

Legislative  
Assembly  
of Ontario



Assemblée  
législative  
de l'Ontario

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**Official Report  
of Debates  
(Hansard)**

F-14

**Journal  
des débats  
(Hansard)**

F-14

**Standing Committee on  
Finance and Economic Affairs**

Pre-budget consultations

1<sup>st</sup> Session  
42<sup>nd</sup> Parliament

Tuesday 29 January 2019

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

Consultations prébudgétaires

1<sup>re</sup> session  
42<sup>e</sup> législature

Mardi 29 janvier 2019

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Chair: Stephen Crawford  
Clerk: Timothy Bryan

Président : Stephen Crawford  
Greffier : Timothy Bryan

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Toronto ON M7A 1A2  
Telephone 416-325-7400; fax 416-325-7430  
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation  
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Téléphone, 416-325-7400; télécopieur, 416-325-7430  
Publié par l'Assemblée législative de l'Ontario

ISSN 1180-4386

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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRS

Tuesday 29 January 2019

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUES

Mardi 29 janvier 2019

*The committee met at 0901 in committee room 1.*

## PRE-BUDGET CONSULTATIONS

**The Chair (Mr. Stephen Crawford):** Good morning, everybody. Welcome. We're meeting here today for our pre-budget consultations. Each witness will receive up to seven minutes for his or her presentation, followed by eight minutes of questioning from the committee, divided equally amongst the recognized parties.

I'm glad everybody was able to make it with the snow-storm. We had a fun drive back from Peterborough last night, but we made it, so here we are.

Are there any questions before we begin? Okay, so we'll get started.

## FILMONTARIO

**The Chair (Mr. Stephen Crawford):** We will call in our first witness, which is FilmOntario. Welcome to the standing committee on finance. If you could just please state your names for the record, you can get right into your presentation. You'll have up to seven minutes. I will give you one-minute warnings as well.

**Ms. Cynthia Lynch:** Good morning and thank you to the standing committee members for having us here today. I am Cynthia Lynch, the managing director of FilmOntario, a privately funded industry consortium representing organizations from across the screen-based sector in Ontario, including production companies, unions, studio owner/operators, equipment suppliers and other industry organizations.

Joining me on our panel, I have FilmOntario co-chair Jennifer Jonas, who is also president of New Real Films, an Ontario-based feature film producer who most recently released *Born to Be Blue*, starring Ethan Hawke and shot in northern Ontario. Also joining me is board member David Rumley, business agent for the International Cinematographers Guild, representing camera professionals in the film and television industry, including approximately 750 members who live and work in the province of Ontario.

It is our pleasure to be able to speak to you today about FilmOntario's very simple ask for the 2019 provincial budget.

First, we would like to thank the government for its recognition in November's fall economic statement that

Ontario's film and TV industry makes a valuable contribution to the province's economy, providing 50,000 jobs for the people of Ontario; and your commitment to stability and support for the industry. All we are asking for budget 2019 is that you continue with this commitment so that we can continue to build on our successes and grow the industry for years to come.

**Ms. Jennifer Jonas:** Ontario's excellent production infrastructure, our experienced, world-class talent, our unique locations, our diverse population and the provincial incentives that exist here create the perfect environment to take advantage of the worldwide demand for screen-based content creation—demand that has grown by 680% from online streaming services only over the last five years.

Ontario's film and television tax credits were created by the Conservative government in 1997 and have always been supported by all parties. They have been successful in growing our industry to a \$1.6-billion market in direct spending in 2017. For every \$1 million spent on the tax credits, 109 jobs are created and \$7.4 million goes back into the provincial economy.

This direct spending also translates into \$2.3 billion contributed to the provincial GDP and 33,000 full-time jobs. Over the next five years, we expect that GDP contribution to grow to \$3 billion.

This production spending is split evenly between shows made by foreign producers, who choose Ontario for shows like *Suits*, *Star Trek* or *The Shape of Water*, and shows made by Ontario-based producers like myself who own and exploit our own intellectual property right here at home. Ontario producers have created long-running audience favourites, such as *Murdoch Mysteries*, which some of you may know is now in its 12th season and available in 110 countries; or more recently, *Anne with an E*, which is now starting its third season. Its first and second seasons are amongst the most successful shows on Netflix.

This economic activity takes place all across the province, so it's not only in Toronto—*Cardinal*, the television show shot in the north; *Michael: Tuesdays and Thursdays*, shot in Ottawa; *Alias Grace* in eastern Ontario; *IT* in Port Hope; and *The Handmaid's Tale* throughout the GTA. In the case of my company, we filmed two of our films up north, one in North Bay and the other in Sudbury. So just to restate, this economic activity takes place all over the province.

**Mr. David Rumley:** Tax credits play a key role in determining where a production gets made. Studios and

producers can choose from jurisdictions all around the world, and competitive pricing is always important. In addition, decision-makers rely on a stable business environment that they can count on, as production cycles can be long, especially for a successful television series that runs for many years. When tax credits are cut, production spending goes down and jobs are lost. For example, in Nova Scotia, when they cut their credit and introduced a capped fund in 2015, there was a 45% decrease in production and a 25% decrease in employment.

In other words, content creators need to know that they can count on Ontario staying open for business.

Confidence in the future of Ontario's production industry, backed by a commitment to stable tax credits, also generates additional investment in the sector, such as the new CBS studio facility opening in Mississauga and the expansion of studio spaces planned or under way here in Toronto by Pinewood and Cinespace. We're expecting to see over 1.2 million square feet of new studio space created in the province over the next two years. This demonstrates that the industry is confident in our ability to grow—a confidence that is based, in part, on Ontario's reputation for providing stable tax incentives.

**Ms. Cynthia Lynch:** The tax credits have been successful in attracting spending and investment in Ontario's film and television industry. However, there is room to modernize and streamline the credit requirements and administrative processes. We would like to suggest that the government reconstitute the Minister of Tourism, Culture and Sport's Film and Television Advisory Panel, a joint industry/government initiative to provide input into cutting red tape for our sector and ensuring that Ontario remains a competitive jurisdiction for film and TV production. We'd be happy to work with you on the mandate and makeup of this panel.

I hope it has been clear from our comments that a commitment to stable and effective tax credits is the building block we need to ensure that we remain competitive and attractive as a production jurisdiction and increase jobs and investment in Ontario.

Thank you for your time. We look forward to your questions.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We're going to go to questions. We're going to start with the opposition first. We have up to four minutes for questions. Ms. Shaw.

**Ms. Sandy Shaw:** Thank you very much for your presentation.

It's really a remarkable industry. I think we're all aware of some of the things that you've described that governments have put in place—the tax credit system is certainly something that's worthy of praise. I think we know that that has really helped to incubate a phenomenal industry.

I just have to mention that I'm from Hamilton, and we do have significant filming that goes on in Hamilton. Recently, Guillermo del Toro was in Hamilton, and he said it was his favourite city in the world or something like that. After that, honestly, you could almost see some correlation between that and significant investment in Hamilton. People from Toronto thought, "Hamilton is cool," so—

**Ms. Jennifer Jonas:** If Guillermo likes it—

**Ms. Sandy Shaw:** Exactly. You can't get cooler than that.

I just wanted to pick up on the notion that you talked about, the idea of long-term certainty. I suppose that in an industry where the planning for production is years and years in advance—can you talk about the importance of certainty with regard to the supports that your industry is receiving and would look to receive?

**Mr. David Rumley:** Long-term stability in the tax credit is very important. As you were saying, it takes years sometimes—6, 12, 18, 24 months—for a production to come to fruition. When they start to put together a show—especially a foreign production, or even a Canadian production—they're not quite sure where they're going to shoot. They'll look at a number of different locations and narrow that down, so 12, 18 or 24 months down the road, they know what they're going to get. They can't count on the dollar being low at that point; that can go up and down. That's a small factor in their choice. It's the stability of the tax credit and the infrastructure that's in place that generally make people come to the city.

**Ms. Jennifer Jonas:** As a future film producer, I am constantly at world markets such as Cannes or at the Toronto film festival trying to put together films, and part of what attracts my partners, and the reason why, for example, *Born to be Blue*, which is the film we shot in Sudbury—that was a UK/Canada co-production. The reason, in part, that we were able to make it, as David said, is because Ontario has a reputation for having reliable tax credits, and therefore we were able to attract some UK money here and actually take the UK money up to Sudbury, which was particularly delicious.

**Ms. Sandy Shaw:** Can we talk about the weather?

*Laughter.*

**Ms. Sandy Shaw:** There's always uncertainty with the weather.

The other ask that you had was about the expert advisory panel. That was disbanded, did you say? Can you tell me what that panel was providing and a little bit more about your ask to have it reconstituted?

**Ms. Cynthia Lynch:** I wouldn't say "disbanded" as much as it wound down at the end of the previous government's term.

0910

**Ms. Sandy Shaw:** Okay.

**Ms. Cynthia Lynch:** But it was a panel made up of representatives from the industry, as well as political staff and ministry and agency experts.

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Cynthia Lynch:** It was an opportunity for us to provide feedback on ideas to modernize and streamline—I think you have another question—and to have a two-way conversation. That was really important to make sure that we could get things done.

**Ms. Sandy Shaw:** Thank you. My colleague—

**The Chair (Mr. Stephen Crawford):** Mr. Arthur.

**Mr. Ian Arthur:** Very quickly, in one minute: You talk a bit here about some of the made-in-Ontario—Kim's

Convenience, Murdoch Mysteries and stuff like that. Then you touch briefly on the expansion of Netflix and Amazon down below. I know there's a federal conversation going on about Canadian content on those. How does that affect your industry, looking forward?

**Ms. Cynthia Lynch:** To the extent that it increases demand for production, it's all good news. We work closely with our federal counterparts as a part of that federal conversation. That they are willing to come and invest here speaks to the strength of the industry that we have here and to the stability of the tax credits.

**Mr. Ian Arthur:** Thank you. And—

**The Chair (Mr. Stephen Crawford):** We don't have enough time. We're out now at four minutes. I apologize. Let's move to the government side. Ms. Skelly.

**Ms. Donna Skelly:** Good morning. It's really wonderful to have you here. Your industry is an industry that I'm very passionate about. I was fortunate enough to spend 30 years in the television industry. Actually, I got to make a movie with Stephen Dorff and Val Kilmer in Hamilton. Yes, that's my claim to fame.

I also had a chance, as the parliamentary assistant on economic development, to host a round table with industry executives out of LA. We had Paramount and Disney and some of the big players. The clear, clear, clear message was, "Don't touch the tax credit. We're not looking for a handout; we don't want to lose that tax credit." They made it clear: "We love Canada, but the reason we're here is the tax credit. You've got great talent. You've got this and this, but that is what's grounding us." Once the bricks and mortar of a major studio comes in, it's less of a chance that we will lose them, in terms of investing in Canada and particularly in Ontario. Can you speak to just truly the value of that tax credit?

**Mr. David Rumley:** It's invaluable. Without it, as we've seen in other jurisdictions that have cut their tax credit—in Canada, it's Saskatchewan and Halifax; in the States, it's numerous states—the second you make changes in the tax credit, the business goes away. The stability is important. Our tax credit is not the biggest and it's not the best, but it has been there for many years. They know they're going to get it, so that stability factor is the most important.

**Ms. Donna Skelly:** This industry, though, has really exploded. I remember, back 30 years ago, it was nice; we were getting a couple of movies. But as MPP Shaw said, in Hamilton alone—I mean, *The Handmaid's Tale* is shot down the street from where you live.

**Ms. Sandy Shaw:** Exactly.

**Ms. Donna Skelly:** It's just incredible. And that's just Hamilton. Sudbury even has a little—I think it was a YouTube sensation with—what's the crazy—

**Ms. Cynthia Lynch:** Letterkenny.

**Ms. Donna Skelly:** Thank you. Letterkenny. It has taken off.

What is it about this province then, perhaps, beyond the tax credit, that is an incentive?

**Ms. Jennifer Jonas:** There isn't—it's the reliability of the tax credits, period.

**Ms. Cynthia Lynch:** That reliability has allowed us to build things that ensure that those US studios that you talked to have a good experience when they get here. Because as David said, we're not the cheapest tax credit. Sometimes, people go to a very cheap jurisdiction, for lack of a better word, and they don't have a good experience. Either they have trouble getting the money, or they don't have crews.

People come back to Ontario because they know that they can rely on the incentive and they know that we have crews here and, as Jennifer experienced with her film, you can set anything in any city in the province. We have a variety of looks.

**Ms. Jennifer Jonas:** What Cynthia is referring to is that *Born to Be Blue* is set in LA, and we shot it in Sudbury.

**Ms. Donna Skelly:** Well, there is a similarity, I think, especially in weather.

**Ms. Jennifer Jonas:** We had stand-by palm trees, literally.

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Donna Skelly:** One of my last questions—or perhaps it's an offer. We don't have to wait to set up another advisory board. We're currently working on ways to get around red tape, and that was clear—it's very difficult to access the tax credit. I would like to suggest to you that I will meet with you at any time to sit down and actually identify anything that we can do to expedite the process when it comes to applying for these credits. I will give you my card afterwards and we'll follow up, sooner rather than later.

**Ms. Cynthia Lynch:** Thank you very much.

**Ms. Jennifer Jonas:** That would be much appreciated.

**The Chair (Mr. Stephen Crawford):** We have 40 seconds left. Mr. Downey.

**Mr. Doug Downey:** Just a comment on production space: Is production studio space still an issue?

**Ms. Cynthia Lynch:** At this second it is, but we have almost 1.2 million square feet of studio space coming online by the end of 2021, so it will start to solve itself.

**Mr. Doug Downey:** Okay. Thank you.

**The Chair (Mr. Stephen Crawford):** Thank you—

**Mr. David Rumley:** Sorry. I just want to finish up on that: It won't solve itself; we do need space. The 1.2 million will help. We could do more, though. We need more infrastructure. We lose probably 10 to 15 shows a year. They do not come to Toronto because there is no space for them. And it crowds our Canadian producers. The smaller shows like *Murdoch Mysteries* are competing for space with *Star Trek* and bigger shows, so it drives their costs up also. More space is needed.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We appreciate your time.

AMALGAMATED TRANSIT UNION,  
LOCAL 113

**The Chair (Mr. Stephen Crawford):** I'd like to call up our next witness, ATU Local 113. Good morning, and

welcome to the finance committee. If you could please state your names for the record, and you can get right into your presentation.

**Mr. Carlos Santos:** I'm Carlos Santos.

**Mr. Eric Tuck:** And I'm Eric Tuck. I'm going to start this morning.

My name is Eric Tuck, and as the proud vice-president of ATU Canada, I'm here today representing over 35,000 of the finest transit professionals across Canada. In Ontario, we represent most major transit systems in the GTHA and across the province as well as workers employed by Metrolinx.

I come before you today with two clear priorities. First, that the public investments in transit remain publicly owned and operated, not uploaded to Metrolinx or sold off to the highest bidder through P3 procurement policies, and secondly, that we ensure dedicated transit funding for both capital and operations.

Public transit is crucial for the millions of Ontarians who depend on public transit for all aspects of their daily lives. Public transit is the main mode of commuting to work for close to a million Ontarians, or 15% of Ontario's workforce. The movement of people by public transit directly supports economic activity and stimulates economic growth.

There are obvious environmental benefits to operating buses, subway trains and LRVs, replacing thousands of cars on the road with public transit service. This improves air quality by reducing greenhouse gas emissions. Public transit also reduces road congestion for those who need to rely on their cars.

Public transit in Ontario is currently underfunded, and it is becoming increasingly challenging to provide safe, efficient and reliable public transit service without sufficient operating funding. Our highly skilled maintenance workers across Ontario maintain the highest standards of safety and quality assurance.

Municipalities across Ontario are struggling to meet the daily needs of enhanced transit under the present funding levels, which are grossly insufficient. It is our respectful submission that public transit systems across Ontario and the millions of daily transit riders who rely on them deserve dedicated funding in the provincial budget for operating expenditures.

Public transit privatization through the embedded Metrolinx P3 procurement policies for the expansion of new LRT lines is a direct threat to the sustainability and future of public municipal transit across Ontario. We are deeply concerned by the fact that these new proposed services will be operated and maintained by private companies.

In Hamilton, where I am the president of ATU Local 107, a request for proposals has been made for private contractors to finance, design, build, operate and maintain the new LRT line despite the city of Hamilton's request to operate and maintain the service. The same request for proposals has been made for the proposed Hurontario LRT in Mississauga and Brampton. In Waterloo, a private company called Keolis was awarded a contract for the

upcoming LRT there. In Toronto, the maintenance of the Eglinton Crosstown and Presto has been contracted out from the TTC. It remains to be seen what will happen to the TTC subway following the impending upload.

The problem is simply that privatization does not work. It costs more, it takes longer and it's less accountable. It does so at the expense of placing private profits over the essential needs of the public. Companies care more about profit than ensuring sufficient and accessible transit services.

**0920**

Privatization has been proven to be a failure time and time again. It results in higher public tax rates, corporate subsidies and increasing fares while reducing services, safety standards and reliability.

In conclusion, transit works best for riders and taxpayers when it is publicly owned, operated and maintained, not when transit is left in the hands of multinational consortiums whose bottom line isn't providing the service but, instead, to privately profit from public services.

These benefits of public transit can only be realized if there is sufficient funding and a skilled and specialized workforce with the know-how to efficiently and effectively provide the services—which is precisely what ATU has delivered to the public for well over a century.

**Mr. Carlos Santos:** Good morning, Chair, members of the committee. My name is Carlos Santos and I am the president and business agent of the Amalgamated Transit Union, Local 113. Local 113 has over 11,000 members who perform virtually every role in the provision of public transit in Toronto, including operating and maintaining vehicles, maintaining the system itself, fare collection and customer service.

For the last 100 years, Torontonians and others have enjoyed a single integrated public transit system owned by the people and operated by a public entity, the TTC, which is accountable to the people. Prior to the creation of the TTC, transit in Toronto was provided by nine different entities, each with its own fare structure and operated by separate private and public players. Different operators meant disruption, dislocation and waste. Public money couldn't be invested strategically and different operators competed with each other for profit, rather than working together.

That all changed in 1920 when the citizens of Toronto—

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Carlos Santos:** —voted in favour of a single transit system operated by the city. The city, the TTC and its employees, Local 113 members, have worked together for nearly a century to deliver cost-effective and efficient public transit to the people of Toronto.

Our members are on the ground operating and maintaining the vehicles day in and day out. Our members have developed specialized skill sets and unrivalled knowledge of Toronto public transit. We work hard and do a great job in moving the people of Toronto, and we do it with less government funding per ride than any other major transit system in North America. Toronto receives 96 cents per

rider, which is much lower than places like New York, which receives \$1.75 per rider; Chicago, which receives \$2.37 per rider; and Montreal, which receives \$1.17 per rider. Our members are providing citizens with the most cost-effective public transit.

As the population of Toronto continues to grow—

**The Chair (Mr. Stephen Crawford):** Thank you very much. We've utilized all our time, so we're going to now go to questions. We're going to start with the government. Mr. Cho.

**Mr. Stan Cho:** Thank you, Mr. Tuck and Mr. Santos, for being with us this morning. I'm a daily rider of the TTC. I appreciate it very much.

I actually just had a meeting with my minister, Minister Bethlenfalvy, this morning and we were talking about the TCC. Nobody is talking about privatization here in the government. What we're talking about is uploading the tracks, the tunnels to the provincial level so that we would be able to build more tracks. I think we can all agree that in a city of our size, we could use a few more lines around the GTA. That's sort of our goal here.

One of the benefits to that is that the province can amortize subway infrastructure expansion; the city has to pay for that up front. The goal here is to have the operations remain with the hard-working people of the TTC.

Would that be something that your members would be happy about?

**Mr. Carlos Santos:** Yes, they would definitely be happy with that. So you're saying operate and maintain?

**Mr. Stan Cho:** Yes. We're just talking about uploading the infrastructure—the tracks, the tunnels—so that we can improve the infrastructure of the TTC. We're not looking at a privatized model.

**Mr. Eric Tuck:** One of the major concerns we have with uploading the TTC is similar to the uploading with the hydro. That is usually the first step. One of the concerns is, the major investments that have been made in the properties across Toronto that are currently owned by the TTC and considered assets of the city of Toronto would suddenly become the property of the province, and those assets and the worth of those assets would no longer be an asset of the city of Toronto—which can be leveraged to provide funding for the actual system and to continue upgrading it.

**Mr. Stan Cho:** Right. To be clear, the government is not talking about any privatization. We are talking about infrastructure building and investing into the system so that you can have more members and continue to operate and we just have a better subway system overall. So I just want to make sure that we're on the same page, and I encourage you to be in touch with us at any time that you have concerns, but that is—

**Mr. Eric Tuck:** We would love to see that plan. Unfortunately, it hasn't been revealed, and we have—

**Mr. Stan Cho:** The budget is coming soon.

**The Chair (Mr. Stephen Crawford):** Ms. Skelly.

**Ms. Donna Skelly:** Good morning, Eric. It's nice to see you.

Coming from Hamilton, of course, my question to you is local, and that is, how do we get service to some of the industrial parks? That's got to be one of my biggest frustrations: trying to grow the economy in a local area and we don't have transit to that area. Just if you could give me a comment on that.

**Mr. Eric Tuck:** That's a problem that is not just unique to Hamilton. In Hamilton, specifically, the problem is the area rating, as you know. Unfortunately, those outlying areas where most of the development is going on—not just the industrial and employment parklands, but also the building of homes, as you know, up in Binbrook and Glanaster. There has been amazing expansion, but there's been no expansion of the transit system. Dedicated operating funding would help us to actually expand and put service into those developments as they're being built so that you don't create those second- and third-generation car drivers, which is what we have today.

**Ms. Donna Skelly:** And it's congestion.

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Donna Skelly:** I would like to perhaps, if MPP Cho would be willing, meet with you following—we've heard from you now, and once the budget is released, perhaps we could have a follow-up. Could we have a follow-up meeting perhaps afterwards?

**Mr. Eric Tuck:** Absolutely. I would look forward to that.

**Ms. Donna Skelly:** That would be great. I'll drag him to Hamilton. Okay, thanks.

**The Chair (Mr. Stephen Crawford):** Okay. We will turn to the opposition side. Mr. Arthur.

**Mr. Ian Arthur:** Good morning. Thank you so much for your presentation. I wondered if you'd expand on the property that is owned by the TTC and what the uploading of that would do. What's the value of that property combined? Do you know?

**Mr. Carlos Santos:** I'm not sure exactly how much the value is, but I would assume it's in the hundreds of millions of dollars. Right now—well, it's been announced that condos are going to be built on top of those—the airspace. So the developers are going to be building the subway? Who is going to be building the subway? And what if it's not cost-effective for the developers to build the subway? Then who takes ownership of building that subway?

There are just a lot of unanswered questions for us.

**Mr. Eric Tuck:** We don't have an exact value, but what we do know is that they are on the list of 10 of the most expensive properties in Ontario right now today, these subway locations. We know that they're very valuable. We don't know the exact dollar figure, but they're very valuable.

**Mr. Ian Arthur:** So for a government looking to balance a budget, it would be a nice thing to have in the—

**Mr. Eric Tuck:** It would certainly help the province balance its budget, but what is that going to do to the city itself, which is the current owner, and the people who built that system and bought those properties and invested for the city of Toronto?

**Mr. Ian Arthur:** Exactly. My only other thought—in the first page here you talked about a million Ontarians, or 15% of the workforce. I think we should be aiming higher than that for public transport.

**Mr. Eric Tuck:** Those figures are the 2016 figures from StatsCan. I'm sure they are much higher at this time. That is simply for people going back and forth to work. Again, there are millions and millions more seniors and students who count on that service every day.

**Mr. Ian Arthur:** That's good to know. Perfect.

**The Chair (Mr. Stephen Crawford):** Ms. Shaw.

**Ms. Sandy Shaw:** Thank you for your presentation. You weren't quite able to complete your presentation—but I think if you could just comment on the fact that we did have a fractured, segmented system. There are cities in North America where they don't have a seamless system from bus to subway that are studying the Toronto Transit Commission because it's integrated. If you could talk a little bit about that.

And you have two examples where severing off parts of Toronto transit have not worked well. You've got Presto in there, as well as Bombardier. So if you would, in the time we have left, carry on with what you would have said, had you been able to finish your presentation.

**Mr. Carlos Santos:** Okay. Presto has been a failure since it's been implemented. I'm speaking as not just the president of 113, but as somebody who was a driver a month ago. It's been, I would say, \$10 million to \$15 million of lost revenue due to the system shutting off while operators are operating the vehicle, while we stop the vehicle, turn it off and turn it back on, and it doesn't turn on for an hour. There have been endless times where it just randomly goes to not in service. People are not given the opportunity to pay, and by the time the system is up and running, they don't want to get up and leave their seat because now the streetcar or the bus is so overcrowded that if they get up, they're going to lose their seats, so a lot of them don't even pay. There are also several people who want to pay cash and they can't because vehicles only take Presto, like streetcars. We have tourists from out of town who come in and they're stuck on a streetcar and they try to find a way to pay and they can't.

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**Ms. Sandy Shaw:** Right. This is an example of a decision that was imposed by Metrolinx, if I'm correct. It's impacting the operations of the Toronto Transit Commission. In some ways, this is an example of having decisions made outside of a 100-year-old service that is—I mean, in Hamilton we have an HSR service that is also 100-years-plus. With that kind of longevity, it seems to me that you and your members should be at the forefront in the decisions to make changes before they implement them.

**Mr. Carlos Santos:** Correct. Our Presto machines are serviced by a third-party carrier, which means most of the time our vehicles sit in the yard and they can't leave because they're waiting for an outside company to come in and service them. So we lose the service then.

**Ms. Sandy Shaw:** So it's an example of failed privatization.

**Mr. Eric Tuck:** Absolutely. When we try to buy replacement parts for Presto, I can tell you, they are priced 10 times higher than what you can go and actually buy them for—or have them made—somewhere else.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We appreciate your time. Thank you.

#### ENBRIDGE GAS INC.

**The Chair (Mr. Stephen Crawford):** I'd like to call up our next witness, which is Enbridge Gas. Welcome to the finance committee. If you could please state your name for the record, and you can get right into your presentation of up to seven minutes.

**Ms. Malini Giridhar:** Thank you. Good morning. My name is Malini Giridhar. I'm vice-president of business development and regulatory affairs for Enbridge Gas. Thank you for this opportunity to speak today. My remarks will cover three things, and none of these require new tax funding of any kind. Enbridge would like to talk about lowering energy bills for families and businesses in Ontario through natural gas expansion, achieving low-cost greenhouse gas emissions reductions and reducing red tape for business.

Just quickly about Enbridge: As you may know, Enbridge is North America's premier energy infrastructure company. On January 1 of this year, two Enbridge-owned utilities, Enbridge Gas Distribution and Union Gas, officially combined and we began an exciting new chapter for us in our 170-year history of delivering affordable energy to families and businesses in Ontario. Enbridge has over 4,500 employees that serve more than 3.7 million customer connections in the province. In 2017, we invested over \$1 billion of capital in the province and over \$1 billion of operating expense in the province. We are proud to deliver the energy that Ontarians need and want.

That brings me to my first point, which is community expansion. Enbridge supports the government's aim to deliver the most cost-effective and timely expansion of natural gas projects into rural, First Nations and northern communities. As many know, it costs significantly less to heat your home or business with natural gas than it does with propane, diesel or electricity. In fact, natural gas prices are lower today than they were 10 years ago.

As an example, consider Milverton, Ontario, a community of 1,500 people north of Stratford. We started building there in the fall of 2017 and turned on gas by the end of the year. Milverton began to see energy savings immediately. Municipal facilities saved over \$150,000 in their first year. This attracted developers, and the community saw a fivefold increase in building permit activity in the first year, which they attributed to having natural gas. There is no question that having access to reliable, affordable natural gas will lower energy bills for families and help Ontario businesses become more competitive, grow and create jobs. Enbridge is, in our humble opinion, the best partner for government to deliver on this priority. We have the expertise of doing this for 170 years, construction experience and economies of scale to deliver

projects in the most timely, cost-effective manner for the province.

Our natural gas expansion program would invest up to \$650 million over 10 years and bring natural gas to up to 30,000 customers in roughly 70 communities. Our ratepayers would contribute no more than \$1 a month and new customers would see annual savings of between \$800 and \$1,400 per year. However, in order to deliver this, regulations must enable our utility to receive the full cost recovery associated with the investment so that we can invest in community expansion rather than in competing capital opportunities. We ask that the government continue working with Enbridge and our industry partners to deliver shovel-ready projects and to inform the natural gas community expansion support program to best leverage Enbridge's expertise for future projects.

That, then, brings me to my second point, on cost-effective greenhouse gas reductions. We are pleased to note that the Ontario environment plan recognizes the important role that renewable natural gas and conservation play in providing affordable emissions reductions choices for customers.

Renewable natural gas, or RNG, is the conversion of waste organic material into pipeline-quality methane, which is the same as natural gas. It comes from municipal landfills, waste water treatment plants, farms and organic green bin waste. RNG can be injected into our pipelines and used to help fuel vehicles, heat buildings and generate electricity. It is carbon-neutral and can lower emissions for transportation and buildings, which represent the greatest share of Ontario's GHG emissions. We ask that the government continue working with Enbridge and our partners to design a new RNG program that will give consumers greater choice in their low-carbon options.

We also look forward to continuing to deliver natural gas conservation programs based on our past successes. Between 1995 and 2016, Enbridge's energy efficiency programs reduced Ontario's GHG emissions by over 42 megatonnes, equal to taking 8.3 million cars off the road for a year, which is more than the entire passenger car population in Ontario. Over the coming months, Enbridge and our partners are prepared to provide advice on new, innovative solutions that would build on our past successes and achieve future reductions in the years ahead.

Finally, on red tape, we have two specific actions to help reduce red tape. The first is to adopt the proposed amendments to the TSSA Ontario operating engineers regulation. Today's regulations require an on-site operator at a compressed natural gas, or CNG, refuelling station. This creates a financial barrier for the adoption of CNG in Ontario's trucking fleets. CNG offers a 20% lower GHG emissions profile than diesel, and a 40% savings over diesel. Eliminating this requirement will not compromise safety and will increase adoption of CNG.

**The Vice-Chair (Mr. Jeremy Roberts):** One minute.

**Ms. Malini Giridhar:** Our second idea is to raise the Ontario Energy Board's leave-to-construct threshold from \$2 million to \$10 million for proven operators like Enbridge that have a strong safety record and annual revenues over \$500 million. This would streamline the

regulatory process for small projects and allow us to implement on a more timely basis than currently, knocking off at least six months in regulatory processes.

In summary, we can do more to help lower energy bills for families, enable businesses to be more competitive and achieve low-cost GHG emissions reductions. Enbridge is here to help. Our ideas don't require new taxpayer-funded dollars.

I would like to thank the committee for its time. I'm happy to answer any questions.

**The Vice-Chair (Mr. Jeremy Roberts):** Perfect. Right on time. Excellent. We're going to start with questions from the opposition, with four minutes of questions on each side. We'll start with Mr. Mamakwa.

**Mr. Sol Mamakwa:** Thank you for your presentation. At the beginning, you mentioned services to First Nations in the north.

**Ms. Malini Giridhar:** Yes.

**Mr. Sol Mamakwa:** My riding, Kiiwetinoong, which means "north"—and I know some previous presenters mentioned northern Ontario, but they were talking about North Bay and Sudbury. Kiiwetinoong means "north," like northwestern Ontario, but north of Kenora, north of Thunder Bay. Sometimes when I hear North Bay, I kind of smile when people mention that. In that sense, I usually say the Far North.

Anyway, I've got 27 fly-in communities. We still use diesel generators. We still use firewood to heat homes. When I hear, "We're going to provide service to the north," I don't know if that's even possible. I mean, I know there's a project called Wataynikaneyap power project to connect 22 First Nations to the grid, and that's a \$1.6-billion project. So, what's the plan?

**Ms. Malini Giridhar:** We have identified over 70 communities at this point that we believe we can cost-effectively bring natural gas to. Unfortunately, I'm not familiar with the communities you're talking about and whether they're part of our plan. But we're also looking innovatively beyond pipeline connections, to see if we could also provide trucking solutions and/or MNG to communities, so I'm happy to take that on.

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**The Vice-Chair (Mr. Jeremy Roberts):** Mr. Arthur.

**Mr. Ian Arthur:** Of 70 communities, how many of those qualify as rural or northern?

**Ms. Malini Giridhar:** They're all rural communities. Many of them are northern, but I wouldn't have the numbers at my fingertips.

**Mr. Ian Arthur:** Okay. We always run into this—you said, "that were cost-effective to bring it to," and I think this is one of the problems. We wanted "rural" and "northern" included in the recent natural gas bill, but those words were actually missing from the expansion. You're a profit-driven company, and that's totally okay, but what happens when we run into communities like Sol's that are massively cost-ineffective to bring affordable heating to? Do you see a role for your company in addressing those shortcomings, particularly in relation to Indigenous communities that we have pursued for years and years?

**Ms. Malini Giridhar:** Subject to our receiving a full cost recovery on our projects—we're not looking to make a profit, just to recover our costs, including our capital costs—

**The Vice-Chair (Mr. Jeremy Roberts):** One minute.

**Ms. Malini Giridhar:** —we are interested in serving as many communities as we can. To the extent that communities are not cost-efficient, then we would need to look at more innovative solutions. Natural gas is one, but compressed natural gas—we're even looking at solutions like geothermal. Obviously they would require an electric grid to be served off of. We're looking at a number of different options.

**Mr. Ian Arthur:** And do you think there's a role for government in helping to bring energy to those communities?

**Ms. Malini Giridhar:** Absolutely. I think Bill 32 is intended to help bring natural gas to several communities, and there may be other opportunities, as well.

**Mr. Ian Arthur:** Okay.

**The Vice-Chair (Mr. Jeremy Roberts):** Ms. Shaw.

**Ms. Sandy Shaw:** We heard from the OFA a couple of times when we were in the north, and they were a little bit skeptical about Bill 32 and whether it really would deliver natural gas to farm communities, especially when it's so cost-prohibitive to connect to pipelines when there's such a long extension. Can you talk about that?

**The Vice-Chair (Mr. Jeremy Roberts):** I'm afraid we won't be able to hear that answer. Sorry.

**Ms. Sandy Shaw:** It's all right.

**The Vice-Chair (Mr. Jeremy Roberts):** We'll head to the opposition now. We'll start with Ms. Skelly.

**Ms. Donna Skelly:** Thank you, and good morning. Are we going to get a copy of your presentation? Is it possible? I'd like to have a list of your recommendations and your asks.

**Ms. Malini Giridhar:** Sure. We would be happy to do that.

**Ms. Donna Skelly:** That would be wonderful. Thank you.

Line 10 goes directly through my riding, in Flamborough. I know you had recent upgrades in the past number of years. You also have Westover station, which, I believe, is one of the key stations in terms of delivery of natural gas. And yet, we have a number of smaller municipalities in that direct area that still don't have access to natural gas. What is the barrier to hooking up these rural communities to line 10?

**Ms. Malini Giridhar:** Right. Line 10 is an oil pipeline. It's a liquids pipeline. Our natural gas infrastructure is separate and distinct.

**Ms. Donna Skelly:** Does it still go through the rural area? Do you still have access to it, then, from there?

**Ms. Malini Giridhar:** It wouldn't be from line 10. We'd have to connect to natural gas transmission facilities.

**Ms. Donna Skelly:** Okay. What is the step, then, required to bring it to an area such as Flamborough, which is so close to the GTA?

**Ms. Malini Giridhar:** We could certainly go back and look at the economic feasibility of bringing gas there. Typically it's distance from an existing pipe and the density of the population living in the community.

**Ms. Donna Skelly:** In terms of the process under Bill 32, what would you be targeting? Have you looked at areas that would be ready to be the next recipient of natural gas?

**Ms. Malini Giridhar:** Yes. We have identified up to 70 communities—

**Ms. Donna Skelly:** But you don't have the list.

**Ms. Malini Giridhar:** I don't have the list here, but we certainly have it at the office. I'd be happy to send that over to you, if you'd like.

**Ms. Donna Skelly:** Do you have an idea of what part of the province they're in?

**Ms. Malini Giridhar:** These communities are in several parts of the province. Some may be closer to the GTA, but there are also several northern communities and southwestern communities, as well as communities to the east of Toronto and close to Ottawa. Those are the areas.

**Ms. Donna Skelly:** Okay. And you can provide the list of recommendations?

**Ms. Malini Giridhar:** We can do that, yes.

**Ms. Donna Skelly:** Thank you.

**The Chair (Mr. Stephen Crawford):** Anybody else? No? Okay. Thank you very much. We appreciate your time.

**Ms. Malini Giridhar:** Thank you.

#### ASSOCIATION OF ONTARIO MIDWIVES

**The Chair (Mr. Stephen Crawford):** I'd like to call up our next organization: the Association of Ontario Midwives.

**Ms. Elizabeth Brandeis:** Good morning.

**The Chair (Mr. Stephen Crawford):** Good morning, and welcome to the finance committee. If you could state your name for the record and then you can get right into your presentation.

**Ms. Elizabeth Brandeis:** Sure. My name is Elizabeth Brandeis, and I'm the president of the Association of Ontario Midwives.

Good morning, Mr. Crawford and members of the standing committee. As I mentioned, my name is Elizabeth Brandeis. I'm the president of the Association of Ontario Midwives, and I'm also a practising midwife here in Toronto.

The Association of Ontario Midwives represents over 900 registered and Aboriginal midwives working in Ontario's cities and towns such as Toronto, Hamilton, Orillia, Mississauga and Ottawa—really, all over the province, including rural and northern communities such as Kenora, and remote communities such as Attiwapiskat.

Today we want to encourage this committee and this government to give Ontario families a great start in life by supporting midwives, and to do so by including a commitment to closing the gender pay gap for Ontario midwives in the next provincial budget.

Ontario midwives are skilled primary health care providers who are specialists in providing round-the-clock, on-call care for clients throughout normal pregnancy, birth and the first six weeks after birth. This year, over 29,000 families will have the care of a midwife. Over 200,000 families have received midwifery care since we were regulated almost exactly 25 years ago. We just celebrated our 25-year anniversary of regulation.

With this proven safety record over the last 25 years, midwives are experts at providing excellent, evidence-based primary care to clients and their newborns in hospitals, in their homes, and in birth centres. We provide care that Ontario families deeply value. For example, a recent study showed very high rates of client satisfaction in midwifery care, significantly higher than that of clients of family physicians and obstetricians. Moreover, midwifery clients have a lower rate of costly interventions, and shorter hospital lengths of stay.

By offering vaginal birth after Caesarean sections, as well as birth out of the hospital—at home and in birthing centres—Ontario midwives effectively reduce hospital stays, and free up beds and hospital resources for those who need it the most. In fact, midwifery clients in Ontario have a 13% lower Caesarean section rate, a 34% lower epidural rate and a 20% home birth rate, and significantly shorter hospital lengths of stay than the provincial average. The midwifery model of care not only boasts excellent clinical care outcomes, but also provides cost-effective use of taxpayer dollars and an effective way of cutting hospital wait times and ending hallway medicine in maternity care.

In 2018, the Human Rights Tribunal of Ontario found the Ontario government liable since 2005 for discrimination in midwives' pay. The association was profoundly disappointed that, despite a lengthy and thorough hearing of this matter at the tribunal—52 days of hearings, to be exact—the government has told the association that they plan to appeal this decision. Appealing this decision is a long and arduous undertaking that will be a massive waste of taxpayer dollars.

The previous government has already spent significant government resources and taxpayer money to fight against midwives, initiating the largest hearing in the history of the Human Rights Tribunal of Ontario, rather than ensure equitable treatment of midwives, only to find it was liable for treating midwives unfairly on the basis of gender.

For over a decade, midwives have suffered this gender penalty in our compensation due to discriminatory treatment. Thus, in the interest of government cost efficiency and restoring accountability, we ask that this government abstain from appealing the decision.

Members of the standing committee, the upcoming budget can address the gender wage gap by making it a priority to pay midwives appropriately for our hard work. We have excellent health outcomes and cost-effective contributions to Ontario's health care system.

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Midwives remain highly undervalued despite our tremendous contributions. For example, evidence provided at the Human Rights Tribunal showed that no other health

professionals have the burden of on-call requirements that midwives must carry. Midwives are front-line health care providers and are a key element to ending hallway medicine, through our efficient use of scarce health care resources, our commitment to keeping clients out of emergency departments by being on call 24/7, our provision of home visits for clinical assessments, and our expertise in providing safe and cost-efficient alternatives to expensive medical interventions.

I'd like to give you an example of that work, a personal example from a client who is in care right now. She has a two-week-old baby. With her first pregnancy, she wasn't able to access midwifery care. She had a hospital birth under obstetricians and was kept in the hospital for a whole extra day to get breastfeeding support. She was discharged home when that support was not actually in place for her. She had to return to the hospital several times and go back to her pediatrician to have her baby's weight monitored. She was readmitted when that baby became dehydrated and jaundiced. This time, with a very similar situation—very similar breastfeeding problems—we were able to discharge her from the hospital at three hours, and I was able to provide home visits for that same follow-up.

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Elizabeth Brandeis:** I'm going to breeze through the rest of my speech.

Research does show that closing the gender wage gap has economic benefits; there's a lot of evidence to show that. The World Bank suggests that closing the gender wage gap could be worth the equivalent of 10% of Canada's GDP. These are benefits we simply cannot and should not be missing out on.

We know that one in three families who wish to access midwifery services cannot do so. We can't keep the talented midwives in the system providing that care if we're not paying them appropriately.

Finally, we ask that you maintain operational funding to the College of Midwives of Ontario. Cutting funding from a profession that is already deeply undervalued only exacerbates pay inequality and further stifles growth and innovation in midwifery. Maintaining the funding is not only in the best interests of Ontario families who rely on midwifery care; it is also in the best interests of Ontario's health care system, which benefits from the cost-effective care that midwives provide.

Thank you for the opportunity. I look forward to your questions.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We'll start with the government side for questions. Mr. Piccini.

**Mr. David Piccini:** Thank you very much for your presentation today. We really appreciate it.

As we look at transforming the health care system and the role that midwives can play going forward—can you just expand on the cost-benefit of engaging midwives early on, and the number of midwives we've had in Ontario and how that has grown over the past number of years, or what those numbers have been?

**Ms. Elizabeth Brandeis:** Absolutely. We've heard from governments throughout this 25-year history that

they value midwifery. We know that midwifery has grown from just 60 midwives who were registered in 1994 to now over 900 midwives. But, as I mentioned, those midwives aren't being valued appropriately, so we can't continue to grow this profession without appropriate treatment of the midwives who are providing that front-line work.

In larger numbers, midwives are able to provide more of that cost-benefit to the system: earlier discharge from hospital; not even admitting to hospital in the first place, with home birth and birth centre birth. Investment in birth centres in 2014 from the previous government in Ottawa and Toronto has kept thousands of families out of the hospital and provided excellent, low-risk birth care in those places, so we would love to see that expand.

There are innovative new ways that midwives are working in places like Ottawa and Collingwood, where midwives are actually following patients of physicians in the community after discharge as well, providing the home visits that we know set those families up for the best possible start.

**Mr. David Piccini:** Given the current fiscal situation we're in, I often use the analogy—I'm the parliamentary assistant for training, colleges and universities. The \$5 billion that we serve to fund all of our post-secondary institutions—colleges and universities—triple that goes to servicing our debt. So as we look at tightening our belt, do you think that it is appropriate that the college of midwives is the only regulatory body in Ontario that receives government funding?

**Ms. Elizabeth Brandeis:** Absolutely. That's because we're a small profession that has been chronically undervalued in the system. The support that the college of midwives has received over the years has been a very important equity measure for this small profession as we grow to being able to be completely self-funded. What was surprising about the cut to the college of midwives at the end of last year—

**Mr. David Piccini:** Sorry; I just have to interject. No funding decision was made. So you think it should be the only regulatory body funded.

Are you aware of the largest expense for the college of midwives and the biggest growth since 2014? Salaries and benefits have been the largest growth. And they have the best ratio of members to staff members of 38 regulatory bodies in Ontario. Of those regulatory bodies, there are smaller organizations than the college of midwives that receive no government funding.

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Elizabeth Brandeis:** What I would expect is that that subsidy from government is diminished over time, commensurate with the growth of midwifery, so that it's not on the backs of midwives that the funding of the regulatory body falls—instead of it being a sudden and retroactive cut, that it be a gradual and collaborative process.

**Mr. David Piccini:** That makes sense, certainly. Since 2014, funding has grown from government. So you would agree that we should wind it down with the growth of the profession and—

**Ms. Elizabeth Brandeis:** We know that that is the plan: to become self-funded eventually. It's just that the profession needs to be able to plan for that eventual self-funding.

**Mr. David Piccini:** The only challenge, though, is that since 2014, the funding has doubled from government, and the biggest growth hasn't been the CPD that has offered a lot of programs and benefits; it has been salaries and benefits. As we look at the growth, would you agree that, given our fiscal realities in Ontario, we can differentiate between funding for midwives and salaries and the funding to the college?

**Ms. Elizabeth Brandeis:** The college funding—

**The Chair (Mr. Stephen Crawford):** I apologize. We've exceeded our time by a little bit. I'm going to move now to the opposition side. Mr. Arthur?

**Mr. Ian Arthur:** Thank you so much for your presentation. I have a couple of things here. Can we walk through, just for clarity's sake, what actually happened? You were given a notification that was later walked back on?

**Ms. Elizabeth Brandeis:** We actually haven't heard a final word. What I do know is that the college was informed that funding was cut, retroactive to April. That message was sent in November. Since then, there has been quite confusing communication with government about whether that is being walked back or if, in fact, a final decision wasn't made before that communication was sent to the college.

Our understanding is that the funding has been cut. That's the message that we've received.

**Mr. Ian Arthur:** Growth and ballooning administration costs or whatever is something that universities are facing as well; that's changing all over. But let's talk a little bit—because I think the two things you're saying go hand in hand—about diminishing operational funding for the college of midwives, slowly diminishing it over time. If we pursue pay equity and fair compensation for midwives at the same time, would that be a fair way to do this?

**Ms. Elizabeth Brandeis:** That's what I would advocate for, yes.

**Mr. Ian Arthur:** In order for them to become a self-sufficient body, the midwives who would pay into that body to run it need to be fairly compensated?

**Ms. Elizabeth Brandeis:** Correct. We know that we are underfunded in terms of our compensation, and the burden is greater for us in terms of our professional dues. Those two things don't square.

**Mr. Ian Arthur:** Yes, exactly. Thank you.

**The Chair (Mr. Stephen Crawford):** Mr. Mamakwa.

**Mr. Sol Mamakwa:** Just a quick comment, not necessarily a question, Elizabeth: In the north, my region, we've been there thousands of years. My mom delivered so many babies, she would tell me stories about it, and the role that she had in the community. Not only that; we have a lot of people in our communities, First Nations women, who have done that, and we were okay. It wasn't until the

arrival of the settlers—immigrants, I guess—here that suddenly we're starting to go to hospitals.

Anyway, what I'm saying is that there's a big role for midwives in our communities, in our First Nations communities especially, because families have to leave the community for two months at times if it's a very high risk. We like to keep our people closer to home. I just wanted to make those comments.

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**Ms. Elizabeth Brandeis:** Thank you, and I do want to mention that one of the areas of very exciting growth in midwifery is around Indigenous midwifery—

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Elizabeth Brandeis:**—and bringing birth back to Indigenous communities. We're actually having an Indigenous midwifery summit in Thunder Bay in two weeks, where we're talking about exactly what you're referring to and how to bring that back.

**Mr. Sol Mamakwa:** Yes. Thank you.

**The Chair (Mr. Stephen Crawford):** Ms. Shaw.

**Ms. Sandy Shaw:** I also want to thank you for the work that you have done for the health of women. I have grandchildren delivered—gratefully, two midwives have—I don't know if you know Helen McDonald. She delivered my first grandchild.

In the time we have left, you're talking about the pay equity, the gender wage gap. Can you talk about—a little gender spiel, if you will—why it's important for women to have choice in the kinds of medical services they receive, especially when they're having their babies?

**Ms. Elizabeth Brandeis:** Absolutely. The concept of choice is central to midwifery care, and that's connected to reproductive choice generally. We know that when choice is restricted, the health of women fails, and we know when the health of women fails, the health of families and society fails. The element of choice is really the key to healthy families and a healthy society. Where and how women give birth is a crucial piece of that. We know that when women are flown out of their communities to birth in really archaic practices, that has impacts for generations—

**The Chair (Mr. Stephen Crawford):** Thank you. I apologize. Thank you for your presentation. We appreciate it.

**Ms. Elizabeth Brandeis:** Thank you, all, for your time.

#### CANADIAN CANCER SOCIETY

**The Chair (Mr. Stephen Crawford):** We'll call up the next organization, the Canadian Cancer Society. Welcome to the Standing Committee on Finance and Economic Affairs. If you could just state your names for the record, you can get right into your presentation, and I will give you a one-minute warning.

**Ms. Sarah Cruickshank:** Good morning, Chair and committee members. On behalf of the Canadian Cancer Society, thank you for the opportunity to appear before the committee. My name is Sarah Cruickshank, senior coordinator of public issues. I'm here today with Rob

Cunningham, lawyer and senior policy analyst, as well as John Atkinson, who is our director of cancer prevention and tobacco control in Ontario.

The focus of our testimony is the importance of tobacco control in the province, including the Smokers' Helpline and also including a cost-recovery revenue opportunity for the government. Our brief distributed to you also includes a recommendation on take-home cancer drugs, but that will not be the focus of today's testimony.

Tobacco use is the leading preventable cause of disease and death in Ontario, causing about 30% of all cancer deaths. Approximately 13,000 Ontarians die each year as a result of tobacco use. In Ontario, current smoking prevalence is 15%, with more than two million Ontarians continuing to use tobacco products. Each year, tobacco use costs Ontario at least \$2.3 billion in direct health care costs. Factoring in total economic costs, such as lost income and productivity, smoking costs the province billions more.

Ontario has made substantial progress to reduce smoking among both adults and youth. But despite this progress, an enormous amount of work remains to be done. Of concern is that there are some studies indicating that smoking rates may have increased recently, which points to the need to maintain a strong focus on tobacco control in Ontario.

The Smoke-Free Ontario Strategy is essential and includes smoking cessation initiatives, youth prevention, public education, enforcement of sale-to-minors laws, research, policy development and support at the community level through public health units. This is all aimed at preventing youth and young adults from starting to smoke, supporting current tobacco users to quit and protecting people from exposure to second-hand smoke.

As part of this overall strategy, the Smokers' Helpline, which is operated by the Canadian Cancer Society, has been Ontario's quit line service provider since such services were launched in 2001 by the government of Premier Harris. Every province, territory and state in North America has a quit line. Smokers' Helpline is a key part of the cessation strategy in Ontario and has supported more than 215,000 Ontarians in their efforts to quit smoking through evidence-based services provided by certified specialists.

Smokers' Helpline has been shown to be seven times more effective than people quitting on their own. Smokers' Helpline is more than a one-on-one phone line. It also includes a self-guided online program, an email support program, a moderated online community and support by text messaging, including a live chat function. Support is available in both official languages and in more than 150 other languages through interpretation, including 14 Indigenous languages. Smokers' Helpline is accessible to all smokers in Ontario, which is especially important in rural and remote communities where there may be no other smoking cessation service available.

Smokers' Helpline has been extremely efficient by growing the number of services available to Ontarians, growing overall reach and maintaining high-quality service standards for Ontario tobacco users.

The Smoke-Free Ontario Strategy, including Smokers' Helpline, is a highly effective, proven program to prevent cancer and cancer-related health care costs by decreasing smoking. We recommend that the Ontario government protect the progress that has been made in tobacco control and smoking cessation by maintaining funding for the Smoke-Free Ontario Strategy and by maintaining the Smokers' Helpline as a key pillar of the strategy.

We also recommend that the annual cost of the overall Smoke-Free Ontario Strategy be recovered through an annual cost recovery fee on the tobacco industry. For this recommendation, I will now turn things over to Rob.

**Mr. Rob Cunningham:** Thank you, Sarah. An annual cost recovery fee—which is a fee, not a tax—would be similar to the approach of the US Food and Drug Administration, where a tobacco strategy cost recovery fee has been in place since 2009. It would also be similar to the Canadian federal cannabis annual regulatory fee, now in place, which will recover more than \$100 million per year through an annual fee on the cannabis industry. Six provinces and territories have some type of cost recovery mechanism in place for cannabis, though not Ontario. Examples include Manitoba, Quebec and New Brunswick.

The tobacco industry has caused the tobacco epidemic and should be required to reimburse the government of Ontario for the cost of responding to the epidemic. A January 2018 Ipsos poll found that 84% of Canadians, including 83% in Ontario, support a tobacco industry cost recovery fee.

The fee would generate approximately \$40 million in incremental annual revenue for the Ontario government based on the current investment of the Smoke-Free Ontario Strategy. This new revenue of about \$40 million per year could then be used for government priorities. Tobacco companies would pay a fee based on their market share. Thus, if a company had a market share of 50%, that company would pay an annual fee of \$20 million.

The tobacco industry could easily pay this \$40 million fee. Over the four-and-a-half-year period between 2014 to the first half of 2018, inclusive, the tobacco industry has increased its prices by \$15 per carton and is now generating \$2 billion in incremental revenue per year, Canada-wide—revenue that should be going to government. If the tobacco industry is generating \$2 billion in additional revenue, it can certainly afford to pay \$40 million.

For committee members, this graph has been distributed to you. If I can just explain it, it's based on tobacco industry reports to Health Canada. The blue are federal excise taxes. The red are tobacco industry prices, net of provincial tobacco taxes. It's what the tobacco industry is collecting. If you look at 2013, it's 8.9 cents per cigarette. If you look at halfway through 2018, it's 16.4 cents per cigarette. They've increased it by 7.5 cents per cigarette, which is \$15 per carton of 200 cigarettes, which translates to \$2 billion per year, based on Canada-wide sales volumes.

The cost recovery fee would be complimentary to Ontario's—

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Rob Cunningham:**—cost recovery lawsuit against the tobacco industry, an initiative originally started by the Harris government. All 10 provinces now have such lawsuits.

The Smoke-Free Ontario Strategy would be further strengthened by implementation of a series of tobacco contraband prevention measures, a number of which have already been implemented in other provinces. The Ontario government's enforcement costs related to contraband could also be covered by the cost recovery fee on the tobacco industry.

In conclusion, we wish to reiterate the fundamental importance of the Smoke-Free Ontario Strategy, including the Smokers' Helpline, to benefit public health, to protect youth and to reduce disease and death in Ontario.

Thank you. We look forward to your questions.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We're going to start questions from the opposition side. Ms. Shaw.

**Ms. Sandy Shaw:** Thank you very much for your presentation. There's a lot here, but I would like to talk about the take-home cancer drugs. You may be aware that we had an opposition day motion. Our party and our leader, Andrea Horwath, called for this during the campaign and recently in the Legislature. This is something that's not just about health, but about some kind of compassion for people who are struggling with this issue. Can you speak a little further about why you think this is so important? As you know, the government side did not support this. In fact, some of the MPPs who spoke against this really did not seem to understand the depth of the importance of this for people who are struggling with cancer, and their families. I'd like you to take a chance to talk about why you think the government would not support a motion that has been so widely promoted by both the opposition and folks like yourselves.

**Mr. Sarah Cruickshank:** Sure. This is absolutely a priority for us as well. Right now, we've got a system that covers the cost of drugs for people when it's in hospital, and that system is slowly changing. It's part of a larger transformation in the system of care. We're moving toward more home-based care, which is great in a lot of ways. People don't have to travel as far and it also saves money for the health care system. You can move that money somewhere else to address things, like wait times in the ER.

However, the costs of the drugs taken at home are not covered, so you've kind of got a system of inequities right now in Ontario.

**1010**

**Ms. Sandy Shaw:** Can you understand the government's rationale for voting down the proposal to fund take-home cancer drugs?

**Ms. Sarah Cruickshank:** It was certainly disappointing to see. I think in the fall of 2017 there was a joint motion between the NDP and PC, both opposition, to fund take-home cancer drugs. We hope that in the future this is something that they can turn around to.

**Ms. Sandy Shaw:** We do too. Thank you.

**The Chair (Mr. Stephen Crawford):** Mr. Arthur.

**Mr. Ian Arthur:** I actually just want to talk a little bit—we had a presenter yesterday who owned a private vaping business. Can you comment on the growth of vaping, particularly among youth, and if you see this leading to an uptick in the smoking of tobacco?

**Mr. Rob Cunningham:** I can begin. First of all, we're very concerned by the increase in vaping among youth. We're hearing from principals across the province and the country. There's data with respect to that emerging in 2018, about an increase. Nicotine is addictive, and there's a series of things that we need to do.

Part of the reason for that is the government's Ministry of Health needs to work on an ongoing basis to deal with the emerging issues. That's one of the reasons underlined in my recommendations.

**Mr. John Atkinson:** Additionally, very recently in Ottawa, researcher David Hammond from University of Waterloo presented on six-month data, ending at the end of September 2018, showing a significant increase in just six months in youth vaping.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. John Atkinson:** As well, he also demonstrated, with a very large sample size from the study, a significant increase in youth smoking. That's the first time that we're seeing a signal that young people have increased rates of smoking in the last two to three decades. That's concerning as well. We're not exactly sure what's at play but we do know that vaping is going up, mainly because nicotine levels are quite high in a number of these vaping products, which increases addiction levels in young people.

**Mr. Ian Arthur:** Just so we're clear, there would be a difference between vaping being used for sensation, with a diminishing amount of nicotine levels, and the vaping that is often done where there is no plan to reduce it.

**Mr. Rob Cunningham:** And certainly, many youth are starting who are not smokers.

**Mr. Ian Arthur:** Yes.

**Mr. Rob Cunningham:** Controlling the advertising, eliminating the advertising in convenience stores and better programs as part of the ministry's strategy are all part of the solution.

**Mr. Ian Arthur:** Perfect. Thank you so much.

**The Chair (Mr. Stephen Crawford):** Thank you. We're going to turn to the government side for questions. Mr. Cho.

**Mr. Stan Cho:** Thank you for your presentation. Just to continue along Mr. Arthur's line of questioning, Ms. Cruickshank, you mentioned earlier that there has been an uptick in smoking. You just mentioned, Mr. Atkinson, that there's been an increase with youth smoking rates. What is the overall rate? Is the youth increase accounting for the overall increase, or is it just the general population increasing as well? Does it break down to that extent?

**Mr. John Atkinson:** There is currently not enough data that's been released; 2017 is the most recent data that we have.

The study that I just referred to is not even published yet, but it was presented. That's six-month data. We're not

exactly sure what is at play. The market has changed significantly in terms of vaping as well as the introduction of the legalization of cannabis, but what we do know is, it's showing that young people are starting to smoke in greater numbers. Those are likely young people who never would have smoked cigarettes to begin with.

**Mr. Stan Cho:** Right. I'm looking forward to some updated data on that matter.

Switching gears a little bit here: Referring to this chart that you brought along, it's interesting to see the difference in excise and industry pricing here, essentially. Maybe what's led to that disparity, I guess, is the decreasing overall smoking rates previously to recently, so maybe tobacco companies are pricing it higher to make up for that, and offset that.

I think the spinoff result of very expensive cigarettes in the regulated market is promoting the illicit tobacco market. I'm wondering if you have any suggestions for us on how to fight illegal contraband tobacco.

**Mr. Rob Cunningham:** Yes. First of all, just to mention, the tobacco industry is being very hypocritical. They are saying, "Ontario government, do not increase your tobacco tax; it's going to cause contraband." Yet, they're increasing their prices by \$15 a carton, far more than the government is increasing tobacco taxes. They're getting the revenue.

Contraband is an issue. We have a whole series of recommendations that were presented a year ago to this committee. Those recommendations remain valid in terms of additional measures that can be taken, one of which is a refund system to product intended for on-reserve sale, without Ontario taxes. Seven other provinces and territories have this measure in place; Ontario does not. Ontario does not have the controls, but this would be a significant measure, among others, that could help.

**Mr. Stan Cho:** Thank you very much.

**The Chair (Mr. Stephen Crawford):** Mr. Downey.

**Mr. Doug Downey:** Thank you. In getting ready for FES and now this, we had some discussions with the Quebec market and what's happening with illegal tobacco. I don't know if you have comments on what they're doing.

**Mr. Rob Cunningham:** Yes, so the Quebec Ministry of Finance has reported in their most recent budget a decrease in contraband—it had been about 30% of the market—down to about 12% of the market. They have a series of measures in place. One of them that they do have that Ontario does not is this refund system for product intended for on-reserve sale. I think that's a clear gap from what Ontario is doing. But there's a series of other enforcement measures in terms of fines being able to be with local police forces and so on.

**Mr. Doug Downey:** Do you have any comment on what the federal government is doing with packaging?

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Rob Cunningham:** We strongly support tobacco plain packaging. There are about a dozen countries worldwide that have already done it. The package should not be a mini-billboard and more appealing to kids. The tobacco industry is strongly opposed, but that sends to us

a message of how important it is to reduce smoking. It's a key measure, and we look forward to it as soon as possible.

**The Chair (Mr. Stephen Crawford):** Okay. Thank you very much.

**Mr. Rob Cunningham:** Thank you.

#### THE CO-OPERATORS GROUP LTD.

**The Chair (Mr. Stephen Crawford):** The Ontario Health Coalition cancelled, just so everybody is aware, the committee members. But the Co-operators Group Ltd. is the next speaker.

Good morning and welcome to the finance committee. If you could just state your names for the record, and you can get right into your presentation. I will give you one-minute warnings. Thank you.

**Mr. George Hardy:** My name is George Hardy.

**Ms. Maya Milardovic:** And Maya Milardovic.

**Mr. George Hardy:** Good morning, and thank you for the opportunity to be part of today's discussion and share recommendations for the 2019 budget. Once again, my name is George Hardy and I am the vice-president of home and auto insurance at the Co-operators. I'm joined by my colleague Maya Milardovic, who is our director of government relations.

The Co-operators is a Canadian multi-line insurance and financial services organization. As our name suggests, we are democratically governed by 45 co-operatives and credit union centrals from across the country, many of which make their home in Ontario. Our business decisions are guided by our co-operative principles and values.

Our organization was founded on the principle of meeting unmet, ill-met or underserved needs. In 1945, a group of Canadian farmers who were not able to access insurance came together and founded what today is known as the Co-operators.

In line with our co-operative principles and values, we pass on auto rate decreases to our current and prospective clients as soon as we are in a position to do so. In fact, prior to the previous government's mandatory 15% rate reduction in 2013, we had already reduced rates by 12% in 2012.

In Ontario, we have a strong footprint. We contract with 250 independent advisers and employ 2,700 staff. We insure 580,000 private passenger vehicles, more than 350,000 homes, 9,400 farms and 37,000 businesses. We are committed to the communities we serve, and we are very concerned about the current state of the auto insurance product and market in Ontario.

Let me start out by saying that we agree that auto insurance rates in Ontario are too high. Our recommendations centre around lowering premiums for our clients. We know this is an issue you are all actively working towards on behalf of your constituents.

MPP Parm Gill's private member's bill, Bill 42, was introduced to address the variance in premiums across the province, and will likely come up for debate this spring. There are elements in Bill 42 that we support, particularly related to rescinding an almost 15-year-old FSCO bulletin

that restricts innovation, competition and client choice. From our understanding of the bill, we are cautiously optimistic that it seeks to address subsidization of higher-risk areas by Ontarians in lower-risk areas.

We stress that changes to territory segmentation alone will not resolve the cost challenge for Ontario drivers. Our focus is on removing costs from the system, not re-distributing them in an unfair manner. Reduced costs will ultimately result in savings that can be passed on to consumers.

#### 1020

We'd like to speak now on our recommendations to reduce costs from the system, which can be incorporated into budget 2019 to benefit all Ontarians. First, I will discuss our recommendations to reduce red tape, and will then address accident benefits and bodily injury claims. I will briefly touch on the impact that fraud has on the cost of premiums and conclude by speaking about the necessity of investment in road safety.

In order to reduce red tape, we recommend allowing insurance companies to do business with clients electronically, according to their choice. This would include permitting the use of electronic proof of insurance as a pink slip. There is a cost savings to providing electronic documents over hard-copy documents, and these are savings that could be passed on to clients.

We also recommend improving the rate approval process. With the upcoming launch of the Financial Services Regulatory Authority of Ontario, we recommend the introduction of a file-and-use approach. This approach would allow insurers to immediately begin using new rates. It will foster innovation and efficiency, allowing the role of the regulator to shift from monitoring and compliance. In our written submission, we will provide greater detail by outlining recommendations on eliminating unnecessary and outdated processes in the Insurance Act.

Our goal is to address escalating claims costs. Accident benefits and bodily injury claims are significant cost drivers in the auto insurance system. A well-designed system would return the largest possible percentage of premiums to consumers in the form of treatment, compensation and services.

While it's difficult to address the increased repair costs as a result of added technology to vehicles, we can work to remove transactional costs from the system. This will centre around reducing legal costs, which could be addressed by introducing programs of care and neutral independent examination centres, removing the need for multiple assessments and disputes. Ultimately, the client will get the support they need in a timely manner to bring them to where they were before the accident.

At a cost of around \$1.6 billion a year, fraud has a significant impact on premiums. In budget 2019, we recommend a legislative framework that will permit data-sharing between the Serious Fraud Office, law enforcement and the insurance industry, but most importantly, within the insurance industry itself. The ability to collaborate with other insurers about potential cases of fraud will help address this serious issue.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. George Hardy:** Finally, we urge the committee to include in its recommendations the need for direct investment in infrastructure and road safety. Improving the safety of our roads will help prevent accidents, which in turn will help address premium costs. This is an opportunity for the government to invest directly in provincial highways and provide funding to municipalities for local infrastructure. It's a proven approach. The city of Edmonton implemented a Vision Zero strategy. Since 2006, collision injuries and deaths have reduced by 55%, leading to an estimated \$1.1 billion in societal savings.

The Co-operators puts all its clients at the centre of its decision-making, and we are working towards an insurance product in an environment that is focused on security, affordability, availability and simplicity. If implemented, our recommendations for budget 2019 would help reduce the cost of auto insurance for Ontario drivers and will improve the experience for consumers.

Thank you again for the opportunity to appear before you today. I am happy to answer any questions.

**The Chair (Mr. Stephen Crawford):** Thank you; right on seven minutes. We'll start questions. Mr. Downey.

**Mr. Doug Downey:** Thank you for coming.

Auto insurance is something that I've been seized with since I landed here in July. I've done dozens and dozens of meetings, and some of the things you're saying have come up in different forms, so there's nothing radical there.

I want to go a level deeper, though, if I can, and talk about fraud—if you can give me some insight into what the companies do to try and combat fraud. We have the Serious Fraud Office, and there are some efforts that we are making here—but if you can educate me a little bit on how you manage it or what systems are in place for that.

**Mr. George Hardy:** We have internal processes in our claims department to identify any claims that appear to be suspicious. We have our own potential fraud investigations office that looks at unusual claims and tries to get to the bottom of those. Where we have the evidence to prosecute, we attempt to prosecute.

We also attempt to coordinate and provide any discussions with FSCO. As it is right now, we meet with FSCO regularly and talk to them about the fraud problems that we see within the auto insurance industry. We have that open line of communication with the regulator as we work daily.

**Mr. Doug Downey:** I guess that's one of my questions. If you identify an individual who you think is involved in fraud, does it get communicated up to FSCO? Is there that sharing of—

**Mr. George Hardy:** No. We don't communicate specific examples. We communicate more broadly what we see as areas of fraud and potential fraud within the system that we're looking for their support to help resolve. It's not a case-by-case basis.

**Mr. Doug Downey:** And is there any industry association coordination in terms of identifying those individuals?

**Mr. George Hardy:** Yes. You might be aware that there's an organization called Kanetix, where the industry pools information on claims and tries to look at the claims environment in, I'll say, a more total perspective. But there are limitations in how we can communicate with them and with other insurers. We're looking for a legislative framework to try to improve that.

We also know that there is a Serious Fraud Office that has been implemented, and we're encouraged by that. We support that development. But what we're looking for is the ability to communicate, as well, within a regulatory framework with other insurance companies to identify potential cases for fraud that we are unable to see now.

The example of that that I might give is that it's possible that somebody could attempt to bill for more than 24 hours in a single day, but you would get around that by billing separate insurance companies in a manner that might look normal, but when you see it in total, it's impossible to bill for more than 24 hours in a day. We just don't have the ability to see that right now.

**Mr. Doug Downey:** A bit of transparency there.

**Mr. George Hardy:** Yes.

**Mr. Doug Downey:** You may have been around—

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Doug Downey:** Just a comment on the DACs—because when you talk about an exam centre, the first thing people then go to is the DACs. Do you have a comment on that?

**Mr. George Hardy:** What we're hoping for, as I mentioned in my update, is, first of all, programs of care that are prescribed for people in advance to eliminate that adversarial approach to determining what the program of care is. Part of that could be identified through an independent examination centre. Right now, if a person is injured in an auto accident and looking for treatment, there is an adversarial process that determines what the right process is, and that takes time while the individual is waiting for a resolution. We believe that an independent examination centre could use prescribed programs of care and provide that to clients more quickly so those individuals aren't waiting for their care to begin.

**The Chair (Mr. Stephen Crawford):** Thank you. We're now going to turn to the opposition side. Ms. Shaw.

**Ms. Sandy Shaw:** Thank you very much for your presentation.

I'd just also like to mention that the co-operative model, I think, is very remarkable. It's a stellar example of how you can balance social, economic and environmental sustainability, so I commend you for that model. It works, and we should learn from it.

You were talking about auto insurance rates and high premiums. Our MPP Gurratan Singh, the MPP for Brampton East, has also put forward a private member's bill trying to address the issue of incredibly high rates in Peel, in the region of Brampton particularly, in what can often be described as postal code discrimination. I know you talked a little bit about that, so I would be interested to hear your comments. You said you were cautious about the bill before the House. Can you say what you think

should be in there? Would it be more appropriate to be a comprehensive government bill to address these issues, as opposed to just a private member's bill?

**Mr. George Hardy:** One of the platform statements I would make is that we support risk-based rating. We believe that rating according to the risk that an individual presents would send an economic signal, and it's only through the truth in the risk-based rating that that economic signal is sent. That economic signal could be for the individual's driving behaviour, but it might be for the road conditions or the environment in a particular area where the individual resides. We believe that that truth in the economic signal is what promotes road safety. If the economic signal is hidden through rates, then the signal is misinterpreted.

We're looking to eliminate the guideline that's in place now so that there's more freedom within the insurance industry to calculate rates according to the risk that individual clients promote. If we were to go in the opposite direction and have a blanket "no rating territories at all," 65% of Ontario would see an increase in their premiums, if the territories were altogether eliminated.

1030

In the instance of Brampton, Brampton is treated as essentially one block because there are limitations on the number of territories we're allowed to use in the greater Toronto area. But we know from our research that there's large potential for segmentation in Brampton. If you were to pull the segmentation apart, there's a large block of people in Brampton who are subsidizing the higher-risk drivers. We're looking for the opportunity to bring that segmentation and offer those rate decreases for areas—and for drivers in Brampton—that deserve to have low rates.

**Ms. Sandy Shaw:** That's something you would like to see in a government bill?

**Mr. George Hardy:** Yes.

**Ms. Sandy Shaw:** Thank you.

**The Chair (Mr. Stephen Crawford):** Mr. Arthur.

**Mr. Ian Arthur:** I want to talk about—

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Ian Arthur:** Very quickly, then, when you were talking about the adversarial nature of claims—I'm pretty sure everyone in this room has had friends and family complain about insurance companies and the fights. Can you talk about how important that would be, an independent system, and what that would mean for your business and even just the reputation of your business?

**Mr. George Hardy:** The insurance industry operates in the environment that's created according to the legislation. It is an adversarial one. When a client is injured, comes in and brings on legal counsel, there is the adversarial relationship that's created for the insurance organization to identify a treatment of care and, if they don't think that's appropriate, for the legal counsel of the individual to determine the treatment of care. That is an expensive process. We know that we spend 30 times more in Ontario dealing with those kinds of things than we do in Alberta.

**The Chair (Mr. Stephen Crawford):** Thank you very much. Our time has expired, but we appreciate your presentation.

## ASSOCIATION OF COMMUNITY LEGAL CLINICS OF ONTARIO

**The Chair (Mr. Stephen Crawford):** I'll call up our next presenter: the Association of Community Legal Clinics of Ontario. Good morning, and welcome to the finance committee. If you could state your name for the record, and you can begin your presentation immediately.

**Mr. Lenny Abramowicz:** Good morning. My name is Lenny Abramowicz, and I'm the executive director of the Association of Community Legal Clinics of Ontario. I am appearing before you today to talk about the importance of investing in legal aid; specifically, in the province's community legal aid clinics.

Ontario's community legal clinics serve individuals and families in communities right across the province. Perhaps many of you have had interactions with your local community clinic—hopefully positive ones. They are funded by Legal Aid Ontario and they offer a broad range of services to address the basic civil legal needs of low-income Ontarians. In fact, community clinics help vulnerable Ontarians with the legal issues that are most critical for them, including housing, income security, education, health care, disability programs, workers' rights, victims' assistance etc. The work that clinics do is aimed at ensuring that people with low incomes are able to meet their most basic needs, which in turn gives them the ability to live with health and dignity as active members of their community.

There are 74 community clinics in Ontario, most serving specific geographic communities and a handful of clinics serving other specific communities, such as the elderly or the disabled. The entire clinic system operates on a capped total budget of approximately \$80 million or approximately 18% of Legal Aid's overall budget. In 2017, community clinics provided services to over 240,000 Ontarians.

Clinics are storefront offices located in the communities they serve, with minimal administration and absolutely no bureaucracy. This enables clinics to be flexible and client-oriented. Clinic work is tailored to the needs of each individual client based on the resources available, with some clients receiving full representation while others may receive summary advice or self-help assistance, depending on their particular circumstances and needs.

Clinics operate on capped budgets, which provide cost certainty to governments—which we know is an important issue these days—and clinics are accountable to their funder, Legal Aid Ontario. They submit annual funding applications, quarterly statistical and financial reports, and undergo periodic quality assurance audits. Clinics make use of lawyers, non-lawyers, public legal education initiatives and other delivery systems in order to provide their services in the most cost-effective way possible.

Clinics follow Legal Aid's financial eligibility guidelines, but they do have the flexibility to waive those guidelines and provide services to those who don't financially qualify—so clinics can help the working poor or the middle class with their issues. Clinics specifically develop close linkages to non-legal services providers,

such as health care, housing help, employment supports, daycare etc., and some even co-locate in service hubs to ensure that clients receive wraparound services.

Clinics have been identified by numerous independent studies or reviews as the best way to provide community legal services to low-income communities and individuals. In fact, to quote the report of the Ontario legal aid review, which was conducted by the Mike Harris government in 1997—and that’s actually also the last comprehensive review of Ontario’s legal aid system, which led to the geographic completion of the clinic system, putting a clinic in every community across the province. The report stated, “It is widely acknowledged that community ... clinics are best suited to deliver ‘poverty law’ services. This conclusion has been confirmed by numerous independent studies on this subject.”

Clinics providing these community legal services work in tandem with the private bar who, through private legal aid certificates, focus primarily on the criminal and family law services. So there’s no overlap between the clinics doing their work and the private bar doing the criminal and family work.

It has been said many times that access to justice is a fundamental hallmark of a civilized society. A few years ago, the former Chief Justice of the Supreme Court of Canada, Beverley McLachlin, stated, “The most advanced justice system in the world is a failure if it does not provide justice to the people it is meant to serve. Access to justice is therefore critical. Unfortunately, many Canadian men and women find themselves unable, mainly for financial reasons, to access the Canadian justice system.”

Because of many years of underinvestment, the former Chief Justice’s statement applies to the justice system in Ontario. There remains a significant gap between those who are able to hire their own lawyers and those who are eligible for legal aid services. However, modest investments in the last few years have helped stem the tide of the access-to-justice crisis in the province, and the plan is to continue making investments for the next few years until legal aid becomes available at least for Ontarians living below or at the low-income measure. I urge you not to deviate from that plan.

Numerous studies from across the world and right here in Ontario as well show that denial of access to justice has significant negative impacts in any society. First of all, it leads to unrepresented litigants appearing in courts and tribunals, which typically slows proceedings and leads to delays and increased costs. Moreover, the lack of access to justice is usually a symptom of a larger set of medical, social or economic issues, which can combine to create social exclusion, dislocation and, ultimately, a rejection by some of the concept of the rule of law. A lack of early intervention, from the provision of legal information, to summary advice, to representation in some cases—

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Lenny Abramowicz:** —allows issues to escalate and compound, all of which leads to social upheaval and increased costs across a range of services, including the courts, prisons, homelessness programs, shelters, social

assistance etc. In fact, some American studies are showing that every dollar invested in legal aid, and specifically in civil legal aid, leads to a return or savings to the taxpayer of between \$3 and \$5. If these findings apply in Ontario, and there is no reason to believe that they don’t, maintaining the ongoing investment in legal aid could more than pay for itself and, at the same time, would contribute to a more just and prosperous Ontario. Therefore, I urge you to continue the government’s plan to invest in and expand legal aid services in Ontario.

Thank you. I’m open to any questions.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We’re going to start with questions from the opposition side. Ms. Shaw.

**Ms. Sandy Shaw:** Thank you very much for your presentation.

I would just like to say that in Hamilton we have a legal clinic, McQuesten legal clinic, that does remarkable work, as you said earlier, beyond just providing counsel to the members of our community. In fact, so many of the referrals that we make to legal clinics from my office often provide, as you said, the kind of advice and connection to other services that really have very little to do, in fact, with representation in a court proceeding. I think that’s an important thing, that it’s preventive; it helps people resolve issues before they get to that point. If you could just talk a little bit about that cost saving.

**Mr. Lenny Abramowicz:** Absolutely. I’m glad you mentioned that, because the clinics have never been a binary model of service. It’s never been, either you get the full service, or you get nothing. The concept behind the clinics is that not everybody’s issues are the same, and moreover, if you deal with people by giving them some public legal education up front—a typical example is that at the clinic I worked at, we gave advice to tenants, and sometimes our advice to tenants was, “Well, you might have to move, but here’s how we can help you move.” We have a clinic that serves landlords called Landlord’s Self-Help Centre. They do the same thing. I’ve sat in their office and heard them give very useful advice to landlords.

**1040**

The purpose of the clinic system is to avoid issues going to court. No one wants that. Governments don’t want to pay for that. Courts don’t want to be clogged with that. The purpose that we have is to try to get up front, because people don’t want to go to court either, or go to tribunals, and we try to provide the help up front. Like you say, it’s not always strict legal help. Sometimes it is, because sometimes you can’t avoid it, but most of the time—in fact, if you look at the statistics I provided on that sheet, the vast majority of our interventions don’t lead to a court case. They lead to assistance that solves a problem without having to litigate.

**Ms. Sandy Shaw:** What you just said is a very important fact to underscore: that you are preventing people ending up in an expensive and, as we know, overburdened court system.

I’m also glad you brought up the issue of, I guess, the Landlord and Tenant Board. It’s my understanding—

correct me if I'm wrong—that the vast majority of the work from legal clinics in Hamilton has to do with housing issues. We've been travelling across the province, hearing a lot about people's inability to access affordable, adequate housing and the lack of social housing for low-income families. This is an issue that continues to grow. We've seen that social assistance recipients and ODSP recipients are facing cuts to the amount of money they will be receiving. Can you talk about the lack of income, whether it's social assistance or otherwise, the connection to housing issues and the need for Legal Aid Ontario's services?

**Mr. Lenny Abramowicz:** There's no question that people who are living closer to the margins find themselves bumping up against sharp legal things more often. I'd like to say I came up with that phrase, but it's a quote from an article written by a much smarter person than I.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Lenny Abramowicz:** When you're living on a low income and you don't have a lot of room, a lot of flexibility, then if something happens, typically that puts you into crisis mode, so you don't have the money to pay the rent for that month. For many of us, we would have a little bit of flexibility, but if you're living so close to the margin, that doesn't really exist. So we, of course, advocate as much as possible to give people some of that margin, and for as much social housing as possible as well, so that people who don't have an income or don't have a sufficient income are able to be housed and have some security.

**Ms. Sandy Shaw:** Thank you very much.

**Mr. Lenny Abramowicz:** You're welcome.

**The Chair (Mr. Stephen Crawford):** We're going to go to the government side. Mr. Downey.

**Mr. Doug Downey:** Thank you for your presentation.

Back in the late 1990s, I helped found a free mediation service called Mending Fences, through the Simcoe-Muskoka-Kawartha Lakes community clinic. It doesn't exist anymore but it did for many years, and we trained volunteers and it was a free service for access. So I have a good sense of the system.

When the Law Society of Ontario presented to us on the 15th of January, legal aid was their issue. That was the one issue that they presented to us.

I'm going to ask you the same sort of question I asked John, Mr. Callaghan: With limited dollars—we have four streams. We have legal aid certificates that private lawyers then represent, we have staff lawyers now, within the system, and primarily that's criminal stuff—

**Mr. Lenny Abramowicz:** Duty counsel.

**Mr. Doug Downey:**—and duty counsel, part-time duty counsel, per diem duty counsel, which is one of the four streams, and then we have clinics. I'd just like you to explain your niche within those four.

**Mr. Lenny Abramowicz:** Sure. I have to say, and I know this will sound self-serving, but I think that our legal aid system not just the clinics, but I believe our legal aid system is actually something we should be proud of. I know for a fact that people come from other jurisdictions

to look at our system, and to write about it, and are envious when they come. And it's for the reason that you described. I've had the opportunity to go down to the United States and study what happened there, and because of cutbacks and other initiatives, much of it got shrunk so that in many ways, the private bar is not engaged and there aren't clinics there, so you have massive gaps.

We developed a system here in Ontario, which used to exist in some other jurisdictions but doesn't anymore, that actually is subtle enough to respond to different needs. We don't do criminal law or family law—the clinics, I'm saying. The system was created so there isn't overlap or duplication, but rather that the appropriate tools are created to provide services to those who need them. So the private bar does much of the criminal and family work, with Legal Aid Ontario, through the staff that you were talking about, supplementing in places the private bar can't do.

The clinics focus entirely on the community base—the basic income and stuff—because, truth be told, the private bar can't make a living doing that, and Legal Aid isn't going to cover that through certificates. So that's what we do. We actually have quite a comprehensive model, one that I'm—maybe people sometimes will expect me to say a clinic should do absolutely everything. But we were created to do a specific thing; I think we do it very well, and, like I say, the reports say we do it well.

But I'm also grateful for the fact that we have this type of mixed model in Ontario, where members of the private bar—and I know many members. I know John well; I've worked with Mr. Callaghan. People in the private bar care about our system, care about access to justice, and that's something that I've seen over my years here in Ontario—I've worked in the system for almost 30 years—cuts across party lines.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Lenny Abramowicz:** That's something I am proud of and that I think we should all be proud of.

**Mr. Doug Downey:** I'll ask you just to make a comment on the structure of the community boards. It's not all lawyers, as you mentioned.

**Mr. Lenny Abramowicz:** Well, in fact, on the community boards, we try to maintain a balance. Each of the 74 clinics in the province are governed by a community board, because it's felt that the community should make the decisions. I'd love to be in a world where there were unlimited resources and we'd be able to provide every service we possibly can. We know that we're not there quite yet, so clinics have to make very tough choices about what services they're going to provide. Because of that, it doesn't actually make sense that a lawyer like me should be the person making those decisions. It's the community that makes the decisions, whether it's in Orillia or Hamilton; it's people who care about their services, and they are accountable for that. I have gone to community meetings, the AGMs of my clinic, Neighbourhood Legal Services, where a community member would ask, "Why are we doing this?" or "Why aren't we doing that?" It's not for me to answer and, quite frankly, it's not for the

government to answer; it's for the community representatives to say, "Well, because these are the priorities for our community, and if you want to get involved and you have a criticism of that, join the board."

**The Chair (Mr. Stephen Crawford):** Thank you very much. We appreciate your presentation.

#### CANADIAN FEDERATION OF INDEPENDENT BUSINESS

**The Chair (Mr. Stephen Crawford):** I'd like to call up our next witness: the Canadian Federation of Independent Business. Welcome to the finance committee. Please state your name for the record. You will have up to seven minutes. I will give you one-minute warnings. You can proceed right away.

**Mr. Ryan Mallough:** Good morning, everyone. My name is Ryan Mallough. I am the director of provincial affairs for Ontario with the Canadian Federation of Independent Business.

As you may be aware, CFIB is a not-for-profit, non-partisan organization. We represent small and medium-sized businesses across Canada. We have 110,000 members across the country, 42,000 of which are right here in Ontario. Each one of our members is an independently owned Canadian business, and they set our position on any policy issue that we take on. We are entirely funded through our membership. We take no government funding.

Before I begin, I just wanted to take a quick moment to thank everyone who participated in our 10th annual Red Tape Awareness Week last week. It was extremely encouraging to see so much engagement on recognizing and reducing the regulatory burden on small business, and we look forward to keeping that momentum going throughout the year.

I'm here today to express our members' opinions and concerns for the upcoming budget. Kicking off 2019, small business owners are staring down the double barrel of Canada Pension Plan premium increases and the federally imposed carbon tax, both of which will add significant cost pressure. It is through that lens that we ask you to consider our pre-budget recommendations.

Leading into last year's election campaign, we surveyed our members on their top priorities for the new government. As you'll see from page 4 of your decks, our members overwhelmingly identified debt and deficit as the top issues, surpassing even taxes, which is traditionally the number one issue when we ask this question at election time. We'll be watching the upcoming budget closely for the government's timeline to reduce the deficit, and we'll hold them to account on meeting their deadline.

In addition to asking about our members' confidence every month through our Business Barometer, we also ask about what factors are limiting their sales production or growth. Overwhelmingly, we're finding it's the shortage of skilled labour that is holding Ontario's business owners back. I expect that for many of you this concern is not much of a surprise. Last November, we held a round table with some local members and economic development

minister Todd Smith. Almost every member, across industries, flagged having trouble finding qualified workers for their business. In fact, our members identified the labour shortage as their top limitation in all 12 months of 2018, and the concern actually grew every month, January through December.

As you'll see on page 5, 79% of Ontario small businesses say they have difficulty hiring the employees they need. A third of them report cancelling business plans because they don't have enough employees.

As you'll see on page 6, the main difficulties for most small business owners are that there just aren't enough candidates available in their area. On page 7, you'll look at the types of positions that small business owners are looking to hire. While the range is broad, you'll note that the skilled trades are the most in demand across the province, followed closely by production staff.

#### 1050

We strongly recommend that the government pursue a multi-faceted approach to dealing with the labour problem, but within the short and medium to long term. This is not a silver-bullet issue.

We were encouraged to see federal immigration minister Ahmed Hussen announce a pilot program similar to the one in Atlantic Canada to help attract and retain skilled immigrants, this time in rural and northern communities. Immigration is definitely part of the solution, and we encourage the government to watch this program closely and work with their federal counterparts on its expansion should it prove successful.

As that side of the equation develops, we recommend the government take the opportunity under the ongoing curriculum review to address the shortcomings of the provincial education system, particularly at the high school level, and increase workplace literacy and job-readiness skills among students, with an emphasis on promoting the skilled trades. There is a taboo that continues to exist around the skilled trades as somehow being lesser. You may have seen the Mike Holmes tweet floating around Twitter last week. While we applaud the government for removing the structural barrier that apprenticeship ratios created in skilled trades, we encourage them to eliminate the unfair stigma surrounding these professions, which we believe starts by making changes to the curriculum at the grade school and high school levels.

In a 2014 study, we found that the cost of training a new hire with no experience was nearly double that of training a new hire with experience. Part of that, especially with younger employees, comes down to time spent training an employee on how to be an employee in addition to the job they were hired for. The education system could play a significant role here both in the classroom and through work-integrated learning opportunities to better prepare students for the realities of the workplace.

On the education front, our members also strongly support—to the tune of 88%—the introduction of a mandatory full-semester financial literacy course at the high school levels, with an emphasis on practical financial literacy to better equip young people for the financial realities and expectations of the workplace.

The other main issue that I'd like to address today is electricity prices. While our members' main focus over the past year was largely on the minimum wage increase and the employment standards changes brought about by Bill 148 and addressed in Bill 47, the concern around electricity pricing has remained constant. While the relief under the Fair Hydro Plan was needed, there is still no long-term solution for small business owners' electricity woes. The biggest issue that they face is time-of-use pricing.

As you'll see on page 8, time-of-use pricing has not had the intended impact on small business owners' electricity consumption habits. In fact, only 4% of our members report being able to adjust from on- to mid- or off-peak. It comes down to business hours. Many small business owners view time-of-use pricing as a penalty on being open for business. A pizza maker can't make pizzas at 3 a.m. to sell at lunch. A hairdresser can't schedule appointments for 4 a.m. They're open when customers come.

We highly recommend that the government consider moving off of time-of-use pricing to a model that doesn't penalize businesses for their hours, but instead looks at what energy they actually use, such as a tier-based system with a lower price on the first 3,000 kilowatt hours used and a higher price on anything above that threshold.

To summarize, small business owners are facing Canada Pension Plan premium increases and the federal carbon tax, both of which will present significant cost pressures. It is imperative for the government to continue to fight these policies while pursuing solutions to the skilled and unskilled labour shortage, addressing workplace and financial literacy shortcomings of our education system and creating a long-term plan to help business owners reduce their electric costs.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Ryan Mallough:** In the last couple of pages we conclude with a short list of recommendations on key policy areas. Later today we will be submitting our full written pre-budget submission, which also contains our full list of recommendations for the 2019 Ontario budget.

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

**The Chair (Mr. Stephen Crawford):** Thank you very much. We're going to start with the government side. Mr. Roberts.

**Mr. Jeremy Roberts:** Thank you so much for being here today. Hearing from the CFIB, I think, is a key part of any development of a budget in Canada because we know that small businesses are the number one employers, both in the province and in the country.

I think that over the past four years, small businesses in Ontario have had a particularly rough time, whether it be labour changes, hydro prices or the tax changes that the federal government imposed on small businesses. I think we have a good opportunity now with a new government to change course on some of those issues.

You touch upon red tape reduction. This is probably the number one thing I hear from small business owners in my riding. Are there any key recommendations that your members have made on different regulatory burdens that they'd like to see reduced?

**Mr. Ryan Mallough:** The biggest recommendation that we have right now for the government on red tape—again, thank you for all the engagement during Red Tape Awareness Week. It was very positive, and the government is certainly moving in the right direction on that.

But the biggest recommendation we have right now is updating the regulatory count. It's hard to know what you're cutting if you don't know what's there. I think the phrase that we like to use around the office is, "If your goal is to lose weight, you have to step on the scale first." That's what doing the count and updating the count represents. So, for the government, and government-wide, have an updated count and then hit that 25% target that was announced in the fall fiscal update. Once that's there, we would recommend following BC, Manitoba, Quebec and the federal government, as well, down the one-for-one-rule track.

**Mr. Jeremy Roberts:** Excellent, good stuff.

**The Chair (Mr. Stephen Crawford):** I had Mr. Cho first and then Ms. Skelly.

**Mr. Stan Cho:** Do you want to go first, Ms. Skelly? Go ahead.

**Ms. Donna Skelly:** Quickly, I just wanted to—

**The Chair (Mr. Stephen Crawford):** Ms. Skelly.

**Ms. Donna Skelly:**—thank you, Mr. Cho.

Thank you for your presentation. I wanted to acknowledge that the Premier received the Golden Scissors Award for our efforts so far in reducing red tape.

Previous to your presentation, we've had a number of people come forward, stakeholders across Ontario, who have suggested that a reduction in our deficit is really unnecessary; it's too burdensome—just your comments on that.

**Mr. Ryan Mallough:** The way that our members look at it is, today's deficits are tomorrow's taxes. At some point, things are going to have to be paid. We know that as the population ages and there are increasing pressures on things like health care, on things like child care, and on the generation that's going to be caught in the middle of all that, it is likely the government is going to find itself in a position where it needs to spend, which I think highlights the urgency to reduce the deficit now.

It's big. It is a very large task. I know the finance minister is keen on tackling it. What it comes down to is, eventually someone is going to have to pay. Our members believe that they're the ones that are going to have to pay, and that's why it's key for them to see the deficit be reduced now, and then once that happens, to start tackling the debt load and the interest payments that we put on that as well.

**The Chair (Mr. Stephen Crawford):** One minute, and Mr. Cho.

**Mr. Stan Cho:** Continuing along the lines of Ms. Skelly's questioning, we've heard from a couple of groups—senior economists, the Canadian Centre for Policy Alternatives and from CUPE—who said that government doesn't need to worry about debt, that inflation will absolve the debt. What would your members say to a statement like that?

**Mr. Ryan Mallough:** I think it's very clear in what we asked during the pre-election survey. Again, we ask that survey as a standard question for all pre-elections, and it's always taxes. Any province or federally, it's always taxes. That's the number one concern. This time, it was reducing debt and deficit. It is a major priority for them to get that.

**Mr. Stan Cho:** I'm sure there are economists around the world who—when interest rates go up, inflation only being 2% and interest rates now being 8% or 9%—we cannot borrow forever. We've seen examples around that.

**Mr. Ryan Mallough:** Yes. I mean, they sit around the household too. I do understand that the provincial books and someone's personal books are not the same thing, but that is the understanding that business owners come with. They know that they can't run deficits forever, that they'll go out of business or they're going to have to increase prices. When it comes to government, that means increased taxes. That's something our members absolutely don't want to see. So I think tackling it now in a responsible manner should be a budget priority for government.

**Mr. Stan Cho:** Thank you, Mr. Mallough.

**The Chair (Mr. Stephen Crawford):** We're going to move to the opposition side for questions. Mr. Arthur.

**Mr. Ian Arthur:** Thank you so much for your presentation; I appreciate it very much.

There are a couple of things that I want to touch on. First of all, eliminating the time-of-use pricing: On the first Thursday that the Legislature resumes, I'm actually bringing forward a private member's motion to eliminate that mandatory time-of-use pricing.

**Mr. Ryan Mallough:** Fantastic.

**Mr. Ian Arthur:** I really look forward to the government's support on that motion. That's just an aside.

The debt and the deficit, and also the call to reduce the small business tax rate—I have a small business background. I know what effect that has. For the first time, it was more important to reduce the debt.

**Mr. Ryan Mallough:** Yes.

**Mr. Ian Arthur:** That's an interesting thing. Would you support paying those taxes until we see that brought in line? I'm just wondering about the how. You've called for the elimination of the debt. How, without massive cuts to services, will we do this without that tax revenue?

**Mr. Ryan Mallough:** I understand, and believe me, if I had the answer to that I would be asking for the finance minister's job and tackling that right away. I understand that it is a Herculean task to undergo, especially with a commitment to not make massive cuts, especially with a commitment to not increase taxes.

When it comes to the small business tax rate reduction commitment from the government, we do understand and our members do understand that balancing the budget comes first—

**Mr. Ian Arthur:** Okay.

**Mr. Ryan Mallough:** —that that is not an immediate priority. I think even in the campaign promise, it was a year three or year four commitment; it wasn't an immediate one. That being said, it's there because we still do want to see it back.

**Mr. Ian Arthur:** You've called for the elimination of the deficit in in this government's term. I believe even the government has acknowledged that that is not likely going to happen.

**1100**

**Mr. Ryan Mallough:** We're waiting to see what the government's timeline is. Again, for our members and the urgency around there, we think the sooner, the better, but we also understand that it needs to be done in a responsible and reasonable time frame. If it is beyond this term—it depends on how much; we need to see what the number is before we can pass a judgment on it. But we look forward to seeing it and, once the commitment is made, holding government to that commitment.

**Mr. Ian Arthur:** Okay, thank you.

**The Chair (Mr. Stephen Crawford):** Ms. Shaw.

**Ms. Sandy Shaw:** Maybe I'm just going to press you on this. MPP Arthur has asked this, but you do say implement a clear plan and timeline to return Ontario's budget to balance within the current mandate. I'm really asking you to, again, maybe provide some data. Help us to understand your members' point of view on whether we're talking about within the next three or four years, that you're looking to eliminate the debt to zero, and that was the commitment—

**Mr. Ryan Mallough:** Sorry, eliminate the deficit, not the debt.

**Ms. Sandy Shaw:** The deficit; right. Thank you.

**Mr. Ryan Mallough:** We understand that balancing the budget has to come first and then the debt would have to be tackled thereafter.

**Ms. Sandy Shaw:** And that was the commitment that your members understand—

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Sandy Shaw:** —that the Ford government made in the election. Is that correct?

**Mr. Ryan Mallough:** We understand that they committed to eliminating the deficit. When it comes to the debt, that is our next step there. Once we hit a balanced budget, we'd like to see that debt—I think it's something along the lines of \$12 billion annually in interest payments. We'd like to see that number come down so that that money can be spent on things that aren't interest payments, things that Ontarians need.

**Ms. Sandy Shaw:** Yes. So that was my question. Small business members are every Ontarian. There are so many people. We've heard from people all across the province that they're so concerned with the health care system, that it's completely underfunded. It wasn't identified as one of your members' priorities, but can you even speak to the fact that small business owners are people who live in communities that are struggling to access adequate health care? Do you have any comment on that?

**Mr. Ryan Mallough:** Small business owners are absolutely members of communities across the province. When we survey our members, we are asking them from their business point of view, not their personal. We understand. I've seen health care on the news recently and the conversations around that ramp up. We may get to a

point where we have to survey on that. I'd be happy to share the data when we do. But right now we haven't surveyed on health care specifically, and I can't put words in their mouths. I wouldn't presume to know what they're thinking on that matter.

**The Chair (Mr. Stephen Crawford):** Our time has expired, but thank you very much. We appreciate it.

#### ONTARIO NURSES' ASSOCIATION

**The Chair (Mr. Stephen Crawford):** I'd like to call up our next presenter, the Ontario Nurses' Association. Good morning, and welcome to the finance committee. If you could state your names for the record, you can get right into the presentation after that. You'll have up to seven minutes, and I will give you one-minute warnings for the questions, as well as your presentation. You can proceed.

**Ms. Vicki McKenna:** Thank you. My name is Vicki McKenna. I'm a registered nurse and the provincial president with the Ontario Nurses' Association. To my right is Beverly Mathers, our interim CEO. To my left is Lawrence Walter, our lead on government relations.

Good morning. ONA is Canada's largest nursing union. We represent over 65,000 registered nurses and allied health professionals, as well as more than 18,000 nursing student affiliate members, all striving to provide quality patient care each and every day across our health care system.

A number of recent news reports indicate the government is working with partners in health care to develop their long-term transformational health care strategy. I can tell you, I know that every day nurses face the challenge of caring for their patients within a health care system that is not integrated, that is under-resourced and that is difficult to navigate.

Our pre-budget submission provides a way forward. It starts with the need for resources, both human and financial, in order to chart a course for a future that is patient-centred, integrated and coordinated.

We believe that to be patient-centred, our focus must return—and I mean return—to ensuring the care needs of our patients are met. This approach must be placed within the context of increasing patient acuity across all health care sectors, whether that be the hospital, long-term care in their community or people's homes. Better integration and coordination of care as a patient transitions between these sectors will help, but more capacity is essential to ensure that the right care is available in the right setting and at the right time.

Nurses are advocates for the care of our patients, and we need to achieve those healthy outcomes for our patients by providing the appropriate care. Statistics from the College of Nurses of Ontario show that there were 654 fewer registered nurses employed in nursing in Ontario in 2017. As of 2017, it's the third year in a row that Ontario has the lowest RN ratio per 100,000 population in the country. This shortage of RNs means that achieving healthy outcomes for our patients becomes more challenging without more resources.

As part of the government's transformational strategy to address hallway care, we urge the government to develop a funded plan to close the gap in RN care in Ontario over the next four years. Research findings clearly show that reductions in readmissions and the prevention of adverse events for patients with the additional RN staffing would also result in many measurable cost savings for Ontario hospitals.

Ontario needs new, permanent investments in hospital capacity, in long-term-care capacity and in capacity in the home care community. This increased capacity across sectors must include dedicated funding for permanent—not temporary—front-line RNs if the care needs of patients are to be met. The question the government faces is how many patients will be affected if hospital funding is not increased to a level that is sufficient to improve the care that should never be received in hallways and in unconventional spaces that were never designed for that purpose.

ONA is calling for hospital funding to offset increased cost pressures of at least 4.5% in 2019 based on estimates of population growth, coupled with aging and inflation—these numbers all produced by the Financial Accountability Office of Ontario.

In the case of home care, with care coordination services and the delivery of home care services combined together in the LHINs, we believe Ontarians would receive consistent, coordinated services throughout the province. Our vision, in which the LHINs directly employ all front-line staff responsible for home care delivery, would result in much better continuity of care and set consistent standards across the system given the consolidation, rather than what we see now as fragmentation of service delivery.

It would also be a much better use of limited resources and would eliminate the needless and wasteful expenditure of resources in the current process of contracting to private service providers. It would allow for public accountability and transparency for clients and families, rather than restrictions and barriers imposed by commercial confidentiality rules.

There is evidence from the literature that shows that when care coordinators are able to coordinate a range of services for the frail elderly based on need, the use of hospital emergencies and acute-care settings decreases.

Restructuring the number and size of the LHINs will not provide better care or more accessible care for patients seeking local home care services and/or placements into long-term-care homes.

ONA also puts a priority on systemic change in the long-term-care sector to address the overarching issues of understaffing and underfunding. Long-term-care homes are staffed far too lean, and the ratio of registered nurses to residents in nursing homes is far too low to allow for adequate and safe patient care.

Compounding this problem of understaffing are widespread recruitment and retention issues for registered nurses in this sector and the unsafe use of agencies that send in temporary staff who are not familiar with the

homes or the residents. Residents in our long-term-care homes are typically older, more frail and have higher acuity and higher complex medical needs than ever before. Widespread changes and sufficient funding must be implemented as these changes require additional staff—particularly registered nurses—due to resident complexity.

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Vicki McKenna:** ONA is calling for the government to increase funding to long-term-care homes to reflect the growing care needs of an increasingly aging and high-acuity patient population. We are calling for funding per home to ensure there is an average of hours of RN care that is equivalent to at least one registered nurse for every 20 residents, each and every 24 hours a day. In addition, there should be at least one NP for every 120 residents, given the present acuity and complexity of care needs of Ontario residents.

We're also calling for a plan to ensure that public funding flowing to long-term-care homes is provided directly to resident care, including newly funded long-term-care beds to build capacity provided in the not-for-profit homes.

With these priorities, we set out a course of action for the government to take so that increasingly acute patients receive the care they need.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We're going to start with questions from the opposition side. Mr. Arthur.

**Mr. Ian Arthur:** Thank you so much for your presentation.

I just want to talk about a few of the numbers that you have here: 654 fewer RNs, and the on-the-ground results of a hiring freeze. It often suits governments of the day to talk about not laying off any front-line workers, but in effect, a hiring freeze through attrition will result in a similar outcome to outright cuts over the years.

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**Ms. Vicki McKenna:** There are a number of things happening in our sectors right now, particularly in hospitals. We are receiving layoff notices now in our hospitals in Ontario, and just as recently as last week. We do have a reduction of registered nurses working in Ontario as registered nurses; that's clear from the stats from the college of nurses. Whether there's a hiring freeze on or not—I've not actually heard that, to be really honest; I don't know if Lawrence or Bev can talk about that a little bit more—what we're seeing is a reduction in registered nurses, continually siphoning off the number of registered nurses working at—

**Mr. Ian Arthur:** Would you just expand on those layoff notices that you're getting? Can we talk about that more?

**Ms. Vicki McKenna:** Last week, Grand River Hospital in Kitchener received layoff notices for registered nurses.

**Mr. Ian Arthur:** Front-line staff.

**Ms. Vicki McKenna:** Yes.

**Mr. Ian Arthur:** Being laid off.

**Ms. Vicki McKenna:** Correct.

**Mr. Ian Arthur:** By this government.

**Ms. Beverly Mathers:** Yes.

**Ms. Vicki McKenna:** Yes.

**Ms. Beverly Mathers:** There were about 20, including a number of positions that will not be filled as a result of attrition.

The other overwhelming fact we're seeing, particularly in the hospitals, is that when people vacate positions, either through posting to another position in a hospital, retirements or going somewhere else, their positions are never backfilled and they remain vacant. That is a slow bleed of RN positions in the hospital sector.

**Ms. Vicki McKenna:** We often talk about it by stealth. The reduction of registered nurses working in our hospitals and right across all of our sectors is really kind of by stealth. It's a slow bleed that we talk about that's happening out there, and there are fewer and fewer of them working as a result of that. And we're receiving layoff notices at the same time, yes, overtly.

**The Chair (Mr. Stephen Crawford):** Ms. Shaw.

**Ms. Sandy Shaw:** I know you're focusing on long-term care, but I just wanted to say that the provincial hospital funding per capita is 28% higher in the rest of Canada than in Ontario. So in fact, we are not funding hospitals to the same standard as we are in health care.

**Ms. Vicki McKenna:** Correct.

**Ms. Sandy Shaw:** In fact, we actually have one of the lowest costs. Ontario has the lowest costs for a standardized hospital stay of any other province, so the idea that we are overfunding and we are inefficient is debunked by rock-solid evidence.

**Ms. Vicki McKenna:** True.

**Ms. Sandy Shaw:** The other thing that we've heard about is this idea of extending the scope of practice. I heard something that I thought was really remarkable: We've heard of instances of PSWs administering a procedure—

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Sandy Shaw:** —that was being overseen by someone on video. It wasn't a nurse; it was a PSW administering a procedure that should rightly be done by an RN or an RPN. Can you talk about those too?

**Ms. Vicki McKenna:** Well, I can't speak to that specific situation. I don't know about that, but what I do know is that the scopes of practice of regulated health care professionals are clear, and that's for a reason. The reason is the education, training, skills and assessment of those regulated health professionals. I believe there's room for all of us in the system—all care providers in the system—and that we need to be very careful and cautious about what you're saying, if those things are happening out there.

The quality of care and the outcomes and the cost-benefit analysis of registered nurses are very clear in the research. It's about shorter lengths of stays in hospitals. It's about less morbidity and mortality. It's about—

**The Chair (Mr. Stephen Crawford):** Okay, thank you. We're going to turn the questions now to the government side. We've got four minutes for questions. Mr. Roberts.

**Mr. Jeremy Roberts:** Thank you so much for being here today. My mother is a nurse, a labour and delivery nurse, so I'm well familiar with just how hard-working folks in your profession are.

As you know, two of our big priorities in the health care sector—one is mental health improvements, and the second is trying to get away from this hallway health care that we seem to have descended upon. We've committed to an investment of \$1.9 billion in mental health. I'm wondering if you have any recommendations from your membership on how we can best invest those dollars for the biggest bang for our buck.

**Ms. Vicki McKenna:** That's a big question—lots of ideas and answers about that. We focused on long-term care because we only had seven minutes. If I'd had more I would have talked a lot about a lot of different areas.

Mental health care and the concerns around mental health care are mirrored in our profession. We see people every day trying to access service, people who are inappropriately being cared for in the wrong settings where we don't have resources available to them. There are acute-care needs for mental health services. Those beds are constantly overbooked and over-utilized. We need room and capacity in acute mental health care.

We also need capacity in outpatient in the community. It is a big problem and it is pervasive throughout the province. It's not just in any geographic setting. It is about consulting and talking to the care providers. We would welcome the opportunity. We hear about transformational health care but we haven't yet been consulted or discussed this at any great length.

Bev was just reminding me that in the long-term-care sector, as an example, in our long-term-care homes, the population of mental health care needs in those homes has dramatically risen—skyrocketed, in fact. We have young people in those homes who would probably be better in a different setting, but long-term care is the only in-patient residential bed they can get, so they're in our long-term-care beds now, which is probably not the right setting.

We've got inappropriate mixes. We don't have the right placements for people, but you need the providers at the table to have that conversation. I will say I'm a little concerned around some of the consultation on that, but we would certainly welcome that, because we have many people who are very interested.

The violent situations in our hospitals and long-term care and in the community are because people cannot access services as they're needed. We know that's a problem.

**Mr. Jeremy Roberts:** I'd love to take that conversation offline and see if we can get some more ideas flowing.

**Ms. Vicki McKenna:** Yes, okay. We would like to do that.

**The Chair (Mr. Stephen Crawford):** Mr. Piccini. One minute.

**Mr. David Piccini:** Thanks very much for your presentation today. I really appreciate it.

Just looking at where we've come from, as the minister has been very clear in launching a real transformational

strategy, and looking at our system and where it's going, I absolutely think consultations in the last number of months and going forward in the coming months—your presentation today is critical to that.

The open-eyes response we saw just a few seconds ago with respect to the decline in RNs—can you elaborate, over the last number of years—I mean, having worked in health care, I know the decline in RNs is nothing new. This is something that's happened over the past number of years. Then can you speak to the importance of needing more RNs relative to everyone working together? Where have we come from since 2006?

**Ms. Vicki McKenna:** It's not brand new; you're right. There are a whole bunch of reasons that we believe are the reasons for the decline that are quite detailed. But what I want to say mostly about now and the value of registered nurses is what I believe is being missed in some of the conversations, and it's the value to the people of Ontario and it's the value of the care that they provide and the health outcomes when registered nurses are their care providers. I'm not saying that it has to only be registered nurses who deliver health care here. I'm not saying that. I'm saying that in many cases they've been removed from different care settings where they need to be back at. The complexity of care and the complex medical issues that are being now dealt with, in long-term-care homes in particular and in the community, need registered nurses. In some of our hospital settings, it's the same situation.

**The Chair (Mr. Stephen Crawford):** Okay. Thank you very much. We've exceeded our time, but we appreciate your time.

**Ms. Vicki McKenna:** Thank you very much.

**The Chair (Mr. Stephen Crawford):** To the committee members: We are running approximately 10 minutes ahead of schedule. Our next presenters have not yet arrived, so we'll take a 10-minute recess and resume at that point.

*The committee recessed from 1120 to 1131.*

#### ONTARIO REAL ESTATE ASSOCIATION

**The Chair (Mr. Stephen Crawford):** Good morning, everybody. We will now resume our committee hearings.

We have our next organization here, the Ontario Real Estate Association. If you could please come up to present and state your names for the record. You'll have up to seven minutes to present. I will give you one-minute warnings.

**Mr. Steve Kotan:** Perfect. Thank you very much.

Good morning, Chair, and members of the committee. My name is Steve Kotan. I'm a sales representative with Royal LePage in my hometown of North Bay, Ontario. I'm also the northern director on the board at the Ontario Real Estate Association. With me today is Matthew Thornton, OREA's vice-president of communications and public affairs.

I realize that this is likely starting to have a sense of déjà vu, as I already presented to you last week in Timmins and several of my realtor colleagues have also made

presentations to you as you've travelled the province. I want to offer my sincere thanks for your willingness to listen to us during these presentations.

Ontario's 78,000 realtors are a passionate, civically engaged group of professionals. We are enthusiastic about promoting the dream of home ownership and we are keen to work with you to ensure this dream becomes a reality for families across Ontario. But I know how valuable the time of the committee is, so thank you again for your willingness to hear from us as often as you have.

I do hope that you've heard that the dream of home ownership exists for families across Ontario and that each day, families in every one of your ridings wake up looking to break into Ontario's housing market. But as you've also heard, the dream of home ownership today is at serious risk for too many Ontarians.

For the first time since Confederation, home ownership rates in Ontario are on the decline. A big part of the reason for this is price. The price to purchase a home has skyrocketed in recent years. As the committee has already heard, this is not just a problem in the GTHA; it's something that's impacting families in Timmins, in Ottawa, in Kitchener-Waterloo and all places in between.

OREA has made the case that the affordability of a home is largely related to the amount of inventory on the market. Across Ontario there were 9,344 residential properties listed on the market in December 2018. That was down 20.1% on a year-over-year basis and was one of just a handful of times in history that the provincial level of housing supply dropped below the 10,000 mark in any month. Clearly, the lack of supply of housing is driving up cost, as housing prices are up 133% since 2001. That has meant that the aspiration of home ownership has become detached from the reality on the ground.

Who does this impact the most? First of all, our young people, particularly millennials, like my own two children. More and more, this is the group that is having to stay in rentals longer than they would like to and are unable to build their financial futures in home equity. Also, don't forget about our seniors. Many seniors are unable to find proper housing to meet their downsizing needs. This is particularly important when looking to downsize, to remain close to their grandchildren.

Make no mistake: Ontario is facing a housing supply crisis that will only be resolved through bold action taken by the government and its partners. The good news is that the government has shown that they understand these issues and the impacts they have on families across Ontario. That is why OREA supports the decision to develop a Housing Supply Action Plan and their desire to work with stakeholders to find ways to increase the supply of housing in Ontario and the amount of choice for homebuyers.

One particular recommendation that we would like to present to you today is to cut municipal red tape on secondary suites. Secondary suites, such as basement apartments and in-law suites, are private, self-contained units within existing dwellings. Secondary suites are beneficial as they can help aging members of families stay

closer to loved ones. They also provide communities with additional forms of affordable housing. A thriving secondary suite market boosts the construction and renovation industries, which in turn creates jobs. Most importantly, the supplementary income generated by secondary suites can increase the affordability of home ownership by over 22%.

Unfortunately, onerous red tape and patchwork systems of municipal secondary suite rules are preventing Ontario homeowners and renters from unlocking the potential benefits that a thriving secondary suite market can deliver. Municipalities are currently required to establish official plan policies and zoning bylaw provisions allowing for secondary suites, but existing standards across the province vary considerably and are often overly restrictive. In some communities, excessive licensing fees act as a further disincentive and often lead to the construction of illegal units.

As part of our submission to the Housing Supply Action Plan, Ontario realtors are calling on the government to take bold action to encourage the development of secondary suites across Ontario, including the standardization of municipal bylaws. The province should look into other jurisdictions for examples of municipalities that have developed incentives to lessen the costs of building—

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Steve Kotan:** —a secondary suite or legalizing an existing one.

Ontarians looking to break into the housing market are doing everything right. They work hard, raise their families and are active, engaged members of their communities. But despite this, the dream of home ownership is becoming increasingly difficult to achieve, as more and more people in communities across Ontario are unable to find an affordable home in the community they wish to call home.

Ontario families looking to purchase a home deserve better, and they are now looking to the government to take bold action to help them achieve their dream of home ownership. Realtors believe that the Housing Supply Action Plan is a good first step, but more is needed to address the existing crisis. We are committed to partnering with you as you address these crucial issues moving forward.

Thank you very much for your time. At this point, we would be happy to answer any of your questions.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We're going to start questions from the government side. Mr. Cho.

**Mr. Stan Cho:** Steve, Matt, Jason: It's good to see you again; long time no see. Let's get right to it. I want to talk about the Fair Housing Plan. It was introduced a couple of years ago, almost—April 20, 2017—and the intention of that legislation, reading from the Ministry of Finance's website, was to help people find more affordable homes and to increase supply. Did rent control and the foreign buyers' tax—did these measures help to achieve that goal?

**Mr. Steve Kotan:** We've had discussion, and we feel that possibly the foreign buyers' tax has driven that

segment to a different market, possibly the lesser market, that affordability market, that missing middle, which has made it even more unaffordable as they have gobbled up that supply.

**Mr. Stan Cho:** So were the foreign purchasers, then, possibly buying the most expensive end of real estate? Is it possible they were buying the more expensive end? Has the market shifted, in other words?

**Mr. Matthew Thornton:** Yes. I think, to answer your question off the top, Stan—did the Fair Housing Plan help lower-income folks?—the short answer is no. What we've seen on the ground is that foreign buyers have shifted from that higher-end market to the more mid-sized homes that have typically been targeted by middle-class families. They're just incorporating the tax into the sunk costs associated with purchasing a property. Things like rent control have suppressed housing supply. We need bold policies brought forward to increase supply and to give middle-class families more choice and more affordable options in the market. We just don't have that right now.

**Mr. Stan Cho:** Some of the stakeholders I've spoken to—there was a project at King and Portland that was scheduled to introduce 600 rental units in May 2017. After the announcement of the Fair Housing Plan on rent control, they actually turned that into condos and they sold that project. Have stakeholders you've met with given you a similar story? Has it disincentivized the private sector from building more rental units?

**Mr. Matthew Thornton:** I think it has definitely had a psychological impact on the market, Stan. The investment community looks at our province, especially with policies like the kind of rent control policies brought in by the Fair Housing Plan, and I think they start to get concerned about the ability to turn that investment into a good business.

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**Mr. Stan Cho:** Now, I believe rent control was well intentioned, but the results, I'm hearing, were not what we expected them to be. What is the true solution to helping people find more affordable rental product in the city?

**Mr. Matthew Thornton:** Cut red tape, reduce regulatory barriers and build more—more homes, more rental homes, more homes for home ownership and more missing-middle-type housing so that that growing family can get out of that rental and start to achieve the dreams of home ownership for themselves.

**Mr. Stan Cho:** Great. Shifting back to the resale market for a second, I've been hearing that the detached numbers are significantly down. What happened after the Fair Housing Plan? I've heard a tale of two markets. Do you want to expand on that a little bit? What happened to the lower end of the market because—

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Stan Cho:** It appears that condos have actually taken off. Really, the Fair Housing Plan, who has it hurt the most?

**Mr. Matthew Thornton:** I would say it has hurt the middle-income folks the most because, as we said off the top, policies like the foreign buyers tax have pushed those folks into that more moderate-middle-income housing

range. The long-term solution to all of these problems is increasing supply and cutting red tape. That's why we support things like the Housing Supply Action Plan.

**Mr. Stan Cho:** Wonderful. Just for my colleagues who may not know, the detached market has apparently flatlined and the condo market has seen significant double-digit gains, way beyond prior to April 20, 2017. Our work is cut out for us, but we're on it.

Continue to stay in communication with us. We appreciate it very much.

**The Chair (Mr. Stephen Crawford):** Okay, thank you very much. We will go to the opposition side. Mr. Arthur.

**Mr. Ian Arthur:** I'm not envious of following Mr. Cho on real estate, but I'll do my best.

I want to talk about the secondary suite market. I'll talk about my own experiences. My first property I was only able to really afford because it was a legal duplex, and my brother is currently trying to go through the process of putting a legal duplex in. I think it's a very important part—but also how important it is for some regulation in that. In effect, you're talking about decreasing regulation, but you're asking for a streamlining of provincial standards, which would in effect be a set of regulations around secondary suites—regulations aimed at making it easier and more accessible perhaps, but regulations nonetheless.

Ms. Shaw actually brought up a case in Hamilton where five people died in a basement apartment, a secondary suite. I'm not sure if it was a legal duplex or one that someone had just put in. Can we talk about how important it is to make sure that those are regulated and safe?

**Mr. Matthew Thornton:** Absolutely. Steve, do you want to lead off?

**Mr. Steve Kotan:** By all means, I appreciate that story. They need to be legal units. I can speak to my municipality of North Bay. They've just passed bylaws to allow secondary suites. We've always had a very strong bylaw there, where the fire department comes in and makes sure that those units are legal. I was speaking with the city the other day with regard to that. It's new there. There are going to be growing pains with regard to it. If there was a standardized bylaw across the province for the municipalities to follow that allowed for these legal units, it would increase the—

**Mr. Ian Arthur:** My brother has been waiting for two and a half years for his approval process for a legal duplex.

**Mr. Matthew Thornton:** I think, to your question, the standardization process is going to do two things. It's going to create more certainty from an investment point of view, that, "I know what I need to do to make that suite in my current home legal and to rent it out to someone." Then it's going to ensure that more people are meeting those basic fire code standards and building code standards and make sure that those units are safer—because, to your point, the current patchwork approach and the onerous requirements are forcing a lot of people into the illegal market. To your point, that's not very good for folks' health and safety.

**Mr. Ian Arthur:** I want to touch on what you see as the solution to the problems associated with foreign

buyers. I mean, they're a very easy group to target: the purchasing of large swaths of condos, or whatever, then sitting empty. These are stories that resonate in the media. They resonate with Ontarians through the media, particularly in the hot housing markets of Toronto and Vancouver.

What do you see as a solution? I know you saw it as a problem, and Mr. Cho touched on that as well, but is there something to be done about that and what role should realtors play in that?

**Mr. Matthew Thornton:** I think the issue of foreign buyers is something that has obviously received a ton of media attention and there's been a lot of discussion on it.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Matthew Thornton:** But if you look at the data and the stats associated with it, the foreign buyers actually represent quite a small number of buyers overall in terms of the broader market. In the downtown core, I think it's just under 10% of buyers. If you look across the GTHA or the GTA broadly, it's about 5% of buyers. So we're not talking about a huge portion of folks in the market.

**Mr. Ian Arthur:** No, but that's significant. When we're talking about the lack of housing supply, 5% to 10% is actually massive in terms of availability of houses. It is small, but we're talking about—Kingston has a 0.6% vacancy rate, and 3% is considered healthy. So if there's 5% foreign buyers in that area, that's quite detrimental to the local ability to purchase houses.

**The Chair (Mr. Stephen Crawford):** Thank you. Our time is up.

**Mr. Ian Arthur:** I used up your time. I'm sorry.

**The Chair (Mr. Stephen Crawford):** Thank you very much.

#### CANADIAN FEDERATION OF STUDENTS—ONTARIO

**The Chair (Mr. Stephen Crawford):** We'll call our last organization before our lunch break: the Canadian Federation of Students—Ontario. Good morning, and welcome to the finance committee. If you could please state your names for the record, and you can get into right into your presentation. I'll give you one-minute warnings.

**Ms. Nour Alideeb:** My name is Nour Alideeb. I'm the chairperson for the Canadian Federation of Students—Ontario.

**Mr. Ian McRae:** My name is Ian McRae. I'm the government relations coordinator for the CFS.

**Ms. Nour Alideeb:** I just wanted to start off by thanking you all for this opportunity to share the concerns and recommendations of our members.

Like I said, my name is Nour, and I'm the chairperson for the Canadian Federation of Students—Ontario. We represent over 350,000 college and university students across the province. Our membership is a beautiful, diverse membership from across the province. But there's one thing that unites us, and that's the fight for free and accessible post-secondary education. Our demands today are going to talk about three key areas in the post-secondary education sector.

Students know that budgets are about priorities. Over the past few months, students feel that they have seen significant changes to the sector that will greatly impact our students, our families and communities and really indicate that education is not a top priority.

I'll begin by addressing the first issue, which is about student ancillary fees. On January 17, Minister Fullerton announced the Student Choice Initiative, which will allow students to opt out of democratically established student fees. Though this initiative was framed as a way to save students money, it is actually a veiled attack on student organizations that hold the local administrations and governments accountable.

With over 74 student unions across the province, we successfully provide cost-saving services and resources for students, such as health and dental plans, sexual assault support, transit passes, academic advocacy, food centres, funding for clubs and professional services and so much more. Student groups enhance the student experience, create a sense of community on campus and improve mental well-being, but also provide skills and training that cannot be achieved in the classroom.

These fees did not magically appear. Student union dues, campus publications and radio stations and other student-led initiatives were established through democratic referendums by the student body. This same student body elects representatives to their student unions. They're also the same individuals who elect the government.

Our colleges and universities are old institutions with new responsibilities. But without student unions and groups to provide these crucial services, the institutions will have to bear the costs and operations of these services. In the long run, it will cost them more. Considering that this is a logistical nightmare and that this is not an attempt to save students money but really an attack on student democracy, our recommendation is to eliminate the Student Choice Initiative and reverse the decision on opt-out ancillary fees.

Forcing students to choose between services that enhance their academic experience or paying for school is not the solution to chronic underfunding for post-secondary education. We would never suggest opting out of provincial taxes, so why would we circumvent the democratic processes that already exist to deal with student ancillary fees? The solution here is to ensure that colleges and universities have adequate public funding so as not to rely on tuition fees, which leads me to the next issue, which is the tuition fee framework.

On January 15, the provincial government announced a new tuition fee framework that will reduce tuition by 10% for the upcoming academic year and then freeze it at that same level for the 2020-21 year. While most students were very excited to hear about this change, because it's the first reduction in a really long time, we had to really contextualize what this issue was in the bigger picture. Even with this tuition fee reduction, students in Ontario are still paying the highest tuition fees in Canada. For many students, saving \$600 for an arts and science degree or \$300 for a college degree only scratches the surface.

Colleges and universities in Ontario receive the least government funding per student in the country. But by reducing these tuition fees, colleges will now see a reduction of about 2% to their operating budget, and universities will see a reduction of roughly 4%. However, the government will not be providing new public funding to top off this \$440-million loss.

Without increased public funding, institutions are expected to find new ways to balance this budget. Yet after years of underfunding for these institutions, the only place is really to make it off of the backs of workers, through further deferring maintenance, increasing the exploitation of international students and severe cuts to services that students heavily rely on.

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The continuation of government underfunding will negatively impact the quality of education in Ontario, and we'll actually be less competitive compared to other provinces and places around the world. We'll also see an increase in the student-faculty ratio in the classroom and it's going to erode the academic experience for students—which brings me to the last issue, which is OSAP.

All of these things connect. The cuts to OSAP are a direct attack on the most marginalized students in our province. We know that nearly half of students in Ontario rely on this assistance to fund their education. The changes in 2017 ensured that low-income students could access enough grants to cover their tuition fees and also graduate with lower levels of debt. Though this was not free tuition, like the previous government announced and advertised, we did see that over 210,000 students benefited from this program.

We also saw that the average student debt decreased. Preliminary data and a poll conducted by Ipsos in January 2019 showed that students in Ontario were graduating with an average of \$20,500 in student debt, which is down from \$26,350 in the 2016 year. The Auditor General indicated that this program did not meet the objectives, like increased enrolment. However, the Ontario Student Assistance Program was designed to alleviate debt and ensure that students could access post-secondary education regardless of their financial background. Though I think it's still too early to tell, we strongly believe that a system that prioritizes grants over loans is one that's beneficial. If the objective was to increase enrolment, we should see an investment of new funding as opposed to just dealing with the proposal that we had originally.

As an economics major and someone who really understands the importance of efficiencies, I think it's very unfortunate that the government is choosing to revert back to the 2016-17 model. The Auditor General's report showed that the ministry deals with around \$69 million of defaulted loans. Over five years, that amounts to \$350 million. This should actually be repurposed into non-repayable grants, because at the end of the day, that costs taxpayers money.

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Nour Alideeb:** Thank you. Without a sustainable OSAP model, students will find themselves in a vicious

cycle of debt when they graduate, which further impacts their ability to purchase homes, start families or even go into higher education.

Additionally, now the grace period for interest accrual has been removed for students in Ontario, which means that they will actually be accruing more debt over time. Charging interest on student loans is bad public policy because we are actually charging low-income students more for the same degree than an individual who can pay for it up front.

With all that in mind, the federation would like to recommend that we continue to operate the Ontario Student Assistance Program under the 2017 model, where we see more grants, not loans, and to remove interest on existing provincial student loans.

Though I can talk about this issue for hours—it's one of my favourite topics to talk about—I want to end off by saying that for us to achieve a high-quality post-secondary education, we need to take a multi-pronged approach. It's not one solution fits all. The implications of these changes will devastate students and their families for years to come, but it doesn't have to be that way. Budgets are about priorities, and we can prioritize the—

**The Chair (Mr. Stephen Crawford):** Thank you very much. Your time is expired.

We're going to go to the opposition side for four minutes. We'll start with Ms. Shaw.

**Ms. Sandy Shaw:** Finish your statement there.

**Ms. Nour Alideeb:** Thank you.

We can prioritize the future of Ontario by reducing and eliminating tuition fees for all students, converting loans into non-repayable grants, removing interest on existing student loans, funding post-secondary education with public funds and eliminating the Student Choice Initiative. Thank you.

**Ms. Sandy Shaw:** Thank you. It was a very comprehensive presentation. The part that I'm going to focus on really is this—it's almost like smoke and mirrors, this idea that we're going to reduce tuition fees by 10%, but that has to be borne by the system itself. We've heard a lot of testimony across Ontario about research centres that partner with universities. We've heard from colleges themselves that aren't sure how they're going to absorb this loss to their funding. Everyone's quite concerned that it actually will be absorbed by diminishing the quality of education that students get, particularly students that are in research-intensive areas, where they get hands-on connection to professors and research.

Can you talk a little bit about how the unintended consequence, perhaps, of this reduction that's supposed to be for the students is, in fact, diminishing the quality of education that they're going to be receiving?

**Ms. Nour Alideeb:** Of course. I'll start off with the student-faculty ratio and how that will create a domino effect. When we see a lack of investment in our faculty—their working conditions are our learning conditions. They won't be able to provide programs that are comprehensive and opportunities for students because the funding won't exist. They'll have a smaller budget that they need to work

with while trying to still provide students with that same high-quality education. Think when it comes to external opportunities, whether it's co-op, whether it's a research opportunity with an instructor: The reality is that these individuals aren't going to be able to make ends meet because they're running to their next opportunity to teach. They're running to their next class to be teaching these students.

Our institutions will also have to make budget cuts. What programs that they're going to have to change and shift—I heard a whisper about deregulating other programs to make up for the costs, specifically for things like economics, which are usually targeted with 3% to 5%. So I think we're going to see significant changes to the types of programs that our institutions are providing students, and it's not actually giving them a comprehensive experience for when they graduate and try to find that job in the long run.

**Ms. Sandy Shaw:** Since this announcement, at McMaster University and Mohawk College in my community we've seen students mobilize like we haven't seen before. There was a huge protest here at Queen's Park. I think it speaks to the ancillary fees, as well. Why are students so mobilized and so opposed to these changes?

**Ms. Nour Alideeb:** Students understand that we need to take multi-pronged approaches to having a high-quality post-secondary education. At the root of it, if we don't have student unions, if we don't have student organizations that fight for their rights, it's going to be much harder to advocate for free and accessible post-secondary education. I think students are mobilizing and are feeling that—under the Liberal government, it was sort of like slow paper cuts, not that bad, but now it's going to get to a point where we can't sit by and wait for anything more.

**The Chair (Mr. Stephen Crawford):** One minute. Mr. Arthur.

**Mr. Ian Arthur:** Something you said struck me as quite powerful, and that was, with the way that we hand out loans, we're essentially asking those from poorer financial backgrounds to pay more for university than those whose parents can afford it. I think that's just a really important point to remember.

I had OSAP and paid it back slowly, and it worked out. Just talk about that a little bit more.

**Ms. Nour Alideeb:** I'll speak to my own personal experiences, if you don't mind. I'm graduating with around \$10,000 of student debt. When I went back onto the online platform to see the breakdown of it, over time I'm going to accrue probably \$4,000 in interest, which is quite scary. I would rather use that \$4,000 to purchase a home. I just got married. I want to be able to start a family—maybe put it towards my grad studies. The reality is that somebody who—it could have been Ian—didn't pull out OSAP and pay for that same degree won't have to accrue that much interest.

**The Chair (Mr. Stephen Crawford):** We're going to turn to the government side for questions now. Mr. Piccini.

**Mr. David Piccini:** Thank you both very much for coming to present to us today. I know four minutes is

limited, so I'd like to—we'll continue this off-line after—focus or take a deep dive into the Student Choice Initiative.

I just wanted to ask a brief question to start: Why should students be forced to pay for fees and services that they don't use?

**Ms. Nour Alideeb:** Students aren't being forced to pay for these fees. Students have actually run referendums and created democratic processes to put to the membership and ask them, "Where do you want to allocate resources and funding?" For example, when it comes to the transit pass that many students across the province have, it wasn't forced upon them to pay an average of maybe \$150 for that transit pass every semester. Students had organized a referendum where they put it to the membership and the majority decides on how they want to move forward—similar to how we elect a government, similar to referendums that the government has held in the past.

**Mr. David Piccini:** I coached the men's team at Ottawa University for six years, and a lot of guys came to me, and the difference between pre-season, which of course wasn't funded—going down to SUNY Potsdam to play a game, in the hundreds of dollars. They'd say to me that these ancillary fees, which we've seen run away—I think there's no disputing that over the course of the years we've seen ancillary fees grow to the tune of, at McMaster, over \$2,000. When they join, they don't have a say in that. As a first-year student, they don't have a say. They didn't vote for that.

**Ms. Nour Alideeb:** There are democratic processes for people to bring back that conversation. You can collect a petition. The way I look at petitions is, it's really consent. It's about asking people whether or not they want to have this conversation.

There are regulations around how often you can have a referendum, because students don't want to keep asking the same question year after year. There is no long-term consistency or ability to plan the services that you want to provide to students if we're continuously asking the same question year after year.

**Mr. David Piccini:** What I just struggle with—and we've heard from a number of students—is that if it's as easy as you paint a picture, then why in CFS itself? You've heard student unions fighting tooth and nail, taking on excessive legal fees, to leave CFS. You've taken students to court over this. If it's so easy as it's painted, why have so many student unions taken CFS to court?

**Ms. Nour Alideeb:** Students have decided how they want the democratic process to exist. Those bylaws are created by our members for our members. When folks don't follow those bylaws, it's an attack on those students, by trying to circumvent those things. In the past, there have been instances where people did not follow those bylaws, and that actually impedes on the rights of the entire student population. Unlike other student organizations, where the student union gets to decide if they want to join an organization, we put it to the general membership.

I'll give you one example: At Carleton, there was a group of students who wanted to put it to a vote, and we

went and did that. It was a wonderful experience. It actually cultivated so many amazing—

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Nour Alideeb:** It inspired so many people to see what they can actually be a part of when they engage in this democratic process. We had some really amazing conversations, and at the end of the referendum, students voted to continue to be a part of a national-provincial students' union.

**Mr. David Piccini:** So assuming that the essential fees are protected for health and safety, would you support an opt-out initiative for various ancillary fees that do nothing to enrich the specific student experience for everyone?

**Ms. Nour Alideeb:** Well, I think students get to determine what is essential and what is not essential. Students have already determined that these are essential services for them. I would not support a process where we pit different services against each other. I think that's very dangerous, and I have to think about the majority of students, who do rely on a variety of different services to make it through post-secondary education.

**Mr. David Piccini:** So you don't support giving them the choice on the non-essential ancillary fees.

**Ms. Nour Alideeb:** Students already have the choice to do that. Students already have the choice, and they made that through referendums, through democratic processes that already exist.

**Mr. David Piccini:** So you don't support, just in registration, then—

**Ms. Nour Alideeb:** What I do support—

**Mr. David Piccini:** If there's value in it, then would they not choose to sign up for it?

**Ms. Nour Alideeb:** What I do support are—

**The Chair (Mr. Stephen Crawford):** I apologize, but our time has expired. I'd like to thank you for your presentation.

That will conclude our morning committee meetings. We'll resume again at 1 o'clock.

*The committee recessed from 1203 to 1301.*

**The Chair (Mr. Stephen Crawford):** Good afternoon, everybody. Welcome to our afternoon consultations here. We're meeting here today to hold pre-budget consultations. Each witness will receive up to seven minutes for his or her presentation, followed by eight minutes of questioning from the committee divided equally amongst the recognized parties. Are there any questions before we begin? Okay.

#### CHEMISTRY INDUSTRY ASSOCIATION OF CANADA

**The Chair (Mr. Stephen Crawford):** We'll call up our first witness for this afternoon, and that is the Chemistry Industry Association of Canada. Welcome to the finance committee. If you could state your name for the record, you can get right into your presentation. We'll give you a warning at one minute.

**Mr. Don Fusco:** Good afternoon. My name is Don Fusco and I'm with the Chemistry Industry Association of Canada.

Chair and committee members, it's a pleasure to be here today and provide input to the pre-budget consultation process on behalf of Ontario's chemistry industry. Fiscal discipline and sound stewardship of public finances is important. However, only economic growth will deliver jobs and prosperity for Ontarians. Underlying this is strengthening Ontario's competitiveness. I recognize the government's commitment and early actions, but more is needed.

Manufacturing is vital to Ontario's economic well-being. And with more than 95% of all manufactured products being touched by chemistry in one form or another, chemistry is a vital component to Ontario's manufacturing future. Globally, we are a \$5-trillion industry, with annual growth nearly doubling GDP growth in each of the last 10 years. Moreover, analysts predict that our sector, global chemical demand, will triple over the next 20 years.

There is a spectacular wave of investment activity in chemistry happening in North America. Unfortunately, outside of one project, Ontario is not getting its fair share of these new investments. Driven by the low-carbon shale gas phenomenon, the US has witnessed over 320 global-scale chemistry investments completed, under construction or announced, with a cumulative total of more than \$250 billion Canadian, of which 60% of those investments are foreign direct investments.

The US National Association of Manufacturers identifies chemistry as the fastest-growing manufacturing sector in that country, responsible for half of all manufacturing investments during the last five years. But what about Ontario? Nova Chemicals is making a \$2-billion investment to expand its operations in Sarnia-Lambton. This project is the second-biggest manufacturing investment made in Ontario in a century. However, had we kept our historical share of new investments, we could have realized at least eight more global-scale investments worth over \$10 billion.

An analysis conducted by the Canadian Energy Research Institute concluded, on average, chemistry investments in the United States receive about a 15% higher return on the basis of front-end investments and infrastructure supports provided by local and state agencies. We understand that a study recently conducted by the Ministry of Economic Development, Job Creation and Trade came to a similar conclusion. The solution for Ontario must involve a concerted effort to advance tax policy, raise our profile internationally and reduce regulatory burden.

Tax policy: We acknowledge Ontario's leadership that led to the federal government announcing its 100% accelerated capital costs allowance measures. We are very pleased that Ontario will match these measures. However, we now see Quebec taking the lead with a new ACCA measure that will enable manufacturers to deduct 130% of the value of their eligible investment. Currently, Ontario, if they match, will only stick to 100%, so we urge Ontario to follow Quebec's lead.

Investment attraction: Other jurisdictions are aggressively attracting billions of dollars in new chemistry investments—not with grants or loans, but rather with risk-free targeted tax credits. Alberta, Pennsylvania, Louisiana and Texas implemented tax credit programs. This approach incents new investments without any direct outlay of cash. If the investment isn't made, the tax credit is not realized. More importantly, securing new investments yields local supply chain spending and generates incremental government revenues that would otherwise not have been generated for the life of the facility—about 40 to 50 years.

Regulatory policy: We endorse initiatives that modernize business regulations to be outcome-focused and evidence-based while protecting the public interest. We welcome the actions already undertaken, including Bill 47 and the new “open for business” action plan. We applaud the first high-impact regulatory burden reduction bill, Bill 66, and its measures that eliminate unnecessary cost, duplication, complexity and time, while protecting our health and environment.

Additionally, while Ontario develops its made-in-Ontario environment plan, we must highlight the federal Clean Fuel Standard. It will apply in Ontario regardless of the federal carbon backstop, the made-in-Ontario plan or existing renewable fuel standards. It is a first-in-the-world standard to include carbon intensity reductions for gaseous and solid fuels along with transportation fuels. The CFS will have costly implications for Ontario's chemistry industry and other manufacturers that are end users and price takers of fuels. We urge Ontario to assess the full impact of the CFS additional costs as it implements its climate change plan and to engage in the federal CFS process to help Ontario industry avoid costly and duplicative climate change policies.

We also reinforce our continued commitment to manage and mitigate climate change. Our members have implemented measures that have reduced their GHG emissions by 55% over the last 10 years.

Electricity costs are material to chemical producers in Ontario. Our electricity costs have vastly outpaced broader inflation trends and prices in competing jurisdictions. The reason provided was to decarbonize our electricity system. Yet, in the rest of the world, especially in the United States, both electricity costs and their respective carbon footprint are decreasing. Moreover, electricity programs act as incentives to secure new investments.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Don Fusco:** Long-term industrial policy must incentivize new production.

Plastic waste: We believe that plastic is too valuable a resource to not be recovered and reused. We have completed a comprehensive approach and have committed to a goal of 100% of plastics packaging being recycled or recoverable by 2030 and 100% of plastics packaging being reused, recycled or recovered by 2040.

We have established a new alliance committing \$1 billion to help combat plastic waste in the environment. Locally, we must empower a circular economy to embrace recovery as the fourth R after reduce, reuse and recycle.

Our products are solutions to some of society's biggest issues, and we are committed to building trust within our local communities. We believe that Ontario would benefit from more good chemistry. Thank you for the opportunity.

**The Chair (Mr. Stephen Crawford):** Okay. Right on seven minutes. Thank you. We are going to start questioning from the government side. We'll start with Mr. Downey.

**Mr. Doug Downey:** Hi. This is a fascinating area. When you mention targets by 2030, that's not that far away. It's fairly aggressive. A good friend of mine has the rights for the additive for biodegradable plastics, and they're doing some trials on crop management in terms of more arid desert type to keep moisture in—that kind of stuff.

Are there funds? How are you doing R&D? How are you trying to promote that?

**Mr. Don Fusco:** Our members are investing significant amounts of money to make plastic packaging fully recyclable. There are many layers that are involved in plastic packaging. Some of those layers right now are not recyclable, but through R&D, our members have come up with new ways to do that so that it is fully recyclable, and able to be put into recyclable units. The problem is that there is not a standard recyclable policy across the province. It's a municipal-by-municipal approach. We'd like to see a standard approach to accept those products. Also, we certainly are committed to extended producer responsibility in that manner, too.

**Mr. Doug Downey:** Interesting. The chemistry industry: Can you put a little more flesh on the bones for who the members are?

**Mr. Don Fusco:** Our members transform raw materials like natural gas liquids, minerals and biomass to produce the precursors to composites, plastics and those materials, whether it's light-weighting in automotive vehicles and airplanes, or plastics and food packaging that keeps food fresh longer and reduces waste. Our members include Nova Chemicals, Imperial Oil, Shell—in fact, most of our members are Canadian subsidiaries of foreign multinationals that in Ontario not only compete for market share globally but they compete for investment dollars globally because their parents can invest anywhere in the world. We employ 46,000 directly in Ontario—our sector does—and, through the multiplier effect, impact about 250,000 jobs indirectly through the supply chain and end-user markets.

**Mr. Doug Downey:** What has your experience been with post-secondary institutions in terms of that development?

**Mr. Don Fusco:** They're essential. In fact, our sector, the chemistry sector, has the highest percentage of undergraduate-degree employment in the manufacturing sector. Certainly chemistry and chemical engineering are an important aspect, but on the flip side, skilled trades are an area where we're finding shortages, and we need—

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Don Fusco:** —to include more.

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**The Chair (Mr. Stephen Crawford):** Mr. Cho.

**Mr. Stan Cho:** Thank you for your presentation. You touched on our neighbours to the east a little bit. Quebec's government is quite business-friendly, and that's got to be concerning for your industry. What can we do to make sure that you remain competitive in Ontario?

**Mr. Don Fusco:** What I mentioned, in terms of the accelerated capital cost measures, similar to what Quebec is doing. Moving away from the Jobs and Prosperity Fund and direct grants and cash that had been in existence, taking measured and targeted tax credits that allow companies, after about 10 years of spending \$1 billion or \$2 billion to build a facility and once they're generating revenues and profit, to be able to take advantage of a tax credit, which generally has a value in the US jurisdictions and in Alberta of about 10% to 15% of the value of an investment. But this is not a cash outlay. This is, really, recouping—

**The Chair (Mr. Stephen Crawford):** Thank you very much. We're going to go to questions now from the opposition: Ms. Shaw.

**Ms. Sandy Shaw:** I was going to ask you about the tax credits. I know you're talking about the whole idea that your industry contributes to economic growth, which is important for our province and the government, so can you just say even further, very specifically, whether there are jurisdictions that have tax credits and what you would like to see? We heard from the Ontario film industry this morning, who said that tax credits are what allows them to continue to be competitive in an international market. Could you just carry on answering MPP Cho's question, with specific asks for this government?

**Mr. Don Fusco:** Absolutely. Thank you. The key jurisdictions that compete for our investments—the leading ones are Alberta, Pennsylvania, Louisiana and Texas, and there are others. But those particular jurisdictions have state or province tax credits. Sometimes they're based on royalties of the resource, but also it's a manufacturing tax credit tied to investments of capital equipment. The value of that is typically about 10% to 15% of the value of the equipment that is then credited as an offset against future revenues and profits when they come into play. What happens, generally, is that a company will claim tax credits when the money is spent but not claim it against any taxes owed until they're making a profit.

The fact of the matter is, if we don't get an investment, there's no tax credit offset. If we do win the investment, not only do we get that project and facility for 40 to 50 years, but all of the supply chain impacts and downstream benefits in terms of employment, direct and indirect, that would otherwise not happen. So it's a manufacturing tax credit. It's similar to the accelerated capital cost depreciation, which, if we go 100%, matches what exists in the United States today. Now, I mentioned that Quebec went a further 30%, so it's just another provincial measure added on top of that.

**Ms. Sandy Shaw:** I guess my question now would be—this government has announced, in the fall economic statement, the capital cost depreciation would be accelerated for—

**Mr. Don Fusco:** In the current year, yes.

**Ms. Sandy Shaw:** So are you talking about a combination of this capital cost depreciation and tax credits?

**Mr. Don Fusco:** Yes.

**Ms. Sandy Shaw:** Would you be looking for both tax credits and the Quebec model, in terms of the capital cost depreciation?

**Mr. Don Fusco:** A combination of the two. Certainly moving to the Quebec model would alleviate the competitiveness discrepancy that exists, and if it's going to stick to the 100%, then a specific manufacturing equipment tax credit.

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Sandy Shaw:** Can you just really give some sort of evidence or point to some research that shows that those tax credits and that capital cost depreciation allowance contributes to the economic growth that you talked about in your presentation?

**Mr. Don Fusco:** We conducted an analysis—and I can follow up with the committee with a copy of it—on the accelerated capital cost method, and that can be used in this example. What happens is, after seven years of matching the 100% accelerated capital cost allowance, the provincial revenues, that value, that tax credit, could be recouped, and anything beyond seven years would be accretive to government revenues tied to that investment had it not happened.

**Ms. Sandy Shaw:** So it takes seven years for it break even, basically, is what you're saying.

**Mr. Don Fusco:** Yes, and then you're in the black. Our facilities, when they're built, run for 40 to 50 years consistently, so that's a long life asset.

**The Chair (Mr. Stephen Crawford):** Okay. Thank you very much for your presentation. We appreciate it.

**Mr. Don Fusco:** Thank you.

ASSOCIATION OF MANAGEMENT,  
ADMINISTRATIVE AND PROFESSIONAL  
CROWN EMPLOYEES OF ONTARIO

**The Chair (Mr. Stephen Crawford):** I'd like to call up our next witness, the Association of Management, Administrative and Professional Crown Employees of Ontario. Welcome to our committee. If you could please state your names for the record, and you can begin your presentation.

**Mr. Dave Bulmer:** Thank you. Good afternoon, everyone. My name is Dave Bulmer. I'm the president of AMAPCEO, otherwise known as Ontario's professional employees. I'm joined today by my assistant, Anthony Schein.

Like all of you, I have a constituency to represent. I have the pleasure of representing the 14,000 or so professional civil servants who work directly for the province of Ontario, doing so in all of the ministries, quite literally from one corner of the province to another and in 10 countries worldwide. We also represent several hundred workers at what are six arm's-length agencies of the government, places such as the Ontario Child Advocate,

Public Health Ontario and the French Language Services Commission.

Our people are true professionals in that they're pharmacists, epidemiologists, veterinarians and scientists. As well, we employ a host of specialists and subject-matter experts in the key functions of the government such as finance, communications, policy and IT.

Our members have served New Democrat, Liberal and Conservative governments, and we take pride in being a non-partisan organization. We also take pride in providing the best policy and program advice possible to politicians of all stripes and to loyally executing whatever direction the government of the day chooses.

As we do every year, we've submitted a detailed set of recommendations to this body in writing. Today, though, I'm going to touch on two things that we believe we share in common with the new government. Those two things are the goal of no layoffs and the desire for achieving efficiencies.

I want to start by saying that, though I represent workers, the preservation of good civil service jobs is far from a selfish act. As the EY audit very clearly demonstrated, civil service expenditures have flat-lined for more than a decade. It is therefore an accurate statement to make that the government's human resources are not the cause of the deficit. To the contrary, Ontario's civil service, on a per-capita basis, is the leanest in number and the most cost-effective in the entire country. In the era of Six Sigma, we in the civil service were lean before lean was cool.

Preserving the good jobs my members are privileged to possess is important for two key reasons: First and foremost, and as I've just noted, we're already the leanest civil service in the country. Thus, extending hiring freezes and substantial downsizing will in fact only endanger the government's promise to provide public services to the citizens who rely on them. Secondly, while good jobs are essential to the greater economy, they're critical to local communities. Public service jobs provide what private sector jobs cannot, and in a word, that is stability.

While GM can pick up and leave Oshawa and Heinz can do the same thing in Windsor, Ford in St. Thomas, Caterpillar and Kellogg's in London, General Electric in Peterborough, Molson in Barrie, or while big steel in Hamilton and mining in Sudbury can dwindle, only the government itself can willingly eliminate a good, solid job from a community that counts on it to support its local economy. With manufacturing consistently heading south, good civil service jobs are now the backbone of communities like Barrie, Kingston, London, Hamilton, Peterborough, Sudbury and Oshawa, to just name a few.

When a civil service job disappears in any community in Ontario, the local citizens and the businesses feel it, and so do the future generations when they have leave those smaller cities to find good work.

**1320**

Turning jobs over, in the same way that a gardener would till their garden, as opposed to buying those jobs out for the purpose of eliminating them forever, would be the smarter way for the government to go. Offering a

senior employee an early retirement and then replacing them with a more youthful staffer who won't earn their salary maximum for at least 10 full years ensures that cost efficiency is achieved while productivity is maintained, that the government is able to deliver on its promises and that the job itself isn't lost to the local community's economy or to future generations in those small cities.

Our second suggestion provides even greater cost efficiencies. The 2018 Auditor General's report found that waste stemming from the use of IT contractors continues to be a serious problem. The auditor found that IT contractors cost on average 30% more than full-time civil servants, and she unequivocally stated that these contractors are performing operational work that full-time staff are capable of and should be doing. Not employing a civil servant to do what is fundamentally public service work quite simply costs taxpayers exponentially more money.

It's not just the Auditor General saying this. The government-commissioned EY audit very clearly identified that where expenses have increased, and increased dramatically, it is in the use of contractors and in the funding of transfer payment agencies. We at AMAPCEO urge the government to heed what both of these reports are very clearly saying.

If I may conclude with an analogy, we live in an era where the posting of calories must accompany all food packaging—

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Dave Bulmer:**—something we do so that consumers can make healthy decisions. Yet when it comes to government work, specifically work outsourced to contractors, we either don't transparently examine those costs or, when we do, we choose to ignore the results. The Auditor General and the EY audit have labelled the packaging on contractor outsourcing as being excessive. Returning work to the trusted hands of skilful civil servants will maintain job security, protect already-hurting local economies, provide employment for future generations and produce millions in cost savings in the long run.

The civil service is a highly educated and dedicated workforce that delivers high-quality public services in the most cost-efficient manner possible, so again we urge the government to put it to good use, to read the label and to make the healthy choice for Ontarians. Thank you for the opportunity and for your time.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We're going to start questions from the opposition side. Ms. Shaw?

**Ms. Sandy Shaw:** Thank you very much for your presentation. I think it's timely, and it's exactly what I think we needed to hear—a perspective that we haven't heard before.

I sit on the Select Committee on Financial Transparency, and we have had an opportunity to hear from senior civil servants. One of the questions that we had was—as civil servants, you've provided advice to government. I think the expression is that you provide "fearless advice and loyal implementation." To me, that's a cornerstone of democratic institutions and the kinds of things we value in

Ontario. But when there's this excessive use of consultants, if I may be frank, some critics would say that it's a way of paying for the result that you're looking for. Can you say how that undermines people's confidence in the accountability and transparency of the government of the day?

**Mr. Dave Bulmer:** Yes, absolutely. Through no fault of our own as civil servants, we actually wear the failures of contractors. Some of you in the room may be aware of something called SAMS, where, in the community and social services sector, IBM and a subsidiary of IBM actually messed up that system royally. There was no ability for the civil service to fix it itself because it had been left out of the process, despite being capable of carrying that out in the first place and despite having the talent to do so. It's a problem that perpetuates itself because the public doesn't necessarily know what's happening.

I challenge the room to look at the labels that I have mentioned. The numbers speak quite clearly, we believe, and the decisions are tough decisions that you have to make, but to your earlier statement, we believe in speaking truth to power. We're not offended when that decision may go in a different way, but it's our responsibility to flag it for you.

**Ms. Sandy Shaw:** I also want to focus on your recommendations around transparency and accountability. This government talks about it; they have a bill on restoring transparency and accountability to the province, which they put forward during the same time that they fired, scrapped, independent officers of the Legislature. For me personally, these are some of the most egregious moves this government has made, particularly around the independent officer, the child and youth advocate. There's no sense to this and there was no rationale put forward as to why this was being done.

I had a briefing and there were really, honestly, about 60 representatives in the room, ministry staff, and I said, "It's being purported that this is a cost-saving measure. Can you identify where those cost savings are?" Sixty people in the room said that, to date, they haven't identified where the cost savings would be from eliminating Irwin Elman's position. Can you speak to that?

**Mr. Dave Bulmer:** Yes. Obviously, I have a bias in that I represent the workers at the OCA.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Dave Bulmer:** It would not be something that we, as civil servants, would have recommended to any government. We don't believe that there are significant or substantial cost savings there. To the opposite: We believe that it would be more transparent to maintain its independence. That being the case, I would urge the government, having taken that decision, to maintain the advocacy ability of that organization as it is subsumed by the Ombudsman's office. It's critical to young people in the province.

**Ms. Sandy Shaw:** I am going to pass it to Sol.

**The Chair (Mr. Stephen Crawford):** Mr. Mamakwa.

**Mr. Sol Mamakwa:** Very quickly, I know that an adviser was hired after the French Language Services Commissioner was removed, and also there's a First Nations adviser as well. There was a difference in the reports. One is making \$150,000 and one is making \$70,000. The First Nations adviser is making \$70,000. What's your take on it?

**Mr. Dave Bulmer:** I have no idea why there is that disparity—

**The Chair (Mr. Stephen Crawford):** I'm afraid we've run out of our time. We're going to the government side for questions. Mr. Cho?

**Mr. Stan Cho:** Thank you, gentlemen, for your presentation. It's good to hear, again, some of the recommendations from the Auditor General and the EY report that came out in the fall. Many of those points were well received and, of course, we appreciate our valuable OPS, which has been very lean, as the report showed as well.

You touched on transfer payments and that there is probably room for some efficiencies there. Do you have any recommendations you want to chat about specifically?

**Mr. Dave Bulmer:** Having been a civil servant for 30 years, there was an overreliance on transfer payment agencies in the past decade or more. There are, without a doubt, efficiencies that can be found there. A number of our members actually handle the civil service connection to the outside, if you will. We have had meetings with Minister Bethlenfalvy where we've tried to discuss some of those efficiencies.

**Mr. Stan Cho:** He's a great guy.

**Mr. Dave Bulmer:** I should get points for pronouncing the last name, too.

**Mr. Stan Cho:** You should.

**Mr. Dave Bulmer:** There is an over-dependence on transfer payment agencies, and I think it's something that—as with the contractor example that I've made, bringing things back in-house or having closer-to-the-vest control is going to produce efficiencies.

**Mr. Stan Cho:** Do you think that would help with the issue of accountability on the funds spent?

**Mr. Dave Bulmer:** Yes, absolutely.

**Mr. Stan Cho:** Okay. The other point I wanted to touch on: Do you gentlemen have any ideas on how to make procurement more affordable, just to have some cost savings?

**Mr. Dave Bulmer:** It's not something that I can speak to specifically, but I represent the senior-most procurement people within the civil service and I could quite easily get you answers to that. They deal with a plethora of people, and that's one of the biggest problems. And then the opposite problem is sometimes that there's the government premium that we pay on everything. We need to find a way, when we procure things, that we're not being charged more than people on the street. That's a well-known reality.

**Mr. Stan Cho:** Yes. I asked about procurement—I don't know if my other colleagues have a question here, or I'll keep going.

**Mr. Doug Downey:** Go ahead.

**Mr. Stan Cho:** I asked about procurement because it's something that the Treasury Board staff and bureaucrats are very well informed on. A lot of great ideas have come from them. I'm reaching out to anybody in the OPS with ideas, because we got some brilliant ones out of the online submissions for ideas that we had with the Big Bold Ideas Challenge. We received 26,000. Many of them were excellent; many of them we are looking to adopt in the upcoming budget.

I encourage you gentlemen, if you have any further recommendations—we're still taking them in—we'd love to hear from you moving forward, whether it be on procurement, accountability, transparency, and also, how we can incent maybe some of those transfer payments to be rewarded for spending under their budgets.

**Mr. Anthony Schein:** The procurement crowd is very passionate about the work they do. They really like talking about it. They've also done a lot of work to centralize procurement across many—particularly in the ministries over the last 10 or more years. They've made a lot of good strides on that. I'm sure they would have many more recommendations in that area.

1330

**The Chair (Mr. Stephen Crawford):** One minute. Mr. Downey?

**Mr. Doug Downey:** I guess I'll just take the time to make a comment. You started off and the words just rolled off your tongue: professionalism and best advice. My experience in finance—I'm the PA of finance—has been second to none in terms of us changing direction on things like cannabis, and the pivot that the professional civil service has done with us to give us their best advice and make it work as well as it can. I just wanted to make note of that, that it is recognized; it's not just lip service.

**Mr. Dave Bulmer:** We appreciate that.

**The Chair (Mr. Stephen Crawford):** Okay. Thank you very much for your presentation. We appreciate it.

**Mr. Dave Bulmer:** Thank you, all.

#### COUNCIL OF CANADIAN INNOVATORS

**The Chair (Mr. Stephen Crawford):** I'll call up our next witness, the Council of Canadian Innovators. Good afternoon. Welcome to the finance committee. If you could just state your names for the record, you can get right into your presentation.

**Mr. Benjamin Bergen:** Benjamin Bergen, the executive director of the Council of Canadian Innovators.

Good afternoon, Chair and members of the committee. Thank you in advance for your time today. My name is Benjamin Bergen and I'm the executive director of the Council of Canadian Innovators, a national business council that advocates on behalf of Canada's fastest-growing technology companies.

We represent over 100 companies headquartered across the country, with over 70% of our membership based here in Ontario. All of our members are classified as high-growth scale-ups, not start-ups, and represent the economic segment of employers who are creating the greatest

number of jobs and wealth for the economy. However, they receive the lowest amount of support and attention by the government. In Canada, 47% of new jobs are created by high-growth scaling firms, and 46% of Canada's GDP is generated by scaled, large firms. Last year alone, our member companies employed over 26,000 Ontarians and contributed over \$6 billion to the economy.

Yet, over the past decade, economic development policies put in place by governments have prioritized the attraction of foreign multinationals over designing an ecosystem that supports the economic growth of home-grown companies. This approach led to taxpayer dollars being handed out to highly profitable foreign companies while scaling technology companies headquartered in Ontario were left to struggle for access to talent, capital and customers.

This misguided approach has inhibited the growth of our economy. This is why the Council of Canadian Innovators was created three years ago by a small group of CEOs and our co-founders and chairs, Jim Balsillie and John Ruffolo. Today, high-growth companies like OOM Energy in Oakville, Spartan Bio in Nepean and Ceridian in northern Toronto are among the 100 members of the council.

Today I'm here on behalf of all of our local members to outline how, by orientating the government's economic development policies towards supporting high-growth Ontario firms, economic growth and wealth creation in the province will increase alongside meaningful employment opportunities. In the upcoming budget, Ontario's formidable group of technology CEOs will be looking for strategies that will increase their access to highly skilled talent, growth capital and new customers. These are critical ingredients for their ability to scale up and compete globally.

Let's start with access to talent. Canada is facing a highly skilled talent shortage. A recent report found that by 2021, nearly 220,000 jobs in Canada's tech sector will sit vacant. Unemployment in Canadian tech is 0%, which means that jobs created is also 0%, as any promise of job creation in tech is actually a factor of job-shuffling activity.

The issue around job creation is not demand; it's supply. Skilled talent is jet fuel for high-growth companies, but without increasing the pool of skilled talent that domestic scaling technology firms have access to and designing an innovation strategy for Ontario, the increased presence of large multinationals will continue to negatively impact Canadian firms' ability to scale up globally.

In this year's budget, Ontario's high-tech sector will be looking for a robust access-to-talent strategy focused on supporting high-growth industries. Talent generation, retention and attraction should all be included in this strategy. CCI recommends that 10% of the immigrants that Ontario welcomes annually through the provincial nominee program be set aside for the tech sector in an effort to decrease labour market shortages currently facing Ontario.

Let's move to access to capital. In the 21st-century global economy, governments that work hand in glove

with homegrown innovator companies are seeing the greatest economic returns for their efforts. The role of government in helping scale-ups in the innovation sector should not be misunderstood as one where the government is giving handouts to companies that could simply go it alone. The innovation economy is created, managed and regulated by government because technology entrepreneurs create and sell intangible assets like intellectual property and data.

We recommend that a greater focus of budget 2019 be placed on helping homegrown innovators become global players by investing in market-proven technologies. This is what happens in all successful innovation economies, including South Korea, Israel, Germany, Sweden and the United States. Specifically, we would like the government to orient its business innovation program to support domestic firms that are already successfully commercializing intellectual property and doing sales around the world.

Finally, I'll move on to access to customers. Strategic government procurement has the ability to both solve public service challenges and to create economic opportunities for scaling technology companies and local communities. However, Ontario's procurement procedures are antiquated and not innovative. Ontario tech firms looking to sell to government describe the current process as burdensome and resource-intensive, and some have found procurement language unfairly favouring large foreign incumbents over new entries. Having the domestic government as a customer is a major validator that enables future sales to other governments around the world. Ontario should mandate that government departments set aside a percentage of their budgets to buy from proven market-winning firms—domestic scale-ups that are already doing business around the world but are often shut out of domestic procurement opportunities.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Benjamin Bergen:** In summary, budget 2019 presents the government with a bold opportunity to support domestic innovators that are creating high-quality jobs and prosperity for Ontario. Measures that increase access to talent, capital and customers will demonstrate to CEOs across the technology ecosystem that the province is invested in their success. We look forward to budget 2019 supporting Ontario's fastest-growing scale-ups, both here and around the world.

I thank you for your time this afternoon, for your service to the people of this province and for your interest in helping Ontario become a more innovative and economically competitive place to work and grow business. I'm happy to take any of your questions now.

**The Chair (Mr. Stephen Crawford):** Okay. Thank you very much. We're going to start with the government side. Mr. Cho.

**Mr. Stan Cho:** Thank you, Chair. I'll be splitting my time with MPP Downey, so I've got to be quick. I have a lot of questions. You touched on a lot of important points. Let's start with procurement. You mentioned that some of the language is a barrier. What other barriers are tech firms finding to get involved in government?

**Mr. Benjamin Bergen:** So definitely on some of how the RFPs are written in terms of shutting out domestic firms, whether it be caps on sizes of other procurements that have occurred in the past being burdens or also seeing RFPs that have often been worked or reimagined with large firms that have interests within the provincial government, so things already partially being baked before they even go out to RFP.

The other process I would say is actually the communication of that. I know that firms that are smaller often don't have the resources to engage with robust government relationships, and therefore knowing what's out there in terms of accessing it has been a challenge.

**Mr. Stan Cho:** I have further questions on that, so I'll give you my card afterwards to chat about it.

**Mr. Benjamin Bergen:** Perfect, yes; I'd love that.

**Mr. Stan Cho:** I'll turn it over to MPP Downey.

**The Chair (Mr. Stephen Crawford):** Mr. Downey.

**Mr. Doug Downey:** Yes, I want to start with the labour pool. I was speaking with a CEO of one of the big companies, talking about the US requirement to hire local for some of the product development in the US. So where would the talent pool come from?

**Mr. Benjamin Bergen:** I think there are a couple of things here. Let's obviously start with our proposal, which is the provincial nominee. That's bringing in foreign talent from other jurisdictions.

**Mr. Doug Downey:** But, specifically, Europe?

**Mr. Benjamin Bergen:** I think anywhere. A great engineer is a great engineer. A great data person is a great data person. I wouldn't look for specific regions. If you look at where people are coming from now, you're seeing people from India, from China, from South Africa. There's a real opportunity there. Coupled with that, we definitely need, obviously, colleges and universities to be in sync with this increased demand that we're seeing.

But then also retraining: We have lots of wonderful, amazing, capable Ontarians. How do you make sure that they're being able to enter into this opportunity and into this economy?

**Mr. Doug Downey:** Yes, I've met with Coding for Veterans, who, because they already have security clearance—that's a very coveted credential.

I want to shift to innovation, and a very narrow one—if you have a comment on fintech.

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**Mr. Benjamin Bergen:** More specifically about the regulation process or—

**Mr. Doug Downey:** About how we grow it, because you talk about clusters. So fintech would probably be in Toronto as opposed to some other clusters that would be in Waterloo.

**Mr. Benjamin Bergen:** Yes; definitely we've seen the most amount of interest within fintech within Toronto. I think that challenges to this space definitely come from a regulatory process, and obviously there are some rather large incumbents that currently occupy our banking ecosystem.

We advocate, as a business council, for that conversation to happen between industry and the government.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Benjamin Bergen:** So what I would push for is more robust conversations with actual CEOs who are in the trenches day in and day out, about what those barriers are that they're facing, everything from open banking to securities to—you kind of named the litany of that.

**Mr. Doug Downey:** Yes. Some of it is as simple as how you take ID, because some people just don't want to walk through the front door because there is no front door.

**Mr. Benjamin Bergen:** Yes.

**Mr. Doug Downey:** Okay.

Go ahead, Donna, if you have a question.

**The Chair (Mr. Stephen Crawford):** Ms. Skelly: just 35 seconds.

**Ms. Donna Skelly:** Thirty-five seconds: Are engineers underemployed in Ontario?

**Mr. Benjamin Bergen:** What do you mean by "under-employed"?

**Ms. Donna Skelly:** Are they, let's say, stuck in jobs and aren't moving into higher-profile, higher financial earnings?

**Mr. Benjamin Bergen:** If you look at salary increases in the position, they definitely are going up. There is a tremendous amount of demand, so I think that there is market mobility for engineers.

**Ms. Donna Skelly:** Okay. Thank you.

**The Chair (Mr. Stephen Crawford):** We're going to turn to the opposition side. Mr. Arthur.

**Mr. Ian Arthur:** I have a couple of questions, so I'm going to be very quick. I'll try to be quick. Access to talent, and bringing in talent: What are the qualification crossover needs? We all hear the stories of doctors driving cabs and engineers working as line cooks or whatever it may be. What kinds of supports do you need to make sure that those people who are coming here—that their qualifications are recognized?

**Mr. Benjamin Bergen:** If we look at some of the federal government's approach over the global skills strategy—I'm not sure if you're familiar with that program. The work they do is actually getting the firms to act as the validators. So the firms are determining the skill set of a coder, which will often require meeting criteria X, Y and Z. As you're parsing out that piece, I would look at how you get industry to act as a validator for those individuals.

**Mr. Ian Arthur:** Very cool. Then under "Access to capital" there, "orient ... towards supporting domestic firms": That's the only one that's a little bit vague, I think. What's your actual ask there of the government?

**Mr. Benjamin Bergen:** If you look at the last 10 years, you see governments really focus on how we attract what we refer to as the sexy companies: your Facebooks, your Amazons, your Googles. But if you actually want to grow an innovation economy that generates really good jobs and revenue, which generates tax dollars to pay for programs that we care about, like education, universal health care and all of those pieces, you have to help the domestic

companies become the global giants, because that's where all the wealth is. The wealth is in the ownership of the idea, in the intellectual property. If all of those ideas are owned south of the border or in other jurisdictions, we're not able to pull that wealth into Canada.

When you look at a company that was really successful, like BlackBerry or RIM, it's still generating millions of dollars because it owns intellectual property that is being used on services that we use day in and day out. So if you want to create an innovation economy, it's not just about jobs but about the placement of successful companies that are headquartered in Waterloo, Ottawa, Toronto, Kingston—you name it. That's what the government should really be focusing on.

**Mr. Ian Arthur:** Okay; very cool. Then, under "Access to customers," your last one: Procurement budgets being spent in Ontario is something that was part of our last platform. I think it's something we might actually find a bit of common ground on. But how do you avoid the inadvertent or indirect protectionism accusations that might be levelled at a government for something like this?

**Mr. Benjamin Bergen:** I think one of the really good pieces that we see on the procurement side is that government often doesn't even know what's out there, from a Canadian context. Part of what we do, day in and day out, is create those conversations between government, which is looking for solutions, and companies that we know exist in an ecosystem. I think that there's government actually having relationships in terms of conversations about what services are being able to be provided rather than just the inherent reliance on large companies. We do have a procurement system in Ontario where—

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Benjamin Bergen:**—no one is fired if they hire IBM or Cisco or some of the large players, whereas taking an opportunity to work with a domestic firm but a smaller firm is often perceived to be more risky from the civil servant side as well.

**Mr. Ian Arthur:** Very interesting. I don't know if it would be a portal, that access to that information of what's out there, or easy access for it.

Do you know anyone who can fix Phoenix?

*Laughter.*

**Mr. Benjamin Bergen:** You joke about that, but the company that I mentioned in northern Toronto, Ceridian, actually does hundreds of thousands of payments of employees. They are a company that, because of the way the procurement rules were written, was not able to properly bid. So that's the kind of stuff that we really have to be cognizant of: that often procurement language omits companies from even applying. Who are the people who are writing that and what are their relationships with larger firms?

**Mr. Ian Arthur:** Thank you very much. That was fascinating.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We appreciate your presentation.

## TORONTO DISTRICT SCHOOL BOARD

**The Chair (Mr. Stephen Crawford):** We will call up our next organization, the Toronto District School Board. Good afternoon, and welcome to the finance committee. If you could state your name for the record, and you can proceed with your presentation.

**Ms. Robin Pilkey:** Certainly. My name is Robin Pilkey, and I am the current chair at the Toronto District School Board.

Good afternoon, members of the Standing Committee on Finance and Economic Affairs. On behalf of the Toronto District School Board, I want to begin by thanking you for providing me with the opportunity to participate in the pre-budget consultations.

As Canada's largest and most diverse school board, the TDSB has a unique set of needs when it comes to what is required to best support our students and communities. Today, I will highlight our bold and transformational changes, key results of our hard work, and the persistent budget pressures we continue to face. I will also bring forward potential changes to government policy that could benefit our schools and have no fiscal impact on the treasury.

But, before I begin, I want you to know that we understand the fiscal situation that has been outlined by government to date, and that our advice today is not about where and how to spend more money. Remember, we are a school board. We have to balance our budget every year; no exceptions.

So let's talk about the centre and absolute focus of our work: our students.

We know that the work we are doing and the money we are spending is driving positive results. Recently, we revealed the 2017 Student and Parent Census, which painted a comprehensive picture of our students and their experiences at school.

More than 220,000 parents and students completed the census, which showed that 90% of parents felt welcome in our schools and that their children enjoyed going to school. I am also pleased to say that 85% felt their children are getting the support they need and felt their teacher's methods meet their children's needs.

Yes, we know that we have to do more—for example, improve math and ensure that no child is falling behind—but we can't deny our progress and ongoing work. We are identifying, confronting and eliminating barriers, and aligning resources where they're needed. That's why we're proud to stand by and continue to roll out our Multi-Year Strategic Plan.

This plan will raise the bar for all students and help those who have been traditionally underserved. It will close achievement gaps, identify and remove systemic barriers, transform student learning to improve areas like literacy and math, and ensure all students have a safe and positive learning environment.

To continue to do this important work, we certainly will need the same level of resources as last year. But in saying that, I am concerned with the early signs of your govern-

ment's fiscal restraint plan. It seems to be targeting programs that help our most in-need communities and our most vulnerable youth.

Just recently, we were notified of a change to the Community Use of Schools priority schools grant. This is a grant that subsidizes school boards to offer free permitting for the use of schools in low socio-economic areas.

We also received news that the ministry was cutting the provincial grant that helps teen dropouts re-engage with school and earn their high school diploma, and we continue to wait on a decision from the ministry about continuing to fund the Focus on Youth summer program. Last year, this program allowed the TDSB to hire 600 youth to work alongside community agencies that serve our city's most at-risk youth, and overall, it benefited 11,000 young people. It has documented evidence of helping children living in Toronto's most marginalized communities and has sought to respond to the high rates of youth violence and poverty and lack of opportunities for youth.

Our youth deserve opportunities to learn critical life skills and play sports and games in environments that keep them from being out on the streets. They deserve the right to go back to school and earn their high school diploma. Nobody can deny the significant difference that this would make for their future.

I ask you—as I asked the Minister of Education and will be asking all Toronto-area MPPs—to please reconsider the cancellation of these grants that support our most at-risk youth and communities and continue funding for the Focus on Youth summer program.

Let me turn your attention to some of our persistent and recurring budget pressures and offer suggestions on how the provincial government could respond with positive changes.

Toronto's population has increased from 2.6 million in 2006 to 2.9 million in 2017, and is forecasted to continue to increase to 3.9 million by 2041. Residential development is a significant contributor to population growth, resulting in substantial pressures on critical public infrastructure, such as schools.

New developments have resulted in enrolment pressures at local schools in certain pockets of the city, for example the Yonge and Eglinton area. Many schools in these areas are overcrowded and are on small, constrained sites that cannot accommodate portables or additions. The TDSB will need new schools in many of these growing communities; however, the availability of land for new school sites in these areas is extremely limited, meaning that support for innovative school models, such as those integrated with new mixed-use developments, will be required.

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Despite the number of new and proposed developments across the city, the TDSB does not qualify for education development charges because it has excess capacity when assessed on a district-wide basis, regardless of significant pressures and challenges faced in many neighborhoods. In our view, in the same way that developers pay for services

such as roads, transit and community centres, they should contribute toward education.

If the TDSB qualified for EDCs, we could expect to have \$350 million over the next 15 years to meet growth-related infrastructure needs. If we had a little flexibility in how we spent this money, some of the funds could go to our staggering repair backlog. As it stands now, both the TDSB and the province are leaving \$350 million on the table.

Approximately 50% of our 582 schools are over 60 years old, and continue to age, requiring major repairs and replacement. Even with the additional renewal funds provided by the ministry over the last few years, our renewal backlog sits at about \$3.9 billion as of this January, and it continues to rise. Our ask is that you commit to providing predictable and sustainable funding for school repairs, as well as consider more creative and innovative approaches to financing the renewal needs backlog.

I ask you to look at both traditional and non-traditional financing strategies. We must continue to maintain public ownership and public operation of schools. However, this does not preclude us from exploring alternate finance and procurement models to support annual government investments in school renewal. We recommend that the Ministry of Education collaborate with the Ministry of Finance, Infrastructure Ontario—

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Robin Pilkey:**—and the school board community to create short- and long-term financing plans to bring more of our schools into a good state of repair. The TDSB would be willing to be part of this collaboration.

While some neighbourhoods are growing, enrolment in other areas is declining, resulting in under-utilization in local schools. We have a Long-Term Program and Accommodation Strategy that has identified schools that need to be looked at, but we are not able to do these reviews for possible school closures, consolidations or relocation of students and programs because of a moratorium on school closures that was imposed by the Ministry of Education in July 2017. We need flexibility to conduct reviews, and we hope that this will be lifted shortly.

As you can see, key changes in government policy could create positive fiscal results for the TDSB. It just takes the will to think a little bit differently, challenge our dated approaches, and think more creatively and collaboratively across government and with your public sector partners. Thank you for your time. I welcome any questions.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We're going to start with the opposition side for questions. Ms. Stiles?

**Ms. Marit Stiles:** Thank you, Chair Pilkey, for joining us here today. I just have a few questions. You mentioned understanding the fiscal reality of this government, or what they've stated that the fiscal reality is. You mentioned, as well, a couple of really innovative ideas, I think, that we've often talked about around ways to generate

some potential revenue. Some have said, in fact, that the government's problem is less a problem of deficit and more a problem of generating revenue.

One of the things they've talked about is the potential for a 4% cut, minimum, in education in this next upcoming budget. Could you talk a little bit about what the potential impact of what a \$1-billion cut looks like in relation to the TDSB, specifically, or your portion of it?

**Ms. Robin Pilkey:** Our portion would not be \$1 billion, first of all. The thing with education funding is that most of it is fixed. It's tied into collective agreements, and teachers and staff costs—not just teachers, but collective agreements. So depending on what instructions we receive from the government, we either would be cutting \$100 million out of \$3.4 billion, or we would be cutting \$100 million out of \$550 million, because there is only a certain amount of the money that is actually discretionary spending on our part.

It will make a difference to things like school social workers. Transportation would probably be affected. School repairs, obviously, would be a concern as well because we do spend about \$200 million on school repairs—\$250 million a year.

**Ms. Marit Stiles:** I wonder if you could also speak a little bit more about the proposed cuts to the Focus on Youth summer program, and also if you wouldn't mind explaining—right now I understand that the TDSB is trying to find room in the budget to try to cover off some of the things that have just been recently cut by this government, but what does the impact look like in, say, a year's time?

**Ms. Robin Pilkey:** I would say, first of all, that the Focus on Youth summer program has not been cut at this point. We just have not heard one way or the other, so I would not like to say that it's a cut. We would like to have information, because this is normally the time of year when we actually hire our students and the programs get started and rolling.

The other program that I mentioned, for priority schools: The board is deciding whether they would cover off the difference between the EPO cut, because otherwise we would not be able to open our schools in low socio-economic areas for things like March break camps or summer programs because we've actually used up all the funding that we have received at this point.

**Ms. Marit Stiles:** What programs have been cut and affected directly by the \$25 million in cuts that were announced? I believe you guys received a flood of memos right before the holidays, as I understand it.

**Ms. Robin Pilkey:** Programs that were cut included Focus on Youth and the after-school program. It included this program that helped students get their final credits for high school. We had a guidance counsellor who would chase after people: "You have two credits left. Let's see what we can do to help you out so you graduate." Those kinds of programs.

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Marit Stiles:** One of the things the Minister of the Education said when I asked her specifically about these

issues in the Legislature was that these programs were redundant. Is that your understanding? Is there anything that exists that's going to actually fill that gap now for those students who are high risk?

**Ms. Robin Pilkey:** I would not have termed them as "redundant." I think that those programs recognize that to succeed in school, in classrooms, money has to be spent outside of the classroom to help students who—there might be barriers to their success. Those programs, many of which were cut, were programs that were involved with that kind of thing. It wasn't actually a classroom program, but it was a program that supported students on the other side so that they could come to class and complete their work.

**Ms. Marit Stiles:** Just one more quick question, and this relates more to the curriculum situation: I'm wondering if you have any new information about the potential writing sessions that were planned around the truth and reconciliation curriculum.

**Ms. Robin Pilkey:** I have heard nothing about that at this point.

**Ms. Marit Stiles:** Thank you.

**The Chair (Mr. Stephen Crawford):** Okay. We've reached the four minutes. Now we're going to the government side for questions. Ms. Skelly.

**Ms. Donna Skelly:** Thank you, Robin, for your presentation. I just wanted to clarify: How much money will you get in EPO funding this school year?

**Ms. Robin Pilkey:** We will get money—I'm sorry, I don't have the exact total in front of me, because there were a bunch of different EPOs. We did get funding for some of them, but they—

**Ms. Donna Skelly:** For some of them? I know you're concerned about it. How much of a change is it from the previous school year?

**Ms. Robin Pilkey:** Right now we're looking at about \$5 million.

**Ms. Donna Skelly:** Over how many schools in your board?

**Ms. Robin Pilkey:** We have 562.

**Ms. Donna Skelly:** A \$5-million change, 562 schools: There's nothing stopping you from offering any program under the funding envelope, is there?

**Ms. Robin Pilkey:** There is. Some programs need to be cost-recovery, and some of the programs were not offered in every school, so to allocate that, say, over every school doesn't really make sense.

**Ms. Donna Skelly:** But did you offer these programs three years ago?

**Ms. Robin Pilkey:** Yes, we would have offered them three years ago.

**Ms. Donna Skelly:** You offered the programs that you're talking about three years ago?

**Ms. Robin Pilkey:** Focus on Youth has been in existence for about 15 years.

**Ms. Donna Skelly:** Why is that program specifically, in your opinion, being cut, if that's what you're saying?

**Ms. Robin Pilkey:** I don't know why it's being cut.

**Ms. Donna Skelly:** But you're saying it is being—

**Ms. Robin Pilkey:** I'm not saying it's—what I'm saying is, we haven't had confirmation of funding yet.

**Ms. Donna Skelly:** So it's not being cut, as it stands now.

**Ms. Robin Pilkey:** Well, we don't know, but normally, we would have had the money by now to hire students and to get the programs rolling because—

**Ms. Donna Skelly:** But it hasn't been cut.

**Ms. Robin Pilkey:** I did say several times it had not been cut. I said we hadn't heard about it yet, and we want to hear about it.

**Ms. Donna Skelly:** And you still have funding. The funding change is about \$5 million over 500-and-some schools.

**Ms. Robin Pilkey:** As I said, because there are programs that are allocated to specific types of schools, generally, saying that it's over the 562 schools does not make sense because it's only allocated to certain schools. The funding is very specific, as you would probably know.

**Ms. Donna Skelly:** What is your budget, again, for EPO over the course of the year?

**Ms. Robin Pilkey:** Unfortunately, I don't know what the total of the budget is for the EPOs. The total EPO budget for the province is \$400 million, and usually we get about 12% of that.

**Ms. Donna Skelly:** Okay. Thank you.

**The Chair (Mr. Stephen Crawford):** Mr. Cho.

**Mr. Stan Cho:** Thank you, Ms. Pilkey, for your presentation. Many of your points are very well received. Many of us here—my colleagues—are in ridings that face many of the challenges you discussed. Willowdale has hit its growth targets for 2041. Up and down the Yonge Street corridor, our schools are operating at 150% capacity, and that's unacceptable.

I've signed the Fix Our Schools pledge. I acknowledge that we have major problems in our schools, and you acknowledge that we have major financial difficulties.

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So let me tell you this: Multi-year planning discussions are still ongoing, and I appreciate that you've said that no decisions have been made, because that is the truth. But we are taking every decision—

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Stan Cho:** —as seriously as we can, and students are first. That's what we're going to continue to operate with, and the decisions will be coming soon.

My point in saying all of this—it's not really a question; it's more of a comment—is that we are working on this tirelessly. We are well aware of the problems you have addressed here, and we will continue an open dialogue. We're going to fix these problems. We're going to get there.

**Ms. Robin Pilkey:** The TDSB is eager to work with the government to solve some of these problems. As you know, they've been ongoing for many years. We know that work needs to be done, and we're eager to be part of the solution.

**Mr. Stan Cho:** I appreciate that. We'll be in touch. Thank you.

**The Chair (Mr. Stephen Crawford):** Thank you for your time.

#### SKILLS ONTARIO

**The Chair (Mr. Stephen Crawford):** We'll call up our next witness: Skills Ontario. Good afternoon. Welcome to the finance committee.

**Mr. Ian Howcroft:** We're very pleased to be here this afternoon to participate in the 2019 budget process. My name is Ian Howcroft. I'm CEO of Skills Ontario. With me is Jennifer Green, our manager of youth outreach.

We're seeking to expand our winning partnership with the government, educational institutions, and the private sector to help create jobs for young people and address skill shortages in skilled trades and technology careers. With the announced closure of the Ontario College of Trades, Skills Ontario is ready to take on an enhanced and expanded role to continue to build momentum in promoting skilled trades, apprenticeships and technology careers to young people.

We welcome the government's commitment to being open for business. To achieve stronger economic growth, we need to address the persistent skills shortages that exist in the skilled trades and technologies. Skills gaps in Ontario cost an estimated \$24.3 billion in forgone GDP—and I think that statistic was also mentioned in the media this morning. By 2020, we expect to have a shortfall of skilled workers in the area of 190,000, which is expected to rise to over 560,000 by 2030. These shortages represent a significant constraint on economic growth for the Ontario economy and a significant opportunity to create rewarding careers for so many Ontario youth. An efficient apprentice system is a key foundational element in a successful skills strategy.

We welcome the government's renewed commitment to being open for business. We also know that economic growth and job creation depend on a skilled workforce.

Better connecting skilled people with the needs of business is a social and economic imperative. Over the last 30 years, Skills Ontario has grown into the most impactful organization encouraging youth to consider a career in skilled trades and technologies. Engagement with students, teachers, parents, volunteers, employers and mentors ensures that our programs connect education, experience and employment. Skills Ontario has changed millions of minds—92% improved perception across 365,000 youth we get to each year about the quality of career offerings in skilled trades and technologies. We want to continue to build and improve that image of skilled trades.

Skills Ontario engages a vast network of key stakeholders in the apprenticeship system, including businesses, educational institutions, unions, students, apprentices, government and tradespeople. A key area of opportunity that we are working on is the improved inclusion and engagement of employers and businesses in this process. We will be highlighting their success and sharing best practices and helping them overcome barriers that

have prevented them from being more involved in working to develop solutions.

Skills Ontario delivers a number of programs to promote skilled trades, apprenticeships and technology careers. Our best-known program is our annual competition. This year, it will be held on May 6, 7 and 8 at the Toronto Congress Centre. This is the largest competition in Canada, attracting over 35,000 people, hosting the largest young women's conference, with 2,000 participants. I wanted to ensure that we invite all MPPs to join us and participate.

I did want to save part of our presentation to let Jennifer talk. She has been involved with Skills Ontario for many years and can provide an example as to how we have positively impacted the lives of people like Jennifer—and we can do a lot more. So I'll just turn it over to Jennifer Green.

**Ms. Jennifer Green:** Hi. Thank you so much for having me. When I started, the push for university was the first leading path when I was in high school. The opportunity of trades was not readily and easily available to me. There weren't many programs, let alone opportunities such as Skills Ontario, even through my guidance counsellor. I was an A+ student and had always taken manufacturing, but hadn't thought of it as a career, even though my father is a tool and die maker. The opportunity for co-operative education arose, and I thought I would try the trades—but what trades would I try?

The programs produced by Skills Ontario would have extremely benefited me then—and definitely benefit the students today. It would have allowed me to truly see the other opportunities that I was aware of, if that had been available. Skills Ontario is a leader in the education and promotion of skilled trades to Ontario youth today and should continue to be highlighted across our province.

I went into the OYAP program and was the second female ever registered in our district. It made me stick out like a sore thumb. Skills Ontario was one of the organizations that recognized my unique situation and approached me on the promotion of women in trades. I quickly became a mentor and developed my other great passion of public speaking and sharing my story with young women and other apprentices.

I believed in the cause and continued to volunteer until the third year of my apprenticeship, when my college asked me to represent them at the Skills Ontario competition. I am in the very male-dominated trade of industrial mechanic millwright. I said no at first. I was afraid of the stereotype of women in the trades. What if I failed? My confidence was low. I finally came around and agreed to participate in the competition. What I can clearly say to you now today is that it was the best thing I ever did, not only for my career, but it ultimately changed my life. It allowed me to practise and become more competent in my skill, gain new experiences, and ultimately achieve high respect in my field and as a woman. This also boosted my confidence. This allowed me the feeling of, "I can do anything."

When Ian mentioned that this is the largest competition in Canada for skilled trades and technologies—35,000

spectators pass you. It's literally like the Olympics. You are competing against other apprentices to see who is the best. So not only do I have eyes watching me; I'm being marked; I'm being tested.

As an alumna, my participation opened doors to other adventures where I could make a difference with regard to the high demand for skilled trade workers. Being the second woman to compete for industrial mechanic millwright on a national level, on top of the volunteer and mentorship work I did through Skills Ontario and other organizations throughout the province, led me to be labelled as a trailblazer and a pioneer in my field. These opportunities wouldn't have been available to me if I hadn't competed in the Skills Ontario competition. It truly helped shape me into who I am today.

These experiences inspired me to give back more in the promotion of trades and women in the trades. Working with an organization like Skills Ontario gives endless possibilities in how to promote and engage with youth on this subject. Together, we co-created—myself and Skills Ontario—the alumni association, a new opportunity that allows mentorship to future apprentices and youth, volunteers to the organization and appreciation of the alumni. I have witnessed the many ways in which this organization has truly changed lives for the better in Ontario.

I believe in the organization so much—its programs and what it represents to our province and its youth—that 2020 will mark the 15th year of when I began volunteering with the organization. I know that the programs, competitions and educational opportunities that this organization produces are effective. I've personally been impacted to the point that I jumped at the chance to become an employee of Skills Ontario when that opportunity arose. Here I can focus directly on addressing the skills shortages in Ontario by educating and engaging our youth on the 156 trades available to them in our province.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We're going to start with questions on the government side. Mr. Downey.

**Mr. Doug Downey:** One of the reasons I love this job is because I get to meet interesting people with life stories that are very unique. Thank you for sharing that. It was wonderful.

**Ms. Jennifer Green:** You're welcome.

**Mr. Doug Downey:** Some universities and colleges have a program called myBlueprint. You pick where you want to go, and it helps you map your pathway to get there. Is there anything like that—I see the one-portal suggestion. But is there any tool to help people navigate how to land in a particular spot?

**Mr. Ian Howcroft:** I think there are lots out there, and that's part of the challenge. People don't necessarily know where to go. I've been in this job for a year exactly today, and one of my goals and motivations was to try and do a lot more to help coordinate, collaborate and co-operate. We don't want to replicate or duplicate; we want to leverage what's already there. But I think we need to start with an inventory and environmental scan of what's there and how we tie that all together. I think one portal is the way

to go, but that's an ambitious goal that will take some time and investment to get to.

We're pleased that the government has identified apprenticeship reform as one of its key priorities. We know that economic growth and being open for business necessitates having a skilled and competent workforce, which we're all about, and we've been doing that for 30 years.

**The Chair (Mr. Stephen Crawford):** Mr. Cho.

**Mr. Stan Cho:** Thank you for your presentation. Ms. Green, you are an inspiration.

**Ms. Jennifer Green:** Thank you.

**Mr. Stan Cho:** I have a couple of quick questions for you. You may not have the answer for this, so I'll leave you my card and maybe you'll have some "aha" moments down the road you can communicate with me about. How do we get more women involved in the skilled trades?

**Ms. Jennifer Green:** We currently host several initiatives for young women. Our biggest one, which is held during the competition on May 6 and 7, is called the Young Women's Conferences, where we attract almost 2,000 young women from grades 7 and 8 on the Monday and grades 9 through 12 on the Tuesday. We have over 70 booths of mentors, trade unions and sponsor companies that come and do hands-on activities with them to actually get them to learn and engage, as well as hearing keynotes and panel speakers.

The career exploration events happen all over Ontario. There are over 12, from the north to the south, where it's the same thing: grade-9-through-12 students get to come and engage with mentors, hear keynotes and panels and do hands-on activities. It's making a big difference in being able to explain what those 156 trades are in our province as well as giving them the actual opportunity to pick up a hammer or a pair of scissors for hairdressing or a whisk, and so on and so forth.

1410

**Mr. Stan Cho:** That segues very nicely into my second question. The schools come to you. In the last couple of weeks, we've heard from other groups, such as Junior Achievement, that talk about entrepreneurial skills for our youth. I'm wondering if there might be an idea—have you ever thought of going into the schools to promote the—

**Mr. Ian Howcroft:** We do go into the schools. We did 1,700 in-school presentations last year. We have staff around the province that go in. I think half of the elementary schools are affiliated with us and 90% of the secondary schools are affiliated with us. With that, they can participate in all the programs that we do, from the cardboard boat races that we offer to in-school presentations, where we get to between 110,000 and 125,000 direct students on an annual basis.

I think there's a lot more that can be done. How do we get to 500,000 or 600,000 students?

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Ian Howcroft:** I think the more we can let people know about the opportunities as early as possible, the more chances they will have to consider that.

We're trying to get to the schools, but we're also trying to get to parents, too, because that's a key challenge and a

key audience that we need to better educate on these opportunities.

**Mr. Stan Cho:** That's right. I can speak first-hand. My parents don't know anything about the skilled trades, and for them, growing up, that was not a career option for me. We need to change that.

**Mr. Ian Howcroft:** I'll give you my card to give to them.

**Mr. Stan Cho:** You read my mind, Mr. Howcroft. Thank you very much. I appreciate that.

**The Chair (Mr. Stephen Crawford):** Okay. Let's go to the opposition side. Mr. Mamakwa.

**Mr. Sol Mamakwa:** Thank you for your presentation. I'm from Sioux Lookout. That's northwestern Ontario. I'm the member for Kiiwetinoong riding. "Kiiwetinoong" means "north." I know that some of the language that you guys have in the presentation is "Far North," which extends to Dryden, which is south of Sioux Lookout.

Anyway, I know that with the organizations that you work with, you talk about policy and corporate social responsibility, especially reaching out to First Nations, Métis and Inuit. I'm not sure if there are any direct partnerships that you may have, especially in the north.

**Mr. Ian Howcroft:** We do have some. Some of our staff are dedicated and focused on First Nation opportunities. We have First Nation mentorships around, as we do for young women. We do that for First Nations as well. At the competition, we have a First Nations conference.

Again, we think that's an opportunity where we want to do more. It's a young population and a growing population, so how do we better engage with them so that we're making sure the young people in the First Nations and Indigenous communities know about these opportunities? How can we help to facilitate those connections and those opportunities? We've had some success, but I think that's an area of key growth and a key initiative that we want to grow as we move forward.

**Mr. Sol Mamakwa:** Do you know how many First Nations communities are in Ontario?

**Mr. Ian Howcroft:** Do I know how many?

**Mr. Sol Mamakwa:** Yes.

**Mr. Ian Howcroft:** I did, but I forget, and I wouldn't want to embarrass myself by hazarding that guess now.

**Mr. Sol Mamakwa:** There are 134.

**Mr. Ian Howcroft:** There are 134? Okay, thank you.

**Mr. Sol Mamakwa:** That's all.

**The Chair (Mr. Stephen Crawford):** Any further questions? Ms. Stiles.

**Ms. Marit Stiles:** Thank you both for the really important work you do. Congratulations, Ms. Green, on your accomplishments. They're really exciting and wonderful to hear about.

I just wanted to go back to some issues around barriers that you may see, particularly to your outreach in our schools. Having been a school board trustee previously, I know this is something that our school boards are very excited about. If you could explain a little bit more about what some of the barriers are to doing the work that you

need to do with those younger grades, and in secondary schools as well.

**Mr. Ian Howcroft:** I think the main barrier is just making sure that we have the resources to get out. We have between 12 and 15 staff that we use. We could probably double that and still not get to all the schools that we'd like to get to. Part of it is resources. It's building the relationships. As I say, this is our 30th anniversary and we've been doing the in-school presentations for about 20 years now, so each year, more and more people are aware of them and want us in to work with them.

**Ms. Marit Stiles:** Do you work directly with, say, guidance counsellors? I know that in our school system, we're feeling the need for more guidance counsellors, but is there work that's been done there to provide some professional development so that they understand the options that are available to students?

**Mr. Ian Howcroft:** It depends on the school board and the school. We certainly encourage having a relationship with guidance counsellors, but it's often with the OYAP coordinator and tech teachers that have a real interest in that. We try to be as strategic as we can, but also opportunistic about what's going to get us into that school to have the most impact in the short run as we build for the future.

**Ms. Marit Stiles:** One of the things that has been recently announced as cut, one of the programs that the government has already cut, is programs that help young students who may be at risk of not graduating from high school to make sure that they understand the options and also to help them with completing forms and applications for the next step. It's really disconcerting because, of course, we really want to make sure that all of our students understand the options. For a lot of students, what we've discovered, of course, is that they may not realize that there are options that work really well for them.

Anyway, I think that's something I just wanted to flag as well.

**Mr. Ian Howcroft:** Thank you. We're trying to get out to as many students as possible. We've been partnering with the current government to get this message out, to get these opportunities out to young people, because there are jobs and there are opportunities. Employers and businesses are frustrated because they can't find the talent that they need, and the young people are out there looking for jobs, so we're trying to do that facilitation to make sure that people can take advantage of their full skill sets and grow and take on a skilled trade or technology career that's rewarding, compensates well and—

**The Chair (Mr. Stephen Crawford):** Thank you very much. We appreciate your presentation.

#### UNIFOR

**The Chair (Mr. Stephen Crawford):** We have our next presenter. It's going to be via teleconference. It's Unifor.

It's Stephen Crawford, Chair of the Committee. Can you hear us okay?

**Ms. Naureen Rizvi:** I can. Yes, thank you very much.

**The Chair (Mr. Stephen Crawford):** Okay, great. Welcome to our committee via teleconference. You'll have up to seven minutes to present, and we will give you a one-minute warning. If you could just state your name for the record, and you can proceed with your presentation.

**Ms. Naureen Rizvi:** Of course. Thank you very much for having me here today. My name is Naureen Rizvi. Good afternoon to everybody. I am the Ontario regional director for Unifor. I'm elected to represent the interests of our 160,000 members across Ontario.

Unifor, as many of you may know, is Canada's largest private sector union. We represent over 315,000 members from coast to coast to coast working in all major sectors of the economy. But that also includes members working in a range of public services.

This budget will be tabled, I would suggest, at an important moment in Ontario's economic history. After many years of difficult economic times, including a sustained contraction in our manufacturing base and the continuous shift toward more precarious part-time and insecure employment, we must continue to move the province's economy toward a more expansive and positive phase.

First, this requires getting the record straight on the province's fiscal picture. The reality is that Ontario does not have a spending problem. Government spending since 2011 has not kept up with the population growth, and Ontario has the second-lowest program spending per capita out of all of the provinces. Nor does the province have a debt problem. Ontario's debt service as a share of revenue has been among the lowest over the last two decades, largely due to lower interest rates.

We need to acknowledge that Ontario has a revenue problem. Ontario's provincial and local revenues per capita are the second-lowest in the country, behind only PEI. The choices that this government has made to reduce revenues have been problematic. Cancelling the cap-and-trade program, reversing previous measures to increase taxes on high-income earners, and, of course, scrapping the \$15 minimum wage, and the new low-income tax credit are only a few examples.

Unifor is calling on the government to address the revenue gap by reversing the revenue-shrinking choices it has made.

This budget also needs to restore and enhance much-needed public services that reduce poverty and support healthy communities in Ontario. Since coming to power, however, this government has decided to make drastic cuts and move to further privatize our public programs. Cuts to hospital funding, mental health programs and OHIP+ are not consistent with a commitment to end hallway medicine. Cancelling the Basic Income Pilot, cutting child care subsidy dollars for low-income families and eliminating the Ontario child advocate have conveyed the message that this government does not care about the province's most vulnerable people.

The most recent cuts to the Ontario Student Assistance Program and an attack on independent, democratic student

unions are damaging to our post-secondary education system. The people of Ontario did not vote for cuts, nor did they vote for weakening public programs through privatization and deregulation.

When this government committed to creating 15,000 long-term-care beds, it made the mistake of preventing municipalities from applying for this funding. Research has shown that non-profit homes provide higher-quality care, while transferring more health care dollars to large corporations takes away from the care of vulnerable seniors across the province. In the same vein, the move to further privatize the child care sector will have the same impact on children and their families. Lifting the for-profit threshold is simply transferring more public dollars to for-profit operators and opens the door to big-box child care in Ontario.

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Switching gears, the government needs to look at ways to support Ontario's manufacturing sector. Workers at General Motors and people across the province were shocked to learn about the company's decision to close the Oshawa plant. There is no overstating how devastating this move will be for the community and the ripple effect this will have across the province. The government's response to this development has implications for the province's economy. Frankly, this government urgently needs to focus on securing the long-term future of the industry.

We made other recommendations to support the manufacturing sector in our submission that include supporting workers impacted by US tariffs, in particular those in the steel, aluminum and softwood lumber industries, as well as strategically leveraging infrastructure spending to take advantage of local resources and expertise.

For example, Unifor sounded the alarm bell on the Bombardier facility in Thunder Bay, which produces bi-level commuter cars and light rail cars, largely for projects funded through Metrolinx and the Toronto Transit Commission. This facility has not secured contracts beyond 2019. Without a strong local procurement strategy, we would not have seen the federal government award a \$1-billion Via Rail project to a foreign company for trains that are to be used along the Quebec City-Windsor corridor. It is time for a strong commitment to a buy-Ontario strategy that will put workers first and build the province's manufacturing sector into the future.

To conclude, I'd like to thank you for your interest in our views and will refer you to our written submission that has been sent in for more details regarding our recommendations. I welcome your questions and comments.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We're going to start questions from the opposition side. The first speaker will be Ms. Stiles.

**Ms. Marit Stiles:** Thank you very much for your presentation. We really appreciate it. You raised a number of really important issues.

I wanted to just for one moment go back to your comments about the closure of the GM plant. I wondered if you wouldn't mind sharing some of your thoughts and the thoughts of Unifor. I know many of us were really shocked

by the government's lack of response. The Premier's comment that "the ship had sailed"—I wonder if you wouldn't mind commenting a little bit on how workers and how Unifor was responding to that lack of response by the government.

**Ms. Naureen Rizvi:** I thank you so much for this question. It's so, so important, especially for the auto sector and our Oshawa members. As you know, there are 2,600 people in that facility. But the 2,600 who work in the GM plant, this feeder plant that provides work into that new plant—there are close to 14,000 jobs just in Ontario alone that will be impacted if that Oshawa plant closes, and an additional 10,000 everywhere else in Canada.

I have to tell you that we were extremely disappointed by the Premier's response, especially since, from the beginning of time the Premier has said, and put together an act that says, that Ontario is open for business. We can't just be "open for business" and have people come in and come out; you also have to have a plan and a strategy to keep the businesses here in Ontario.

The shocking part, I think, for myself and the communities, was that for how much Premier Ford had been talking about being open for business, I think he meant just simply for deregulating and removing what is in his eyes was red tape. But the second a very large employer announced its exit, the Premier turned around and said, "Oh, sorry. They're gone. We'll just help you retrain." That is not what the government should be doing. That was very disappointing, and we're still waiting for them to accompany us and coordinate with us in this fight, because we are absolutely going to do everything we can to support those workers.

What the government doesn't realize is these are not just union members, and so "GM left. GM left." There is an impact on the GDP, on the economy, on unemployment and all of that. The trickle effect in the auto sector is a 1.5-job denominator so far: For every one job there are 1.5 created or affected somewhere else. From that perspective, I'm shocked that the government did not take a stronger, quicker look to a strategy that they need.

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Naureen Rizvi:** In fact, in the first time they met anybody, it was amongst people who did not even include the workers who was affected. It was very disappointing.

**The Chair (Mr. Stephen Crawford):** Ms. Shaw.

**Ms. Sandy Shaw:** Very quickly; I have less than one minute. You talked about some of the concerns that these underfunded systems are left in a position where the criticisms would lead to, almost by plan, privatization. You talked about big-box child care. The privatization of child care is something that we've been hearing about, that we need to make sure there's public, accountable child care. Can you talk quickly, in the time that we have left, on the privatization of child care?

**Ms. Naureen Rizvi:** Yes, of course. One of the things—we can't forget what happened in 2014 with the rise in infant deaths. There has got to be some responsibility on this government not to just simply create more opportunities for business but actually the safety and

security of our children. To have those not-for-profit licensed daycares is so important, but to simply say—

**The Chair (Mr. Stephen Crawford):** Okay. Sorry; I apologize for cutting you off, but your time has expired, so we're going to go to questions now from the government side. You have four minutes. Ms. Skelly.

**Ms. Donna Skelly:** Naureen, thank you for presentation. I will have to disagree with your assertions that you made with regard to our role in—or at least the Premier's attempts to prevent GM from leaving Ontario. As you know, the Premier met with GM officials. He spoke to them. He lobbied on behalf of GM workers, met with GM workers. The federal minister also met with GM. And your own Jerry Dias also met with GM. No one was successful in convincing them to stay in Ontario. They had made up their mind and they were going to close the GM plant here and, of course, GM plants in the US.

One thing we have been doing is encouraging other businesses to locate in Ontario. We are listening to businesses across Ontario and large employers who have told us that, until we were elected, this was a province that wasn't open for business, that wasn't easy to work with. They said that the reason they didn't want to expand or locate in Ontario was because of high hydro rates, taxes, cap-and-trade and difficulty in processing permits. In some of the states south of the border, it's up to six months; in Ontario it can drag on between three and five years.

My question to you is, what do you think we can do to make Ontario more competitive so that we can attract large employers that bring with them high-paying jobs?

**Ms. Naureen Rizvi:** I think I'd like to actually switch gears first to say that one thing is to attract; the second thing is to keep and to fight to make sure that the people you represent, the people that gave you the vote, feel that when the time comes, you're actually there, at the—

**Ms. Donna Skelly:** Which we were, and I'm glad you pointed that out, because as you know the Premier was certainly doing everything he could to attract workers—

**Ms. Naureen Rizvi:** I just want to address that.

**The Chair (Mr. Stephen Crawford):** Excuse me, sorry—

**Ms. Naureen Rizvi:** The Premier, from the very beginning, had set the tone when he said that the ship has sailed. That's how this was—

**Ms. Donna Skelly:** Thank you, Naureen.

**Ms. Naureen Rizvi:** —was carried through.

**The Chair (Mr. Stephen Crawford):** Any further questions?

**Ms. Naureen Rizvi:** He has not joined us in the fight, and all of the times that we were able to secure a meeting with—

**The Chair (Mr. Stephen Crawford):** Excuse me. Excuse me.

**Ms. Naureen Rizvi:** —we had been fighting for those meetings. I even had numerous opportunities where I had reached out to the Premier where he had not responded, and we're talking about 2,600 workers in Oshawa.

**Ms. Donna Skelly:** Thank you for your response.

**The Chair (Mr. Stephen Crawford):** Are there any more questions from the government side? We have about a minute left. No? Okay.

Thank you very much.

**Ms. Naureen Rizvi:** Thank you very much.

#### RESIDENTIAL CONSTRUCTION COUNCIL OF ONTARIO

**The Chair (Mr. Stephen Crawford):** I'll bring on our next organization, the Residential Construction Council of Ontario. Good afternoon, and welcome. If you could please state your name, you can get right on to your presentation. We'll give you one-minute warnings, as well.

**Mr. Richard Lyall:** Thank you. My name is Richard Lyall. I'm the president of Rescon, Residential Construction Council of Ontario. I've been in this capacity for over 25 years. Prior to that I actually worked in the government areas of industry, technology, trade policy and economic development.

Rescon is involved in all aspects of construction. We also undertake cutting-edge research using quantitative analytics, behavioural economics and big data.

As all of us here know, or should know, Ontario is experiencing a chronic housing supply problem. We have a broken housing supply chain. Currently we're underbuilding by about 15,000 units a year, and we have an expected shortfall of 165,000 units over the next 10 years. It's no surprise that Toronto is the 10th least affordable city in the world, and we're third on the bubble list.

Rescon has consistently noted that red tape, artificial restrictions, barriers and so on reduce this housing supply and increase costs, costs which are borne by the consumers, if they can afford it. I would remind the committee that currently, if you were to buy a condo, the average taxes and charges on that would be \$160,000, and for a single-family home \$240,000, which is a significant amount of money.

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This has a significant impact on Ontario's competitiveness and on its ability to attract investment and employers. An efficient housing supply chain is, then, of course, critical for the province's success and the quality of life for Ontarians. Housing shortages relegate many families to substandard occupancies and increased social costs. There are health care costs associated with this and other subtle costs that are not properly measured. Supply has worsened over the years and should be an ongoing, overarching priority, given the implications for investment in jobs.

Therefore, Rescon is very pleased with the government's housing supply action plan. We're engaged in that, and we made submissions there on January 25. We're very pleased with the reintroduction of the rent control exemptions to encourage supply of rental housing, which is badly needed, and of course, we're very pleased with the government's red tape and streamlining efforts with respect to regulations and so on.

In terms of the specific issues that Rescon would like to see in the budget as a policy direction going forward, they include reducing and streamlining the development approvals process. You might not know this, but currently there are 45 different government agencies and bodies that all have their finger in the decision-making process and the housing supply chain. Many of them do not have performance standards, and there is limited transparency and accountability.

Ontario's development and building approvals processes are much slower and less innovation-friendly than other advanced jurisdictions. It's really no less shameful than what's happening with public transit in Toronto. And I can tell you that internationally, it is embarrassing. Research shows that site plan control approvals under the Planning Act that should take one month often take over 18 months. The World Bank currently ranks Canada as 54th amongst 190 countries regarding development approval efficiency for routine building projects. That's just sad, and it is a Toronto-based metric.

There is a need for service-oriented, prescribed, government-agency-compliant, risk-based timelines, along with a modernized development approval system which would actually make us open for business. Specifically, development approval timelines should be modernized and risk-based, as currently exists in the building code. The province should endorse accommodative platforms supporting expanded e-permitting and 3D building information modelling systems. I can tell you we're probably 10 to 20 years behind advanced jurisdictions in this area, which is embarrassing given that we're supposed to be a technology-based economy.

Not only must all municipal approval departments be linked together through a comprehensive e-permitting system, but external commenting agencies such as conservation authorities and relevant ministries should be included in that as well. We need an efficient building information modelling-based e-permitting system, including geographic information system—GIS—technology, so we can do 3D, location-specific representations of developments. In that way, investors can informally test prior to full submissions of any projects to see where they might stand. We're working with the Ontario building officials currently on a project to do this and set that platform to have an Ontario-wide-based system.

There should be much faster zoning updates that align with provincial plans. Municipalities must move quickly to update their zoning to align with the provincial growth plan, which so far has been woefully inadequate. Right now, the province allows eight years for updated zoning. It should take about one to two years.

The province needs to exercise its power and leverage to achieve up-to-date zoning that aligns with transit planning. There shouldn't be any money given for transit programs unless the housing zoning and those related considerations are aligned with the transit program. There are many examples of that.

The province should replace zoning with community development permits to streamline approvals. I can speak more about that, if you like.

The province should remove section 37 density zoning provisions that delay municipal zoning updates. The system that we have right now effectively endorses chronic municipal under-zoning. There really is no need for section 37. We have development charges and we have sightline controls already, so it just jams up the process.

One last thing: I heard a reference to northern Ontario wood. Wood innovation—we are still behind other advanced jurisdictions on wood, which I can tell you is embarrassing, because we have a wood industry in our province. It took seven years to get four-, five- and six-storey buildings approved. I know that the government wants to move ahead with tall buildings. We need to do that expeditiously. We should be a leader in wood innovation in the world.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Richard Lyall:** Finally, in terms of training and apprenticeship, 2% of Ontario high school graduates are registered apprentices. In Germany, it's 50%. Seventy-five per cent of our high school counsellors don't talk about skilled trades because they don't know anything about it, and 50% of our university graduates are going to college after they go to university.

We would urge the province to undertake significant and serious research into looking at how they're spending money on education and supporting our programs that we're involved with, including the Career Ready Fund and other initiatives that we have in this area. We've got to stop blaming the kids and the parents about skilled trades. We have shortages, and it's unacceptable and completely unnecessary. The system is failing young people in that area.

**The Vice-Chair (Mr. Jeremy Roberts):** Thank you so much, Mr. Lyall.

We will start questioning with the government side—four minutes on each. We will go to Mr. Cho.

**Mr. Stan Cho:** Thank you very much, Mr. Lyall, for your presentation. It was so good, I stopped eating my lunch and I've got a lot of questions. I'm going to just go until time runs out.

We've heard from OREA, and we've heard from several real estate groups as well. They're echoing a lot of what you're saying here. For the sake of my colleagues, I'm going to try to ask some different questions.

One of the things that frustrates me, coming from the real estate world, was that the last government put great names on things that weren't actually good for the purpose they were trying to serve. I take rent control as an example of that. It actually did not help rent affordability. Why did you say that rent control exemptions are a good thing for bringing down prices?

**Mr. Richard Lyall:** Oh, rent control—I heard one quote that they are the economic equivalent of carpet bombing. It's no surprise that we really don't build purpose-built rental housing, and we haven't since rent controls were introduced. I would remind everyone that there are literally hundreds of towers all around the city that were built in the 1960s and 1970s that are rental

buildings. We're not in that industry anymore. That's why we're in the condo industry.

Rent controls are not the answer to housing supply issues. In fact, they have exactly the opposite effect: They kill investment. That's just a simple fact.

**Mr. Stan Cho:** Yes, and I think the numbers support what you are saying. If you look between the period of 1991 until 2016 when the study was concluded, there were only a few thousand purpose-built rental units built entirely—I'm not talking about buildings. We certainly saw evidence of that.

**Mr. Richard Lyall:** That's correct.

**Mr. Stan Cho:** I'm going to switch gears a little bit. You mentioned that e-permits are something that other jurisdictions are doing to speed up the supply process and get that out to the market to regulate the pricing. What jurisdictions are you speaking of?

**Mr. Richard Lyall:** If you really want to see how the world should work, you need to go to Hong Kong, you need to go to Singapore, you need to go to New Zealand and you need to go to Scandinavia. In Singapore, if you walk into a building department with a piece of paper, they will look at you like you're a museum specimen. It's an alien concept there. In fact, you're not going to do business if you're walking around with paper, period.

The efficiency and the transparency of those systems is just fantastic. In fact, Singapore's system is so good they export it. The Scandinavians, the Singaporeans, and in Hong Kong as well—I was in Hong Kong at a presentation of the Hong Kong Housing Authority, and the technology that they use for exploring new projects is just mind-boggling. It's fantastic. We're 10 to 20 years behind.

In Finland, they completely changed their system. They found that because it became so transparent and you can assess the risk that much more, they actually had a tripling of applications for projects. That's jobs and investment.

**The Vice-Chair (Mr. Jeremy Roberts):** One minute.

**Mr. Stan Cho:** Okay. There's so much I want to keep going on. I believe you're bang-on with transit and housing being tied. They don't exist in vacuums.

I will switch to: Some stakeholders have said that inclusionary zoning, while good in theory, would actually not result in the intended goal of bringing more affordable—do you want to speak to that in the 50 seconds we have?

**Mr. Richard Lyall:** Inclusionary zoning is an unfortunate side effect of having a broken housing supply chain. It's grasping for another straw. The fact is that we've had a generation of failed housing policies. The amount of government intervention, its lack of coordination, the costs associated with it and the time wasted in the whole process is really quite atrocious.

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**Mr. Stan Cho:** Would you agree that it's time to stop looking at the symptoms and look at the root of the problem then?

**Mr. Richard Lyall:** Absolutely. You have to treat housing like a product. If we treated our automotive industry like we treat housing, down the road, I think we'd

be riding donkeys. We wouldn't be able to produce anything.

**The Vice-Chair (Mr. Jeremy Roberts):** We'll move now to four minutes from the opposition. Mr. Arthur.

**Mr. Ian Arthur:** You spoke briefly about development charges. We already have them. Some people have come before this committee and testified that we shouldn't have development charges. Would you just speak to the role that they play or the role that you see them playing, and if you would rather keep the development charges and remove other restrictions or vice versa?

**Mr. Richard Lyall:** Development costs money. Certainly, our industry appreciates that there are costs associated with new development. Where that line is exactly drawn between who pays for what—we could debate that. We're not opposed to development charges. I think that we need to look at other jurisdictions, because our charges are the highest in North America and they are borne by consumers. The section 37 provisions, however, create unnecessary delays.

Whatever charges there may be, we would like them to be transparent, accountable and very clear up front.

**Mr. Ian Arthur:** You spoke, as well, on what you call chronic under-zoning. Would you just elaborate on what you mean by that?

**Mr. Richard Lyall:** That's a really good question. When we came up with the growth plan, part of the growth plan provided for intensification. The problem is, we really didn't do anything to support intensification, so the net effect of that was to drive up land costs. That has obviously been a problem. The zoning changes that were really needed weren't mandated.

So you have main streets and avenues that are zoned for three-storey buildings that really should be zoned for 20-storey buildings. If you want to see what's wrong with our city, just look down Danforth Avenue. We've had a subway underneath Danforth for 50 years and we still have one- and two-storey buildings on the Danforth. You're not going to build an advanced city doing stuff like that.

That kind of zoning has to be changed, it has to be clear and it has to be predictable. That will attract investment in those areas. It just takes too long to get things done. The zoning is not supporting what we need to do as a city. We need to intensify. We're growing. If our population stopped and we said, "Okay, no more; we can handle the growth," then fine; we could leave things the way they are. But that's not the reality.

**The Vice-Chair (Mr. Jeremy Roberts):** Any other questions?

Thank you so much, Mr. Lyall.

#### ONTARIO NONPROFIT NETWORK

**The Vice-Chair (Mr. Jeremy Roberts):** We'll move on now to the Ontario Nonprofit Network.

Please start with your name; then you'll have seven minutes for your presentation. We'll let you know at the one-minute mark.

**Ms. Liz Sutherland:** Good afternoon, committee members. My name is Liz Sutherland. I'm a policy adviser at the Ontario Nonprofit Network. I was hoping to be accompanied by our executive director, Cathy Taylor, but she's snowed in in Erin, Ontario. She couldn't join us today, but she sends her regards.

I'm here on behalf of the Ontario Nonprofit Network, which is the network for 58,000 non-profits and charities in Ontario. I know that many of you are connected to our sector through your volunteer work, so you know how vital non-profit services are to our communities. What many people don't realize is that non-profits are also an economic driver in Ontario. They employ about a million people in this province. As a sector, Ontario non-profits receive less than half of their income from governments, which means that they can leverage these public investments, via business activities, donations and volunteer efforts, into services that directly benefit the people of Ontario.

The overall message of our pre-budget submission is that our sector is ready to partner with the Ontario government to reinvent service delivery while respecting public dollars. We want to support a thriving economy that creates good jobs today and tomorrow. We recognize that the modernization of service delivery, and the investment of public dollars that goes along with that, is essential. Our sector's experience on the ground directly in communities brings critical perspectives that would be helpful at the table as the government contemplates changes.

We have five priorities for your consideration related to the 2019 provincial budget.

First, we ask that you reduce the regulatory burden on all non-profits by listing all legislation and regulations that apply to them on a single website. You have a great model in the small-business access portal, and it's a simple way to help all organizations, especially small enterprises, ensure that they're compliant.

Second, we propose expanding access to Infrastructure Ontario's Loan Program for all non-profits that have a solid business plan. Owning your own buildings allows non-profits to offer more self-sustaining services and reduces their reliance on government grants, as their assets allow them to generate more earned income, but it can be hard for non-profits to secure lending from banks that don't understand their business models. The IO Loan Program is a great option in these cases. Capital projects also create construction jobs.

The IO program costs government essentially nothing over time. However, some types of non-profits are ineligible, including many arts groups, employment services and non-profit social enterprises. These employ a large part of the non-profit workforce, and could increase their job creation with access to capital loans. We ask that these parts of the non-profit sector be made eligible along with the rest.

Third, we ask that government reduce red tape for volunteers by modernizing the police record check system across Ontario. Approximately half the jurisdictions in Ontario provide free checks for volunteers, while the other

half charge up to \$70. Some services take only days, while others take weeks to process. The cost in the processing time to get police record checks is a barrier to volunteering that could be addressed through a modernized, digitized system.

Fourth, we ask that you reinstate the Ontario Trillium Foundation at its 2018 level, because this foundation provides critical investments in services like food banks, sports facilities, arts groups and social service groups. We were disappointed to hear that OTF lost \$15 million in December for the current year. Our ask is that you reinstate OTF to the level established in 2018, as it does provide a critical role in building healthy communities.

Finally, we ask that the Ontario government launch a red tape reduction initiative focused on non-profits that deliver services on behalf of government. There are 5,000 non-profits that currently have agreements with multiple ministries, but each one is managed separately. The number of transfer payment agreements could be reduced by 14% without service or job reductions simply through umbrella agreements. Streamlined, outcome-focused agreements can save taxpayers' money in administrative costs and cut red tape for non-profits.

In closing, I would just point out that non-profits and charities are a vital part of the economy and society that your government counts on every single day to provide services and supports to Ontarians. It is critically important that their voices be heard as service changes are planned and rolled out. ONN would be pleased to convene non-profits to bring the voices of communities to government on any of the policy areas we've raised, or other priority files that you would like to advance. We look forward to working with you to continue to create a prosperous province. Thanks very much for your time.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We're going to start with the opposition side for questions: Ms. Shaw.

**Ms. Sandy Shaw:** Thank you very much for your presentation. I feel that we've met before, but we can talk offline. You look very familiar. I've done a lot of work in the social development sector, and I'm going to ask you about your recommendation number 2 and your recommendation number 5.

**Ms. Liz Sutherland:** Okay.

**Ms. Sandy Shaw:** Recommendation number 2: I did some work with the Centre for Social Innovation, specifically around the not-for-profits' inability to purchase buildings and to make themselves predictable, sustainable and more cost-efficient. Also, in Hamilton, there's an organization called the community land trust which is also looking into trying to understand that, just as individuals, when they have assets like homeownership assets—it gives them a little bit of a cushion to go through difficult times. I think it's important for people to understand that most not-for-profits rent their spaces and they often can't pay high rents. This increasing high rents in commercial properties is impacting your ability to deliver services.

Again, there is a question here, but also the very fact that when I was with the credit union sector, we were

looking at ways of having alternative adjudication to allow not-for-profits to purchase real estate. If you could just talk a little bit about why this is so critically important to your organization and why you've been shut out from traditional means of borrowing.

**Ms. Liz Sutherland:** Absolutely. I do think that a lot of it goes back to a lack of understanding about non-profit business models. Many people think of non-profits as "money in and services out," but they're actually economic actors. They have assets and debt, income, and profit streams that sometimes subsidize other streams, so they can be complicated business models. But it is difficult to secure capital loans, for sure, mostly because of that reason. Some non-profits have variable revenue streams or multiple revenue streams that lenders don't necessarily understand, so that can be a factor.

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Certainly, we do have a lot of non-profits that rent in our sector. Those that have their own assets are actually able to be more sustainable, in the same way that individuals have more security when they own their own place versus renting. It does provide non-profits an asset that they can borrow against or use as a platform to build other services on top of it, if they do own their assets.

**Ms. Sandy Shaw:** One of the other areas where there is an alternative revenue stream for not-for-profits is the whole idea of social enterprise. Again, there is no real enabling legislation for not-for-profits, even at the federal level, to have social enterprise income that allows them to supplement just pure straight funding. Do you have any comments on that? Do you have any familiarity with that?

**Ms. Liz Sutherland:** Yes, absolutely. Social enterprises are critical to our sector. Eighty per cent of the social enterprises in Ontario are run by non-profits or are non-profits.

There are no barriers in terms of Ontario corporate legislation, but certainly, federally, the Income Tax Act puts constraints on earned income for non-profits, so that's something we do advocate for federally.

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Liz Sutherland:** Provincially, there is a need to raise awareness about the importance of social enterprise as part of our sector.

**Ms. Sandy Shaw:** My final question is around the transfer payment agencies and your understanding that you could be more efficient there. I think the statement that you said, which is that you deliver services on behalf of government—I think it's really important to understand that the work that all these transfer payment agencies do, in some instances, had been the work of governments, and in many instances legitimately should still be uploaded to the level of government. Can you talk very specifically about how these agencies are delivering services on behalf of the government?

**Ms. Liz Sutherland:** Certainly. There are a variety of opinions about what should be done by government and what should be done by non-profits, but there are housing service providers, services for people with developmental disabilities, child care, all kinds of social and health services, and after-school programs for children. So there

are many of these programs that are funded by government and delivered by non-profits.

In many cases, we can do it more efficiently because of the size and the proximity to communities and so on, and be nimble and be responsive to those communities. But certainly, they are services that—

**The Chair (Mr. Stephen Crawford):** Okay. Thank you very much. Sorry; our time has expired.

**Ms. Liz Sutherland:** Thank you.

**The Chair (Mr. Stephen Crawford):** Let's move now to the government side for questions. Mr. Downey?

**Mr. Doug Downey:** Thank you. I just want to touch first on the police record check. This is a hobby horse of mine. When I was joining one of the boards—I'm on several volunteer boards—it took me eight months from start to end—eight months. I could be a guest at the board meetings but I couldn't participate in the board meetings, and that's just nonsense. What was happening was paper-based, so I then turned around and went to a service club I belonged to and we paid for the electronic digital things that they needed. It speeds it up a bit; it's a little better.

But there's a better way. What would be very helpful for me is if you could reach out to your network and get me a bit of a chart on what is actually happening out there. That would be very instructive.

**Ms. Liz Sutherland:** Okay.

**Mr. Doug Downey:** That's my first one. I guess I'll stop there and I'll turn it over to my colleague.

**The Chair (Mr. Stephen Crawford):** Mr. Roberts.

**Mr. Jeremy Roberts:** Thank you so much for your presentation; a lot of fantastic ideas here. I would love to take the conversation off-line about some of the red tape reduction ideas here.

I wanted to talk about something that you don't list here but that I've been doing some research in lately: social impact bonds. I've been doing some reading as to some of the stuff they're doing in Hong Kong and in Britain. Is this something that you see a space for growth for in Ontario? Is it something that you guys have done some research into in the past?

**Ms. Liz Sutherland:** Yes, that's a good question. I'll certainly follow up with you on the police record checks; I'm pleased to hear that you're interested.

Yes, ONN has done a paper on social impact bonds. It's a few years out of date now, but essentially we urge caution in their adoption. We are a little bit concerned about the amount of process it takes to make them work, and we're curious to see what the outcome of some of the pilots are. We know there's one with Heart and Stroke right now under way, so we're kind of monitoring.

There are concerns around who's taking on risk, who's paying for it, and where the benefits lie in terms of, if there are research and development benefits, then do those also go back to the non-profit as well as the private sector investment? We're reserving judgment, but we have some cautions around that, yes.

**Mr. Jeremy Roberts:** Okay. I appreciate that. I may follow up to get a copy of that report.

**Ms. Liz Sutherland:** Yes, thank you.

**The Chair (Mr. Stephen Crawford):** Ms. Martin.

**Mrs. Robin Martin:** Thank you. Again, I agree; it was a terrific presentation with a lot of good ideas. I'm particularly interested in the transfer payment agencies aspect of it.

The multiple agreements with multiple ministries: I've seen this in the mental health sector. There are a number of agencies having multiple agreements from ministries. It must be very difficult from that end. I think it's difficult from the government end as well because we don't have a clear line of sight into what is being provided to these agencies. Other than what you have here, do you have anything else written on that that we could refer to, or would you suggest that we look at something?

**Ms. Liz Sutherland:** Yes. We've been involved in this issue for a few years, working with what was the Transfer Payment Administration Modernization project—TPAM—in the Treasury Board Secretariat.

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Liz Sutherland:** We've had a joint funding reform forum through which we've gathered non-profit evidence about what the funding arrangements are like. We have a number of pieces that I can share with you on that. My favourite one is a slide deck called Dreams and Nightmares of a Multi-Funded Agency, which shows to government what it looks like trying to manage all of the different spreadsheets and forms from the different ministries. I'm happy to share those with you.

**Mrs. Robin Martin:** Thank you so much. I would really appreciate receiving any of that.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We appreciate your time.

**Ms. Liz Sutherland:** Thank you for having me.

## FOOD AND BEVERAGE ONTARIO

**The Chair (Mr. Stephen Crawford):** I'll call up our next witness, Food and Beverage Ontario. Good afternoon, and welcome to the finance committee. If you could please state your names for the record, you get right into your presentation.

**Mr. Norm Beal:** Hi. Good afternoon, Mr. Chair and members of this committee. My name is Norm Beal and I am the CEO of Food and Beverage Ontario. Thank you for asking us to appear before you today.

FBO is the largest manufacturing employer in the province, employing over 130,000 hard-working Ontarians. Our sector contributes over \$40 billion to Ontario's GDP. Over 65% of our Ontario farm outputs go to our facilities to create further added value from the high-quality raw materials that our farmers produce. For decades, our members have contributed to local economies and communities across Ontario by building companies, creating jobs and supporting primary agricultural businesses.

Today, I'm here to provide comments on the Ontario government's 2019 budget. But first, I'd like to thank this government for making Ontario open for business again. The aggressive agenda in the first six months of your government has put the wind back in the sails of all

Ontario businesses. Let me say from first-hand experience that the introduction of Bill 4 and Bill 47 has had a dramatic effect on the way businesses see Ontario as a place to do business and invest. Ontario businesses now can see a future in this province, one that will allow them to grow, create jobs and give back to the communities in which they operate. Again, from all of FBO's members and from the food and beverage processing sector at large, thank you.

Now on to the 2019 Ontario budget: I'll begin my comments by letting you know that our industry fully understands the fiscal mess that your government has inherited and recognizes that you have limited options when it comes to future spending.

I'd like to also say that our industry does not need the government to pick winners and losers in our sector through a myriad of the ineffective handouts that were so popular under the previous government. What we do need is a long-term, stable and reliable business climate, one free of unnecessary and outdated regulations, and a fair and just taxation system, one that addresses the core competitive challenges we are experiencing from south of the border and around the world.

This brings me to the three recommendations that I'd like to table today. First is one which this government is already off to a running start on: the reduction of red tape and regulatory burden. We applaud the government's commitment to getting Ontario back open for business by reducing outdated and inefficient regulations, but we feel that this effort can easily lose steam and become a mere footnote of your accomplishments.

When it comes to long-term red tape reduction, Food and Beverage Ontario would like this government to consider the following:

(1) Begin a structural overhaul such as the one being undertaken by the Treasury Board at the federal level and captured in the 2018 federal budget in last year's fall economic statement.

(2) Commit to conducting a full economic impact analysis before any new significant regulations are considered.

(3) Conduct advanced industry consultation that considers non-regulatory options and includes an evaluation that demonstrates that enforcement resources are available and are sufficient.

(4) For every new regulation the government proposes, three existing regulations must be reduced.

Secondly, we strongly encourage this government to match the capital cost allowances announced by the federal government in its 2018 fall economic statement. As you're aware, the amendments to the US tax laws for businesses south of the border have dramatically tilted the playing field in their favour. Adopting these new capital cost allowances at the provincial level would go a long way to bring our industry in line with our competitors south of the border, and keeping our industry here in Ontario.

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Finally, a keen concern for our industry is the hugely uncompetitive rates our businesses pay for electricity. A

simple scan of bordering jurisdictions, both in the US and across Canada, show that our electricity rates are higher by a multiple of two, three and sometimes more. This is an issue that must be addressed if you want to attract new business investment and keep some of our larger energy-dependent businesses operating here in Ontario.

I would like to thank you again for the opportunity to appear before you today. Now, I would like to introduce Food and Beverage Ontario's vice-chair and senior vice-president of industry and government relations, Mr. Rory McAlpine, for some additional comments.

**Mr. Rory McAlpine:** Thank you, Norm, and thank you, committee members, for the chance to put a particular Maple Leaf Foods perspective on the three points that Norm made.

First, on energy and electricity pricing: I can tell you that our business, with several plants in Ontario, paid an average across those plants of 15.7 cents a kilowatt hour in electricity rates in 2017. That dropped a little bit to 14.6 cents a kilowatt hour in 2018. This is very much higher than what we would be paying and what we know we pay in other US jurisdictions—recognizing that the data would sometimes show an average, but you have to look at the actual incentivized rates particular to a given location from a given power company to realize that often Ontario's rates are very uncompetitive.

To add to that, we would very much like to see this government allow for direct power purchase agreements where there's net new load to the system, such as we are bringing with our new plant investment in London, Ontario, such that we could supply that plant with renewable energy purchased through a virtual-net-metering type of model, which is available in the US but not yet available in Ontario.

Secondly, on the issue of programs and taxes: The point is that business cases for new investment are built on long-term predictability. As Norm says, it's very important to have a stable, favourable environment of tax rates, labour rates, WSIB rates, payroll charges and so on. The reality is that for an established business like Maple Leaf, we're not about to close up shop and leave. But if you're a growing, smaller enterprise that's now having to plan a significant expansion, you're going to do the math and run the business model that will then probably make you realize you're better off expanding south of the border. Or, if you're a foreign investor looking at this jurisdiction, you're going to compare very closely all those cost parameters, and chances are that you won't choose Ontario.

Finally, on regulation: As Norm said, fix the core processes. It's easy to always focus on that notion of low-hanging fruit and finding quick wins. That's helpful, but there are some very core processes that need to be fixed. Do a proper cost business assessment and look at the cumulative burden of regulations across the entire supply chain, not for just for one individual business, and assess the impact from all levels of government. That's the way business costs are impacted. Don't isolate that analysis. Therefore, you would find that the competitiveness issue is very real to address in this way. Thank you very much.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We're going to move to the government side first for questions. Ms. Skelly.

**Ms. Donna Skelly:** Thank you for your presentation. Will we be able to get a copy of that, by any chance?

**Mr. Norm Beal:** Absolutely.

**Ms. Donna Skelly:** Okay, thank you.

I was going to ask you about the scope of the businesses you represent, but you're saying large companies such as Maple Leaf right down to a small—

**Mr. Norm Beal:** Absolutely, and across all subsectors as well, so large, medium and small, and whether it would be poultry or dairy or bakeries—right across the sector.

**Ms. Donna Skelly:** Just shortly, about a half an hour ago, I was speaking with a stakeholder and attempting to have a conversation on the need to have a competitive environment for businesses in Ontario, and the opportunities that are available to attract Ontario businesses to states south of the border. Can you share with us some of the competitive advantages that are available elsewhere that we really need to consider in this province?

**Mr. Norm Beal:** Absolutely. Did you want to weigh in, Rory?

**Mr. Rory McAlpine:** Sure. We mentioned the energy cost issue, but that's only one.

I can tell you that when we built our new plant, we did benchmarking. It showed that on costs of materials, all the construction, the capital costs, but also on the operating costs of a new plant when you build a net present value based on that, there is an average of—it depends on where in the US, but it can be about 20% to 25% more expensive both to build an asset and to operate it over a reasonable time frame in Ontario.

There are offsetting issues. You have to look at labour productivity. You have to look at infrastructure. As Maple Leaf, we don't believe in the idea of the right-to-work state model particularly, where workers don't have the same opportunity to unionize. Those are differences. We certainly support paying more for energy if it's renewable, if it's green energy.

But those are some of the factors. The core of it, of course, is often labour rates. That affects construction costs. That affects operating costs. We have a very high-cost jurisdiction.

**Ms. Donna Skelly:** And you supported the repeal of Bill 148?

**Mr. Norm Beal:** I actually spoke to that here back in November. Yes, we are very supportive. Again, I mentioned it in my opening remarks: It was a key factor in keeping some businesses already here in Ontario, because you did that.

Can I just add to what Rory had mentioned?

**Ms. Donna Skelly:** Yes.

**Mr. Norm Beal:** I get phone calls and emails and often visits from jurisdictions south of the border: the states of Missouri, New York, Michigan, Ohio. They have teams of people who come up to Ontario, trying to attract businesses to south of the border. They come with the municipality; they come with the state government; they even

come with the feds—all aligned, so that if you decide to build a plant down there, you basically walk in there and everything is already done for you.

**Ms. Donna Skelly:** And the permit process is much shorter?

**Mr. Norm Beal:** All streamlined.

**Ms. Donna Skelly:** And, of course, time is money.

**Mr. Norm Beal:** Exactly.

**Ms. Donna Skelly:** Okay. I don't know if my colleagues—but I will give you my card before you leave. I would like to speak with you about any of the red tape that you feel that we can address.

**The Chair (Mr. Stephen Crawford):** Mr. Downey, there's one minute left.

**Mr. Doug Downey:** I'll pass it over to Stan.

**The Chair (Mr. Stephen Crawford):** Mr. Cho; one minute.

**Mr. Stan Cho:** I'll be real quick. It's nice to see you again, Rory.

**Mr. Rory McAlpine:** It's good to see you.

**Mr. Stan Cho:** Rory, in your calculations of net present value, I'm just curious if regulatory burden is somehow factored into your benchmarking or taken into consideration.

**Mr. Rory McAlpine:** Not directly, except if, of course, it's a regulated utility rate, let's say, for water, for energy, for permits—and certainly, local taxes and all those things.

But that's the insidious problem, where the burden of compliance is often buried. It's buried within government processes and it's buried within business. That's where, as Norm said, this idea of a cost-benefit analysis that looks at cumulative burden—not just administrative burden of compliance, but the relative competitiveness impact on the supply chain—becomes very important.

**Mr. Stan Cho:** If there's time—

**The Chair (Mr. Stephen Crawford):** There are five seconds left.

**Mr. Stan Cho:** Oh, do it. You have time. Do it.

**Mr. Doug Downey:** Oh, never mind.

**The Chair (Mr. Stephen Crawford):** Let's go to the opposition side now. We have up to four minutes of questioning. Ms. Shaw.

**Ms. Sandy Shaw:** Thank you for your presentation. We've been hearing from different sectors, different industries. We've been hearing from people who are talking about the competitiveness of Ontario. Some of the recommendations that we're hearing said that this government should provide some sort of capital incentives like tax credits. We heard a lot about tax credits. We talked about the capital cost depreciation that, in fact, was announced in the fall economic statement. So it's not the first time that we've heard the need for the government to help support businesses in Ontario.

We've also heard from all sectors that there isn't really anyone who does think that we shouldn't have a stable and healthy economy. I mean, that's something that we can all agree on.

But I just wanted to say to you that one of the things that was concerning to me is that Moody's downgraded

the province's credit rating. They specifically said that the credit rating—I'll quote from it—was lowered to "its lowest in 16 years, saying that revenue cuts by the Progressive Conservative government will exacerbate the province's deficit and debt problems." In fact, quoting directly from the Moody's report, they said, "recent actions undertaken by the province have included measures that reduce revenue levels, adding to budgetary pressure."

My question to you is, how do you feel about the predictable, stable environment when there has been a credit downgrade, and when we hear successive industries asking for this government to provide incentives and tax credits, as well, to support their industry?

**Mr. Norm Beal:** Okay. I think I mentioned in my comments that we don't want government handouts. There was the Jobs and Prosperity Fund. There were a number of other programs. That's government picking winners and losers. We will do very well if you remove the obstacles to growth, and that's been happening. That happened with Bill 148, with Bill 7.

What we want is a clear path forward with stability so that we can invest, create jobs and grow. When we do that, we will generate additional tax revenue, which is going to get that Moody's rating turned around. If you allow businesses to grow in the province of Ontario, they're going to pay more taxes—

**Ms. Sandy Shaw:** Again, I've heard the argument before. Do you have any evidence that makes that connection? We had someone who talked today, who said that, with the capital cost depreciation, it would take seven years for the government to break even on the cost of the capital cost depreciation. So do you have any evidence that the kinds of asks that you're talking about will, in fact, grow the government's tax revenue?

1510

**Mr. Rory McAlpine:** I guess the point I would make is—and I think Bill 148 was a good example: What was missing in that example was good cost-benefit analysis and a measurement of what changing minimum labour rates would do over time to investment, to growth and to taxes. I don't think we should debate it in isolation. The point is to base decisions on evidence. I think that's the opportunity that was missed previously.

**Ms. Sandy Shaw:** Thank you very much. I'm going to pass it to Sol now.

**The Chair (Mr. Stephen Crawford):** Mr. Mamakwa—one minute.

**Mr. Sol Mamakwa:** When we talk about food and beverages up north—I have the most northern riding in Ontario, and I have fly-in communities that I represent. I found out that it's \$15 to \$20 for four litres of milk. When we talk about bread, it's \$7 to \$8.

When you talk about corporate social responsibility on the policies that the organizations you work with, or the companies—what is it?

**Mr. Norm Beal:** I think that is a real concern that we need to address going forward, both as food and beverage processors—but I think the key is to try to move

organizations into those communities and making those things like bread in those local communities. Giving incentives to small organizations to actually process food locally is a smart step forward. We recognize that it is an issue. Costs are far too high to be sustainable long-term, and we need to address it. But how about moving small businesses into those locations and getting them to make—

**The Chair (Mr. Stephen Crawford):** Thank you very much. We appreciate your presentation.

**Mr. Norm Beal:** Thank you.

**Mr. Rory McAlpine:** Thank you.

#### TOURISM INDUSTRY ASSOCIATION OF ONTARIO

**The Chair (Mr. Stephen Crawford):** We're going to call up the next organization, the Tourism Industry Association of Ontario. Good afternoon, and welcome to the finance committee. If you could please state your names for the record, and you can start your presentation right away. You have up to seven minutes. I will give you a one-minute warning.

Just for the committee's awareness, we have skipped the Ontario Federation of Indigenous Friendship Centres. They're not present here.

**Ms. Minto Schneider:** Good afternoon, everyone. Thank you for giving us the opportunity to be here. My name is Minto Schneider. I'm the vice-chair of the Tourism Industry Association of Ontario board of directors. Alexandra Rodgers, who is a policy analyst with TIAO, is with us. As you can imagine, "TIAO" is a long group of words, so I'll be calling it "TIAO" as we proceed.

As an introduction: Tourism matters in Ontario. Our industry represents \$34.1 billion in annual receipts and 4.3% of the provincial GDP. Tourism contributes more than \$5 billion annually in tax revenues for the government of Ontario, meaning that the total economic contribution of tourism is larger than agriculture, forestry and mining combined. I'm going to repeat that, because I think a lot of people don't understand that: The tourism contribution is larger than forestry, agriculture and mining combined.

The tourism industry contributes to the province's economy and quality of life by creating jobs, promoting pride of place and celebrating the diverse communities across the province. Tourism is in every riding in Ontario, is a powerful economic driver and is the largest employer of youth in the province, with 23% of our industry workforce between the ages of 15 and 24.

Canada ranks as one of the world's top tourist destinations, and Ontario leads all of the provinces in tourist visits and expenditures. Tourism benefits the economy. Every \$1 million spent by visitors in Ontario generate 13 new jobs and over \$604,000 in wages and salaries. More than 186,000 tourism-related businesses in Ontario welcome over 141 million visitors each year. Those are 2017 numbers from the Ministry of Tourism, Culture and Sport.

Tourism is a growth market projected to generate more than \$31 billion in visitor spending in Ontario in 2019. However, our industry is facing a tourism gap conundrum in which there is a difference between potential and actual visitation growth. According to the Ontario Chamber of Commerce, “Ontario has not been able to attract visitors at the same pace as tourist visitation has increased globally. While tourism is an important contributor to the province’s economy, the data suggest that Ontario has missed an opportunity to capitalize on growing global tourism demand to drive even greater economic growth.”

Without positive policymaking, increased investment and a reliable labour pool, Ontario’s tourism industry cannot be positioned for success. Therefore, TIAO has developed recommendations for how the government of Ontario can support the tourism industry in increasing its economic contributions to the province. These recommendations are focused around three important themes: people, products and promotion.

Firstly, people: People are fundamental to every aspect of the Ontario tourism industry. People are the face of the tourism industry, as they lead the way by providing outstanding service and experiences to all visitors. For the tourism industry to continue to serve as an economic driver in the province and expand to keep pace with the global growth of tourism visitation, the industry must be able to develop a qualified workforce. This requires changing the perception of tourism as only part-time and seasonal work. It means developing the necessary conditions and policies that will encourage people—including youth and Indigenous youth, new Canadians, and people transitioning between jobs—to consider a career path in the tourism industry. This can be accomplished by connecting Ontarians who want to pursue a career in our growing and dynamic industry with the necessary high school, college and university tourism programs.

Recommendation one: Develop a comprehensive public policy and strategic partnerships in order to close the growing skills development and labour gap in the province.

We have a few suggestions for you that are in your package, but I’m going to mention just three:

(1) Maintain the practice of partnering with private sector organizations to attract and anchor investments for tourism. This can be accomplished through a dedicated funding stream for tourism and hospitality.

(2) Streamline Employment Ontario services to create a more user-friendly online experience that allows employers and job-seekers to connect with ease. Implement a funding model that rewards partners and service providers based on successful job placements.

(3) Fund the development of a multi-ministerial labour shortage task force. Include a specific mandate for the task force to have a tourism focus for strategies to address the growing labour shortage crisis.

Secondly, product: Visitors want authentic experiences. In order to meet the expectations of visitors to Ontario, there is a need for infrastructure across the province that

facilitates the delivery of outstanding market-ready products and experiences. Our industry requires investment in transportation and communication infrastructure. An Ontario that is well supported through comprehensive infrastructure investments is well positioned for success and economic growth.

Recommendation two: Fund the creation of comprehensive transportation and communication infrastructure across the province, with a specific focus on enhancing the accessibility of rural and northern Ontario to create an Ontario tourism sector that is open for business.

Again, we have nine ideas, and I will outline just four. TIAO recognizes that the ability for people to access different destinations in a variety of ways is integral to the continued growth and success of the Ontario tourism industry. An abundance of efficient and affordable transportation and communication infrastructure is essential to position Ontario as an industry that can flourish to meet or exceed the current global rates for expansion of the tourism industry. Further, reducing congestion and improving regional transit connectivity will be key to supporting future growth and competitiveness of Ontario’s tourism sector.

(1) Continue support for the Ministry of the Environment, Conservation and Parks’ made-in-Ontario plan which recommends a commitment of \$5 billion more for subways and relief lines.

(2) Support the development of a “Union Station West” transportation hub at Pearson.

(3) Support the development of investments in rail projects in Ontario through the creation of transportation-specific grants and the support of public-private sponsorships.

(4) Remove the surcharge for aviation fuel on all international flights to and from Ontario.

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Minto Schneider:** Finally, promotion: When making travel plans, tourists will either choose where they want to go or what they want to do. Marketing strategically requires collaboration with appropriate partners, alignment with regional and national strategies, and long-term commitments. Ontario occupies a unique position within Canada as a gateway to the rest of the country, a position that needs to be harnessed.

The recommendation: Fund the expansion of provincial tourism marketing. Provide long-term and sustainable funding that reflects the dynamic and diverse tourism industry of Ontario.

I’m going to skip a part because I understand we’re getting close to the end of the time. We’ve outlined six ideas in your package that are suggestions of how we can accomplish that, and one is rolling funding for Destination Ontario.

**1520**

In closing, TIAO is excited to continue fostering a productive relationship between government and industry in Ontario to create a regulatory environment that allows the tourism sector to continue to function as an economic driver and a job creator. Investing in people, product and

promotion is an easy equation for maximizing the economic impact of Ontario's tourism industry.

Ontario's tourism industry simply cannot thrive without collaboration and partnership between the government and business community. Through open communication, dedication—

**The Chair (Mr. Stephen Crawford):** I apologize. We're going to have to cut you off there. We've reached our limit.

Let's go to questions now from the opposition side first. Mr. Mamakwa.

**Mr. Sol Mamakwa:** Thank you for the recommendations. I know, with transportation, that's different for me. When we have fly-in communities, airports are a lifeline for business, for food, for education, health—even tourism.

I know, with respect to tourism, one of the greatest assets that we have in northern Ontario is the land and resources that are there and the wildlife that's there. There are certainly opportunities. Also, we have to understand that what we see out there, the land, the resources, the forest and the water, is part of our culture. As a First Nations person, that's where culture comes from, that's where language comes from, that's where identity comes from and that's where values and traditions come from. So when we talk about that, it's more than just resources and it's more than just access to development.

One of the things that you spoke about—you didn't touch on it, but it's on here—is to restore funding to the Ontario Arts Council. Could you elaborate on that?

**Ms. Minto Schneider:** I'm going to let Alexandra do that.

**Ms. Alexandra Rodgers:** Yes. We represent, as a member, Indigenous Tourism Ontario. That's something that we understand was part of truth and reconciliation. We were upset to see that cut because we know that culture is a huge driver of economic development, and it also saves lives. It's a big part of developing infrastructure through culture for youth across Ontario, and that's part of tourism. We certainly want to see that restored because it seems like a cut that's directly impacting the ability of the tourism industry to have that return on investment that we see constantly and the job creation that comes with the funding of culture.

**Mr. Sol Mamakwa:** Thank you. I know that's one of the words that I've known may not be in the government's vocabulary: reconciliation. I know that's one of the things that they removed, even out of the ministry itself. I believe that, when we talk about the Indigenous Culture Fund—it is reconciliation when we start working with First Nations on addressing some of the cultural values of our people. I'm not sure if you need to elaborate on anything on the Indigenous side.

**Ms. Alexandra Rodgers:** Right, yes. We're also asking for \$2 million for Indigenous Tourism Ontario, because they are the largest economic contribution in Canada. They outpace everyone. BC has a lot more funding, but Ontario has more people and has a much greater economic contribution. So we are looking to have their product development funded.

**The Chair (Mr. Stephen Crawford):** Any further questions from the opposition side? You have one minute. Ms. Stiles.

**Ms. Marit Stiles:** I just wondered quickly if you wouldn't mind talking about—one of the things that I've heard from folks in my community who care a lot about tourism and who are often making use of things like our waterways are some concerns about some of the cuts the government is making in relation to the protection of our waterways; for example, in Bill 66, allowing polluters to dump more toxins, potentially, into our waterways. Have you heard those concerns from members of your association?

**Ms. Alexandra Rodgers:** I think, certainly, not in a specific bill, in terms of concerns, but that's always an issue with tourism and maintaining the quality of the environment. We do support everything that we've seen outlined for the Ministry of the Environment, Conservation and Parks in terms of having more robust protection for the greenbelt.

**Ms. Marit Stiles:** Including reviewing the endangered species and that kind of thing? Is that something that concerns you? It's certainly a major reason why people come to Ontario and Canada.

**Ms. Alexandra Rodgers:** We represent Camping In Ontario—

**The Chair (Mr. Stephen Crawford):** That concludes our time for the questions on that side. We're going to the government side now for questions. Ms. Skelly?

**Ms. Donna Skelly:** I have one question. It's interesting; this is the first time we've heard from your sector. We heard from the snowmobile group, but beyond that, it's the first presentation—

**Ms. Minto Schneider:** We've been busy counting money.

**Ms. Donna Skelly:** So we have a lot of questions for you. I will ask one. "The Ministry of Economic Development ... should create a tourism-specific employment program for people under 30." Can you expand?

**Ms. Alexandra Rodgers:** Yes. We're looking for things like cross-collaboration. We understand that this government is working across ministries to do things around job creation. But specifically within that ministry's mandate we're looking for funding that would specifically work with the Ministry of Colleges, Universities and Training to have that kind of infrastructure in universities and colleges for grants that are specific for students to access.

**Ms. Donna Skelly:** So you want grants; okay. I lied; it's two questions. The other one was in reference to the grade 10 career credit.

**Ms. Alexandra Rodgers:** Service Excellence?

**Ms. Donna Skelly:** Yes; that's interesting.

**Ms. Alexandra Rodgers:** Yes, because, as Minto talked about, the growth and the contribution of our industry being so large, interactive service work at all levels is something we're really promoting. Service Excellence really gives an opportunity to see emotional labour as something that is commodified within our

industry and as something that is a teachable skill and is certainly something we need to have—

**Ms. Donna Skelly:** It opens your eyes to job opportunities.

**Ms. Minto Schneider:** For all industries, not just tourism.

**Ms. Sandy Shaw:** The Niagara wine industry.

**Ms. Donna Skelly:** What about the Niagara wine industry? Is it going up? Is that what you're saying? Are we seeing a huge growth in the Niagara wine industry? I know we've got other areas.

**Ms. Alexandra Rodgers:** We were just talking with Sam Oosterhoff yesterday for ROMA, and he was highlighting the huge growth in that industry out there. Certainly, at all levels, for tourism and other industries—

**Ms. Minto Schneider:** Prince Edward county.

**Ms. Donna Skelly:** Prince Edward county, and I know up in your area—

**Mr. Doug Downey:** Georgian Bay.

**Ms. Donna Skelly:** Georgian Bay—oh, that's not your area.

Go ahead, Stan.

**Mr. Stan Cho:** No, I'm in Willowdale.

**The Chair (Mr. Stephen Crawford):** Mr. Cho, you had some questions?

**Mr. Stan Cho:** Thank you for your presentation and thank you for your support of our environmental plan in regard to the ESA. We spoke to many rural communities in the north who said that it didn't make sense because: Species—you can't target one. These ecosystems are robust. It has to be a plan that makes sense.

Anyway, moving on to my question—thank you for your presentation. It was very thorough, and there are some great recommendations in here. On recommendation two, talking about product, this is very specific. Maybe we can go high-level for a second. I'm thinking of transformational opportunities.

Anecdotally, I'll give you a story. When my cousin visited me from overseas, the first thing he said as we were driving is, "Is it a policy here that you guys put highways beside all your water?" I think we've lost some opportunities. Looking forward, if you were the Premier, what would be the long-term changes you would like to see the tourism industry work on in Ontario? Be as dreamy as you like.

**Ms. Minto Schneider:** I'll give you an example from where I live. I'm from Waterloo region. We are on the Grand River, which was designated a heritage river 22 years ago.

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Minto Schneider:** The community where I live traditionally turned their backs to the river. With the help of RTO4 and the provincial government, we've been able to try and refocus attention for tourists to use the river. That provides access to residents as well. I think we'd like to see the same thing across the province: Open people's eyes to what the opportunities are in our natural resources.

**Mr. Stan Cho:** Do you think there's hope for the Don River?

**Ms. Minto Schneider:** Pardon me?

**Mr. Stan Cho:** Do you think there's hope for the Don River?

**Ms. Minto Schneider:** Yes, I think there's probably hope for the Don, too.

**Mrs. Robin Martin:** Great Lakes.

**Mr. Stan Cho:** And the Great Lakes. Thank you.

**The Chair (Mr. Stephen Crawford):** We have 30 seconds. Any further questions? Ms. Skelly.

**Ms. Donna Skelly:** What would you like to do with Ontario Place? Fifteen seconds.

**Ms. Minto Schneider:** It will be interesting to see the ideas that come in on that one.

**Ms. Donna Skelly:** Let's think big.

**Ms. Minto Schneider:** Yes, I think we have to think really big. I think it needs to be world-class, like Toronto, Canada's downtown.

**Ms. Alexandra Rodgers:** We always want to draw in conferences. Anything that brings that conference investment is great to see.

**Ms. Minto Schneider:** The more that we can attract to Toronto, the more that we get in Waterloo—no, I'm just kidding—the more that we get in the rest of the province. So if we can use Ottawa and Toronto as our major attractions, it means that people come here and then spread themselves out while they're here. That's one of the important things, which is why infrastructure is so important: to keep people here longer.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We appreciate your time.

**Ms. Minto Schneider:** Thank you for the opportunity.

1530

#### TORONTO AND YORK REGION LABOUR COUNCIL

**The Chair (Mr. Stephen Crawford):** We'll call up our next presenter. It's the Toronto and York Region Labour Council. Good afternoon, and welcome to the Standing Committee on Finance and Economic Affairs. If you could state your name for the record, you can get right into your presentation. You'll have up to seven minutes, and I will give you a warning at one minute. You may proceed.

**Mr. John Cartwright:** Good afternoon. My name is John Cartwright. I'm the president of the Toronto and York Region Labour Council. Our council has been around since 1871, working for social and economic justice. We represent about 200,000 women and men who work in every sector of the economy, and have been involved in conversations about budgets for a long, long time with all levels of government.

You are working on a budget that most people suspect is going to be an austerity budget—that there will be cuts to keep public services—and we're here to say that that's the wrong direction for Ontario to go. We want to point out that every budget is made of expenditures and revenues, and the announced intention of the Conservative

government to slash revenues is going in exactly the wrong direction.

We've got a number of priorities that we want to suggest should be guiding the deliberations of the 2019 budget.

The first one is about the role of government around economic prosperity. We believe that it's crucial to have a high-road industrial strategy that's working with labour and communities. That includes restoring the workers' rights that were taken away in Bill 47. It also talks about understanding the dynamics of poverty wages: The more companies are allowed to pay working people poverty wages, the more poor Ontarians have to turn to public services for their support. Public services aren't just about providing for those in need. Public services are the great equalizer in our city—the most diverse city in North America and perhaps the world—in our province and in our country. Ensuring that those public services are in place is a crucial role of all elected representatives. So the first point is the role of government around a good-jobs strategy, and looking at economic clusters that we have in Ontario, building on those, and moving into the future, including ensuring that the disruptive economies and digital economies are properly regulated so you don't have behaviour by employers that's going to result in more poverty jobs and more precarious work.

The second point is about the capacity of public revenues. We do not want you to sell off public assets. We want to make sure that corporations are paying their fair share, that those who have been evading taxes do the right thing and pay their fair share. We had been disappointed for a number of years by the previous government as it cut corporate tax levels. We are asking that corporate taxes be restored back to a 14% rate. That would put something like \$2 billion a year into the public coffers.

Priority three is around climate. I'm a construction worker. A roofer will look at people who say, "I save money by not spending money on a roof," and say, "Yes, you can save money today, but eventually you'll pay to repair all your carpets and rip out the drywall when your roof leaks." It's the same thing with climate. You either invest today in measures that are going to deal with the climate crisis that's in front of us or we're going to be paying far more in the future. We completely reject the concept that it's jobs versus the environment or that somehow tax cuts are a more important thing than ensuring that the next generation can breathe the air and drink the water. We also want to point out that any sound investment will understand that if you do upgrades to current buildings and you do retrofits for energy efficiency, your carrying costs on those buildings are going to drop dramatically. We've seen studies—we've been very involved in green construction and looking across North America and the world, and seen a dramatic reduction of operating costs in buildings because of green design and energy retrofits.

Priority four is social housing. I stood with the mayor of Toronto a couple of years ago as we begged senior levels of government to come up with the \$2.6 billion of backlog that our crumbling Toronto Community Housing

faces. Social housing, as housing affordability becomes more and more pressing, is crucial for many working families.

Joining me now is Susan McMurray, executive assistant of the labour council.

Priority five is investing in transit. We don't want the province grabbing Toronto's subway. You don't have the money that you were going to put into that, in good faith. We want to make sure that the transit system in Toronto, which moves 85% of all commuters in the GTA, remains whole. But we do know that you need to restore the traditional funding model of a 50% operating subsidy with the province and the municipalities. That would allow the TTC and transit services all across cities of Ontario to carry out the kind of role they're supposed to.

I want to touch on education. The funding formula for education is broken. We appeared in front of the Rozanski commission many, many years ago when the previous Conservative government realized they had made a mess of education funding and needed to fix it. The formula he came up with was insufficient and is still insufficient.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. John Cartwright:** We want you to protect the integrity of public health care. We want you to commit to a comprehensive agenda of social, racial and economic equality. Listen, half of us in the GTA were born outside of Canada and half of us are folks of colour. If we don't ensure that we're investing in equity, we are going to pay the price in social problems in the future.

We also want to talk about social infrastructure. As somebody who, again, is a construction worker, it's easier to look at bricks and mortar. But we know that if we don't have the infrastructure in place for people who are growing up and finding obstacles, for our seniors and for those in need—far too many who are without shelter, in these winter days—then we are failing.

So that's the message of our labour council. The information and the policies we create are drawn from the real experience of front-line workers, everybody from the folks who are shovelling the snow today to the nurses who are looking after us in old-age homes, to the people who are building aircraft in Bombardier and to construction workers as well.

**The Chair (Mr. Stephen Crawford):** Thank you very much, Mr. Cartwright. We appreciate your testimony.

We're going to go to questions from the government side first. Mr. Downey.

**Mr. Doug Downey:** I want to start, I guess, with your roof analogy. I did roofing to help pay for school; it's hard work. It's kind of a pay-now-or-pay-later kind of thing, is what you're saying. Either you have good materials, or what's the point? But we're at the "later." We got handed a house with a leaky roof. Are there any ideas to help us deal with that leaky roof that don't require the raising of taxes, because what you call—I wrote it down, the turn of phrase—"slashing revenues," we see as returning money to the people it came from. Without getting into that philosophical debate, we are there. So some concrete ideas on how to deal with that leaky roof?

**Mr. John Cartwright:** Yes, absolutely. For instance, you've cut all of the retrofit money to help public buildings, and the school board just in Toronto is \$25 million. That investment in retrofitting buildings can save you millions and millions and millions of dollars in operating costs in the future. You've thrown out everything the Liberals did because you don't like it. You've done nothing to replace it, with fixing that roof and ensuring the maintenance is there on that roof.

But in terms of fiscal balance: No, I believe that corporations that are making more money than they've ever had and the CEOs who are at the highest rate of income inequality in our history: Those guys should pay their fair share. And yes, that's raising taxes, because Oliver Wendell Holmes says, "I pay taxes because it buys me civilization." Those guys at the top should also be helping to pay for civilization.

**Mr. Doug Downey:** I really don't want to engage in a debate on—

**Mrs. Robin Martin:** He does.

**Mr. Doug Downey:** No, no. We've gathered a lot of good ideas over this process.

**Mr. John Cartwright:** Good.

**Mr. Doug Downey:** You're telling me that you want us to invest money and capital to reduce operating later. I heard you say that.

**Mr. John Cartwright:** Yes.

**Mr. Doug Downey:** I don't want to talk about raising taxes. Do you have any other ideas that we can pursue?

**Mr. John Cartwright:** Sure. We talked about investing in education. There's a phrase more south of the border about, "Do you want education or incarceration?" The kinds of special programs that are crucial for children of different backgrounds, particularly from poorer families, you invest in making sure that those children have what they need to succeed in the classroom, or later on, you put the money into the cops to deal with guns and gangs. Those are choices that you make.

**Mr. Doug Downey:** Okay, thank you.

**Mr. John Cartwright:** You're welcome.

**The Chair (Mr. Stephen Crawford):** Any further questions? No? Okay, we will go to the opposition side: Ms. Stiles.

**Ms. Marit Stiles:** Thank you very much for your presentation. I wonder if you wouldn't mind expanding a little bit on something that we are certainly very interested in, in many parts of Toronto, which is building on the community benefits process for public infrastructure. I wonder if you wouldn't mind expanding a little bit on what that means and what that could mean for our communities.

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**Mr. John Cartwright:** Community benefits is a process where, when you build major infrastructure, public or private, you ensure that the investment is doing double or triple duty. That means looking at the skills needed for those projects and trying to ensure you're matching the workforce need with local community members.

The first community benefits agreement we put in place with Metrolinx was on the Eglinton line. We often said

that we don't want those young kids, particularly kids of colour, standing at the chain-link fence, wondering why they can't a job when it's right in their community. So we put together a process that says we will reach out to local communities, talk to leaders, talk to youth through the school system and post-secondary system, bringing those young people into our apprenticeship systems and ensuring that they get a good start at a good career. We've also added white-collar jobs, because not everybody wants to be a construction person—

*Interjection.*

**Mr. John Cartwright:** I'm sorry, Robin?

**Mrs. Robin Martin:** I believe that's being paid for by a couple of real estate companies—

**The Chair (Mr. Stephen Crawford):** Sorry, Mr. Cartwright; you're talking to the opposition, not the government, right now.

**Mr. John Cartwright:** Oh, I'm sorry. I thought I was talking to the committee as a whole.

That provides really strong career opportunities for people. We've done that with the Woodbine casino with the support of a local councillor in that area, in Rexdale. We've done that recently with hospitals. We've actually looked at the experiences in the States where they've been able to have tremendous results, folks who otherwise—a lot of them are faith leaders who are saying, "I had young men going down the wrong path, but because now they have an opportunity to come and make a living, work hard"—there is no seniority in construction. You keep your job by being productive. There's no such thing as seniority in construction.

When we offer those young people a career, some of them will come up and say, "Yes, I was going down the wrong path. Now I've got a family, I've put a roof over my head, I'm making a good living and I've got a career." That's double duty. When it's transit projects, it's triple duty, because we're also helping around climate solutions.

**Ms. Marit Stiles:** One of the other things you've mentioned in here is specifically around protecting the integrity of public health care and about the idea of a national pharmacare program. Of course, this is something that we've been supporting. Can you explain a little bit about what some of the broader benefits are and why you're looking for a national pharmacare program?

**Mr. John Cartwright:** Well, Canadians pay almost double for prescription drugs than many other places in the world do. A national pharmacare program that combines the purchasing power of governments across the country would dramatically reduce those costs and would make sure that everybody has prescription drugs.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. John Cartwright:** I'm a cancer survivor. I understand how important our health care system is. When I sat in the chemo chair in Sunnybrook—I could sing the praises of those nurses and health care workers who were part of that system. I don't want to see it ripped up and privatized and put out for profit, because it's too important for working people to have health care.

**Ms. Marit Stiles:** We're looking at a government that seems to be heading in the direction of further privatization of a lot of our public services, including transit and transit maintenance. That's something else that you mentioned hearing concerns about. Do you want to expand just briefly on that?

**Mr. John Cartwright:** Listen, basically, when you look at this privatization, it costs more and delivers less. When you look at all the experiences in the UK with privatization, even at our own here with the Brampton hospital—they said that it's in the tens of millions of dollars more because of interest payments and other payments. At the end of the day, it costs more. If you try and put a P3 off the books, you're paying the extra interest rate of that company, plus you have a 10% to 15% profit margin that has to be built into it—

**The Chair (Mr. Stephen Crawford):** Thank you, Mr. Cartwright. We appreciate your testimony. Your time has expired, but thank you for your presentation.

**Mr. John Cartwright:** Thank you very much. It's wonderful to be here.

**The Chair (Mr. Stephen Crawford):** We've had one cancellation, and we are waiting for the next group to proceed, so at this time we'll take a five-minute recess.

*The committee recessed from 1546 to 1554.*

#### CAREER COLLEGES ONTARIO

**The Chair (Mr. Stephen Crawford):** Good afternoon, everyone, and welcome to our pre-budget consultations here in Toronto. We're going to resume with our last group of presenters. The next group up right now is Career Colleges Ontario.

If you could please step up, and if you could just state your names for the record, you can begin your presentation immediately. You'll have seven minutes to present. I'll give you a one-minute warning, and then we'll have questions after.

**Mr. Chris Conway:** Good afternoon. My name is Chris Conway. I'm CEO of Career Colleges Ontario. It's my pleasure to introduce, next to me, J.P. Roszell, our government relations committee chair. On his left is Carmen Valero, the owner of Canadian College of Educators. On my right is George Hood, the president of Herzog College.

Career Colleges Ontario represents 244 privately owned career colleges that train 80% of Ontario's career college students. Career colleges employ over 12,000 staff and educators at 600 campuses across Ontario and generate \$94 million in payroll and business taxes.

In 2018, 167,000 jobs in Ontario were vacant due to skills shortages, yet unemployed and underemployed workers numbered 864,000. That's because the skills people have and the skills our economy needs don't match.

We train and graduate 33,000 students a year to fill into vacant jobs, faster and at far less cost to the taxpayers than public colleges. In fact, Ontario saves an estimated \$31,000 for every enrolled student in our colleges versus the public colleges; that's over \$1 billion a year.

We address labour shortages now such as cyber and network security professionals, personal support workers, addiction counsellors, supply chain managers, and many more. Unshackling private career colleges and a level playing field for our students will empower us to train more and should be a priority for this government.

**Ms. Carmen Valero:** Our students are disadvantaged by their circumstances. They are laid-off workers, injured workers, Indigenous people, persons with disabilities and sole-support parents. Half are over 30 years old. Almost 70% are women looking for a new career and new life. Many are university graduates with no job prospects.

Most have serious financial obligations and are working full-time or part-time jobs. Many are in low-paying jobs, on EI or social assistance. They are stuck in life because they cannot take two to four years out of their working and family lives to go to college.

We meet their needs with quality programs that start year-round and can be completed in a year or less. They gain flexible schedules, smaller classes and specialization not found in public colleges. Yet unfair rules have hindered them and burdened our operations. Discrimination against our students includes banning distance learners from OSAP and capping Second Career grants at less than half the amount public college students get. We recommend that the government ensure fair and equal access to loans and grants for our students.

**Mr. J.P. Roszell:** Canada will lose 255,000 skilled tradespeople due to retirements in the next 10 years, and the demand for skilled tradespeople will rise by 14,000 workers. Career colleges have been arbitrarily prohibited from training apprentices. We already train in hundreds of pre-apprenticeship programs, and we're willing and able to train apprentices to the same high standards as publicly funded colleges.

We recommend that the government approve private career colleges to train apprentices to help meet Ontario's infrastructure needs.

Skills shortages in health care, such as personal support workers, masseuses and nurses, contribute to the crisis of hallway health care, longer wait times for surgeries and increased costs to the government. We recommend that this government approve career colleges to train registered practical nurses, as is done in other provinces, to help reduce nurse shortages.

We also recommend that the Ontario government work with the federal government to allow international students who attend career colleges to be eligible for the Post-Graduation Work Permit Program, as they are in Quebec.

Canada is in a global fight for talent. By 2020, there will be a shortage of nearly 220,000 technical workers across Canada. A key concern is the capacity limitations of colleges and institutes of technology. Many small and medium-sized businesses are already having trouble finding new workers, but growth in Canada's labour force is forecast to fall to near zero.

Yet international students at career colleges who want to stay in Ontario, have proven they can integrate into

Ontario and have the skills we need are not eligible for post-graduation work permits to stay here, unlike students attending public colleges. Instead, they are forced to go back to their home country immediately after graduation. This does not make sense.

**Mr. George Hood:** Our colleges face hundreds of regulations, policy directives and fact sheets enforced by inspectors with badges, an administrative burden spelled out in 133,000 total words. Many are difficult to interpret and unnecessary to protect students, and increase our operating costs. Powerful policy directives are created or amended with little regard for Career Colleges Ontario recommendations.

We recommend a formal legislative review or repealing of the Private Career Colleges Act to address over-regulation of our colleges and work towards a regime that focuses on learning outcomes and student protection.

We also recommend that the government adopt self-regulation for the career college sector through a sector council similar to Ontario's motor vehicle dealers and registered real estate brokers. This would save the government the high cost of regulation and better protect students. It would allow those with decades of experience in our sector to manage the Training Completion Assurance Fund and address sector non-compliance for immediate correction.

Increasing our graduates is critical to building Ontario's infrastructure, addressing the crisis in health care and making Ontario the engine of Canada's economy once again.

I now welcome any questions you may have.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We're going to start questions from the opposition side. Ms. Shaw.

**Ms. Sandy Shaw:** Thank you very much for your presentation. Just so I understand, are students who attend private colleges eligible for OSAP grants and loans?

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**Mr. George Hood:** They're eligible for OSAP if they qualify. If they take distance learning or online training, they're not allowed their OSAP, which is discrimination against those students, because if they go to a public university or public college, they can access to OSAP for distance learning.

**Ms. Sandy Shaw:** So you're recommending that the government extend the same kind of access to OSAP loans and grant that students—

**Mr. George Hood:** That's correct. Especially when you consider Ontario—just the geography of it—we could service so many more Ontarians who need distance learning to get back into the workforce.

**Ms. Sandy Shaw:** We've been hearing from public colleges and from student groups that are responding to the government's recent announcement about the existing OSAP, not even the extension to your sector. They're saying that the student tuition announcement, the 10% announcement, is going to impact colleges and universities' ability to meet the budget. They're going to have to find that savings in their own core budget. Do you have

any comment or any opinion on the fact that both students are saying this not good for education and universities are saying they're not sure where they're going to find this reduction to continue to offer good-quality education for their students?

**Mr. George Hood:** J.P., could you take that question?

**Mr. J.P. Roszell:** Honestly, we can only speak for our own sector. We're \$31,000 per student less than the publicly funded sector intuitions. There isn't one penny of government money that goes into infrastructure—bricks, mortar, cafeterias, residences, playing fields—none of that. Our students don't require it, and there are more students who require our regulations to be loosened up and on a level playing field. We can train more people and save more money.

**Ms. Sandy Shaw:** Maybe I missed this in your presentation, but low-income families have difficulty accessing publicly funded education. How does your group ensure that people have equal access to this kind of training, for families that can't afford private tuition?

**Mr. George Hood:** We get the job done quicker and faster. We don't give students the summer off. We don't have electives for the students. What they learn at our school is pertaining to the job that they're going to end up with upon graduation.

I'll give you a prime example: Our paralegal program is accredited by the Law Society of Ontario, the same as a paralegal program at a public institution. The difference is that if you went to Humber or Centennial, it might take two or three years to take that program. If you come to my school, it takes one year. It's the same material, because once they finish and graduate, they can write the law society exam.

**Ms. Sandy Shaw:** But what about students and low-income families that don't have the upfront cost? I hear what you're saying, but there are some low-income families that can't afford the upfront tuition.

**Mr. George Hood:** Right. We have OSAP that's accessible for those families.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. George Hood:** The difference is that our student population is typically 35 years old. That's kind of the average age. They're not sitting at a public institution, surrounded by 17- and 18-year-olds.

**Ms. Sandy Shaw:** Sure. Thank you. I get that.

My final question might be a difficult question. You're talking about how you want to loosen the regulations for your sector. In Hamilton not that long ago—I believe it was Everest College. They closed and it went bankrupt. Students were left holding the bag. How can you ensure that if you are self-regulating that that won't happen again?

**Mr. George Hood:** We have a Training Completion Assurance Fund that has currently got \$14 million in it. Our association came up with that idea, and then the ministry took it from us and ran with it. They regulate that. They control it. It was the ministry that closed Everest College and stranded 2,000 students. We were willing and able to help those students immediately, but it took the

ministry four months before a student actually got into a classroom, because they took it over and wouldn't allow us to participate, essentially.

We know how to operate schools. We know how to take care of schools. We don't want any student on the street. So if something like that happened in the future, we would immediately have called up—

**The Chair (Mr. Stephen Crawford):** Sorry to cut you off. You've exceeded our time. I'm going to move on to the government side. Ms. Skelly.

**Ms. Donna Skelly:** Thank you for your presentation. Do you receive funding from the government for anything?

**Mr. George Hood:** No, we don't—no funding whatsoever. Some of the students receive OSAP funding.

**Ms. Donna Skelly:** And that's it?

**Mr. George Hood:** Yes, and Second Career funding, if they qualify.

**Ms. Donna Skelly:** And you do not have the ability now to train anybody in the trades?

**Mr. George Hood:** Nobody in the skilled trades. We do pre-apprenticeship training, but other provinces in Canada offer full apprenticeship training. I've got a school called the Pre-Apprenticeship Training Institute. It's pre-apprenticeship, so it doesn't give them that credential to go with a journeyman and whatnot, and that's really what the students require. Once again, it's discrimination because we're a private school.

**Ms. Donna Skelly:** Would you have the ability to create a program that would allow students to have an apprenticeship and get their licence?

**Mr. George Hood:** Absolutely. We could develop programs. We've got lots of experts to rely on. All our instructors who are teaching pre-apprenticeship have their credentials.

**Ms. Donna Skelly:** You threw out a number—you said the difference between what it costs you to train or educate a student versus the public sector. Is that correct? Can you expand on that?

**Mr. George Hood:** Yes, that was a quite extensive report that was done by a third-party company back in, I think, 2014. At the end of it, they determined that we save taxpayers \$31,000 per student—and that's comparing a student going to university or community college. If you put it all together, it's over \$1 billion a year. I think if our sector was allowed to do what we want to do and not have our students discriminated against in many areas, that \$1 billion could be much higher, that we could save taxpayers.

**Ms. Donna Skelly:** Ms. Shaw talked about Everest school, but I know there have been other private schools that have gone under, in Hamilton alone. What could we put in place to prevent a student from losing a \$10,000 tuition fee? Is it to be held by the government before it's paid out, or is there a way of protecting that?

**Mr. George Hood:** Dr. Rob Leone wrote in his white paper in 2014 that our sector should be self-regulating. He has offered to be part of the council to help us. Dr. Terry Miosi, who used to be a superintendent at MTCU, has

offered to be part of the council if we end up being self-regulated. We would be able to manage any student who's distressed much more effectively. They would be back in the classroom within a week or two, at no cost to the taxpayer.

**Ms. Donna Skelly:** It sounds too good to be true, so tell me the downside here.

**Mr. George Hood:** I don't believe there is a downside.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Chris Conway:** There's a policy in place, known as train-outs, in the sector, so that the other schools actually pick up the students in a situation like that. I had this explained to me by former officials and so on who have dealt with situations like that. That particular situation at Everest College was a little bit different and perhaps could have been handled differently so that that could have occurred in that case, so other schools would have been able to pick up those students, train them at no charge and they would complete their programs. That didn't happen in that case for a series of reasons. There is this assurance fund that George mentioned when he spoke that is paid for by the industry, which helps in situations like that. It's a self-funded assurance fund that's there for students. In addition, there's this train-out policy that's in place that other schools do, where they pick up students in those scenarios so that those things don't happen. That particular situation wasn't handled as well as it could have been. There's quite a bit of detail with it that we can't get into right here. But I can assure you that it's a one-off situation that requires a lot more in-depth explanation as to what went on there.

**Mr. J.P. Roszell:** Our association was not part of that solution for Everest. The ministry took it over and told us to sit back and wait.

**The Chair (Mr. Stephen Crawford):** Thank you for your presentation. We appreciate it.

#### ONTARIO CONFEDERATION OF UNIVERSITY FACULTY ASSOCIATIONS

**The Chair (Mr. Stephen Crawford):** We'll call up our next organization: Ontario Confederation of University Faculty Associations.

Good afternoon. Welcome to the Standing Committee on Finance and Economic Affairs. You have up to seven minutes to present. I'll give you a one-minute warning, and then we'll go to questions. Please state your name for the record; then you can begin.

**Ms. Gyllian Phillips:** My name is Gyllian Phillips. I am the president of OCUFA, the Ontario Confederation of University Faculty Associations. I am also a professor of English at Nipissing University. With me this afternoon is Michael Conlon, OCUFA's executive director. Thank you very much for the opportunity to speak with you today.

OCUFA is the provincial voice for university faculty in Ontario. We represent 17,000 full-time and contract professors and academic librarians in 29 member associations across the province. We engage with students every day,

preparing them for life beyond the classroom, and we undertake research that contributes to the economic, cultural and democratic well-being of our province.

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OCUFA has long argued that tuition fees are a barrier to access that prevent students from pursuing a post-secondary education. OCUFA also supports the call from Ontario's student unions that tuition fees should be reduced and replaced with increased public funding for the province's universities. The government's recent decision to cut tuition fees by 10% in 2019-20 and freeze tuition fees in 2020-21 is a welcome step and it must be matched with an increase in core funding to ensure university budgets are not reduced. Without corresponding public funding, the recent tuition fee cut will further undermine post-secondary education in Ontario.

We are also concerned that the government intends to decrease the percentage of student financial assistance provided in grants from 92% to 67% and increase the percentage of financial assistance provided through loans from 8% to a staggering 33%. This increase in student debt, coupled with the elimination of the six-month grace period following graduation—during which loan interest will now accumulate—will leave students from low- and middle-income families with higher levels of debt, effectively forcing them to pay more for their education.

As of 2016-17, tuition fees now make up 54% of Ontario universities' total operating revenue, which effectively changes the status of Ontario's universities from public institutions to publicly assisted ones. We are concerned that this increased reliance on tuition fees and shift towards funding individual students increasingly through loans rather than the system as a whole will undercut efforts to ensure every student has access to a high-quality university education.

Even after years of underfunding, Ontario's post-secondary institutions continue to do amazing work, producing world-renowned research and exceptionally talented graduates, but existing resources are stretched thin. On a per-student basis, Ontario's universities receive the lowest level of public funding in Canada. Ontario has now ranked last on per-student funding in Canada for eight years in a row, and sits 36% below the average of the rest of the country. As a province, Ontario's per capita funding of post-secondary education is 21% lower than the rest of Canada.

To bring Ontario's per-student funding in line with the average for the rest of the country, the government would need to invest an additional \$6.2 billion over the next three years. OCUFA believes that a sensible step in the right direction would be to improve Ontario's level of per-student funding by one rank, to match the next-worst province, Nova Scotia. This would require an investment of \$3.9 billion over three years, starting with \$545 million in this year's budget. Over the longer term, the government should plan to invest in a more robust system of public funding that demonstrates to Ontario's students the government's intention to provide them with an equitable and high-quality learning experience comparable to that of students in the rest of Canada.

Since 2015, the then-Ministry of Advanced Education and Skills Development has been engaged in a review of the university funding formula and intends to implement a new funding model in 2020. To implement this new model, the ministry has negotiated strategic mandate agreements, or SMAs, with each of Ontario's universities, identifying academic priorities, enrolment targets and a series of performance metrics to determine whether each institution is achieving its mandate.

OCUFA has long cautioned against the government's planned shift towards allocating a portion of university funding based on performance. Performance funding is counterproductive. By linking funding to a series of metrics and withholding financial resources from those institutions that fail to meet prescribed targets, this approach reduces the capacity of those institutions to improve. Performance funding also dramatically increases red tape for universities, who must devote significant resources to gathering and reporting data. This diverts much-needed funds away from the core mission of the university: teaching and research.

Funding allocation mechanisms should not be structured in a way that harms students and the quality of education. The new funding model should not link performance metrics to funding. Instead, available post-secondary education data should inform long-term plans to improve educational quality and research.

Every student's learning experience and every university's capacity to produce research relies on the faculty members who teach, research and engage in their communities. But the number of faculty available to do this foundational work is lagging. Over the past decade, student enrolment has increased by 23% while full-time faculty hiring has only increased by 3.4%. This means that the rate of increase in student enrolment has been almost seven times that of faculty hiring. The impact of this hiring gap in the classroom is dramatic. Ontario now has the worst student-faculty ratio in Canada. At Ontario universities, there are 31 students for every full-time faculty member, compared to an average of 22 students for each faculty member across the rest of Canada.

**The Chair (Mr. Stephen Crawford):** One minute.

**Dr. Gyllian Phillips:** OCUFA estimates that the number of courses taught by contract faculty has nearly doubled since 2000. To this end, faculty renewal should be established as a government priority in this budget. To improve the student-faculty ratio by a modest margin and get Ontario halfway to the rest of the Canadian average, OCUFA estimates that 3,590 full-time professors would need to be hired by 2021. Hiring at this level should be supported by increased public investment and would cost universities around \$425 million over the next three years. There is broad public support for this. A recent poll showed that 94% of Ontarians believe universities should be model employers and support good jobs in their communities.

In conclusion, to guarantee a high-quality learning experience for the next generation of Ontarians, the province must invest in our universities and our faculty so

that these vital institutions and the students who learn there can thrive. Thank you for your time.

**The Chair (Mr. Stephen Crawford):** Great. Thank you very much. We're going to start questions on the government side. Mr. Downey?

**Mr. Doug Downey:** Thank you. I just want to clarify—there's a lot of material so I've been reading while you've been talking, so you may have touched on it. You're saying: Don't link funding to KPIs, to performance measures, and you're saying: Don't link funding to per head, not per student, per capita.

**Dr. Gyllian Phillips:** No. The first one, yes.

**Mr. Doug Downey:** What do we link funding to?

**Dr. Gyllian Phillips:** Historically and traditionally, funding has been linked to enrolment. There are other mechanisms to support the long-term sustainability for institutions, especially those that have variable enrolment. I'm from the north, and our service in our community is really important, but our enrolments can go up and down. That can be a problem for us.

The difficulty with performance-based funding, however, is that it—actually, there are a number of problems with it. It doesn't work; that's the number one problem. When we've seen it in practice in other states, in the United States or in the United Kingdom or Australia, it actually does not provide the kind of incentive to change, or does not drive change in the way that it needs to. Also, it produces inequities for students in terms of student access and also within the university institution itself. Finally, it also diverts funds from the core activity of the institution into data gathering, collection and reporting activities. I don't know if my colleague wants to add anything to that.

**Dr. Michael Conlon:** The core fundamental objection we have is that in terms of folks who have studied this from an academic perspective, in every jurisdiction in which metrics have been introduced, you can count on one thing happening, which is that institutions that are already in a strong leverage position, typically in urban centres, will be winners, and anyone outside of those urban centres would be losers. That's across jurisdictions and across sectors.

**The Chair (Mr. Stephen Crawford):** Any further questions.

**Mr. Doug Downey:** Yes. I'm just wrestling with that. If we don't measure—maybe the way they're doing the metrics isn't working. Maybe KPIs on a quarterly basis isn't working, but if you do it on a rolling basis over a two- or a three-year period so that you get your ebbs and flows accounted for—I'm really wrestling with saying, "Let's just not measure."

**Dr. Gyllian Phillips:** I don't think that's exactly what we're saying. We're saying: Don't tie funding to measurement.

I think data is really important. One of the things that OCUFA has long advocated for is more information about how our universities are run and how they serve their students and their faculty. But identifying particular

targets and tying funding to those has been problematic in every instance that it has been used.

**Mr. Doug Downey:** Thank you.

**The Chair (Mr. Stephen Crawford):** One minute. Any further questions from the government side? No?

Okay; we'll go to the opposition side. Mr. Glover.

**Mr. Chris Glover:** Thank you for your deputation. I just want to clarify, then: So having the strategic mandate and the key performance indicators funding disadvantages rural and northern colleges and universities.

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**Dr. Gyllian Phillips:** Yes.

**Mr. Chris Glover:** Yes? Okay.

The other question I have is on page 5 of your presentation. The funding in current dollars per student is down from \$8,486 to \$7,928 over the last 10 years. So the funding has declined by about \$500 per student?

**Dr. Gyllian Phillips:** Yes.

**Mr. Chris Glover:** Okay. You also mentioned that the province has the highest student-to-instructor ratio. What will the recent changes that have been announced by the government do to both of those things: the funding per student and the student-teacher ratio?

**Dr. Gyllian Phillips:** Unfortunately, they will only make things worse. Without corresponding public funding to make up for the loss of revenue from tuition cuts, class sizes will only increase and universities will be more and more hard-pressed to meet their basic operating needs.

**Mr. Chris Glover:** How do those changes and how does the current situation impact students?

**Dr. Gyllian Phillips:** It leads to larger class sizes. It leads to a greater reliance on contract faculty across the sector, which means that students have less opportunity for mentorship and for time with their professors, and professors are more and more stretched. Eventually, although contract professors are excellent at what they do, unfortunately in the long run this has a cumulative effect on the quality of education.

**Mr. Chris Glover:** I met one part-time professor who was teaching at Trent University, Nipissing, York and one other. Every week he was driving around. He had four courses. He was making about \$50,000 to \$60,000 a year, and he was driving all over Ontario to put together an income. Is that a common situation?

**Dr. Gyllian Phillips:** Absolutely; yes. We see this more and more and more. I think this is something that the Ontario public is not always aware of, but when we've done polling it's very clear that this is not what Ontarians want from their universities. They want universities to provide good jobs for professors because they trust that professors have the expertise and the ability to do a really good job—which they do.

**Mr. Chris Glover:** If a professor is scrambling around from campus to campus to try to put together an income, what does that do to their ability to actually serve students and to meet the students?

**Dr. Gyllian Phillips:** Well, unfortunately, there are often cases in which—as I said, this has a really problematic effect on the capacity to mentor students.

**The Chair (Mr. Stephen Crawford):** One minute.

**Dr. Gyllian Phillips:** They don't have offices, often, to meet with students. If a student wants a letter of reference, for example: If that person's contract is over, they can't contact that person. The universities lose significant brain power in helping to govern and generate new curriculum, and the province of Ontario loses research capacity because these are all people who are producing amazing research with no support from their institutions or from their government.

**Mr. Chris Glover:** Thank you very much.

**The Chair (Mr. Stephen Crawford):** Thank you for your time. We greatly appreciate it.

**Dr. Gyllian Phillips:** Thank you very much.

**Dr. Michael Conlon:** Thank you.

### HOME CARE ONTARIO

**The Chair (Mr. Stephen Crawford):** We'll call up our next organization: Home Care Ontario. Good afternoon, and welcome to the finance committee. If you could just state your name, you can get right into your presentation.

**Ms. Sue VanderBent:** My name is Sue VanderBent. I am the CEO of Home Care Ontario, a provincial association representing home care providers. Hello. On behalf of my board, I am pleased to present our 2019 budget submission to you today.

I think all the members of the standing committee know that hallway health care and rising ALC rates are two of our biggest health care problems. In fact, I looked at some early data today. We have 5,000 beds blocked in Ontario with ALC rates. So while we're talking about hallway health care, I think at the same time we cannot lose sight of how many beds we are actually blocking with people who potentially need never have become ALC patients or who do need some longer-term care, and that's the reality for a lot of Ontario families.

We have far too many non-acute-care patients who could be at home if the right supports were in place. Some 70% of all home care referrals come from hospitals, and that's a fact not everybody knows. Investing in more front-line home care means we could do more to take the strain off hospitals and, really, off our families and other system partners.

I've been categorizing home care as a protective factor. It is the foundational protective factor for many parts of the health care system, particularly our ERs.

Today, I wanted to talk to you about a few of our major recommendations. In the document that I've given you, there's a list of 12 others, so you could ask some questions about those, if you wish.

We need to talk about the need for increased funding for home care, because this is the standing committee on finance; the need to recruit and retain more home care staff; the need to reduce red tape and hallway health care; and the need for home care to have real-time access to digital information.

Our first recommendation is to adequately fund our home care system. Home care delivers 39 million hours of care to 760,000 Ontarians yearly. That is a tremendous number of Ontarians who are touched by the home care system. However, all home care service providers have been held to net-zero funding by the previous government for the past 10 years. Home care is the only sector that has not received increases in this time frame. Any financial analysis would tell you that this underfunding of the home care system is a direct root cause of the serious issues that we are experiencing right now.

Home Care Ontario is asking for an immediate 1% increase on current home-care-based funding. This percentage increase would immediately provide us with nine million more PSW visits and five million more nursing and therapy visits. This would be for Ontarians who are waiting for home care.

Home Care Ontario also advises the government that we should establish a provincial task force to develop an annual contract rate review so that we don't fall behind so drastically in wages in the future, as we have currently done.

We also advise that funding be coupled with a human capacity resource plan that outlines what we need and what we need to plan for as more and more care moves into the community.

Our second recommendation is to invest in our staff to eliminate the wage disparity between institutions and home care. Every year, we lose hundreds of our staff to long-term care and acute care. We also lose them to retail and to Tim Hortons. That's a reality. We must address this problem if we are to keep people at home and avert presentations to ER and hallway medicine.

Our third recommendation is to invest in technology upgrades so that our home care staff can view and contribute to the electronic health record of every Ontarian. We urgently need access to digital information in real time. It really is shocking to think that in this day and age a nurse will be going into a home late at night and not know if that person was at the family doctor that afternoon or in the ER and a medication change has been made. That nurse is nursing blind. She is actually reduced to asking the family member—and you might have been one of those family members who is asked—“Do you know if your mom actually went to the doctor? Do you know what the doctor did?” This is shocking, and it leads to a call to the ambulance to bring that lady into the ER. It's important to remember, in this scenario where we are lacking in information, that every Ontarian is one phone call away from the ER. That is not very good, because the ER is a place where people are really receiving tremendous numbers of tests. Generally speaking, with older people, we'll find multiple co-morbidities.

We further recommend that Ontario implement a tax credit or a caregiver allowance—

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Sue VanderBent:** —for those Ontarians who wish to purchase care from reputable home care companies. We also further advise that you educate the public about

accessing care from unsupervised and unregulated people who may, in fact, give such poor care that we lead back to the ER again.

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People want to live at home, receive care at home and, if possible, die at home. Our recent medically assisted dying cases show us that 42% of those Ontarians who have chosen to die at their own wish have done so at home. That tells us a lot about what Ontarians are looking for. I believe that making the right investments in home care today we can build a system that helps prevent hallway medicine and really helps our system partners to function better.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We're going to start questions with the opposition side. Mr. Mamakwa?

**Mr. Sol Mamakwa:** Thank you for the presentation. When we talk about home care, I just want to paint a picture from my region. I'm from the Kiiwetinoong riding in northwestern Ontario: Sioux Lookout, Red Lake and further up north. Sometimes I will have these clients from remote fly-in communities who will be serviced at Sioux Lookout Meno Ya Win hospital. They'll have these daily IV antibiotics that they require every day.

What happens is that they will have to come to Sioux Lookout for eight weeks to get those antibiotics. Non-Insured Health Benefits is a federal program that pays for the accommodations, meals and local transportation to do that. So they have to stay out there for eight weeks, whereas if there was home care on-reserve, even though it's a federal responsibility—what I'm saying is, I'm wondering what your knowledge is of rural communities, First Nations or towns in the north accessing home care.

**Ms. Sue VanderBent:** There's an interesting program that's going on right now to train people in their area where they live by people in southern Ontario, so we actually just import the knowledge and supports. I can actually put you in touch with an organization that is a member that is doing some exploratory work around that.

They could also have telephone support, if they needed it, with an experienced nurse, perhaps in southern Ontario but also in northern Ontario. It really is about teaching people to do for themselves and to avoid having to be away for two months from your family to get IV antibiotics, which seems completely, patently ridiculous. I would be happy to get back to you with some information and some names that I could give you.

**Mr. Sol Mamakwa:** Thank you.

**Ms. Sue VanderBent:** You're welcome.

**The Chair (Mr. Stephen Crawford):** Mr. Glover?

**Mr. Chris Glover:** I see in here that you're talking about wages. What percentage of home care providers or PSWs are making minimum wage or close to it?

**Ms. Sue VanderBent:** There was a wage enhancement. Most PSWs are making somewhere between \$18 and \$19 an hour.

**Mr. Chris Glover:** Okay.

**Ms. Sue VanderBent:** That was a very, very welcome catch-up, which we absolutely had to have.

**The Chair (Mr. Stephen Crawford):** One minute.

**Mr. Chris Glover:** Right, and what is that—

**Ms. Sue VanderBent:** If I could just say that that just bumps up against other wages like RPNs in the sector.

**Mr. Chris Glover:** Do they make the same amount in private home care?

**Ms. Sue VanderBent:** Yes.

**Mr. Chris Glover:** What has that done to the ability to attract—

**Ms. Sue VanderBent:** I just have to say, if I could caveat that—in the publicly funded sector, yes.

**Mr. Chris Glover:** Okay. And what has that done to the ability to attract workers?

**Ms. Sue VanderBent:** It does help, but the real wage differential between home care and what a PSW might make in a hospital or a long-term-care facility is probably \$5 or \$6 less.

**Mr. Chris Glover:** Per hour.

**Ms. Sue VanderBent:** Yes. It is hard, as well, because when you're a home care personal support worker, you are running from place to place, which we have to do, as opposed to being in a nice, warm environment, particularly at this time of the year. There are other issues—

**The Chair (Mr. Stephen Crawford):** Thank you very much.

**Mr. Chris Glover:** Thank you.

**The Chair (Mr. Stephen Crawford):** We're going to go to the government side now for questions. Mr. Roberts, please.

**Mr. Jeremy Roberts:** Thank you so much for your presentation. I have the largest seniors' population in Ontario in my riding, Ottawa West–Nepean, so issues involving seniors—long-term care, home care—are something I hear a lot about. One of the top things that I kept hearing time and time again at the doors during this election was that seniors want to be able to stay in their homes for as long as possible.

I was interested in recommendation 8 in your package, which suggested looking at a potential tax credit for caregivers. I recently got my private member's bill, the Caregiver Recognition Act, to second reading. I'm interested in what you think this might look like. In my mind, a couple of barriers face folks wanting to stay at home: the cost of home care, the cost of renovations in the home to make it more accessible, the cost of things like plowing the laneway, etc. Is that what you might envision in a caregiver tax credit, a flexible type of credit that could help cover a couple of those different costs to allow people to stay in the home longer?

**Ms. Sue VanderBent:** Yes, including service, because people do need care. But we, as a society, have an obligation to start socializing the fact that our publicly funded system is—I'm always advocating for it, but it is a social safety net, and we cannot lose our social safety net. However, if you are able to pay for care, and thousands of Ontarians are—many people in this room might be doing that for their family. We need to socialize the fact that this is an acceptable and responsible thing to do to support society in general. It is an act of compassion for your family. If you choose to pay for additional care for your

mom or your dad, that's something that is a good thing. We need to preserve, at all costs, our publicly funded system and help it to grow, if necessary.

**Mr. Jeremy Roberts:** For sure. All of these issues are interrelated. If you improve home care, that means fewer people going into long-term care, which opens up beds for people stuck in hospitals. All of these, I think, are interconnected in many ways.

**Ms. Sue VanderBent:** They are, yes.

**The Chair (Mr. Stephen Crawford):** Ms. Skelly.

**Ms. Donna Skelly:** I just have one question: What is the difference between private, for-profit and not-for-profit home care providers? Are there differences? And if so, what is the difference?

**Ms. Sue VanderBent:** Yes. Publicly funded home care has diverse tax status—both for-profit and not-for-profit providers. The use of the word “private” is a complicated one—

**Ms. Donna Skelly:** You're telling me.

**Ms. Sue VanderBent:** I know—independent organizations.

**The Chair (Mr. Stephen Crawford):** One minute.

**Ms. Sue VanderBent:** We also have private providers—privately retained care, which is how I describe it. If you privately retain care from an organization, and every publicly funded home care provider that I know is delivering privately retained care—it's very complicated. The words “public” and “private” get very confusing. I would be more than happy to come and talk to you a little bit more about it. It's not an easy explanation in a sound bite.

**Ms. Donna Skelly:** Okay, thank you.

**Ms. Sue VanderBent:** You're very welcome.

**The Chair (Mr. Stephen Crawford):** Okay; thank you for your time. We appreciate it.

**Ms. Sue VanderBent:** Thank you very much for your time.

#### REGISTERED NURSES' ASSOCIATION OF ONTARIO

**The Chair (Mr. Stephen Crawford):** I would like to call up our next presenters, the Registered Nurses' Association of Ontario. Welcome to the Standing Committee on Finance and Economic Affairs. If you could please state your names for the record, you can get right into your presentation. I will give you a warning when you have one minute left.

**Dr. Doris Grinspun:** Thank you very much. Good afternoon. I'm Doris Grinspun, RNAO CEO. With me today is Kim Jarvi, RNAO senior economist. Thanks very much for this chance to present to you. In the brief time we have today, we will focus on the nursing components of our submission. The full slate of recommendations, however, is at the end of the speaking notes, as well as in the full submission.

Despite evidence that using more RNs delivers better clinical, organizational and financial outcomes, Ontario has a lower number of RNs per capita than any other

jurisdiction in Canada. As you will see from the graph on your handouts, the gap is only increasing. To catch up, we urge our government to direct the Ontario Hospital Association to post and fill the 10,000 vacancies that they have in store. Thus, our first recommendation is to provide hospitals with funding earmarked to immediately post and fill the 10,000 RN vacancies.

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To this end, RNAO calls on government to our second recommendation: to require all new nursing hires in acute care and cancer care hospitals to be RNs. Let's be clear. We are not suggesting laying off RPNs or PSWs; instead, what we are saying is that new hires need to be RNs. This is because patients are now so complex in acute and cancer care hospitals that they require the competencies of an RN.

Patients are being discharged much faster than ever before. This is why it will be important for government to follow our third recommendation: to require that all first home care assessments be conducted by an RN.

Our health system is more than hospitals, however, and more than home care also. In fact, no health system is strong without a robust primary care sector, a hallmark of a high-functioning health system. This leads us to our next recommendation: to relocate the 4,500 RN care coordinators currently in the LHINs to primary care, something we have been asking for since 2012.

An additional way to enhance timely access to care is to enable RNs to order diagnostics for non-complex conditions so that they can diagnose common ailments such as urinary tract infections and sore throats. Other countries, such as the UK and New Zealand, have done so for over a decade, yet Ontario is moving at a snail's pace. That hurts patients who have long waits in primary care and who end up going to emergency rooms. It's also bad for nursing home residents, who are sent to ERs instead of getting the care in their nursing homes. Thus, RNAO recommendation number 5 is that the Ford government do what's right for the people and implement independent RN prescribing in all sectors, including diagnostic tests, by 2019 and integrate RN prescribing into the curriculum for baccalaureate entry to practice in 2020.

We also ask our government to keep its strong interest in people experiencing mental health challenges and who are being seen by various health professionals, including RNs. Recommendation 6 asks that you ensure that RNs are allowed to continue to initiate and perform the controlled act of psychotherapy.

RNAO represents over 42,000 RNs, NPs and nursing students. In fact, RNAO represents the largest nurse practitioner group in Ontario. NPs are registered nurses who have a broader scope of practice based on advanced education, knowledge and skills. We urge our government to take care of this talented resource by embracing RNAO's recommendation number 7, which states that we should dedicate additional funds to ensure the new and existing NPs in primary care receive compensation equivalent to that received by NPs in hospitals. That's not the case today.

NPs can also significantly improve Ontarian's timely access. This is why recommendation 8 urges government

to remove legislative, regulatory and practice environment barriers to NPs' scope of practice, as detailed at the bottom of these speaking notes and in our full submission.

As we have learned from the Gillese inquiry, where we had status to present, our long-term-care sector must be strengthened. The funding models are archaic, and staffing is utterly inadequate for today's residents' complex care needs. Shockingly, when LTC homes improve outcomes due to evidence-based practice, their funding is reduced, like taking away a pilot if you don't have flight crashes.

This is why RNAO recommends transforming funding models in LTC to account for the complexity of resident needs and quality outcomes. LTC homes that improve residents' outcomes due to evidence-based care and therefore decrease acuity should retain all funding to reinvest in additional staffing for residents.

It is crucial that evidence-based practices are implemented in long-term care, as they are elsewhere. We ask you to mandate implementation of relevant RNAO BPGs when MOHLTC inspectors find homes are non-compliant.

**The Chair (Mr. Stephen Crawford):** One minute.

**Dr. Doris Grinspun:** Without adequate staffing, it is difficult to provide safe and quality care. We offer two recommendations: to legislate minimum requirements for LTC homes and to have no less than one NP for 120 residents and a skill mix of 20% RNs, 25% RPNs and no more than 55% PSWs to advance safe and quality care.

**Indigenous health:** We ask you to continue to fund RNAO to strengthen its partnerships with Indigenous communities to co-create clinical best-practice guidelines that are appropriate for Indigenous communities and to expand best-practice spotlight organizations that answer to their needs. We have done it with all other communities and we want to do that with Indigenous peoples as well. It's a program that is already in place. It's functioning beautifully, and we want to continue to do more of that.

Thank you very much. We're prepared for questions.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We'll start with the government side for questions. Ms. Skelly?

**Ms. Donna Skelly:** Sorry, did you have a—

**Mr. Doug Downey:** No, go ahead.

**Ms. Donna Skelly:** I was just going to say, we have been listening to—in fact, I think we had a presentation not too long ago from representatives from the nursing association. I guess one of the things that we have to say—as you know, we're a government that's looking at restoring fiscal responsibility to the province of Ontario. That's the mandate that we ran on and the mandate that we were elected on, and that's what the people of Ontario told us they want. What could you share with us to help us achieve that goal and still meet your objectives?

**Dr. Doris Grinspun:** Very good. Thank you very much, MPP Skelly. We have looked very much at the structural issues—for example, the number of agencies that exist and the multiplicity of agencies. While we support some of the shrinkage, overall, of big agencies and

perhaps merging them into one—we have had discussions with the deputy and the minister about that; also, the issue of the LHINs. We believe that the structural change alone will not deliver the outcomes, because you also need changes at the practice level. So while we support some of that and we're quite open about that—that's why we were asking, at the beginning, to move the 4,500 care coordinators, most of whom are RNs, from the LHINs to primary care for the same money, at no extra cost, to create a high-performing primary care system.

**Ms. Donna Skelly:** Thank you.

**The Chair (Mr. Stephen Crawford):** Mr. Cho.

**Mr. Stan Cho:** Thank you very much for your presentation. Nurses, obviously, play a vital role in our health care system, and I'm wondering if you can make any suggestions of other services that nurses can expand into to alleviate some of the pressures—

**Dr. Doris Grinspun:** Absolutely, I would be delighted to do that. The perfect example is RN prescribing, which is moving—I just came, actually, from consultations at the college. That is an agenda that RNAO put forward, but let me tell you, we put it forward in 2012. In 2012 it was in the Toronto Star. How long do we need to wait, when the UK has been doing it for 15 years? Moreover, we need RNs to be able prescribe lab tests. Without lab tests, it's very limited what the college can do.

I met also with the director at Minister Fullerton's shop, and this needs to become, later on, part of the baccalaureate into the practice. Minister Elliott and Minister Fullerton should work together—yes, a course, for the beginning, but then it should be embedded into the baccalaureate and into the practice so all Ontarians down the line can gain more from their own resources. This is not more RNs; this is not more pay; this is RNs that can do more for the public, and this will help all communities and all sectors.

**Mr. Stan Cho:** That's great. Thank you.

**The Chair (Mr. Stephen Crawford):** Any further questions? No? Okay. We'll go to the opposition side. Mr. Mamakwa.

**Mr. Sol Mamakwa:** Thank you for the presentation. It's good to see you.

I know that within the goal, the vision and the mission of Health Quality Ontario, they always talk about equity and equality for Ontarians. One of the things that happens in my riding, especially the remote First Nations and fly-in communities, is that there is too much needless death, unnecessary suffering and late diagnoses in those communities. The issue that we deal with is the jurisdictional ambiguity that exists between the province and the federal government.

One of the things that happened about a year and a half ago was between Nishnawbe Aski Nation and Ontario and also the federal government. There was a document—a tripartite process and an agreement—that was signed, called the Charter of Relationship Principles, to transform the health care system in the north.

How do you look at the nursing role? How do you see the RNAO supporting or improving the lives of the people in the Far North?

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**Dr. Doris Grinspun:** Thank you so much, MPP Sol, whom I've known for many years and who has been involved with the RNAO on various initiatives. You know that one of our priority areas is to actually walk side by side with Indigenous communities to support the needs of Indigenous communities. At the federal level, we have been pushing for self-governance for Indigenous communities, and more. That is why I spoke with Minister Elliott on the topic of the program that we have on-site that we want to continue because it's working wonders with all the various Indigenous communities, not only with First Nations but with all of them.

I also want to talk about the issue of minimum wage. That is a place where we are not onside with our new government. The Minister of Finance knows that. We believe that a minimum wage is important to get people out of the cycle of poverty. "Working poor" doesn't lead to anywhere.

But there are other pieces where we are talking. The safe injection—the new name for SIS; we have no issue with the name, because names to us say nothing. We are delighted that the government decided to continue with those. I tip my hat to Minister Elliott and I tip my hat to the Premier, who said no at the beginning and then signed the papers for yes.

**The Chair (Mr. Stephen Crawford):** One minute.

**Dr. Doris Grinspun:** What we are saying is, every community that needs the consumption services needs to have those. Again, we don't get stuck at the numbers because we believe numbers are this today, and tomorrow it will be different. I think that there are many ways that we need to work with your community—most importantly, to create hope, and hope is created by opportunities.

**Mr. Sol Mamakwa:** One of the things in health care, as well, when we talk about physicians, nurse practitioners, nurses, PSWs and RPNs, is the scope of practice. I know everybody seems to be very protective of their scope of practice. Do you have any thoughts on that?

**Dr. Doris Grinspun:** I can only speak for RNs and nurse practitioners. We represent the largest numbers of both. We also have ONA from the union perspective, which is totally onside with us on the issue of independent RN prescribing. The largest number of NPs are absolutely supportive of that, and we should move ahead. And then, physicians and NPs are also a different scope. We say: Optimize scope for everybody and Ontarians will get more from us.

**The Chair (Mr. Stephen Crawford):** Thank you very much for your presentation.

**Dr. Doris Grinspun:** Thank you so much.

**The Chair (Mr. Stephen Crawford):** We appreciate it.

That concludes our presentations for today. We will adjourn until February 7 at 9 a.m. for report writing. This meeting is now adjourned.

*The committee adjourned at 1655.*







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