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Standing Committee on Finance and Economic Affairs

Protecting What Matters Most Act (Budget Measures), 2019

1st Session
42nd Parliament
Tuesday 7 May 2019

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The committee met at 0900 in room 151.

PROTECTING WHAT MATTERS MOST
ACT (BUDGET MEASURES), 2019
LOI DE 2019 POUR
PROTÉGER L’ESSENTIELLE
(MESURES BUDGÉTAIRES)

Consideration of the following bill:
Bill 100, An Act to implement Budget measures and to
enact, amend and repeal various statutes / Projet de loi
100, Loi visant à mettre en oeuvre les mesures budgétaires
et à édicter, à modifier ou à abroger diverses lois.

The Chair (Mr. Stephen Crawford): Good morning, everybody. Welcome back to the Standing Committee on Finance and Economic Affairs. It’s good to be here.

We’re meeting this morning for public hearings on Bill 100, An Act to implement Budget measures and to enact, amend and repeal various statutes. Pursuant to the order of the House dated May 1, 2019, each witness will receive up to five minutes for their presentation, followed by up to 10 minutes of questioning from each of the two recognized parties on the committee.

Are there any questions before we begin? Okay.

COUNCIL OF CANADIAN INNOVATORS

The Chair (Mr. Stephen Crawford): We’ll call our first witness, the Council of Canadian Innovators. We’ll let you start right with the five-minute presentation. You may proceed. If you could state your name for the record.

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

Good morning, members of the committee. Thank you for allowing me to appear again before you to present on behalf of Ontario’s top technology leaders and comment on measures included in the recent provincial budget that will impact domestic innovators in Ontario looking to access more skilled talent, growth capital and new customers as they scale up their companies locally and globally.

For my remarks, I’ve decided to speak to the efforts this budget makes to increase what is called “freedom to operate” for domestic innovators and discuss the government’s plans to develop a made-in-Ontario data strategy.

After my remarks, I’d be happy to speak to other measures in the budget around increased access to skilled talent, including the new tech sector stream of the Ontario Immigrant Nominee Program, which our members advocated for, and the government’s plans to mandate set-asides in each ministry for research and development to be conducted by scaling domestic firms, similar to the successful Small Business Innovation Research program—SBIR—in the United States.

Today, in light of the growing awareness by Canadians of data-driven technology shaping the way we work, live and socialize, as well as the rapid advancements in artificial intelligence and machine learning and the growing concerns around surveillance capitalism, privacy and the power of big tech and its hold on Canada’s public policy discourse, I plan to speak to you about something that keeps our members at the Council of Canadian Innovators up at night: the lack of a 21st-century policy design framework that equips Canadians to handle the 21st-century economy.

In the past decade, the forces of globalization and rapid technology development have fundamentally shifted the basic drivers of economic growth from the knowledge-based economy, driven by intellectual property or IP, to the data-driven economy, driven by—and you guessed it—data.

Today, the most valuable companies in the world are all data companies. The new economy presents new challenges but also opportunities for Canadian businesses, individuals and Canadian policymakers. Canada’s innovators know that data flows have transformed commerce and made data the most valuable asset in today’s economy, hence the common adage that data is the new oil.

Businesses use data to create as well as access new markets and also interact globally with both suppliers and customers. But control over data and networks allows dominant firms to hinder competition from emerging start-ups and to extract monopoly rents from their customers. This is why Canadian innovators have called on the federal government to design a national data strategy to ensure that ownership, control, cross-border data and information flows serve the interests of Canada’s economy. It is also why we commend the Ontario government’s efforts to lead in the data-driven global economy through its Digital First approach and its creation of an Ontario data strategy.

The growing scale and scope of data generated by Ontarians creates an opportunity for Ontario businesses to be more innovative and create more jobs and more wealth in our province. Today’s global economy is growing exponentially in multiple complementary dimensions such
as processor speeds, memory capacity, fixed and mobile broadband for both adoption and bit rates, e-commerce activities, the sharing economy, IoT units installed, and other data generated.

Data assembled from ubiquitous sensors, coupled with ever more powerful AI and machine-learning engines and deployed through next-generation 5G networks, is transforming passive infrastructure into complex digital nervous systems. The collective ability—

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

Mr. Benjamin Bergen: The collective ability to amass, control, own and commercialize data will determine our ability to provide social services, security and jobs for Canadians.

I am going to be running out of time here, so the main piece that I want to actually pull forward is that what we would recommend to help deal with this challenge in the future economy is a potential data trust architecture. This should include access to data ownership, authenticity, security, as well as the rights, tracking, traceability, usage and value of data. Further development of these principles should be done through consultations with domestic innovators.

Ontario has an opportunity to both enshrine our regulatory principles, including data property rights, as part of the foundation of the global innovation economy, and signal to domestic businesses that our government is capable of governing in the modern technology era. The Council of Canadian Innovators and our 100 members from across Canada are keen to advocate for 21st-century policies that help all Canadians and Canadian businesses succeed as they scale up—

The Chair (Mr. Stephen Crawford): Okay, thank you very much, Mr. Bergen. We have to move to questions now. We have to keep to a pretty strict schedule and timing.

We’ll start five minutes of questions with the opposition side. Mr. Arthur.

Mr. Ian Arthur: Hi. Do you want to take just 15 seconds and finish the last bit of your presentation there?

Mr. Benjamin Bergen: Yes. I guess the last piece I would just mention is that our members are committed to helping the government understand the importance of data and how, potentially, a data trust could be set up to help grow the economy.

Mr. Ian Arthur: I understand in terms of growing the economy in the private sector. What do you think the potential is for this sort of regulatory framework to find the efficiencies that this government is trying to find, in terms of how the government functions?

Mr. Benjamin Bergen: I think that Canadian innovators can really offer two opportunities in the way that the current structure is set up. The first one, I would say, is that these are high-growth scaling technology firms, which means that they’re generating tremendous amounts of wealth, and that potentially has an opportunity to be a new revenue tool for the province, looking at trying to create more taxes that actually bring in the revenue that’s needed. I do think that a lot of these innovators have the capacity to make services more efficient and also have the capacity to lower cost. So I think that there is a real opportunity, if there is a collaboration between domestic innovators and the provincial government, to achieve some of their objectives.

Mr. Ian Arthur: One of the first significant groups to use big data in Canada was the federal Conservative Party under Harper, and it kind of changed the way elections are run in Canada and Ontario. Do you see any potential conflicts or problems arising if the government moves to a more data-based approach in the crossover between the political entity and the government?

Mr. Benjamin Bergen: I don’t know that I can speak specifically to the political connective tissue there, but what I would say is that as Canada designs a data framework, it’s very, very important that you look at three pillars: you look at privacy, you look at national security and you look at the economic opportunity. I sit here as someone who looks at it from an economic opportunity lens, but I would say that it’s very, very fundamental to look at it through a privacy lens as well, and also through a national security lens. As a data framework is being structured, it’s important that you get all those three pieces right.

I would say where data—and I’m not speaking in the context you mentioned, but when you actually look at data, it’s important that you have a governance structure, because if you don’t, that’s when things go wonky. That’s when people are able to use and usurp data in a way, potentially, like we’ve seen south of the border, where data is being used to manipulate elections, or being used to manipulate opinions. So my comment would be to focus on grounding a data structure that really meets the three pillars that I’ve discussed.

Mr. Ian Arthur: Okay. Does anyone else have—

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

Mr. Sol Mamakwa: Just a quick question on technology, on innovation: Is there such technology or innovation that exists to make clean drinking water?

Mr. Benjamin Bergen: Yes.

Mr. Sol Mamakwa: Because a lot of my First Nations have been on boil-water advisories for decades and decades, and I have a community that has had 25 years of boil-water advisories. This is Ontario, right, this is Canada, and it’s happening. I know it’s not really budget-related, but still, we still need to put resources into working with First Nations and possible options.

That’s all I had. Thank you.

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

Mr. Ian Arthur: How do we make sure that this is a homegrown solution? In building the regulatory framework, if we’re using data to kick-start the economy, how do we make sure that it’s Ontario and Canadian companies that are benefitting from this and not the monopolies that you talked about in your presentation?

Mr. Benjamin Bergen: I think that if we want to look at how you create and structure frameworks, it has to begin...
with conversation. I know that sounds a little bit simplistic—

The Chair (Mr. Stephen Crawford): One minute

Mr. Benjamin Bergen: —and maybe a little idealistic, but really it is about creating a framework where you have industry being able to engage with the provincial government, on an ongoing basis, on what that looks like. I would also say that you do need to include the civil liberties folks and you do need to include the national security folks in that conversation.

If you actually want to look at how data can be pulled through, you need to speak to the innovators on how they commercialize the data that’s being generated. If you look at something like Sidewalk Labs, one of the real challenges is that that framework wasn’t put in place as that agreement has begun to move forward, so you’re sort of putting the cart before the horse in that structure. You need to really set up a framework before you follow down that path.

The Chair (Mr. Stephen Crawford): We’ll move to the government side for questions. Mr. Roberts.

Mr. Jeremy Roberts: Thank you so much for being here and for your presentation.

I represent a riding in the west end of Ottawa, so we’ve got a lot of exciting tech and innovation happening there. The other day, I had a chance to tour the Bayview Yards tech innovation centre. Some of the companies that are starting up there are really exciting, and I kept being struck by the fact that some of the things they’re working on there had direct relevancy for us in government. There was a company called Desk Nibbles, which is creating an AI that can understand a company’s procurement needs and help create efficiencies on the procurement side.

I’m really interested in finding out how we can create that best environment so that that innovation coming out of the tech sector can be applied to government, and I think that Bill 100, laying out some of the digital-first strategy, starts to help get us there. I specifically want to zero in on some of the things we’re doing on the ServiceOntario front, because I think everybody, for years, has wondered why they can’t renew their driver’s licence through an app etc.

How do you think some of the Digital First stuff that we’re laying out can help us harness that innovation coming out of the tech sector to improve our government services?

Mr. Benjamin Bergen: If you look at how the current structure is set up around RFPs and some of the set-up, it’s very challenging for innovative firms like Desk Nibbles, which you mentioned, to even be able to penetrate the layers of structure that they have to go through in order to actually bid on, let’s say, an RFP or those types of pieces.

What we see in the budget, which I think is quite promising, is this SBIR type of program—they have similar in the United States—where a percentage of government procurement has to come from domestic SMEs. I think the next piece in making sure that’s a success is generating that actual mechanism where that engagement can occur.

Quite a bit of my time is getting requests from provincial and federal governments, on the civil service side, on companies that do what you just mentioned—provide better services—and acting as that connective tissue and creating the relationships, where folks who are actually doing the procurement know that Desk Nibbles exists, because so often that visibility is one of the really large challenges for these firms.

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

Ms. Donna Skelly: Good morning, Benjamin. I wanted to speak a little bit about the workforce. I’m not sure that Ontarians truly grasp the critical shortage of both skilled and unskilled workers in Ontario. You mentioned the OINP, the Ontario Immigrant Nominee Program. We are, just coincidentally, looking at how best to utilize access to that program.

If you had an opportunity to influence the outcome of the successful nominees, what would you do? Where do you see the greatest need?

Mr. Benjamin Bergen: Obviously, the province has a tool to be able to use the Ontario provincial nominee program as a driver of economic opportunity. In Canada, as an example, 220,000 positions in the tech space will not be filled by 2020; Ontario is the lion’s share of that number. Those are good-paying jobs; those are jobs that will generate a lot of tax revenue and other pieces like that, which is positive.

If we’re looking at how to use that program effectively, I would say that a percentage of it should be allocated towards the innovation economy or those who have tech skills—

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

Mr. Benjamin Bergen: —given the shortage and given that this is really where the future of the economy is and is going to continue to go. We put forward a proposal that 10% of the provincial nominee spaces go towards those who fill that tech niche.

Ms. Donna Skelly: Can I have a copy of that?

Mr. Benjamin Bergen: Yes. I’d be happy to give that to you.

Ms. Donna Skelly: Please.

Finally, with the limited time that we have left—and I just saw my colleague walk in, and he’s in the area of secondary education—is there something that you would do to encourage a homegrown solution?

Mr. Benjamin Bergen: Definitely providing additional spaces and opportunities in the computer science area would be one. One of the challenges that Ontario faces is a retention issue. As an example, 67% of graduates leave the University of Waterloo in computer science in order to go to other jurisdictions.

Ms. Donna Skelly: South of the border?

Mr. Benjamin Bergen: Predominantly, yes. So if we can figure out mechanisms or tools in order to keep those folks here, I think we have a real opportunity in order to help stop some of that leakage. You can add more and more spots, but if 67% of people are leaving—and let’s be candid; they’re often the top folks who are leaving—that’s an issue.

The Chair (Mr. Stephen Crawford): Okay. Thank you very much.
Ms. Donna Skelly: Thank you so much.
The Chair (Mr. Stephen Crawford): Thank you, Mr. Bergen. We appreciate your testimony.

CANADIANS FOR PROPERLY BUILT HOMES

The Chair (Mr. Stephen Crawford): We're going to move on now to the next witness, Canadians for Properly Built Homes. They will be via teleconference, so we'll test and see if you can hear us.

Ms. Karen Somerville: Yes, I can.

The Chair (Mr. Stephen Crawford): Okay, great. If you could state your name for the record, you'll have five minutes to present, I'll give you a one-minute warning, and then we'll go to questions.

Ms. Karen Somerville: Thank you.

Good morning. My name is Karen Somerville. I’m the president of Canadians for Properly Built Homes. Thank you for the opportunity to present today.

We’re speaking about schedule 47, related to the Ontario New Home Warranties Plan Act. Very serious issues with this act have been raised for more than four decades. There have been numerous studies related to this act over the years.

In December 2016, after more than a year of consultation and study, Justice Douglas Cunningham tabled his Tarion review report for the Ontario government. If implemented, Justice Cunningham’s 37 recommendations would basically dismantle the mandatory monopoly of Tarion Warranty Corp. as we know it today.

We’re opposing schedule 47. It does not come close to what Justice Cunningham recommended. Schedule 47 does not come close to addressing the very serious issues with Ontario’s new home warranties and Tarion.

Minister Walker recently described Tarion as broken. Schedule 47 does not fix Tarion. Since the Ford government was elected, an estimated 60,000 families have been forced to purchase a broken warranty. Why are Ontarians being forced by law to purchase a broken warranty?

A key recommendation from Justice Cunningham’s Tarion review is to end Tarion’s monopoly and introduce a competitive warranty model in Ontario like most of the rest of Canada has. This has also been a recommendation of other studies over the decades.

Minister Walker and his ministry staff have advised that they are still considering the recommendation related to ending Tarion’s monopoly. If Tarion’s monopoly is ended, then these proposed changes in schedule 47 are unnecessary.

Schedule 47 also falls significantly short of what Premier Ford and the PC Party said before the June 2018 election. Here are two examples. Premier Ford tweeted the following message: “Government should not have a monopoly on any business. I can’t stand it when politicians think they can run things better than hard-working Ontarians.”

Former PC critic for the MGCS, MPP McDonell, responding on behalf of then-PC leader MPP Fedeli, said in relation to what the PC Party would do, if elected: “We are on the record advocating for more flexibility in the new home warranty market and for greater independence of the dispute adjudication process, and we remain strongly in favour of legislation that would make these changes possible. Our amendments struck a balance by not abolishing the ‘public’ warranty provider outright, but allowing the government to prescribe acceptable alternative plans from licensed insurers.”

Many Ontarians are very disappointed that the new Ontario government is now stalling on moving forward with Justice Cunningham’s recommendations, particularly given what the PCs said before the election.

Ending Tarion’s monopoly and introducing a competitive model is also in line with the current Ontario government’s objectives of being open for business, while at the same time its “for the people” mantra.

CPBH views the following as the five top recommendations from Justice Cunningham’s report: (1) deliver new home warranty via competitive model—non-monopoly; (2) have separate entities for regulating builders and vendors from the warranty providers; (3) significantly improve the builder directory; (4) ensure that the homeowner only has to establish credible symptoms of a construction defect and not the cause of the defect; and (5) government must retain vital approval of rule-making on warranty protection and standards for builder and vendor regulation.

It is critical to note that homeowners often report that Tarion wrongfully denied their claims, including claims related to Ontario building code violations. When there are OBC violations, health and safety of the occupants are often impacted.

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

Ms. Karen Somerville: As the code is based on health and safety, the impacts of code violations can be devastating, including multiple traumas, compromised health, financial ruin and related psychological effects.

Bill 47 does not address the serious situation of Tarion wrongfully denying homeowners’ claims. There must be a process to address this serious issue. It’s important to note that Tarion has accumulated more than $275 million in equity, according to Tarion’s latest publicly available financial statements, dated December 2017. This, while many Ontarians continue to suffer from construction defects.

Ontarians urgently need and deserve adequate consumer protection on the largest purchase that most make: a home. Bill 47 does not come close to providing this urgently needed, adequate consumer protection, and this is why we oppose it. Thank you.

The Chair (Mr. Stephen Crawford): Thank you, Ms. Somerville. Perfect timing. We’re going to start with questions on the government side. We’ll start with Mr. Downey.

Mr. Doug Downey: Thank you, Ms. Somerville.


Mr. Doug Downey: I have a couple of questions. I guess I want to start with the current system with the
inherent conflict and talk about that a little bit in terms of the agency being the inspector being the adjudicator, protecting the homeowner and registering the builder. It wears a lot of hats at the moment. Can you address those inherent or perceived conflicts and the changes being proposed by our government and how we remedy that?

Ms. Karen Somerville: Absolutely. As you may know, Bill 166, which was passed by the Wynne government in December 2017, separated the regulator and the warranty provider. We understand that this is still proceeding. We’ve had difficulty getting information on this, but we do understand that a new AA has been set up and that some members of a board have been selected for that new AA. So we understand that is under way, and we appreciate that. We think that this is definitely something that’s urgently needed.

Mr. Doug Downey: So we’re moving in the right direction there, but you’re calling for competition in the marketplace—

Ms. Karen Somerville: Correct.

Mr. Doug Downey: Which branch of that would you prefer that we have competition in? Are you suggesting that there be competition in both parts?


Mr. Doug Downey: And you speak to experience in other provinces and the competition there. Can you give us some insight into what’s happening in those areas?

Ms. Karen Somerville: Absolutely. CPBH is a national organization, so we have complaints coming from across the country. It’s important to stress that there’s no perfect system. We know that. Homeowners would like a perfect system when they’re fighting to get their major asset fixed, but we know that there’s no perfect system. British Columbia is often referred to as the gold standard when it comes to new home warranty. They have multiple providers, as does Alberta etc. Just because there are multiple providers doesn’t mean that there are not going to be disputes. We see competition as a key mechanism for the warranty providers—government-approved warranty providers—to continue to strive for innovation, to strive to get better, to strive to have better minimum requirements. This is what we think Ontario needs and deserves.

Mr. Doug Downey: And there’s a perceived difference in adjudicated outcomes as well? What’s the process for that?

Ms. Karen Somerville: Justice Cunningham spoke to this, and I mentioned this when I listed our top five. The whole dispute resolution piece, Justice Cunningham spoke quite strongly about—that there needs to be a dispute adjudication mechanism. From what we can tell—and it’s certainly not in schedule 47—there has been no attention—publicly shared, anyway—to how disputes would be adjudicated. So what Justice Cunningham recommended is that there needs to be this strong dispute mechanism put in place. Should that fail, then they could still go to the Licence Appeal Tribunal, which is the option that people have today. But right now there’s that missing piece of dispute adjudication.

Mr. Doug Downey: Do you have any comments on improving the builder directory?

Ms. Karen Somerville: Oh, very much. I have many comments on that.

Mr. Doug Downey: Sorry; if I could be more specific: What would you like to see in that directory that’s not there now?

Ms. Karen Somerville: What we would like to see is that, for all construction defects, the new home warranty provider agrees—

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

Ms. Karen Somerville: —that those construction defects should be included in that builder directory, without exception. Right now, there are far too many loopholes. Even when Tarion agrees with the construction defect and provides warranty, in many, many cases, this is still not showing up in the builder directory. There should be no exceptions once those construction defects are confirmed.

Mr. Doug Downey: Okay. Thank you.

The Chair (Mr. Stephen Crawford): Okay. We’ll go to the opposition side for questions. Mr. Rakoczevic.

Mr. Tom Rakoczevic: Thank you very much, Chair. Karen, nice to speak to you again. Thank you for all of your really important advocacy on this important issue.

Ms. Karen Somerville: Thank you.

Mr. Tom Rakoczevic: I have a question. We’ve seen this government move very quickly on a number of other files, bringing things in very fast. We know that the issue of Tarion reform and a lot of the protections that are being discussed to protect new home purchasers—and, as you’ve said, this is perhaps one of the biggest purchases people will make throughout their entire life. What is the effect of taking so long to bring in the change that’s needed to protect these homeowners?

Ms. Karen Somerville: Thanks for that question. It has a profound effect on many, many families. In addition to what I’m doing today—speaking with you, and we’re working with different levels of government—we deal directly with homeowners who contact us looking for help. By the time homeowners come to us, they’re usually in very serious trouble. I can tell you, I’m sitting in my office looking at a stack of files from homeowners who are reeling from not having adequate consumer protection.

As I mentioned in my comments, the suffering takes on a number of forms: obviously the financial implications, but far too often it’s health; it’s psychological effects. This is Mental Health Week. Mental health is often severely impacted. If the government continues to study, and we understand from Minister Walker that they are continuing to study, far too many people are sitting there suffering as a result of this. The impact is very, very significant.

We do this as volunteers. We do not do this for any other reason. We do this because of the very, very important issues for Ontarians—and across the country, but obviously here in Ontario.

Mr. Tom Rakoczevic: Thank you so much for that. I believe you have deputed here before in committee, and you’ve definitely spoken to me and a number of other
members. Do you feel that your concerns are being incorporated in some of these changes or most of the changes? Do you feel the consultation was in good faith and that you and your group are being listened to?

Ms. Karen Somerville: In terms of the consultation process, we recently went through one again with the new government in Ontario, and we were deeply disappointed in that process. We expressed concerns as soon as it was launched that it wasn’t fair; for example, far too many Ontarians weren’t given a voice through that consultation process. So we do have very serious concerns that we’ve expressed to the ministry and directly to Minister Walker.

Even once a handful of us—there were not many people who got to participate in that consultation. Even once we got in the room, we felt that many of the messages had been heard repeatedly over the years and that there was very little new ground covered. So we just didn’t understand what the benefit of that most recent consultation was. These matters have been studied for decades. It’s time to move on and take meaningful action.

That was one part of your question, Tom. What was the other part of your question?

Mr. Tom Rakocevic: No, it was just if the consultation was good enough and if your concerns were being incorporated.

I have a last question. Do you believe that municipalities in Ontario and the provincial government are doing enough to protect prospective homeowners when new construction is being built itself? Do you believe that, at the stage of construction, enough is being done so that, once they are given the keys, they’re not put in the position they are in? Do you believe enough is being done there?

Ms. Karen Somerville: Absolutely not. We just made a submission to Minister Clark a few days ago about his new proposed legislation for increasing housing supply in Ontario.

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

Ms. Karen Somerville: Obviously, we agree that there needs to be increased housing, but municipalities are currently not adequately enforcing the Ontario building code during construction. We have provided a great amount of evidence and the Ontario government has accepted that evidence, but yet they are still not doing anything to address the lack of enforcement of the Ontario building code during construction.

If we build it right and have municipalities doing their appropriate job during construction, then it puts less reliance on the new home warranty piece. So we have lots of work to do in both of those areas.

Mr. Tom Rakocevic: Thank you so much for your important work and the questions that you’ve answered, and all the hours that you’ve volunteered, you and your group. It’s much appreciated.

Ms. Karen Somerville: Thank you.

The Chair (Mr. Stephen Crawford): Okay. Thank you very much, Ms. Somerville.

Ms. Karen Somerville: Thank you very much. I appreciate the opportunity.
introduce new rules to prevent fraudulent practices and enable better data analytics for detection.

To design this transformation to auto insurance in Ontario, the government wisely chose to build on an independent report submitted by David Marshall in April 2017. After months of consultation, Marshall concluded that Ontario’s auto insurance system is one of the least effective systems in Canada. He recommended a system that focuses on care, not cash, ensuring injury claimants receive effective treatment based on scientific evidence.

The reforms contained in the government’s blueprint will pull the delivery of auto insurance into the 21st century with e-commerce and electronic proof of insurance, while positioning the insurance industry for future growth through innovation. We also support giving consumers—

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

Ms. Kim Donaldson: —more options on the coverage they need and the prices they pay. These measures will help to improve the consumer experience for Ontario drivers.

These changes are long overdue and welcomed by both drivers and industry alike. We appreciate your time here today.

The Chair (Mr. Stephen Crawford): Okay, thank you very much. We’ll start with questions from the opposition side. Mr. Rakocevic.

Mr. Tom Rakocevic: Thank you very much for being here today. I represent a community that pays some of the highest rates in the entire country. Before I was a member of provincial Parliament, I spent a lot of time studying, and even talking to the IBC directly, as to why Humber River—Black Creek, in particular the Jane and Finch area, Brampton and other jurisdictions, pay some of—no, not even some of; the highest rates by postal code in the entire country. I went so far as to do some research, where I worked with police and transportation engineers to look at actual collisions and crashes within those areas themselves and compare them to other places. Are these places having more accidents? Not a chance; not even close. Is there more vehicular damage through crime happening in some of these areas? No.

Why are some of these constituencies paying so much, and what is the IBC doing to advocate for a more fair rate for these communities?

Ms. Kim Donaldson: I would begin by rejecting fundamentally the premise of your question. We know factually that your community does not pay the highest rates. We don’t dispute that they are burdensome to the constituents.

I think I’m going to get out of the way and let Ryan Stein handle this one. I don’t know where to start.

Mr. Ryan Stein: Certain areas, like you said, pay more for insurance—and I’m speaking more generally. I don’t have the numbers from the areas you’re talking about off the top of my head. But when you go into the data from the General Insurance Statistical Agency, which is the statistical agency for the insurance regulators across the country, there are jurisdictions where there are more accidents, there are more people filing claims, and the costs of those claims are more expensive. There are wide differences across the country.

What it ultimately comes down to is, where someone lives is an indicator of where they drive, where they go to the grocery store, where they take their kids to school, the type of road that they drive on, the traffic patterns in those areas, and is one of the top predictors for the likelihood of someone being in a collision and the cost of that collision. Our view has always been that a lot of the issues that have happened recently have been because of the old rules that govern how insurance companies use where you live in pricing. Those rules were developed around 15 years ago. Populations have changed and areas have changed, and we think that those rules need to change as well.

Mr. Tom Rakocevic: Okay, thank you for that, but—

Ms. Kim Donaldson: Actually, hold on a second. I think Todd would like to add something.

Mr. Tom Rakocevic: Well, hold on. You guys have both answered. There is a limited time, and I’d like to get on to something second.

This government is contemplating using credit rating as a risk factor as well. We’re already penalizing areas in this province where low-income families, working families and racialized communities are living, and now we’re looking at credit rating as another determinant. I just want to understand, from your perspective, what a person’s credit rating has to do with their driving record, which is what a person should be paying their rates based on—if you could explain that.

Mr. Todd Jerry: Sure. First of all, I’d just like to clarify one point. You say that our industry is picking on your constituents and others—

Mr. Tom Rakocevic: I didn’t say you were picking on them.

Mr. Todd Jerry: Okay; that was my inference there. I’d like to say that every premium is determined by claims cost. So when our members take in their filings to the regulator, it is all entirely statistics-based.

0940

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

Mr. Todd Jerry: In terms of reforming the process, we are very supportive of some of the measures that the—

Mr. Tom Rakocevic: I just want to hear about the credit rating, though, because we’re running out of time. Do you have a comment on that? I don’t mean to cut you off on that, but we don’t have much time.

Mr. Todd Jerry: Sure. On the credit rating, specifically?

Ryan, would you like to—

Mr. Ryan Stein: Credit rating is a proven actuarial indicator of risk. It’s just like any other rating factor. Just because it could be allowed doesn’t mean every insurance company is going to use it. And for an insurance company to use it, they need to ask for people’s permission to use it.

It’s also not something that just because you’re in a certain income class necessarily means that you have a good or bad credit rating.
Mr. Tom Rakoc evic: There’s going to be a correlation there. People in low-income communities, working-class families—

The Chair (Mr. Stephen Crawford): Thank you, Mr. Rakoc evic. We have to go to the government side for questions. We have five minutes. Mr. Downey.

Mr. Doug Downey: If we can move out a little bit from specific areas and talk about claims trends in general, what we’re seeing in terms of, whether it’s bodily injury, property damage—what’s happening, generally, in the auto world?

Mr. Ryan Stein: In general, on the property damage side, on the vehicle damage side, it’s happening across the country—the costs are increasing quite a bit. A lot of it has to do with vehicles that are becoming more sophisticated and therefore more expensive to repair. We’re examining that in more detail with our members because it is a relatively new trend that has emerged.

On the injury side of things—bodily injury accident benefits—there are cost pressures, particularly on the accident benefits side, that are going up. A lot of the reform announcements the government made about “care, not cash,” getting people to treatment faster, will help deal with that.

Again, we’re in Ontario, so I might as well say it: Injury claims costs are disproportionately higher in Ontario than they are across the country, which makes some of the reforms that the government is considering quite important.

Mr. Doug Downey: Do you anticipate much pickup in the minor injury guideline, in the MIG, by including mental health in the basket of available goods? Is that something that your members have heard from customers that they would use?

Ms. Kim Donaldson: I don’t know exactly how to answer that. Ryan? There are a number of ways to go at it.

Mr. Ryan Stein: I would just say that the minor injury guideline—what it really is, it’s pre-approved treatment, to get people into treatment faster, no hassle, so they can get, hopefully, better faster.

People will need a variety of different services. It doesn’t always have to be just for the physical therapy; it could be for the mental side of things. So we think looking at the guideline—or a program of care, is another way of looking at it—and seeing ways of updating it and making sure that people have appropriate treatment is a positive development.

Ms. Kim Donaldson: MPP Downey, were you asking us about take-up in the MIG or were you—

Mr. Doug Downey: Yes, and whether your members anticipate that that mental health piece will be used at the MIG level.

Mr. Ryan Stein: The MIG is pre-approved treatments. You lay out what is the treatment that’s available. Once someone goes in there, they go and get the treatment that they and their primary health provider thinks is the most necessary. So if some sort of mental health or psychosocial therapy or whatever is needed, it’s there for them, and it’s available for them to take up without any hassle.

Mr. Doug Downey: I’ll let Mr. Piccini ask a question.

The Chair (Mr. Stephen Crawford): Mr. Piccini.

Mr. David Piccini: Good morning. Thanks for being here today.

I just had a quick question about the implementation of this going forward, and if you could speak to any advice for the committee today on how to implement this, and specifically how electronic communication can streamline the process to save money, and how we can do this going forward.

Mr. Ryan Stein: Consumers want the options to do more electronically. Most people don’t have a claim. A lot of their interaction with their insurance company is annual, when they renew and then they get their pink slip or proof of insurance in the mail. People want the option to be able to get that electronically—and there are a few other documents, as well. So the legislative measures that were in the budget implementation bill are important. And getting the insurance regulator to finish on allowing electronic proof of insurance is going to be really positive for the consumer experience and give consumers the type of experience they get when they deal with other service providers.

Mr. David Piccini: Thank you.

The Chair (Mr. Stephen Crawford): Mr. Downey, one minute left.

Mr. Doug Downey: Sure. I know IBC is national, so you have some experience in Nova Scotia and they have the electronic pink slip there. How ready are the insurance companies to deploy this?

Mr. Ryan Stein: They’ve been ready for a while. I’ve seen some of the apps that they’ve developed, or the add-ons to their existing apps, to provide that option for consumers. They’re ready.

The Chair (Mr. Stephen Crawford): Ms. Skelly, 35 seconds.

Ms. Donna Skelly: Real quick: If it’s not in your glove compartment then, and you’re driving the vehicle, how will you prove that you have insurance?

Mr. Ryan Stein: Well, the apps are—it would be on a smartphone; you could save it in, like, your Apple Wallet. It would be there and then the apps have—and this is a requirement or it will likely be a requirement that you can send it to someone else who’s driving the car. So if I have it on my phone and I lend the car, say, to my brother, I can quickly fire off the card to him and he can use it.

Ms. Donna Skelly: I see my kids using it.

The Chair (Mr. Stephen Crawford): Thank you very much. We appreciate your presentation. Thank you.
Mr. Paul Harte: My name is Paul Harte. I’m a past president of the Ontario Trial Lawyers Association. I’m here today on behalf of that organization to provide some brief comments on Bill 100.

Our association is an association of lawyers who represent personal injury victims, and our mission includes, among other things, promoting access to justice and advocating for the rights of those who have suffered injury and losses as a result of the wrongdoings of others.

With respect to the budget measures pertaining to auto insurance—I would like to just briefly acknowledge the commitment of Mr. Downey, who has taken the policy lead on this important file. As referenced in the budget, the restoration of coverage for catastrophic injuries to $2 million from $1 million was an important improvement in basic coverage that most seriously injured accident victims need.

We appreciate that the overhaul of the auto insurance industry will be a multi-year process, and we look forward to continuing to assist the Ministry of Finance in building solutions that truly help injured policyholders and especially help restore the tort rights of innocent accident victims.

The remainder of my remarks will be directed towards two measures set out in Bill 100 touching on the Criminal Injuries Compensation Board and crown liability.

Schedule 11 will see the Criminal Injuries Compensation Board disbanded and, in the interim, compensation for pain and suffering will be reduced by 80% to $5,000. The board has operated, albeit imperfectly, for almost 50 years, and the system which provides compensation to victims of violent crime can certainly be improved. In 2007, the Ontario Ombudsman conducted an extensive review of the board and produced a report which accurately identified the principal failings of the criminal injuries compensation system. However, the Ombudsman also identified the root cause of that underlying failing, which was chronic underfunding. Some criticize the delay and procedural complexity of the board; however, it is important to recognize that the cause of that delay stems in large part from the underfunding. You simply can’t pay out compensation that you don’t have.

Schedule 11 promises a repeal of this imperfect system but provides no detail for the replacement. In the interim, schedule 11 proposes that the maximum one-time claim will be increased from $25,000 to $30,000. However, this, at best, creates a misleading impression of generosity because, at the same time, the limit for pain and suffering will be reduced from $25,000 to $5,000. This is the maximum amount available for an innocent victim of violent crime. An individual left a paraplegic as a consequence of being an innocent bystander in a drive-by shooting will get no more than $5,000.

It is true that Ontario currently provides some of the highest levels of victim compensation in Canada, but is that a reason to reduce compensation? After leading Confederation for decades, are we now in a race for the bottom?

The other schedule which is problematic is schedule 17, which proposes to repeal the Proceedings Against the Crown Act and replace it with a significantly altered new act. It is said to be clarifying and codifying established principles of law. That is not correct. The legislation goes far beyond that, and it will fundamentally change and diminish the ability of ordinary Ontarians to hold their government accountable.

The introduction of this legislation appears to have come out of nowhere. This schedule is, in many ways, a solution searching for a problem. It represents a transformational approach to limiting crown liability in Canada on a level not seen in any other province or territory.

To illustrate what appears to be particularly draconian legislation, I’ll refer to section 17. This is the provision which requires a litigant to seek court approval to bring a lawsuit against the government for bad faith. Not only do they now have to establish before the court that they have a reasonable possibility of success; they will be denied any evidence from the crown to do so.

There is an important Supreme Court of Canada case that every lawyer learns in law school, and it’s Roncarelli v. Duplessis. It’s a 1959 decision involving the abuse of power of then-Premier of Quebec Maurice Duplessis. Suffice it to say that under this legislation, Mr. Roncarelli would not have access to justice.

Again, we would implore this committee to slow down the process, get more stakeholder input, and take a very close look at this legislation. Surely we can all agree that there should be no rush to pass it.

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

We’ll start with questions from the government side.

Mr. Downey: I knew, when you said nice things about me, that you’d be coming up with two others. Thank you for being here.

Mr. Paul Harte: You have to be balanced.

Mr. Doug Downey: Absolutely. I am genuinely interested in schedule 17, on the Proceedings Against the Crown Act, and whether you perceive that any of it is based in judicial decision-making and whether you believe it has gone beyond that or whether none of it is based in previous decision-making—where that line is.

Mr. Paul Harte: I would say that there is an argument that there has been an extension of the common law over a period of many years which puts some limits on the extent to which governments can be sued, particularly, for example, for policy decisions as opposed to operational decisions.

However, the legislation that is currently tabled puts a much stricter limit on the sorts of activities that can be sued. One must ask the question: Why do we need to codify it? If the common law is the common law and it’s adequate for governments all across the country, why do we need to take the steps to codify it? Apart from anything else, we’re going to create an enormous amount of litigation as to what this all means. That, in and of itself, is going to bog down our courts at a time when R. v. Jordan...
has already put tremendous constraints on the court system.

Mr. Doug Downey: Thank you for that.

I’ll turn to the injuries compensation board. It has been problematic over the years, but I want to focus on the pain-and-suffering piece, the 25 to five. We’re obviously dealing with limited resources. If we’re moving from 25 to five, that leaves other resources on the table for others. We’re trying to find that balance—if I can ask for further comment on where that balance should be.

Mr. Paul Harte: Sure. So, 95% of the compensation that’s paid out by the board is in the form of pain and suffering. To the extent that that amount is reduced, that goes back into the general treasury. It’s certainly a question to ask: Should we be funding victims of violent crime? However, I would suggest that we can, we should and, as a potential suggestion, we should look to the victim surcharge fund, which was set up in part to fund criminal injury compensation and is used widely in other jurisdictions. Let’s make the wrongdoers pay to compensate fairly the victims of crime.

Mr. Doug Downey: Do you have any comments on the proceeds-of-crime piece? I know that’s not directly on point here, but it leads to victim resources, I guess—or it could.

Mr. Paul Harte: Sure. Off the top of my head, I’m a little bit concerned that that might be out of my bailiwick.

Mr. Doug Downey: Okay. Thank you.

The Chair (Mr. Stephen Crawford): Anybody else? Okay. We’ll move to the opposition side for five minutes. Ms. Shaw.

Ms. Sandy Shaw: Thank you, Mr. Chair.

I want to focus on schedule 17. Although I do take your comments around the criminal injuries tribunal, we haven’t talked about the cuts to Legal Aid Ontario. We, on the loyal opposition side, are very concerned about the condition of access to justice as it moves forward in Ontario. This is something that we’re paying much attention to.

Schedule 17: I wanted to talk about the fact that it is retroactive. That would mean that class action suits that are currently ongoing—there’s a class action suit which involves wards of the crown—would be impacted retroactively, which seems to me really draconian.

The other area, if you wouldn’t mind commenting on it, is actions when we have First Nations stakeholders. I know that NAN, specifically, has said they’re very concerned about how this would detrimentally impact their ability to have just settlements and really meaningful consultation about land claims and so forth.

Those two specific pieces: that it’s retroactive, and how these will affect some of the class action suits that are currently before the courts.

Mr. Paul Harte: Well, there’s no question that certain class action suits will be immediately extinguished, even those, as I understand it, currently framed in bad faith. They will be immediately extinguished, with the possibility of having then to bring a motion to get approval of the court.

This is important from an access-to-justice point of view, because section 17 of schedule 17 provides for no costs. So even if a litigant comes and is successful in establishing that there is some merit to their lawsuit, they will get no costs. A motion like that could cost $15,000, $20,000, $25,000 or $30,000. That’s a real access-to-justice problem.

With respect to the retroactivity of it, that’s one of the areas which, frankly—this act caught the bar very much by surprise. I think we need to take a look at how it’s going to affect, in particular, native land claims, and other existing lawsuits which are attempting to hold the government accountable, and in some cases the actions not of this government but of past governments.

Ms. Sandy Shaw: Thank you for that. It’s something that I think caught many people by surprise. This is a theme that we’ve been hearing again and again with Bill 100 and with many other things that the government is moving forward with: a complete lack of consultation. Can you speak to any meaningful consultation that anyone in the legal community had with this government when this schedule—particularly schedule 17—was put forward?

Mr. Paul Harte: I’ve had an opportunity to talk to a number of stakeholders—the Ontario Bar Association, The Advocates’ Society and so forth—and nobody saw this coming, and as far as I know there was no stakeholder consultation. I think it is reasonable to look at these issues and look at these acts, but I think at the same time there is no pressing hurry. There is no rush. We really need to take the time to get it right.

Ms. Sandy Shaw: We talk about the limiting of access to justice, which is a fundamental principle of any democracy, any civil society, really. Can you describe to us the worst-case scenario of this? We’re seeing it already, but on the international stage or even if we look at multinational companies that come here—are there bigger implications than individuals who are now limited in their access to justice in Ontario?

Mr. Paul Harte: It affects individuals. It also affects corporations. It affects organizations. All of these individual groups will be denied access to justice by the very high bar that is set for suing governments.

It’s also entirely inconsistent with our commitment to the United Nations declaration, which specifically requires states to provide financial compensation when compensation is not available from the victim or otherwise.

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

Ms. Sandy Shaw: Thank you. In the limited time that we have left, I just wanted to ask if you could comment, perhaps—if it’s appropriate—on the cuts to Legal Aid Ontario. Is that something that you would be willing to talk about?

Mr. Paul Harte: We as a society have to recognize the importance of our justice system and the importance that justice not only be done but seen to be done, and you simply can’t do that without having competent counsel.

I’ll tell you, I’m not a criminal lawyer, but I will say that it’s almost inevitable that our courts are going to be bogged down by unrepresented litigants. Unrepresented
litigants are the scourge of our system. I know that they’re unrepresented not through a fault of their own, but it’s an enormous cost.

Ms. Sandy Shaw: Exactly. And it’s costs—

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

Mr. Paul Harte: Thank you very much.

The Chair (Mr. Stephen Crawford): With that, we’ll conclude this morning’s session. We’ll resume today at 2 o’clock. I call this session closed.

The committee recessed from 1000 to 1400.

The Chair (Mr. Stephen Crawford): Good afternoon. Welcome back to the finance and economic affairs committee. We’re meeting this afternoon to resume public hearings on Bill 100, An Act to implement Budget measures and to enact, amend and repeal various statutes.

Each witness will receive up to five minutes for their presentation, followed by up to 10 minutes of questioning—five minutes from each of the two recognized parties here today.

Just as a reminder, the deadline to send a written submission to the Clerk of the Committee is 6 p.m. on Thursday, May 9, 2019.

Are there any questions before we begin? Okay.

FP CANADA

The Chair (Mr. Stephen Crawford): We’ll call up the first witness, which is FP Canada. Welcome to the finance committee. If you could state your names for the record, you can get right into your presentation of five minutes. I’ll give you a one-minute warning.

Mr. Stephen Rotstein: Great. Thank you. Hello. My name is Stephen Rotstein. I’m vice-president of policy and regulatory affairs, and general counsel, at FP Canada. Also with me today is Damienne Lebrun-Reid, who’s the executive director of the FP Canada Standards Council. Damienne oversees FP Canada’s standards and enforcement activities.

We would like to thank the members of this committee for inviting us to speak on Bill 100, the Protecting What Matters Most Act.

Today, I’d like to share comments specifically on schedule 25 of the bill, the Financial Professionals Title Protection Act, 2019.

First, please allow me to provide some context on FP Canada and the important role that our organization plays in the financial services landscape. FP Canada, previously known as the Financial Planning Standards Council, is a national, professional body dedicated to fostering better financial health for Canadians. We are the leading certification, standard-setting and standards enforcement body for the financial planning profession in Canada.

There are approximately 19,000 individuals holding the certified financial planner or level 1 certification across the country, with approximately half of those being here in the province of Ontario. We serve the public interest by ensuring that our certificants meet the rigorous education, examination, experience and ethical requirements for certification. In addition, through our partnership with IQPF in Quebec, we are working towards harmonized standards for all financial planners across the country.

FP Canada and our predecessor organizations have long held the view that individuals should not be permitted to hold themselves out as financial planners without the requisite knowledge or skills, and without accountability to a professional body, to ensure they are serving their clients’ best interests. As there is currently no legislative standard in place for those who claim to offer financial planning or financial advice in Ontario, we are therefore delighted to see that the Ontario government has taken steps to address this long-standing issue.

The Financial Professionals Title Protection Act will prohibit any individual from using the title “financial planner” or “financial adviser” unless the individual has obtained, and maintains in good standing, an approved credential from an approved credentialing body. This represents a very significant and positive step towards improving consumer protection in Ontario. It provides clarity to help consumers make informed decisions about whom to approach for financial planning or advice.

There are more than 9,000 financial planners in Ontario who currently meet FP Canada’s certification standards through one of our certifications. However, there are many more who claim to be financial planners or financial advisers without holding any credentials. This leaves Ontarians at risk of getting advice from somebody whom they believe to be qualified to provide financial planning advice who, in fact, may have no relevant expertise.

The Financial Professionals Title Protection Act will fill this gap. The legislation presents a sensible, balanced framework that will benefit consumers and the industry alike. It builds on existing foundations by recognizing well-established financial services credentials already offered by one or more reputable professional bodies.

Although this legislation represents a huge step forward, much work still remains. The nature of the act means that it will be up to the Financial Services Regulatory Authority, in consultation with stakeholders such as FP Canada, to develop specific regulations to ensure that title protection is meaningful, eliminates consumer confusion, and adequately protects consumers.

In particular, it will be important—

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

Mr. Stephen Rotstein: Thank you. It will be important for the corresponding regulations to provide clear distinctions in the definitions between financial planners and financial advisers. In addition, there needs to be a clear set of criteria as far as what credentialing bodies will be recognized, as well as the standards for the credentials themselves. It will also require clear, fair and well-founded transition rules. FP Canada looks forward to working with the FSRA, the government and other stakeholders to flesh out this new regulatory framework.

In closing, we applaud the Ontario government for taking decisive action on this significant consumer protection issue. We will also be encouraging policy-makers in other jurisdictions across Canada to follow Ontario’s lead,
as we believe it is in the interests of consumers to have a harmonized national standard for professional financial planning in Canada.

Damienne and I thank you for your time today, and we welcome any questions you may have.

**The Chair (Mr. Stephen Crawford):** Thank you, Mr. Rotstein. We’re going to start with the opposition side.

**Ms. Sandy Shaw:** Thank you very much for your presentation here today. I want to start with just being absolutely clear that there are no—in Ontario, are there any regulated financial advisers, whether it’s spelled S-E-R or S-O-R? There was some urban myth that that was a thing.

**Mr. Stephen Rotstein:** It’s funny, the distinction between the O-R and E-R. The E-R itself is supposed to be a protected term through securities legislation. However, there’s been kind of a massive misuse of the E-R and O-R. But to answer your question, the title “financial advisor”—let’s just say the O-R—is used broadly across the province but there currently isn’t a requirement to hold a certification in order to use that title. Many people who use that title will have a licence through a product regulator to sell mutual funds or insurance or securities, but they’re not currently credentialed.

**Ms. Sandy Shaw:** Okay. Most often, I would run into that distinction at a bank, for example—

**Mr. Stephen Rotstein:** A bank, a credit union, an independent individual; yes.

**Ms. Sandy Shaw:** Thank you for clearing that up.

We think this is a good thing, and I agree completely with you that this is a huge element of consumer protection and it is a confusing landscape, especially when people are planning for their retirement. It is critical that people get the right information.

I guess what I wanted to ask you about was the idea of the credentialing body. In many of our ridings—certainly mine; at Mohawk College, for example, they offer financial planning or financial adviser certificate programs. They wouldn’t provide the credentialing, or would they? How would the training bodies be incorporated in your credentialing program going forward?

**Ms. Damienne Lebrun-Reid:** FP Canada partners with and approves a number of education providers who provide core financial education or core curriculum, as we call it. They are a partner on the path to certification but they wouldn’t actually provide the certification. They’re providing some of the underlying educational building blocks that could lead and qualify someone through FP Canada certification paths to certification. There are still a number of additional steps, including certifying exams that are required.

**Ms. Sandy Shaw:** Okay. So you would help, through that body, perhaps, to advise on changing the curriculum, improving the curriculum? Is that what I just heard you say?

**Ms. Damienne Lebrun-Reid:** In today’s world, we already do provide guidance and approval, and there are requirements that must be met in order to be one of our approved core providers; yes.

**Ms. Sandy Shaw:** Okay. That’s great.

Then, I guess maybe for my own education around the move from FSCO to FSRA: I know it’s a big issue, but could you give me the elevator speech on how you see this impacting your industry?

**Mr. Stephen Rotstein:** Right. We’ve been a full supporter of the move from FSCO to FSRA. Basically, the organization will have more capacity to provide better consumer protection. With respect to this area, this is an area that’s currently not being tackled at all, so the FSRA would basically be providing the oversight of the credentialing bodies, which, again, is a big step forward. And then the credentialing bodies themselves would oversee the individuals who are credentialed.

**Ms. Sandy Shaw:** Thank you for that. For individual purchasers of product or financial advice, how do you anticipate they’re going to see this change?

**Mr. Stephen Rotstein:** Right. They’ll see this change because they will know, when they are sitting across a table from an individual, if they use the title “financial planner” or “financial adviser,” that they have an approved credential and that is overseen by a credentialing body. So if they have a particular complaint about that individual, they’ll know that they can basically go to that credentialing body and file a complaint through the disciplinary process.

**Ms. Sandy Shaw:** It’s shocking that this doesn’t exist already in such an important industry.

The last question I have is: Are there any other legislative frameworks requiring certification in Canada? You said no?

**1410** The Chair (Mr. Stephen Crawford): One minute.

**Mr. Stephen Rotstein:** There’s not. This is, in many respects, a unique model. It’s building on what exists right now, which is the voluntary certification system. As I mentioned, there are 9,000 people in Ontario who, voluntarily, have stepped up to the CFP or the level 1. So in that respect, it’s new. But again, it’s not new because there is that critical mass of people who have already stepped up to that certification.

**The Chair (Mr. Stephen Crawford):** Mr. Arthur: 30 seconds left.

**Mr. Ian Arthur:** I will have many constituents who will be very happy with this move, and they have been quite vocal in advocating for it.

To the government: I am impressed that there is a new set of regulations coming to Ontario.

**The Chair (Mr. Stephen Crawford):** We’ll go to the government side. Mr. Rasheed.

**Mr. Kaleed Rasheed:** Thank you, Stephen, for the presentation. I really appreciate it.

In your presentation, you mention that there are many more who claim to be financial planners or financial advisers without holding any credentials. I completely understand that the lack of title protection undermines professionalism and confidence in those offering financial
planning and advisory services. Can you please elaborate? What importance would title protection have for the average person looking for financial advice?

Mr. Stephen Rotstein: That’s a great question. There is a great deal of consumer confusion right now with the use of titles. People meet with people and they use titles like “financial adviser” or “financial planner,” and there’s almost an assumption that they must have expertise behind those titles, which doesn’t exist. Under this new legislation, it will make it clear that if you use the title “financial planner” or the title “financial adviser,” you have an approved credential and, secondly, that credential is overseen by the credentialing body. It addresses the issue of consumer confusion. It also allows people to make informed choices about who they see for the financial advice they are looking for.

The Chair (Mr. Stephen Crawford): Mr. Piccini.

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

I was wondering if you could touch on—take us back to then and now on the importance. What sort of ramifications does this have when we don’t have these sorts of title protections? What sort of ramifications does it have on one’s personal savings, on the financial realities?

Mr. Stephen Rotstein: That’s a great question. There has actually been a lot of research done that when people don’t get qualified financial advice, they don’t take advantage of programs and services that are readily available for them; for example, investing in TFSAs, investing for their kids’ futures through RESPs, or RDSPs if they have a child with disabilities. Getting qualified financial planning and financial advice has these long-term consequences if people don’t do the right type of planning. That will help address that, because they’ll see qualified individuals.

Again, it’s back to the point that I mentioned earlier about the consumer confusion. It will address the consumer confusion and allow people to make informed choices. I think trust is an essential issue in the financial services industry. You really need to be able to trust the person who is providing you advice. It will provide that level of trust for people to know that these people are being overseen by a credentialing body.

Mr. David Piccini: At the core, I suppose that with these title protections, we’re protecting the things that matter most—as you said, the TFSA, protecting your children’s future.

Mr. Stephen Rotstein: You’re definitely protecting consumers across Ontario; correct.

The Chair (Mr. Stephen Crawford): Any further questions? Mr. Downey.

Mr. Doug Downey: We’ll develop the regulations around it, the very specific pieces, and I’m sure you’ll have input and be a part of that.

In terms of the standard of care and the standard of practice with different credentialing bodies, how do you foresee whether we have one standard or at least a consistent standard?

Ms. Damienne Lebrun-Reid: Our certificants are currently held to a duty of loyalty to their clients, which includes putting their clients’ interests first. That’s a very significant and important trust and public protection measure. We know that there are currently different standards across bodies. There are also some individuals who are not held to any of those standards.

With this title restriction, clients and consumers will be able to know the standard that the individual they’re seeing is held to through the credentialing body.

The Chair (Mr. Stephen Crawford): Any further questions? Mr. Rasheed.

Mr. Kaleed Rasheed: Just one clarification for myself: What are some of the challenges—

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

Mr. Kaleed Rasheed: —that professional financial planners and consumers currently face without title protection?

Mr. Stephen Rotstein: The number one issue is consumer confusion, as I mentioned earlier—understanding the individual that you’re entrusting with your financial affairs, what skills and abilities and qualifications that individual has. People put their trust in individuals. With any other kind of profession, there’s an assumption that these people are going to be heavily regulated and overseen, but right now in the financial services industry there are titles that are restricted as far as product licence, but the title “financial planner” and the title “financial adviser” are not. That will address that consumer confusion.

Mr. Kaleed Rasheed: Thank you, Mr. Chair.

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

CANADIAN CIVIL LIBERTIES ASSOCIATION

The Chair (Mr. Stephen Crawford): I’d like to call up our next witness, the Canadian Civil Liberties Association. Good afternoon, and welcome to the finance committee. If you could state your name for your record and you can get right into your presentation for five minutes.

Mr. Michael Bryant: Sure. Thank you, Chair. Michael Bryant. I’m the executive director of the Canadian Civil Liberties Association, which for over 50 years has been a national NGO, independent of government. We don’t take any money from government. We receive all of our revenue from individual donors—mostly small donors. Those interested in learning more about CCLA can turn to ccla.org.

Thank you for inviting CCLA to this committee. I’m going to talk about schedules 17 and 23 of Bill 100. During questions, if there are questions about the changes to FIPPA, the freedom of information act changes, I’d be happy to answer those.

In a nutshell, nobody is above the law. That has been the Constitution and the law in Canada that we inherited from the Magna Carta more than 800 years ago. Arbitrary rule by governments has been deemed unconstitutional. The idea is that the people we elect should not be immune
from the same laws as the voters, and the same applies to the government. Yet if there’s a theme behind our concerns with respect to Bill 100, it is the abuse of power and the use of arbitrary rule.

Bill 100 changes and affects 199 statutes—199. The problem with jamming all these non-budgetary items into Bill 100 is that there is no opportunity for the government caucus to save the government from itself, which has to happen sometimes—no opportunity for the government caucus to raise these issues in a caucus meeting. It’s too late now; this bill has been time-allocated and it’s on the program to passage.

You haven’t had an opportunity, I say to the government caucus members, to hear from your constituents about how some of these 199 bills affect them. There’s no opportunity for opposition or a committee or the Legislature to express dissent or improve upon government bills. Many government MPPs will have learned about the contents of the budget bill when the budget was released.

It was too late by then; it was a fait accompli.

Why not put the entire legislative mandate into Bill 100, I ask? Why not put the whole thing in? Just get it all done in one bill. Why stop at 199? The answer to that question is the concern with this bill, and that is that we’re supposed to live in a democracy, where we get a chance to debate particular, important changes to our laws. I’m going to give you a couple of highlights in the budget bill that we are concerned about in particular.

Schedule 17, the governmental immunity bill: Under this bill, under the crown liability bill under schedule 17, the Indian residential schools class action, the one that changed our country, that was brought against the federal crown—if that were brought today against the provincial crown, it would be extinguished. Think about the change that came about as a result of that action—not involving constitutional or charter claims; involving abuse, neglect and negligence by the government against people. Chief Ava Hill is here, and many of her constituents were amongst the 80,000 people who were a part of that class action. Her grandmother was an attendee at residential schools.

If you pass this bill, those actions and those opportunities for actions of governments past—and that’s usually where these actions arise; it’s governments past—will not be given an opportunity to be heard by the courts.

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

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Mr. Michael Bryant: The Grandview survivors, kids in training schools who were abused who sued the crown successfully—those kinds of actions won’t be able to be brought against the government. That is a recipe for injustice. The particular provision of concern is section 11(5)(c) of schedule 17.

The anti-carbon tax bill is the second schedule, which is schedule 23 of Bill 100. In a nutshell, we would argue that the government is perfectly free, obviously, to undertake its fight against the federal government and fight against the carbon tax. But to play ventriloquist and to ask businesses and citizens to be the dummy to ape the political message of the government or else face a fine of $10,000—this is compelled speech and contrary to freedom of expression.

The Chair (Mr. Stephen Crawford): Thank you, Mr. Bryant. We’re going to start with questions from the government side. Mr. Downey?

Mr. Doug Downey: Welcome. This is a bit of a sidebar, but it’s unfortunate that provincial cabinet ministers don’t get to retain their “honourable” after they’re out of office.

Nonetheless, in terms of transparency—and I’ll start backwards with the last comment—the federal government had organizations sign declarations of belief before they would fund. I’m curious if the CCLA spoke out on that as well.

Mr. Michael Bryant: Yes. We were opposed to it and opposed to the way in which they did it. The constitutional case against it ended up being—well, there’s a case before the courts, and I don’t want to harm it, but we didn’t intervene on purpose, although we spoke out against it publicly. It was a similar concern and it’s around compelled speech.

In that case, the government—that government, anyway—turned around and said, “No, no, no, our intention wasn’t compelled speech; our intention was something else,” and there were some changes to the regulations that backed away from it. I thought it was an effort to create a wedge issue—I thought that’s what they were doing—but I guess they didn’t, because they backed away from it and then they changed the categorization.

This, on the other hand—we’ll have to see what the regulation says exactly and we’ll have to see what is precisely on the sticker, but if it is as it currently is, then it’s not regulating commercial speech like, say, what’s done to cigarette packages, where there’s a message which violates free speech, but it’s permitted because it’s—the protection around commercial speech is lower. This is political speech, the kind of thing that would come up during an election, the kind of thing that a party could pay money for advertising for, could campaign against. Whether or not it could provide that information through government-paid ads is a question mark under our current statute, but to force a citizen to be the messenger, we argue, is contrary to free speech.

Mr. Doug Downey: Similarly, when the HST was brought in and replaced the manufacturing sales tax—I’m sure you remember that—there was a conscious decision to make it transparent and to make it known to people that that tax would be there, so that the government couldn’t move it up or move it down without political gain or loss. Does the CCLA have an issue with the way the HST is—

Mr. Michael Bryant: No.

Mr. Doug Downey: So how is that different than making people aware of what’s in what they’re paying?

Mr. Michael Bryant: Well, we argue that the message conveyed in the sticker is “carbon tax bad,” as opposed to “HST is X; GST is Y.” The message is that this is costing more money. I think it’s inevitable that any reasonable person would read that sticker and say, “Hmm. Carbon tax
We’re saying that what you don’t have a right to do is force to participate in that and spend money on advertising. But else get fined $10,000 a day. There’s a big difference a citizen to say that, whether they agree with it or not, or carbon tax?

Mr. Bryant. May I ask, Mr. Bryan—Michael, I mean; Michael Bryant. I’m a First league said, that every time the carbon tax has been a ballot question is.

Mr. Michael Bryant: Right. Mr. David Piccini: I would submit to you—

The Chair (Mr. Stephen Crawford): One minute. Mr. David Piccini: —just building on what my colleague said, that every time the carbon tax has been a ballot box question in this country, Canadians have categorically voted against it. When we’re talking about communicating the real costs, I would submit again, and just for your comment, that when we’re trying to obfuscate and not be clear, just be frank with folks on what the costs are, isn’t that sending a political message too that, really, “We’ll make the decision for you. You don’t need to know the real cost”?

Mr. Michael Bryant: Right, and you have every right to participate in that and spend money on advertising. But we’re saying that what you don’t have a right to do is force a citizen to say that, whether they agree with it or not, or else get fined $10,000 a day. There’s a big difference between the two.

Mr. David Piccini: Okay.

The Chair (Mr. Stephen Crawford): We’re going to go to the opposite side for questions. Mr. Mamakwa.

Mr. Sol Mamakwa: Thank you for your presentation, Bryan—Michael, I mean; Michael Bryant. I’m a First Nations person. I’m from northwestern Ontario and the largest riding in Ontario but the smallest when you think about population-wise. Where I’m from, our communities have signed Treaty 9 with Ontario, with government and the federal government as well. I know that when you talk about Indian residential schools, when we talk about land claims, when we talk about the Sixties Scoop and extinguishment of any processes that may be there, I understand it. It’s very clear in your messaging.

I know that I’m a colonized person. This colonial system that we sit in: I’m in it. I’m just saying: How can we move forward when we talk about reconciliation with Indigenous peoples with this process in place if there are land claims? Does that mean there will be no more land claims in Ontario?

Mr. Michael Bryant: That’s a very good question. That’s why this should not be in a budget bill: so that that debate can take place. There might be government members who would say, “Well, wait a minute. We didn’t sign on to pre-extinguishing treaty and aboriginal rights claims,” but no opportunity is given to that, because how much debate took place on this aspect of the bill? The answer is “little to no.” How could you possibly give significant attention to it when there are 198 other bills that are being argued?

We’ve already indicated that we have constitutional concerns with this, that this does put Indigenous rights at some risk under this legislation, in addition to historic sexual assault claims that often don’t get discovered until decades afterwards.

Our view on crown liability is that the crown should be liable as anybody else and that where special exceptions need to be made to deal with the frivolous claims that are made by people, they need to be circumscribed as narrowly as possible. That was the recommendation of the Ontario Law Reform Commission many years ago.

This is the opposite of that. This takes two categories, one of which used to be allowed under the common law and the other which didn’t. It was the case that you couldn’t sue the crown for a policy decision, but you could sue the crown for an operational matter. But now, what has happened is that they’ve pushed them both into the same category and said that everything is policy. As a result, it would extinguish those claims that involve negligence or abuse or wrongdoing by the crown under this statute. Not only does it do that, but it does so retroactively, in that, if the action is currently under way, if they started the action before the bill was passed, they can extinguish the claim, and there’s a power in here that would allow cabinet to expand two categories not covered here so that, in theory, you or one of your constituents could bring an action against the Ontario government and the cabinet would say, “Whoa, we didn’t see that coming,” and then they could, through cabinet, extinguish that claim. This is a draconian abuse of power.

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

Mr. Ian Arthur: Thank you very much for your presentation. It was very, very good.

The retroactive ability is very scary, and the ability to extinguish claims. What are some of the other potential claims that you could see that this could affect going forward?

Mr. Michael Bryant: All MPPs are going to have a constituent who will come to their office and say that something happened to them or their family or their business that was wrong, and the constituency assistant will come back and say—let’s say it’s a slip and fall on crown property; it’s a matter that normally would go off to an insurance company and the action would be resolved. The constituency assistant will tell the MPP that what the person needs to do is bring an action against the government in Small Claims Court or otherwise.

The Chair (Mr. Stephen Crawford): Mr. Bryant, I apologize, but we have to move on. Thank you for your presentation. We appreciate it.
CANADIAN MANUFACTURERS AND EXPORTERS, ONTARIO

The Chair (Mr. Stephen Crawford): We’ll move on to our next presenter: Canadian Manufacturers and Exporters, Ontario.

Good afternoon. Welcome to the finance committee. If you could just state your names for the record and get right into your presentation—up to five minutes.

Mr. Mathew Wilson: My name is Mathew Wilson. I’m joined here by my colleague Alex Greco.

Good afternoon. Thank you for inviting us to appear before the committee to speak on Bill 100 and support the direction and actions being taken in budget 2019.

CME is the voice of and advocate for Ontario’s largest business sector. Manufacturing directly accounts for nearly 12% of GDP, 80% of exports and nearly 800,000 direct jobs. Factoring in the broad economic spinoffs, manufacturers drive nearly 30% of all provincial economic activity, 25% of all jobs and one third of all government revenues. At the same time, our sector, like the economy more generally, has struggled. Declining business investment in the province and the country as a whole has led to flat out, stalled exports and a lack of job creation.

Based on CME’s research with our members, the declining business investment stems from three significant challenges, all of which are being addressed in this budget, in this bill, and by the government more generally.

First, the cost of doing business in the province is significantly higher than most competing jurisdictions, which is leading to investment leaving the province. Over-regulation, high electricity prices and misaligned tax policies are just some of the major issues we hear from our members in this regard. We are pleased that the government is moving to reduce the cost of doing business through actions including the review of industrial electricity costs, the continued review of regulatory barriers and the elimination of wasteful, duplicative measures, along with directly reducing costs such as WSIB premiums.

One area which we had called for the government to address in this budget that was not included was to realign the industrial property taxes in the province. While the announced MPAC governance review is a good start, along with the previous commitment to cap the use of “highest and best use” provisions, Ontario industrial property tax rates remain significantly higher than residential and commercial rates in the province and remain massively uncompetitive compared to Ontario’s neighbouring jurisdictions. Additionally, adjustments have been made to cover a wide range of taxes over the years, but little attention has been paid to property taxes. This is an opportunity for future action, ideally as soon as the fall economic statement.

The second area of priority to reverse investment trends is to support investment and scale-up. The commitment to match the federal accelerated cost of capital allowance tax measures retroactively to November 2018 is a great start and welcomed by CME and our members. This measure directly supports investments by returning critical cash to companies which can use that money to reinvest in operations for growth. In addition to this specific tax measure, we were pleased to see the commitment to move forward with the proposed Ontario Job Creation Investment Incentive and to boost innovation through R&D and procurement reform.

Maybe the most critical and broad-reaching measure that we look forward to working with the government on developing is the modernization of the business support programs under the Open for Jobs Blueprint. Ontario needs investment support mechanisms to boost both domestic investment to help companies de-risk technology adoption and scale up, as well as to support foreign direct investment.

While we will work with members and government officials through the consultation process, one avenue for investment supports that appears to fit the structure outlined in the budget would be to provide investors relief from tax obligations on new investments. This is a model used and working in several US states. It allows companies greater flexibility when making investments. And while governments may forgo some revenues in the short term, they will collect greater revenues over the longer term of the investment.

The final critical area for growth that we were pleased to see in the budget was those measures to address skills gaps. In CME’s ongoing consultations with members, attracting and retaining the right workers is the top concern of 50% of executives, and over 75% of companies report skills shortages today that limit the growth of their companies.

The steps taken by the government on reforming the apprenticeship program and completing curriculum reform to focus on STEM skills are welcome measures for CME members.

In addition to these measures, we believe more steps could be taken to engage youth and women in careers in manufacturing, including through Open Doors programming, to showcase the wide variety of career opportunities that manufacturing and technical trades offer to students, their parents and school administrators. Additional support for employer-led training through the Canada-Ontario Job Grant would also be a great step moving forward.

We thank you for the opportunity to appear today, and we look forward to the discussion.

The Chair (Mr. Stephen Crawford): Thank you very much. We’ll start with questions from the opposition side.

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

I just wanted to focus a little bit on your comments regarding the residential, industrial and commercial tax issue.

When we all did this pre-budget consultation, we toured all of Ontario, and many of the municipalities were saying that they were struggling to make ends meet with some of their costs—they don’t have a lot of revenue tools, as you know, at the municipal level—and that they were looking for some relief from the government to help them address...
things like their infrastructure, their long-term care, their public health.

What we have seen subsequent to that consultation are some changes, starting with, I would say, public health, where some of those costs are downloaded, essentially, to the municipal tax base. There was a letter that came from all of the large urban mayors, who called what the government is doing “downloading by stealth.” The response from mayors and municipalities is that they are left with two choices: either to raise taxes or cut services.

In an environment where you’re looking for more competitive industrial tax rates, how do you see this impacting municipalities’ ability to address your concern?

Mr. Mathew Wilson: Certainly, we understand there’s a challenge with government revenues, frankly, at all levels of government. What we’re facing in our industry is, the industrial rates are so out of whack compared to, in particular, commercial rates and compared to our neighbouring jurisdictions that people are just not making investments here. So the real problem is that the longer companies go without investing, the less competitive they are and the less they’re able to hire people and reinvest in their companies. Longer term, what ends up happening is, there are less jobs, less investment, and so the tax base shrinks even further—

Ms. Sandy Shaw: It’s a downward spiral.

Mr. Mathew Wilson: It’s a downward spiral. So we need to find mechanisms to boost investment, to grow and broaden the tax base out to actually boost the revenues at the local level, rather than just looking at—in some cases, some municipalities are looking at the industrial level as just a cash cow for their municipalities. There needs to be some balance, or else companies won’t be there to pay for it.

Ms. Sandy Shaw: You’re not talking about the rate; you’re just talking about more people sharing the freight. Is that what you’re saying?

Mr. Mathew Wilson: It needs to be more a sharing of the freight, and the rate needs to come down to be more competitive. We’re talking about rates that are four and five times higher than, say, in New York or Michigan.

Ms. Sandy Shaw: Do you not see any difficulty with municipalities in trying to address the rate, given the constraints that they’re faced with right now?

Mr. Mathew Wilson: We do. What we’re worried about is, longer-term trends are spiralling down, and there will be even less people paying that dollar going forward, which will make them even worse off.

Ms. Sandy Shaw: I don’t think we have any further questions. Thank you for your presentation.

The Chair (Mr. Stephen Crawford): We’ll go to the government side. Ms. Skelly.

Ms. Donna Skelly: Thank you, gentlemen, for your presentation this afternoon.

I’d like to talk a little bit about the skilled trades gap. I find it quite interesting how unaware most Ontarians are of the lack of workers in many sectors across Ontario. Clearly, it’s an issue in manufacturing as well. Can you speak to that?

Mr. Mathew Wilson: Sure. I’ll just expand a little bit on what we said. When we survey our members in terms of what their—when we ask, “How can we help you invest and grow, and what’s the biggest barrier?” the number one barrier that comes back is a lack of skilled people. They are unable to invest in new machine equipment, in the next generation of products, because they don’t have people to run the machinery to even make the sales, in some cases. We’re not just talking about welders or electricians. We’re talking about everything from senior management right through to shop floor and administrative support; it’s all levels of the companies. We’re not talking about low-wage jobs in manufacturing. You tend to be talking about wages and compensations that are about 110%, on average, of what others are paying in the marketplace.

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The challenge tends to be, though, that there’s not enough inflow of people into it, so the sector has a bad reputation. People seem to think of the sector as what it was like 100 years ago and not what it is today, which is very high-tech and modern. So there’s a reputation image that we need to get over to help companies overall, and to bring more resources in and more youth into the sector. That’s why some of those programs—like Open Doors—to showcase what’s actually happening in modern manufacturing, to show what career opportunities there are for youth in those jobs—are really, really important to bring more students and more youth into the sector.

We know, from talking to a lot of companies and guidance counsellors and seeing it with my own kids in the education system, that they’re steered away from technical trades and skilled trades activities. We think that’s to the detriment of the economy overall and certainly the manufacturing sector more specifically.

Mr. Alex Greco: Just to add on to what Mathew has said, one of the things that we call for in our manufacturing strategy that we released in December was an apprenticeship strategy for Ontario. How do we look at an apprenticeship strategy that looks at tax credits for apprenticeships, looks at criteria for ratios, but also looks at initiatives like we’ve done at CME called Women in Manufacturing: raising awareness in terms of the opportunities for women to get involved in manufacturing and doubling the number of women in this sector. Those initiatives are important as well.

It’s not only about attracting talent here, but also being able to keep the talent that we have here at the end of the day. So looking at additional curriculum reforms, as Mathew mentioned, around STEM careers is important to try to cultivate that, and then moving forward as well, looking at a strategy where it’s not short-term; it’s looking at a skills strategy over the next 10 to 15 years so we can have long, sustainable economic growth over time.

Ms. Donna Skelly: And further to that, I would assume you’re supportive of the changes to the ratio, the journeyman—

Mr. Alex Greco: Yes, we are.

Ms. Donna Skelly: You mentioned briefly the need for a competitive environment, especially in light of the
challenges nipping at our heels south of the border. Often, we are told, the problem in Ontario is a revenue problem—hike taxes and we can solve our problems. Please speak to it.

Mr. Mathew Wilson: Well, the bottom line is, I guess I’d say that companies can only invest what they have. If someone else is taking money from them and just expects them to pay more and more, the less money they have to invest. We can show you graphs, if you’d like, that track profit levels and employment levels over time. The more profits companies make, the more people they employ and the more they invest back in their operations. If they don’t have profits, they can’t reinvest in people or in their products. So that, at the end of the day—I’m not going to get into political debates about what the right level of taxation is.

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

Mr. Mathew Wilson: We just know, economically speaking, that there is that direct alignment between the profitability of companies and their ability to reinvest.

Ms. Donna Skelly: And of course, as I said, the competition south of the border leaving Ontario.

Mr. Mathew Wilson: Yes. We’ve seen a decline, for example, in investment in this province from the US. We track cross-border flows of FDI, and we’ve seen a tripling of exports of FDI and a halving of imports of FDI. That’s a huge, huge problem. That means that Ontario capital is going to employ people in the United States, not the other way around.

Ms. Donna Skelly: Okay. Thank you.

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

CUPE ONTARIO

The Chair (Mr. Stephen Crawford): I’d like to call up our next witness. It’s the Canadian Union of Public Employees. Welcome to the finance committee. If you could just state your names for the record, you can get right into your presentation.

Mr. Fred Hahn: Thanks. Good afternoon. My name is Fred Hahn. I’m the president of CUPE Ontario. We’re the province’s largest union, with over 270,000 members, and provide quality public services in every community, large and small, all across Ontario. I’m here today to share our concerns on Bill 100.

Bill 100 is the budget implementation legislation, yet this gigantic omnibus bill of almost 200 pages, with 61 schedules, proposes massive changes that have little to do with the actual budget of the province. CUPE Ontario made a detailed pre-budget submission. While I won’t restate everything in that submission, I do want to offer an overview of our primary concerns regarding Ontario’s 2019 budget.

We strongly encouraged against cuts to important public services in our province, yet, to date, the Conservative government has exclusively focused on cuts rather than generating revenue by taxing those who can afford to pay more. That has resulted in devastating changes in Ontario:

- $1 billion cut from community and social services funding;
- $700 million cut from universities;
- health care funding that nowhere meets the demands of a growing and aging population;
- layoff notices in our schools;
- closing overdose prevention sites;
- cutting real spending, staffing and service levels for many other ministries in the most recent budget;
- cuts to child care and public health provision;
- proposing wide-ranging restructuring; and
- most recently, launching consultations to lower compensation outcomes for front-line public sector workers, workers whose compensation, by the government’s own data, has not kept pace with inflation for the last 10 years.

Ontario doesn’t have a spending problem. We are currently dead last of all other provinces in terms of the amount, per person, we spend on important public services.

Ontario has a revenue problem. That’s because profitable corporations, and the richest in our province—the top 1% of income earners—aren’t paying their fair share in taxes. If Ontario matched the corporate tax rate already in place in some other Canadian provinces, this one measure alone could generate up to $5 billion from Ontario’s economy. This is only one measure to raise revenue that could be employed. Refusing to generate revenue to fund the growing demand for public services can only lead to the people of Ontario further paying the price.

Our written submission has more detail, but let me highlight some of the concerns we have with Bill 100.

Schedule 17 of the bill makes it virtually impossible to sue the government for misfeasance or neglect, and eliminates financial liability for harm or loss resulting from misfeasance and neglect. The people of Ontario expect that their government will be accountable for their decisions and should be liable for any harm or loss that those decisions cause. Our union—myself personally—took the previous Liberal government to court in respect to its Hydro One privatization plan on charges of misfeasance. There are literally millions of people across Ontario, not to mention both the Conservatives and the New Democrats, who were vehemently opposed to the Wynne Liberals’ plan to sell Hydro One.

This move is inherently undemocratic. It reduces the ways that the people of the province can hold their government to account. We ask you to delete this schedule.

Schedule 39 assigns one minister—notably, not the Minister of Labour but the Minister of Training, Colleges and Universities—the authority to override signed, ratified and legally binding collective agreements. It further removes provisions to abide by the Labour Relations Act and the Employment Standards Act. Collective agreements, besides being legally binding documents enforceable by Ontario’s courts, are the very foundation of the charter-protected freedom-of-association rights as interpreted by the Supreme Court to include meaningful access to collective bargaining and the laws of our province that stipulate that workers’ rights must be respected.
The Chair (Mr. Stephen Crawford): One minute.
Mr. Fred Hahn: This schedule violates the Charter of Rights and Freedoms and it must be deleted.

On schedule 53, please review the upcoming detailed submission by the Ontario Council of Hospital Unions, which we fully support. But let me say this: Changes to the Public Sector Labour Relations Transition Act will cause direct harm to front-line workers and the services they provide, particularly in health care. They are unnecessary if the Minister of Health’s comments regarding “no intent to privatize” are to be believed.

The protection for workers caught up in restructuring of services has been in place for many years. It was brought in by a previous Conservative government. If this government’s comments about protecting front-line workers are to be believed at all, why would it remove protections that a previous Conservative government enacted? We join the call of others to delete this schedule.

While there are other concerns that we have regarding this massive piece of legislation that are detailed in our brief, these are some of the most pressing concerns of our members. Thanks for your time and attention.

The Chair (Mr. Stephen Crawford): Thank you very much. Right on time. We’ll start now with the government side for questions. Mr. Rasheed?

Mr. Kaleed Rasheed: What do you think our current deficit is right now in this province?

Mr. Fred Hahn: I’m well aware that there is a deficit. There was a deficit under the previous government. Of course, your government changed the way that it calculated the deficit. If we’re worried about the deficit—and I would say to you that our members are worried about it, as I think the government is, as I think every Ontarian should be—then we should be responsibly dealing with how we address that deficit. That means we should look, of course, for the best way to spend public money. But it is irresponsible to imagine that we can deal with the deficit in our province and deal with the growing demand for public services without generating revenue—particularly generating revenue from those who can well afford to pay more—when we have other jurisdictions in our country that actually are taxing profitable corporations at a higher rate, being able to generate revenue that can fund public services, and when we have other provinces all across Canada that are spending more per person on their schools, on their hospitals, on their universities and on their child care centres.

When Ontario is dead last in the amount that it spends on public services, then it seems to me that it is irresponsible to not talk about revenue generation, particularly when there’s room to generate revenue. When those contributions by corporations that actually help to fund public services—infrastructure like our roads, making sure that we have good schools, good training in colleges and universities—what that means is that that’s good for business.

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All of those business people, of course, operate in communities. They rely on public health care. They rely on services in their communities that we require funding for.

Mr. Kaleed Rasheed: So—
Mr. Fred Hahn: So in order to deal not only with the deficit—

Mr. Kaleed Rasheed: If I may, please. I asked a question about what the current deficit is—and thank you for all your presentation here. It’s right now roughly approximately $11.7 billion—billion. Are you suggesting that running a deficit and increasing the deficit on the backs of our children—I’m a father of four kids—basically on the backs of our kids is something you’re suggesting is all right?

Mr. Fred Hahn: That is not what I’m suggesting at all. In fact, I think what I said in my comments is that if we matched tax rates that are in place in other regions, we could generate $5 billion. If we increased the marginal income tax rate on the richest 1%, we could generate additional billions. If we looked at the way in which corporations are able to take profits generated in Ontario and put them in offshore accounts and not have to pay taxes on them, we could generate additional resources. We could deal with the deficit that’s there, but we could also fund services so that the children that you’re talking about, who will have to inherit a deficit, aren’t also inheriting communities that have fewer schools, that have no hospitals and that have no services for them, because when we talk about what’s important for the next generation, we should also be talking about the services that they’re going to need to rely on.

Mr. Kaleed Rasheed: I’m going to give my colleague a chance, but just before: Businesses create jobs. We have to remember that as well, too. It’s extremely important.

The Chair (Mr. Stephen Crawford): Mr. Piccini?

Mr. David Piccini: Thank you, gentlemen, for your presentation today. I just had a very quick question as it pertains to the skilled trades. Generally, I note that CUPE has a trades committee, so I read that with interest and I applaud their work for ensuring an accessible environment for skilled trades. With respect to skilled trades, do you support the steps the government is taking to expand the promotion of skilled trades, through avenues like Skills Ontario, in elementary and high school?

Mr. Fred Hahn: There should be, of course, an important focus on the important work that our tradespeople do in communities. We’re proud to represent tradespeople who work in schools, in hospitals and in long-term-care facilities across the broader public sector. The challenge we have with some of the proposals that the government is making in relation to skilled trades is that it’s unclear how those trades are going to be regulated and managed and, in fact—

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

Mr. Fred Hahn: —when promoting skilled trades throughout our public sector, how we ensure those good jobs that exist in communities are actually there for future generations.

Mr. David Piccini: So you do, though, notionally support expanding awareness among parents and in elementary and high school?

Mr. Fred Hahn: Yes, I think that all of these options have to be provided because, as I think was noted in a
previous question, we’re going to bump up against a job shortage, not just in trades but in other places. As wages are driven down by some of the other initiatives of government, the competition for workers is going to become more fierce.

Mr. David Piccini: Just one quick one: Do you support the ratio change, reducing the ratio to 1 to 1?

Mr. Fred Hahn: The ratio change is challenging and difficult because ratios were different in different trades. In fact, in some places, having a 1-to-1 ratio can be dangerous. In fact, what we need is for apprentices to have the ability to move between different journeypersons in order to learn skills and to be able to actually better apprentice. In some venues, 1 to 1 doesn’t actually work.

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

We’re now going to move to the opposition side for questions. We’ll start with Mr. Arthur.

Mr. Ian Arthur: Thank you very much for your presentation and for coming here today. I want to talk a little bit about schedule 17 and the issues you flagged. You represent 270,000 public service workers. That’s a large group that, particularly, has the ability to be affected by government decisions, potentially in a negative manner. To lose that recourse, that’s got to be particularly hard-hitting for a group such as CUPE workers in Ontario. If the government is negligent in some form, are you losing your recourse?

Mr. Fred Hahn: Well, our read of schedule 17 is that it would make it virtually impossible not just for any of our members but for any Ontarian to pursue this course to hold the government to account. Frankly, that should be a concern for every Ontarian. It is buried deep in a very large piece of omnibus legislation. It is getting, I think, very disconcerting that some of these incredibly important issues have very little time and attention and very little ability for people to make comment on them. Yet they make drastic changes, all of which are associated with implementing a budget, but many of them are connected to things that don’t seem to relate directly to the budget of the province at all. So that is fundamentally problematic and ought to be something about which we are all worried.

Ms. Sandy Shaw: Thank you very much.

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

ONTARIO CHAMBER OF COMMERCE
CHALLINOR AND SAFAYENI

The Chair (Mr. Stephen Crawford): I’ll call up our next presenters, the Ontario Chamber of Commerce. If you could please state your names for the record, and you can get right into your presentation—up to five minutes.

Ms. Ashley Challinor: Ashley Challinor, vice-president of policy.

Mr. Daniel Safayeni: Daniel Safayeni, director of policy.

Ms. Ashley Challinor: We’re pleased to have the opportunity to present to you on the 2019 Ontario budget. In January, we submitted our pre-budget submission, which provided recommendations focused on building a stronger Ontario, driven by consultation of our 135 chambers of commerce and boards of trade across the province.

We are encouraged by this government’s robust plan for returning the province to a balanced budget; however,
this should not come at the risk of limiting long-term economic growth. This was recently underscored in the Bank of Canada’s latest growth projections for Canada, which were downwardly revised by half a point to 1.2%, citing a number of factors, including Ontario’s budget, which had less spending than previously anticipated.

As Ontario’s business advocate, we’re here today to share our message: Accounting for Ontario’s debt in a reasonable manner, while focusing on strategic investments and competitive taxation, will ultimately contribute to a stronger Ontario.

To begin, 75% of OCC members state that the ability to recruit and retain talent is a critical factor in their competitiveness. Addressing Ontario's skills mismatch, which disproportionately affects our members outside of the greater Golden Horseshoe, will be a major determinant of the province’s economic success now and in the future.

Reforming skills and employment training programs and improving the Ontario Immigrant Nominee Program are both critical steps included in this budget that will help create a more agile and competitive workforce. We look forward to learning more about how the government intends to make these changes.

Next: Experts estimate that Ontario has an infrastructure deficit north of $20 billion, and that is limiting economic development. Our underfunded transportation, utility and telecommunications stock is keeping Ontarians away from services, information and jobs while preventing businesses from tapping into value chains and efficiently getting their goods to market. Growing demographic and environmental pressures will only add to these challenges in the future. It is more important than ever to deliver timely infrastructure projects in a way that yields the highest return on taxpayer dollars. If chosen and delivered strategically, these investments can be a powerful engine for economic growth.

We are pleased to see the government’s planned investments of $14.7 billion in the province’s infrastructure over the next 10 years. We hope they will focus investment in areas that we know will lead to economic development and growth. We urge the government to share more details on the plan, including how it will work with the federal government and the Infrastructure Bank to maximize investments. OCC members want to see this money out the door and invested in projects that will make life better for Ontarians as soon as possible.

We also wish to note that a lack of access to high-speed Internet is compromising the ability of communities across the province to attract industry and talent, innovate and modernize, collect important data, educate their populace, and engage with the rest of the world. Smart and strategic spending when it comes to expanding broadband access will have an immediate benefit to our economy and our communities. We are therefore pleased by the government’s $315-million investment in critical broadband and cellular infrastructure over the next five years.

Thirdly, we wish to speak about competitive taxation. Building a more competitive tax environment is critical to fueling investment, innovation and economic growth, particularly in times of fiscal restraint. The Ontario Job Creation Investment Incentive will provide much-needed tax relief for industry while promoting investment and job growth. However, we will continue to urge the government to help small businesses scale up by converting to a variable small business tax rate, among other proposals.

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

Ms. Ashley Challinor: Finally, we wish to acknowledge that the government has already moved swiftly on a number of measures aimed at reducing red tape, such as the Making Ontario Open for Business Act, the Access to Natural Gas Act, and the Restoring Ontario’s Competitiveness Act.

That being said, we were disappointed to see proposed legislation in budget 2019 requiring gas station operators to display a sticker on their pumps showing the purported impact of the federal carbon tax. This initiative is an example of unnecessary red tape, as it is both a new administrative burden and an increased cost to business due to the punitive and outsized fines for non-compliance. Simply put, you cannot fight red tape with more red tape. Beyond this, it sets a dangerous precedent of unjustified compelled speech to the broader business community. We call on the government to remove this section of the legislation.

In conclusion, a thriving private sector is the most important source of employment, greater living standards, and well-being for all Ontarians. We’re pleased to see that the government of Ontario has heard many of the recommendations we’ve made and look forward to working with them to support—

The Chair (Mr. Stephen Crawford): Thank you very much. We appreciate it.

We’re going to start with questions from the opposition side. Ms. Shaw?

Ms. Sandy Shaw: Do you want to finish?

Ms. Ashley Challinor: Just a little bit of niceties to close off—

Ms. Sandy Shaw: Then we’ll pass on that.

Ms. Ashley Challinor: —but thank you very much for having us. That’s fine.

Ms. Sandy Shaw: All right. Thank you very much for your presentation here. I want to focus on some of the things you talked about related to the government’s budget and how, really, what we see is that this is such short-term thinking, and what you reference here is that we need to be looking at long-term economic growth.

I know that when the fall economic statement came out, there was a downgrade, as you would know, and Moody’s said specifically that the “actions taken by the current government to reduce revenue levels will add to the budgetary pressures facing the province.” They took that into consideration in terms of the downgrade, their ability to generate revenue, but then we have the Bank of Canada, as we’ve said, quite concerned about the lack of investment or the lack of spending that is in this budget.

Can you just expand on your concerns that the current budget is not really addressing a healthy long-term economic development strategy?
Ms. Ashley Challinor: I’ll start by saying that we were happy to see that they do have a plan for getting back to a balanced budget. It’s a longer-term plan than we expected, so in terms of fiscal restraint, they have indicated that they’re planning to take a longer-term view on that front.

We released a report earlier this year looking at Ontario’s debt in a greater context. We did find a couple of interesting things, one of which is that Ontario does have a very unique context. We tend to be compared to other sub-sovereign nationals with respect to the level of our debt, but we have greater responsibilities than, say, US states, health care being a good example of that.

Ontario also, like many other of our competitors, is operating in a low-interest-rate environment, and so that does give us more flexibility when it comes to taking on debt or taking a longer time to deal with our debt and deficit. With that respect, tying it into some of the asks that we’ve had in the budget, there is room for this government to invest in those things that we know produce economic growth and contribute to economic development. We’re highlighting infrastructure and skills development, workforce development, as two of those big ones that we think the government should focus their investments on.

Ms. Sandy Shaw: Thank you. If I focus on some of the cuts that this government has introduced in this budget and previously, especially to things that are cutting to our education system, post-secondary education and also the health care—the inflationary cut, essentially, in our health care budget—if people are looking to come and invest, investors are looking to come to Ontario, they are looking for a skilled workforce. They’re looking for an ability for people to access adequate health care services. Do you have any concerns about our underfunding of these huge systems that really keep Ontario a competitive place?

Ms. Ashley Challinor: Generally, our members believe that there are more efficient and more strategic ways that government can be spending the money they already spend, especially when it comes to health care. We’ve done a lot of work on what that means, to transform the health care system to be more patient-centric and more outcomes-focused and less focused, necessarily, on the inputs to the system.

Ms. Sandy Shaw: So in the short term, you have no concerns that there’s less than an inflationary increase to the health care budget?

Ms. Ashley Challinor: That’s a difficult question to answer, because all of the health care transformation they’re making is a bit of a long-term play. But to speak briefly to education, we want to ensure that Ontario students are getting all of the skills they need for entering the workforce and that the government’s efforts to balance the budget don’t undermine the future of our students.

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

Ms. Ashley Challinor: But K-to-12 education is part of a larger ecosystem when it comes to fixing the skills mismatch. There’s also post-secondary, there’s employment training for adults and of course, the way that we bring in immigrants and integrate into the workforce as well, so it is a larger context.

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

Mr. Ian Arthur: We may not have time for an answer here, but I’ll ask very quickly: I know the insurance industry has done a lot of work on projections of the climate crisis and what that means. Is the chamber working on impacts for small businesses and lost days of labour and infrastructure damage? Is the chamber working on those projections?

Ms. Ashley Challinor: We’re currently working on it. We’re working with the Canadian Chamber of Commerce on that. It’s something that you’ll probably see coming from the Canadian chamber: more commentary this year.

Mr. Ian Arthur: Okay. Thank you.

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

We’re now going to go to the government side for questions. Mr. Roberts.

Mr. Jeremy Roberts: Ashley, Daniel, thank you both for being here and for your presentation and your constructive feedback on our budget. I’m pleased to see that there are a lot of things that I think we’re in sync on here in terms of our plans to move towards a more “open for business, open for jobs” type of mantra.

You talked a little bit about the tax competitiveness angle. We just heard from our previous witness. He was advocating that we increase taxes on businesses in Ontario. I’m just wondering: Is that the sort of thing that you guys would agree with in terms of increasing our tax competitiveness, or are you looking towards more job-friendly tax programs?

Ms. Ashley Challinor: I haven’t heard from our members if they support tax increases on business. They tend not to. The concern that we have with tax competitiveness isn’t necessarily the rate of taxes alone; it’s also the competitiveness of our tax system and the different mechanisms within that tax system that allow businesses to be competitive. I mentioned a variable small business tax rate. That would mean that small businesses would ramp up to the official corporate tax rate rather than making that big jump between the current rate and the corporate tax rate. Things like that can make it easier for businesses to adjust to tax increases without the government having to increase or cut taxes, necessarily.

Mr. Jeremy Roberts: Sure. And of course, part of that competitiveness aspect, too, is making sure that we have the right level of skilled trades and skilled employees. Is that something that you can touch on a little bit, our measures in the budget to modernize our skilled trades and apprenticeship programs?

Ms. Ashley Challinor: We were very pleased with the decision to remove OCOT and change the ratio for apprentices, as well as the language around reforming the apprenticeship system generally and making it more digital and easier for apprentices and employers. We have a lot of thoughts on how you can go about doing that, and we’re looking forward to the opportunity to get more in-depth with those thoughts with the government.
Mr. David Piccini: We heard from our colleagues across the way earlier about short-term thinking. Can you tell me if the sorts of increases to minimum wage that we saw under the previous government are an example of short-term thinking?

Ms. Ashley Challinor: I’m here to talk about the 2019 budget and not—

Mr. David Piccini: So with respect to that, do you think short-term or prudent long-term thinking would be at the Ontario Job Creation Investment Incentive—do you support that?

Ms. Ashley Challinor: We do support that incentive. Again, that’s one of the many pieces that we’re looking forward to getting more detail on—and figuring out how best we can engage our businesses in using that incentive. But generally, that’s the right kind of move.

Mr. David Piccini: Do you feel your members would support, over time, reasonable and consistent growth to the minimum wage and/or to any changes in taxation?

Ms. Ashley Challinor: Of course. We worked with the previous government to create a consistent and planned increase to the minimum wage back in 2014, I believe, and we supported that.

Mr. David Piccini: You supported—sorry—their changes in—

Ms. Ashley Challinor: A consistent and predictable increase to the minimum wage as we had worked with the previous government on in 2014.

The Chair (Mr. Stephen Crawford): Mr. Rasheed.

Mr. Kaleed Rasheed: Thank you for your presentation.

During your presentation you talked about the carbon tax. Would you prefer that the people of Ontario be denied the opportunity to see how much this carbon tax will cost them?

Ms. Ashley Challinor: The people of Ontario know how much the carbon tax is. They also know how much the rebate is that they’re going to receive. Part of our larger concern with the carbon tax is that—

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

Ms. Ashley Challinor: —the rebate and that cost is very clear for individuals but not for small businesses. It’s something that we’re working with the Canadian chamber on—to better understand how small businesses can remain competitive under the carbon tax.

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

Mr. Doug Downey: But 50% of the roughly $6-billion federal carbon tax is being paid by medium and small businesses that will only receive about 7% of the rebate. That’s got to be an issue for your members.

Ms. Ashley Challinor: It is; it’s one we’re working with both the federal government and the Canadian chamber on.

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

Mr. David Piccini: I’ll call up our next presenter: Canadian Federation of Students—Ontario.

Good afternoon. Welcome to the finance committee. If you could just state your names for the record, you can get right into your five-minute presentation.

Ms. Nour Alideeb: Thank you. My name is Nour Alideeb. I’m the outgoing chairperson for the Canadian Federation of Students—Ontario.

Mr. Felipe Nagata: My name is Felipe Nagata. I’m the incoming chairperson for the Canadian Federation of Students—Ontario.

On behalf of 350,000 students across the province, we’re here to speak against the performance-based funding model for post-secondary education and the Student Choice Initiative that were presented in the 2019 provincial budget.

Students and faculty have long cautioned against moving towards performance-based funding, which will, by design, create instability in the post-secondary education system. This view was reiterated in multiple rounds in the strategic mandate agreement consultations in 2013, 2015 and 2018.

During those consultations, students, faculty, administrators and ministry representatives took a cautious approach to performance-based funding and sector differentiation for several important reasons. Colleges and universities require freedom to plan long-term to meet the needs of the future economy. The performance-based funding model makes long-term planning impossible, encourages more bureaucracy, and stifles the innovative and adaptable structures that institutions require.

Performance-based funding is a punitive model which punishes rather than rewards institutions for their current performance. As a result, performance-based funding is more likely to reinforce existing inequities and inequalities in the system by taking away resources from struggling institutions rather than to lead to improvements across the board.

Ms. Nour Alideeb: The sets of metrics agreed upon during the previous rounds of SMA negotiations—28 for our universities and 38 for colleges—reflect the fact that no two institutions are alike. This diversity at both the campus and sector-wide levels is a strength, not a weakness, and it’s something that we should protect.

The performance-based funding model announced in the budget lists 10 metrics to evaluate institutions, six of which are tied to graduation and employment outcomes. There is a growing body of research that shows that performance-based funding tied to graduation and employment negatively impacts academic quality by incentivizing quick and easy production of employable graduates.

Furthermore, there’s a strong case to be made that performance-based funding will only reduce diversity and limit access for marginalized communities at institutions in Ontario. Women, LGBTQ+, Indigenous, racialized
students and students with disabilities will continue to face
unique barriers when pursuing post-secondary education
and within the labour market. By tying such a high propor-
tion of funding to graduation and employment outcomes,
institutions may be discouraged from actually enrolling
those students in the first place.

Institutions should be rewarded for improving the
quality of education, greater accessibility and supporting
success through a holistic approach. It is deeply concern-
ing that the performance-based funding framework put
forward by this government provides no incentives for
institutions to prioritize diversity and excludes any meas-
ure of student satisfaction.

There are significant issues with many of the 10 metrics
put forward that are both substantive and qualitative, but
I’ll give you folks one example: For graduate enrolment, a
key indicator is actually assessed through the survey called
the Ontario University Graduate Survey, but, unfortunat-
ely, there’s a very, very low participation rate. If we were
to go ask a graduate student right now if they had
completed this survey, they probably wouldn’t even know
what the survey is. That’s something that should be con-
cerning to all of us. Despite this known fact, this govern-
ment has decided to continue to move forward with this
metric. It’s shocking and it’s irresponsible.

Mr. Felipe Nagata: This lack of careful consideration
also makes a strong case for why the government should
repeal its attempt to undermine student organizations
through the so-called Student Choice Initiative. Whether
you agree or disagree with the arguments we have brought
forward today, I hope that you all acknowledge that stu-
dents deserve to be part of these conversations. Students
are stakeholders in the post-secondary education system.
The sad reality is that we’re all paying consumers in post-
education, and this government wants to be accountable
to the public; however, you refuse to be accountable to
students. Our unions and associations are a part of the
fabric that makes Ontario campuses what they are, and
these organizations empower students like me to have a
seat at this table today.

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

Mr. Felipe Nagata: There are no shortcuts to deal with
the challenges we face today. Gambling on an uninformed
plan to drive change without listening to the voices of
those impacted, who are experts in their own experience,
reflects poorly on the government. Unless we’re all willing
to work together, a real solution will never be possible.
This is why we are recommending that this government,
first, repeal the Student Choice Initiative; and, second,
stop its current plan to impose performance-based funding
and at least first engage stakeholders in a meaningful
consultation process to discuss concerns with the funding
formula and possible alternatives to the metrics that have
been put forward.

The Chair (Mr. Stephen Crawford): Thank you very
much. We’re going to start with questions from the
government side first. Mr. Piccini.

Mr. David Piccini: Thanks, Nour and Felipe. I appre-
ciate you both coming. It’s good to see you again, Nour.
Thank you, as well, Ian. I enjoyed meeting with you a
month or so ago. Thanks again for your advocacy and the
ongoing work you do.

I wanted to ask a quick question on some of the com-
munications. I read your budget submission, and in it you
indicate that low- and middle-income students will now be
ineligible for non-repayable grants, and then later you say
there are fewer grants. I’m just wondering if you could
clarify your position here. Is it your assertion that low- and
middle-income students will no longer receive grants?

Ms. Nour Alideeb: They will have less access to the
grants that were previously available—

Mr. David Piccini: So that is incorrect in here, where
it says they will now be ineligible for non-repayable
grants.

Ms. Nour Alideeb: They will have access to grants, but
now they will have to at least take out 10% in loans.

Mr. David Piccini: So the 10% equity piece. Okay,
that’s good. I was curious and wanted to clarify that piece,
because it says they will be ineligible for non-repayable
grants in your publication.

On some of the changes with respect to OSAP: Do we
agree in principle that the highest earners among us
family-wise—and the notion that they receive non-
repayable grants, given our current fiscal realities, where
we spend $3 to service our debt for every $1 we spend on
the entire post-secondary envelope. Do we acknowledge
that if we’re looking at finding savings—so I’m going to
challenge you—that that would be a good place to start?

Ms. Nour Alideeb: We believe in free post-secondary
education for all students. So I think we should be moving
towards a national vision for post-secondary education
where—

Mr. David Piccini: It’s just a yes-or-no question. Do
you agree that we should, given the fiscal realities—to
clarify, you do support non-repayable grants for the
wealthiest families?

Ms. Nour Alideeb: No. I believe in free post-secondary
education for all individuals, and I believe that we have
the funding necessary to make it happen so long as we
create a national vision for post-secondary education. I do
understand the reality with OSAP and that there is a tight
budget there, but what we do also acknowledge in the
conversations we’ve had with students is that there are
some students whose families make a lot of money but
they don’t have access to that wealth because of the indi-
vidual realities they have with their parents.

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So a lot of the advocacy of the federation was talking
about: Considering that reality, how do we ensure that
those individuals are able to access grants despite the
family’s income?

Mr. David Piccini: When you talk about free tuition,
you propose that the government pays for that.

Ms. Nour Alideeb: I would see it as a joint responsibil-
ity of both the national and the provincial governments.
We do receive the Canada Social Transfer, but I know that
when you compare the enrolment from province to
province, Ontario is a little bit unique. But what we would
need to create is a long-term plan about how we subsidize
post-secondary education to make it free for all, but it’s not just the responsibility of the provincial government.

Mr. David Piccini: Do you think, in our current fiscal reality, now is the time to—

Ms. Nour Alideeb: I think every day is the time to fight for post-secondary education. I see that as an opportunity for us to work together and talk to the federal government.

Mr. David Piccini: So if you’re given two years, a year where you have a $15-billion surplus or a year where you have a $15-billion deficit, which year would you say the government would be in a better position to explore that?

Ms. Nour Alideeb: Post-secondary education, and education as a whole, is a public good. To me, budgets are about priorities.

I think there are other opportunities. One of the things that we had said in our meetings during lobby week is that we’re going to come back to you folks after we receive this budget and talk about where we could find efficiencies, because those have been the proposals of the federation. Let’s find efficiencies within the system, like capping administrative salaries, because some of the presidents of our institutions don’t need to be making more than the Prime Minister. We don’t need to be making new buildings on campus that are half empty, considering that enrolment is decreasing. There are actually opportunities within the system to find efficiencies, as opposed to putting it on the backs of students.

Mr. David Piccini: I would agree with you that looking at the salaries is absolutely something. I think across the board, our government is certainly looking at that.

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

Mr. David Piccini: Just to go back, because I just want a direct answer to the question: If, given two years, when the government strives for a surplus or when they’re in a $15-billion deficit, which do you think would be more reasonable for our government to pursue?

Ms. Nour Alideeb: I think public debt is different than individual debt. What we know is that with increasing tuition fees at this rate, individual families are going to suffer.

Mr. David Piccini: Are you aware of what the individual debt of every child born today is—

Ms. Nour Alideeb: What I know for students is that we’re graduating with over $28,000 of student debt, and that’s impacting our ability to purchase homes, to contribute to the economy—

Mr. David Piccini: I’m just curious: Are you aware of the debt that they’re born with today?

Ms. Nour Alideeb: One hundred per cent, and I think that’s a responsibility—

Mr. David Piccini: And what is that number? I’m just curious.

Ms. Nour Alideeb: —of our government to work together to find ways that we can provide public goods to the public.

Mr. David Piccini: I’ll take it you’re not aware of that number. Okay. Thank you.

Ms. Sandy Shaw: Point of order. [Inaudible] unparliamentary comment and he’s really badgering the witness, so he can take it that she’s not—

The Chair (Mr. Stephen Crawford): They have a right to ask questions. You have to speak through the Chair as well, please.

At any rate, let’s continue on the questions, so we’ll continue with—

Mr. David Piccini: This is not a court, Sandy.

The Chair (Mr. Stephen Crawford): Please talk through the Chair.

Let’s start with the opposition side. Mr. Arthur.

Mr. Ian Arthur: Thank you so much for coming in. I want to talk a little bit about the 60% of funding for institutions on performance outcomes. As someone who arrived in this job in a rather different way than I think many people do—there’s a very interesting study by the British Council that found that 55% of business leaders had a liberal arts degree or humanities degree and that people get to the jobs they end up in in many, many strange ways.

What do you think the government’s ability to actually measure those would be and how accurate or what potential for accuracy do you see there?

Ms. Nour Alideeb: I appreciate that folks acknowledge the fact that we can go into our post-secondary education and study something and come out with a completely different job. That’s something Felipe and I were talking about: that we’ve studied some completely different things, and the work that we do doesn’t always reflect what we studied but the skills that we got out of that. So when we’re thinking about ways to actually measure performance in post-secondary education, I think there’s a great value in measuring student satisfaction: How content are students when they’re going through their post-secondary education and what are they getting out of it at the end of their degree? It would be interesting to actually assess, when they’re going into post-secondary education, what they are looking for; in between, the years of their four- or six-year degree, studying how satisfied they are throughout the year; and then, at the end of their degree, “What do you feel that you got out of this?” There’s an opportunity to do that.

Other opportunities—let me just look through my notes because I just forgot it. Other things are also checking in through incentive programs. One of the things that we wanted to see greater investment in is experiential learning, which is also a great opportunity for students that we have long been advocating for, being able to pair students up with positions while they’re still in their studies but being able to get those hands-on skills and take that feedback from an employer—because we don’t believe in unpaid internships—would also be a really great opportunity.

It’s unfortunate to see that we went down to 10 metrics to measure when we originally came out with 28 for universities and 38 for colleges. Those were some that were brought forward by the ministry itself. I think we need to broaden the measurements that we’re looking at to ensure that we’re taking a holistic approach.

Mr. Ian Arthur: I agree with you. Frankly, I’m skeptical of even the time frame that you could evaluate a metrics like that: At what point in a person’s life does their
degree have value or not have value? There are so many possibilities for interruptions along the way.

**Ms. Nour Alideeb:** I think that goes back to having the conversation about what education is to us. Is education just the means for us to go back out into the economy and be producers in the world, or is it about the innovation and advocacy and so much more that we get out of our universities and colleges?

**Mr. Ian Arthur:** And so many peers that I have have an undergraduate degree and then went back to get practical skills through a one-year college diploma. The potential for that to negatively reflect the university’s role in that person’s employability later, I think, is quite dangerous because I think it’s the combination of both that is really important. So thank you for drawing attention that.

I believe Sandy has a question.

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

**Ms. Sandy Shaw:** Very quickly: I wanted you to talk a little bit more about the equity approach that you presented here. We talk about who is able to access post-secondary in terms of the funding structure. I’d like to hear a little bit more about that, because in this budget, there’s no mention, really—if you look at it, there’s no mention of some of the things that we would consider would be about equity. There’s no mention of Franco-Ontarians or the French-language university that we talked about. There are a lot of equity pieces that are missing here—non-repayable grants for students, particularly Indigenous students.

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

**Ms. Sandy Shaw:** And you talked about how the Student Choice Initiative really will target equity-focused services. Can you talk about how these changes are really reducing access and equity in our post-secondary institutions?

**Ms. Nour Alideeb:** Definitely. I’ll start off with the Student Choice Initiative. By eliminating the student groups that exist on campus to represent these individuals, we know that they will be further marginalized in our institutions, because if those groups don’t exist to advocate on their behalf and fight for those students’ rights, we’re not going to see changes. A lot of the changes we’ve seen on campuses when we’re collecting race-based data, when we’re advocating for student rights and so forth, have come through student unions.

But in terms of when we’re talking about the equity approach, we need to look at a number of different things: Who is accessing grants, how is the institution being funded, and how are we ensuring that they continue to succeed throughout their degree?

What we’re finding, unfortunately, is students not being able to continue their studies. This is something that we actually have in the lobby document, if you want to check it out, where Indigenous students are actually not able to graduate at the same rate as everyone else because they don’t have the necessary grants to go through post-secondary education because—

**The Chair (Mr. Stephen Crawford):** Thank you very much. Your time is exhausted, but we appreciate your testimony.
Reforms to the system are desperately needed and long overdue, including to the jury process. Some recommenda-
tions that we would like to make to the Ontario government are that there are additional steps to contribute to the effectiveness of the proposed change. The Iacobucci report and Indigenous communities have imagined the change to the list of potential jurors in the context of other supportive reforms.

Drawing names of potential jurors from health care lists involves a significant risk to the privacy of health-related information. The steps that will be taken to protect privacy should be set out and publicly communicated prior to the change coming into force.

All communications with Indigenous people must be written in plain language and offer culturally safe legal resources, such as our own Six Nations Justice Department. The notices should describe the significance of the process and encourage participation while not threatening fines or other coercive action for non-participation. All aspects of participation in the jury process for Indigenous people must be voluntary.

First Nations persons should have the option of identifying as a member of their nation instead of as a Canad-
ian citizen.

Recognizing the long-standing breakdown between Indigenous peoples and the criminal justice system, the requirement for jurors to not have a criminal record should be removed, allowing Indigenous people with dated or minor records to be potential jurors.

Ongoing communications to Indigenous communities about the jury process should be continued. Efforts should be made to ensure that non-participation by Indigenous people in responding to court communications does not undermine Indigenous representation. This should include sessions in the community explaining the benefits of having Indigenous people sit on juries.

Additional source lists should be explored, including voluntary lists. Also, Indigenous governments should be able to submit lists of persons to exclude from the jury roll. The names to be excluded should be determined locally and may include government leaders and respect for traditional protocols.

Lastly, sources should be adaptable through the flexible application of jury areas that may ensure greater inclusion of Indigenous names, particularly for matters involving Indigenous accused and victims, and offences on Indigenous territory.

Many Indigenous people are going to be disqualified from jury duty because of undue hardship, unless the fees and allowances for jurors ensures that lost income and expenses associated with being a juror are offset.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We have to move to questions. We’re going to start with the opposition side for questions. Mr. Mamakwa.

**Mr. Sol Mamakwa:** Chief Ava Hill, you can finish.

**Chief Ava Hill:** I was just going to conclude by saying that Six Nations does support a vision of justice that is consistent with the United Nations Declaration on the Rights of Indigenous Peoples, the recommendations of the Truth and Reconciliation Commission, and also the Royal Commission on Aboriginal Peoples.

**Mr. Sol Mamakwa:** Thank you. I know that justice is a very critical issue in our communities. I did a visit at one of the jails in the north. I’ve never been in a jail before. It was unfortunate to see people of Aboriginal descent, First Nations descent, who were in there—about 85% of the people. What was kind of shocking, too, is that you know them.

I know that the systems that are there, whether it’s a justice system, whether it’s a health care system, are colonial systems, and these systems are created to take away the rights of our people so that the governments can have access to the resources that are in the lands.

I’m just saying I know we can—this is a little piece. Is there any other thing that you, within the—the such as sched-
ule 17. I’m not sure if you have seen that, about the Crown Liability and Proceedings Act. Are you aware of anything regarding that?

**Chief Ava Hill:** No. The first I was aware is when I was hearing Mr. Bryant speak about it earlier, which really intrigued me. It was something that I would like to follow up with him on, on the whole liabilities act.

**Mr. Sol Mamakwa:** Is there anything else that you need to add—

**Chief Ava Hill:** Just on the whole justice system: I have met with the Attorney General, further to the case that I talked about earlier, in Hamilton. I think there are many changes that are needed in the whole justice system, not only provincially but federally. We’re reaching out to work together to see how we can come up with solutions.

I mentioned the Royal Commission on Aboriginal Peoples. I worked there at one time. In fact, I accompanied them on hearings across the country. One of the hearings they did along with the former commissioner, Bertha Wilson, who was a former Supreme Court justice, was at the Saskatchewan Penitentiary. Just as you mentioned, Sol, 90% of the people in there are Indigenous people. Every one of them who got up and spoke had been in-
volved in the child welfare system and had been either adopted or in foster homes and had been physically and sexually abused.

So there is more to just amending the justice system. Everything is tied in. We need to look at child welfare. We need to look at everything and what we can do as a society and as governments to help improve the lives of our people. We don’t want to have the majority of our people in jail. We need to look at the history. We need to look at the residential school era and what happened to our kids and make sure that it never happens again.

I don’t know whether Barb has anything to add.

**Ms. Barbara General:** Yes, I do.

Justice is new in First Nations communities. We’re a community-based organization, and we can see us calling back those programs that were traditionally farmed out to non-Indigenous agencies like St. Leonard’s and John Howard. We have those programs, and we see that there’s a direct connection between child welfare and people
getting into crime over the years, when they’re transitioning out of child welfare—and then the impact of residential schools on this phenomenon we’re experiencing of overrepresentation of Indigenous people in jail. This is a first step, saying, “Yes, we support this idea of using access to our health care cards or numbers for people to participate in jury duty as a recruitment tool,” but it’s not something that we want in the long run—

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

Ms. Barbara General: —to build a justice system in our own communities.

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

Mr. Ian Arthur: I just wanted to thank you for coming. We’ve spent a lot of time together as a group, and I understand that by coming you are participating in a colonial system that, frankly, is our national shame. In the travels in the pre-budget consultations, some of the most meaningful depositions have been from Indigenous groups across Ontario. I understand that it is hard to partake in the meaningful depositions have been from Indigenous groups across Ontario. I understand that it is hard to partake in the system, but I think it’s so, so important that you do come and give us this message. I think that, actually, both the government side and the opposition fundamentally appreciate that.

Chief Ava Hill: Thank you. I think it’s important and one of the reasons we do come. Something that I’ve always done as long as I’ve been a leader in my community is take the initiative to educate people and make people more aware of our history and our culture and the pride that we continue to carry as the First Peoples of this land.

The Chair (Mr. Stephen Crawford): We’re now going to turn to the government side. Five minutes: Mr. Downey.

Mr. Doug Downey: Just by way of background: In the early 1990s, as part of a master’s degree, I did the largest jury study in Canada. The data that I had available was strictly gender, occupation and age. That’s all that they really tracked. After that, I went on to work as a court registrar and training new judges on how to do what they’re supposed to do. Justice Rose Boyko was the first female, Indigenous appointee to the Superior Court in Ontario. I worked closely with her for some time. We had some wonderful conversations I won’t get into. So this is a positive move forward. This is something that’s very near and dear to me.

I was writing down some of your points about privacy concerns and plain language. The culturally friendly resources—can you expand on what you mean? What kind of resources?

Ms. Barbara General: I think, for example, we should have somebody in our community, in our justice department, who can answer those questions about jury duty. We don’t have that resource right now.

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Mr. Doug Downey: These are resources that wouldn’t require the identification of the recipient either being Indigenous or otherwise. You’re talking about resources embedded in the community that people—

Ms. Barbara General: Yes, it has to be an educational process first, then recruitment.

Mr. Doug Downey: Are there are other pieces—you mentioned some barriers—obviously, income. We know that people don’t get paid very much to perform that duty. Are there other resources in terms of child care and transportation? What are some of the barriers for people to participate in the jury system?

Ms. Barbara General: I think it’s all of those. We were looking at the number of people who came to my office last summer. They had gotten letters and they were frightened by the letters because they were going to be penalized if they didn’t respond. If we look at their backgrounds, these are older people, these are people who are working from paycheque to paycheque, or they’re on OW. They can’t afford to lose two weeks of their income. That’s a barrier.

Chief Ava Hill: Another point I’d like to make is the mistrust that our people have of the justice system. When you get a letter in the mail about a jury, you go, “Oh, my God!” and you throw it away. Then you’re scared that you’re going to get arrested for not responding. What are we going to do to rebuild that trust?

What happens in the court system in our area is that they just call me up and say, “Send us a copy of your band list.” Well, we’re not going to do that. Our band list is that thick because we’re the largest populated First Nation in this country, with 27,000 members. We’re not going to affect our people’s privacy by giving that. We’ve told them that year after year after year, and they’ve continued to just ask us for the band list. That’s another reason why none of our people will take part in the jury system.

I’ve said to them many times, “You need to come into our community and hold sessions with our community members to explain the benefits of our people taking part in juries”—doing it in a positive way, not in a threatening way or a negative way. That’s something that I think really needs to happen.

Our justice department is operating on Haudenosaunee legal principles. We need to educate. That’s part of the problem in this country: People don’t learn. They don’t take the time to find out and understand each other’s culture. Once we do that, then maybe we can start moving forward better and resolving some of the issues that everybody in this country is facing.

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

Ms. Donna Skelly: Thank you both for your presentation. It’s interesting. I never really stopped to think about the source from which—

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

Ms. Donna Skelly: —a potential list of jurors is drawn. I’ve been called four times to sit on jury duty. I’ve never sat on jury duty, but—four times. I could never figure out, “Why am I always called?”

The other thing is, with super-mailboxes, not everybody goes every week, and if you don’t get that letter in
the mail and respond to it right away you can miss when you’re called in for jury duty. I think you are providing so much information here.

One of the other issues, I think, that is incredibly important is what people are paid when they’re on jury duty. It’s an absolute deterrent. A lot of people would like to sit on juries, but they can’t afford to.

Chief Ava Hill: They also lose time. I mentioned that I sat there when the jury trial was held on the case that I mentioned. There were 200 people that had to spend the day there, and half of them—well, 20 of them got called, out of 200. They lost pay that day. That’s a good point. That’s something that really needs to be looked at.

Ms. Donna Skelly: Thank you for this information. As I said, it’s really interesting.

Chief Ava Hill: I know that this is a part of the budget implementation bill, which I learned sitting here listening today. I’m not sure how this fits into there but we took it as an opportunity for us to bring forth our concerns about the justice system and how we need to move forward like the government in coming to some solutions.

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

Ms. Barbara General: On efficiency.

Chief Ava Hill: It’s called efficiency.

BLACK LEGAL ACTION CENTRE

The Chair (Mr. Stephen Crawford): We’ll call up our next witness. It’s the Black Legal Action Centre. Good afternoon, and welcome to the finance committee. If you could state your names for the record, and then you can get right into your five-minute presentation.

Ms. Fareeda Adam: Thank you for having us today. My name is Fareeda Adam. I’m a staff lawyer at the Black Legal Action Centre. I’m joined here by my colleagues Patricia Suleiman, who is also a staff lawyer, and Nana Yanful, who is also a staff lawyer at the Black Legal Action Centre.

I’m going to start by way of background, telling you a little bit about what the Black Legal Action Centre is. The Black Legal Action Centre is a not-for-profit corporation, incorporated under the laws of Ontario. We provide legal representation on matters relating to housing, human rights and education, just to name a few. BLAC also engages in test case litigation, law reform, summary legal advice and public legal education. BLAC’s vision is a society where anti-Black racism is named and meaningfully addressed, where the humanity and dignity of Black people are centred, where the laws and the legal systems are reflective of the real experiences of Black people, and where racial equity and full participation of all Black people in society is achieved.

This committee’s mandate is “to consider and report to the House its observations, opinions and recommendations on the fiscal and economic policies of the province.”

BLAC is here today asking you to consider the following submissions that we’re about to make within the context of this broad mandate. Accordingly, BLAC submissions will focus with some issues in Bill 100, but also the provincial government’s recent cuts and austerity measures across Ontario. We hope our submissions will set out the impact of these cuts and legislative changes in our community and will inform your reporting and recommendations to the House.

I’m going to turn briefly to Bill 100, schedule 11, on the Compensation for Victims of Crime Act. It’s BLAC’s respectful submission that the province’s proposed changes in schedule 11 of Bill 100 are deeply troubling. Specifically, the legislation proposes to repeal the Compensation for Victims of Crime Act, dissolve the Criminal Injuries Compensation Board, and reduce compensation in respect to pain and suffering for victims of violent crime. Pain and suffering is a category of compensation where the board has the most discretion to consider the impact of crime, where intangible costs are considered and where survivors of long-standing, horrific violence can be compensated fairly and with dignity. In our respectful submission, these proposed changes will disproportionately affect women, who file almost two thirds of the applications to the board. In addition, the reduction in previously committed funding to sexual assault centres, combined with the growing wait-list for counselling services and supports, will have a devastating effect on survivors of sexual violence and their families.

BLAC also wants to make some brief comments about schedule 17, the Crown Liability and Proceedings Act. We’re concerned with schedule 17 of Bill 100, which proposes to replace the current Proceedings Against the Crown Act. If enacted, this new legislation would make it incredibly difficult to launch civil suits against the government. The new legislation would limit the right to sue in certain types of cases, including those related to regulatory decisions by agents of the crown. The proposed legislative changes will discourage many under-resourced clients and people in our communities—the people we serve, as BLAC—from filing suit. We believe that that would further impact access to justice.

I’m going to turn now to the broader impact of the provincial budget and the cuts. It is BLAC’s position that these cuts and changes to legal aid funding, education, public health and police oversight will have a devastating impact on our community, but also will negatively impact people across the province. In our respectful submission, they will create additional political, economic, social and legal obstacles to our full participation in the society.

This committee previously heard from the Association of Community Legal Clinics of Ontario, and they elaborated that, “Clinics”—like the Black Legal Action Centre—“operate on capped budgets, which provide cost certainty to governments....”

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

Ms. Fareeda Adam: As well, as a clinic from Legal Aid Ontario, we “submit annual funding applications, quarterly statistical and financial reports, and undergo periodic quality assurance audits.” Essentially, “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” to people who cannot afford lawyers or any other legal services.
Because of the time, I would ask the committee to refer to the written statements provided. We have elaborated in more detail some of the concerns with the budget.

In conclusion, the provincial government’s overall plan has the effect of curbing opposition and denying access to justice, which will effectively be felt by all Ontarians. BLAC urges you to consider our submissions prior to the passage of Bill 100.

We want to thank you for the opportunity to make submissions before you today.

The Chair (Mr. Stephen Crawford): Okay, thank you very much. We’re going to start questions on the government side. Mr. Piccini.

Mr. David Piccini: Thank you all for coming here today, for the work you do and for taking the time to brief us today. Much appreciated.

Just on the legal aid piece, because I know there has been a lot of discussion in the Legislature about that and I wanted to get your thoughts on it, can we find agreement—because I read the Auditor General’s report on legal aid. Can we notionally agree, then, that we should strive as a government to ensure that—or we all can agree, I should say, that legal aid should serve as many people as possible, that we should strive to ensure that everyone has access and we should strive to ensure more people are served.

Ms. Fareeda Adam: I think that on that point we do agree that, yes, legal aid should try to provide as many services as possible to Ontarians, but low-income or no-income Ontarians who would not otherwise have access to legal services.

Mr. David Piccini: Are you troubled by the reports that show that the costs are going up while the number of people served is going down? How would you propose we address that?

Ms. Fareeda Adam: I think that on that point we do agree that, yes, legal aid should try to provide as many services as possible to Ontarians, but low-income or no-income Ontarians who would not otherwise have access to legal services.

Mr. Kaleed Rasheed: Thank you for the opportunity to be here at this table to offer this committee some perspectives from our community, essentially.

Thank you very much for the presentation.

You just mentioned a word, “cut,” but what’s your take on the child care access and relief, where families would welcome up to $6,000 per year to help pay for child care expenses? Will this measure help communities?

Ms. Fareeda Adam: In terms of that, the difficulty is that child care is a really complicated issue. There are lots of families who make a lot of money who still can’t afford child care, and there are low-income Ontarians who can’t afford child care even with subsidies. We feel that this is something that the government should certainly be looking at, but our community—

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

Ms. Fareeda Adam: —is affected by these things in a different way. So essentially what we’re saying is that this government really should be providing an opportunity to hear from the Black Ontarians of our province and give them an opportunity to tell you first-hand what they need.

Mr. Kaleed Rasheed: Sorry. My question was, what’s your take on this CARE, up to $6,000? Is that something—basically, within the community, what’s your take on that? I felt like you didn’t answer my question in the first place, because I’m coming back from the angle where you said “cut,” but then I said, what about the CARE?

Ms. Fareeda Adam: Well, the thing is that we represent a diverse group of people. So it’s hard for me to tell you what my position is on a particular issue when I have a responsibility to listen to my community. What I’m suggesting to the government is, if they really want to know what the Black Ontarian feels in terms of the cuts, they need to go to the Black Ontarian. They need to have further consultations about what the perspective is of the Black Ontarian on—

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

Ms. Sandy Shaw: Thank you very much, Fareeda, for your presentation. I just have to say, we see many, many
agencies come here. You have the best acronym of any agency that we’ve seen here. Wow.

Ms. Fareeda Adam: Thank you.

Ms. Sandy Shaw: We’re talking under the theme of access to justice. What we’re seeing with this government, and what we’re hearing from deputants, is that schedule 17, which was limiting liability for the crown—no one asked for that. We’re seeing the cuts to Legal Aid Ontario. That wasn’t something that we were asked for or were anticipating. So there’s a significant concern about how a budget bill is really attacking a justice system. I didn’t mention the criminal injuries tribunal as well. These are significant changes to the justice system and access to justice for all people of Ontario.

We talk about anti-racism, and anti-Black racism specifically, and how people experience the justice system differently. We’ve heard from the Indigenous community previously. Can you just talk a little bit about your community that you serve, and how they experience the issue of access-to-justice systems that have either implied or unintentional bias built into them—and maybe even throw in there the intersectionality as well, the fact that this is a complicated situation where you’re trying to serve a diverse population, and how these changes are not helping in any way to make sure that people have more access, not less?

Ms. Fareeda Adam: Our community faces legal challenges at every rung, every area. We did community consultations across the province. Essentially, what we did was ask Black Ontarians what the issues are that we’re facing. We find that our community is facing a lot of difficulty, obviously, in criminal justice, family law and CAS involvement. We have difficulty in education and human rights.

As you said—and you hit it on the head—it all intersects: One problem begets another problem and begets another problem. So, for BLAC, it’s really deeply concerning to see cuts to legal aid and funding, when we know that the most vulnerable people in our province are the ones who are going to be suffering the most.

This is why we’re here trying to give our input to this committee to consider the budget, and to consider the communities that are going to be greatest affected by these cuts, in particular immigrants and refugees, which we find unbelievably distressing.

Ms. Patricia Suleiman: Just to add on that, what we’ve also heard from our diverse community is about the speed with which changes are happening. We do serve the entire province. When we get those calls from different cities, a lot of the concern is how fast these changes are happening.

Ms. Sandy Shaw: Thank you.

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

Mr. Ian Arthur: Also on the topic of legal aid and refugees and immigration, I want to get your comments through a climate lens, frankly, on the impending problem of climate refugees and what’s going to happen—it will, I think, have a very targeted impact on countries outside of the industrialized west—and what that’s going to mean for Black populations across the planet; and on our responsibility as one of the countries in the industrialized west that got us into the mess and the crisis that we are about to face. I don’t know if you have any comments on that.

Ms. Nana Yanful: Thank you, MPP Arthur. That’s the issue: Oftentimes, people don’t choose to leave their homes. They are not choosing this. My family came as immigrants—Patricia’s as well, and Fareeda’s. Our families came here as a result of being forced out, pushed out, of their homes.

So when they come and these legal services are cut, what does that mean? Especially as refugees, they’re filling out forms on their own—

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

Ms. Nana Yanful: Thank you—and sometimes community organizations do assist, but they’re going into hearings with no legal representation. That’s concerning for BLAC, because what does that mean? They’re not able to respond effectively to the government, who has a ton of paper saying, “No, you don’t have a claim. No, your country is not dangerous. No, you have no reason to come. No, your country isn’t facing climate issues that forced you to come.”

I think we do need to think a little bit more about what the impact is going to be. As you mentioned, that’s going to be felt disproportionately by Black refugees and Black immigrants coming into our province. Thank you for that.

Mr. Ian Arthur: Thank you very much.

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

Ms. Nana Yanful: Thank you.
many of IBAO’s recommendations with respect to auto insurance, and we’d like to commend the government for taking an excellent first step in the multi-year reform process. It’s time to get rates right and put drivers first in Ontario. We believe that the blueprint in the budget will create a successful insurance framework while protecting the Ontario consumer. As the government introduces new mechanisms to address the evidence-based factors driving insurance costs up currently, it will work to reduce the overall costs of auto insurance, which, in turn, will reduce premiums.

“Putting Drivers First: A Blueprint for Ontario’s Auto Insurance System” aims in part to address the concerns outlined in the recent report on Ontario’s auto insurance system authored by David Marshall, which has been a big concern to the members of IBAO. This includes moving toward care for people, addressed through the driver care plan; and managing the issues surrounding reducing the unnecessary costs within the system through reducing the impact of fraud and excessive contingency fees. IBAO is particularly supportive of the government’s move to enable greater competition between insurance companies in the Ontario market. As brokers, we will continue to deliver the benefits of a stable and competitive marketplace to our customers.

The budget outlines the ongoing concerns from the public, along with insurance companies and other stakeholders, regarding the current state of Ontario’s auto insurance system. In its review of consumer consultations, the budget notes that premiums are too high and that buying auto insurance is frustrating. We all need to ensure that our products are understandable and provide consumer choice.

IBAO supports the clear language in the budget that states, “Auto insurance should be affordable, easy to understand and easy to buy.” The blueprint focuses on lowering costs, finding efficiencies and fighting fraud to ensure that drivers’ auto insurance premiums pay for the health care services they need after an accident, rather than for costly and unnecessary disputes.

The recent budget highlighted and addressed many of the issues that our members have previously raised with the government. In the coming weeks, we’ll look forward to working with the Minister of Finance’s office on how to implement the blueprint, how IBAO will remain engaged and how we will continue to support the government’s efforts.

On behalf of the Insurance Brokers Association of Ontario, thank you for the opportunity to speak here today. I would be happy to answer any questions you may have.

**The Vice-Chair (Mr. Jeremy Roberts):** Thank you so much. We’re going to start with five minutes of questioning from the opposition. Ms. Shaw.

**Ms. Sandy Shaw:** Besides commending the government on all of this, is there anything in the changes that was left lacking, that you were looking for?

**Mr. Joseph Carnevale:** Actually, no. Pretty much what we were looking for—they responded very positively.

Just a bit of information: In the lead-up to this process, we were consulted in a very large fashion with other stakeholders in the industry. So I’d have to say that when we commend, it’s because we genuinely, sincerely are very appreciative of the fact that we were consulted throughout this process.

**Ms. Sandy Shaw:** You’re lucky that you were consulted, because we do hear a lot of groups coming in here saying that there was absolutely no consultation. Congratulations.

**Mr. Joseph Carnevale:** Thank you.

**Ms. Sandy Shaw:** Mazel tov.

Some of the questions that we talk about in the House, particularly from our people who represent Brampton, are about how Brampton has the highest insurance rates in the country. Can you just talk a little bit about anything that your organization can do to ameliorate that for people who are having a difficult time paying those extraordinarily high rates?

**Mr. Joseph Carnevale:** Sure. We share those same concerns, as the brokers who represent the clients and the consumers in Brampton. We’ve expressed to the government, in the consultations, that we want to make sure that whatever process goes forward is one that is, obviously, fair and transparent. I think that’s crucial. Clearly, we’ve spoken about the fact that there needs to be an improvement. Consumers need to be aware of what it is they’re purchasing, they need to have the most competitive opportunity to buy that product—and it’s easy to understand and affordable.

I think the problem here when we’re discussing auto insurance—and it’s a very broad problem—is, the cost of the product is very much borne on the cost of the claims and the administering of the claims. So without controlling the claims aspect of these types of situations it’s difficult to decide what the premium should be. There’s only so much cost, and in order to reduce premiums you have to reduce costs, and so those areas where there’s an increase in costs are areas where we have to focus. We’ve brought attention to the fact that there’s a lot of fraud in the system and brought attention to the fact that there are more efficient ways of making sure that customers and consumers get the benefits they need on their policy.

These problems, whether it’s Brampton, whether it’s Vaughan, or whether it’s any other municipality—the honest truth is that whatever process we look at has to be fair to all Ontarians and make sure that everyone has the same access at the same competitive rates.

**Ms. Sandy Shaw:** So you wouldn’t be interested in maybe looking at specifically the issue of Brampton? If I’m understanding that, you say that the more claims there are in a community, then you just have to raise premiums. But is there nothing that you would be doing to help address circumstances in Brampton that are beyond individuals’ control—that they have this many accidents?

**Mr. Joseph Carnevale:** It’s a valid question. I think part of the problem is, as brokers, we don’t decide what the rates are.

**Ms. Sandy Shaw:** Okay.
Mr. Joseph Carnevale: We’re representing the insurance companies. We’ve indicated to them our same concern that we’ve indicated to the government. Our concern is that we want to make sure that all customers across the province have access to—

Ms. Sandy Shaw: Okay. Very quickly, we heard this morning that, in fact, in assessing rates, people’s credit ratings are being used. Can you make a comment on that?

Mr. Joseph Carnevale: Sure. Part of our submission to the government pre-budget consultation was the fact that we had heard of the possibility that credit scoring would become a factor in giving pricing. So our concern is that was that we’d be interested to make sure that there was a consultation process to make sure how you would implement that, and that people who are the most vulnerable in our society were not impacted negatively because of credit. In the blueprint process that I spoke of, we’re already scheduled to speak to the government and to the committee on finance to understand exactly how we’re going to do that and the best way to make sure everyone is looked after. I understand from the document that it’s a voluntary process. If you choose to want your credit score to be checked, then you would potentially get a discount from that. If you don’t want it, then you don’t get it checked.

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

Mr. Ian Arthur: Thank you very much for your—

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

Mr. Ian Arthur: Okay. Thank you very much for your presentation. I was waiting for the light to click on so I’m on the record.

I know you’re here representing brokers and not the underwriters that provide the policies. I think it was in May last year that the report came out about the rather large profits that the underwriters were able to generate, in particular from the auto industry. Would you just comment on that a little bit? I do understand that brokers don’t see those profits, but I think a bit of the reputation of auto insurance in Ontario could have something to do with the gross profits that are being seen by some of these companies.

Mr. Joseph Carnevale: Sure. With all due respect, I think there are many misperceptions about what auto insurance companies are making. I am not representing the auto insurers, so I can’t speak to profit, but what I can see from a broker’s point of view, as a broker myself, representing consumers, potentially your constituents, is the fact that today, more than ever, there is a lot of confusion in the industry about where—

The Vice-Chair (Mr. Jeremy Roberts): Thank you. I’ve got to cut you short there, I’m afraid.

Mr. Ian Arthur: I wasn’t quick enough on the question.

The Vice-Chair (Mr. Jeremy Roberts): We’ll move to five minutes of questioning from the government. Mr. Downey.

Mr. Doug Downey: Thank you, Mr. Carnevale. You have participated all the way through—the IBAO has—right from day one. We were asked to come down even to Niagara Falls and interact with some of your members. The IBAO represents the front lines of auto insurance. You’re the one that interacts with the customer. We did a consultation, an online survey, online input: 51,000 people responded, which I was shocked at. So I thank the IBAO for helping get the word out on that.

Some 68% of the people said that insurance providers should have more electronic and online tools available. I don’t know if your members have insight into what kind of tools, how that should work.

Mr. Joseph Carnevale: Thank you for the question and the comments. The one in particular would be the electronic pink slips. I understand, again, in meeting with the new regulator, FSRA, and with the government’s office of finance, that clearly there is an interest to move that ahead. It was also indicated in the budget that moving to electronic forms of communication, pink slips—right now, we have a very old system in place where, if there’s an issue with a policy, you need to make sure it goes to the post office and you need to make sure there are so many days’ notice. There are so many ways to find efficiencies in that process for everyone’s sake—for the consumers’ sake, for the insurers’ sake, for all of us. I think, clearly, it’s outdated. There needs to be some improvement to that, and every indication is that you’re moving in that direction, so we’re very supportive of that.

Mr. Doug Downey: That will take costs out of the system, which will allow you to pass along lower costs all the way through the system.

That same 51,000 people gave input in a one-month period. They indicated that insurance policies are complicated; 54% said they’re complicated and hard to understand. Can you address some of the challenges in terms of your members and how they communicate, what they communicate and what some of the barriers are?

Mr. Joseph Carnevale: Sure. I’m going to be biased and say that it is a complicated product, and that’s why brokers are great to represent their clients. Obviously, I’m biased on that.

Clearly, the auto insurance product is one filled with what we would call a lot of band-aid solutions over the years. Unfortunately, I’m not sure how the patient is doing currently, but there are many band-aids all over the place. I think a comprehensive review of that entire product needs to be looked at, which you’re doing successfully, I find.

Clearly, there’s a lot of confusion in the marketplace. There are a lot of issues in the current system about the regulations of when you can charge rates, when you can get an increase, when you can get a decrease. There’s so much bureaucracy in the system. I think what was meant to protect consumers at the current moment is actually harming consumers, because it has become more difficult to provide them with the coverage and the services they need. So any attempts to improve on that would obviously be greatly commended.

Mr. Doug Downey: As you indicated, many people were involved in the lead-up. This is a multi-year project,
it’s a multi-year change, it’s transformational, and we are now moving into implementation of some of these pieces. You were at the table, along with several others. We had a round table on Monday, just yesterday, and we have more scheduled. So I’ll leave it at that.

Thank you for your input, and I certainly look forward to working with you in the future.

Mr. Joseph Carnevale: Thank you.

The Vice-Chair (Mr. Jeremy Roberts): Any further questions? Mr. Rasheed.

Mr. Kaleed Rasheed: Thank you very much—

The Vice-Chair (Mr. Jeremy Roberts): You’ve got just over a minute left.

Mr. Kaleed Rasheed: Sure. Yes, I’ll make it very quick.

To your earlier point about the new regulator, FSRA, how does it impact insurance brokers, and what are your thoughts on its creation?

Mr. Joseph Carnevale: I think FSRA has indicated to us and to the industry that they understand that there’s an impetus to want to improve on things—

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

Mr. Joseph Carnevale: —not just superficially but substantially, in a fundamental way. They’ve reached out to us many times to want to understand better how we can suggest ways of doing that. They’ve done it to other stakeholders. So we’re very confident that they have the right mission in place.

Clearly, it’s about helping—we feel strongly that if you don’t have a stable insurance sector, then competition and the efficiencies you’re looking for become more difficult. If you don’t have a stable sector, their ability to invest in areas where they can be more competitive is lacking, because they don’t have the funds. That’s not to say that that’s major profits. That’s just about being profitable.

To answer a question I was asked earlier, currently profit levels—many of these companies are not making money on auto insurance in Ontario. Unfortunately, that puts a strain on the entire system, and when there’s a strain like that, definitely consumers are not the winners in that process.

Mr. Kaleed Rasheed: Thank you.

The Vice-Chair (Mr. Jeremy Roberts): Thank you so much. We appreciate you taking the time.

Mr. Joseph Carnevale: Thank you.

ONTARIO COUNCIL OF HOSPITAL UNIONS/CUPE

The Vice-Chair (Mr. Jeremy Roberts): I’d like to call our next witnesses forward. It’s the Ontario Council of Hospital Unions/CUPE. Perfect. If I can get you each to start with your names and your organization, then you’ll have five minutes to present. I’ll give you a one-minute mark right at the end.

Mr. Doug Allan: Doug Allan, CUPE staff.

Mr. Steven Barrett: Steven Barrett, counsel to CUPE and OCHU.

Mr. Michael Hurley: Michael Hurley. I’m the president of the Ontario Council of Hospital Unions. We really appreciate the opportunity to make a presentation here today.

The Ontario Hospital Association asked, in its budget submission in November, for an amendment to the Public Sector Labour Relations Transition Act to deal with partial integrations.

We’ve had many, many discussions with the government about the PSLRTA amendments that form a schedule of the budget bill. I would say that in those budget discussions, this is what we’ve been told: The government wants to undertake a massive restructuring of the health care sector. They want to move paramedic services. They want to move LHINs. They want to move public health. They want to move services out of hospitals. They want to move many, many different services—organ transplants, etc. They are now proposing to effectively gut the legislation which supports restructuring in the sector and which was introduced by the previous Conservative government to deal with this.

How do you deal with restructuring with a workforce of over 400,000 people working in multiple subsectors who are faced with a high level of transformation and are having a great deal of anxiety? You provide them with some basic reassurances that they will not be the victims of restructuring. But this is what the government has told us so far: They’ve told us that in the restructuring, they want to change the law so that they can move health care work out of, for example, a hospital, and not take the workers with them. They give the example of the Ottawa fertility clinic. They say, “There’s an example of doctors who took the fertility clinic operation from the Ottawa hospitals and set up their own free-standing, privately owned operation in a strip mall.” Unfortunately, that operation wound up having to pay the same rates and provide the same pension as the Ottawa hospital had, and this is seen as a terrible thing.

We’re here today to ask you to withdraw your amendments. We have been part of meetings with OPSEU, with Unifor, with Service Employees, with the Minister of Labour, asking for these schedules to be dropped. There has been no meaningful consultation with unions about these schedules, even though the impacts on people are enormous. There is a high level of anxiety in the health care system as a result of the restructuring and once it’s clear to people that the government’s plan is to withdraw the basic supports which handle such issues as whether seniority is portable, whether workers can go with their work, etc.

This is what the government has told us when they talk about taking the work without the workers—and this is a government that said that there will be no job losses, if you recall. They say that, actually, they believe that the existing workforces like hospitals can absorb all of the people who are excess, which isn’t true. Hospitals have no attrition capacity, so there will be widespread job losses. There has been no meaningful consultation, and we’re asking you to withdraw the PSLRTA amendments which the government has tabled to the bill.
And I will say that if the government believes that just cutting the floor out from under the workforce means that it can effectively manage a transformation in health care, it’s very, very mistaken.

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

**Mr. Michael Hurley:** Sorry?

**The Vice-Chair (Mr. Jeremy Roberts):** You have one minute remaining.

**Mr. Michael Hurley:** Ah. We’ll go to questions.

**The Vice-Chair (Mr. Jeremy Roberts):** Ready to go to questions? Perfect. We’ll start with five minutes from the government side. Mr. Piccini?

**Mr. David Piccini:** Thank you all for coming in today. I can tell you’re certainly very passionate about this, and I respect that, so thanks for coming in to speak with us today.

I was wondering if, when you reference—and I know you referenced a previous Conservative government from a number of years ago. Would you agree that there was certainly a strain in our health care system with respect to the number of people being serviced in hallways, that there was indeed a crisis of hallway health care, that that was a very real thing?

**Mr. Michael Hurley:** Is there a crisis?

**Mr. David Piccini:** Would you agree that hallway health care was very much a real thing in the last election, and continues to be today?

**Mr. Michael Hurley:** Hallway medicine: Yes, we struggled to make hallway medicine an issue for you in the last election—successfully, I think; the health care workforce did. And the reason is because there is a massive under-resourcing of hospitals relative to hospital services in other provinces. We don’t have the same number of beds to population; we don’t have the same number of staff to population. This is not an issue that will be dealt with by restructuring and privatization. This is an issue which desperately needs investment, which is another shortcoming in the budget.

**Mr. David Piccini:** We’ll talk a bit about investment, but I know I certainly take my guidance from the actual front-line health care providers that I speak to in my riding, and I do a number of round tables at Northumberland Hills, at Campbellford Memorial. They actually were surprised at the number we’ve had. I brought the minister out. They’d never had that with previous governments. So we had some good round tables.

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Just speak to me, because some of the health care providers that I’m speaking to on the ground are actively encouraging me: “David, you’ve got to follow the patient in this.” They’re advocating for us to take certain things that are done out of the hospital they’re saying are at a greater expense. They’re encouraging us to look at ways we can support upstream care and out-of-hospital.

**Mr. Michael Hurley:** Encouraging you to move alternate-level-of-care patients into appropriate facilities—is that what you’re saying?

**Mr. David Piccini:** That’s one of the things, yes.

**Mr. Michael Hurley:** Yes, and not take any of the existing workers who work with those patients because you would prefer to move their work to an environment where you can pay people substantially less. That’s what we’re told. That’s what the government tells us when we meet them.

**Mr. David Piccini:** That’s actually incorrect, but okay.

**Mr. Michael Hurley:** That’s what they tell us.

**Mr. David Piccini:** That’s, again, not correct, but okay.

You spoke about investments. I know, for example, again in my riding, one of the hospitals received the largest HIIF investment—the largest funding in over a decade. Base funding went up at another one of the hospitals. Do you support the investment of $267 million into home and community care and the $384 into the hospital sector? Do you support those investments?

**Mr. Michael Hurley:** Those investments were welcome, but they’re woefully insufficient.

In your riding—and Mr. Rinaldi, the former member, would remember well—there used to be two hospitals until the previous government closed them—

**Mr. David Piccini:** There still are two—

**Mr. Michael Hurley:** —leaving you with a shortfall of capacity.

**Mr. David Piccini:** Just to correct you—I have to—there are still two hospitals in my riding. You’re welcome to come out and tour them.

**Mr. Michael Hurley:** I mean Cobourg and Port Hope. You may not remember that, but the Harris government closed the Port Hope hospital.

**Mr. David Piccini:** I lived in Port Hope.

**Mr. Michael Hurley:** That’s one of the reasons why we have the access problem.

**Mr. David Piccini:** There are two hospitals, Campbellford Memorial and Northumberland, and you’re welcome to come out and meet with front-line staff with me, if you like.

**Mr. Michael Hurley:** I would love to. I meet them all the time.

**Mr. David Piccini:** I haven’t seen you there.

But what about the $174 million into mental health and addictions that was just announced yesterday? I think we can all find agreement in that.

**Mr. Michael Hurley:** The mental health and addictions represents a substantial cut. You know, the government should be ashamed of itself in terms of what passes as treatment for people who have mental illness in this province, including people with bipolar disorder or eating disorders, who have self-help groups with no clinical support in communities like North Bay. The amount of time people have to wait to get into addiction treatment, the cut that was made in the length of addiction treatment—

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

**Mr. Michael Hurley:** —the amount that’s been posited for mental health and addictions is actually embarrassing.

**Mr. David Piccini:** Sorry. I just want my other colleague—thanks very much for your comments. I appreciate it.
Mr. Michael Hurley: You’re welcome.
Mr. David Piccini: I’ll let my other colleague ask a question.
The Chair (Mr. Stephen Crawford): Mr. Rasheed.
Mr. Kaleed Rasheed: I’m going to talk from personal experience, because you talked about the LHINs and PSWs. My 85-year-old grandmother, who was living with—there were times when I was on the phone with so many different agencies after she left the hospital. If I had four hands I would have had four phones.
In your opinion, streamlining the process, bringing agencies under one umbrella so that individuals like me can actually have a life outside helping individuals like my grandmother, it’s not a good thing? Streamlining the process, in your opinion, is not a good thing?
Mr. Michael Hurley: The home care system relies upon the exploitation of women, many racialized, who are earning $16 or $18 an hour, and it has a huge continuity problem because—
The Chair (Mr. Stephen Crawford): Thank you very much. Sorry, we have to move on. I apologize.
Let’s move to the opposition for questions. Mr. Arthur.
Mr. Ian Arthur: Would you like to just finish what you were halfway through saying there?
Mr. Michael Hurley: Thank you very much. There’s a huge continuity problem in home care because people quit as soon as they can for other employment.
Mr. Ian Arthur: Thank you. I have a question about system transformations. This is something I’ve tried to raise in the Legislature a number of times. Regardless of the outcomes of what the LHINs became, I don’t know if that was exactly what they were intended to be in the beginning, but when you attempt massive structural system transformation on the scale of which we are discussing in Ontario, what was the number again that you gave of people who work in this—400,000, I think you said?
Mr. Michael Hurley: At least 400,000.
Mr. Ian Arthur: At least 400,000. Just the flow-throughs of money and instituting those systems, and how quickly this needs to be done—what do you see as the potential for mistakes along the way? And who do you think is going to suffer when this isn’t done well?
Mr. Michael Hurley: Unfortunately, the potential for mistakes in the health care system generally impacts the individual patients and their families.
The mistakes, which people like the Auditor General or the Canadian Medical Association Journal and lots of other authorities point us to, are that the kind of policies that we’re pursuing in health care under this government will lead to privatization of health care services, and privatization of health care services will lead to increased mortality etc. for the people who wind up being the recipients of that care, naturally.
The Chair (Mr. Stephen Crawford): Ms. Shaw.
Ms. Sandy Shaw: Can I just get you to go over the notion that this is an overfunded system? The per capita funding in terms of this province compared to other provinces, the number of beds and even really this investment in health care that’s less than inflation—so essentially it’s an inflationary cut. When we talk about health care inflation, it’s beyond the average 1% to 2% inflation; it’s somewhere between 4.5% and 5%. This is a government that says that they’re making investments in health care, but they’re not even keeping up with inflation, already on top of an underfunded health care system.
Mr. Doug Allan: Yes. The funding increase that they’re contemplating for health care is actually very similar to the previous government during its period of austerity that led to the crisis of halfway health care. This crisis will not be resolved through a third round of restructuring. The Harris government tried that. The Wynne government tried it. Both were colossal failures. The result is that now in health care, the other provinces—the rest of Canada combined—have $565 more for health care per capita than Ontario. It’s $406 extra in the hospital system. This is what has driven the crisis in health care.
Discussions about restructuring are all a diversion from trying to deal with that issue. It appears that the government has no intention to solve the problem but instead wants to create a diversion. What’s worse is that in this particular instance, they’re casting the workers into a crisis because they’re removing the protections that were developed when they were previously in power with the Public Sector Labour Relations Transition Act, which did at least give a little bit of certainty to this process. It is not, in my view, even in the interests of this government to open up the chaos that they are anticipating.
If they could even explain under what labour relation regimes these changes would happen it would be enlightening, because we have no idea what labour relations system they are contemplating using because they have taken away so many of the tools in this.
The Chair (Mr. Stephen Crawford): One minute.
Ms. Sandy Shaw: So let’s go back to that. Really, you’re looking at schedule 53, which is looking at taking away the kinds of bargaining rights and the kinds of protections—we’ve seen protections for workers being taken away. Can you just go a little further? We’re talking about people who are working in such strained environments already, and now they have hanging over their heads the idea that they don’t know if their job is going to be there, or, if their job is there, if they’re going to be earning less than they already are. Just, again, can you categorize how it’s going to impact health care delivery?
Mr. Michael Hurley: Sure. For example, dialysis: Let’s say that there’s a decision to move dialysis clinics out of a hospital into some free-standing entity. Well, there’s no longer any commitment to take the workforce with that. There’s no commitment around the transfer of ALC patients or any other transfer that affects workers in the health care sector. What that means is that you don’t take the workforce, and yet the workforce knows the knowledge process and has the skills and the experience of working with that patient type. This is going to have a very adverse—
The Chair (Mr. Stephen Crawford): Thank you very much. We appreciate your time.
The Chair (Mr. Stephen Crawford): I’m going to call up the next witness. It’s the Progressive Contractors Association of Canada. Good afternoon, and welcome to the finance committee. If you could just state your name for the record, and you can proceed with your presentation.

Mr. Sean Reid: Good afternoon, and thank you for the opportunity to provide our input and our support on plans to modernize Ontario’s skilled trades system, as outlined in schedule 40 of Bill 100. I’m Sean Reid, vice-president and regional director for Ontario for the Progressive Contractors Association of Canada.

Our member companies employ thousands of skilled workers across Ontario, represented by the CLAC labour union. Our membership is comprised of small, medium and large general contractors and sub-contractors involved in various types of construction, including water and waste-water facilities, roads, bridges, schools, and long-term-care facilities. More than 85% of our companies in Ontario train registered apprentices, and all of our companies support their workers with industry-leading wages and benefits, as well as strong investments in health, safety, and skills training.

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For years, PCA has been calling for a modernized skilled trades and apprenticeship system that’s more in step with our rapidly changing work world. And for years, nobody listened—until now. Schedule 40 provides the framework needed to move our skills training system into the 21st century. We’d like to thank the government for eliminating unnecessary bureaucratic red tape so that young people, immigrants and individuals on a second-career pathway have every chance to pursue careers in the skilled trades. This legislation opens up opportunities to allow more employers to train the next generation of workers in the skills required for construction projects in 2019 and well beyond.

Bill 100 clearly demonstrates that this government has listened to PCA and its member companies and understands the challenges facing Ontario’s construction and skilled trades sectors. We welcome your government’s commitment to reforming and streamlining training. The introduction of modular-based training provides greater flexibility in training and certification and encourages lifelong careers in the skilled trades. We’re also strong supporters of the government’s plan to promote the trades from kindergarten to grade 12. In our view, the earlier that young people are exposed to the skilled trades, the more likely they are to see them as a career path worth pursuing.

PCA is also a strong supporter of the government’s plans to move swiftly to wind down the Ontario College of Trades. Over the years, we have also been vocal in our opposition to OCOT fees that created another barrier to individuals interested in entering the skilled trades. We want to thank you for eliminating those fees for the vast majority of skilled tradespeople.

Let me make one other point that wasn’t included in my submitted remarks today: All of the career data shows that careers of the future are not rigid, siloed, one-track endeavours that you start from university and end at retirement. Careers today and in the future are dynamic, shifting and changing with the changes of our passions and interests and with the changing market needs. That’s why it’s so important that we have a skilled trades system that is every bit as flexible and dynamic as the careers we want to enable with that system. This budget sets us on that path.

We recognize that there is a lot of work ahead of us in ensuring the design of this modernized system and that it works for all involved in the skilled trades. We look forward to the opportunity to provide our expertise and input as the government moves forward in implementing the framework that this legislation provides.

I appreciate the opportunity to speak with you today. If you have any questions, I’d be happy to answer them.

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

We’re going to start with questions from the opposition side. Mr. Mamakwa.

Mr. Sol Mamakwa: Thank you for your presentation, Sean.

I’m from Kingfisher Lake. It’s a fly-in community. I represent the largest riding in Ontario geographically, and also the smallest when we talk about population.

You talk about schedule 40 specifically and Modernizing the Skilled Trades and Apprenticeship Act. How is your organization going to work with First Nations in northern Ontario?

Mr. Sean Reid: Our organization and the member companies of our organization have a very strong record of working with First Nations. I can think of one company in particular, Ledcor construction, that has worked with a number of First Nation communities in northern Ontario.

I think, for the purposes of this bill we’re discussing today, one of the challenges that we’ve seen in working with First Nations people—and, frankly, with other communities as well—is that when these projects, especially in northern Ontario, are developed, we don’t have the bricks and mortar in place to train the people that we want to train. For example, if Ledcor, just to name a company, is going in and wants to engage with First Nation communities and recruit skilled tradespeople from those communities and train them, they often would have to fly them back down to some location where there might be a brick-and-mortar college or training system. What we need to do is have a system that’s far more modern, that’s enabling more digital training, more online or mobile training, where we can set up mobile sites. The whole vision associated with what the government has put forward in schedule 40 is to get rid of the old sort of sacred cows of brick-and-mortar systems that we had and see what we can do to enable a more dynamic, more flexible system that can actually reach out and engage those communities. That’s what I’m most excited about, from our members’ perspective, in working with First Nations communities.

Mr. Sol Mamakwa: Have you been in any of the fly-in communities in northwestern Ontario?
Mr. Ian Arthur: I don’t know if you have anything—

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

Mr. Ian Arthur: My apologies; I missed part of your presentation, but I read through it quickly. You talk about the digital delivery of some of this stuff and the one-window portal.

Would you talk about the importance of broadband services, particularly to rural communities, in realizing the transformation in the trades?

Mr. Sean Reid: I’m afraid I can’t speak too much to the details of broadband infrastructure, per se, but I certainly think that we need to continue to digitally enable our systems. As I was just saying, we have to have a more dynamic, more flexible system that has the ability to be agile to changing market situations, particularly if we want to take advantage of resource opportunities in, say, the Ring of Fire and that sort of thing. We have to have a system that can be mobilized on relatively short notice. The digitization of these systems is one way to enable that.

Mr. Ian Arthur: In part, you’re talking about a cultural transformation, as well, in terms of how the trades—and I have a background in the trades, before I came to this job. There’s a lot of work to be done there, so I very much appreciate you drawing attention to that.

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

Mr. Ian Arthur: Do you want to talk a little bit more about the challenges you see in that cultural transformation about the value of the trades and making it a desirable career path?

Mr. Sean Reid: Absolutely. One of the things we’ve been supportive of in schedule 40 is the desire to promote the trades more effectively in the school system. For too long, our young people have heard this message either implied sometimes from their parents but also from some of the education community—who have said that the skilled trades are a second- or last-resort option or a dirty job that’s not something that is for everybody. I think that has really sold our students short. The skilled trades are an opportunity to use all of who we are, including our physical selves, in a rewarding capacity. I’m excited about the opportunity to start to work on some of those cultural problems.

The Chair (Mr. Stephen Crawford): We have to now move to questions on the government side. I’ll start with Mr. Roberts.

Mr. Jeremy Roberts: Thank you so much, Mr. Reid, for being here and for your constructive feedback on something I think we’re generally all in agreement on: the idea of how we can improve access to the skilled trades and make sure we have that skilled workforce that we need today and tomorrow.

I was fortunate enough earlier this year—I held a wonderful round table in my constituency. We had the brotherhood of carpenters. We had Algonquin College, La Cité. We had some contractors. We really dove into this issue of how we can get more apprentices and more kids thinking about the skilled trades. Some of the big issues they talked about were stigma, access to facilities, and access to tools. Are these some of the things that your organization is thinking of, and do you have any thoughts on potential solutions on how we can tackle some of these issues, building upon some of the stuff we’ve done in this budget?

Mr. Sean Reid: Absolutely. I’ll just share one data point from a really excellent organization called the Canadian Apprenticeship Forum, which surveyed young people and parents about whether or not—first, they asked the parents, “Would you encourage your students, your young people, your kids, to get into the skilled trades?” About 80% of the parents said, “Yes.” Then, they went to the kids of those parents and asked, “Would your parents encourage you to go into the skilled trades?” Only 50% of the young people said that their parents would encourage them. So there’s obviously a breakdown here.

I think there are multiple ways we’re going to have to deal with this, but what this budget bill does is it begins to engage in the question of how we go deeper, how we start much earlier in working with parents. That was one thing that was kind of a nuance in the wording, which we really appreciated: working with parents and educators on showing what some call a parity of esteem between skilled trades and other occupations. It’s going to take a lot of work, but I think we’ve begun that process and we’re excited to be a part of that.

Mr. Jeremy Roberts: Sure. One of the things that I found interesting is that a lot of folks in the education system—well, the challenge they would present to us is the fact that a lot of schools have gone out of the business of doing skilled trades classes and so they don’t have tools anymore in the schools. When I spoke to a lot of folks in the trades—contractors, other folks—they said regularly, when they’re buying a new set of tools—it’s not that their old ones aren’t useable anymore; it’s just that perhaps they’ve moved from corded tools to cordless or something like that and the old ones are still useable. Is that something that your members have looked into at all in terms of whether or not there could be an opportunity for them to pass on used tools to schools to help train the future generation?

Mr. Sean Reid: In many cases, some of my members already are doing that, and they’ve built very good partnerships. I should say, the colleges and Colleges Ontario have done a good job of engaging employers at the regional level in many cases. I think they would agree that there’s always more you can do.

One of the areas that I think is exciting that’s spoken to in this budget is the desire to create more consortia between employers to facilitate the training process. Get employers together—the government may be a facilitating body in that regard—and collaborate on addressing the issues that might come up in a region or a sector. There is more that employers can do, and I think we just need to keep coming up with these opportunities like these consortia initiatives—
The Chair (Mr. Stephen Crawford): One minute.
Mr. Sean Reid: —and encourage them in that direction.
Mr. Jeremy Roberts: Sure. Thank you.
The Chair (Mr. Stephen Crawford): Any further questions? No? Okay. Thank you very much.

PENSION OFFICE CORPORATION
OF THE ANGLICAN CHURCH OF CANADA

The Chair (Mr. Stephen Crawford): We’ll move to our next presenter. It’s the Pension Office Corporation of the Anglican Church of Canada. Welcome to the finance committee. If you could just state your names for the record, and you can get right into your presentation.
Mr. Cameron Hunter: Thank you. My name is Cameron Hunter.
Ms. Judy Robinson: Judy Robinson.
Mr. Cameron Hunter: Thank you to the committee for agreeing to hear from us. We’re here on behalf of the Anglican Church of Canada’s General Synod Pension Plan. Through various iterations, this plan has provided financial security for over 100 years to about 5,000 current members, employed by about 50 employers within the Canadian Anglican communion.

We are in support of the proposed changes under Bill 100 to the Pension Benefits Act to allow not-for-profit, multi-employer pension plans, like the General Synod Pension Plan, to be registered as a target benefit pension plan. The General Synod Pension Plan has operated as a target benefit pension plan, known as a multi-employer pension plan, since before such legislation existed. It has an expert board of trustees populated by actuaries, lawyers, investment experts and plan members, including retirees, who are responsible for the administration of the plan. The trustees report to a pension committee, with most of its members appointed by plan members.

Since the members of this plan are not unionized, the plan has been required to solvency-fund, unlike unionized multi-employer pension plans, which have been exempted from solvency funding. However, as you may know, the General Synod Pension Plan has been granted special funding rules for nine years now under specific regulations under the Pension Benefits Act, which temporarily removed the requirement to solvency-fund. This has been helpful, but it is very difficult to manage a long-term financial vehicle, like a pension plan, under temporary law. We also note that for each of the three successive General Synod Pension Plan special regulations, the Ministry of Finance required a super-majority of each category of plan members to support the special funding rules. The plan members resoundingly supported these funding rules, specifically the removal of solvency funding.

The General Synod Pension Plan is structurally the same as a multi-employer pension plan with a unionized membership. In particular, contributions are fixed, not by collective agreement, but rather by the pension committee and board of trustees, as documented in the plan’s governing documents. Employers are not required to increase contributions to address funding challenges. Rather, if necessary, accrued pensions can be reduced.

It’s important to note that the General Synod Pension Plan has never reduced accrued pensions. Further, the General Synod Pension Plan is subject to the regulations under the Income Tax Act which limit contributions to 18% of pay, which is close to the current level of contributions required on behalf of plan members. This is the same for multi-employer pension plans with a unionized membership, but we believe the General Synod Pension Plan is the only multi-employer pension plan with a non-unionized membership subject to this contribution restriction.

The effect of these two rules combined—the imposition of solvency funding, and the inability to increase contributions—is that plan members are subject to the substantial, unnecessary risk of fluctuating pensions due to the vagaries of solvency funding.

Due to prudent management, pensions have never been reduced under this plan.

The pension committee and board of trustees believe that registering as a target benefit pension plan will assist the Anglican Church in achieving greater societal goals, assuming that the funding framework for these plans will not require solvency funding.

It’s commonly recognized that not all employers have access to a successfully run, expertly governed pension plan. The plan’s governors are looking to expand the plan’s membership to allow other socially conscious, not-for-profit employers to participate. Being a target benefit pension plan facilitates the plan’s ability to pursue this goal.

We look forward to the criteria for a benefit provided by a pension plan that is a target benefit plan—

The Vice-Chair (Mr. Jeremy Roberts): One minute.
Mr. Cameron Hunter: —being amended in the Pension Benefits Act, along with the subsequent appropriate funding rules later this year.

We also look forward to a straightforward transition in the registration status to a target benefit pension plan—in particular, no requirement to yet again canvass members on their support, given that the General Synod Pension Plan has already done so three times within the last 10 years.

We would be happy to take any of your questions.

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: In terms of the transition—in the budget, in Bill 100, we’ve started down the road of allowing the MEPP to happen as a target. What would you foresee the next steps being? There is some consultation to be had on some of the pieces you ended on. Where would you start?

Mr. Cameron Hunter: There are two steps. One is that currently, there is no target benefit pension plan. There are plans that operate like them, just not registered as that. The
first step, I think, is an easy transition for these—this is basically a name change—because under the multi-employer plan rules, they’re already operating like a target benefit plan. So, if it’s really just a name change, a registration status, it should be a simple, straightforward process because there is no transfer of risk; there is no change in obligation between employers, plan members, trustees etc.—so, some simple “complete a form” type of process through the regulator.

The second is to implement an appropriate funding regime that would be applicable to target benefit plans that exclude solvency funding, with reasonable funding requirements—which, in my opinion, are not consistent with those proposed last year by the previous government.

Mr. Doug Downey: Again, we have MEPPs with the solvency piece; you’ve got the exemption for nine years, I think you said.

Mr. Cameron Hunter: Yes.

Mr. Doug Downey: What is the benefit of—I shouldn’t use that word. What’s the advantage of the name change if, in function, it’s happening that way anyway?

Mr. Cameron Hunter: You’d have to ask the previous government that. But the purpose, as an industry player understood it, was to permanently remove solvency funding for multi-employer plans. Under the current definition, the only real requirement is that the plan be unionized, not that it be a multi-employer plan. This is a change, an expansion of the definition of that.

Mr. Doug Downey: I guess that was where I was headed: We could do it on one end or the other end, as long as you land in the same space.

Mr. Cameron Hunter: Correct.

Mr. Doug Downey: Okay. Thank you.

The Chair (Mr. Stephen Crawford): Any further questions from the government? Okay, we’ll go to the opposition side. Ms. Shaw.

1650

Ms. Sandy Shaw: Just in general, my question would be—we’re talking about schedule 48 of Bill 100?

Mr. Cameron Hunter: Yes.

Ms. Sandy Shaw: The recommended changes in schedule 48 are broad enough. Are you saying that these, if they’re implemented as you anticipate, will address the needs of your sector?

Mr. Cameron Hunter: It will address the needs of the Anglican Church, which is a not-for-profit, non-unionized, multi-employer plan, which has specific meaning under the Ontario Pension Benefits Act. But in addition, this plan is, as far as we know, the only plan that has got contributions restricted under the Income Tax Act, unlike other defined benefit pension plans. In particular, this plan is registered as a specified multi-employer pension plan under the Income Tax Act. It is done so through a ministerial exemption that was granted back in the early 1990s, given the circumstances of this plan. We’re not aware of any other plan in the province that has this gap in registration status: being a multi-employer plan in Ontario but, under tax law, having the contributions restricted under the specified multi-employer pension.

Ms. Sandy Shaw: And this schedule is not going to address that, because it’s a federal tax restriction?

Mr. Cameron Hunter: This schedule, for this plan, because of the funding rules for multi-employer plans that removed solvency funding, specifically excluded non-unionized and not-for-profit employers. Because this plan has non-unionized employees and this plan has not-for-profit employers, there are two conditions that it doesn’t meet, so therefore it’s not covered by the exemption from solvency funding.

Ms. Sandy Shaw: Okay. But you’ve been granted special exemption for nine years, as MPP Downey has said. In that exemption from solvency—I know that there are other components, which would be requirements to make special payments or—

Mr. Cameron Hunter: No.

Ms. Sandy Shaw: And you don’t have contribution holiday exemptions?

Mr. Cameron Hunter: No. The way this plan works is that the employers, which are the dioceses of the church around the country etc., agree to contribute a fixed amount to the plan. That goes into the plan. As the plan’s actuary, I convert that into a pension. In the event that there is not enough money in the plan, then the law allows the trustees to reduce the members’ pension. There is no requirement in the plan documents or the law to force the employers to pay more. Further, there is no provision for employers to take contribution holidays.

Ms. Sandy Shaw: Right, okay. I think that’s it. Thank you very much.

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

Mr. Cameron Hunter: Thank you.

CANDIAN CHRISTIAN SCHOOL PENSION PLAN BOARD OF TRUSTEES

The Chair (Mr. Stephen Crawford): We’ll call our next organization, the Canadian Christian School Pension Plan board of trustees. Welcome to the finance committee. If you could state your name for the record, you can get right in with your presentation.

Mr. Randy Bauslaugh: My name is Randy Bauslaugh. I’m legal counsel to the board of trustees of the Canadian Christian School Pension Plan. Personally, in my business life, I am an expert on pensions. I’ve advised foreign and domestic governments, the UN, private and public corporations and other boards of trustees of multi-employer plans in the construction sector and other unionized sectors.

I’ve been privileged to be legal counsel to the trustees of the Canadian Christian School Pension Plan for about 20 years. This plan has been in existence for 50 years. More than 5,300 people are entitled to benefits under the Christian schools plan across Canada, with almost half of those being in Ontario. Ontario members include 1,205 employees, 715 deferred vested members and 587 retirees. The plan has about $370 million in assets.

I could repeat much of what the previous speaker said, but maybe I’ll just turn to it, being more along the lines
of—I think we should be encouraging these industry-wide representative associations that are not unions to look at providing these flexible and sustainable plans. Indeed, over the past three years or so, I’ve met with and, in some cases, I am working with associations of law firms, architects, pharmacists, accountants, medical associations, car dealer associations and even Aboriginal groups to investigate these kinds of arrangements to provide predictable, cost-efficient lifetime pensions, not just a pot of money like you get under an RRSP. On average, these types of plans can deliver the same dollar of lifetime retirement income for about one half the cost of a defined-contribution or group or individual RRSP arrangement, and those numbers—I can provide you lots of evidence that sustains at least that amount of a cost differential.

It’s my view that this type of plan is exactly the type of plan that small and medium-sized employers can sign up for, particularly since many small and medium-sized employers do not have the internal capacity or resources to manage any kind of a plan whatsoever. Ending this discrimination against non-union workplaces will go a long way to encourage development of these kinds of plans. This isn’t just, in my view, a halfway house to stop those shoes or a professional or industry-wide association that can represent its members’ interests. My client—

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

Mr. Randy Bauslaugh: My client, Christian Schools, is extremely happy that the government is going to move forward with these changes. It will avoid my client having to make 15% to 20% cuts in benefits, including cuts to pensions and pay, simply because we aren’t funded like a defined benefit plan. If the contributions aren’t sufficient to maintain the benefits, the benefits have to be cut.

We looked at alternatives: Kick out a bunch of Ontario employers, sufficient so that we could move the registration of the plan to British Columbia, where they don’t make this kind of distinction.

In any event, we are really happy that the government is moving in this direction. The budget statement says the government will continue to work with stakeholders as it develops further elements of the target benefit framework. It is the trustees’ hope that government will eventually eliminate the red tape of two parallel MEPP structures and target benefit structures that you just heard about and come up with one that makes the most sense.

In closing, Christian Schools feels the budget sent a very positive message, and the trustees are keen to be an active stakeholder as the government moves forward with developing legislation for target benefit plans.

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

Ms. Sandy Shaw: I just have one question, just to clarify what you were saying; I might have misunderstood. You’re looking at having a third option? There’s defined benefit, there’s defined contribution, so you’re talking about codifying the targeted benefit structure for pensions? Is that what you’re talking about?

Mr. Randy Bauslaugh: We already have a structure. It’s called multi-employer pension plans, established pursuant to a trust agreement or established pursuant to a collective agreement. Christian Schools’ was established pursuant to a trust agreement. The only distinction is that if I don’t have a union in the picture, I have to fund on a solvency basis, which is completely inappropriate in a plan where the benefits can be adjusted rather than the contributions.

Ms. Sandy Shaw: To keep out of insolvency.

Mr. Randy Bauslaugh: Yes.

Ms. Sandy Shaw: All right. Thank you very much.

The Chair (Mr. Stephen Crawford): Any further questions?

Ms. Sandy Shaw: No, thank you.

The Chair (Mr. Stephen Crawford): Okay. We’ll go to the government side. Mr. Downey.

Mr. Doug Downey: We’ve talked pensions—I love talking about pensions, and you’ve educated me quite a bit since I got elected last June. I think I’ll just leave it at: Thank you for your assistance so far, and I look forward to working with you to keep this moving forward.

Mr. Randy Bauslaugh: So do we. Thank you very much.

The Chair (Mr. Stephen Crawford): Thank you for your presentation.

1700

ONTARIO NURSES’ ASSOCIATION

The Chair (Mr. Stephen Crawford): We’ll move to our next organization, the Ontario Nurses’ Association. Welcome to the finance committee. If you could just state your names for the record and you can get right into your presentation.

Ms. Vicki McKenna: My name is Vicki McKenna. I’m a registered nurse, and I’m provincial president of the Ontario Nurses’ Association. To my right is Bev Mathers, our CEO, and on my left is Lawrence Walter, ONA’s lead for government relations.
ONA is Canada’s largest nursing union. We represent over 65,000 registered nurses and health care profession- als, as well as more than 18,000 nursing student affiliates.

To begin, ONA strongly opposes the proposed revisions to the Public Sector Labour Relations Transition Act, or PSLRTA, in schedule 53.

PSLRTA is not a barrier to integration, but facilitates efficient transitions during restructuring. PSLRTA provides a known and effective regime for ensuring smooth transitions, allowing parties to address the labour relations implications in a proactive way—and having skilled, knowledgeable professionals transitioning with their work.

In contrast, the sale-of-business provisions in the Labour Relations Act have historically not been successful in addressing transfers and integrations in the health sector because the typical indications of a sale are not present—and why PSLRTA was enacted in the first place. The powers of the Ontario Labour Relations Board are more limited compared to the powers of the board under PSLRTA. Under PSLRTA, the board has broad powers to determine the number and composition of bargaining units in order to fashion rationalized, appropriate bargaining units.

ONA strongly believes that PSLRTA, as it currently exists, serves to facilitate the government’s objectives.

ONA believes that our proposed amendments, as laid out in our submission, will facilitate the government’s desire for an integrated health care system.

We’re also concerned about pay equity and the implications of repealing section 13.2 of the Pay Equity Act, particularly in light of the act’s purpose of redressing systemic gender discrimination in compensation.

Workers in female job classes should not see their pay equity plans and pay equity entitlements disappear because of business transfers over which they had no say. Protecting against such actions was precisely the reason that sale-of-business provisions were introduced into the Pay Equity Act in the first place.

We recommend that the government reinstate section 13.2 of the Pay Equity Act.

ONA has not received any communication from government regarding the massive restructuring of public health units. ONA represents almost 2,500 nurses and health care professionals delivering services in 33 of the 35 public health units. How does the government intend to manage the transition of nurses, health care professionals and other staff?

The government says that consistent service delivery is a primary goal for the restructuring, but the government is also shifting more of the share to the municipalities from the province, including programs that are currently funded at 100%. Funding programs at 100% assures consistent service provision and better coordination and alignment.

The government also asserts that this regional restructuring and downloading of funding will be more effective for staff recruitment and retention, and we wonder how. Nurses and health care professionals will be forced to choose between moving to a regional location that has not yet been determined or moving to another sector that’s closer to their home.

The government says that some health units might receive a waiver from meeting some public health standards. How does allowing some public health units to avoid meeting public health standards for service advance the government’s goal of consistent service delivery? When municipalities are responsible for a greater share of funding, they will be responsible for decisions about which of the critical health protection and promotion programs can be provided.

We recommend that the government reconsider the regionalization until further consultation has been completed. We also recommend moving to 100% provincial funding of public health, if the government’s objective is really to ensure consistent service delivery and better alignment.

The annual average growth rate of 1.6% for the health sector over the next three years is unlikely to match the costs of inflationary pressures and will not be sufficient to cover the extra costs from population growth, aging and increased utilization. As a result, the government is looking at rolling back public sector compensation and related areas such as improved scheduling, attendance management, and reducing the number of overtime and premium rates paid. These are all areas subject to collective bargaining, where they belong. These provisions are also designed to ensure the right nursing and health care workforce to meet the needs of patients at the right time.

The government asserts that such changes, unknown at this time, will have no impact on patient care or front-line staff. Well, Grand River Hospital in Kitchener announced layoffs to deal with a projected deficit of $7.4 million, eliminating 50 positions, 80% of which were nurses. Orillia Soldiers’ Memorial just announced 14: nine full-time RNs in the operating room and emergency departments.

Restructuring Ontario’s health-care system will not succeed without a plan that provides for an orderly transition and strategy to retain front-line nurses.

We recommend that the government reconsider a strategy of achieving cost reductions through collective bargaining provisions that will certainly have an impact.

The Chair (Mr. Stephen Crawford): Thank you very much. We’re going to move to questions now. We’re going to start with the government side. Ms. Skelly?

Ms. Donna Skelly: Thank you. Did you want to finish your last—you had a few comments.

Ms. Vicki McKenna: Really, the last point that I was going to mention is that we’re recommending that the government consider implementing a human resource strategy to retain nurses and health care professionals, which may include additional one-time funding to avoid layoffs of front-line staff, which are currently already existing.

Ms. Donna Skelly: Yet another jurisdiction or area where we’re seeing that there is going to be a huge shortage, again, of skilled workers.

Ms. Vicki McKenna: That’s right.
Ms. Donna Skelly: We’ve said this so many times travelling across Ontario. It’s every region in almost every sector where we’re really struggling to find workers.

I’m from Hamilton. The St. Joseph’s Healthcare system is in Hamilton. Of course, it’s really, in many ways, what our province is basing its change on in terms of St. Joe’s integrated continuum of care model. I just wanted to ask you if you’re familiar with that particular system and what you think of that particular model.

Ms. Vicki McKenna: Yes. I know in the pilots that were done some time ago and may be still under way to some degree—

Ms. Donna Skelly: I think it’s actually now no longer a pilot project. It’s full-time.

Ms. Vicki McKenna: Okay. But what we do know and what we’ve talked about often is that integration is very important and key. We don’t disagree with that point at all. We do like and agree with bringing the care providers under one umbrella. In St. Joe’s case, for instance, their home care services were under the umbrella of the hospital, so they could ensure the skill and the compensation and the movement of staff—less fragmentation of care. It certainly improved the outcomes of people in particular programs. It didn’t run in every program and it isn’t throughout the whole organization in every program, that I know of. Bev?

Ms. Bev Mathers: Correct.

Ms. Vicki McKenna: I haven’t been updated on that. But it certainly moved us to better coordinated care and integrated care, and we agree with that.

We believe that the privatization of home care services will not aid in that. They need to be brought under the umbrella, where the education, the skills and the coordination of the service providers—

Ms. Donna Skelly: The continuum of care.

Ms. Vicki McKenna: The continuum of care is under that umbrella. What we see now is sure and certain to lead to more fragmentation than ever was intended. I don’t think that was intended.

The same with long-term-care facilities: The more integration we do, the better, but it has to be clear who the workers are, and the workers who are providing the care services are based on the care needs of those individuals. That means higher-skilled workers in the home than currently exist now. Many health care providers in the homes are seeming not prepared to do that.

Ms. Donna Skelly: This is, of course, is Mental Health Week, and our minister announced about $174 million just for the first stage of a 10-year process in rolling out $3.8 billion. From your perspective as a front-line worker, how would you commit these funds? I mean, it’s pie in the sky.

Ms. Bev Mathers: Correct.

Ms. Donna Skelly: I haven’t been updated on that. But it certainly moved us to better coordinated care and integrated care, and we agree with that.

The same with long-term-care facilities: The more integration we do, the better, but it has to be clear who the workers are, and the workers who are providing the care services are based on the care needs of those individuals. That means higher-skilled workers in the home than currently exist now. Many health care providers in the homes are seeming not prepared to do that.

Ms. Donna Skelly: This is, of course, is Mental Health Week, and our minister announced about $174 million just for the first stage of a 10-year process in rolling out $3.8 billion. From your perspective as a front-line worker, how would you commit these funds? I mean, it’s pie in the sky at this point to say what you would do, but if you could give us some guidance in terms of where you think—because we believe in a wraparound model for mental health services. This funding is really just the first stage in that.

Ms. Vicki McKenna: I don’t know the details of the funding, and it’s always the details, certainly, that make a difference. But what I do know is that mental health services are sadly lacking, and they’re lacking right across the spectrum, from adults to children—to adolescents in particular.

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

Ms. Vicki McKenna: And that’s where we see some of the biggest strategies that have been vacant, I guess—have not been happening. Wraparound is great, if I understand what the definition is really to mean. I think that will be helpful, but it’s about when and how and who. Who would be responsible? Who is going to actually hold the authority to make that happen, and where will those health care providers come from?

Ms. Donna Skelly: I know I took almost all the time. Did anyone else what to speak to this?

The Chair (Mr. Stephen Crawford): Thirty seconds left.

1710

Interjection.

The Chair (Mr. Stephen Crawford): Mr. Rasheed?

Mr. Kaleed Rasheed: Basically, I just wanted to ask: What do you think of the government’s approach of focusing resources on front-line care such as nurses?

Ms. Vicki McKenna: Certainly, front-line care is where the resources need to be focused; there’s no absolutely no doubt about that. What we are experiencing this year already—we have, I think, almost 125 layoff notices already given this year. We have nurses who are losing work, and I don’t see the investment there.

The Chair (Mr. Stephen Crawford): Thank you. Our time is expired, so we’re going to turn now to the opposition side. Ms. Shaw?

Ms. Sandy Shaw: It is national Nursing Week this week. You’re not the first organization that has raised concerns about schedule 53, about people who work in the health care sector who are very concerned about the future of their jobs. They’re worried about work being taken away from them—without the worker.

But this morning the Premier had some words, and I’d like to quote what we said. He did say, “I love the nurses. I truly do love the nurses.... We’re going to make sure we take care of the nurses because, again, they are the backbone of every hospital,” which we wouldn’t disagree with. He went on to say, “I can assure the nurses out there they will be well taken care of.”

In the context of those comments and what you understand with Bill 53, would your 65,000 nurses feel that they were going to be well taken care of?

Ms. Vicki McKenna: I can tell you that we’re very concerned, very worried about that. They’re worried about the patients and their ability to move with their work and the lack of ability to do that if PSLRTA is not there.

They are concerned about the pay equity pieces. I don’t know that this government really intended to—or maybe they did—withdraw pay equity access for a predominantly female work class. It just doesn’t make any sense to me.

I did not hear that. I had been busy all day. I hadn’t been reading that. If that is the intention, then we’d like to see that demonstrated. Right now I haven’t seen that.
Ms. Sandy Shaw: There. You can take this with you and start from there. How about that?

Ms. Vicki McKenna: Excellent.

Ms. Sandy Shaw: Building on that, we heard you depute before, in the pre-budget consultation. At the time, the biggest overhaul in our public health system since Tommy Douglas invented public health was happening. You did say then that you hadn’t been consulted. Just tell me again that you have not been consulted on Bill 74, that huge transformation.

Ms. Vicki McKenna: No.

Ms. Sandy Shaw: No. I just have to say, it’s hard to believe that the confidence that the people of Ontario should have in the transformation of the health care system that is so vital to them, that really—I keep commenting on how can they have confidence that this government is going to be able to do this without consulting the front-line workers who are the backbone of every hospital? It’s really just a comment.

You talked a lot about the impact of the public health changes. There’s no consultation in that. Do you want to speak specifically a little more to Bill 74? If you had been consulted on Bill 74, what would you have said then?

Ms. Vicki McKenna: I don’t know if I have enough time to get into it too deeply except to say that we are, at the front line, delivering health care right across the entire health system, whether that be hospitals, long-term care, public health units, in the community and industry and clinics. The first and foremost thing that the people that I represent talk about is what it means to patients when systems change. I think that would be something that people who are making these decisions would be really interested in hearing. I really don’t want to hear about unintended consequences, and that is what I’m very concerned about.

We are a union, and we represent over 65,000 people. Yes, we have contracts and all of those sorts of things; that’s our job. But we’re also health professionals. The consultation around the logistics and the ins and outs of the bills and all of those sorts of things, we’ll deal with and we’ll push forward because we believe in highly skilled workers going with their work to care for the people. If this is about Ontarians, then I would think that would have been first and foremost.

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

Ms. Vicki McKenna: Consultation and discussion: Yes, they take time. But do you know what? If we want to do it right, then there should be extensive consultation done. That hasn’t happened on the transformation.

Paying for health care with our OHIP card isn’t the answer to the questions that people are asking me. What they are asking: Is my service going to be there? Where will it be? Who will provide it? Who will be my employer? Where will I work, and where will the patients I care for be cared for? Those are the things they’re asking.

The transformation: Integration has always been something that we’ve talked about. We believe there is fragmentation, but we believe that there are solutions to that and we’d like to be able to discuss those at greater length than we’ve been able to.

Ms. Sandy Shaw: Thank you very much.

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

ONTARIO GENERAL CONTRACTORS ASSOCIATION

The Chair (Mr. Stephen Crawford): We’ll move to our next presenter. It’s the Ontario General Contractors Association. Good afternoon, and welcome to the finance committee. If you could just state your names for the record, and you can proceed with your presentation.

Mr. Clive Thurston: Thank you very much for allowing us to be here. My name is Clive Thurston. I’m president of the Ontario General Contractors Association.

Mr. David Frame: And I am David Frame, director of government relations with the association.

Mr. Clive Thurston: Our submission on Bill 100: Our association represents almost 200 contractors in the industrial, commercial and institutional sector. We contribute over $10 billion yearly to the GDP of this province. Our prime contractors do most of the province’s work. The infrastructure investment, the $14 billion: Our members do that. Our slogan, “We Build Ontario,” actually is quite true. We do build the province.

Today we will address schedule 40 of the bill, the Modernizing the Skilled Trades and Apprenticeship Act, which is an important initiative to realign our economy and to generate skilled careers. The Ontario construction industry is in a sustained growth period that is projected to continue for the next decade. According to BuildForce, our national organization that determines construction’s labour market requirements, Ontario has roughly 423,000 tradespersons. We’ll need an additional 26,000 by 2027. Over that period, 91,000 workers will retire, requiring us to recruit and train 117,000 persons for our industry. That is, without question, an enormous challenge.

OGCA is an active supporter of the Ontario Skilled Trades Alliance, as is PCA, who appeared previously. That organization has over 40 associations, and not just construction. It has automotive, hairdressing—it’s a huge group of people who came together a number of years ago to consolidate the message and work to fix the problems. Last year, they issued a discussion paper called Closing the Skills Gap. It was authored by Maxim Jean-Louis, president of Contact North. It found that Ontario has no skills strategy and no plans to address the skills gap. As a result, participation in apprenticeship and completion levels fell dramatically over the past decade.

The OSTA discussion paper compared Ontario with models in many other jurisdictions. It found Ontario’s approach to be based on an outdated model of how individuals master their skills and found it no longer suitable. We have proposed that “rather than focus on time, journeyperson-apprenticeship ratios and whether or not a specific trade requires compulsory or voluntary certification, there is a need to develop a modular, stackable approach to skills and capabilities training and developments which permit greater flexibility and more rapid progress to
provides new workers with knowledge.

This legislation proposes to transfer the legal authority for the administration of the trades and apprenticeship system to the Minister of Training, Colleges and Universities from the failed experiment called OCOT, providing for more direct accountability to the government. While it doesn’t provide us with much information on how the skills system will change, we recognize that direct accountability is a very important start.

We have made recommendations moving forward. The four top ones that have gone forward are:

Develop a government-wide, multifaceted skills strategy. Jurisdictions with successful skilled trade engagements are built around a modern and focused strategy. We recommend the appointment of a chief skills adviser at the MTCU. The mandate should focus on developing a skills strategy and promotion of the trades.

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

Mr. Clive Thurston: Address barriers to entering the trades: The bill’s elimination of OCOT was a great first step. The priority should be on providing training that provides new workers with knowledge.

Transform the perception of the skilled trades: We must elevate the public’s perception of the skilled trades so that they become highly desirable careers.

Finally, find flexible solutions to job creation and training: A strategy that incorporates flexible, modular certification will accelerate the time from initiating training to the work site.

We have an opportunity to promote the skilled trades to historically underrepresented groups, including minorities, women and Indigenous peoples. The existing system cannot and will not get us there, and the cost of failure is high: more unemployment, lower tax revenues, lower productivity, and a failure to build the infrastructure our economy needs.

The proposed Modernizing the Skilled Trades and Apprenticeship Act clears the table and allows us to build a new skills model. We believe it gives the government a mandate to work with workers, employers, colleges and training organizations to address the skills gap and transform the system.

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

Mr. Ian Arthur: We’ve had a couple of presentations along this line today. I do very much appreciate the skills gap, and the steps that the government is taking to address some of these issues.

Just quickly on the ratio changes: I understand that a 1-to-1 versus a 1-to-4 would work in some areas. Do you see that as problematic in some areas where safety is a concern? Do you think that that should have a modular approach which fits the industry as well? We’ve switched from a one-size-fits-all model to another one-size-fits-all model that—

Mr. David Frame: Safety is a huge focus for us. Ratios are not the only way of controlling safety. For instance, almost all of our members have a program called COR, which is a safety certification that requires them to build into their system orientation and the well-being of new workers that come onto their site. We also have an orientation program that they use as well.

Safety is multi-faceted; it’s not just a function of the ratios. You can have unsafe workers at 4 to 1 and very safe workers at 1 to 1.

Mr. Ian Arthur: Yes, I do recognize that, but do you think ratios do play a role in safety? In the same way that there can be other avenues to approaching safety, do you see a potential impact of ratios on safety?

Mr. David Frame: There is certainly a potential impact. Whenever an employer takes advantage of the lower ratios, they also have to implement a safety plan to make sure it’s being done properly and that those workers are safe.

Mr. Ian Arthur: I asked this question earlier about the cultural shift needed. What are some of the steps you would like to see taken on the front lines? What does that look like in a school? What does that look like in a community, to make it a desirable place to work?

Mr. Clive Thurston: That is a big challenge, as you heard Sean Reid say. We have faced discrimination in the schools. Guidance teachers view us as the occupation of last resort. We used to try to work with guidance counselors; they shut us out. We’re not welcome at trade fairs in the schools. We’re not welcomed by these guidance teachers, and it’s a real problem.

It’s a cultural shift. There is a change going on that we’re seeing. We have got to bring back the shops. We have got to put it on the same level as math and science that we’ve heard. We have to bring it back in. For years, it has been put down, so we need to change the culture.

Mr. Ian Arthur: And bringing back shop—shop courses were one of the things that disappeared while I was in high school. From when I started to when I graduated, there was a marked difference in the availability of shop courses. And with the increased class sizes, there is a worry across the province that they’re easy targets to be put on the chopping block, particularly in rural communities and small communities that, frankly, feed into the trades. Do you see those changes as problematic? Are you worried about that at a high school level?

Mr. Clive Thurston: No. I never had a class under 40, so I don’t understand what the big deal is.

Mr. Ian Arthur: It’s not about the amount of—sorry. Just to be clear, I’m not—

Mr. Clive Thurston: Well, you said the numbers, so—

Mr. Ian Arthur: Yes, I did. There were, frankly, lots of people in my classes when I was in high school as well. I’m not worried about the number of people in the class. I’m worried about if the class is offered at all, with the new ratios because, frankly, there will be less classes in schools with these new ratios. The easy targets to get rid of, in terms of education, are arts classes and shop classes that can be expensive for a school board to run.

Mr. David Frame: The government’s education policy that was announced a few weeks ago is putting—

The Chair (Mr. Stephen Crawford): One minute.
Mr. David Frame: —skilled trades on the same level as maths and sciences. We read that as a commitment to invest in schools for the skilled trades.

Mr. Clive Thurston: We can’t cut something that doesn’t exist, and it doesn’t exist at the moment.

The Chair (Mr. Stephen Crawford): Any other questions?

We’ll move to the government side. Ms. Skelly.

Ms. Donna Skelly: There is a problem with—we’ve heard this time and again—the image, if you will, of the trades. Does the association invest at all in any marketing to change that image? A guy driving a nice car and he’s getting in with a—do you know what I’m saying?

Mr. Clive Thurston: Well, it is interesting; we do try, as I mentioned, to go into the schools and do things. We haven’t been invited back in a number of years, but we do try.

We’ve produced information packages. OSTA has just produced a number of YouTube videos that are going across the province of young people who have chosen our career and talk about it and brag about it. We produced a video a number of years ago—it’s a little dated now, but it reached people, and the kids were interested; we really did get a lot of interest.

The young lady who was taking me around the school to do my presentation said, “I so want to go into your work. I wanted to be an engineer.” I said, “So why not?” “My parents won’t let me; I have to be a doctor.” I said, “Well, when you get to university you can pretty well do what you want.” I’m sure I didn’t rank high with those parents.

It is a problem. We reach out.

We have another program called the League of Champions, which is a safety-focus program for young people and others, to change the culture of health and safety. That’s giving us better input into the schools, because they love safety, so they’re inviting us in. As we go in to talk about health and safety and the rights of young people in our industry, we get to promote our industry. So we’re very involved.

All of my members have outreach programs in their communities. All of them are searching hard to find the right people to come in and work with them. The jobs are there; we’ve got the jobs. We need the people.

Ms. Donna Skelly: It’s interesting; I have sons who are in their early 20s, and they know that that’s where—and a lot of their friends want to be in the trades. It’s the parents who are saying—

Mr. Clive Thurston: Yes, parents have a problem, until you explain to a young person that three years after you graduate and take a job as a tradesperson, you’ll be making more money than a doctor or a lawyer, who will still be paying off their loan.

The Chair (Mr. Stephen Crawford): Mr. Piccini.

Mr. David Piccini: Thank you both, David and Clive, for the work you’ve done. And thank you, David, for your ongoing work with our ministry, MTCU, on this. I know that your organization has had a number—and greatly informed our strategy.

Just on the modular and stackables: I want to zero in and get your comment on that, because I think it’s very important, especially as technology and the workforce changes. Talk to me a bit about the importance of shifting to that model to support skilled tradespeople as they progress throughout their career, and to ensure that Ontario is competitive for disruptive technology that will change the realities of the skilled trades.

Mr. David Frame: Yes, it’s quite a challenge. For instance, carpentry is a very common skill in our trade. To become a full-fledged carpenter, to become a journey-person, you have to pass exams and competency in terms of forming, framing, trim carpentry and flooring. That is six years of continuous apprenticeship—for many, it takes seven or eight—and a majority never finish it because it is so long. So if someone is going to be a forming carpenter, why can’t we have a module where they focus for 18 months on forming carpentry and they’re off and into that—similar with trim carpentry or whatever.

There’s new technology coming along, as well. Many are involved in the solar field. Solar is relatively new—it’s five or six years old—in this province and there are no recognized skills for it. So you bring in various different trades. You can develop one skill set to handle solar, as an example, very easily.

Mr. David Piccini: Have you seen, in the last 20 years, a government really give the skilled trades the sort of focus that it deserves—

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

1730 Mr. David Piccini: —to really fill that 117,000 that you touched on, the untapped GDP, the untapped jobs in this province? Have you seen a government that has put this sort of focus on it in the last 20 years here?

Mr. Clive Thurston: David warned me I was going to get a question like this.

We have to work with whoever is in power, and we worked with the Liberals. That’s what we do. Some successes were had. The biggest problem was the College of Trades. In its beginning, we were supporters of the College of Trades. We were one of its biggest supporters because it was intended to bring about a unification of the fragmentation of training and education in this province. It was meant to do research. It was meant to solve the problems we had—

Mr. David Frame: And promote.

Mr. Clive Thurston: Yes, promote—especially promote. It failed on all accounts. Unfortunately, it was just the way things were done—

Mr. David Piccini: So you welcome the change and the renewed focus.

Mr. Clive Thurston: We welcome the change, absolutely. It could have been a success, but—

Mr. David Piccini: Thank you both.

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

Mr. Clive Thurston: Thank you very much.

SEIU HEALTHCARE

The Chair (Mr. Stephen Crawford): We’ll call up our last presenter of the day: SIU health care.
Mr. Kaleed Rasheed: It’s SEIU.

Interjections.

The Chair (Mr. Stephen Crawford): It’s the end of the day. I apologize. It’s SEIU Healthcare. If you could please state your names for the record, and you can get right into your presentation.

Mr. Kristof Barocz: Good afternoon. My name is Kristof Barocz.

Ms. Hazel John: My name is Hazel John.

Ms. Lisa Pattison: I’m Lisa Pattison.

Ms. Kelly Stephenson: And I’m Kelly Stephenson.

Mr. Kristof Barocz: Good afternoon, Mr. Chair. As I stated, my name is Kristof Barocz. I was a front-line health care worker for 13 years, and now work for SEIU Healthcare. I’ve joined today by three others: Hazel John, Kelly Stephenson and Lisa Pattison, all proud SEIU front-line members working in the long-term-care sector.

SEIU Healthcare is a union that proudly represents over 60,000 front-line workers in the province of Ontario. Our union has been representing health and community care workers for over 70 years. We put the heart in health care. We say this more than anything else: We care. We care for the people. We care for seniors. We care for the abled and disabled. We care as PSWs, as paramedics, as nurses and as developmental service workers. Our members care every day for the people of this province.

Despite the fact that many of our members work two to three jobs and still struggle to put food on the table and a roof over their head, we still care. And we care despite the fact that for-profit health care corporations pay their executives millions in compensation, as much as 100 times more than front-line health care workers earn.

Ms. Hazel John: My name is Hazel John, and I care about fairness for residents and workers. To the best of our ability, we care, even though some legislators voted against raising the wages for home care PSWs, or voted against a budget that included $65 million to kick-start giving those same home-care PSWs a more secure retirement because the companies they work for, companies like ParaMed and CarePartners, refuse to do so.

When the rich are well served by government contracts, but working-class women and men struggle, the government has a duty to act.

Ms. Lisa Pattison: My name is Lisa Pattison, and I care about the impact of this budget. Where is the action in this budget to stand up for the front-line workers in health care? Where is the action in this budget that ensures that seniors receive timely care? Summer may be just around the corner, but this budget leaves front-line care workers and seniors out in the cold.

This budget was a chance to show the working-class families whose side you’re on. The challenges our system faces will only grow as the demand for services far outstrips the expenditures in this budget. Reforms that underfund health care and, at the same time, rely on outsourcing our jobs will ensure that more public dollars go to private shareholders.

Ms. Kelly Stephenson: My name is Kelly Stephenson, and I care about the public health care system. With this budget, you can cut taxes for corporations or you can raise wages for women in home care and long-term care. You can’t afford to do both.

With this budget, you can force greater privatization of our public health care system—

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

Ms. Kelly Stephenson: —and put more money in the pockets of for-profit businesses or you can properly fund staffing levels to reduce workplace injuries and improve care for seniors. You can’t afford to do both.

With this budget, you can end hallway medicine by ending the recruitment and retention crisis in home care by giving PSWs stable hours of employment and a secure retirement.

Mr. Kristof Barocz: Members of this committee, you now have the ability to make amendments, and we are asking that you reassess your priorities. At SEIU Healthcare, I can tell you that our members are watching. They provide quality care and deserve good, safe jobs.

Thank you for your time.

The Chair (Mr. Stephen Crawford): Okay, thank you very much. We’ll start questioning from the government side. Ms. Skelly.

Ms. Donna Skelly: Thank you for your presentation. You mentioned that you represent workers within the private health care system. What’s the average wage? I’m trying to understand the major concerns in wage parity within your profession.

Mr. Kristof Barocz: We represent 60,000 health care workers, a large portion working in long-term care, which you know is a for-profit industry. I can’t give you the exact stats on that, but I can tell you that we have workers who are making minimum wage—

Ms. Donna Skelly: PSWs?

Mr. Kristof Barocz: PSWs, yes. Then we also have members here who can maybe state some of their starting wages.

Ms. Donna Skelly: Starting, and then—I’m just trying to compare, within the public and private system, what the wage comparison would be.

Ms. Lisa Pattison: The comparison that we hear a lot—I don’t know the exact figures, but I do hear a lot. In our homes compared to municipal homes there is approximately $6 to $8 difference per hour.

Ms. Donna Skelly: Per hour. Okay.

In terms of the changes that you—or perhaps I can word it this way. You mentioned some groups that you work with, for-profit long-term-care facilities. Are there examples of good for-profit long-term-care facilities that you do like, that you do feel have the proper number of staff or are paying what you would consider a good wage?

Mr. Kristof Barocz: I would just state that one of our priorities would probably be to reinstate Bill 148, because I think that dealt with some of those concerns you’re stating; also to respect the workers’ rights to collectively...
bargain, because it’s during the collective bargaining process that we have our right to close the wage parity gap.

Ms. Donna Skelly: I’m just saying, have you identified any good players, people who are in the for-profit sector who you think are doing an adequate—

Mr. Kristof Barocz: Again, I’m speaking as a front-line health care worker, so it’s anecdotal at some point, but I have heard concerns from all of our members—

Ms. Donna Skelly: So you don’t have any examples.

Mr. Kristof Barocz: I wouldn’t say there’s a shining star anywhere right now.

Ms. Donna Skelly: Okay. Thank you.

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

Mr. Doug Downey: No, that’s fine. Thank you.

The Chair (Mr. Stephen Crawford): Okay. We’ll go to the opposition side. We have five minutes of questioning. We’ll start with Ms. Shaw.

Ms. Sandy Shaw: I think it’s really important that—I liked your presentation, by the way. I liked the “We care.” I thought that was good.

The thing I would like to say is that both my parents are involved in long-term care, so many of the people that you would represent serve my family. And I see what you’re talking about: that they are run off their feet, literally run off their feet, and mistakes have happened, can happen, through no fault of the workers.

I also see that—my mom’s Irish, and she can get pretty persnickety.

Laughter.

Mr. David Piccini: Persnickety?

Ms. Sandy Shaw: Yes. The point is, she’s frustrated and the workers are frustrated, and they’re both put together in a situation that is not fair to anyone at all. So I want you to know that I see that on a very personal level.

We have, basically, a privatized long-term-care system that is just not working for anybody. It’s not working for our elderly parents, my parents, people who have to be there; it’s not working for the workers. And now we have a bill, Bill 74, that’s moving, again, to transform health care, involving the sector that you most represent, long-term care. It looks like it’s going to go from bad to worse.

Can you describe some of your fears? I don’t know that you see that it’s going to get better with this transformation. It may get worse for your members and for the people that you care about.

Mr. Kristof Barocz: I’ll let some of our members talk about that. But I just want to impress that one of our main priorities regarding the executive compensation—when we’re seeing CEOs in the for-profit LTC sector making over $4 million a year, while some of the situations that we’re seeing CEOs in the for-profit LTC sector making

priorities regarding the executive compensation—when I thought that was good.

Ms. Hazel John: Right now, the ratio in the long-term care homes run by Extendicare is one PSW to 12 to 13 residents. It makes it very, very difficult to give quality care to these most vulnerable residents.

Ms. Kelly Stephenson: I can add to that by telling you that I am a full-time night staff, and I can’t even count how many times I am on the floor by myself, with 32 residents—32 vulnerable people. The safety of the residents is definitely at risk, and my safety is at risk—where I have to reposition a resident who is maybe 300 pounds or 350 pounds. Even right now, I cannot really lift my arms to button my bra or to comb the back of my hair because I’ve damaged this area.

Honesty, you can fix this.

Ms. Sandy Shaw: I want you to know that I’m sorry to hear that you’re caring for our loved ones and you have to face those kinds of conditions. I think it’s appalling. I’m very sorry for what you’re facing.

We’ve heard, time and time again, people who represent front-line health care providers say that you have not been consulted, either in Bill 74 or Bill 100. Is that the case? Were you consulted at all in this?

Mr. Kristof Barocz: Again, as a front-line health care worker, I personally am not aware of that consultation.

Ms. Sandy Shaw: Okay. In the time that we have left, does anyone want to add some comments?

Ms. Kelly Stephenson: I can tell you a story that happened directly to me.

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

Ms. Kelly Stephenson: My partner at night had a heart attack, and she recovered from that heart attack and came back to work. After that, she suffered a stroke coming in to work. Because of the attendance management program, she was afraid to call off, even though she was feeling sick earlier in the day. She knew she wasn’t well. The only reason she got to work was that the cab driver who usually drops her at work knew that that’s where she was going. She couldn’t even punch in the code to get through the door. Staff had to help her. We had to call a registered staff upstairs to come down and assess her, and then that nurse didn’t even want to come down. She said, “I’m busy. I have my job to do.” But she did, and then afterwards they had to call 911 to send her out. She suffered a stroke, and now she can barely talk, and she is even looking to come back to work because she’s a single mom.

You can fix this.

Ms. Lisa Pattison: At the end of the day, honestly, it’s a crisis.

Ms. Sandy Shaw: We hear your frustrations. I want you to know that you were heard by us.

The Chair (Mr. Stephen Crawford): I appreciate your time here today and your presentation. Thank you very much.

I’d like to thank all the presenters and remind the committee that we will resume public hearings tomorrow morning at 9 a.m. in committee room 151.

I call this meeting adjourned.

The committee adjourned at 1744.
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