going to continue the questioning.

The Acting Chair (Mr. Grant Crack): Mr. Fedeli.

Mr. Victor Fedeli: Thank you very much for being here today.

Dr. Karen Somerville: Thank you.

Mr. Victor Fedeli: I have to say, this is, as the expression goes, déjà vu all over again.

We have heard from a group in the St. Thomas area—a small group, volunteer-run. They're basically in the

hunting and fishing pleasure area. They did exactly what you did. They went to the Ministry of Natural Resources and said, “You’re collecting all these fees. We want to know, are you using that money for conservation, as you’re supposed to, or whatever?” It was years—and I mean years—and lots of time and lots of effort to get the information. Thankfully, our MPP Jeff Yurek, down in that neck of the woods, was involved as well.

When we did finally see the information, you can see why they didn’t want to release it. It was used for renting houses; it was used for dental bills. I don’t think they used the dentist for the fish or the moose. But there were dental bills being paid. We’re talking big money here too. It was a myriad of uses.

So, this sounds awfully familiar, I would say to you. You’re looking to find out, basically, if the money that’s collected is being put back into that sector. That’s all you want to know.

Dr. Karen Somerville: For oversight purposes, yes.

Mr. Victor Fedeli: And you’re not getting anywhere with that.

Dr. Karen Somerville: Other than what MPP Pettapiece received—we’ve received similar responses. You have a copy of Minister Oraziotti’s response. That’s the best we’ve been able to get.

Mr. Victor Fedeli: How long, how many years, have you been doing this now to get that one question answered?

Dr. Karen Somerville: They started with Tarion in 2009. I’m saying now it’s at least five years that we’ve been asking these questions.

Mr. Victor Fedeli: If there’s any level of comfort, that’s not unusual when they’re trying to hide something.

Dr. Karen Somerville: Right.

The Acting Chair (Mr. Grant Crack): Thank you very much. Thank you for coming before the committee this morning. It’s much appreciated.

Dr. Karen Somerville: My pleasure. Thank you. Have a great day.

The Acting Chair (Mr. Grant Crack): You too.

CANADIAN NURSES ASSOCIATION

CANADIAN INDIGENOUS NURSES ASSOCIATION

The Acting Chair (Mr. Grant Crack): Next, we have the Canadian Nurses Association and the Canadian Indigenous Nurses Association. We have the chief, programs and policy, of the Canadian Nurses Association, Carolyn Pullen, with us, and, I believe, Marilee A. Nowgesic, executive director of the Canadian Indigenous Nurses Association.

We welcome the both of you before committee this morning. You have up to 10 minutes. Whoever is speaking, please introduce yourself.

Ms. Carolyn Pullen: My name is Carolyn Pullen. I’m a registered nurse and the chief of policy for CNA. I’ll be sharing my time with my colleague Marilee.

CNA is the national professional voice for more than 139,000 registered nurses and nurse practitioners across Canada, many of whom work in Ontario.

I have five recommendations to present to you today that focus on how the 2018 provincial budget can address non-medical cannabis use and the opioid crisis.

First, CNA recommends a five-year investment of \$48 million for public education, a campaign to reduce the harms of non-medical cannabis use. Nurses are the largest health workforce and are among the professionals who have the most frequent and direct contact with clients and patients. We are highly trusted professionals with enormous opportunity to influence personal health choices through providing information and health advice. Nurses are extremely well positioned to contribute to the development of high-impact public education campaigns to mitigate and reduce the harms of non-medical cannabis use.

Our estimate is that a provincial public education campaign is essential to have a harm-reduction impact related to cannabis use, and our estimate, as previously recommended, is based on proxies from other jurisdictions who have undertaken similar education campaigns.

In tandem, we recommend that the government make a one-time investment of \$600,000 in professional education for nurses to build skills and capacity in support of public education related to cannabis. Not only does the Ontario public need evidence-informed information and education about the risks and harms of cannabis, but so do professionals.

A December 2017 Nanos survey found that 87% of Ontarians believe nurses to be a primary source of information about the risks and harms of cannabis, but at the same time, a recent CNA survey of nurses revealed that only 54% are confident in their knowledge about non-medical cannabis use. These significant knowledge gaps were identified by nurses in the areas of the risks associated with cannabis use during pregnancy, the impact of cannabis use on the developing brain, and the risks associated with cannabis use and mental health.

In light of these findings, there is a need to invest in the education of nurses and other health professionals, and social work professionals, related to cannabis. Organizations such as the CNA have the required expertise, credibility and reach, and we are among the ideal groups through which to invest in developing and disseminating professional education.

Thirdly, CNA recommends that a portion of Ontario’s \$222-million investment over three years in the opioid crisis be allocated to increase the number of nurses in supervised injection sites. As key professionals caring for clients in safe injection sites and similar community-based services, a significant investment to increase the number of nurses will increase the quality and the impact of care. Hiring decisions in this regard, I will note, must be made in collaboration with the local-level harm reduction and community-based agencies, where the regional needs are best understood.

Fourthly, we call on the government to make nurses part of its overdose prevention strategy by including

nurses in naloxone distribution programs. Currently, naloxone programs involve pharmacists and harm reduction workers. This is commendable, but these efforts don't go far enough. Greater impact could be achieved by adding nurses as providers in naloxone programs as they are experts in relational care and patient education. As one tangible example, nurses should be given authority to provide naloxone to people being discharged from emergency who are at risk of opioid overdose due to a history of previous overdoses or injection drug use.

In addition, nurses should be included in government-funded nurse-led patient education interventions.

Finally, CNA recommends that the government provide a one-year investment of \$750,000 to support the rollout of a mobile system to support recovery from opioid addiction and PTSD in indigenous communities. Indigenous populations in Canada are disproportionately affected by PTSD and opioid addiction. Data showed that indigenous populations experience up to five times more the number of overdoses and three times the number of deaths compared to non-indigenous populations. Like all jurisdictions in Canada, Ontario faces an urgent imperative to offer services to stem these public health emergencies.

The CNA and CINA—the Canadian Indigenous Nurses Association—have partnered with an Ontario innovator known as TryCycle Inc. to test a mobile therapeutic e-tool for addiction and PTSD that is already adopted in the United States, where adoption and uptake is a little simpler. With interest in uptake among First Nations communities in Saskatchewan and Alberta, CNA and CINA urge the Ontario government to invest in testing TryCycle in select indigenous communities in Ontario, where there is a need for immediate, disruptive solutions to improve access to care and to prevent opioid overdoses and deaths, and suicides related to PTSD. The deliverable would be a one-year report on the effectiveness of TryCycle over usual treatment and the impact in reducing overdoses and deaths within indigenous communities.

Now I'd like to turn things over to Marilee to continue.

Ms. Marilee A. Nowgesic: Thank you to the Chair and thank you to the members of this committee. I am the executive director of the Canadian Indigenous Nurses Association and I am pleased to be here with you today. At this time, I'd also like to recognize the peoples of the the Algonquin territory on which we hold this meeting.

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CINA is the longest-standing indigenous health organization for over 43 years in Canada and is governed by a board of directors whose mission is to improve the health of First Nations, Inuit and Métis people by supporting and being the national voice of nurses, and promoting the development and professional practice of indigenous health nursing.

At the current time, there are an estimated 8,000 indigenous nurses in Canada. Many more are required, and will be needed to adequately respond to emerging health needs and critical environments.

In 2016, CINA, formerly called the Aboriginal Nurses Association of Canada, signed a partnership accord with CNA that reinforces the commitment of both associations to collaborating on advancing indigenous health and indigenous nursing needs, and to address the gaps between the health of indigenous and non-indigenous Canadians.

We are pleased that CNA has provided its support for CINA's recommendation—one that is included in the brief that you will all receive. This recommendation will support indigenous nursing and will also improve the health of indigenous people in Ontario. For the 2018 provincial budget, CINA recommends that the government provide an estimated \$4.5 million for a pilot project, over three years, that will lead to the creation of a mobile health care simulation laboratory.

Such a facility would allow indigenous nurses and nursing students' practicum from First Nations and rural communities across Ontario to directly access key educational services. Indigenous nurses could therefore gain the practical skills that are necessary for their accreditation and graduate outcome competencies. This will also contribute to their practice in culturally appropriate patient safety. This mobile lab helps fulfill the goal of keeping indigenous students in their communities. The lab would be an excellent example of how Ontario can work with indigenous stakeholder groups such as CINA to provide learning and training opportunities for post-secondary students, and to introduce secondary students where applicable. In addition, this proposed health care lab supports the federal government's response to the current 94 recommendations from the Truth and Reconciliation Commission of Canada: Calls to Action—more specifically, the section on health, numbers 18 to 24; and "Professional Development and Training for Public Servants," number 57. And there are many others that I'm sure share a common thread. The recommendation reflects the concept of bringing health education to the community to support the improvement of our indigenous communities.

There is currently a similar project that is being designed in Alberta in collaboration with the provincial government there and with Northern Lakes College in Slave Lake.

Thank you, Mr. Chair and members of this committee, for your time. I'm pleased to answer any questions regarding CINA.

The Acting Chair (Mr. Grant Crack): Thank you very much to the both of you. You're right on time. It's much appreciated.

We will begin with the third party. Mr. Vanthof.

Mr. John Vanthof: Thank you, Ms. Pullen and Ms. Nowgesic, for a very in-depth presentation. I regret that we only have five minutes for questions, so I'm not going to—and these are in no specific order.

The fact that nurses don't have access to naloxone kits—is there any reason why they shouldn't?

Ms. Carolyn Pullen: There are no reasons why they shouldn't. In fact, most other provinces are more

advanced in their policies in this regard. Headlines from CBC today highlight that this is in place in Nova Scotia effective immediately, and we feel strongly that Ontario should follow suit.

Mr. John Vanthof: So we wouldn't be reinventing the wheel.

Secondly, the TryCycle—how effective is it in other areas where it's used? Is it deemed to be effective and that's why it should be—

Ms. Carolyn Pullen: Its primary use right now is in the US. There are academic studies that are under way to prove its effectiveness, by Duke University and—I forget the second, large state academic institution. We are convinced of its effectiveness. The reason a Canadian and an Ontario innovator is rolling out in the US is for the reasons you'd understand, about the differences in our health care system. It's easier for them to make decisions about uptake of new technologies. It has been proven effective, particularly for opioid use, and it is now being adopted for PTSD. It is designed to address, not a therapeutic gap—we know how to deliver counselling—but what we have is we can never provide enough counsellors for the demand. What this does is make access to counselling services much more efficient and better triaged.

Mr. John Vanthof: Okay.

Ms. Nowgesic, the mobile laboratory: Could you just expand a bit on how that would work?

Ms. Marilee A. Nowgesic: What it does is it actually brings the schoolroom to the northern and remote communities. The idea is that we want to be able to keep students in their communities, as opposed to returning to urban or rural facilities, where they would be able to expand on their training and be able to utilize this mobile laboratory as part of their practicum experience. So it's kind of like bringing the library to the community, like the bookmobiles of "once upon a time" that we might remember. It would allow for the student to also be able to incorporate into their practicum some of the traditional, culturally appropriate and patient-safety practices that are a part of their cultural competence.

Mr. John Vanthof: And, much like the Northern Ontario School of Medicine, could it also have an impact of keeping people in their communities, where they have the ability to learn in their communities so they stay in their communities?

Ms. Marilee A. Nowgesic: Not only being able to keep that, but also being able to expand the knowledge and do a partner exchange with other health professionals who are working in those environments. Not often do we always have the medical equipment available in our northern communities, but this would allow for some integration of some of those experiences into the non-traditional classroom setting.

Mr. John Vanthof: In your co-presentation, you've brought forward issues that no one has touched on yet, both cannabis and the opioid crisis, which are huge issues.

You touched on—and I believe this—that people trust nurses as one of their first sources for health care infor-

mation, yet nurses don't feel confident on the cannabis file. Could you expand on that a little bit?

Ms. Carolyn Pullen: The cannabis file is new and emerging for all health professionals. The truth is, many health professionals groups, including physicians, are not entirely comfortable or conversant with patients and are very cautious, particularly around recreational cannabis use, which is quite different in context from medical cannabis use, which is also not a very familiar therapy or practice.

So it's not surprising that nurses are expressing their need for more professional education. CNA is currently developing a range of e-modules. But the truth is that surveys repeatedly show that nurses are not only the first point of contact, but they are the number one most trusted professional in the country. They are who your kids, your spouse or your friends go to, front line, for information: "What does this really mean for me to try this?" "Don't tell my mom, but I'm using this after school." If they are not equipped to respond with the most evidence-informed information, they have a big gap. Nurses are absolutely ready to step up; they just need access to the tools.

The Acting Chair (Mr. Grant Crack): Thank you. That's it, sir. I regret we didn't have all afternoon, like you.

Mr. John Vanthof: Thank you.

Ms. Marilee A. Nowgesic: Thank you very much. Have a good day.

The Acting Chair (Mr. Grant Crack): Thank you very much to the two of you. We appreciate it.

MOUVEMENT DESJARDINS

The Acting Chair (Mr. Grant Crack): Next we have Mouvement Desjardins: Michaël Béland, conseiller, encadrement et orientations stratégiques. Bienvenue, monsieur. Est-ce que vous faites votre présentation en français?

M. Michaël Béland: Oui.

The Acting Chair (Mr. Grant Crack): To members of the committee, you do have your earphones with translation services available if so needed.

Bienvenue. Vous avez 10 minutes.

M. Michaël Béland: Merci. Mon nom est Michaël Béland. Je suis conseiller, encadrement et orientations stratégiques, à la division de l'Ontario pour le Mouvement Desjardins.

Bonjour, mesdames et messieurs membres du Comité permanent des finances et des affaires économiques. La Fédération des caisses populaires de l'Ontario, la FCPO, est heureuse de pouvoir vous faire part de ses observations dans le cadre de la consultation budgétaire de 2018. Avec un actif global de plus de 5,8 milliards de dollars, l'engagement de 139 administrateurs élus et près de 120 000 membres, nos 11 caisses populaires en Ontario contribuent au bien-être économique et social de leurs membres et de leurs collectivités. Elles offrent toute la gamme de produits et services financiers du

Mouvement Desjardins, premier groupe coopératif du Canada, dont elles font partie intégrante.

C'est d'ailleurs ici à Ottawa que l'idée du Mouvement Desjardins est née. Tout près de nous, juste de l'autre côté de la rue, à la Chambre des communes, Alphonse Desjardins a été sténographe officiel pendant plus de 25 ans.

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C'est à la suite d'un débat sur les prêts usuraires que lui vint l'idée de fonder un mouvement financier coopératif ayant le souci de répondre aux besoins des petits épargnants. Aujourd'hui, en tant que groupe financier intégré, le Mouvement Desjardins détient des actifs de plus de 258 milliards et emploie 48 000 personnes au Canada, dont 4 800 en Ontario.

Les commentaires que nous présentons ont une portée plus large que l'échéance budgétaire de cette année. Le gouvernement de l'Ontario joue un rôle primordial dans la santé et l'épanouissement du secteur des services financiers, lequel a une importance majeure dans l'économie et le développement de la province. En ce sens, nous encourageons fortement le gouvernement à développer une vision et un plan qui viseraient à stimuler le secteur financier de la province.

Nos quatre recommandations sont :

—la protection du public face aux risques du secteur bancaire;

—l'accroissement de la compétitivité dans le marché de l'assurance;

—le développement des petites et moyennes entreprises; et

—l'éducation financière.

Premièrement, nous recommandons de renforcer l'encadrement des risques du système bancaire en Ontario en permettant la formation de groupes financiers coopératifs intégrés et la création de fonds de sécurité en tant que première ligne d'assurance-dépôts.

Les turbulences des dernières années dans le domaine financier ont poussé les gouvernements à travers le monde à adapter leur cadre législatif afin d'assurer la protection des épargnants. Nous saluons les efforts du gouvernement de l'Ontario visant à actualiser l'encadrement du système financier en Ontario, particulièrement avec la mise en place d'une consultation sur le cadre de la suffisance du capital. Ces changements sont souhaitables et même nécessaires pour le bien de notre économie et de notre société. Nous croyons en outre que la modernisation du cadre réglementaire des caisses populaires et des « credit unions » représente une opportunité, pour le gouvernement, de tirer pleinement profit du rôle stratégique que ces institutions peuvent jouer dans notre économie en reconnaissant le principe de groupe financier intégré et en modifiant les règles du fonds de réserve d'assurance-dépôts.

Il est essentiel d'adapter l'application des normes de Bâle III à la structure coopérative des caisses populaires et des « credit unions » en y incluant impérativement la notion de groupe financier intégré. En effet, ce modèle permet à des entités décentralisées, telles que les caisses

populaires, de se doter de services en commun, de partager des risques, mais surtout d'assurer une plus grande solidité financière à l'ensemble du groupe.

Les standards internationaux de Bâle III enjoignent à reconnaître dans la législation le concept de solidarité financière entre institutions. Dans un groupe financier intégré, cette solidarité est appuyée par des garanties croisées et par des mécanismes de réponse permettant de soutenir la capacité des groupes financiers coopératifs à réagir en temps de crise. Un groupe financier intégré est donc en mesure de renforcer les liens entre les composantes du groupe en créant une obligation de s'appuyer les uns les autres lors de périodes difficiles, se dotant ainsi d'une solidité financière commune conforme aux exigences des normes de suffisance du capital. Ces garanties croisées permettraient ainsi d'éviter qu'un des membres du groupe ait recours à l'assurance-dépôts.

La reconnaissance de ce modèle prudentiel permettrait ainsi de réduire le fardeau administratif du gouvernement de même que celui des institutions réglementées, car certaines activités de surveillance, telle que les simulations de crise, seraient produites à l'échelle du groupe.

Pour une plus grande stabilité du système et pour renforcer la compétitivité des institutions ontariennes, nous recommandons que la législation permette la formation de ces groupes financiers intégrés avec des institutions extraprovinciales. En effet, les caisses populaires et les « credit unions » ont forgé d'importantes alliances avec des partenaires d'autres provinces canadiennes. La reconnaissance de ces partenaires comme partie intégrante du groupe permettrait aux caisses populaires et « credit unions » de l'Ontario de réduire le risque de marché de façon considérable.

Par ailleurs, nous croyons que le système d'assurance-dépôts devrait être réformé afin d'offrir une plus grande protection du public en permettant la création de fonds de sécurité par les fédérations de caisses. En effet, ce sont les Ontariens qui, ultimement, assument le risque d'assurance du fonds de réserve d'assurance-dépôts de la SOAD. Or, un fonds de sécurité créé par une fédération constituerait, dans les faits, un premier niveau de garantie pour les épargnants qui aurait aussi l'avantage de favoriser la suffisance du capital pour les caisses populaires et les « credit unions ». Ainsi, ce fonds se substituerait, en partie au fonds de réserve d'assurance-dépôts, lequel deviendrait un fonds de réassurance de dernier recours. Une exemption partielle à la souscription au fonds de réserve d'assurance-dépôts serait alors accordée aux fédérations qui se dotent d'un tel fonds de sécurité. Cette exemption permettrait au gouvernement de l'Ontario de réduire ses dépenses administratives, en plus de permettre aux institutions d'assumer une plus grande part du risque, tout en se capitalisant grâce à ce nouveau fonds.

Deuxièmement, nous recommandons la création d'un marché d'assurance plus compétitif en Ontario en permettant l'accès à tous les services financiers sous un même toit.

Les Ontariens veulent avoir accès, auprès de leurs caisses populaires, à des produits qui répondent à l'ensemble de leurs besoins financiers. Ainsi, il est dans leur intérêt que les frontières entre les services d'assurance et les services financiers soient assouplies afin d'accroître la concurrence dans ce marché. Ces changements permettraient aux consommateurs d'avoir un meilleur accès à une gamme de produits plus diversifiés, et ce, à un meilleur prix.

De façon plus spécifique, nous recommandons que la vente de produits d'assurance de dommages et d'assurance vie soit permise en caisse et dans les « credit unions ». Les personnes responsables de la vente de ces produits demeurerait des agents licenciés, mais ceux-ci auraient la liberté d'exercer leurs fonctions à l'intérieur des centres de services des caisses populaires ou des « credit unions ». Ce changement permettrait aux consommateurs d'avoir accès à tous les types de conseils financiers sous un même toit.

Si la vente directe s'avère impossible à autoriser, la référence simple à ces services devrait à tout le moins être autorisée pour le bien des consommateurs. L'accès à une meilleure planification financière profitera non seulement aux membres des caisses et des « credit unions », mais à l'ensemble de l'économie ontarienne.

Troisièmement, nous recommandons d'appuyer le développement des petites et moyennes entreprises avec la mise en place d'un crédit d'impôt à l'investissement dans un fonds de développement régional.

Nous saluons les efforts importants qui ont été consentis au cours des dernières années par le gouvernement de l'Ontario afin de stimuler le marché des capitaux de risques. L'accès aux capitaux s'est amélioré dans certains secteurs économiques et nous pouvons en constater les effets bénéfiques. Néanmoins, nous sommes à même de constater que l'enjeu de l'accès aux capitaux de développement persiste pour les petites et moyennes entreprises n'opérant pas dans les secteurs des hautes technologies, des technologies vertes ou de la science de la santé.

La FCPO croit fermement au développement des régions et des entreprises locales et régionales. C'est pourquoi nous recommandons la mise en place d'un crédit d'impôt à l'investissement dans un fonds de développement régional. Ce concept, qui a déjà fait ses preuves au Québec, permettrait une levée de capitaux massive pour la croissance économique de la province, à coût modique pour le gouvernement. Les sommes reçues seraient canalisées dans des investissements efficaces, solides et aussi rentables que les placements conventionnels. Les fonds seraient gérés par les caisses populaires et les « credit unions », selon les paramètres déterminés par le gouvernement. En offrant aux Ontariens l'opportunité d'investir dans leur économie, ils contribuent directement à la prospérité et au dynamisme de leur communauté.

Finalement, nous recommandons la mise sur pied d'un partenariat public coopératif dans le domaine de l'éducation financière. L'éducation financière fait partie de la mission des caisses populaires Desjardins depuis

plus de 100 ans. Cet enjeu est au centre de notre implication dans notre milieu avec d'importants investissements, année après année, dans le développement et la diffusion de programmes d'éducation financière de l'âge primaire jusqu'à la retraite. Nous nous réjouissons donc du plan d'action annoncé par le gouvernement de l'Ontario en 2017 pour améliorer la littératie financière chez les jeunes.

Nous recommandons que la poursuite de ce plan d'action implique l'ensemble des forces vives dans ce champ d'activité afin de travailler ensemble et, ce faisant, de maximiser l'impact de nos investissements respectifs, tout en partageant les expertises sur le sujet. Plus précisément, que la mise en place de projets communs entre le gouvernement de l'Ontario et les caisses populaires pour l'amélioration de la littératie financière serait l'avantage de tous les Ontariens et, en particulier, pour l'avenir de nos jeunes.

En conclusion, avec le budget de 2018-2019, le gouvernement de l'Ontario a l'opportunité de prendre des mesures concrètes et positives pour l'ensemble des contribuables tout en faisant preuve de rigueur dans sa gestion budgétaire. Nous recommandons par ailleurs que la modernisation du cadre législatif des caisses populaires et des « credit unions », en vue de la mise aux normes prudentielles internationales de Bâle, inclue des dispositions légales pour la création de groupes financiers intégrés et la création de fonds de sécurité, et que ceux-ci soient inclus dans l'énoncé budgétaire de 2018-2019.

La FCPO tient à vous remercier, membres du comité, de nous avoir invités à participer au processus de consultation pour ce nouveau budget. C'est avec plaisir que nous poursuivons notre collaboration et sommes prêts à répondre à vos questions.

Le Président suppléant (M. Grant Crack): Merci beaucoup pour votre présentation. On commence avec le gouvernement : monsieur Fraser.

M. John Fraser: Bienvenue, monsieur Béland. Merci pour votre présence et votre présentation.

Je parle français un peu, et la présentation en anglais—it would have been easier if I'd had it in French; I could have—

Mr. Michaël Béland: I can speak English as well.

M. John Fraser: Dans l'intérêt du temps, je vais parler en anglais parce que les questions sont techniques. Sur deux points dans vos recommandations, les petites et moyennes entreprises et l'éducation des jeunes, I'm interested in your idea around a tax-credit system. I don't know a lot about what happens in Quebec with this.

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The reason that I'm asking is, when you create a tax credit, you're often estimating what the result of that tax credit will be in terms of the impact that it's going to have on your financial statements, as a government. One of the challenges in doing that is that you can end up providing a credit that creates a greater impact than you think it's going to have on your fiscal pressures.

So I'm interested in—that's one of the ways that I'm looking at it. If you can explain that a bit to me and tell me what you think about what I—

Mr. Michaël Béland: Yes, sure. First, I can speak about the initiative we have in Quebec. We've been having this partnership with the government of Quebec for, I would say, almost 20 years. It's more development capital than venture capital, because it's really focused on small and medium enterprises and not on making as much money as possible. It's more to develop regions and develop our communities.

In this case, our fund has \$1.8 billion in assets. The way it works is that people—anybody, you and I—invest. There is about, maybe, \$100 million of shares issued every year. There is a 40% tax credit to support the fact that people would invest in this fund so that it reduces the risk for people and also increases the return on investment for citizens. By doing so—it is interesting for the government because there are almost no administrative costs for the government. It's all managed by the Desjardins Group, and we're doing it with the parameters that are defined by the government.

In the case of Ontario, obviously, if it's possible to replicate this model, that would be interesting because I think this is a great success. If the government in Quebec is still doing it year after year, I would guess it's because it's working well. We can provide you with all these figures, in terms of economic impacts, but would be interested in looking at different models of how we can do this in Ontario and even work in partnership with the government to develop a study on what this could look like in Ontario.

Mr. John Fraser: Okay. Thank you. The second point being that education be a commitment, as I've seen you recognize in your presentation—a commitment to financial literacy—and talking about a partnership, which I think is a great thing to do.

I know that the “caisses” are very close to their members. They've been around for a long time. I grew up in Ottawa south, so I always remember the one on Arch Street. I think it has been there since 1970—that Desjardins was there. I think they've since moved, though, closer to—I guess my question is in terms of financial products for young people. Not only do we want to educate children in school, but they come to the bank; they're online. In terms of what Desjardins is doing in terms of that—if you can give me any details.

Mr. Michaël Béland: Honestly, we're doing a lot. As a group, we invest millions every year in financial literacy and financial education because it is important. It is part of our mission, you know? We have programs from five years old to retirement but mostly between primary school and university. We have online programs like one that's called Charly et Max. We also have different fintech adaptations to what we do. Just here in Ontario, we invest hundreds of thousands. We're involved in hundreds of schools.

Obviously, what we're seeing with—we're certainly very pleased with what the government announced in 2017, but we're thinking, “Well, maybe we can do this together.” Maybe we can put our money and our investment together, our ideas together, our expertise, and see

what can be done in a more efficient way. So we're open to ideas.

Le Président suppléant (M. Grant Crack): Merci beaucoup, monsieur Béland, pour vos commentaires ce matin. Bonne journée.

ASSEMBLÉE DE LA FRANCOPHONIE DE L'ONTARIO

Le Président suppléant (M. Grant Crack): Le prochain présentateur ce matin, c'est M. Carol Jolin, le président de l'Assemblée de la francophonie de l'Ontario. Bienvenue, monsieur Jolin. Bienvenue à Ottawa. Même chose : vous avez 10 minutes pour votre présentation. Bienvenue.

M. Carol Jolin: Merci, monsieur le Président et membres du comité. Au nom de l'Assemblée de la francophonie de l'Ontario et de ses 622 340 Franco-Ontariennes et Franco-Ontariens, je tiens à vous remercier de nous recevoir aujourd'hui pour les consultations prébudgétaires.

Les Franco-Ontariennes et les Franco-Ontariens sont fiers depuis toujours de leur participation à l'essor économique de la province. Aujourd'hui, nous portons notre regard vers l'avenir.

« Les bons outils font les bons ouvriers », dit l'adage. Le prochain budget de la province de l'Ontario est une occasion pour le gouvernement d'appuyer la francophonie à façonner l'Ontario de demain.

L'AFO propose aujourd'hui six recommandations touchant cinq secteurs de la vie ontarienne : les affaires francophones, les arts et la culture, la santé, la transition de nos organismes vers le nouveau salaire minimum, et les médias.

Le 31 juillet dernier a été une grande journée pour notre communauté. Pour la première fois de l'histoire de la province, un ministère dédié à la francophonie a vu le jour; un signal fort que les affaires francophones méritent une attention particulière de la part du gouvernement de l'Ontario, des parlementaires et de la fonction publique.

Avec ce mandat renforcé et l'adhésion récente de notre province à l'Organisation internationale de la Francophonie, le ministère des Affaires francophones de l'Ontario a besoin de plus de ressources financières en vue d'embaucher de nouveaux effectifs. Beaucoup plus.

En dédiant plus de personnel à l'OIF, au respect de la Loi sur les services en français, et à l'interministériel, le gouvernement de l'Ontario sera plus efficace dans sa livraison de services en français et sera davantage en mesure de saisir les occasions se présentant grâce à sa membricité à l'OIF.

C'est pour cette raison que l'AFO recommande que le gouvernement de l'Ontario augmente de 75 % le budget des affaires francophones.

Pourquoi 75 %? On a trouvé notre inspiration alors que l'office des affaires des aînés est devenu un ministère il n'y a pas tellement longtemps, et le budget de ce ministère-là a été majoré de 75 %. Donc, c'est là qu'on a pris nos chiffres.

L'essor de la langue française en Ontario est étroitement lié à la vitalité des arts et de la culture. C'est pour cette raison que l'AFO et ses partenaires ont dédié, l'an dernier, un livre blanc sur ce secteur phare de la francophonie. Le document note que « Les progrès du secteur ont été nombreux au fil des décennies, mais la conjoncture ... est tout de même troublante. »

Les centres culturels sont l'une des principales préoccupations au sein de la communauté franco-ontarienne. Depuis la dernière décennie, les centres culturels ferment les uns après les autres.

En 2004-2005, la défunte assemblée des centres culturels et communautaires de l'Ontario comptait 28 membres en règle. Aujourd'hui, on en dénombre à peu près une douzaine.

Depuis la dernière décennie, nous avons assisté à la fermeture de centres culturels à Clarence-Rockland, Chatham, St. Catharines et dans plusieurs autres communautés.

Les centres culturels doivent compter sur l'obtention de projets pour assurer leur survie à court terme. Lors des consultations ayant mené à la rédaction du livre blanc sur Les arts et la culture francophones en Ontario, plusieurs dirigeants de centres culturels nous ont révélé qu'ils devront fermer leurs portes d'ici trois à cinq ans si rien n'est fait aujourd'hui.

Si la tendance se maintient, les occasions de se rassembler autour des arts et de la culture francophones en Ontario n'existeront que dans les grands centres.

Afin de redresser cette situation alarmante, l'AFO demande au gouvernement de l'Ontario un investissement dans les infrastructures culturelles et artistiques francophones, plus spécifiquement en accordant à chaque centre culturel un financement de base d'au moins 50 000 \$.

Un autre dossier intimement lié à la vitalité et au dynamisme de la communauté : la santé. Et la communauté franco-ontarienne est aussi inquiète. Le système de santé a beaucoup changé au cours des dernières années, spécialement depuis l'adoption de la réforme en santé et des changements réglementaires qui s'en sont suivis.

Dans la foulée de ces changements, le rôle des entités de planification des services de santé en français a été clarifié, leur mandat a été reconduit et leur engagement avec les réseaux locaux d'intégration des services de santé—les RLISS, comme on les appelle—a été renforcé.

Le rôle des RLISS s'étant accru, celui des entités, également, est appelé à augmenter au même rythme. De plus, nous rappelons que le budget des entités est gelé depuis leur création en 2010. Donc, aucune augmentation de budget de fonctionnement. L'AFO demande au gouvernement de l'Ontario de bonifier le budget des entités pour la première fois depuis leur création afin de leur permettre de bien s'acquitter de leur mandat.

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Dans le Livre blanc sur les assises de la santé en français en Ontario, il est noté qu'il y a des lacunes

importantes dans l'offre de services en santé mentale en français. Au cours des dernières années, les gouvernements du Canada et de l'Ontario ont fait de la santé mentale une priorité, et avec raison. Selon le gouvernement de l'Ontario, une personne sur cinq serait aux prises avec un problème de santé mentale ou de dépendance. Cela représente quelque 125 000 Franco-Ontariennes et Franco-Ontariens.

Aujourd'hui, la qualité et l'offre de services de santé mentale en français sont inégales dans la province, et ce, même si la maîtrise de la langue du patient est centrale dans le secteur. Ainsi, l'AFO recommande que le gouvernement de l'Ontario augmente le financement allant aux services de santé mentale en français.

Un autre point que j'aimerais aborder : l'augmentation récente du salaire minimum. Alors que cette initiative a été reçue positivement par nos membres, plusieurs de nos organismes demandent de l'aide gouvernementale afin d'assurer une transition budgétaire en douceur.

Nous avons constaté que plusieurs centres de la petite enfance, centres culturels, organismes responsables de camps d'été, centres communautaires, institutions et organismes oeuvrant dans les régions éloignées sont les plus touchés par cette importante mesure. Par exemple, les centres de la petite enfance devront augmenter leurs tarifs pour pallier la hausse de leur masse salariale. Si rien n'est fait, ils prévoient un exode de leur clientèle non subventionnée vers les centres bilingues ou anglophones qui seront en meilleure position pour absorber les coûts supplémentaires en raison du volume de leur clientèle. Si cela se réalisait, ce serait dramatique pour la survie à long terme de notre communauté, l'assimilation frappant plus fortement à un jeune âge.

L'AFO recommande que le gouvernement de l'Ontario débloque un fonds d'aide pluriannuel afin d'aider les organismes à faire une transition en douceur vers le nouveau salaire minimum.

Enfin, les médias traversent une période de mutation technologique, de turbulence financière et de redéfinition de mandat et de clientèle depuis près d'une décennie. Au cœur de notre démocratie, nos médias franco-ontariens jouent un rôle important dans la transmission de notre langue et comme lien communautaire. Malheureusement, le transfert des budgets publicitaires gouvernementaux des médias traditionnels vers l'Internet contribue à précariser davantage les médias francophones de l'Ontario.

Pour aider nos médias à survivre, l'AFO recommande que le gouvernement de l'Ontario et ses agences dédient 5 % de leurs placements publicitaires aux médias francophones de la province.

Monsieur le Président, je vous remercie encore, et je remercie les membres du comité pour leur écoute. Je répondrai volontiers à vos questions. Merci.

Le Président suppléant (M. Grant Crack): Merci, monsieur Jolin. On commence avec M. Oosterhoff des conservateurs.

M. Sam Oosterhoff: Merci beaucoup pour ta présentation ce matin. Avant que je commence, je suis désolé pour mon français. J'étudie le français chaque

semaine parce que je pense que c'est une très belle langue, et je sais que la communauté franco-ontarienne est très importante pour notre province aussi. Merci pour ta présentation avec les problèmes que tu poses ce matin. J'ai seulement quelques questions.

Une question que je trouve très intéressante, c'est qu'à la page 6, tu dis : « Aujourd'hui, la qualité et l'offre de services de santé mentale en français sont inégales dans la province, et ce, même si la maîtrise de la langue du patient est centrale dans ce secteur. » Expliquez ce problème, parce que notre chef, Patrick Brown, pense que la santé mentale est très importante pour notre futur et pour toute la province. Expliquez pour nous, s'il vous plaît.

M. Carol Jolin: Donc, il y a deux éléments— premièrement, ton français est excellent. Je te comprends très bien. Merci de poursuivre des cours dans cette voie-là. Félicitations.

M. Sam Oosterhoff: Merci.

M. Carol Jolin: Donc, il y a deux aspects sur ça. Le premier : même si on a des régions désignées à plusieurs endroits, le service en français pour la santé mentale n'est pas ou peu disponible. Dans les endroits non désignés, c'est encore plus difficile. Ça, c'est un élément. Et pourquoi c'est important? Bien, les études ont déjà révélé que, par exemple, dans des cas de démence, même si les gens ont été bilingues et ont parlé les deux langues toute leur vie, il est prouvé scientifiquement que lorsque les gens arrivent à un certain point, c'est la langue maternelle qui reste et ils oublient complètement l'autre langue. Ils ne peuvent plus communiquer dans cette deuxième langue qu'ils avaient et qu'ils ont maîtrisée toute leur vie. C'est cette langue qui disparaît; c'est la langue maternelle qui reste. Donc, pour être capable, par exemple, de donner les services à ces gens-là, ça prend des services en français. Ça, c'est seulement un exemple qui dit qu'en vieillissant, on a tendance à s'attacher à notre langue maternelle et à oublier la deuxième ou troisième langue qu'on a apprise.

M. Sam Oosterhoff: Merci. Tu as aussi dit à la page 8 : « Malheureusement, le transfert des budgets publicitaires gouvernementaux des médias traditionnels vers l'Internet contribue à précariser davantage les médias francophones de l'Ontario. »

Nous avons un autre « challenge » aujourd'hui, parce que nous avons beaucoup de changements dans nos médias, dans notre communication, et pour la jeunesse aussi : qu'est-ce que le futur des médias francophones?

M. Carol Jolin: Les médias francophones, premièrement, voudraient prendre le virage numérique, et comme c'est là, ils ne voient pas encore le virage. On est encore dans une ligne droite, et puis, elle est difficile.

Le gouvernement fédéral a coupé ses investissements en publicité dans les médias de 75 %, et le gouvernement provincial de quelque 50 %. Pour les médias francophones, cette source de revenus est extrêmement importante, parce qu'ils n'ont pas la possibilité d'aller dans plusieurs communautés et d'aller chercher la publicité traditionnelle comme on la connaît.

Donc, le gouvernement a une responsabilité pour être capable d'assurer la vitalité de ces médias-là, parce que les médias francophones, c'est le lien avec la communauté, c'est le lien culturel, c'est le lien pour les activités. C'est l'élément rassembleur dans une communauté francophone. À chaque fois qu'un média francophone disparaît, c'est un élément de rassemblement qui disparaît dans la communauté et qui vient affaiblir cette communauté-là.

M. Sam Oosterhoff: D'accord. Si les communautés franco-ontariennes oublient leurs médias traditionnels, qu'est-ce que le futur des communautés?

M. Carol Jolin: Ça devient extrêmement—on vient affaiblir les communautés graduellement. Ça commence avec les médias francophones. On a parlé des centres culturels. C'est un ensemble, tout ça.

Quand une communauté perd son centre culturel, perd son média francophone, que la situation est difficile dans une école, par exemple, et qu'on doit fermer l'école, bien, c'est toute la communauté francophone autour qui s'affaiblit, et par le fait même, en s'affaiblissant, elle devient sujette à l'assimilation. Graduellement, le français est de moins en moins en moins parlé dans cette communauté-là, et on l'a vu dans plusieurs communautés dans le passé.

M. Sam Oosterhoff: Combien de temps?

Le Président suppléant (M. Grant Crack): Je pense que c'est tout. Merci beaucoup. C'est tout, c'est fini, mais M. Fedeli a quelque chose à dire. Monsieur Fedeli?

M. Victor Fedeli: Nos condoléances à l'occasion du décès de M. Dupuis, le cocréateur du drapeau franco-ontarien.

M. Carol Jolin: Merci. C'est un grand homme qu'on a perdu trop tôt, et moi, je salue ce qu'il a fait quand il avait 19 ans. C'est un bel exemple pour notre jeunesse qui veut s'impliquer. Il a dit : « Il y a quelque chose qui nous manque » et puis il a pris des décisions, il s'est impliqué et il a fait une différence. Alors, encore une fois—je l'ai dit à quelques occasions—je lève mon chapeau à ce monsieur-là qui a consacré sa vie à faire avancer la cause franco-ontarienne.

Le Président suppléant (M. Grant Crack): Merci beaucoup. Merci, monsieur Jolin, pour votre présentation et vos commentaires.

IMPERIAL TOBACCO CANADA LTD.

The Acting Chair (Mr. Grant Crack): Next on the agenda we have Imperial Tobacco Canada: Sébastien Charbonneau, director of government and regulatory affairs. We welcome you, Mr. Charbonneau, before committee this morning. You have up to 10 minutes for your presentation.

Mr. Sébastien Charbonneau: Excellent. Thank you very much.

Good morning. Bonjour à tous les membres du comité. Thank you for the opportunity to be here today.

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My name is Sébastien Charbonneau. I am the director of government and regulatory affairs for Imperial

Tobacco Canada, the largest legal tobacco company in the country. I have to specify “legal,” because Canada, and Ontario in particular, has a massive illegal tobacco problem, and the message I am going to deliver today is a blunt one.

For years, our company has been warning that Ontario is approaching the tipping point on illegal tobacco. Now a 33% increase in tobacco taxes since 2014 may have put this province over the edge, with the Ontario Convenience Stores Association releasing data in November showing 37% of the tobacco sold in this province is illegal. Those data are consistent with our own analysis of the market. That is by far the highest illegal tobacco rate of any province in Canada.

While the illegal tobacco rate in Ontario is high, the trends are even worse: The illegal market share in Ontario has increased by 66% in the last three years. In fact, there was an unprecedented drop in the legal tobacco sales in Ontario in 2017, one that cannot be explained by a corresponding decline in the smoking rate of the province.

No region of the province is spared, so wherever your constituency is located, illegal tobacco rates are growing throughout the province. The illegal rate of tobacco in northern Ontario has reached more than 60%; for southwestern Ontario, it is 34%; for the eastern part of the province, or around here, it’s around 33%. It’s slightly lower but still high in the GTA at 23%.

A KPMG report in 2015 suggested that Ontario is losing \$800 million or more in tobacco taxes that are not collected each year due to this illegal tobacco trade, and that money is instead being diverted to the criminals and the organized crime groups that are behind the illegal tobacco trade.

So how did Ontario end up in this situation? There are two primary reasons, and we address both in our recommendations for the 2018 budget. First, as I mentioned, Ontario has increased tobacco tax by 33% since 2014. It is over that very same period that illegal tobacco rates have spiked by 66%. This indicates that smokers may be switching to cheaper illegal tobacco products. Despite this, the Liberal government announced plans in the last budget to increase taxes by another \$4 a carton in 2018 and then another \$4 in 2019. In our view, that would be a mistake in a market that is already so flooded by contraband products. Therefore, our first recommendation is to not proceed with the two \$4 tax increases announced in the last budget.

However, despite this recommendation, given the current situation, our company is not systematically opposed to tax increases. The government introduced a plan in the 2016 budget for annual tobacco tax increases that were tied to inflation, and there was a schedule over the next five years that called for those moderate and predictable increases. That, in our view, was the right approach. Unfortunately, it was withdrawn in the 2017 budget before being implemented. Scrapping that plan was a mistake.

Ontario will get this problem under control only if it stops shocking the market with large tax increases year after year. That means cancelling the planned increases in

2018 and 2019 or, at the very least, adjusting their increments and its timeline for implementation, again, to allow for moderate and more predictable increases.

Secondly, the government waited for too long and did too little when it comes to dealing with illegal tobacco enforcement. Ontario does not need to look very far for the solution. Right next door, across the river, Quebec has a model that works. Despite very similar market conditions—including the presence of dozens of illegal cigarette factories and hundreds of smoke shacks, much like in Ontario—Quebec’s illegal tobacco rate has dropped from over 40% in 2008 to less than 15% and is trending down today. Compare that to the Ontario situation, where the rates have gone in the opposite direction, increasing by 66%, like I said, in the last three years. The rates province-wide are now approaching 40%.

Quebec has placed a much greater emphasis on illegal tobacco enforcement, with stronger legislative powers and a dedicated, well-funded program to support its law enforcement efforts. To put it in perspective, Quebec spends around \$18 million annually on illegal tobacco enforcement, whereas Ontario spends, at best, between \$2 million and \$4 million. Also, while Ontario is losing even more tax revenue to illegal tobacco, Quebec has increased its revenue by \$180 million annually, or a 10-to-1 return on its \$18-million investment in enforcement, while not increasing the taxes since 2014.

Revenues are going up, contraband is going down, and we all benefit from this, especially from a public safety and public health standpoint.

Yet we must stress that despite the challenges in Ontario, we genuinely appreciate the efforts of the finance officials and the OPP to fight illegal tobacco in this province. But they do need similar legislative powers and resources to their Quebec counterparts’ if we want to see them achieve the same positive results.

I also want to stress that these two recommendations should be seen as a package. To focus only on enforcement while going ahead with more tax shocks will be futile. Instead, Ontario needs to avoid further tax shocks, allow the market to stabilize and then invest in enforcement to start bringing the illegal tobacco rate down.

Ultimately, we are recommending that the province exercise the same caution with tobacco taxation as it is intending to apply to marijuana. For example, Minister Sousa said his plan was to ensure that marijuana is “competitively priced” with the black market. He also said that he wants “to ensure that it’s not overly expensive because of the underground economy that now exists.” Yet the minister is increasing tobacco taxes repeatedly, despite the existence of a thriving illegal market that is run by the same organized crime groups that are today heavily involved in marijuana.

We cannot understand this discrepancy. Is Ontario really any better off if you drive organized crime out of the marijuana business but allow the very same criminals to gain an even stronger foothold in the tobacco market?

Ontario’s illegal tobacco problem is an embarrassment. This simply should not happen in a modern,

advanced, otherwise law-abiding society. The solutions to addressing it are simple: Avoid further tax shocks, and implement the Quebec enforcement model.

Finally, I will close with a question that this committee and the government need to consider: Does Ontario want a legal, regulated and taxed tobacco industry or, instead, an illegal, unregulated and untaxed free-for-all? Because if this continues down the current path, we will end up with the latter. The ball is now in your court.

Thank you for your time, and I now look forward to your questions.

Le Président suppléant (M. Grant Crack): Merci beaucoup, monsieur Charbonneau. We will move to the third party: Mr. Vanthof.

Mr. John Vanthof: Thank you, Mr. Charbonneau, for your presentation and for some very sobering facts. Particularly, coming from northern Ontario, the numbers for northern Ontario are even more shocking than for the rest of the province.

In the Quebec model of enforcement—what is the Quebec model of enforcement?

Mr. Sébastien Charbonneau: Very quickly, the Quebec model of enforcement is adequate resources and funding for law enforcement to do investigations and to collaborate with each other throughout the province, to disrupt the distribution networks of the organized crime groups when the products leave their points of production, which are typically entirely located on First Nations territories.

In short, it was amendments made in a bill in 2009 by the Liberal government under Jean Charest. First, it was Bill 59 that gave more legislative powers, to enable all law enforcement and peace officers throughout the province of Quebec to enforce the Tobacco Tax Act.

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Secondly, the creation of a program called ACCES Tabac, which is funded with this \$18 million, allows local, municipal and provincial police forces to work together, tapping into this budget, to dedicate full-time investigators on the disruption of the illegal tobacco traffic and distribution throughout the province.

Investigations require a lot of time and effort, and that's exactly what Quebec did on the enforcement part. Legislative powers and adequate funding and resourcing: There are close to 60 full-time investigators from various police forces in the province that are involved in investigations to disrupt illegal tobacco.

This is part of this committee's scope: Quebec's taxation policies have been very prudent. They have increased taxes, but not repeatedly and not at the same rate as Ontario, to not fuel further erosion toward the illegal channels. We're not against tobacco tax increases. We think that there should be increases linked with inflation—moderate and predictable tax increases.

The two combined are what led Quebec to significantly reduce its contraband from 40%—as I said, it's trending down—to probably much less than 15% today.

Mr. John Vanthof: Obviously, since we're so close to each other, and next to each other—are other parts of

the country having the same issues, or is this specifically an Ontario or Quebec problem?

Mr. Sébastien Charbonneau: In fact, it's no longer a huge issue in Quebec.

Mr. John Vanthof: It's an Ontario problem.

Mr. Sébastien Charbonneau: As I said, it's getting closer to 10%. The production in Quebec is still there, but so is the illegal production in Ontario. The smoke shacks are present in Quebec and Ontario. But what's lacking in Ontario are the enforcement efforts coupled, again, with significant tax increases over the last couple of years.

It is really here in Ontario that the problem is. In fact, if Ontario was a country, it would rank second in the Americas for its illegal tobacco rate—second only after Panama.

Mr. John Vanthof: You're not painting a very nice picture. In your opinion, what have been the roadblocks? Is it simply a lack of will, a lack of direction?

Mr. Sébastien Charbonneau: Again, we recognize the tremendous efforts of the finance officials and the OPP. They're working with the tools they have and the resources that are allocated to them.

Why are things going in this direction? Clearly, it's ensuing government decisions on fiscal policies or on enforcement, or a lack of enforcement or a lack of resources and legislative powers to support a proper fight against illegal tobacco.

Again, it is an organized crime problem. Organized criminals are making a tremendous amount of profit from the illegal tobacco trade. They use those monies to fund other illicit activities. This is not Imperial Tobacco or me saying this. This is well documented by various law enforcement agencies in the country and abroad.

Mr. John Vanthof: That's pretty close. Thank you very much for your presentation.

Mr. Sébastien Charbonneau: Thank you.

The Acting Chair (Mr. Grant Crack): Thank you, Mr. Charbonneau, for coming before committee this morning. It's much appreciated.

Mr. Sébastien Charbonneau: Thank you very much for your time.

ALGONQUIN COLLEGE

The Acting Chair (Mr. Grant Crack): Next on the agenda, we have Algonquin College. We have Duane McNair, who is the vice-president of finance and administration; and Scott Anderson, executive director, communications, marketing and external relations.

We welcome you two gentlemen to committee this morning. You have up to 10 minutes for your presentation. Welcome.

Mr. Scott Anderson: Good morning, and thank you for inviting us. This is a great year for Ottawa, for Ontario and for Canada. We've just concluded our 150th anniversary. There is a great sense of optimism about the future.

We, too, at Algonquin College are wrapping up our celebrations of a milestone: 50 years of delivering

relevant and high-quality applied education programs that have prepared generations of students and apprentices for fulfilling careers.

All across our province and our nation, groundbreaking technological advancements across all sectors are reshaping the nature of work, business and community. No area of the workforce is immune—

The Acting Chair (Mr. Grant Crack): Excuse me, gentlemen. Just for the record, who is speaking?

Mr. Scott Anderson: Scott Anderson. Sorry.

The Acting Chair (Mr. Grant Crack): Scott Anderson is speaking at this point. If Mr. McNair wants to speak after, just introduce yourself.

Sorry to interrupt.

Mr. Scott Anderson: Sorry about that.

No area of the workforce is immune, whether health care, construction, manufacturing, customer service or education. Automation, digitalization and smart technologies will change the way we earn a living and the way we live. Over the next two decades, experts predict that 40% of Canada's workforce will be affected by these transformative shifts. Many traditional high-wage jobs are particularly vulnerable as technological change pushes the envelope on the skill sets and educational foundation required to be effective in the new economy.

While the future is uncertain, two things are guaranteed:

(1) The era of unskilled labour is coming to an end. Learning, and in many cases lifelong learning, are the key to our future prosperity.

(2) Improved access to college education is key to moving forward.

As we endeavour to increase the skills of our workforce, improve access to skills development and to contain costs for students, we rely on the province's financial and regulatory support to help us be sustainable and to continue to evolve. We've seen many steps in the right direction. For example, the measures to improve student financial assistance have helped more students pursue higher education and, in particular, high-quality applied and career-focused programs at colleges. We are grateful for efforts that have supported critical access programs for first-generation and indigenous learners. Speaking of indigenous learners, on January 1, Algonquin College became the first post-secondary institution in Canada to appoint an executive director of truth, reconciliation and indigenization.

We see good things on the horizon, like funding for green initiatives, and yesterday's announcement about electric vehicle charging stations, and a long-term infrastructure framework that will help us reduce deferred maintenance costs.

Although together we have helped build Ontario up, budget 2018 will be critical for our sector.

Mr. Duane McNair: Good morning, everyone. I'm Duane McNair. I'm the vice-president, finance and administration at Algonquin College.

Over the years, we have benefited from rapidly increasing enrolment, which allowed for growth and optimism. This reality has changed and, along with it, so

has our ability to raise funds. At a time when college education is more important than ever, the reality is that funding for college programs continues to drop in real dollars.

Like all of the colleges in Ontario, our fiscal pressures have a direct impact on our students. For example, apprenticeship programs are fundamental to our education model, providing our students with the opportunity to apply their skills in the field while connecting them with potential employers. But real per-student revenues have not increased in almost a decade. When adjusted for the cost of living, that means that funding has effectively decreased.

Work-integrated learning opportunities and building a culture of innovation and entrepreneurship are the strongest tools we have to create a more productive and resilient workforce. Over the last two years, the college has been working hard to create more of these opportunities for our students.

We are working closely with the hospital sector in Ottawa on new partnerships that will better support front-line health care workforce planning. In fact, last year we signed a partnership with the Ottawa Hospital that will give our students ongoing opportunities in the growing field of digital health. We have created a Centre for Innovation in Seniors Care, privately supported by the Garbarino Girard estate, to offer on-campus work-integrated learning opportunities for the front-line auxiliary health care worker of tomorrow; and with Ontario and Canada's support, we are building a leading-edge innovation centre that we are calling the DARE District—DARE for discovery, applied research and entrepreneurship. This centre and its catchy name will embody Algonquin's mission to transform hopes and dreams into lifelong success. The new DARE District will also include a first-of-its-kind Institute for Indigenous Entrepreneurship.

These partnerships and initiatives are changing the way our students engage with employers and communities and prepare for their futures, but they do not come without a cost. The province's new corridor funding model holds our funding fixed so that, in the coming years, domestic enrolment increases will no longer meet our funding needs. We are doing our best to offset this shortfall with increased international enrolment, but there are limits to this growth. As well, regulatory constraints continue to limit our ability to be entrepreneurial—constraints such as the tuition cap and the 15% cap on high-demand program enrolments. As well, the grants we receive for part-time students are not sufficient to significantly grow that line of business at the college.

Unlike universities, most of our new offerings have to be directly approved by the province. This limits how quickly we can respond to industry trends and changes. Employers are looking for higher and higher levels of certification every year. To keep up, we need the support to respond quickly and organically.

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If colleges were given the freedom to develop new offerings within a strict set of guidelines, as universities

do, rather than seek approval for each new program, we'd be able to offer students more immediate, more relevant education without sacrificing any of the quality control we currently enjoy.

Bill 148, now the Fair Workplaces, Better Jobs Act, adds new, immediate costs into the equation for colleges. We no longer have the same latitude or time to manage existing challenges. This situation is even more daunting for colleges outside of the GTA.

Mr. Scott Anderson: In summary, in this year's provincial budget, Algonquin College would like the government to focus on funding two core areas:

(1) Increased operating funding. This includes improvements to core operating grants to support the aims of the Fair Workplaces, Better Jobs Act.

(2) Capital investments. This funding would support improvements, new equipment, and address our deferred maintenance backlog.

Our colleges and our workforce are at a simultaneous crossroads, but Ontario has the opportunity to help ensure a path forward for our workers, businesses and communities. An educated, skilled, sustainable workforce ready to meet the challenges of the future is a vital solution. Our economy will grow if trained workers are available to the employers who need them and if the retraining is available for those employees looking to transition and stay ahead.

Funding will also help control class sizes, ensure optimized learning environments and aid in student retention. These investments will ensure program and service quality for everything from at-risk students to indigenous students, and ensure our college campuses can continue to thrive and remain accessible to all. Education will ensure we are ready to adapt and face the many changes that lie ahead.

For half a century, Algonquin College has been a partner to our community and to Ontario, and a leader in applied education. Together we can find the right solutions that will benefit students, our city, our province and our country for decades to come.

We look forward to continuing to engage with you on constructive solutions as we work together toward building Ontario's highly skilled workforce.

The Acting Chair (Mr. Grant Crack): Thank you very much, gentlemen, for your presentation.

We will begin with the government. Ms. Martins.

Mrs. Cristina Martins: Thank you very much, gentlemen, for being here today and for your presentation, and congratulations to the college on celebrating the 50th anniversary this year.

I just wanted to highlight something that you said in terms of improved access to college education—I think it was Mr. Anderson who said that as part of his presentation. As you're well aware—and you referenced that in your presentation—Ontario has transformed the Ontario Student Assistance Program, OSAP, to be able to provide financial assistance to middle- to low-income families. Currently we're providing free tuition to about one third of all full-time college and university students

in Ontario. The stat I have, actually, for Algonquin College says that as of October 30, 8,472 students were receiving free tuition through the new OSAP. That represents just over 40% of your students—so well above what we are seeing across the province.

With these changes to OSAP, what sort of impact are you seeing at your campuses?

Mr. Scott Anderson: We're certainly seeing a bigger uptake in OSAP, as you pointed out. I think that financial security for students coming to college—we know it's the biggest reason that students don't come to college. So that has taken a level of stress off the students that's remarkable.

Mrs. Cristina Martins: I'm going to pass it over to my colleague MPP Potts.

The Acting Chair (Mr. Grant Crack): Mr. Potts.

Mr. Arthur Potts: Thank you, gentlemen, for being here.

Mr. McNair, you were speaking a bit about the nimble opportunities that community colleges have to respond to new program development. I took to heart very clearly your concerns around—this is called red tape around the kinds of new programs. We need to be able to respond very quickly to changing demands in the workforce. I'll certainly be taking that message back very strongly, so thank you for that.

I had the pleasure of teaching in the college sector years ago in labour relations, and as a part-timer into the program, for me it was a bit of a learning curve, to be in front of students, teaching industrial relations. I had a master's; I was consulting in the field. It was an important way that I could bring my technical, professional skills into the college, and I know that we're doing that in a whole bunch of other sectors.

I want to talk a bit about the green sector, sustainable technologies. Mr. Anderson, you talked a bit about the electric vehicle charging stations, so I'm assuming you're developing the expertise with the students to build, install, maintain, but what other clean technologies? I know you've completed renovations on three campuses recently. Was part of that an educational experience of how students can learn to build green buildings and move forward in the low-carbon economy?

Mr. Duane McNair: Yes. We have several initiatives where we're trying to integrate students' learning with the infrastructure projects on campus. We've recently submitted a proposal for solar/photovoltaic array power generation for our campus. We actually built a LEED-certified platinum building, our Algonquin Centre for Construction Excellence, as a learning lab. Students can participate in how the building operates, how we monitor the systems and the environments and the energy efficiencies within those facilities.

With any major green initiative we undertake at the college, we're always looking to implement ways that we can integrate student learning.

Mr. Arthur Potts: That's fantastic.

Mr. Scott Anderson: In addition to that, we have a proposal ready for a carbon net-zero building that will

include a renewable natural gas plant. We create electricity by burning natural gas at the college, and, of course, that's the number one greenhouse gas cause in Ontario. This plant would be the first of its kind in North America and we believe a pilot for college campuses and other large institutional campuses across Ontario and the country, to produce and burn renewable natural gas rather than—

Mr. Arthur Potts: That's excellent.

I serve as the parliamentary assistant to the Minister of the Environment and Climate Change, and we're working on a pilot to take all the organic waste down in the Evergreen Brick Works to create methane and use that to displace the fossil fuels that they're burning for heating, as a zero-carbon demonstration. I'd be very interested to see that proposal and encourage it to go forward.

Mr. Scott Anderson: We'll send you the package.

Mr. Arthur Potts: Please. I'd appreciate that.

The Acting Chair (Mr. Grant Crack): Gentlemen, thanks for coming before committee this morning. It's much appreciated. Have a great day.

AOE ARTS COUNCIL CONSEIL DES ARTS AOE

The Acting Chair (Mr. Grant Crack): Next on the agenda, from the AOE Arts Council, we have Victoria Steele, who is the executive director, as well as Eric Dubeau, singer-songwriter and arts consultant. We welcome the two of you to committee this morning, and you have up to 10 minutes for your presentation.

Ms. Victoria Steele: Merci beaucoup. Honourable members, ladies and gentlemen, good morning. My name is Victoria Steele, and I am executive director of AOE Arts Council, which is a bilingual, multidisciplinary service organization working collaboratively to advance the arts in the Ottawa region. We know that the arts build strong communities and are an essential connection to opportunities and resources.

Mr. Eric Dubeau: Bonjour. Je m'appelle Eric Dubeau. Je suis un artiste en chanson et musique. Je suis un consultant actif dans le secteur des arts et de la culture et un membre du comité de direction du groupe Ontariens pour les arts.

Ontarians for the Arts is a new, inclusive, non-partisan movement intent on promoting the benefits of the arts in every city, community and reserve in every corner of this province. A written submission will be provided later in the week for you, further detailing priorities and goals, some of which we'll outline here today.

Ms. Victoria Steele: Ontarians expect our government to deliver on a range of services, including cultural development. It's not just a jurisdictional responsibility but also a broader social one. We can think of no better way to connect our citizens to one another and promote the distinctiveness of our province and its many peoples than through arts and culture. Participating in the arts promotes social inclusion and cohesion, and in a province

as diverse as Ontario, it's an important way of ensuring that all Ontarians feel a real sense of belonging here.

Mr. Eric Dubeau: Le gouvernement de l'Ontario appuie le développement culturel de la province depuis de nombreuses années. Des investissements en arts et culture représentent un moyen indispensable de soutenir l'écosystème créatif. Chacun des trois principaux partis a démontré un engagement aux arts, au fil des ans.

Aujourd'hui, on vous fait part de quelques pistes à prendre en compte dans les préparatifs au prochain budget et à la prochaine élection. Ce sont des façons d'encourager la vie culturelle en Ontario, qui contribue beaucoup à la vitalité sociale et économique de la province.

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Ms. Victoria Steele: Ontario artists and cultural workers are an integral part of society. Through music, film, art, books and theatre onstage and online, artists tell our stories and sing our passions. They share our beauty and animate our neighbourhoods.

Here in Ottawa, our grassroots Neighbourhood Arts project, supported by Ontario150, brought youth, seniors, newcomers and indigenous Canadians in 21 diverse communities together with 12 groups of artists to co-create works of art and share what it means to be Canadian today. This was powerful community-building, and the enthusiasm of participants was incredibly moving.

In our schools, community centres and seniors' homes, in town squares and parks, in our exhibition spaces and performance halls, whether we're flipping the pages of a paperback, reading an e-book, listening to an old 33 or to an iPod, arts and culture are the expression of humanity. Culture connects us to one another.

Mr. Eric Dubeau: The arts represent our heart and soul. They reflect who we are and what we aspire to be as a society.

What a strong, beautiful and diverse culture we have in Ontario. Ontario is home to one third of Canadians. It is also home to roughly half of the cultural activity in the country. The creative sector contributes \$25 billion annually to Ontario's GDP and represents approximately 4% of Ontario's workforce. That's well over 275,000 jobs. And 65% of Ontario business leaders say that a thriving arts and culture scene makes it easier to attract top talent to their communities.

The return on investment to the public is not just quantifiable; it's qualitative as well. It includes delivery on a wide range of societal benefits for all the people of this province.

Ms. Victoria Steele: Ontario is growing, and growing fast. At the same time, our culture is more diverse than ever, and we've only begun to address reconciliation with indigenous peoples. There is much work to do. With our province's demographics and culture evolving as rapidly as it will be over the next two decades, artistic and cultural development are critical to continued social and economic success for Ontarians.

We encourage this government, and whoever forms the next government of Ontario, to:

- continue developing our province’s arts and culture through policy, programs and education;
- continue investing in arts and culture; and
- make arts and culture an integral part of how we promote Ontario’s place in Canada and the world.

M. Eric Dubeau: L’éducation artistique prépare les jeunes pour un avenir où la créativité est au coeur même de l’innovation et de la croissance économique. La créativité émane de l’accès aux arts. L’éducation artistique favorise aussi les compétences et la compréhension interculturelles et l’engagement communautaire.

The arts empower youth, especially at-risk youth, to succeed in school, in work and in later life. Canadians know this, and 85% believe that investment in arts education assists in the emotional and intellectual development of children.

Ontarians expect our government to do its best in delivering practical and appreciable skills, from pre-school to post-secondary. Adequately resourcing the education system is key to ensuring that the arts curriculum can benefit all students and can be delivered with a consistent depth of experience in ways that can be quantified as well as qualified.

Ms. Victoria Steele: We also encourage this committee to support the renewal of Ontario’s Culture Strategy every five years to ensure that ongoing innovative artistic and cultural developments reflect Ontario’s many peoples. Ontario is already Canada’s most diverse province. We have some catching up to do to ensure that indigenous peoples, francophones, people of colour, and other marginalized groups, such as the deaf, disabled and “mad,” are included. There is room for improvement and there is room for growth.

Roughly half the culture strategy’s recommendations are under way. One example of its success is the inter-ministerial co-operation developing between the seniors’ secretariat and the Ministry of Tourism, Culture and Sport. This collaborative approach is helping to connect seniors to their community through culture while improving health outcomes through programs like Dancing with Parkinson’s.

Mr. Eric Dubeau: A full range of arts activities in communities across the province are supported through the Ontario Arts Council, the Ontario Cultural Attractions Fund, the Ontario Arts Foundation and the Ontario Trillium Foundation. We want to stress their continued importance. The planned increases to the Ontario Arts Council are critical. We thank the current government for starting to close a noticeable gap, as well as the opposition parties, who promise to see this increase through should there be a change in government. It is necessary to keep the creative supply chain growing and evolving.

This sector is clearly also a major driver of tourism, with 9.5 million tourists participating in Ontario arts and culture activities throughout the province annually. Tourists consistently seek out our festivals and events, from Stratford to the Ottawa Bluesfest to the Festival du Loup to summer theatre in every corner of the province. That’s why we hope this budget will commit to a four-

year renewal of the Ontario Cultural Attractions Fund. OCAF plays a key role in promoting cultural tourism, connecting Ontarians, and visitors to Ontario, to great experiences.

Ms. Victoria Steele: The Ontario Arts Foundation facilitates private giving to the arts in Ontario. Revitalizing this foundation by reintroducing a matching endowment incentives program would help arts organizations become more self-reliant and reduce emphasis on operating grants in due course, freeing up resources for those who need it most.

We also hope this committee will re-examine ways of better leveraging federal investments in culture. The Ontario government needs to improve intergovernmental co-operation in culture and ensure that Ontario gets a fair and demographically proportionate share of federal investments. As an example, Ontario currently does not have a way to consistently leverage federal cultural investments in infrastructure or cultural exports, whereas both Alberta and Quebec do. Cultural infrastructure facilitates access to arts and cultural experiences, but Ontario’s cultural infrastructure deficit is in the \$300-million range. If we develop a program to match the federal government, that deficit could be reduced substantially in due course.

Mr. Eric Dubeau: Additional investments to bolster cultural exports would also improve market access and development, leverage federal support, and strengthen Ontario’s economy as well as its global brand. And that’s where we’ll leave you today: thinking about our brand, our place in the world.

Ontario is: celebrating indigenous roots and cultures, acknowledging the history and living cultures of this land.

Ms. Victoria Steele: It’s a dance circuit across central and southern Ontario.

Mr. Eric Dubeau: It’s reading a book by a franco-phone author from Hearst on the beach on an island in Muskoka.

Ms. Victoria Steele: It’s attending our daughter’s or nephew’s music recital.

Mr. Eric Dubeau: It’s Le Théâtre du Nouvel-Ontario à Sudbury, où l’on trouve également the Sudbury Theatre Centre, just as the Great Canadian Theatre Company and La Nouvelle Scène share the stage here in Ottawa.

Ms. Victoria Steele: Ontario is also the National Ballet of Canada in Paris; Drake and Bieber, love them or not, touring the world, while Véronic DiCaire tours with Céline Dion; and a Syrian refugee discovering Islamic Canadian art at the Ottawa Art Gallery.

This is the inspiring work before us all: to create our province’s collective future. That future is more diverse, more culturally rich, than any of us can fully imagine.

Thank you for your time and attention today.

The Acting Chair (Mr. Grant Crack): Thank you very much. Merci beaucoup à vous deux pour votre présentation. On commence avec the Conservatives. Mr. Fedeli.

Mr. Victor Fedeli: It really was a wonderful presentation and a very passionate presentation, as well. We’re

very grateful to know that here in Ottawa there are local champions, and I'm sure you're two of many. So congratulations for your continued efforts. It's wonderful to see.

You talked about many things, but one of the things I heard was, cultural exports—just expand on that again. I think you got into it when you talked about Drake and Céline Dion and others. Are there some more examples?

Ms. Victoria Steele: One of the things that we alluded to is the need for support for market development. We have a lot of talent here. We need to get the word out. As you said, there were a lot of things in our presentation—but, really, what is one of the missing pieces to help make sure that our artists are able to reach out to the markets they need?

Eric, veux-tu ajouter quelque chose?

Mr. Eric Dubeau: Yes, I'll take a piece of that.

For example, both the Ontario Arts Council and the Ontario Media Development Corp. are instrumental in exporting our cultural brand abroad. As far as OMDC goes, it's a relatively recent phenomenon, so something along the lines of the Ontario Music Fund, the Ontario music strategy—a great, substantial investment that has to be perpetuated, that has to be carried forward. But it's a recent development; it's a few years old. Quebec has been doing it for 35 years and has an international brand that is really extraordinary, not just for francophones, but for culture. It is seen as a cultural champion on the international stage.

We think Ontario's demographics, Ontario's diversity, Ontario's cultural and artistic vitality make us a natural ambassador that could really shine internationally.

Mr. Victor Fedeli: Do you include film in that as well?

Mr. Eric Dubeau: Absolutely.

Mr. Victor Fedeli: In my hometown of North Bay, we just finished another season of filming Carter and filming many—I'm trying to think of the name of the company. It's not Harlequin—

The Clerk of the Committee (Mr. Eric Rennie): Hallmark?

Mr. Victor Fedeli: Hallmark; thank you very kindly. Many, many Hallmark movies were done in North Bay. We had about 12 film productions over the course of the year. Many, of course, air all through the States.

Is that an area where you think we should also be contributing additional funding, in terms of tax credits and others?

Ms. Victoria Steele: Certainly, we're great advocates of supporting our film sector.

We're actually speaking—not to be jurisdictional on this—on behalf of the arts sector as opposed to what are known as cultural industries, but as you probably would realize, these things are all interconnected. Without talented theatre artists and technicians who are working on live stages, we wouldn't have a film industry.

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So yes, we strongly support anything that would create a healthy ecosystem within the live performance arts and literary arts, and the cultural industry sector.

Mr. Victor Fedeli: I felt the same way in my mind. As you were talking, I was starting to go through—I watched over the course of the summer when they filmed both Cardinal and Carter in North Bay, both at the same time, which was a big strain. All the extras were local people from the Gateway Theatre Guild and all of these local theatre groups that had begun in North Bay. A lot of their extras came from there. Canadore College in North Bay, which has a vibrant arts program and a vibrant theatre training program, as well—their students were involved in the production of *Hard Rock Medical*, the TVO—it's filmed in North Bay, incidentally.

Ms. Victoria Steele: Yes, that's partly why we also mentioned the importance of the education system. It's a whole interconnected ecosystem.

Mr. Victor Fedeli: I saw it as the feeder school, if you will.

Ms. Victoria Steele: That's right.

Mr. Victor Fedeli: Sam is a brilliant pianist, and I see on the set of both *Cardinal* and *Carter* all of these young men and women who were involved. Again, whether it's designing sets—they were all involved in the theatre system.

Do we have any Canadian publishers left in Ontario or in Canada—book publishers?

Mr. Eric Dubeau: The largest number of English-language book publishers in Canada are still based in Ontario today. They are a tremendous asset to the cultural ecosystem. They're doing a great job. They're putting out hundreds of books every year, both in virtual format and in paper.

I can tell you that in French, there's somewhere in the neighbourhood of a hundred new books that are published every year in Ontario by the eight different book publishers, so it's a remarkable cultural industry unto itself. It's in flux, for sure, and has been transforming for the better part of a decade now, but we're still seen as national leaders in publishing.

The Acting Chair (Mr. Grant Crack): Thank you very much. We appreciate you both coming before committee this morning. Have a great day.

Ms. Victoria Steele: It was a pleasure.

M. Eric Dubeau: Merci beaucoup.

Le Président suppléant (M. Grant Crack): De rien. À la prochaine.

DIABETES CANADA

The Acting Chair (Mr. Grant Crack): Next we have Diabetes Canada. We have Seema Nagpal, who is an epidemiologist and senior leader, government relations and public policy; Karen Kemp, who's a volunteer; and Ann Besner, who's a manager of research and public policy. We welcome—the two of you here this morning. For the record, whoever is speaking, please clarify your name. The floor is yours. You have up to 10 minutes. Welcome.

Dr. Seema Nagpal: Thank you very much for the opportunity to speak here today on behalf of Diabetes

Canada. My name is Seema Nagpal. I'm an epidemiologist and senior public policy lead for Diabetes Canada. With me here today is our valued volunteer Karen Kemp, who also lives with type 1 diabetes.

We're here today to talk to you about the need for a renewed diabetes strategy and better access to medications, devices and supplies. But before I describe our recommendations, I would like to recognize the positive steps that the government of Ontario has taken over the past year to support people with diabetes.

In November, the government announced \$8 million over three years to begin providing off-loading devices across the province to help people with diabetes prevent amputations. We understand that work is under way to implement this initiative, and this is incredible news for people with diabetes who are literally at risk of losing life and limb. This type of evidence-based policy is exactly what we need more of and what I will be recommending.

In October, the Ministry of Education introduced PPM 161. This is a policy/program memorandum to support students with prevalent medical conditions, including diabetes, while in school. The ministry has said that it will address the daily management needs of children with diabetes in the fall of 2018, and we encourage the government to uphold this promise and to continue to work on this extremely important issue.

Also beginning this year, OHIP+ is funding various insulins, oral medications and test strips for young people. The movement on these issues is very encouraging. We all know, however, that there's a lot more work to be done to support people living with diabetes who truly, desperately need your help.

If you can look to your right and look to your left, you can know that statistically one of you will develop diabetes or prediabetes in your lifetime. One in three people in Ontario are at risk for diabetes or prediabetes. That's 4.7 million people. At this rate, in 10 years, the number will rise to close to six million Ontarians.

As you know, the health care costs related to diabetes are staggering: \$1.5 billion a year, and it's slated to rise to \$2.2 billion in 10 years. This is truly unsustainable. It's also the personal impact: how diabetes affects people with the illness, their families and their friends. That's not described in these numbers of costs. It's truly immeasurable.

That's why it's time to renew the Ontario Diabetes Strategy. The last strategy was introduced in 2012 and it ended in 2016. It was subsumed into a chronic disease framework. I absolutely agree that it's very important to have a chronic disease framework and a chronic disease strategy, but we have a diabetes epidemic, and it's important to set aggressive, measurable targets in order to stem diabetes in Ontario.

I'd like to bring your attention to an initiative that has been implemented in the HIV world called 90-90-90. We can learn from the initiatives there and apply them to diabetes. Basically, this would mean that we make efforts to ensure that people know whether they're at risk for developing diabetes and take action to reduce that risk,

that the health care system meets the needs of people who are receiving care and that we measure that, and we know whether people are actually experiencing the health outcomes they're supposed to experience with advanced care.

We know that diabetes doesn't end when you're 25. Often, this is a transition time for people living with the illness. They need better support to manage their diabetes and then optimize their health as they age. The individual cost of managing diabetes and its complications is very high. Oftentimes, people have to choose between paying for their drugs and devices that their doctors prescribe because of clinical need or buying food for their family or paying rent.

We need to improve access to medications, devices and supplies. An example of this that I can illustrate for you: Ontario Public Drug Programs currently cover \$170 annually to cover the cost of needles or syringes for people who use insulin. The annual cost, however, for somebody who injects four times a day and changes their needle, which is recommended every time, is over \$500 a year. So there are very many people who reuse their needles and syringes, which is against professional advice, in order to save money or, in other cases, simply because they don't have the money to spend. Further, we know that diabetes care is advancing and technology is evolving quickly. This enables people to have longer and healthier lives, and that's great; it's promising. But it's only promising for people who can access those medications and devices.

Health Quality Ontario recently came out last fall with a draft report on continuous glucose monitoring, or CGM, systems. Their rigorous review resulted in recommendations that the government fund CGM for people who have severe low blood sugar or low blood sugar unawareness. CGM systems can cost between \$3,000 and \$6,000 a year, and that's just beyond the reach of many people. Access to medications, devices and supplies is critical to the health, short-term and long-term, of people with diabetes. Karen will speak to why CGM systems are so important.

In the 2018 budget, I'm encouraging you to be visionary. Ontario can be a leader in terms of diabetes care with a renewed diabetes strategy and a coordinated approach to addressing the full continuum, from risk awareness to screening to prevention and to management. With a supportive government, we can end the devastating impact that diabetes has on individuals, families and society as a whole. Over to Karen. Thank you.

Ms. Karen Kemp: Thank you, Seema. I'm a long-time volunteer with Diabetes Canada. I live with insulin-dependent type 1 diabetes. Type 1 diabetes is not preventable. We don't know what causes it or why the pancreas simply stops producing insulin.

Thirty-three years ago, when I was flying back home to Vancouver from a trip, I went into a diabetic coma. I had no idea that I had diabetes. The plane made an emergency landing in California and I was rushed to hospital, where I was given only six hours to live.

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My sister, who had been diagnosed with type 1 diabetes four years earlier, died in her sleep from severe low blood sugar at the age of 29. Knowing this, the doctors worked extremely hard to save me.

Some people with this disease do everything that they possibly can to manage their diabetes and, hopefully, don't get into trouble with low blood sugar, which is also known as hypoglycemic unawareness. Things that cause this are exercise, illness, weather, stress, food, insulin, pregnancy, some medications, hormones and just day-to-day living.

Most importantly, when I'm asleep, if my blood sugar drops too low I could go into a coma or die. With CGM I can finally sleep, knowing that I'll be awake the next morning. This also keeps patients out of hospitals.

The system costs me over \$3,000 a year. Sensors are supposed to be replaced every week, but due to costs I make them last a bit longer—two weeks. The CGM requires less test strips. This is a savings of \$7 per day. Without the CGM, I need to test 10 times a day. Strips are \$120 every two weeks, but with the old-school technology replaced with the CGM, it costs \$85 every two weeks.

Many people have severe low blood sugar unawareness and are stressed because they simply can't afford a CGM. It is extremely dangerous and life-threatening if you can't afford the medications, devices and supplies to survive and help us manage our diabetes. Technology is rapidly changing, and the methods are also changing to help us.

I'm extremely appreciative for all of the advances our government has taken to provide better support, but there's still more work to be done. I urge the government of Ontario to fund the CGM system for people with severe low blood sugar and hypoglycemic unawareness. This unawareness is extremely dangerous and, in some cases, can lead to death if not taken care of. There's a medical term called "dead in the bed."

I have severe low blood sugar unawareness, showing no symptoms of dizziness, confusion, shakiness or sweating. I can be feeling normal one minute, and the next moment I crash. This unawareness catches you, and you rapidly fall to the ground. My daughter has found me like this before and was able to give me juice to raise my blood sugar. In other instances, I've gone for a walk and have awoken not knowing where I am. It happens very quickly. It's extremely scary for my husband and for others around me.

To prevent these episodes, my doctor has prescribed daily use of a continuous glucose monitoring system, a medical device which my life depends on. I brought one here today to show you and explain how it works. Every three minutes—

The Acting Chair (Mr. Grant Crack): Okay, quickly; we're over time.

Ms. Karen Kemp: —the CGM is attached, and it reads your blood sugar—if it goes too low.

Thank you very much for your time.

The Acting Chair (Mr. Grant Crack): Thank you very much. We'll start with Mr. Vanthof. Maybe he'll let you continue; I'm not sure.

Mr. John Vanthof: Thank you very much for your presentation, and please continue. I have five minutes for questions. If you could take a minute or two to explain that, we'd really appreciate it.

Ms. Karen Kemp: Okay. I wear an insulin pump. You take a needle like this, attach a CGM to you. This is a transmitter and this is a sensor. This is \$85 every two weeks. I attach this into here.

I do a test of my blood sugar. Let's say my blood sugar is 4; it goes to here and then it goes to here.

Right now, to give you an example, my blood sugar is 3.5. I can go back to this and it will show me an exact graph. My blood sugar is going low, so that's why I'm drinking this juice.

If I go low in the night, it alarms. If it goes too high, it alarms. So it simply saves your life. That's it, in a nutshell. Do you have any questions?

Mr. John Vanthof: First of all, thank you very much. I think it's our first demonstration of life-saving technology in our committee tour this round. I also, Karen and Seema, would like to thank Diabetes Canada because we can all agree at Queen's Park that your study there and the fact that the off-loading devices are now funded, or starting to be funded, didn't fall out of the sky. You guys lobbied for that—hard lobbying. I remember France, our MPP, lobbying the government to get that done. And we've got a long ways to go.

In our short time: Now with OHIP+, you have 24 and under. Would it make a big difference if we had an OHIP program that funded for adults as well?

Dr. Seema Nagpal: Absolutely. We frequently hear stories from people who are unable to afford their medications. There are examples of people not being able to take their medication at all or stretching their prescription from 30 days to 60 days, taking half of a dose. What happens is that people don't manage their condition well and experience complications, either prematurely or complications that could have been prevented. So there's no question that there is a need for better access to drugs, devices and supplies. There are not only people who have no insurance but there are people who are underinsured, people who cannot afford the copayments and the deductibles with the public plan as it currently exists.

There really needs to be a better way of thinking about how we provide medications for people who need them both immediately as well as long-term. The way that the health system and the drug system have been organized is to treat acute illness. We need to transform our thinking as we go forward to looking after our current epidemic, which is chronic disease, and diabetes is a very large component of chronic diseases that are facing our population. We really need to rethink how we provide access to these treatments.

Mr. John Vanthof: You've mentioned several times an epidemic, and I think diabetes is a bit unique in a way. It's an epidemic where unless you're involved, no one

really knows it exists, because unless you have it or family members have it or you're lucky enough to be in the sector or at a meeting like this, you don't realize how prevalent it is. Would it make a big difference in your life if we had a renewed strategy?

Ms. Karen Kemp: I would just like to say that I've been on an insulin pump for 30 years and I always paid for it prior to it being covered. I have no complications and I attribute it to that, because you know all the complications that go with diabetes. And just if I may add, when I said my blood sugar is 3.5, your blood sugar, for those of you who don't know, your target range is between 4 and 6. You wouldn't know that I was 3.5, but other people that have diabetes have symptoms, so that's what we're talking about, the unawareness.

Mr. John Vanthof: Okay.

Dr. Seema Nagpal: Just with regard to a diabetes strategy, I think it's really important: In the case of type 1 diabetes, there's nothing you can do to prevent that, but for type 2 diabetes, there are people for whom it can be delayed or avoided. Having a comprehensive diabetes strategy which looks at everything from risk awareness to being able to divert people into a program that is able to prevent or delay diabetes, and then also providing the treatments that Karen has talked about—having a very comprehensive look could make major gains in terms of health as well as being fiscally responsible in the health care system.

Mr. John Vanthof: Could a strategy better serve First Nations and racialized communities?

Dr. Seema Nagpal: Thank you. Yes, absolutely. The burden of diabetes in the First Nations communities is up to five times greater than it is for the rest of Canadians and the rest of Ontarians, so having a strategy, an approach, to helping to manage diabetes in high-risk populations is essential.

Mr. John Vanthof: Thank you.

The Acting Chair (Mr. Grant Crack): Thank you very much. Thank you to the two of you for coming before the committee. Karen, all the best. Keep up the good work, the two of you.

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EASTERN ONTARIO WARDENS' CAUCUS

The Acting Chair (Mr. Grant Crack): Next we have, the last one before our lunch recess, the Eastern Ontario Wardens' Caucus representative, the mayor of Prince Edward county, Mr. Robert Quaiff. We welcome you, sir, this morning and you have up to 10 minutes for your presentation.

Mr. Robert Quaiff: Thank you very much. I hate being that individual who is between you and lunch, but I'm sure we'll get through it.

As was mentioned, I'm the mayor of Prince Edward county, Robert Quaiff. I was last year's chair of the Eastern Ontario Wardens' Caucus. Unfortunately, neither the newly elected chair nor vice-chair could make it here today, but I'm proud to say that for the very first time in

the Eastern Ontario Wardens' Caucus history we now have a chair who is female and a vice-chair who is female. They will be very strong representatives for the EOWC in the coming year of 2018.

Just a quick overview: The Eastern Ontario Wardens' Caucus is an incorporated not-for-profit organization comprised of the heads of council of 11 counties and two single-tier municipalities in eastern Ontario. The map is there for your purview. You can see just exactly how vast the east region of Ontario is that we represent.

I was asked by our new chair to completely read her opening remarks to you, so I'll respect her decision and do that for her. It says:

“Dear Minister Sousa:

“As it has done since its incorporation a decade ago, the Eastern Ontario Wardens' Caucus ... continues to develop extensive research and advocacy regarding the financial sustainability of rural eastern Ontario's municipalities.

“This research confirms that rural ratepayers and businesses across the region continue to be challenged to pay the costs of vital municipal services, and also require assistance from the province in terms of service delivery, including the improvement of cellular and mobile broadband services. The local municipal sector is also at a crossroads in terms of financial sustainability, and has difficulty paying the ever-increasing costs of municipal services—including but not limited to roads, bridges, social housing, long-term-care facilities, and land ambulance—vis-à-vis a relatively small and widely dispersed population.

“In presenting this submission to the Ministry of Finance, the EOWC is seeking to maintain its open dialogue and positive working relationship with its provincial partners. Through past efforts together, municipalities and the provincial government have succeeded in finding solutions that benefit both sectors, ultimately improving conditions for the residents and businesses across our region. As financial circumstances and budgets continue to be tightened, rural municipal governments will require more active support in stimulating growth and employment and, in turn, the regional tax base. At the same time, the EOWC reiterates its request that the province continue its efforts to contain the growth in costs for service delivery.

“The recommendations in this suggestion involve contributions from both the EOWC member municipalities and the province of Ontario, and as always, are likely to be most successful if pursued in partnership. Let us collectively move forward, in the best interests of all our residents.

“Sincerely,

“Warden Robin Jones.”

I'll move into the presentation that I've been asked to do. It's with respect to improving mobile broadband in eastern Ontario, which is a priority for 2018 for the Eastern Ontario Wardens' Caucus and is the only priority that the Eastern Ontario Wardens' Caucus is proposing this year as our mandate.

People increasingly access the Internet and connect to the world through smartphones, tablets and other mobile broadband devices. They expect to access online content anywhere, any time and on any device. In order to participate in this universally connected world, rural eastern Ontario needs a robust network of both fixed and mobile broadband. Today, nearly one sixth of rural eastern Ontario is in a cellular dead zone, meaning there are homes, businesses and major roadways with no cell service at all. In 2014, the Eastern Ontario Wardens' Caucus tasked the Eastern Ontario Regional Network to investigate the requirements to address this cell gap.

The EOWC's number one priority for 2018 is the improvement of mobile broadband services across the entire eastern region of Ontario, both rural and urban. The EOWC continues to support the Eastern Ontario Regional Network in its \$299-million business case to the provincial and federal governments, which would close the many cellular network gaps, boost mobile broadband service across eastern Ontario and increase public safety for residents and first responders during emergencies.

Eastern Ontario can only thrive if all residents, both urban and rural, have the tools to succeed. Today, that includes access to high-speed Internet, whether at home, work or on the road. The Canadian Radio-television and Telecommunications Commission—the CRTC—has designated both mobile and fixed broadband access as a basic service for all Canadians. However, telecommunications companies alone are unable to meet rural broadband needs as there is not enough revenue for companies to justify the large capital investment to serve few customers over a large area. The result is market failure.

In response, EORN is proposing a public-private initiative that would build on its high-capacity, fibre optic backbone network to help close the gap in cellular services. This will keep products and services that create prosperity moving across the region and keep eastern Ontarians connected to the world at home, at work and on the road. EORN's solution would expand mobile data services in eastern Ontario through the same type of innovative public-private partnership that expanded high-speed Internet across the region. This current proposal builds on EORN's 5,500-kilometre fibre backhaul network, leveraging earlier investments in the region. Worldwide, demand for mobile data is skyrocketing. By 2020, overall mobile data traffic is expected to increase eightfold over 2015. Without a creative solution, eastern Ontario will be left behind.

There are currently significant gaps in both the reach and capacity of mobile broadband networks across rural Ontario. One quarter of the areas where there are homes, businesses or major roadways cannot access mobile data services. Depending on the provider, anywhere from 28% to nearly 40% of areas where there are homes, businesses or major roads do not have the capacity to handle current demand for data services. If no improvements are made, the capacity gap will grow to 65% by 2018.

In addition, EORN's design also supports the proposed public safety broadband network. This would

be a dedicated, secure network for first responders to communicate seamlessly and share information in real time. Canada has set aside 20 megahertz of 700-megahertz spectrum for a national network. By combining the commercial infrastructure build with the construction of a dedicated cell network for first responders, this will save \$47 million compared to building them separately.

In conclusion, eastern Ontarians need a provincial government that will support connectivity for all Ontarians, regardless of geography. For eastern Ontario to work and grow, people need high-speed Internet access for home, work and on the road.

EORN, through the EOWC, has a proven track record of improving connectivity. EORN has previously demonstrated success in managing projects of this scale and delivering value for dollar. The original \$175-million broadband project is now valued at \$260 million, including additional private sector in-kind contributions. This new project would boost quality of life, economic growth and public safety across the entire region. It would also create 3,000 full-time jobs over the next 10 years.

Through EORN, please help the EOWC and the province provide an essential service for eastern Ontario, and bring the region into the future.

Thank you, Mr. Chair.

The Acting Chair (Mr. Grant Crack): Thank you very much, Mr. Mayor. We appreciate it.

We'll begin with Mr. Rinaldi from the government.

Mr. Lou Rinaldi: Thank you, Mayor Quaiff. It's good to have you here, and it was good to be in Kingston last Friday, I think it was, for your AGM. I think I've only missed one or two AGMs since the inception of the Eastern Ontario Wardens' Caucus. I'm sure we'll see you folks at ROMA this coming weekend. I just realized the other night that it's upon us. I thought I had a couple of weeks' break.

First of all, as I said at your AGM in Kingston last Friday, about a week ago, I'd like to express my great sense of gratitude for what the eastern Ontario wardens did in forming EORN and other projects that you've undertaken. You put your money where your mouth is.

I know how hard the government worked with the Eastern Ontario Wardens' Caucus back when we talked about high-speed broadband. I'm one of those folks who—well, I go to sleep pretty quickly once I sit down. Many times, when I turned on my computer at home—we've had some challenges. Although it's not the same as it is in some other urban centres, I can actually almost download anything now. So thanks to you for your initiative. When I say "you," it's the Eastern Ontario Wardens' Caucus.

The other thing that impressed me—and I saw the presentation when I was in Kingston—is the fact that this is not just—well, communication is very important for business and people working from home. But you're also incorporating your initiative into first responders. I think that is so vital today; it is really vital.

I would just make a comment and then allow you to maybe make further comments.

Back when EORN was formed, as you know, both the federal government of the day and the provincial government contributed some \$55 million each to get the ball rolling. Then you brought in substantial private investment to get to where we are today.

I would just, for the record, repeat what I said in Kingston: Our government is committed, not just in eastern Ontario, to broadband which is part of Minister Chiarelli's long-term infrastructure plan, because it is infrastructure. All I will say is that our government looks forward to working with you. Being an eastern member of provincial Parliament, certainly, I'll give you all the support I can get. Unless there's anything else you wanted to add, I'll leave it at that.

Mr. Robert Quaiff: The only thing I could add is that based on the fact that because I was chair of the Eastern Ontario Wardens' Caucus last year, I got to be a co-chair of the Eastern Ontario Leadership Council, which is the council that is vested right now to look at economic development for eastern Ontario. Recognizing that, we have submitted some grants to RED to see if we can get the funding that's required to complete that study. It's all based around eastern Ontario being a slow-growth area with economic development. We feel that this will vastly improve that commodity.

I know from my own experiences in Prince Edward county that we receive anywhere from 800,000 to one million visitors a year. As soon as they pull into Prince Edward county, the cellphones and the tablets are all going, and it takes up all of that broadband network, so anything that can be improved upon would be of great significance for eastern Ontario.

The Acting Chair (Mr. Grant Crack): Mr. Rinaldi?

Mr. Lou Rinaldi: I'm done. Thank you again for being here. I think this just reinforces the need. I didn't touch on economic development, but obviously that's what creates jobs, and broadband is one of those ingredients to get us there, so thank you.

Mr. Robert Quaiff: Thank you.

Mr. Mike Colle: Oh, can I—

The Acting Chair (Mr. Grant Crack): You have 40 seconds.

Mr. Mike Colle: Can you tell us how many wineries you have now in Prince Edward county?

Mr. Robert Quaiff: It's 43, and 13 craft breweries.

Mr. Mike Colle: That is a really growing job creator in Prince Edward county, is it not?

Mr. Robert Quaiff: Absolutely.

Mr. Mike Colle: Did you bring any samples for the committee?

Mr. Robert Quaiff: I did not, but we'll have some at ROMA.

Mr. Mike Colle: Okay. Thank you.

The Acting Chair (Mr. Grant Crack): Thank you very much, Mayor Quaiff, for coming before committee this morning. It's much appreciated.

That concludes the delegations for this morning's session. We will recess now for one hour. I would like to point out that we are right on time.

Mr. Victor Fedeli: Great Chair work.

The Acting Chair (Mr. Grant Crack): Thank you very much. I was hoping for that. We are recessed.

The committee recessed from 1200 to 1300.

The Acting Chair (Mr. Grant Crack): Good afternoon, everyone, committee members. I call the meeting back to order after lunch recess. We have a full agenda this afternoon.

EXPERT PANEL

The Acting Chair (Mr. Grant Crack): We're going to be starting with the expert panel. We have three individuals, two of whom are with us; one is being delayed because of construction on our roads. We will have Mr. Craig Alexander, senior vice-president and chief economist, the Conference Board of Canada, come up first; then Mark Cameron, executive director of Canadians for Clean Prosperity, who is on the road at this point; and Angella MacEwen, senior economist, Canadian Labour Congress.

Without further ado, I call Mr. Craig Alexander, senior vice-president and chief economist for the Conference Board of Canada, before committee this afternoon. We welcome you, sir. You have 10 minutes for your presentation.

Mr. Arthur Potts: Chair, a point of clarification?

The Acting Chair (Mr. Grant Crack): Mr. Potts.

Mr. Arthur Potts: I thought we were going to have everybody at the table at the same time. Or are they just going to come back after their presentations?

The Acting Chair (Mr. Grant Crack): Each one would be allotted 10 minutes for their presentation, followed by 10 minutes of questioning of the three of them together. This is following the process which the subcommittee agreed to.

Mr. Alexander.

Mr. Craig Alexander: Thank you very much. As said, I'm Craig Alexander. I'm the chief economist for the Conference Board of Canada. Just in case you're not familiar with the Conference Board, we're a non-profit, non-partisan applied research institute. We're actually the largest private sector applied research institute in the country. I manage the economics division, which is a very large team of economists. We have 42 economists who do national, provincial and metro industry forecasts, and we do public policy analysis.

I thought what I'd do is give you a few comments about the state of the Ontario economy and where we think it's going, and then make a few comments about things to consider in preparation for the spring budget.

The Ontario economy delivered a very strong performance in 2017. Economic growth has tracked a gain of 3%. This matches the national average. It's also the strongest growth rate in the G7. So the economy has actually delivered quite a good performance.

In terms of job creation, 176,000 jobs were created last year. This led to the unemployment rate in Ontario dropping to 5.5%. This is an exceptionally low unemployment rate, and it's actually consistent with economic models that would say that we are close to full employment.

Labour participation has not recovered to the peak that we had before the prior recession. Even though we had a very strong job market, this isn't to say that there isn't still some slack out there; it isn't to say that there aren't workers who need greater support. But broadly speaking, from a province-wide point of view, the labour market in Canada was quite strong last year. That's one of the reasons why the Bank of Canada raised interest rates this morning: in recognition of the strength.

We're a little disappointed by the composition of growth. The composition of growth has been driven, really, by consumer spending and real estate, and this has been a trend in recent years. Of course, this creates some concerns because Canadian households are heavily in indebted. There are concerns about stretched real estate valuations in the Golden Horseshoe. Some of the consumer spending will also be reflecting the lagged wealth effect from the appreciation in home prices that has happened over several years.

The reason why this is concerning is that it does mean that the pace of growth can't be sustained. The consumer and real estate cannot be the engine of economic growth indefinitely. They can certainly play a contributing part, but we really need to see a rotation in growth towards exports and investment.

As a consequence, when we look at the outlook for the Ontario economy, we think economic growth is going to come down to around 2% in 2018 and then down to a little under 2% in 2019. Part of this will reflect a moderation in consumer spending, but it is also expected to reflect a cooling-off in the real estate market. A number of factors are working to cool real estate activity: prior regulatory actions but also, at the start of this year, we had the new OSFI income stress tests being applied to purchases of homes where more than 20% is being put down. The stress tests had already been applied to buyers of real estate who were putting less than 20% down. I think, in effect, what happened was that when the rules came in for high-leverage borrowers, you simply saw a shift to more lower-ratio borrowers driving the marketplace. It raises questions, for example, about, let's say, young people buying their first house. They don't have 20% to put down, but the parent helps them out to get them to that 20% mark. That way, you avoid the stress tests.

Ultimately, the income stress tests are really about ensuring that when interest rates go back to normal—and we would consider a normal overnight rate to be about two percentage points higher than today, at around 3%—you want to make sure that when rates go back to that level, people can still meet their financial commitments. I actually think that this is sound policy. The only thing is that it is going to have an impact of creating a headwind

on real estate. I don't think it's going to create a correction in the market. I don't think it's going to push a lot of buyers out of the market. What it's going to do is it means you're going to qualify for a smaller mortgage, and what that means is you're going to see more purchases of properties that are a little lower down the price pole. It will impact some younger first-time buyers, but I think the bigger impact is going to be to move people down to slightly lower-priced homes.

As I said, if consumer spending and real estate can't continue to carry the load, we need to move towards exports and investment. This is a little problematic. On the export front, Ontario exports are rising, but they're not rising at a very strong pace, certainly not the pace that we would have anticipated given what has happened to external demand. In point of fact, many of our industries are losing market share in some of their important markets. For example, we are shipping more into the United States. Exports to the US are growing, but other countries' exports to the US are growing faster, so we're actually losing market share.

The second issue is, business investment has picked up, and this is encouraging, but it could be much stronger. Much of the increase in investment that we're seeing by businesses in Ontario are businesses that are running into capacity constraints. We do a survey of businesses, and roughly 75% of businesses in Canada—while 38% are at or above full capacity, it goes up to 75% if you include businesses that are close to full capacity. Businesses are basically finding orders coming in the door and they're building capacity to meet that demand. What they're not doing is being aggressive and proactive about building new capacity to drive growth; they're being responsive, not ambitious.

When I said that 75% of the businesses in the survey are indicating that they are close to capacity constraints, it's a little discouraging to find that 52% of the businesses in Ontario said that they felt now was a good time to invest.

Now, obviously, one of the things that has received a lot of attention in recent years that's constraining investment and growth is challenges in finding the skilled workers that businesses need. That still is an issue. However, in our metrics around feedback on business intentions, we're finding that more businesses are reporting that government policy is dampening their willingness to invest. There's a big question here about how you interpret that, because I actually think a big chunk of it is capturing the uncertainty in the renegotiation of NAFTA.

1310

If I was a large business in Ontario that was going to be exporting into the US, I probably wouldn't be making large-scale investment plans right now, when I don't know what the rules of the game are going to be.

I would say that NAFTA is probably the single greatest risk to the Ontario economy. I am worried about overvaluation in real estate, but I'm more worried about NAFTA at the moment.

There has been some work done that argues that even if NAFTA fails, and we get tariffs at the level that is

accepted by the World Trade Organization, they aren't that high. The average tariff would probably be about 4%. I think that deeply underestimates the risks to the Ontario economy from a failure of NAFTA. Even a small application of tariffs would significantly deter willingness to invest and, when it comes to foreign investment into Ontario, you would basically have to build that tariff into the hurdle rate in terms of the return you require in order to invest.

Moreover, the loss of NAFTA would also create a challenge in that Canada and Ontario would become more vulnerable to non-tariff barriers being applied by the United States. I'm worried that if the NAFTA talks were to fail, in point of fact you could end up with more disputes like the softwood lumber dispute, the duties that are getting applied on newsprint and the like. This is why I think that this is very concerning.

Beyond NAFTA, I think businesses are concerned about the rise in minimum wage rates, some of the new labour law regulations and high electricity prices. I think there are a number of events in recent years that have more businesses worried about competitiveness, and that's getting picked up in our survey of business attitudes.

I would argue that the need for Ontario businesses to invest more is really important. Right now in Ontario, capital per worker is only 42% that of the United States. We're using a lot less capital to do our production of goods and services than our major competitor, and this is impairing our ability to grow, from a productivity point of view. That's something I'm going to come back to in just a moment.

I think part of the challenge we have in Ontario is that we had a great year in 2017. As we move forward, consumer spending and real estate are not going to do as much of a lift. I think exports and investment should improve, but they won't be able to fill the gap, and the pace of economic growth will slow down to 2% this year, and down to 1.7% next.

The important thing from a government point of view isn't what happens to real economic growth. What matters is what happens to income, because that's what you tax.

The Acting Chair (Mr. Grant Crack): Thank you very much. I apologize. We have 10 minutes, and we have to stay on schedule.

At this point, I'd like to call on Angella MacEwen, senior economist, Canadian Labour Congress, to come forward.

Mr. Alexander, you can probably stay there, or come back after; it's up to you. All three of you will come back after the three 10-minute presentations. Thank you, and I apologize for cutting you off. That's the worst part of my job.

Ms. MacEwen, the floor is yours. You have 10 minutes.

Ms. Angella MacEwen: Thank you very much. I am the senior economist at the Canadian Labour Congress, and I'm a policy fellow at the Broadbent Institute. My

background is mostly labour, economics and social policy, so that's what I'm going to talk about.

I agree with a lot of what the previous speaker just said. Ontario has a strong economy and low unemployment, but there are some significant risks, especially in terms of household debt; in terms of underemployment—people who want more hours but can't find them, or people who are in jobs that aren't appropriate to the level of education or skills that they have; and especially in terms of businesses not investing.

This has been a problem since the 2009 recession. Almost every quarter we've been announcing, "Okay, well, now we expect the pivot for businesses to start investing," and it hasn't happened. The continued recovery that we've had has been on the backs of household debt, mostly—consumption and real estate.

Now that we're in a situation where the bank has raised rates and is expected to raise rates another two times this year, which will slow the housing market, likely, and slow other aspects of the economy, we really need that productive business investment to be kicking in here in order to keep things going. So it's very concerning to hear that businesses still are just investing to build capacity and not to be responsive, or to be responsive and not ambitious.

With Canada's and Ontario's economic recovery gaining momentum but facing significant short-term risks, we think that the budget should maintain and accommodate a fiscal stance to support sustainable, inclusive growth. There are key vulnerabilities in terms of housing affordability and the uncertainty in the NAFTA negotiations, which will certainly hit specific regions in Ontario quite hard as well. Even though the overall impact to Canada may be small with the transition to the WTO, in particular the auto sector and other communities closer to the border will probably be quite affected by that. The impact of the rising Bank of Canada rates on household debt, which I mentioned—all of these will linger through 2018.

So it's especially important that the government of Ontario should undertake the necessary investments in health care, education and infrastructure to generate good jobs, to improve living standards and to reduce greenhouse gas emissions over the medium and long term.

I want to note that while Bill 148 improved labour standards, it didn't do enough on the side of improving a worker's bargaining power, which is key to inclusive growth. That remains an area of concern.

Finally, given that Ontario established its first stand-alone ministry on the status of women last year, and we see the federal government doing more and more work in the area of gender budgeting, I think the provincial government should pay more attention to the gains that can be made by mainstreaming a gender analysis through the budgeting process.

Most of my recommendations are going to be around inequality and the growth of inequality in Ontario. I'm just going to give a brief overview of that, and then get into some of my specific recommendations.

According to a 2017 Conference Board of Canada report, Ontario has actually fallen behind other jurisdictions in inequality and poverty as well as gender and racial wage gaps. These are key social indicators that signify a level of inequality that's upsetting, especially when we have the strongest economic growth in the G7. Ontario has the highest levels of income inequality in the country, with a big divide between the highest- and lowest-earning families.

We've been seeing poverty rates rise, and the reality is that people receiving benefits on social assistance programs are now living in a greater depth of poverty than they were a generation ago. For women, racialized people, new immigrants, indigenous persons, persons with disabilities, their reality is even worse. There's no one measure that will eliminate poverty in Ontario, but there's much to be done and to build on what the government has already done.

The dimensions of poverty extend beyond inadequate income to include insufficient access to housing, education, health care, employment opportunities, public programs and services, as well as social exclusion. All of that translates into diminished economic growth, and it impairs our economy, which isn't the only reason to do anything about it. We would want to address this from a perspective of it's the right thing to do. But it's also important to recognize that it does impact the economy negatively. Some of the actions that we can take include: robust labour and employment standards; a meaningful strategy to create decent jobs—the higher minimum wage laws and protections will help—and other policies around strong social infrastructure.

This is one area where I would significantly differ from the direction that the current provincial government has taken. I think that public services are the great equalizer in society and that equal access to public services, such as education and health care—it's important to have a universal approach rather than targeted. It's important for them to be high-quality public services rather than privatizing aspects of them. That's the only way that we can ensure that the most vulnerable in society are not left behind.

These public investments contribute to long-term economic stability. What do I mean by that? Some of the recommendations that I would have around labour standards—improving workers' bargaining power raises wages, which raises domestic demand. When we're in a situation where we have low demand, and employers not investing because they recognize this lack of demand, that is good for the economy. Improving workers' bargaining power reduces opportunities for exploitation. It can improve productivity when workers have the opportunity to have that relationship with their employers, and overall it contributes to inclusive growth.

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One of the biggest problems is that there are several groups of people who are excluded from the Labour Relations Act, including some professionals, but I'm mostly concerned with the lower-wage workers—agricul-

tural workers and domestic workers, for example. The Supreme Court of Canada has ruled that freedom of association is actually a constitutional right. That means that excluding workers from accessing this fundamental freedom is unjustifiable. It violates our international obligations. These low-wage workers—domestic workers, agricultural workers—absolutely need to be able to join a union in order to effectively access their freedom of association.

We've been seeing Tim Hortons in the news and what happens sometimes when you improve labour rights without also improving labourers' bargaining power or their ability to organize. One thing that could have been done would have been to help franchise workers unionize and extend the right to consolidate bargaining rights at multiple locations by the same employer, which has been done, to multiple locations of the same franchiser, because it's notoriously difficult to unionize small workplaces and franchise workplaces.

Other key pieces of labour legislation that would help improve workers' bargaining power: obviously card-based certification, first-contract arbitration and anti-scab legislation. A key if we're using a lens where we're looking at marginalized workers is extending successorship rights for subcontracted services. Unionized contract workers often lose both their collective agreement and their bargaining rights if the service contract at their work site changes hands. This isn't true in a number of situations, but it is true for a lot of low-wage service workers. That's unacceptable.

Also, we need to extend employment standards to dependent contractors, the workers that fall between self-employed workers and employees, because they often don't get the same kinds of protections or benefits as other workers do.

In terms of public services, the province should be commended for moving in the direction of universal pharmacare, but coverage remains limited. If we're looking at this from a lens of more marginalized workers, including the decline in full-time and permanent work, then we see that fewer Ontarians have access to workplace benefits, including prescription drug coverage. One in three workers in Ontario do not receive medical or dental benefits. Workers with low earnings are far less likely to receive benefits. About 80% of precarious workers have no benefits, including vision, dental or prescription drug coverage.

If we're talking about women, which is the largest group of workers I would be concerned about, the overall wage gap in this province is 68 cents on the dollar for every \$1 that men earn. That includes part-time work, but there is discrimination in who gets part-time work and in the hours of work as well. That's why I use that particular statistic—

The Acting Chair (Mr. Grant Crack): I'm going to have to stop you there. I'm sorry; we're just over the 10 minutes. My apologies.

Next, as part of the expert panel, we'll call upon Mark Cameron. He's the executive director of Canadians for

Clean Prosperity. Mr. Cameron, we welcome you. We've already heard from Mr. Alexander and, just recently, Ms. MacEwen. You have up to 10 minutes. Then, following your presentation, the three of you will entertain questions for up to 30 minutes from the members of the committee. The floor is yours, sir. Welcome.

Mr. Mark Cameron: Thank you very much. As the Chair mentioned, my name is Mark Cameron. I'm the executive director of Canadians for Clean Prosperity. I've been in this position for about three years, but my career prior to that has primarily been in government and politics here in Ottawa. I've served in a number of different roles, including several years as director of policy and research under Prime Minister Stephen Harper, in the Prime Minister's office.

Canadians for Clean Prosperity is a not-for-profit organization that works to promote market-based solutions to environmental challenges to help strengthen both the environment and the economy. Over the past few years, we've been particularly involved in debates around carbon pricing, but we're interested in the idea of pollution pricing or other forms of environmental fiscal measures more generally. We supported the Waste-Free Ontario Act, for instance, turning the responsibility for recycling to producers.

Just as a matter of general principle, it's our belief that user fees or various kinds of fees for pollution or, essentially, for the private use of a public resource, and the carrying capacity for pollution, whether it's carbon or waste and so on, are really a private draw on a public resource. It should be fully costed and charged. Additional revenues that are gained by government could be used to reduce other taxes on wages and income that help the economy more generally.

I want to briefly discuss carbon pricing, but I'm more concerned here today with the uses of carbon revenues.

We are grateful that the Ontario government, several years ago, took the plunge on carbon pricing with the implementation of cap-and-trade, but Clean Prosperity strongly prefers a direct carbon tax—such as has been used in British Columbia or Alberta or has been proposed for the federal backstop legislation—to cap-and-trade, for a variety of reasons. We have some particular concerns about linking Ontario's cap-and-trade regime to Quebec and California through the Western Climate Initiative.

But I don't really want to spend my time today discussing the complexities of cap-and-trade versus carbon tax; it's a pretty arcane debate among environmental economists. I do want to focus on the way that carbon revenues are used, whether they're collected through an auction process under cap-and-trade or through a direct tax.

In our view, it is in the long-run interests of both the environment and the economy if all, or almost all, carbon revenues are spent to reduce taxes or provide direct credits or rebates to households. In other words, any form of carbon pricing should be revenue-neutral.

We argue for revenue-neutral carbon pricing for several reasons. First, to reduce carbon emissions in the

future, prices will have to rise. The current cap-and-trade system, with an \$18-a-tonne price, cannot last in the long run if Canada is to meet its 2030 targets, and even more so if Ontario is to meet its targets.

The federal carbon pricing policy calls for prices to rise to \$50 a tonne by 2022. While cap-and-trade with California will keep Ontario's price low in the short run, prices are expected to rise under cap-and-trade eventually as well. The OEB forecast predicts that cap-and-trade prices will reach \$50 a tonne by 2026, even under the current scheme, and will rise from there.

At \$50 a tonne, whether that's under cap-and-trade or carbon tax, carbon revenues would reach about \$5 billion per year to the Ontario government, and the average Ontario household would face increased costs of about \$50 a tonne or \$600 per year.

Now, at that level of carbon pricing, we would expect to see consumer behaviour change and see businesses and households reducing their emissions, which is good. But for lower- and middle-income households or for small businesses, those costs would become a significant burden.

The best way to ease that burden, and to ensure that the balance in the economy between the amount of revenue going to government and the amount in the hands of consumers and businesses doesn't dramatically change, is to make sure that that revenue goes back to households, especially to lower- and middle-income households, and small business. That would provide the least drag on the economy and would have the smallest impact on those less able to pay. In fact, it would be possible to structure tax reductions and rebates in such a way that most lower- and middle-income households would come out ahead financially.

I note that in Alberta's carbon tax, they've allocated rebates of \$500 per year to everyone below the 90th percentile in terms of household income, so, for the most part, most households come out ahead financially under the Alberta carbon tax, whereas in Ontario, all the revenues are being spent by government on various programs.

Instead of returning the carbon revenues to businesses and households, the current climate change action plan calls for spending about \$7 billion over four years on a wide range of environmental programs intended to reduce greenhouse gas emissions. Unfortunately, it's very hard to quantify how much some of this spending will actually reduce emissions, and the cost per tonne of emissions reductions is, in many cases, very high.

For example, of the money announced to date under the climate change action plan, the government has committed \$93 million for municipal cycling paths. But its own estimates say that expected reduction from increasing access to cycling will cost about \$500 per tonne. It's pretty hard to demonstrate and quantify even that level of reduction.

The plan has allocated \$657 million to retrofit social housing apartment buildings, but again, the estimated cost per tonne for that reduction, according to the government's own estimate, is \$425 per tonne.

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Some of these investments may not be the best use of taxpayers' funds if the aim is to achieve the greatest possible emissions reductions at the lowest possible price. In our view, the best way to achieve reductions is not through spending programs and subsidies but by having a carbon price that is sufficient to let market forces and innovation find the least-cost path to emissions reductions.

In our view, Ontario has no reason to be afraid of higher carbon prices—which is the best way to achieve emissions reductions—if they fully offset those carbon prices by reducing taxes and providing rebates to households.

We would also encourage the government to reconsider other areas where environmental pricing could help Ontario achieve emissions reductions and other environmental goals. We think that the government should consider allowing congestion pricing as part of the arsenal for municipalities, particularly in the GTA, to deal with traffic congestion.

As I mentioned, we supported the Waste-Free Ontario Act, which shifted the burden of dealing with the recycling and disposal of packaging to producers, which we think was a valuable step. But we're facing increasing challenges on waste recycling, particularly with China's announcement that it will no longer take many categories of recycled waste, which has really created a chilling effect on the markets for recycled products in North America and around the world. We may, in fact, have to consider other forms of recycling charges in order to encourage recycling at home.

Taxes and user fees are never popular, but the economic evidence is that they do work. They create incentives for households and businesses to use less, to seek substitutes or to innovate. If all of the money raised from various forms of pollution pricing—particularly carbon pricing—is used to cut taxes elsewhere and is returned to households and businesses, it will not have a significantly negative impact on the economy.

As Ontario looks at the impact of US tax reform, with our largest competitors seeing their corporate tax rate decline from 35% to 21%, and with the future of NAFTA up in the air, there will be considerable pressure for both Ontario and Canada to look at reducing corporate taxes as well. But with high provincial debt levels, simply cutting taxes without offsetting revenue gains elsewhere may not be possible. We would urge considering pollution pricing, whether that's in carbon pricing or in other areas, as one of the ways to create the fiscal space to allow for greater broad-based tax cuts, particularly to corporate income tax as we face competitive pressures in the United States.

The Acting Chair (Mr. Grant Crack): Thank you very much, Mr. Cameron. I appreciate that.

That completes the three presentations of 10 minutes, so I'd welcome all three of you back to the table.

We have up to 30 minutes for questioning from the three parties. It's not specific or clear as to whether it's a

10-10-10 type of thing. Is that the preference? If I could ask the committee, would you like to do the 10-10-10 questioning, or do you want me to try to be fair and have a—Mr. Fedeli.

Mr. Victor Fedeli: Thank you. Perhaps 8-8-8 and 2-2-2, because when we learn something, in a half-hour we may want to have—if we go first, as it is our turn, we don't want to miss 40 minutes or 20 more minutes.

Mr. Arthur Potts: Why don't we do six rounds?

The Acting Chair (Mr. Grant Crack): Five? Okay, so we'll start with 5-5-5.

We'll begin with the official opposition. Mr. Fedeli: five minutes.

Mr. Victor Fedeli: Welcome, everybody.

Mr. Alexander, I'm going to start with you, please. Thank you very much for an excellent summary on the state of Ontario's economy. I think that that absolutely lines up with what we've seen from virtually every economist since the beginning of January this year, all talking about the good year that was in the past and the challenges that are coming up.

One of the biggest challenges that I know you spoke of recently is on minimum wage. I watched you on TVOntario, along with Greg Sorbara and others. I just want to ask you if this is basically what you had said, because I kind of scrambled it: "I think it's going to be a big shock to businesses because of the speed at which the minimum wage is going up. I think we could have gone to \$15 an hour over a longer time frame and had more of a chance for businesses to adjust to the higher labour compensation.

"But our modelling—we produce detailed economic forecasts for Ontario—our models would say that the Ontario economy is probably going to lose about 42,000 jobs out of the increase in the minimum wage, as businesses reduce the amount of labour that they're willing to hire. Now, that doesn't mean employment is actually going to fall; it's 42,000 jobs that would have otherwise been created. Businesses will likely adjust their business model gradually over time. As people leave the company, retire etc., they'll adjust their pay scales."

In the end, basically, "Employment in Ontario is going to rise but it's going to be significantly slower in terms of growth rate as businesses adjust to the rapid increase in the minimum wage."

Is that basically or generally—

Mr. Craig Alexander: Yes, that's exactly what I said.

Mr. Victor Fedeli: Okay. There's a couple of words that I couldn't remember—

Mr. Craig Alexander: I mean, the key point here is—

Mr. Victor Fedeli: Yes, so expand on that, if you could.

Mr. Craig Alexander: The key point here is, I don't think that the real challenge is going to a \$15 minimum wage. I think a lot of the shock, from a business point of view, is whether you have time to adjust your business models to accommodate that change. So from the point of view of the upcoming budget, we can stick to the commitment to going to \$15, but I would rather see that

next stage delayed to give businesses more chance to adjust.

But I did want to stress, and you raised it—and there has been lots of modelling done to assess what the potential impact on employment is—it's not that it's going to cause job losses. There might be some individual businesses, but what it does is it's going to impact the net pace of job creation, because businesses will adjust.

The other thing this is going to do, without question, is it is going to push more businesses to use capital in the form of—you know, you go into the grocery store and you're going to see more self-serve checkout counters. You're going to go into fast-food restaurants, and you're going to enter your order into a computer, right? That was already taking place. The technology change had already taken place. I think the change in the minimum wage is going to accelerate that trend.

Mr. Victor Fedeli: You had said that typically, when you increase minimum wage of this sort of magnitude, you would do it over a longer time frame. Do you have any thought in mind?

Mr. Craig Alexander: An example is that Alberta is going to a \$15 minimum wage, but if you look at the speed at which it implemented it, it did it over a longer time horizon, simply to give businesses a bit more time to adjust. Now, the employment effects, actually, in Alberta are less than in Ontario because when you're thinking about the minimum wage, what really matters is where the minimum wage is relative to the median wage. The median wage in Alberta is higher than it is in Ontario, so the employment effects will be bigger. But Alberta went to \$15 with a longer time horizon.

Mr. Victor Fedeli: You had also talked about instead of consumer spending and real estate, we need exports and investments. There was a report yesterday that was on the CBC that Canadian business owners plan to boost investments in Canada to \$140 billion. That's BC up 17%, Alberta up 12%, Quebec up 11%, but Ontario plans to trim investments down by 1%. Have you seen that report? Are you familiar with that, or do you acknowledge or agree with that?

Mr. Craig Alexander: I haven't seen the report, but I'm also not surprised. The pace of investment growth that we've seen is disappointing. That's one of the things I was trying to emphasize, that in the surveys we do, what we're hearing is that businesses are running into capacity issues, but at the same time they are not stepping up to the plate to respond from an investment point of view.

I think that there's many things that the government could do to try and enhance investment. At the top of my list would be looking at the regulatory environment. We need sound, prudential regulations, no question, but in the current environment, reviewing the existing regulations to look for opportunities to enhance investment, in particular regulations around new industries like life sciences and fintech, could actually help to accelerate investment in industries that have real, strong growth potential in Ontario.

The Acting Chair (Mr. Grant Crack): Thank you very much. That was 5:41. We'll move to the NDP: Mr. Vanthof.

I don't want to cut people off mid-sentence, if that's okay.

Mr. John Vanthof: I thank all three of you for your presentations, which were very different. I appreciated that. But one thing that two of you agreed on, and we'll keep going where Mr. Fedeli left off, is that the business community isn't investing in Ontario.

Now, I'm going to go to Angella. You believe it's regulation, and that could be, to a point. What do you think is stopping Ontario business from investing, Angella?

Ms. Angella MacEwen: I think it's a great deal of uncertainty. Certainly some of that would be NAFTA and the negotiations in NAFTA—just overall uncertainty.

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But I think that, as Mr. Alexander noted, rising minimum wages are actually one way to increase business investment, improve productivity and make the jobs that we have better jobs. We might slow down on the quantity of job growth, but hopefully we improve business investment, productivity and the quality of jobs that are there. I would actually argue that that might be one of the best things the government could do to improve growth.

Mr. John Vanthof: Okay. If I could go back to Mr. Alexander, you just stated that the increase in the minimum wage might not relate to direct job losses, but the pace of job creation could be slowed. Is that accurate?

Mr. Craig Alexander: Yes.

Mr. John Vanthof: So when we see media reports that 60,000 jobs will be lost, is that potential jobs that are lost, or jobs that exist and are going to disappear?

Mr. Craig Alexander: I think people should be very careful about the language they use when they're describing the employment effect from rising minimum wages. There will be instances where companies will make a decision to trim the number of workers because the cost of labour has gone up, but the bigger effect is more likely to be that as you get churn in the labour market, as workers leave, as they retire, as they exit a firm, the firm may choose not to replace that worker with another worker.

If you look in the retail sector, where you have a lot of turnover of workers—take a grocery store, for example—as you get a churn of the number of people who are working the tills, the company will likely take the opportunity not to fill that job, and in its place put in another self-checkout counter. The impact is not going to be widespread job losses, but what it is going to likely do is materially slow the aggregate pace of employment growth.

Understand that the workers who get the higher minimum wage are indeed going to benefit, and this will have an offsetting impact; this will provide a partial offset. But at the same time, there's no question that if you make the cost of labour more expensive, it's going to incent businesses to economize on labour. We were just

talking about carbon pricing. If you want lower emissions, put a price on carbon. Well, if you make labour more expensive, you're inherently going to restrict the amount of employment opportunity. But like I said, it's not going to be broad-based job losses or outright job declines. The stories are going to be on a firm-by-firm basis.

Mr. John Vanthof: Mr. Cameron—
Interjection.

Mr. John Vanthof: I'm going to go back to you after my second round.

What I got from your presentation is that you're not as concerned with how the carbon funds are collected as with what happens after they are collected, where they go, between cap-and-trade and carbon tax.

Mr. Mark Cameron: I would say I have concerns about both, but for these purposes I'm talking primarily about how they are spent. I do think there are reasons why a carbon tax is a more transparent, simpler and better system than cap-and-trade, and I question the cap-and-trade system integrated with Quebec and California, because essentially California becomes a safety valve. California has over-allocated credits, so it's easy to buy cheap credits that don't actually lead to emissions reductions, in my view. I think a carbon tax is a superior system.

Mr. John Vanthof: But theoretically, if we had an Ontario cap-and-trade system that wasn't connected to California and Quebec—

Mr. Mark Cameron: It could be very close, yes. I would agree.

Mr. John Vanthof: Okay. Given that, then, your biggest issue, your concern—

Mr. Mark Cameron: The recycling of the revenues.

Mr. John Vanthof: Okay. Thank you.

The Acting Chair (Mr. Grant Crack): Okay, for 40, we'll move to the government. Ms. Martins.

Mrs. Cristina Martins: Thank you, Chair. Thank you all for being here this afternoon and for presenting.

I'd like to perhaps address my question to Angella. As part of this committee, one of the bills we travelled the province with this past summer was Bill 148. We heard from many people all across the province, from the north to the east to the south of the province, about the need to increase the minimum wage.

You spoke about women perhaps being the ones who really fell into that category of those who were not necessarily making the minimum wage and were having precarious work conditions, often having to work two, three or four jobs to make ends meet as single moms—and the racial wage gap as well, where it's often the newcomers, the new immigrants, or those who may not have great English-language skills who are then often taken advantage of.

As you know, we passed the bill and we increased our minimum wage on January 1 to \$14 an hour. I wanted to hear from you how you see these changes helping Ontario fare, including the whole bill, the whole package, if you will, but specifically on the minimum wage and

how important that is, and how it will benefit some of the individuals you referred to earlier on.

Ms. Angella MacEwen: Absolutely. I think it's critical for low-wage workers, who haven't seen an increase in years and who are facing rising costs to themselves, to be able to better make ends meet. As we say, when low-wage workers have more money in their pockets, then they spend that money in their local community. They're more likely to support local workers. Businesses are more likely to adjust, if they have the time, by making improvements in productivity and improving the quality of those jobs. So we get a shift from a low-wage, high-turnover economy to a higher-wage, higher-productivity economy.

It ends up working out better for the employers that do make that adjustment. We've seen living wage employers in the Better Way Alliance and lots of small businesses make this argument that it's actually fairer for them, because they know that everyone else is having to pay fair wages too. They can set their prices and they can set benefits, knowing that the minimum standard is more fair for workers.

I would also like to say that the introduction of paid leave for women experiencing domestic violence is transformative and fantastic. The ability for all workers to have sick leave is also really important, because we know that that also improves productivity. If you have to go to work sick, and you make your customers sick and your co-workers sick, then that's worse for everyone.

Mrs. Cristina Martins: You also mentioned access to education and health care, and how important it is that there is fair access to education and health care. You know that our government has taken some bold steps in the last little while. As of September 1 of this year, over one third of our college and university students are going to have free tuition. Starting January 1 of this year, we introduced our OHIP+. We know that children and youth under the age of 25 will be able to access 4,400 different drug medications from the Ontario drug formulary with only a prescription—no copayment, not having to pay, so basically free medication.

Can you speak a little bit about these bold steps that the government is taking? Are they steps in the right direction, recognizing that, yes, we need to do more, we need to provide universal health care? But just in terms of the bold steps that our government has taken.

Ms. Angella MacEwen: I agree that these are steps in the right direction. I think that accessing university can be really difficult for kids who don't come from families where their parents went to university. Accessing grant systems can be really complicated and difficult. I know this isn't at the provincial level, but the RESP is set up in a way that benefits mostly wealthy families. So when you're doing these bold steps, trying to get improved access to education—which I think is an absolutely noble goal—you want to think about what the barriers are to low-income people and apply that kind of lens to developing the policy.

In terms of pharmacare, I think that's fantastic. I think it's important to note that women are more reliant on

public services, and that newcomers and low-income families are more reliant on public services. So it's absolutely necessary to lower any barriers, and universality is the best way to do that.

The Acting Chair (Mr. Grant Crack): Thank you very much. That was 5:15.

We'll move back to the Progressive Conservatives: Mr. Fedeli.

Mr. Victor Fedeli: Just one more follow-up with you, Craig, and then I'll turn it over to my colleague. It's on the minimum wage again.

I think it was back in September that you were saying something about how going from \$11.25 to \$13.50 wasn't going to have much employment effect, but when you get past \$13.50, you're past the sweet spot. Do you want to expand on that?

1350

Mr. Craig Alexander: Sure. You've done your research.

If you do first-year economics, the very first thing they'll show you is a chart of supply and demand and minimum wages. It shows that if you put a minimum wage that's above the market wage, you will lower employment. In second-year economics, you learn that that's not quite true; that what actually matters is where the minimum wage is set relative to the median wage.

If you look at research done by groups like the OECD, which looks at minimum wage effects on countries across the entire advanced world, it shows that the employment effects for raising the minimum wage are very small if it's below the 50% mark of the median wage. It's when you get beyond 50% of the median wage that you start having much bigger employment effects.

The best example of this would be—imagine that Ontario didn't have a minimum wage of \$14; let's say it was \$5, and let's say it now went up to \$7. There would be no employment effect, because the median wage in Ontario is around—depending on the number you use, it's somewhere between \$24 and \$26. What that means is that Ontario could incrementally raise the minimum wage up to somewhere around the \$12 or \$13 mark without having large-scale employment effects. It's then, as you went past that, that it starts having bigger effects.

The other thing I would stress, though, is, when we think about Ontario, the median wage differs greatly by city. The impact on a city like Toronto is different than, say, Sudbury, where the median wage is a lot lower.

The Acting Chair (Mr. Grant Crack): Mr. Oosterhoff, two minutes.

Mr. Sam Oosterhoff: Mark, I was wondering if you could explain a little bit more about the differentiation between cap-and-trade and subscribing to the federal backstop. Do you consider the federal backstop, as more of a pure carbon tax, to be a more effective means of reducing carbon emissions while not negatively impacting the economy, versus cap-and-trade, which, depending on who you listen to, disproportionately impacts those at lower income levels as well, due to its impact on transportation and food costs and the like?

Mr. Mark Cameron: Both cap-and-trade and carbon tax raise prices on transportation and, indirectly, on things like food costs. This is where, as I was saying to Mr. Vanthof, it really is how you spend the revenues. The biggest problem, I think, with the Ontario—

Mr. Sam Oosterhoff: How would you say the government is spending the revenues, and are they doing so wisely?

Mr. Mark Cameron: Well, they've said they were going to spend the entire \$7 billion over the first four years on environmental programs with the intention of reducing emissions, but that really means that they're not doing anything, particularly, to keep whole the lower- and middle-income households that are paying for increased gas and heating costs.

I would rather see the carbon price be higher but make sure that the revenue goes back to those lower- and middle-income households and small businesses. Big business, under both the federal backstop and the Ontario cap-and-trade system, is protected through free allocations or output-based allocations, but small and medium-sized businesses and low- or middle-income households are not protected. They need to get some of that money back as other tax cuts or household rebates or some other format.

Mr. Sam Oosterhoff: In a form of backstop where the revenues are returned to those lower-income and middle-income families and small business, whether that's through income tax cuts or the like, would that be more effective as a means of not only reducing environmental impact but of doing so in a less painful way than the current cap-and-trade system, potentially?

Mr. Mark Cameron: Yes, as long as the tax cuts were designed in such a way that they're progressive. A carbon tax—or carbon pricing, whatever kind—is inherently a regressive tax because lower-income households spend more of their income on transportation and things like that. So the tax cuts or credits or rebates have to be designed in such a way that it goes back, predominantly, to those lower- or middle-income households.

The Acting Chair (Mr. Grant Crack): We'll move to Mr. Vanthof.

Mr. John Vanthof: To Mark: When the cap-and-trade legislation was debated in committee, just for your information, the NDP put forward an amendment—and I don't remember the exact words—basically, that 25% of the funds created should be directed to people and communities who couldn't react, who would be unduly impacted, and it was voted down by the government. Do you think that would have been a step in the right direction?

Mr. Mark Cameron: Yes. Frankly, I'm surprised the government didn't do at least that. That's more or less what Alberta has done. I think, at a minimum, the government should want to make sure that lower-income households aren't negatively affected. I'd like to see all the revenues go back as tax cuts. Some of it goes to business, some of it goes to broad-based income tax cuts, but at a minimum, the government should have saved whole the lower-income households.

Mr. John Vanthof: Just to reiterate, if you live in a community where there is no public transportation, where you have to drive to work, you agree that the minimum wage going up is much better, but someone working for even \$15 an hour and having to drive 20 miles to work is not going to be able to afford a Tesla.

Mr. Mark Cameron: Sure. BC had a rural tax credit for households outside of census municipalities in order to deal with precisely that.

Mr. John Vanthof: I'm just going to reiterate: In the current legislation, there is no protection for people with no means to cope with the extra costs that are certainly going to happen, regardless of whether it's cap-and-trade or carbon tax?

Mr. Mark Cameron: That's correct.

Mr. John Vanthof: Thank you.

The Acting Chair (Mr. Grant Crack): You've got another three minutes.

Mr. John Vanthof: Oh, perfect. I'm going to do a different subject. Along with the level of income that a family or a business or anything receives as part of the equation, cost is another part of the equation, as are quality of life and profitability in a business. It is well known that Ontario's electricity costs are higher than in many other jurisdictions. Under the government's "fair hydro plan," the current bills have gone down for residential, but it's basically, in our opinion, like you're paying the minimum payment on your credit card. Those payments are going to come back to haunt you.

For all three, what kind of impact is that going to have on the economy? Who wants to go first? Craig?

Mr. Craig Alexander: I think high electricity prices in Ontario are a challenge for households but they are a competitive disadvantage for Ontario businesses. We went from a jurisdiction where Ontario actually had cheaper-than-average electricity prices in North America to being the most expensive jurisdiction in North America.

Electricity is a core input, so at the end of the day, you want to have competitive and reasonable electricity prices. This is something that shows up regularly in the surveys as a complaint by business.

Mr. Mark Cameron: In my view, the fair hydro plan was a short-term band-aid that didn't really deal with the underlying problems in the electricity system. It essentially just put the cost of contracts off to a distant point in the future at higher interest payments.

It's a difficult challenge because I think the high electricity cost has had an impact on Ontario's economic growth. There probably is a need for relief for, particularly, business, but the problem was created by contracts that were not thought out but unfortunately we're locked into for 20 or 30 years in some cases. I think really wrestling those contracts to the ground—Alberta had a renewable electricity auction where the prices came in very low—below \$15 a megawatt hour in some cases—whereas Ontario is paying much, much higher prices for renewables. Some of the other contracts I think were not well thought out as well.

Ms. Angella MacEwen: I would just like to add that this problem goes back to probably 2003, when we started increasing the privatization of our system and splitting it up. The incentive in a privatized structure is not to keep hydro bills low; it's to get a profit. So we don't see the types of investments or the service direction that you would see in, say, SaskPower. That's a problem.

The Acting Chair (Mr. Grant Crack): Thank you very much. We'll move to the government: Mr. Fraser.

Mr. John Fraser: Thank you very much, all of you, for your presentations. I'll try to make a quick question and a comment. I'm not sure that my constituents would thoroughly understand each of your presentations and how they relate to each other and the differences that exist among the three of you. But one thing that they do know is that there's a disparity between those who have and those who have not, and that that's growing. That's a concern for a lot of people, not only for those people who are falling further behind but for all of us, because of the impacts that has on our collective costs and the neighbourhoods and the communities that we live in.

I guess my question is, should it be the top priority of an economy to ensure participation and narrowing of that gap—not making everybody equal, but allowing everybody opportunity? That speaks a bit to the minimum wage argument, and I understand the differences that exist. That's just the question that I have. I don't know if anybody wants to take a stab at it.

1400

Mr. Craig Alexander: Sure. Income inequality in Canada and in Ontario has increased over many decades. The big jump was in the 1990s when the federal government was tackling its deficit and it cut transfers to provinces, and provinces cut transfers to individuals. This caused a big jump in income inequality.

What's quite remarkable is that once the transfers were actually restored, income inequality didn't decline. In fact, what seemed to happen was we had a permanent increase in the level of income inequality. The story is a bit more complex than it's often characterized in the media, because since 2000, income inequality hasn't risen. But certainly you have a shift in income distribution, to workers at the very top end of the income distribution getting a greater share of the income.

So I actually do think that there's a case to be made that we want to lean against income inequality. I think you need some income inequality in your economic system to be an incentive to work, save and invest. But at the same time, you don't want it to be too high, because then it has very deep economic and social consequences. I actually think that the US system is demonstrating that. I think the income inequality in America has reached levels that are causing real economic harm, and we can see it. I'm a strong advocate for leaning against income inequality.

I guess the real debate ends up being, "How do you do it?" I would argue that the most effective way of leaning against income inequality is removing barriers to opportunity.

Mr. Arthur Potts: Chair, can I have a question next?

The Acting Chair (Mr. Grant Crack): Would you like to?

Mr. Arthur Potts: Thanks very much. I do want to—

The Acting Chair (Mr. Grant Crack): Mr. Potts, you have about two minutes.

Mr. Arthur Potts: I wanted to get back to the cap-and-trade issues specifically, Mr. Cameron. I want to talk about elasticity of demand.

I think you highlight, when you talk about the \$500 a tonne and the \$450, that it costs a lot of money per tonne to do certain carbon savings. In the cap-and-trade plan, you can focus your investments specifically. Those weren't the low-hanging fruit you talked about. We're getting benefits at \$50, \$75 and \$150 a tonne. But when you do it in a cap-and-trade system, the cost to the consumer is much lower and you guarantee carbon reductions, whereas in BC and Alberta, they can't guarantee it because people won't change their usage of fossil fuels significantly at \$50 a tonne. It takes \$200 or \$250 to make them shift behaviour. How would you address this whole issue about elasticity?

Mr. Mark Cameron: The question of elasticity—that's true when it comes to something like driving to work, something that you have to do every day. Whether the gas price is \$1.20 a litre or \$1.10 a litre is not going to make a big difference in that.

Where that's not true is in something like buying a new car, and you will consider things like gas prices when you're buying a new car. There's actually research out of the University of British Columbia showing that there has been a change in behaviour in British Columbia because of the carbon price, basically because of the purchase of new vehicles.

People will consider things like, "Do I put insulation on my windows if the price of home heating goes up?" So yes, at \$20 or \$30 a tonne, that impact is less, and the impact goes up as the price goes up. But in my view, it's better to rely on the price signal to drive reductions than to have a low price and then offer a people a subsidy if they insulate their windows.

Mr. Arthur Potts: But you'll see that in Ontario, once the federal plan is at \$50 a tonne, we're still sitting at \$17. That will go up—

The Acting Chair (Mr. Grant Crack): Thank you very much.

Thanks to the three of you for your words and comments this afternoon. It's much appreciated. We thank you for coming.

Mr. Victor Fedeli: Chair?

The Acting Chair (Mr. Grant Crack): Mr. Fedeli?

Mr. Victor Fedeli: Can we get unanimous consent for a two- or three- or five-minute break until they collect their goodies and leave?

The Acting Chair (Mr. Grant Crack): We do have a cancellation at 2:45 so we could—

Mrs. Cristina Martins: Five minutes?

The Acting Chair (Mr. Grant Crack): A five-minute break effective right now—I have unanimous consent.

The committee recessed from 1405 to 1410.

ROBERTS/SMART CENTRE

The Acting Chair (Mr. Grant Crack): I call the meeting back to order.

We shall move to our next presenters, from the Roberts/Smart Centre. We have the executive director, Katherine Neff; youth advocate Jaydon Turgeon; and the executive director of Parents' Lifelines of Eastern Ontario, Elyse Schipper, with us this afternoon.

We welcome the three of you to committee. You have up to 10 minutes for your presentation. Before you speak, please indicate your name. The floor is yours.

Ms. Katherine Neff: Jaydon is going to start the presentation for us. All three of us are going to speak. It will be Jaydon, Elyse and myself. I'm Katherine Neff.

Mr. Jaydon Turgeon: First off, I'd like to thank you for having me here to speak to all of you today. It's a real honour to be here.

My name is Jaydon Turgeon. I'm a youth mental health advocate and a member of Children's Mental Health Ontario's youth action committee. Among these things, I am a suicide attempt survivor.

I am here in front of you today to talk to you about a broken system—not just a broken system that almost claimed my life, but a broken system that has taken lives and will continue to take more lives if we don't start acting now.

When I was 16, I lost a family member to cancer. Shortly after that, not learning or realizing that I needed to grieve, I started to abuse alcohol and drugs as a way out. That took me down a really dark road for about eight months. I couldn't handle the pain anymore and tried to take my own life.

After spending the day in my local hospital, they finally medically cleared me about six hours later. They then chose to transport me to CHEO to see what they could do for me. Let me tell you right now: It wasn't a lot.

My time in the CHEO emergency room was very traumatizing and not in any way helpful. Not only was I forced to sit in the emergency room for about nine hours until the mental health professional got there, but all I heard for nine straight hours were the sounds of children screaming and crying. When the mental health professional got there, they basically did a 10-minute survey and then sent me home.

This never should have happened. It should have never gotten to the point where I felt like I had to take my own life.

There are two things I want to tell you that could have potentially helped me before I went into crisis. If there was effective mental health education, I would have had a better understanding of what was going on and how I could have reached out for help. I also would have benefited from knowing what community resources and supports existed before I went into a crisis. Once I got to a point where I did need help, I should have been able to access community-based services that specialize in youth mental health care, and not had to go to the hospital,

which is a terrible place for someone in crisis. I never got the proper community services, and so my only option was going to the hospital, which ended up doing more harm than good.

What is even worse is that my experience isn't rare. What I have learned in my advocacy work is that there are hundreds of youth in this province who have been traumatized by the system or who didn't find out about the services until it was too late.

This isn't just about making people happy; this is about life and death. Until the government decides that this is a worthy enough cause to put their money towards, none of this is going to change. People are going to continue to suffer in this broken system just like I did, or people will continue to lose their lives to this broken system. I'm just not okay with that, and you all shouldn't be either.

Ms. Elyse Schipper: Thank you, Jaydon.

I'm Elyse Schipper. I'm with Parents' Lifelines of Eastern Ontario.

Every day, we answer calls from parents who are devastated, terrified and completely at a loss about what to do. Their child is failing, and they're unable to help. If you haven't experienced first-hand what it's like to have a child facing mental health issues, try to imagine for a moment that you're sitting on a beach and you look out to see your child struggling to stay above water, drowning, and all you can do is sit there. You yell "Help!" to the lifeguard, and she says, "Not now." You yell "Help!" again, and she says, "Call me when your child is fully under and you can't see him anymore."

When we hear about a child in our community who has died by suicide, as service providers we are rocked with grief and frustration because we know that this death did not come out of nowhere; that there were so many opportunities along the way, over years, to intervene for a better outcome; that the parents of this child, like so many who call us, have found only closed doors, have been sent home from hospital emergency with a child deemed not quite high-enough risk to be responsible for suicide watch, to lock up all the knives, ropes and pills and to sleep outside their child's room lest he wake up in the middle of the night and decide he can't take it anymore.

When we talk about too-long wait times, or lack of access to the right care or quality care, what we're talking about are the things that make it almost impossible for a child and family facing mental health issues to ever thrive again and, in too many cases, to survive, and it's not for lack of trying. Mental health service providers are doing their part, always looking for ways to innovate, to stretch the budget, to collaborate, to improve outcomes. Parents are sacrificing everything: their jobs, their finances, their marriages, their own well-being. Siblings sacrifice their own childhood as they fear for their own safety and for the life of their brother or sister, as the parents are forced to make the impossible choice about which child's needs can go unmet when there's only so much to go around. There is only so far that families and

service providers can stretch, and there is only so long a child can hold on.

The Ontario government has voiced a commitment to improving child and youth mental health. What I'm asking of you today, on behalf of all parents who just want a fighting chance, is to please make it possible for us to deliver on that promise, and to ask yourself, "What would I do if this was my child and my family?" We will never give up on our children, and we need you to do the same. Thank you.

Ms. Katherine Neff: Thanks, Elyse, and thanks, Jaydon.

I'm speaking as the executive director of the Roberts/Smart Centre. The Roberts/Smart Centre is a children's mental health centre. We have been delivering services to eastern Ontario since 1973, and we are accredited with the Canadian Centre for Accreditation.

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 have failed. If not for the Roberts/Smart Centre, these kids would be in hospital for sometimes up to a year, or in a youth justice facility, and they still wouldn't receive the kind of wraparound high-quality treatment that they will get when they get to the Roberts/Smart Centre. In fact, 93% of the children we serve at the Roberts/Smart Centre are with us because their needs could not be met anywhere else.

Why are these services so important to our community? One of the reasons is the major public health crisis we are facing in terms of youth suicide. Almost all of the youth who come into our residential programs have attempted to die by suicide. Of the clients served in residential services in this past year, the average number of times a youth has tried to take his or her life is six. The maximum number, in one particular individual's case, is over 50. These youth have very serious mental illness and need highly intensive mental health services to support them.

The Residential Treatment Programs at the Roberts/Smart Centre include a secure treatment program which has eight beds and is a locked facility. Admission to the program is as part of the Extraordinary Measures section of the Child and Family Services Act. In addition, the centre also has two open residences, one for boys and one for girls, both with eight beds, so we have a total of 24 beds.

Despite how obviously important these services are in eastern Ontario, currently, if you are a parent seeking a residential placement with the Roberts/Smart Centre, the average wait time is approximately 12 months, and a youth who is suicidal can't wait 12 months to come into service. Kids and families end up going to the hospital, as Jaydon has spoken to, because they can't get into the treatment that they require when they need it, at the moment that they need it.

Of the 47 clients who we've served in the past year, they spent a total of 1,285 days in a psychiatric ward prior to their admission to the Roberts/Smart Centre. If

we could have admitted them into the Roberts/Smart Centre, the government actually would have saved almost \$2.5 million in just that one year alone.

1420

Children's Mental Health Ontario has calculated that if you extrapolate the 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.

The Roberts/Smart Centre, like other children's mental health agencies in Ottawa, is constantly and consistently facing struggles to provide service within a budget. Every year, our costs increase, but in the last number of years we've had no increase to our base budget. Again, if we turn to children's mental health data, since 1992 our agencies have received base funding increases of only 8%, while the cost of inflation has risen by nearly 53%.

We believe that the Wynne government can fix this by increasing funding to community mental health programs by \$120 million per year to ensure that no child or youth waits longer than 30 days for mental health treatment. We can save kids from dying by suicide, and we implore the government to make these same crucial investments.

Thank you very much.

The Acting Chair (Mr. Grant Crack): Thank you very much. We'll start with the official opposition. Mr. Oosterhoff.

Mr. Sam Oosterhoff: Let me start by saying—I think, on behalf of all of the members of the committee—Jaydon, thank you so much for taking the time to come here but, more importantly, to be what is really opening yourself up to us and to share your stories. It's an incredible act of bravery and of courage. I think I speak for all of us when I say thank you. That's incredibly important. It's because of people like yourself that these discussions are being had, broader and broader.

I'm a young person myself, and I see my friends struggling with mental health. It's something that used to not be talked about, and it is beginning to be talked about. Hopefully, we're going to see more action on this issue because of people like you who are willing to step out of their comfort zone and to put themselves out there and contribute to the discourse. Thank you so much. It really does mean a lot.

Thank you as well to Katherine and Elyse for the work you do. I know it's a lot of hours; it's a lot of incredibly draining work and incredibly important work. So thank you for the work that you do.

Honestly, I wish I could say this is the first time on this tour that we've heard this concern being brought up, but it's not. I think we've heard about the importance of mental health and the lack of resources available to those struggling with mental health at every city in this tour so far this week. It's rampant.

One of the big things that really stuck out for me was, Jaydon, when you were talking about being told it was too late. So often we hear of situations that could have been avoided. Too often we hear about help that could have been made available, but only too late, when it's

after the fact already and, unfortunately, there are those successful suicide attempts and people who don't access that care.

I wanted to first of all share just that the federal government has announced that it's planning on making a \$1.9-billion investment into mental health to address this huge need, because when we see people coming forward and not being able to access that care—we can have Bell Let's Talk Days all we want, but if people are talking about it and there are no actual services being provided, it doesn't help.

I want to let you know that on this side of the table, in the PC Party, we also have committed, heading into the next election—if we are given the responsibility of forming government, we've committed \$1.9 billion as well to matching those federal funds, for the largest investment, to hopefully be able to change that narrative, to be able to make sure people have somewhere they can go.

What I wanted to ask Elyse is this: If you could touch on something—and Jaydon perhaps as well. You mentioned drugs and alcohol, and in my neck of the woods, in Niagara, where I'm from, the opioid crisis has been soaring. We've seen opioid rates shoot through the roof among young people as well, but among people of all ages. There's a connection there as well with mental health, of trying to cover up that hurt.

Would either one of you be able to explore that a little more and tell me if that's something you see here, that there is a lack of resources available also to treat the opioid crisis?

Ms. Elyse Schipper: You might be able to speak better to that.

Ms. Katherine Neff: I think you've probably heard this in all of your travels, that treating addictions is also a part of the work we do that is rampantly underfunded. I would say that that is definitely the case. We clearly see, as Jaydon has spoken of to you so eloquently, that many of the clients that we serve have major addictions issues. It is always the case of, "Where do you start?" Do you start with addictions and then deal with the mental health? Or do you deal with the mental health and then support the addictions? So I think that any increase in funding—but to separate it out is probably not the way to look at it, and not just to look at the opiate crisis.

Mr. Sam Oosterhoff: Absolutely—

The Acting Chair (Mr. Grant Crack): Twenty seconds.

Mr. Sam Oosterhoff: Oh, okay. Well, I'll just reiterate my thanks. This is a discussion and a conversation that needs to keep happening, and it's one that, hopefully, the government will take into consideration in the report that's written from the committee. And I want to thank you again, Jaydon, for taking the time and for being willing to share.

The Acting Chair (Mr. Grant Crack): Okay. Thank you very much, and thank you, the three of you, for coming before committee this afternoon. It's much appreciated.

Ms. Katherine Neff: Thank you.

Ms. Elyse Schipper: Thank you.

The Acting Chair (Mr. Grant Crack): All the best. Have a good afternoon.

OTTAWA-CARLETON
DISTRICT SCHOOL BOARD

The Acting Chair (Mr. Grant Crack): Next on the agenda, we have Ottawa-Carleton District School Board. We have the vice-chair, Lynn Scott, and the chief financial officer, Mike Carson, with us this afternoon.

We welcome you both to committee. We look forward to your presentation. You have up to 10 minutes. The floor is yours.

Ms. Lynn Scott: Thank you, Mr. Chair and members of the committee. We really appreciate the opportunity to share with you the key priorities of the Ottawa-Carleton District School Board as they touch on aspects of the next budget for the province of Ontario. I am Lynn Scott, vice-chair of the board. With me is our chief financial officer, Mike Carson.

The financial support the government has provided to public education in recent years has helped to build one of the strongest K-to-12 education systems in the world. We share your commitment to supporting students to achieve their potential in growth and learning, preparing them to compete in the rapidly changing global economy.

You've all been provided with copies of our key priorities, but I'd like to highlight five elements that may be relevant to your work in developing the budget.

First, regarding sustainable capital funding, the OCDSB welcomed Monday's announcement by the Honourable Mitzie Hunter, Minister of Education, that Ontario is investing \$784 million in new schools, additions and renovations, including more licensed child care spaces. Thank you. We hope that some of those funds will be coming to Ottawa. We reiterate the importance, though, of a transparent, multi-year capital funding cycle to support effective and predictable capital planning at the local level.

Our communities see where schools are overcrowded. They see where aging facilities need to be upgraded and renovated or even replaced. Our staff are very much aware of the building components that are approaching end-of-life.

Allowing approvals of new schools in accordance with a multi-year timetable, even in principle, would let us plan longer-term to minimize transitions and disruptions for students when and where students are experiencing overcrowding. With a transparent, multi-year process, school districts could communicate that a much-needed school or renovation would happen within a finite number of years; work with the city and community partners to ensure a school site would be ready and serviced by a particular point in time; and maintain safe and healthy schools without having to wonder each year whether there would be funding available.

Second, regarding child care, we know that quality child care is expensive, especially for infants. We're very

appreciative of the increased funding for subsidized child care spaces in Ottawa for children aged zero to six in recognition of high levels of need. We're delighted to see more capital funding for new child care spaces.

The Ottawa-Carleton District School Board directly operates two infant, toddler and preschool programs, both of which currently operate at a loss, given that these are the most expensive programs to deliver. Historically, the higher costs of these programs were offset by the operation of programs for kindergarten- and school-aged children. The ability to blend our infant-toddler program fees with the extended-day program fees to achieve full cost recovery is essential for program viability and keeping child care affordable for families.

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Third, school boards need meaningful authority and autonomy to manage resources effectively in response to local needs. We are accountable under the Education Act for the governance and operation of the K-12 education system, and elected trustees are an essential link between parents and communities and their school district, and between school districts and provincial legislators and policy-makers. The province holds us accountable for the appropriate use of the funding and other resources provided to school districts, but we also need the flexibility to manage those resources to respond effectively to local needs unique to every school district.

Fourth, the continued growth in demand for K-12 instruction in French, and French as a second language, is a success story across the province. However, our district and others are seeing a real shortage of teachers and early childhood educators with the necessary skills to meet this demand. Universities and colleges need to be provided with incentives and funding to take in more French-proficient students to ensure that there's an expanding pool of qualified French-as-a-second-language staff available to serve our students.

Finally, over the past number of years, school districts have seen huge challenges to keeping our schools fully staffed every day. Attendance and absenteeism are complex issues, but the demographics of our workforce, combined with the growing emphasis on employee and student wellness, together with changes in sick leave entitlements made in recent collective agreements, have caused significant problems for boards as employers. On days when sufficient qualified replacement staff—teachers, educational assistants, early childhood educators and all our support staff—cannot be found, then the student experience suffers. The exploding cost of replacement staff, despite our best and ongoing efforts at absence management, represents a growing proportion of our daily operating expense and needs to be addressed in the Grants for Student Needs. We would also like to see a serious effort by the province, in collaboration with trustee associations and others, to review the challenges of attracting, funding and deploying replacement staff to best support student learning and well-being.

In summary, Mr. Chair, today we have no specific requests for specific dollar amounts to be allocated for

specific things. We do, however, ask you, in developing the next provincial budget, to be mindful of the needs we've outlined here—multi-year capital planning, more investments in child care, improved school board autonomy, more qualified French-as-a-second-language staff, and solutions to providing sufficient qualified replacement staff—all of which require our careful attention and some of which have implications for your budget allocations, so that we can continue to work together to improve public education for our students.

Mr. Carson and I would be pleased to respond to any questions you may have.

The Acting Chair (Mr. Grant Crack): Thank you very much. A great presentation.

We'll start with the third party. Mr. Vanthof.

Mr. John Vanthof: Thank you very much for your presentation and for your distinct recommendations.

Last fall, the NDP proposed a plan for education development charges to be levied and that school boards would have access to them. Would that help in your planning process for infrastructure?

Ms. Lynn Scott: We do have an education development charge in place in our board. One of the challenges is that it is set currently only at an amount that covers the cost of acquiring school sites. There have been some questions as to whether it should return to the old process where it actually helped to fund the buildings too. I think that's a matter of debate.

Mr. Carson, do you have a comment?

Mr. Mike Carson: Mr. Chair, school boards across the province have looked at it differently. We understand the pressure that an appropriate development charge would put on the cost of home ownership, which is already becoming a pressure point. But we do think there needs to be some flexibility allowed to school boards that are currently eligible for development charges. It's cold comfort to a community for us to buy the site and then hold it for six, seven or sometimes nine years. So it is an issue that all school boards across the province have looked at—and equally, the eligibility for development charges.

Mr. John Vanthof: You spoke of the desire for more autonomy for school boards. For the benefit of the committee, could you give us an example of where more autonomy would have been beneficial to your students?

Ms. Lynn Scott: I think that it really boils down to the situation that we face every day in having good governance, and that is to make the distinction between the policy aspects and the operational aspects.

With my history in education, I can look back at governments of many political stripes, all of which did this, and that is that you over-specify sometimes. You don't just say what you want us to achieve and what you expect out the other end; what you also do is tell us in great detail sometimes how we're supposed to get there, whether that fits our particular circumstances or not. I think that's one of the big challenges. What we would like to see is good policy direction from the province, but, please, let us work out the operational details.

Mr. John Vanthof: My next question is, we just heard a very powerful presentation regarding children's mental health. We've heard this several times, and, obviously, dealing with the school system, how are you coping, and within the schools, do you have the resources to cope with that?

Ms. Lynn Scott: We are maxing out our resources that we have. There's no question that mental health is a significant issue up and down all of the grades. What we see is an increasing proportion of our youngest students who are coming into the school system often with some behavioural challenges and so on. If we can't deal with those appropriately at an early age, things can only get worse. Finding enough resources to make sure that we are looking after those families and that we're able to refer them to appropriate resources within the community where they will get some support and assistance is an ongoing challenge.

Mr. John Vanthof: Your availability of French teachers: Is that because of the popularity more, or because people are not going to school to teach in the French language?

Ms. Lynn Scott: Part of it is due to the growing popularity of the French immersion programs across the province. But in our district alone here in Ottawa, we've seen a shift over the last 10 or 15 years from about half of our senior kindergarten students enrolling in early French immersion to close to 75% of our grade 1 students in early French immersion. That certainly puts a huge burden on our teaching staff, and now that we have the full-day kindergarten, where we are running a 50-50 kindergarten program, we have difficulty finding early childhood educators to work in the kindergarten classrooms with the teachers who have the French-language skills.

Mr. Carson, anything further?

Mr. Mike Carson: The only thing I would add is that in addition to growth in French as a second language, which we've seen across this province, the French-language boards, both public and Catholic, as they are able to put facilities in neighbourhoods and make it accessible, are in fact continuing to see that continued enrolment growth. Their demand for teaching staff is growing as well.

It's the two sides of that coin that we're seeing. It really is a function that our strategy of making Ontario bilingual is working, but we need to make sure that we have a steady pool of qualified French-language teachers.

Mr. John Vanthof: Thank you.

The Acting Chair (Mr. Grant Crack): Thank you very much, Ms. Scott and Mr. Carson, for coming before committee this afternoon. I appreciate your comments.

Ms. Lynn Scott: Thank you.

The Acting Chair (Mr. Grant Crack): Have a great afternoon.

ONTARIO CHIROPRACTIC ASSOCIATION

The Acting Chair (Mr. Grant Crack): Next, we have the Ontario Chiropractic Association. We have the

president, Mr. Ken Brough, and also the CEO, Mr. Bob Haig, with us this afternoon. We welcome the two of you gentlemen to committee this afternoon. You have 10 minutes, and, whoever is speaking, just clarify your name. We look forward to your presentation.

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Dr. Ken Brough: Good afternoon. It's a privilege to be allowed to address the committee. My name is Dr. Ken Brough. I am the president of the Ontario Chiropractic Association. The Ontario Chiropractic Association, or OCA, is a professional association serving Ontario's chiropractors and the public by advancing the understanding and use of chiropractic care. With me is Dr. Bob Haig, our CEO. The OCA's recommendation for the 2018 pre-budget consultation process is as follows.

Transition the successful ministry-funded provincial Primary Care Low Back Pain Pilot projects into a regional primary care strategy linked to the new regional rapid access clinics, and establish ongoing base funding over a two-year period that allocates \$7.6 million in the 2018 budget, and \$15 million in the 2019 budget and beyond, to support this important high-impact initiative.

Three of the four leading causes of disability in North America are musculoskeletal in nature, with low back pain ranking first. Musculoskeletal, or MSK, conditions are conditions affecting the muscles, bones and joints, including low back pain. In Ontario, MSK conditions cost over \$2 billion annually in medical expenditures. That is in addition to the costs to society, such as loss in worker productivity and associated disability payments.

MSK-related pain is also a primary reason for opioid prescriptions, with low back pain being reported in more than half of regular opioid users. Research shows it takes less than one week on opioids to become addicted. Let's reduce or eliminate the need for opioids in the first place.

The 2017 Canadian Guideline for Opioids for Chronic Non-Cancer Pain recommends non-pharmacological approaches, such as manual therapies performed by chiropractors and other MSK practitioners, before prescribing opioids. Despite MSK-related pain being a primary reason for opioid prescriptions, and a new national clinical guideline recommending non-pharmacological approaches, such as manual therapies, before prescribing opioids, primary care physicians have limited options in terms of the referral of patients with MSK conditions to funded MSK primary care services.

The recently announced rapid access centres will specifically expand existing programs and pilots for hip and knee and low back pain. In both cases, they are focused on surgical assessment, triage and self-care. However, approximately 93% of patients with low back pain and 40% of patients with hip and knee pain do not require surgery. For these patients, self-care can sometimes not be enough, and access to comprehensive MSK programming in primary care is limited or non-existent in Ontario.

The Primary Care Low Back Pain Pilots launched by the Ministry of Health and Long-Term Care in 2015 provide MSK care in interprofessional primary care

settings such as family health teams, community health centres, and nurse practitioner-led clinics. That care is provided by MSK experts like chiropractors. The pilots follow the new MSK clinical practice guidelines that call for conservative care, including manual therapies such as spinal manipulation, as the first line of treatment for acute, subacute and chronic low back pain. They provide an excellent model for comprehensive MSK programming in primary care which includes chiropractors and other providers that leverage and partner with community services and programs for patients with comorbidities such as diabetes and COPD. These primary care programs have:

- provided MDs and nurse practitioners with alternatives to prescribing opioids;
- improved patient outcomes, including mobility, quality of life and pain levels;
- substantially decreased pain medication use, including opioids;
- increased equity of access to services for a vulnerable patient cohort with numerous comorbidities;
- provided alternative evidence-based care pathways for low back pain patients; and
- reduced unnecessary emergency department visits and diagnostic imaging.

Transitioning this program into base funding will support the provincial rollout of the rapid access clinic model by providing treatment for non-surgical patients, including clinical-guideline-recommended manual therapies.

Chiropractors are able to comprehensively address MSK primary care needs. The Minister of Health's announced scope-of-practice changes for chiropractors will be forthcoming, further enhancing our ability to provide cost-effective primary MSK care services.

Chiropractors can be a significant part of the solution to reducing and preventing opioid use so patients can manage or eliminate medications and get back to work and their activities of daily living. We fundamentally believe that Ontarians would benefit from greater integration of chiropractors into the health care system. Transitioning the successful ministry-funded Primary Care Low Back Pain Pilot into a regional primary care strategy with ongoing base funding will help accomplish this and provide patients with unprecedented access to comprehensive MSK programming in primary care in Ontario.

We appreciate the opportunity to present at the 2018 pre-budget consultation and welcome any questions.

The Acting Chair (Mr. Grant Crack): Thank you very much. We appreciate your presentation.

We will have the government ask the questions. Mr. John Fraser, MPP for Ottawa South.

Mr. John Fraser: Dr. Brough and Dr. Haig, thank you very much for being here today and for your presentation.

I was pleased to join you in the announcement about the rapid access clinics, which I think was in December sometime, and the impact—it was at the Queensway

Carleton Hospital. They've had a program there for quite some time that incorporates many different health care professionals to ensure that, as you said, people who don't need surgery don't have it or aren't put in the queue to get it, but more importantly, that people get rapid access to an answer. I can't remember the name of the lady who was at the event, but she said, "They told me it might take about a year, but here's the reason why. I could live with that because I knew."

I understand why you're trying to make a link with primary care. Primary care physicians being linked to rapid access clinics and to health care professionals either inside their practice or through a clinic is critical to make it all work.

Just so I can be clear: You're looking for base funding for those programs and an expansion of those programs. That's what you're suggesting in your submission here?

Dr. Bob Haig: That's right. The rapid access clinics are going forward. The ministry has indicated that the Primary Care Low Back Pain Pilot is a model that they want to keep expanding. Everything is related to budget. The numbers that we've put forward here are based on having one in each sub-LHIN. That's where those numbers came from, and there are some estimates in that, of course. So there are really two aspects of it. One is to provide an opportunity for primary care physicians, rather than prescribing, to have a place that they can send these patients. It's also an off-ramp for the rapid access clinics, for those patients who don't need surgery but do need some care.

Mr. John Fraser: As we go forward with that, what's your ability to actually ramp up? And what's your ability to extract those resources from other areas inside the health care system to do a rebalance?

I think what you're suggesting and putting forward is important. I agree with the importance of having those clinics to connect with MSK, to connect to primary care and to access clinics.

I don't want to take up all the time, because I know my colleague Mrs. Martins has something she'd like to say, as well.

Mrs. Cristina Martins: Thank you, John, for allowing me a minute here, and thank you, gentlemen, for presenting today. I had a little question in the middle of all of why you're here today in terms of your ask.

My private member's bill was just recently included as part of Bill 148. I'm not sure if you've heard of the Putting Your Best Foot Forward Act, which will prohibit employers from mandating unsafe footwear in the workplace. We know that this mainly affects women who are mandated by their employers to wear high heels in their workplace and, as a result of that, some of them have many injuries, the musculoskeletal pains, which I'm sure you see. So I just wanted you to speak a little bit to what type of musculoskeletal injuries you see as a result of women wearing high heels.

Dr. Ken Brough: Well, we deal with, obviously, foot issues with the heels. They cause challenges. High heels change the dynamic of posture, so it creates more stress

in the lower back and further up the spine. It can create increased curvature in the lumbar spine—but when you look, there's the high heels, but there's also the size of them. The foundational support isn't as strong, so that taxes the pelvic muscles and the lower back muscles. Over a short period of time, it's not such a huge issue, but if it's over years and years, we see significant injuries.

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Dr. Bob Haig: I doubt there's a chiropractor in Ontario who hasn't advised women not to wear high heels.

Mrs. Cristina Martins: Thank you.

The Acting Chair (Mr. Grant Crack): Thank you, gentlemen, for coming before committee and sharing your thoughts this afternoon. We appreciate it.

Members of the committee, we have a cancellation. The 2:45 has cancelled. Is anyone interested in continuing with our 3 p.m.—our 3 p.m. is here—or would you like to have a little break?

Mrs. Cristina Martins: Let's continue.

The Acting Chair (Mr. Grant Crack): Let's carry on, just like the song. We will carry on.

CANADIAN MANUFACTURERS AND EXPORTERS

The Acting Chair (Mr. Grant Crack): We will call, from the Canadian Manufacturers and Exporters, Mr. Mathew Wilson, senior vice-president. We welcome you, sir. You have up to 10 minutes for your presentation.

Mr. Mathew Wilson: Good afternoon and thank you, Mr. Chair. Thank you, all members of the committee, for inviting me here today to represent Canadian Manufacturers and Exporters, our 2,500 direct members and the broader manufacturing and exporting community across the province. Our membership network accounts for an estimated 82% of manufacturing activity and 90% of Ontario's exports.

My comments today focus on the need to create wealth and prosperity for all Ontarians through a world-class advanced manufacturing sector by harnessing new technologies and by leveraging our people, natural resources and innovation capacity.

Manufacturing drives Ontario's economic activity, wealth generation and overall prosperity. The sector directly accounts for over 12% of the province's GDP, with nearly \$300 billion in annual shipments, \$200 billion in exports and 770,000 direct jobs. Manufacturing also generates significant economic spinoffs, including in natural resources, technology and a wide variety of services sectors. When these are considered, nearly 30% of all economic activity and jobs across the province are linked to manufacturing. Another way to look at this is, if manufacturing disappeared, nearly one third of the economy would disappear with it.

Despite the critically important role that manufacturing plays in the province, the sector is struggling under the weight of a range of policy and regulatory changes in Ontario and a business environment that is increasingly out of touch with our major global competitors. The

result has been a steady decline in the strength and competitiveness of Ontario manufacturing. Consider the following:

—Ontario's manufacturing sector has underperformed Canada's national average since the early 2000s. In 2017, manufacturing sales growth was the worst of any province, at only 1%;

—led by Ontario's slow growth, Canada has fallen to 14th place in global manufacturing output, down from ninth two decades ago;

—manufacturers in the United States invest, on average, eight times more in their operations than an equivalent Ontario company; and

—since 2013, foreign direct investment into the province has shrunk by over 2%, while in the US, it has grown by nearly 30%.

Simply put, Ontario manufacturers are not investing enough to maintain existing operations or expand capacity, and they are not developing innovative new products. Their ability to compete here at home or around the world has been weakened as a result.

This is not to place the blame entirely on the government for these realities. Companies have a direct responsibility for business planning, product development, process innovation and customer relations. However, the business environment in which they operate is critical in supporting and accelerating investment and growth.

In Ontario, operating costs due to government policies have been on the rise. Just a couple of examples are the recently implemented Bill 148, with minimum wage increases and a range of other workplace regulatory changes that will directly increase costs for manufacturers. This is in addition to the cap-and-trade program, carbon taxes and ever-increasing energy costs.

At the same time, American policy-makers are working on decreasing costs, including a recently lowered federal corporate tax rate from 35% to 21%. This has been combined with 100% expensing of capital equipment, which has dramatically reduced the marginal effective tax rate on investments in the US and are providing businesses with generous tax incentives to invest in capital assets.

To make matters even more challenging, uncertainty around the future of Canada-US trade relations is casting a long shadow over our industry. Ontario's chief selling point as an investment destination is our proximity and access to the US market. We need to provide businesses with a very good reason to continue to invest in Ontario. Otherwise, they will find it cheaper, easier and less risky to shift their operations south of the border.

Now is the time for action. Further delay will only weaken Ontario's economic performance further. That's why CME is urging the government to use this budget as an opportunity to take bold steps forward on these issues, to reposition Ontario as an attractive destination for domestic and foreign investment, and to grow our critical manufacturing sector.

With this in mind, our recommendations to the government of Ontario for budget 2018 are focused on four core areas: investment, innovation, skills, and energy.

First, on investment: Modernize the tax and regulatory system to ensure that it is globally competitive and is below that of the US, and to provide incentives for investments in innovation, productivity and growth. Specifically, the overall corporate tax burden on Ontario manufacturers must be lowered to be below the OECD average rates and much more competitive with the US rates. We believe that a combined federal/provincial tax rate of 20% would be competitive, given the recent aggressive tax reforms in the US.

Second, on innovation: Support innovation through investment in machinery, equipment, technology and advanced manufacturing processes to boost productivity and facilitate the commercialization of innovative products. Based on technological change through Industry 4.0, manufacturing is going through rapid changes globally, and Ontario companies are falling behind. Manufacturers are near the bottom in the OECD in capital investment and technology adoption, despite the fact that in Ontario we have a unique combination of a highly advanced and established manufacturing base along with globally renowned technology clusters. Specifically on this, we believe the government should act by providing businesses with an immediate, 100% tax writeoff on purchases, installation and integration of machinery, equipment, software and advanced technologies to match recent US changes. Currently, the province matches the federal accelerated capital cost allowance processes with a two-and-a-half-year writedown on capital purchases only. Second, expand and recapitalize the provincially funded CME Smart Program to include productivity improvements and other capital expenditures necessary for SMEs to remain globally competitive. Third, adopt a patent box tax regime similar to those in Quebec and Saskatchewan to allow profits related to the sale of products that are tied to innovations created in Ontario to be subject to a more favourable tax rate. This will provide companies with a strong incentive to innovate, and commercialize innovations, right here in Ontario. Fourth, the province should continue to support the creation of manufacturing hubs and technology demonstration centres that connect the province's technology companies with manufacturers, with a focus on technology commercialization and adoption. This should include additional and continued support for the federal super-cluster strategy.

The third area is to increase investment in skills-related initiatives, including industry-led training initiatives, and working closely with industry to attract under-represented groups into jobs in manufacturing. Simply put, Ontario manufacturers are struggling to find workers. The unemployment rate in the manufacturing sector sits at 2.7%, which is far lower than what would be considered full employment, and indicates severe labour and skills shortages in the sector. In fact, roughly 50% of our members state they have existing skills shortages that impact their investment decisions and ongoing growth. To address this issue, we believe the Ontario government should first work with industry and the education system

to encourage students, especially women, to enter into careers in STEM fields and related trades. This should include an expansion of the Ontario Open Doors program, which introduces youth to manufacturing careers at an early age. Second, the Canada-Ontario Job Grant is an excellent example of the type of supports that are necessary. However, it is limited in scope. We recommend enhancing the program by increasing the funding and expanding its application to more on-the-job training and to make it available to more companies doing more activities.

Finally, on electricity costs: We must lower electricity costs to encourage investment and further production. During CME consultation with members about growing and expanding manufacturing in the province, the top concern raised by most companies is energy costs. While the electricity rate may be improving for a small segment of very large electricity users that can shift their usage away from peak periods based on recent program changes, the costs for the majority are not improving. The fact is clear that the majority of Ontario industry continues to be at a significant rate disadvantage on a North American basis. To support the growth of manufacturing, we recommend that we should expand the Northern Industrial Electricity Rate Program to all manufacturers across Ontario; we should immediately eliminate the debt retirement charge for all manufacturers; we should streamline and expand the industrial conservation initiative program to better enable manufacturers to lower their electricity rates; and, finally, we should reopen, streamline and expand the industrial electricity rate incentive program to all manufacturers.

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To sum up, manufacturing in Ontario is the largest single contributor to the wealth and prosperity of the province, but the province has become uncompetitive for investment attraction, which is weakening the position of the sector in a very globally competitive sector. This erosion of competitive position not only hurts the sector but the health and well-being of over two million Ontario families.

We believe that action is urgently needed to improve the business climate for manufacturers in Ontario, to reverse declining trends in investment and to position our sector once again to be a global leader. Lowering the overall corporate tax burden, encouraging investment in new productivity-enhancing machinery, equipment and technology, fostering new product innovation and commercialization, addressing labour and skills shortages and improving our energy and physical infrastructure are all critically needed.

I thank you for the opportunity to present, once again, and I look forward to the discussion.

The Acting Chair (Mr. Grant Crack): Thank you, Mr. Wilson. We'll begin with the official opposition. Mr. Fedeli.

Mr. Victor Fedeli: Thank you very kindly, and thank you for sticking it out. We heard from the chemical industry, just on this trip as well. When they talked about

Ontario, they said that this is the land of "missed opportunities" because things were happening in the chemical sector worldwide—Canada-wide—and while there are announcements in Ontario, I think he said that there should be eight times that or perhaps 10 times that. He said that we "no longer have that competitive advantage." That was a key word that we heard from him.

We also heard from the Business Development Bank of Canada—the BDC—just today, as a matter of fact, that Canadian business owners plan to boost investment in 2018 to \$140.5 billion, which sounds great, and it is a great announcement, except BC is up 17%, Alberta is up 12%, Quebec is up 11%, and Ontario plans to trim investments by 1% next year.

These things that I've talked about from the chemical industry and the BDC and industry in general—is this what you're finding in Ontario?

Mr. Mathew Wilson: Yes, absolutely. Our own stats—and I mentioned some of them—are exactly along the same lines as that. One of the most interesting stats I've heard recently is, since the recession—and we like to measure a lot of things on what has happened since the recession—investment in greenfield operations in the United States has increased by about 45%, and in Ontario it has decreased by 40%. That's just another stat to show where we sit globally. That's foreign direct investment—greenfield investment into Ontario. It shows the gap that we've got and that we've developed, and it's for a combination of reasons. It's not just one thing; it's a combination of things that lead to that.

The reality is, the longer this continues and the bigger these gaps get, the harder it becomes for Ontario to recover from it. It's not just manufacturing; it has crossed a lot of sectors that this impacts. We really do need to start seeing a reversal in these investment numbers. If we don't see a reversal, what you end up with is old, uncompetitive factories that are not able to compete against their primarily American sister plants, and the production tends to move into the US. We lose jobs, we lose the investment, we lose economic activity in the province, and that's a huge problem.

Interjection.

Mr. Victor Fedeli: So you're suggesting what he's saying is wrong? Is that what I'm hearing? I'm just listening over the—but I'll go back, because it's my turn to ask questions.

The US tax rate is scheduled to drop to 21%, but there are existing benefits also that will accrue downwards. We're concerned, of course, that the actual tax rate reduction will be far less than 21%. Obviously, you're talking about that as being one of the detriments to business as well.

Do you think that if we were to take the conservation funding that's on the hydro bill today and shift that from the hydro bill—shift that social cost to the government and take it off the hydro bill—would that have a positive effect on your hydro bill? Obviously, it would be lower, but would it have a positive effect and help consider investment?

Mr. Mathew Wilson: I think any time you can reduce operational costs for anyone in any type of business or even in government, it's a beneficial thing. So I guess the answer would be yes.

The thing I'd say, though, about the US corporate changes is, everyone is focused a lot on that 21%, and that is really important. There is a range of things that they've done collectively in the United States. I mentioned one on the tax writeoff. That's probably a bigger issue than, frankly, the capital tax issue because that goes directly to the issue we're trying to get at. We need to drive investment, and corporate taxes do help with that to some degree, but the ability for companies, especially small companies, to improve cash flow through better tax returns, which is really what the accelerated writeoff does—it's not saying we're going to tax you less; it's just the cycle in which your tax changes. By shortening that cycle, it gives a better cash flow; it gives companies a better ability to reinvest. That's a bigger factor, probably, than the corporate tax rate for a lot of companies.

Mr. Victor Fedeli: It's no surprise, then, that our party is going to be removing the conservation funding off the bills, but what we're also saying is that we agree with you. Tax holidays are employed in the US. That's how they attract foreign investment down there. Part of our plan is to create a tax holiday to attract jobs and create jobs. I was going to ask you that question. I think you've already answered that that is something you favour.

Mr. Mathew Wilson: I don't know about tax holidays specifically. Look, there's a range of things in it. I didn't talk about it in my submission specifically, but the US operates very differently than we do in Ontario, much more aggressively in terms of investment attraction. I get told, as I'm sure many of you do when you go talk to business owners in your communities, that they are head-hunted on a regular basis by the US, specifically economic development agencies, either out of a governor's office or other places. And it's not just tax holidays; it's a range of things.

One of the things that we hear a lot about are concierge offices that have been set up. I know Ontario is starting to set one up, Invest in Ontario, which is great. They have offices inside the state governors' offices that are able to cut through regulations and red tape to coordinate across government agencies to trim investment time.

Here's a story that I heard just last week from two separate companies that wanted to invest in Ontario. One took two and a half years—

The Acting Chair (Mr. Grant Crack): I'm going to have to—I gave you an extra 30 seconds, 39 seconds, so I'm sorry—

Mr. Victor Fedeli: Maybe if he wasn't contradicted, he would have had more time.

The Acting Chair (Mr. Grant Crack): I don't think so, Mr. Fedeli. I think that's uncalled for.

Mr. Victor Fedeli: I think the contradiction was uncalled for.

The Acting Chair (Mr. Grant Crack): We have a five-minute time limit. I gave him 40 extra seconds. I don't appreciate those comments.

Thank you very much for coming before committee, Mr. Wilson.

Mr. Mathew Wilson: Thank you very much.

CEMENT ASSOCIATION OF CANADA

The Acting Chair (Mr. Grant Crack): Next we have, from the Cement Association of Canada, Michael McSweeney, president and chief executive officer. Sir, we welcome you, and you have up to 10 minutes.

Mr. Michael McSweeney: Great; thanks. I'm joined by my vice-president of sustainability, Adam Auer, who will join me in a second.

Thank you very much, Mr. Chair and members of the committee. It's always great to come before this committee on an annual basis, especially when I'm here with my MPP, John Fraser. It's great to share any stage with him.

As they said, my name is Mike McSweeney. I'm president and CEO of the Cement Association of Canada. We're the voice of Canada's cement and concrete industry and we have five cement companies here in Ontario: CRH Canada, Lehigh Hanson, Lafarge Canada, St. Marys Cement and Federal White Cement.

All of our cement companies are vertically integrated. What does that mean? It means that we produce cement, we produce concrete and we produce aggregates.

Cement, concrete and aggregate facilities are located in virtually all communities across this great province. There's at least one ready-mix facility in each of your constituencies.

We're a vital participant in Ontario's economy, contributing 50,000 direct and indirect jobs across the country and generating over \$6 billion in economic activity, which supports about a \$37-billion construction industry. Forgive my immodesty, but almost nothing in Ontario gets built without concrete.

As the largest suppliers of building materials in Canada, our goal is to play a pivotal role in building more resilient and lower-carbon communities, and to innovate the cement processing and concrete industry to deliver solutions for a clean economy. We believe it's our responsibility, our commitment and our passion to build, and build for life.

Concrete is the foundation of economic development and prosperity. It's also the world's most important building material. For every woman, man and child globally, three tonnes of concrete is consumed each and every year around the world. That's twice as much concrete as all other building materials combined.

Concrete is ubiquitous, but most importantly, it's a local product. Local products mean local jobs, and local jobs mean jobs in your constituencies that support families across Ontario.

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We have, in our past budget submissions, touched on many topics important to our industry; however, today I

would like to focus on our commitment to society's greatest challenge and the financial implications. That challenge is climate change and how it plays into Ontario's fiscal planning and debate.

It's sometimes surprising for the cement industry to be talking about its commitment to reducing GHGs and advancing a clean economy. However, since 1990 we have voluntarily reduced our GHGs by over 20%. We've been a leading and vocal participant about the need for carbon pricing and complementary GHG reductions for over a decade. We're an active partner in and champion for the clean economy transition, and our priority is to build climate-resistant communities, which includes buildings and infrastructure both above ground and below ground—above ground: schools, hospitals and highways; below ground: services like sewers, water mains and waste water treatment facilities.

Governments across this country and in Ontario, all three levels of government, will spend \$800 billion on infrastructure over the next decade. There's \$800 billion of infrastructure money being spent over the next decade. That's a lot of taxpayer dollars, and we want to ensure that the taxpayer dollars are spent effectively and efficiently, so I would like to comment on how to protect the finances of Ontario taxpayers, and will comment on the four ways that this will happen.

First, let me talk about life cycle assessment to protect tax dollars. Over the past two years, we've been champions of what I like to call a three-screen life cycle approach to infrastructure investment decisions. Before funding any infrastructure investment or transferring any provincial funding to municipalities, the government of Ontario should conduct a full life cycle cost assessment versus a traditional initial lowest-cost framework. We all know that when you pay the lowest amount or you award a tender to the lowest bidder, you're going to get the lowest quality.

We want the government to look at the comprehensive carbon assessment, including embodied carbon, operational carbon, end-of-life carbon and sequestered carbon impacts. Simply put, for every dollar of spending that the government makes, it should look at each and every dollar through a climate lens. This is how we will truly reduce greenhouse gases across the province.

Finally, the government should conduct an assessment that looks at the best available solutions. This assessment considers whether the need associated with a given infrastructure project can be met using new approaches, technologies and designs that perform better under one or both of the first two criteria that I mentioned.

We're very pleased that the Ontario Ministry of Infrastructure recently released its long-term infrastructure plan. It included, for the first time ever, the concept of life cycle assessment. A critical principle recognized through the long-term infrastructure plan is the need, as I mentioned earlier, to focus on value rather than just the upfront costs.

We strongly support Ontario's plan for balancing costs with fiscal responsibility, economic growth and pro-

ductivity, innovation, social and community benefits, effective maintenance and asset management, and environmental sustainability. We applaud the government for its life cycle approach in the long-term infrastructure plan, and continue to work and ask government to ensure that the funding it gives to municipalities or spends on its own for infrastructure investment applies the three-screen life cycle approach.

Our motto is very simple: Build it once, build it right and build it to last. Any infrastructure investments and planning must consider long-term resilience. Our current infrastructure is not as resilient as needed, especially in the face of today's changing weather patterns. As we've seen, weather is becoming more extreme: floods, storms, wildfires, melting permafrost, and hurricanes down south. Our infrastructure must be able to respond to those challenges and changes. How do you do this? Ensure that Ontario's codes and standards are updated to reflect new priorities, including moving quickly to net-zero-ready housing standards.

We need to take an approach that focuses on the best approach versus the minimum standard. Today, the Ontario building code is the lowest code. It's the lowest common denominator because, when it's written, it has to take into account so much consensus. Most Ontarians would expect that we have a gold-level codes and standards system. We really don't; we have the lowest common denominator.

I would like to touch on carbon pricing. The cement industry supports cap-and-trade and believes that it is the most effective means of delivering real environmental results while putting a price on carbon. The government of Ontario truly understand the cement industry and they understand that we are an energy-intensive trade-exposed sector in Ontario. Over 40% of our cement produced here in Ontario gets shipped to the United States. We always need to be mindful of how to remain competitive with jurisdictions like the US that don't have a carbon pricing system.

As we enter designing the 2020 post-cap-and-trade discussion, it is important to recognize the challenges that come with being an energy-intensive trade-exposed sector and our ability to compete in Ontario. The revenue raised through cap-and-trade, almost \$2 billion so far, all of which will be reinvested into green projects, is a critical step to ensure Ontario business remains competitive while taking steps to reduce greenhouse gas emissions.

Ontario's bold move to establish a fund specifically to help coal-intensive industries like the cement and steel industries move to less carbon-intensive fuels is critical for ensuring that we meet our greenhouse gas emission targets. Through the investments that the Ontario government is making in the cement sector—and that's between \$40 million and \$60 million—we estimate that the program will return between 200,000 and 300,000 tonnes of reductions in GHGs by the end of the program, with deeper reductions happening well into the future.

Finally, the cement and concrete industry are innovators of low-carbon manufacturing and products. We

have a new lower-carbon cement. We want the government of Ontario to mandate the use of this new cement. It's available everywhere in Ontario. It's called Contempra. When you use this cement, it reduces greenhouse gases by 10%. Our industry is an incubator for transformative carbon capture and utilization technologies—for example, CarbonCure, Solidia, Pond Technologies and Carboclave. All of these technologies will reduce GHGs and contribute to infrastructure that will be more resilient and more durable.

We're working collaboratively with environmental groups and civil society to develop a cleaner industry and are leading the effort to bring a responsible sourcing concrete certification program to Canada and to Ontario. Governments—

The Acting Chair (Mr. Grant Crack): Thank you very much. Sorry.

Mr. Michael McSweeney: Great. Thank you, Mr. Chairman.

The Acting Chair (Mr. Grant Crack): We're going to go to Mr. Vanthof of the NDP.

Mr. John Vanthof: Thank you very much for coming and for talking about the cement industry. I have a little bit of a personal connection because my daughter's fiancé works for Pederson Concrete in New Liskeard—

Mr. Michael McSweeney: So you know where it's located.

Mr. John Vanthof: Yes. You've already made some pretty big moves, judging by your paper, regarding greenhouse gas emissions, and there's more to come. What have been the biggest changes you've made so far that have reduced GHGs?

Mr. Michael McSweeney: Adam?

Mr. Adam Auer: The lowest-hanging fruit for GHG reductions—

The Acting Chair (Mr. Grant Crack): Excuse me; could you introduce yourself, please?

Mr. Adam Auer: Oh, my apologies. I'm Adam Auer. I'm the vice-president of sustainability with the Cement Association of Canada.

The lowest-hanging fruit is the substitution of the fossil fuels used to fire the kilns with lower-carbon alternatives, primarily what we would call biogenic carbon, so waste wood and other forms of biomass that come from the waste stream, be it construction demolition waste, biosolids, or agricultural waste. It could also be non-recyclable plastics—that sort of thing. That's the shortest-term opportunity to reduce GHGs in a significant way.

Mr. John Vanthof: You mentioned a different type of concrete: Contempra. From a lay perspective, why does it use less GHG and does it have any other different qualities?

Mr. Adam Auer: Contempra is just a different recipe of cement that uses less kiln-fired material. All of the GHGs come from the kiln process, be it the fuels or the process emissions. Contempra, if you will, dilutes that kiln product with a very finely ground, unprocessed limestone at a higher percentage to give you, basically, more cement for less greenhouse gases.

Mr. John Vanthof: Okay. You used a term I really hadn't heard very much before: a "comprehensive carbon assessment, including embodied carbon, operational carbon, end-of-life carbon and sequestered carbon." I understand most of that. Are there other jurisdictions that already use an approach like that?

Mr. Adam Auer: There are jurisdictions, mostly in Europe, that have much more comprehensive approaches to using that kind of life cycle thinking for infrastructure, but in Canada, it's nascent.

1520

Mr. John Vanthof: Just from a lay perspective, could you explain what that means?

Mr. Adam Auer: It means, for example, if you're building a building or a structure, you account for all of the carbon that was emitted to extract the materials for that structure, to build that structure, the carbon that's emitted from the operation of that structure—heating, cooling, electricity—and then ultimately, the carbon that's emitted when that structure is out of service and the materials end up in landfill or are recycled.

The Acting Chair (Mr. Grant Crack): Just under two minutes.

Mr. Michael McSweeney: Many industries only report their GHG profile once the material is being transformed into something. For example, the wood industry does not count all the GHGs that are created when a truck leaves a facility to go into the forest and they strip off all the bark and the branches and leave those materials to decompose or burn those materials on-site. What we want everybody to do is count all GHG emissions so that the public can really understand where the GHGs are coming from. That's how we'll be able to come up with solutions to reduce the amount of GHGs. So it's not just the overly simplistic, "Oh, you built this product; here's the GHG profile." Look from the very start to when it's finally disposed of.

Mr. John Vanthof: When a project comes to the end of its life, there are also GHGs expended.

Mr. Michael McSweeney: Yes.

Mr. John Vanthof: One of the farmers I really respect—we pour a lot of concrete, and he said, "The only thing wrong with concrete is that it doesn't self-destruct after 20 years," because 20 years is the lifespan of agricultural technology.

Mr. Michael McSweeney: We're working with the government, the Ministry of Natural Resources, to try to get the government and municipal governments to specify first recycled aggregate, or reuse concrete that has come to its end of life, before you use virgin aggregate. For example, at Pearson airport, all of the buildings that were torn down there—all of that concrete was reused as a base in the new runways and airplane aprons.

Concrete is a fully recyclable product. There should never be concrete going into a landfill.

The Acting Chair (Mr. Grant Crack): Thank you, gentlemen, for coming before the committee this afternoon. It's much appreciated.

Mr. Michael McSweeney: Thank you, Mr. Chair.

OTTAWA HEALTH COALITION

The Acting Chair (Mr. Grant Crack): Next, we have the Ottawa Health Coalition. We have the co-chair, Monsieur Albert Dupuis, as well as Mary Catherine McCarthy, outreach and communications coordinator.

We welcome the two of you before committee this afternoon. You have up to 10 minutes for your presentation.

Mr. Albert Dupuis: I am Al Dupuis, co-chair of the Ottawa Health Coalition. On my right is Mary Catherine McCarthy, our communications and outreach coordinator.

We've presented to this committee a couple of times over the last few years. You may recall that we advocate, essentially, for publicly funded and administered health care in Ontario, and in Canada, for that matter. We support the principles of the Canada Health Act. We include in our membership health care advocates, health care workers, retirees, students, and faith and community groups.

The biggest project we took part in, you may recall, was the Ontario Health Coalition's province-wide referendum on whether or not we should be restoring funding to our hospitals to meet community needs for services. There were about 100,000 people who participated in that referendum—volunteer-led and conducted in May 2016. Close to 99% of anyone who took an interest and cast a ballot agreed that the funding needs to come up. As far as Ontarians are concerned, it's a no-brainer. Those things need to happen.

In 2017, we hosted a community consultation here in Ottawa, as did other communities in Ontario, on hospital reform. We heard from patients who confirmed stories in the media of people waiting for days in the ER for admission or days in a recovery room after surgery for a bed on a ward. We learned that the Ottawa Hospital, for example, had been at 100% capacity since 2009, and often over 110%, while there has been a decrease in the number of beds of 5% since that time. Even with that decrease, we have admissions that are up 25%, surgeries up 46%, and ER visits up 40%.

Contrasting with those numbers, we have decreases in staffing. We've lost 611 positions at the Ottawa Hospital in support staff, and countless health care professionals. The allied professional sector reports a 5% drop in dietitians and occupational therapists, an 8% drop in social workers and a 19% drop in physiotherapists.

In practical terms, because they need to triage these professional services when they're in hospital and patients are staying shorter, a lot of the time patients don't get to see these professionals before they leave hospital and then they go out in the community and need to find them there, where, very often, they're no longer covered by OHIP, so they don't get the services in the community. So we have the growth of, in effect, a two-tier system because of those funding shortages.

We've also seen ER doctors recently writing in the Ottawa Citizen of their observations. I'll quote Dr.

Andrew Gee: "We function within the confines of a beleaguered system. How do I care for you when I don't even have space for you? It is not my choice to see you in the waiting room. It is not my choice that I see your grandmother in the exposed hallway. It is not my choice that you wait eight hours with a broken wrist. But it is my reality."

I also quote at length in our written submission Dr. Alan Drummond: "Rather than providing hands-on acute medical care, those who staff the nation's ERs now find themselves increasingly doing after-hours primary care, social work, crisis intervention" etc. "The ER has also, regrettably, morphed into a hospital ward of convenience, warehousing frail elderly patients who would be better served in a hospital bed." Notice that he doesn't say "in an alternate care facility"; "in a hospital bed," he says.

He goes on. He says, "When sick patients can't be transferred to an appropriate ward, they occupy treatment stretchers for prolonged periods, thus denying patients in the waiting room and ambulances timely access to care. When hospitals function at 85% bed occupancy"—this rarely happens. Typically, Ottawa hospitals are at over 100% capacity, and so it's a given that those things happen.

So we have to ask emphatically why this remains the case in Ottawa and Ontario. While we are somewhat pleased that the Ontario government has raised the level of funding this year by 3% after many years of freezes—real dollar cuts, in other words—we note that it is accepted analysis that while this accounts for inflation, it doesn't account for the growth in population and service requirements, which would really put the need at about 5.2%. And while the province has announced temporary increases in beds, the Liberal Party's own documents say that they plan to withdraw them after the election. So this is temporary funding.

Anyway, beyond that, we would like to talk about the fiscal reality, which is that we've pulled basically \$20 billion out of government revenues since the mid-1990s, beginning under the Conservatives and then followed up by the Liberal governments of the day. That's \$20 billion that we could be spending on our social services and our health care system.

I would also quote the Toronto Star article here that recently appeared, talking about taxes, indicating that we haven't had an equal amount of taxes paid into coffers federally and provincially since 1952, and now corporations pay between one third and one quarter of the amount of revenue into services. This has got to change. Even the editorial board of the Toronto Star, bless them, agrees that it's time that this started to change. We need our long-term-care facilities and our hospitals properly funded. We have the lowest level of funding in Canada and, basically, in the developed world. We'd like to see that change.

I'll leave it to Mary Catherine.

Ms. Mary Catherine McCarthy: As in the last couple of years, we continue to have some major concerns about the proposed new Ottawa Hospital Civic

Campus. We're not here to discuss parking or the location, but we're very concerned about the capacity of the new hospital and further privatization of health care in our community.

1530

Firstly, we're proposing that the new site not be developed with a view to shifting patients to private clinics and private, for-profit long-term-care facilities. We're concerned that privatization of elective surgeries, including knee and eye surgeries, as well as diagnostic procedures like endoscopies to private clinics will result in reduced access, user fees and increased costs, as well as poorer care.

The provincial government, which is contributing 80% of the cost of the new facility, should insist that the hospital be constructed with a view to not contracting out services to private, for-profit clinics or corporations for hospital support services.

A good friend of mine needing cataract surgery was told by her physician that the wait time would be about a year to have this procedure done in hospital. Her doctor said that this wait was due to a provincial cap on the number of surgeries he's funded for. The doctor also proposed that the wait time could be down to about two months, at a cost of \$1,200 to my friend, if it was done at his private clinic. This places an undue burden on people, particularly seniors, who most frequently require this kind of surgery. It leaves them to cope with diminished capacity while they wait or pay out of pocket. Many do not have the income to pay out of pocket.

The province must re-examine the numbers of surgeries supported in hospitals, and increase the numbers so that patients are not forced to have necessary surgery done at clinics where they have to pay fees. The provincial government has the opportunity to take leadership on this, to 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, we hear that the development model for the new site is likely to be a modified public-private partnership. We're not sure what kind of modification is being discussed at this point. P3s continue to be discredited because they will likely cost more and deliver less. There are several examples of cost overruns, secrecy, corruption, decreased services and lower accountability to the community with P3 hospitals in Ontario, British Columbia, Quebec and the UK. They've shown that governments should no longer be pushing this.

In the last few days we've heard about the collapse of Carillion, one of the largest UK contractors, which has construction and maintenance contracts with hospitals in Toronto, Sault Ste. Marie, Brampton, Oakville, Ottawa and other places in Canada as well. Here in Ottawa, the Royal Ottawa hospital says they're confident that services will not be disrupted. The contract with Carillion is \$20 million per year. But this is another example of how we cannot rely on multinational companies to provide public services. Unlike Sears, hospitals cannot just

liquidate and close up. Hospitals have to continue to operate and take the responsibility and the risk associated with operating a hospital—especially an essential service like mental health care in a large city.

The Acting Chair (Mr. Grant Crack): Thank you very much. We appreciate that.

We'll go to the government. Mr. Fraser.

Mr. John Fraser: Thank you very much for your presentation and your work.

One of the things I want to highlight is the pressure between primary care and acute care, and the overlap that exists there.

We just had the chiropractors of Ontario here talking about rapid access clinics and MSK clinics. One fact that they put out is that 93% of people with low back pain don't need surgery. Some 40% of people who have hip or knee problems don't need surgery. It can all be dealt with in a way that's less invasive and better for them. It also eliminates opioids.

One of the challenges in the health care system—a big thing—is to make sure you're getting things at the front end. You can build a whole bunch of youth addiction treatment beds, but if you're not, as we are in Ottawa, trying to address the flow—that's one of the challenges that exists there, the pressures that are on the hospitals. It's a big, complex system.

I do feel compelled to say something with regard to health care in Ottawa. I've been working in this community, in government, on behalf of the community, with health care professionals, and for the last 13 years, there has been a crane at every hospital. There has been an expansion at the Queensway Carleton: brand new building, brand new cancer centre, brand new emergency room. The Civic hospital: a brand new heart institute coming on. The Montfort has doubled in size. CHEO: There have been two expansions there; the Ottawa Hospital site, as well. So there has been significant expansion here in Ottawa, and for good reason, because through the 1990s and to 2003, we were orphaned. That's the best way to put it. What comes with that too is what's called PCOP, or post-construction operating plan, which is when you expand services, you have to build your way up.

I guess what I'm trying to say is, it's not all bleak. There are challenges that exist inside trying to balance all those things in this system. We're never going to be done. As a government—any government will never be done, because there is always improvement that is needed.

I might dispute, with all due respect, what Dr. Drummond said. I don't know if a frail elderly person needs to be in a hospital bed, because they're not always there to provide the ambulation that that person needs, and if you're there for three days, you might lose your ability to ambulate, to walk. It may be better—as some of the work that's being done around providing subacute care, or those people in long-term care who have those skills and the resources around there to do that, that that's a more appropriate place. So it's a real challenge to get appropriate care for people.

I appreciate what you do, so please don't take it the wrong way, because there has got to be pressure on all sides to make sure that we get it right. Health care is a really big, complex thing, and what I've learned is that you're always working to get those resources in the right place and it takes the kind of open debate—I mean, I agree with all the things that you're saying. Obviously, we may not agree on what we believe are the important facts or what the facts are, but I want to thank you for coming and presenting that.

That's my comment. I don't really have any questions in that regard, but again, it's important. I want to thank you very much for coming and making your presentation and taking the time to do that and doing the work that you do.

The Acting Chair (Mr. Grant Crack): There's about 55 seconds. Mr. Potts.

Mr. Arthur Potts: Great, if I can, Chair.

Thank you again for making your presentation. I noticed through your comments around the building of these new infrastructures, you called it the privatization of the building. I just want to assure you that in my community, the private-public partnerships in the design, the build and in carrying on those properties for a period of time to return them has been very successful. Bridgepoint Health in my community was built on time and on budget. Notwithstanding some of the comments you made from the Auditor General, there was incredibly good work. The biggest hospital in my riding, the Michael Garron Hospital, is about to get retrofitted with a post-\$500-million retrofit on the same model. I would have an open mind to the efficiencies that we can get by using these partnerships.

The Acting Chair (Mr. Grant Crack): Thank you very much. I appreciate the two of you, Ms. McCarthy and Mr. Dupuis, for coming before committee this afternoon. It's much appreciated.

ONTARIO PUBLIC SERVICE EMPLOYEES UNION

The Acting Chair (Mr. Grant Crack): Next on the agenda, from the Ontario Public Service Employees Union, we have the president, Mr. Warren Thomas. We welcome you, Mr. Thomas, to committee this afternoon. If you could introduce the gentleman you're with, that would be greatly appreciated. The floor is yours. You have up to 10 minutes.

Mr. Smokey Thomas: With me today is Clarke Eaton. He's our legislative liaison and special assistant to the president, which would be me.

Good afternoon. Thanks for having me here. I'm here today to speak on behalf of the 135,000 members of OPSEU—actually, make that 155,000, because we just organized 20,000 part-time college workers. The college council finally ran out of arguments and tricks not to count the ballots. We counted them, and we won, so we're up 20,000 new members.

The budget directly affects my members, and the decisions in the budget make a big difference in how they do

their jobs. Since our members deliver the public services Ontarians rely on, they have the inside track on what is working and what needs to be fixed. Right now, a lot of repair work is needed to clean things up. That cleanup comes with a price tag, but it's a price Ontarians want their government to pay so we wipe out the social deficit we're running.

1540

On privatization: One thing that our members and Ontarians have brought up to me time and again is this government's obsession with privatization and contracting out. It has been a disaster on so many levels. Privatization is like a weed that is choking the carefully tended garden of public services that we've worked so hard on.

Here are a couple of examples. Privatization has been offered as a solution to this government's shortchanging of health care, but Ontarians are paying a high price. More and more, we're seeing patients and their families being forced to reach for their wallets when they go to a private clinic or get home care services or long-term care, and more and more people are having trouble getting timely and targeted health care services.

Part of the reason that many of our roads are more nerve-racking to drive on this winter has been the privatization of road maintenance. This week's news of the collapse of Carillion is just the latest in a string of privatization failures. It's time to put highway maintenance back into public hands, and that would include snowplowing.

If you have been to a ServiceOntario office lately, you'll notice that most of them have been contracted out to private providers. Some days you can go to one of these privately run offices and the lineups look like something you'd find at the meat counter of a supermarket on a busy Saturday morning: Take a number. You can't get the kinds of services that you can in a publicly run place.

I've got to tell you, I've never been to a supermarket on a Saturday morning to get meat, so I'll take the writer's word for that.

I have been to private ones where you go on Saturday morning, and there are two poor souls working in the private one, and they're lined up outside the door, and everybody's mad at them and miserable with them. It's not the workers' fault in those private places, but they are for profit, so they cut back on the staff to make more money.

Speaking of supermarkets, the attempted privatization by stealth—the experiment of selling booze in grocery stores—has also been a failure. I still maintain that LCBO outlets are the best places to sell spirits.

While we applaud the government's decision to sell cannabis in public stores, it's time to speed up the opening of more stores in order to reduce the illegal cannabis market. I also think they should allow vape lounges. We have bars, so why not vape lounges?

Let's go with the facts rather than politics when we offer public services, so here are a couple of things I

would ask that you think about. OPSEU is the major supporter of the campaign to stop privatization called We Own It. There has been a flood of folks signing onto it. We're at 50,000 and counting—actually, we're over 50,000.

The last poll I saw showed that support for privatization is now down to under a third. Ontarians are fed up and it's time to stop privatization dead in its tracks. We're calling for the government to stop any further sell-off of public assets and to take a long, hard look at the ones that have been approved.

When it comes to health care, I'll just say that I agree with everything that the health coalition folks said, but I'll add a couple of comments. I want to come back to health care because it is a top priority for Ontarians. The provincial government should hang its head in shame at its chronic underfunding.

Ontario has the largest population of any province. We should be leading the pack in terms of health funding, but in terms of dollars of funding per person, Ontario is last among the provinces. In last year's budget the overall increase was about 3%—well below what was needed.

A couple of years back, when Kathleen Wynne was trying to get more money out of the federal government, she said that a 3% increase "is not going to cut it." Well, it's also not going to cut it for her government's budget either. We're still hearing about overcrowding in our hospitals and patients being treated in the hallways, and that's just one example of the result of underfunding in health. There are lots more.

I want to turn to another crisis that's brewing in Ontario: the one in our province's correctional institutions. It's a crisis that is out of sight for most of us, but all anyone has to do is talk to one of our members and they'll be alarmed at what is going on behind the walls of our institutions.

A couple of expert reports released last year have confirmed what we have been saying all along: Ontario's correctional system is broken and needs to be fixed. But the government must talk to those who are on the front lines, protecting Ontarians, to find out what needs to be done to fix it.

First of all, the front lines need more correctional officers. There are more lockdowns, more assaults on staff and more violence between offenders.

I know that if any Ontarian spent a day walking around an institution with one of our members, they would come out saying, "Whatever we're paying them, it isn't enough." We need to hire more staff to make sure that Ontarians stay safe. Look at the Elgin-Middlesex Detention Centre, where at least 11 inmates have died since 2009. There were five last year and already one this month.

We also need to up the ante to ensure that facilities and health care services are there to provide proper mental health care to inmates and to deal with addiction problems. These problems affect half of the adult offenders who are behind bars. The simplest way to fix that problem, though, would be to fix the mental health

system, which is broken. Then you wouldn't be so worried about people with mental health issues being in jails.

Overcrowding continues to be a problem in our institutions. One inmate per cell is a basic principle that should be followed both in terms of safety and human rights.

There are also problems outside our institutions. Probation and parole officers have serious workload issues, and it's impossible to meet government standards for things like community supervision and parole reviews of incarcerated offenders.

There is no get-out-of-jail-free card for solving the problems in corrections. We can't only think about the dollar sign when it comes to keeping Ontarians safe.

The public service: Our hard-working members in the Ontario public service have a couple of concerns that need to be addressed once and for all. The freeze on wage grid classifications has been an irritant for too long, and it's time for the government to lift the moratorium on grieving job reclassifications that are a hangover from the Harris years. It's time to let the Grievance Settlement Board make those impartial determinations.

Social services: Underfunding continues to be a problem for children's and social services. Significant investments are needed. First of all, two million Ontarians living in appalling poverty continue to have to fight to survive. Further increases to social assistance payments are needed. I've been coming to this committee for 12 years, and every year I say, please give people on ODSP and Ontario Works a real raise—not 1%, not 2%, but a couple of hundred bucks a month. Let them get out of poverty.

Publicly run developmental services agencies, with the experience and expertise, continue to be shortchanged while \$677 million is being spent on the Passport program, which will lead to less predictable outcomes. That's where clients find their own services, which is just a very sinister form of contracting out.

Workers with the province's children's aid societies face daunting workloads and costs, and health and safety concerns.

More than half of our child protection agencies were in the red last year, and crushing workloads are making it hard for child welfare workers to meet mandated provincial standards.

There's also the reality of 18-month waiting lists for some of the more than 12,000 children and youth needing mental health support. I'm sure we all agree that is totally unacceptable.

Technology: I want to briefly touch on providing services online. Of course, OPSEU members realize that such services are the way of the future, and we're always ready to embrace change—but smart change. Technological advances can be a good thing, but they can't replace the tens of thousands of dedicated and caring public servants who, day in and day out, provide the personal touch to folks who need help. The disaster with the province's SAMS social assistance software and the mess created by the Phoenix pay system federally show why we need to end outsourcing and stick with tried and

proven internal systems. The same company provided both of those systems. Our members keep the wheels turning in Ontario. Technological advances should be the tools, not the replacements.

Bill 148: We're keeping tabs on Bill 148 and how it changes the landscape of workplace rights in the province. OPSEU is a leader in the fight for fairness in the workplace. We welcome many of the enhancements contained in the legislation, such as the minimum wage, changes to make unionization easier for some workers and the requirement for employers to provide equal pay for equal work. We really do applaud the government for those moves.

We've been watching with some concern how some private sector employers have treated vulnerable workers who got the minimum wage increase this year. We want to make sure that the government is going to provide public sector employers with sufficient funding to ensure compliance with Bill 148. If the government wants to improve employment standards in Ontario, workers should not be the ones footing the bill.

Central bargaining: Currently, there are no provisions in the Labour Relations Act to facilitate broader-based bargaining structures and/or sectoral or central bargaining. That is something that is needed, especially where we have small employers, fragmented sectors and precarious work. The result will be fewer costly labour disruptions and significant cost savings through the centralization of resources—that's for collective bargaining. OPSEU would like to see more central bargaining, but to make that happen, the government needs to get away from funding agencies on an annual basis and move to stable, long-term funding. The—

The Acting Chair (Mr. Grant Crack): Thank you very much. The time is up.

We'll move to the official opposition. Mr. Fedeli.

Mr. Victor Fedeli: Smokey, why don't you just carry on and finish, and then I'll get into my questions.

Mr. Smokey Thomas: Okay.

The colleges: We've come through a tough year in Ontario's colleges because of the employer's inflexible attitude that forced our members to go on strike last year. Many of the issues surrounding that strike haven't gone away. Years of government underfunding have created a situation where Ontario ranks last of all 10 provinces in funding per student. In 2015-16, government grants accounted for less than half of the colleges' revenue. Tuition fees contributed 20% of revenue, and the balance came from classroom and ancillary fees paid by students. Government underfunding has pushed colleges into questionable ventures with private colleges, corporations, overseas campuses and contracting out of services. At the root of the problem is pressure from government for the colleges to run like for-profit businesses.

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Underfunding has also resulted in the colleges relying heavily on a cheap-labour strategy, on part-time support staff and contract faculty. It has created a precarious workforce, but we're working to change that.

I'll wrap it up with that, Vic.

The Acting Chair (Mr. Grant Crack): Thank you very much. Mr. Fedeli.

Mr. Victor Fedeli: Thank you very much, Smokey, and welcome. I've got a couple of questions—three, actually.

Why don't we start with Wayfair? Do you want to weigh in on that particular topic?

Mr. Smokey Thomas: Do you mean Waypoint?

Mr. Victor Fedeli: Waypoint; I'm sorry. I called it Wayfair.

Mr. Smokey Thomas: Sure. Waypoint is in your leader's riding. It's a psychiatric facility that replaced the old Oak Ridge. It was a public-private partnership built incorrectly. It probably needs—some people say the estimates are \$100 million worth of retrofit internally to make it safe, and it's only a few years old. Nobody wants to take responsibility for the construction shortcomings. I got kicked out of a P3 conference for asking a question: Who is going to pay to fix the place? It is very, very unsafe. There have been very serious, life-threatening assaults on the staff members who work in that place. Minister Flynn from the government side recently announced some 200,000-odd dollars to run a study there to prevent PTSD in workers who get injured. But I say to the minister, fix the problems in the workplace so they don't get injured. Then you don't have to worry about the PTSD. They've got to fix some of the staffing model in there. The treatment model just doesn't work for the clientele.

The building itself is very, very unsafe. I keep fighting with Flynn and Minister Hoskins and the CEO of that hospital, who I've called on publicly to be fired many times. She's just very, very stubborn and says there's nothing wrong, and the next day there's another injury. It's a tragedy waiting to happen. I think, really and truly, it's just lucky that no one has been killed, but we've had people suffer life-threatening injuries, be stabbed multiple times with screwdrivers, be choked near to death, eyeballs popping out of the sockets, you name it. I worked in a psych hospital my whole life. I've been injured, but we never had injuries like this—never—in all the years I worked in one.

Mr. Victor Fedeli: From that to a real-life example as well, in Thunder Bay: Our leader, Patrick Brown, and many of us toured that facility. We toured it the week of the incident where the guards were taken captive. We know that there's a crisis in corrections that you spoke about, and part of it is including new buildings. I know that's not the right solution to everything, but would you agree that at least some of these buildings are long overdue for upgrade and replacement?

Mr. Smokey Thomas: Thunder Bay was—I've been through it; there's a dirt floor in the basement. So, yes, it really needs to be rebuilt. But—what is it?—five years to get on the build list? That's a long-term solution. A short-term solution, though, Vic, would be more officers; reopen some beds. There are a couple of big human rights cases. The government has to comply with recommendations sooner or later.

The cure for corrections really is money, at the end of it all. Building new jails is a good thing. Ottawa here is going to get a new facility, but there's so much more that needs to be done.

If I could, Vic, just to go back—

Mr. Victor Fedeli: Please.

Mr. Smokey Thomas: If you want to get at the crisis in corrections, you also have to get at the crisis in mental health. Fifteen years of austerity have seen cuts to every public service there is. The government of the day, to their credit, is saying they want to reinvest and fix things, but they're reinvesting a fraction of what was cut. I call for a bigger look at corrections, a bigger look at mental health, a bigger look at all these things—a look at public services in general.

What 15 years of austerity have done to public services will take a generation to make right. But what are the things you can do in the short term to make sure nobody gets murdered, nobody gets taken hostage, that inmates don't die in custody, that they don't commit suicide just because of the abject desperation of their situation? There are so many things that have been made so much worse by the austerity agenda to fund P3s and infrastructure and things like that.

Mr. Victor Fedeli: The announcements don't equal the cuts. Is that what you're saying?

Mr. Smokey Thomas: Exactly, yes. Thank you; I'll remember that.

The Acting Chair (Mr. Grant Crack): Thank you very much. We appreciate you, Mr. Thomas, coming before the committee today.

Mr. Smokey Thomas: Thank you.

CANADIAN FUELS ASSOCIATION

The Acting Chair (Mr. Grant Crack): Next on the agenda we have the Canadian Fuels Association. We have Ms. Lisa Stilborn. She's the vice-president of the Ontario division. We welcome you, Ms. Stilborn. You have up to 10 minutes for your presentation, followed by up to five minutes from the third party, the NDP. Welcome.

Ms. Lisa Stilborn: Thank you very much, Mr. Chair. It's very nice to be here. I must say that I think the last time I appeared before this committee I was the chair of Bruyère Continuing Care, so it's really interesting to hear the discussion about health care.

Thank you very much for having me. We had a little bit of a photocopy malfunction, so some of you may have a copy of the remarks in green. That's sort of by accident, but the paper works just as well, I think. It's in a different colour, though.

First of all, thank you very much, Mr. Chair. You've introduced me and who I am. We really appreciate the opportunity on behalf of our members and the association to be here today. Just a couple of words about who we are: We refine, distribute and market the fuels that power our trucks, trains, ships, planes and automobiles. We also produce asphalt, heating fuels, lubricants and feedstocks for manufacturing facilities.

I would note that we have a particular interdependence and codependence—synergy is maybe a better way of putting it—with the chemical sector. I think you heard from Bob Masterson this morning. I would also note that our members are some of the largest producers of biofuels, actually, as well. In sum, what we do really is underpin and help to fuel the economy. That's a little bit of a pun, maybe, but it is quite true. We're actually classified as critical infrastructure, which is not unlike what some of the other witnesses have been talking about today in terms of critical infrastructure: hospitals, energy and so on.

A few words about what we do in Ontario and who we are: Our members that operate in Ontario include Husky, Imperial Oil, Shell Canada, Suncor, Petro-Canada Lubricants, Irving Oil, and Parkland Fuel—they all do business here—and we have five refineries that we operate. They're mainly in the southwest, in the Sarnia area. Again, here, we work very closely with the chemistry sector there. It's really a cluster. In fact, I think it was an industrial cluster before they started calling them industrial clusters. It goes back some time.

We also own and operate a lot of the marketing and distribution—the supply chain—that helps get our fuel around the province and around the country. Our jobs footprint: About 5,400 people directly are employed by us, and we have about 22,000 other people who work in distribution, marketing and retail. Our GDP is significant. Certainly we acknowledge that other sectors are larger, but to the extent that we're concentrated in the southwest, that's quite an important economic impact that we have.

A couple of words: Obviously we're very committed to improving our environmental performance and we believe in good environmental regulations. Some of the improvements we've made in environmental performance are the results, frankly, of better energy-efficiency use, which drives fewer emissions, whether it's with air quality or with GHG emissions. We'll talk more about that if you have any questions.

I'd also like to talk a little bit about the economic outlook we're facing, because that goes to your question—you're obviously looking at some of the priorities for the government in terms of the budget and recommendations you might make to the minister and the ministry. I think in our case, we just really want to reinforce our role in the economy and the impact of some of the policies that we're facing and could be facing. Our message here is not to not do these policies but to think carefully about regulatory policies and consider staging and pacing them.

In particular, I'd like to highlight the fact that we've had some third-party studies done. We've had two studies done, one in 2012 and now, more recently, in 2017 by a firm called Baker and O'Brien, which looks at Ontario refinery competitiveness. We face some challenges, especially here in Ontario and in eastern Canada, because we face more and more competition from Gulf Coast refineries in particular—large-scale refineries in the US that have easy access to tidal water. That has helped make our market truly global.

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We're seeing a situation now where we face increasing US imports. As we know, particularly on GHG or greenhouse gas emissions and climate change policies, they don't face carbon policies in the US. I'll talk a little bit more about that later, but there are other cost advantages that they can probably achieve.

Economies of scale are really important. Our refineries tend to be older and they tend to be smaller. It's a very, very capital-intensive business. About \$10 billion are the basic stakes if you want to build a refinery. The profitability on gasoline and diesel is in cents in terms of the profit margin. So economies of scale make a big difference in particular.

Baker and O'Brien found—I think there are up to five refineries in eastern Canada, and eastern Canada includes Ontario, Quebec and Atlantic Canada. The most significant number of refineries is in Ontario—as I said, five out of 15, or about a quarter of our capacity in Canada. They have found that Ontario refineries are particularly vulnerable to closure. That is due to a number of factors, but particularly as underlie the cumulative impact of regulations we face here in Ontario. Again, that is not a reason to say, “Don't regulate or don't make good environmental regulation,” but just be careful about how you stage and pace those regulations.

What's at risk for Ontario? Why is that important? Most importantly, I talked at the outset about how we really help to power and fuel the economy. We're all realistic and we all understand that the economy is changing and the fuel mix is changing, but today, a snapshot will tell you that we produce 95% of the transportation fuels in Ontario. Again, those are the fuels that power vehicles. They help support freight. We produce jet fuel and we move cars and trucks in particular.

Again, the mix is changing. There are more and more biofuels, and as I say, many of our members are actively engaged in that industry as well. The National Energy Board and most of the government forecasts suggest that the demand will remain pretty constant between now and 2035 and then start to trail off.

The biggest source of growth for demand in fuels right now is freight. That's something we're doing a lot of work on to try to look at ways of managing emissions for freight and managing energy efficiency for freight more effectively, whether it's different routing for drivers or different practices and so on, to try to bring those emissions down. Things like our habit of shopping online and our demand for just-in-time delivery: That's one of the big drivers of freight.

One of the other drivers as well is consumer choice at the moment. I know we're all working to try to change those consumer choices toward SUVs. I think the growth in that market—Dennis DesRosiers, who is a well-known expert on the auto sector, has indicated that it grew by about 50% last year. One of the phenomena, really—and I've talked to some of you and some of your colleagues about this—is that when gasoline prices and diesel prices go down a little bit, people think, “Oh, great; I'll go and buy an SUV.”

It points to the fact that if we're going to deal with these challenges, particularly around greenhouse gases and climate change, it's a big needle to move in terms of consumer behaviour. We know that the government is doing a lot to try to address that, but it takes some time. We're trying to do our part as well, particularly focusing on areas such as energy efficiency.

With that in mind, knowing that we account for 46% of Ontario's total energy mix and 95% of the supply of transportation fuels, what does it mean that our Ontario refineries are more vulnerable? Really, what it means is that at the end of the day, there is a real risk that supply reductions could actually outpace demand reductions. And so what? A lot of people would say, “Well, does that really matter?” I think we would argue that it does matter. We are critical infrastructure. We think that energy security and making the energy—supplying and refining their product here in Canada makes a difference.

It would certainly drive up our dependence on imports. That, in turn, makes for a longer supply change and increases our chances of supply interruption that could affect all sectors of our economy—

The Acting Chair (Mr. Grant Crack): Thank you very much.

Ms. Lisa Stilborn: Am I done? Oh, my God.

The Acting Chair (Mr. Grant Crack): Yes.

Ms. Lisa Stilborn: Are you kidding me?

The Acting Chair (Mr. Grant Crack): I'm sorry.

Mr. Vanthof.

Mr. John Vanthof: Thank you very much for making your presentation.

Ms. Lisa Stilborn: I'll try to draw out some of my report. Sorry about that.

Mr. John Vanthof: No, that's okay. I would be remiss if, on behalf of my constituents, I didn't ask the question: What impacts the difference in the price of gas across the province, and what happened to the correlation between the price of a barrel of oil and a litre of gas?

Ms. Lisa Stilborn: Thank you very much for that question, Mr. Vanthof. It's really interesting. I worked for the association for about three years, and I have to say I used to be a supplier or a consultant to the association. I would say, 25 years ago, that would be the question we got every day. There are a lot of different components to the price: There's the retail margin, there's the wholesale margin and so on. I think, in general, prices are very competitive. Volatile prices mean it's a competitive price market.

I also think that you may want to take a look at the Ontario Energy Board, which, on behalf of Energy Minister Thibeault, conducted a study on the energy market. They looked at whether it was price-competitive and looked at the impact on consumers in particular. It found that it was quite price-competitive.

Prices are certainly volatile and, in every market, there's a market leader. That's why I think, from what you see particularly in the north, in one community the prices could be quite different from what they would be in another community.

Mr. John Vanthof: Oh, we're very aware of that.

Ms. Lisa Stilborn: Anyway, we don't talk too much about pricing. I certainly don't comment on individual pricing, companies or trends. Part of that is that we're pretty strictly bound by the Competition Act. But I think that report is a pretty interesting place to go. One of the things they also concluded was that there is a number of jurisdictions in Atlantic Canada where prices are regulated, but at the end of the day, consumers actually end up paying more, not less, over time. Each market is quite different. I hope that answers your question.

Mr. John Vanthof: I really appreciate that answer. I have asked that question on behalf of my constituents at every level of the chain, and there is no profit anywhere in the chain—cents per litre everywhere—yet on my trip every week to Toronto, there's sometimes 20 cents' difference.

Ms. Lisa Stilborn: Yes. I think it does depend on the market leader—

Mr. John Vanthof: Some people are losing a lot of money. It is extremely frustrating, especially for people who have no other source of transportation. The reason a lot of people have SUVs in northern Ontario is because that's about the only safe thing on the road in northern Ontario right now.

Ms. Lisa Stilborn: No, absolutely.

Mr. John Vanthof: I apologize for my frustration.

Getting back, I'd like to talk about something about biofuels. The mandate level for ethanol is going up in gasoline. Does that impact your industry at all?

Ms. Lisa Stilborn: Yes. I think you're referring to the regulation right now. Obviously, your colleague Mr. Potts would know about it a little bit more—looking at increasing the ethanol content in regular gasoline.

There are implications for different regions in terms of the volumetric mandate aspect of it—how much content you have to increase. We've had a couple of good consultations with other stakeholders, with MOECC officials.

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We understand there's also going to be a carbon intensity index. So it's not just any ethanol that you can add, but it's also going to be the better stuff that is better-performing, from the point of view of emitting fewer GHGs.

So it certainly does affect us.

One of the things that I didn't get to say—Mr. Chair, sorry about that.

The Acting Chair (Mr. Grant Crack): Go ahead.

Ms. Lisa Stilborn: We've been working with the Ontario government to try to align its policies with the clean fuel standard that the federal government is proposing. In an ideal world, there would only be one set of mandates for biofuels across the country. Right now, there are 14; this other proposal in Ontario makes 15. Quebec is proposing one. Manitoba is proposing one. Some of them are volumetric mandates, which I talked about—so just strictly quantity—and some of them are about carbon intensity, or performance of the biofuels as

well. In an ideal world, there wouldn't be all those mandates. But we're at a point where we're working with officials to try to look at ways to make this regulation achievable. We really appreciate—and that's part of our message, I think: Any time we have a chance to work with the regulators to achieve a regulation, it's always a good idea, because we're the obligated party and we can probably give some advice about how to do it better. So that's what we're doing right now—

The Acting Chair (Mr. Grant Crack): Thank you very much. I have to end it there. I appreciate you coming before the committee, Ms. Stilborn. Your comments are appreciated.

Ms. Lisa Stilborn: I had no idea I was so long-winded. Thank you very much.

The Acting Chair (Mr. Grant Crack): You're welcome.

LAW SOCIETY OF ONTARIO

The Acting Chair (Mr. Grant Crack): Next on the agenda, we have the Law Society of Ontario and Mr. John Callaghan, bench and chair, legal aid working group.

You have another gentleman with you. If you would be so kind as to introduce him, it would be much appreciated.

Mr. John Callaghan: Aaron Denhartog is with me. He works with us at the law society.

The Acting Chair (Mr. Grant Crack): Thank you.

Mr. John Callaghan: Thanks for having me. I appreciate all of the hard work this committee is doing over its tour of the province.

As indicated, my name is John Callaghan. I'm a bench of the Law Society of Ontario. I serve as chair of the government relations committee. I also serve as the chair of the legal aid working group, which is about to release its report next week.

After 220 years, you'll be happy to know that the Law Society of Upper Canada has decided to change its name to the Law Society of Ontario, to better reflect our members and the public we serve.

As most of you know, the law society regulates licensees in Ontario, which includes 50,000 lawyers and over 8,000 paralegals. Its principal duty is to protect the public interest in Ontario, to maintain and advance the cause of justice and the rule of law, to facilitate access to justice for the people of Ontario, and to act in a timely, open and efficient manner.

I'm here today to talk about legal aid. Legal aid is a critical foundation of access to justice for Ontarians, more and more of whom find themselves unable to afford a lawyer and ineligible for legal aid services. Of course, this is not surprising. We live in a highly complex world with many regulations and laws—it adds complexity to many of our members of society to access services and to obtain their rights. Commensurate with the complexity is the cost of legal services. Obviously, it takes years to master the law, it takes hours to master a case, and as a

result, it becomes expensive for those who seek access to justice in Ontario.

There is a hope that some areas of our social network won't require lawyers, but still the need for legal counsel persists. As a result, there is a need for legal aid. Indeed, we see more and more people representing themselves or failing to take any steps to address their legal problems, all of which conspires to actually increase costs, both to the courts and to related social services.

Studies and research bear this out:

—A lack of access to justice is often a symptom of a larger set of issues: medical, social, economic.

—Effective representation by lawyers has a dramatic positive impact on those outcomes.

—A lack of early legal intervention, from the provision of legal information to summary advice to representation, allows issues to escalate and compound.

—As issues compound, the lack of access to justice is perpetuated and reinforced.

All of this leads to increased costs across a range of services.

You'll be aware that Ontario's Auditor General conducted a value-for-money audit of Legal Aid Ontario in 2011, with positive results. This is important: There is a growing recognition that legal aid, if treated more on par with other essential services like health care, education and social services, could significantly contribute to cost management and the reduction efforts more generally across government to save money. Indeed, it's not a luxury but a social good, and perhaps a positive economic contributor.

Other western jurisdictions have tried to quantify this effect. For example, every dollar spent on legal aid in Australia returns approximately \$1.60 to \$2.25. In Florida, the government is said to save \$4.78 for every dollar in legal aid spent. In New York, it's said to be \$5. Indeed, according to various published data, the savings to governments for every dollar spent on legal aid can range from a low of \$1.60 to as high as \$30.

If these findings apply to Ontario—and there's been a dearth of research in this area in Ontario because of a lack of justice data—legal aid may more than pay for itself, and, more importantly, be a positive contributor to a prosperous Ontario.

Currently, legal aid has a cut-off, a financial threshold. Only those making a gross annual income of \$13,635 for an individual and \$30,384 for a family of four qualify for legal aid. Clearly, there is a significant gap between those who qualify for legal aid services and those who need it, resulting in a large segment of Ontario's population who require legal assistance but cannot afford it. In 2001, it was calculated that only 7% of Ontarians were eligible for legal aid, yet 16% were below the low-income cut-off. The law society and others came to committees like this, and to the government, and asked to close that gap.

In 2014, the province of Ontario committed to increasing Legal Aid Ontario's financial eligibility to match Statistics Canada's low-income measure. This would take 10 years, they said. To date, Legal Aid Ontario has been

provided with \$86 million in additional funding, which has resulted in 400,000 more Ontarians who are now eligible. This number will continue to grow to one million as a result of the commitment to future investment.

As a result of the new funding, LAO has been able to provide new types of services not previously available to clients, in addition to their eligibility.

An additional \$20 million in new funding since 2014 has also enabled LAO to help low-income Ontarians with poverty law issues within their communities by increasing access to community legal aid clinics, which, you are no doubt aware, are a real jewel in our legal aid system that does not exist elsewhere in Canada.

However, the current increases do not represent a long-term solution to financial eligibility. The low-income measure has continued to increase since 2011. The gap between legal aid's financial eligibility thresholds and the low-income measure will continue to grow, and, without appropriate long-term solutions, LAO will be facing a significant gap.

As we approach the 2018 provincial election, we are asking all political parties to commit to the 10-year funding commitment announced in 2014. There is also an urgent need to ensure predictable funding in the future. A regular tariff review mechanism would avoid past situations where the tariff was increased only in response to a crisis.

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We are asking this committee and all political parties to commit to a permanent review process to provide reasonable remuneration in the future. This could be accomplished through a periodic adjustment to tariff rates using a defined formula or benchmark such as the consumer price index.

The law society has a long-standing commitment to ensuring strong, readily accessible and sustainable legal aid services are available to low-income Ontarians. Protecting and enhancing legal aid is critical to ensure that each and every Ontarian can benefit from fair and just treatment. Next week, we'll be releasing a report which confirms the law society's abiding interest in legal aid and our support to complement Legal Aid Ontario as a principal element of access to justice in Ontario.

Before I finish, I would like to also express the law society's support for the expansion of Unified Family Court in Ontario. The expansion is much needed and long overdue. The law society welcomes its inclusion in the mandate letters of both the federal Minister of Justice and the Ontario Attorney General. The expansion will ensure that more Ontarians have a single court to handle all family matters, making the process easier on families while optimizing judicial time and resources.

Currently, only 40% of the people in Ontario have access to Unified Family Court. However, there are a number of jurisdictions that are ready for the next stage of expansion. There is currently a unique opportunity for the federal and provincial government to work together on expansion. On behalf of the people of Ontario, like yourselves we continue to meet with the federal govern-

ment on this issue, and we encourage continued co-operation between the province and the federal government to move towards the expansion. In that regard, we'd like to acknowledge the Attorney General's work on this file and note that his current proposal would see immediate expansion in Belleville, Picton, Pembroke, Kitchener, Welland, Simcoe, Cayuga and St. Thomas.

Finally, there is an issue in Ontario as to the collection of data in the justice system that ought to be addressed. I know that the province is working diligently towards its data, but there should be a more comprehensive solution consistent with what happens in the medical field and with the work of the Institute for Clinical Evaluative Sciences at Sunnybrook in Toronto. Such a database would assist in evidence-based research. We may be back to you to discuss financial requirements.

I'm happy to take any questions. Hopefully I was under time.

The Acting Chair (Mr. Grant Crack): Seven seconds over, but great job.

Mr. John Callaghan: I was awfully close.

The Acting Chair (Mr. Grant Crack): We'll move over to the government: Mr. Colle.

Mr. Mike Colle: In the name of full disclosure, I just want to mention that we know each other. John was a former student of mine at one time. I think the student has done a lot better than the teacher over the years.

Congratulations on your distinguished career, John, and on being a bencher with the law society. I know the incredible job you have, trying to impose discipline and standards over 50,000 lawyers. That must be a fun thing to do.

I want to also thank the law society for the leadership you took on the whole issue of contingency fees and more consumer protection and transparency when it comes to accident victims. You guys really stepped up to the plate there, and it was really, I think, of great benefit to people.

I just want to read you a thing. It's hard to remember who said what where. Thanks to Hansard, I found out that, in Thunder Bay on Monday, Steve Mantis, who is an injured workers' advocate, unprompted, said about Legal Aid Ontario: "I think they are one of the best things, the legal aid clinics that we have across the province. We're the only province that really has that. It's outstanding service that blends both individual advocacy and systemic advocacy"—really a great benefit to people. That was Steve Mantis who said that in Thunder Bay. So I found that out.

It's the first time I've heard this reference about the ability of good investments in legal aid to save the government money. Can you explain the principle of how that works?

Mr. John Callaghan: First of all, I thank Mr. Colle, who taught me history—although I just recently found out that the War of 1812 didn't end in 1945, but that's a different issue.

But to answer that, first of all, I think the province should be applauded. The clinic system that we have is

really quite unique, and it deals with an area of poverty law that nobody deals with. It's not just that they are there and accessible; it's that they are masters of areas dealing with social housing and benefits that others aren't.

To take the simplistic example that people use, if a person ends up being convicted of a criminal offence for which they ought not to have been, and then that cascades into a loss of a job or the loss of housing and puts them into social housing, and perhaps puts the children at risk, there's a whole cascading effect. What happens in many of these instances is that they fall back on the other social safety nets that are otherwise available that aren't judgmental like the legal system is, and then they access those. That, generally, is the theory.

In the US, they've studied it much more frequently. As I said, on the data side, we don't actually have the data to have done that extensively, although I think academics would ideally like to do that, to demonstrate to you and to the public that it's more of a public good than a public cost.

Mr. Mike Colle: Just to get back to the legal aid clinics, I know there's Parkdale and Downsview. How are these established, and what's the relationship between the law society and the allocation of resources to the community legal clinics?

Mr. John Callaghan: Historically, at one time, the law society actually ran legal aid. It stopped 20-some-odd years ago, which led us to do the report we're just doing, which is to find our voice again on these issues.

Legal Aid Ontario is the administrator, and it's under a statute. It has a statutory mandate from the Legislature to do it, and it's funded. They are the ones that fund legal aid clinics. Legal aid clinics are highly unique, started by Roy McMurtry way back when, and their intent was to have a community-based board—not run by legal aid, so they're independent of legal aid—providing legal services.

They're often structured on a community basis. There are about 74 in the province, and there are others that are structured—Chinese Canadians have one in Toronto—on linguistic or ethnic lines, or other social lines. But largely they're run and operated by community boards, and that's the unique thing about them: They actually respond to the community.

You as elected members will often get people coming to your constituency office with what are really actually legal problems. They obviously are people who can help, but what is not understood is that the work they do is not just law. There are areas of law that nobody is in, and they are masters of that area of law, to help low-income Canadians, new Canadians and others to manage our complex social system.

The Acting Chair (Mr. Grant Crack): Thank you very much. We appreciate you, Mr. Callaghan, coming before the committee this afternoon and sharing your thoughts.

Mr. Arthur Potts: No more time?

The Acting Chair (Mr. Grant Crack): There was no more time.

**MULTIPLE SCLEROSIS
SOCIETY OF CANADA, ONTARIO
AND NUNAVUT DIVISION**

The Acting Chair (Mr. Grant Crack): Next we have on the agenda the MS Society of Canada, Ontario division. We have Ms. Karen Scott, volunteer, Ontario and Nunavut Social Action Committee. Ms. Scott, we welcome you to committee this afternoon. You have up to 10 minutes for your presentation, followed by up to five minutes of questioning from the official opposition. The floor is yours. Welcome.

Ms. Karen Scott: Thank you. My name is Karen Scott. I'm a volunteer with the Ontario and Nunavut Social Action Committee, and I live with MS. Today I'm going to present to you four priority areas, but we have a couple more than that. There's not time to go into depth, so I do refer you to the documentation that has been passed around.

The issues that I'm going to present to you all enable people with MS to live more independently and fully participate in their communities, but some also decrease the demand for provincial resources, so we highly recommend them.

The first issue is income and support. Many people with MS can and do want to work, but cannot adjust to traditional workplace expectations. Some, although fully qualified, have difficulty finding a workplace willing to make the necessary changes to accommodate their disease. Others, unable to work, must settle for part-time employment with no benefits. Alas, some in this latter group must leave the workforce when their need for medicine or equipment exceeds their income. Then they apply for ODSP.

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There is a way to keep people with MS in the workforce: Strengthen training and incentives for employers to increase on-the-job accommodations for people with episodic illnesses like MS; and increase ODSP benefits, make them available to people who are employed, broaden the eligibility criteria and simplify the application process for the program.

My experience supports this position. During my work life, I was fortunate enough to find an employer that accommodated my needs. I was able to transition from part-time to full-time employment, thereby gaining access to private insurance. Eight years after I had to leave work, my insurance company still sends me a cheque each month that covers most of my drug and dental expenses, and provides some of my physiotherapy and occupational therapy needs, thereby reducing my reliance on provincial programs.

The second area I'll cover is independent living. This area both assists people with MS and decreases the demand for provincial health care. People living with MS want to live independently. This cannot occur, however, without home supports such as equipment and caregivers. Specifically, we call on the government to increase funding for the direct funding program, which will allow more people to live at home, avoid supportive housing,

and give them the dignity of controlling health decisions; and increase funding to the Assistive Devices Program, which currently provides much-needed equipment such as walkers and wheelchairs, but does not fund equipment that would allow people to remain in their own home—hospital beds, shower lifts and ceiling lifts. A more comprehensive list is needed.

As my disease progresses, I will have to consider long-term care, where my roommate will be 30 years my senior and the temperature kept in those facilities will be uncomfortably warm, meaning the signals will not go from my brain to the rest of my body. I would feel much relief if I could gain access to the equipment I need to stay at home.

The third area I'll cover is caring for caregivers. As the seniors cohort is rising, this is going to be a very important issue. As families take on this role, we will see more caregivers who can no longer sustain the emotional and financial burden of caring for a loved one turning to long-term care, a provincially funded arrangement. Family caregivers want to keep their loved ones at home, but it would be cruel if a disease laid waste to not one but two victims, the sufferer and the caregiver. To keep caregivers strong, access to respite time is required. The MS Society recommends increasing hours for support staff, such as PSWs and nurses, and further recommends that Ontario follow suit with other Canadian jurisdictions and provide a caregiver benefit, like in Nova Scotia.

I will not describe my experience in this area because it's very sad. I'll cry and you'll cry and it will be awful. So I'll go on to the next area: accessibility.

Accessibility is crucial to people with MS. It is an action that addresses the disabled community with equity and demonstrates a desire to fully integrate people of all abilities into everyday society. We call on the province to invest further in the arm's-length inspections and monitoring of the AODA standards; appoint a patient navigator on health teams to ensure people with MS are connected to supports; and, lastly, adapt the Healthy Homes Renovation Tax Credit to extend to those under age 65.

I'm currently adding a bathroom to my home because I have trouble getting up the stairs. I find it frustrating that my 67-year-old fully able neighbour, who lives in exactly the same model of home, has built a bathroom that is covered under the healthy homes tax credit. So, of course, I'm encouraging the province to make a change.

In conclusion, it is our hope that the Ontario government will enhance financial contributions to the above-mentioned priorities, recognizing that strategic investments in these areas will empower those individuals to gain greater independence and a much-improved quality of life.

Thank you.

The Acting Chair (Mr. Grant Crack): Thank you very much, Ms. Scott. We'll move over to the official opposition: Mr. Fedeli.

Mr. Victor Fedeli: Thank you very much, Ms. Scott. May I call you Karen?

Ms. Karen Scott: Yes.

Mr. Victor Fedeli: Thank you very much for being here. It's always difficult to be able to carry on these conversations, because I too don't want to ask you questions that will cause you any personal difficulty, so I apologize in advance. Why don't you talk to me a little bit about research and innovation? What has been happening in the field? Do you see hope in the future for changes?

Ms. Karen Scott: There's always hope. There's always something on the horizon. I honestly don't know that it will occur in time for me, but there is hope, I think, for people younger than me.

Mr. Victor Fedeli: I don't want to ask about your personal situation, when you learned that you had MS, but for people who are in the work world and one day they're feeling a little different, and they attend their doctor and they learn that they have MS, what would you say to them today? I have a friend who was just diagnosed and my wife and I are struggling to try to know how to deal with our friend, and we're trying to figure out what to say to her. Do you have any advice for us?

Ms. Karen Scott: I do. I think that people who are just diagnosed now can anticipate that there will be something in the next 20 years. I think that if your friend is newly diagnosed, she has time. I'm guessing it's probably progressive. It's probably primary-progressive MS that she was diagnosed with.

Mr. Victor Fedeli: I honestly don't know. We divide our life into business and admin and personnel. It's Patty's girlfriend, actually. I try to listen, but I don't understand when they're getting into the conversation about what it is and what she can't do today, what she could do yesterday and maybe she'll be able to do again tomorrow. I just know that she never knows from day to day what it's going to be.

Ms. Karen Scott: Yes. It sounds like she's got something called relapsing-remitting.

Mr. Victor Fedeli: That's the one, yes.

Ms. Karen Scott: There's great hope for relapsing-remitting. Some people take the drugs that prevent their disease from turning into a progressive disease like mine and they're absolutely fine for their entire lifetime. Right now, today, she might be one of the one third of MSers who have no symptoms throughout their whole life as long as they're on medication.

Mr. Victor Fedeli: It definitely is called that, relapsing-remitting. Those are the words. I knew it sounded familiar.

Ms. Karen Scott: There's great hope for relapsing-remitting.

Mr. Victor Fedeli: So that's the message that I can give to her and to other people who call our office and say, "We've had some news and we want to know what the government has for us." I think I know from a technical point of view what to tell them, but I'd like to at least bring a little bit of compassion when they come into my office crying, that I've talked to somebody and Karen says there's hope.

Ms. Karen Scott: There's a lot of hope.

Mr. Victor Fedeli: Okay. Thank you, Chair.

The Acting Chair (Mr. Grant Crack): We thank you very much for coming before committee this afternoon. Have a good afternoon.

CHAMPLAIN REGION FAMILY COUNCIL NETWORK

The Acting Chair (Mr. Grant Crack): Next on the agenda we have, from the Champlain Region Family Council Network, Grace Welch; I believe we have Doreen and Rosemary with us again today as well. I had the opportunity of meeting the group in December. It's good to see you again. We welcome you to committee and we look forward to your presentation. You have up to 10 minutes. The floor is yours.

Ms. Grace Welch: Thank you. First of all, we would like to thank you for the opportunity to speak to you today about our issues and concerns about long-term care. Our network is a group of volunteers who represent the family members and friends of residents in the 68 long-term-care homes in the Champlain region. Our primary goal, essentially our raison d'être, is to ensure that our loved ones have quality care in a safe environment where they are treated with dignity and compassion.

We have long advocated for more hours of direct care, improved safety and better capacity planning in our meetings with local politicians, as you said earlier, presentations before this committee and the Minister of Finance, and in letters to the editor.

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Our three priorities for action remain the same: improving care, ending violence in long-term care, and better capacity planning.

Chronic understaffing is the number one concern of families who have loved ones in long-term care. Staffing simply has not kept pace with the dramatic changes that have taken place in the long-term-care population in the past decade.

While we are very appreciative and supportive of the home care initiatives made by the government, the fact is that it means that the elderly now enter long-term care when they are older, frailer and have more complex care levels associated with multiple conditions. It's said that 90% of all residents now suffer from some type of cognitive impairment and one in three is severely impaired. Staff are stretched to the limit, and staff burnout is a significant issue.

Family and friends of long-term-care residents, as well as staff unions and several other organizations, have been active supporters of Bill 33, the Time to Care Act, which is a private member's bill which asks for a legislated minimum care standard of four hours of direct care per resident, averaged across all residents.

We were pleased the bill passed second reading in the Ontario Legislature on November 2 with unanimous support from all parties. Over 70,000 signatures have been recorded in the Legislature in support of four hours of direct care.

We are very encouraged that the government's recently released Aging with Confidence plan calls for phasing in four hours of direct care per resident per day. This minimum care standard is long overdue. In fact, 10 years ago now, the Sharkey report, which was a government-sponsored report, recommended that four hours of care be phased in by 2012. I can tell you that there's a big difference between the residents who are now in long-term care and what they were like in 2008, when that study was first done.

We are saying that increasing the hours of care for our frail elderly in long-term care should be the first priority as the government moves forward toward implementing the Aging with Confidence plan. Moving quickly to this standard will have immediate results: improved health outcomes, reduced levels of stress and burnout in front-line workers, fewer incidents of violence in homes, and better staff retention and recruitment.

We are convinced, really, that the only way to ensure that government funding goes directly to personal care is through a legislated minimum care standard of four hours, and it should be implemented immediately. That's our first and primary recommendation. This standard should be reviewed regularly and adjusted as resident acuity changes.

We would also like to see public reporting of staffing levels at each long-term-care home be made mandatory to ensure accountability across the province. We also recommend that the Ministry of Health and Long-Term Care work with key stakeholders to identify ways to reduce the burden of reporting so that more long-term-care resources can be committed to personal care.

When we move to four hours, it's going to be a challenge finding sufficient trained staff, so we are recommending as well that the Ministry of Health and Long-Term Care work with other key government agencies and professional LTC associations to develop a labour strategy, because it's going to be needed.

Lastly, under improving care, we recommend the establishment of consistent standards for the education and on-the-job development of personal support workers to ensure that they have the skills to provide quality care.

Our second priority is ending violence in long-term care. We are increasingly concerned that residents are at risk due to an increase in aggressive behaviours in homes across the province: resident-to-resident, resident-to-staff and, more alarmingly but rare, staff-to-resident.

I do want to take this opportunity to say that we are always very impressed. There's incredibly dedicated staff in long-term-care homes, and there are few cases of aberrant behaviour.

It now seems that reports of abuse and violence against frail residents appear in the media on an almost weekly basis. Much of this aggression results from the significant percentage of residents who suffer from dementia. According to the Ontario coroner's office, the issue of resident-on-resident violence in long-term-care homes is an urgent and persistent issue.

We have seen that recent budgets have included additional funding for the Behavioural Supports Ontario

Project, which we're very appreciative of. It includes the approval of a 20-bed unit at the Perley and Rideau Veterans' Health Centre in Ottawa, but we believe there needs to be a further investment in this program to reduce the potential for violence within these vulnerable populations.

We are recommending that the government expedite the promised commitment that each long-term-care home should have a BSO, a behavioural support team, in the home. They only exist in about half the homes now, so there needs to be further investment.

We also want to make sure that there is specialized training for PSWs and nurses to address the specific needs of residents with dementia that can lead to aggressive behaviours. And we'd like to see funding provided to back-fill personnel so that direct care hours are not further reduced during training.

Also, there was a recommendation in 2015, by the Ontario coroner's office, 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." I don't think that has ever been called, so that's another one of our recommendations.

Lastly, our third priority is better capacity planning. There are now 32,000 individuals waiting for a long-term-care bed, and there are estimates that in just three short years, that number could reach 48,000. It's not uncommon for frail seniors with complex care needs to wait years for a bed, stretching families, home support systems and hospitals to the breaking point. Caregiver stress and burnout has become a pressing societal issue.

The Aging with Confidence strategy commits to 30,000 new beds within the next decade, with 5,000 of these beds to be constructed by 2022. This is incredibly welcome news. I wanted to bring to the attention of the committee a recently released Conference Board of Canada report which estimates that the demand for long-term care will increase, across the country, by 199,000 beds by 2035. But the good thing about that report is that the cost of building and operating the facilities will be a significant contributor to the economy. According to that report, it will boost real GDP by a total of \$235 billion, supporting an average of 123,000 jobs a year and generating an additional \$71 billion in tax revenues for government. So, even though the number 30,000 sounds daunting, I think we also have to think in terms of the benefits, not just economically, but most importantly for those people on the waiting lists.

The other thing is that as planning proceeds for new beds, it should take into account community needs, such as cultural diversity, location, the mix of beds between private and basic, as well as those of underserved communities such as the LGBT and indigenous populations.

We are also very concerned that, as you go forward, the construction of new beds take into consideration the mix of for-profit versus non-profit beds. Ontario currently has the highest percentage of for-profit long-term beds in the country, despite the fact that the preamble to the

Ontario Long-Term Care Act states, “The people of Ontario and their government ... are committed to the promotion of the delivery of long-term care home services by not-for-profit organizations.” There is a growing body of research demonstrating poorer health outcomes in for-profit homes, such as higher rates of mortality and hospital admissions. And 68% of people on the waiting list pick a non-profit as their first choice for a long-term-care bed.

We’re also concerned about the lack of progress in renovating the approximately 30,000 beds that are located in homes that do not meet today’s safety and design standards.

We see the planned construction of 30,000 new beds and this redevelopment as a unique opportunity to look at the design of long-term-care homes. Can they be made less institutional and more home-like? The Eden Alternative and the dementia village in Holland are good examples of what we should be looking to. Is the standard 32-bed home the best configuration for residents? Are current long-term-care physical spaces the best configuration for residents with dementia? Are there advantages to locating long-term-care homes next to seniors’ or community centres or daycare centres?

We recommend that the government ensure that the proportion of beds in the non-profit sector remains the same or improves in relation to non-profit; work with OLTCA and AdvantAge Ontario to identify and remove barriers to expedite the redevelopment of the 30,000 beds; and incorporate innovative approaches to providing long-term care into the planning and redevelopment of homes in order to create more home-like environments responsive to the needs of our frail elderly.

I think I’m just about out of time—

The Acting Chair (Mr. Grant Crack): Yes, but if you want to do your fourth recommendation—and then we’ll move on.

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Ms. Grace Welch: No, I’m fine. I just wanted to thank you again.

I think we’re cautiously optimistic as we go forward with this huge commitment to more hours and more beds. We’re keeping our fingers crossed.

The Acting Chair (Mr. Grant Crack): Thank you. We’ll move to Mr. Vanthof. He has five minutes to ask you questions.

Mr. John Vanthof: Thank you very much for your advocacy on this issue.

My mom went into long-term care in May. Until you’re there—every time when I’m home—you don’t realize how hard the staff work, how caring they are and how overworked they are. I think that’s pretty well universal.

On another note, Bill 33, the Time to Care Act, was put forward by my seatmate, France Gélinas. The day it was announced that the government was incorporating it, I called her to congratulate her. We have to be taking it with a grain of salt. She wasn’t as happy as I was, because the details in what the government is proposing

and what the Time to Care Act contain aren’t the same. Is it a step in the right direction? Yes. Is it what is needed? They’re two different animals. The devil is always in the details.

There have been some very serious incidents across Ontario in long-term care. We have demanded several times that the scope of the Wettlaufer inquiry should be increased to look at the whole system, to make sure not only that tragedies don’t happen but that near-tragedies don’t happen. What would be your reaction to that?

The Acting Chair (Mr. Grant Crack): Could you please introduce yourself for the purposes of Hansard?

Ms. Doreen Rocque: Doreen Rocque. I’m the chair of the family council network for our region.

Even before we knew that the commission was going to be struck, we believed that this type of incident needs to be examined, not only in the homes where these tragedies occurred, but in other homes as well, so that we’re sure that we’re getting at the root causes, the contributing factors to these tragedies. So we would strongly support if the government would consider expanding the mandate of the commission.

Mr. John Vanthof: You mentioned that a behavioural support team should be in all homes. We agree. For example, the home my mom is in—they share one for five homes.

Ms. Doreen Rocque: That’s not enough.

Mr. John Vanthof: No.

Regarding the for-profit and not-for-profit: Why do you think, in your experience, that the not-for-profits are—I think I know why. But why do people, their families, even apply—they go for not-for-profit. They believe that the care level is higher?

Ms. Grace Welch: Well, the statistics prove that there is slightly more care in the non-profits.

Also, the non-profits tend to be very community-based. The community has been involved in fundraising for the home. They usually have a huge volunteer component—I think higher than the for-profit sector. They’re much more tied to the community. Sometimes they’re run through church groups etc. I think that’s one of the main reasons you get such a strong preference for the non-profits.

Mr. John Vanthof: We are all encouraged. There should be more. There’s a very long wait-list. But it’s much easier to announce beds than to actually build beds. So I don’t think your advocacy is over—

Interjection.

Mr. John Vanthof: That could be from any government. I don’t think, because an announcement is made—and I’m sure you know that.

Ms. Grace Welch: We’ll be watching. We just had a letter to the editor published in the Citizen saying that long-term care is going to be an election issue, and encouraging people to make it an election issue. So, yes, you will be hearing from the citizens of Ontario. They do value good long-term care.

Mr. John Vanthof: Do I have any time left?

The Acting Chair (Mr. Grant Crack): I can give you half a minute.

Mr. John Vanthof: Perfect.

You mentioned Holland, and that's near and dear to my heart, but are there other jurisdictions that do a really good job that we could look at?

Ms. Grace Welch: I haven't done enough study of it, but there is a big multinational, multidisciplinary study that's out of York University, led by Pat Armstrong. They have looked at different jurisdictions across various parts of Europe, Great Britain and the United States. Their research would be something worth looking at. And, certainly, there's something that I just got an email about on talking about transformation in long-term care, and they are looking at other models of long-term care.

Mr. John Vanthof: Thank you very much.

The Acting Chair (Mr. Grant Crack): Thank you very much, to the two of you, for coming before committee this afternoon. We welcome all of your colleagues as well.

Ladies and gentlemen, members of the committee, that concludes our presentations for today. I'd like to thank all members for their hard work today and, as well, Hansard and the Clerks' office, and translation and research, of course.

I'd like to adjourn the meeting. We will adjourn until tomorrow morning at 9 a.m. in Kitchener-Waterloo. I wish everyone well. This meeting is adjourned. Have a good night.

The committee adjourned at 1655.

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