

Legislative  
Assembly  
of Ontario



Assemblée  
législative  
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**Official Report  
of Debates  
(Hansard)**

F-48

**Journal  
des débats  
(Hansard)**

F-48

**Standing Committee on  
Finance and Economic Affairs**

Pre-budget consultations

1<sup>st</sup> Session  
43<sup>rd</sup> Parliament

Tuesday 23 January 2024

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

Consultations prébudgétaires

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

Mardi 23 janvier 2024

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Chair: Ernie Hardeman  
Clerk: Vanessa Kattar

Président : Ernie Hardeman  
Greffière : Vanessa Kattar

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LEGISLATIVE ASSEMBLY OF ONTARIO

**STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRS**

Tuesday 23 January 2024

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**COMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUES**

Mardi 23 janvier 2024

*The committee met at 1001 in the Aquatarium at Tall Ships Landing, Brockville.*

**PRE-BUDGET CONSULTATIONS**

**The Chair (Mr. Ernie Hardeman):** Good morning, everyone. Welcome to Brockville. I call this meeting of the Standing Committee on Finance and Economic Affairs to order. We're meeting today to resume public hearings on pre-budget consultations 2024.

The Clerk of the Committee has distributed committee documents, including written submissions, via SharePoint.

As a reminder, each presenter will have seven minutes for their presentation, and after we've heard from all of the presenters, the remaining 39 minutes of the time slot will be for questions from members of the committee. This time for questions will be divided into two rounds of seven and a half minutes for the government members, two rounds of seven and a half minutes for the official opposition members, and two rounds of four and a half minutes for the independent members as a group.

**CITY OF BROCKVILLE  
ONTARIO FEDERATION OF LABOUR  
AIMA CANADA**

**The Chair (Mr. Ernie Hardeman):** We now call the first panel to the table. The first panel will be the city of Brockville, the Ontario Federation of Labour and AIMA Canada. With that, and as they come forward—I believe that AIMA Canada is virtual, so hopefully they're on the screen.

As I said, there will be seven minutes for your presentation. At six minutes, I will say, "One minute." Don't stop, because that's the golden minute coming up, and at seven, I will say, "Thank you very much for your presentation" and cut you off wherever you are. We also ask that you start your presentation with your name for the Hansard so your brilliant comments are attributed to the right person.

With that, the first presentation will be the city of Brockville. Mr. Mayor, the floor is yours.

**Mr. Matt Wren:** Good morning, Mr. Chair, MPPs and members of staff who are here today. My name is Matt Wren, the mayor of Brockville. I would like to begin by welcoming all of you to our city and to this wonderful facility, which is our anchor tourism attraction, here at the

Aquatarium. I hope you have a chance to come back and visit again.

It's a tremendous honour to be given the opportunity to address the committee today. We thank you for this opportunity to provide input into the 2024 provincial budget process.

I would like to speak to you today on issues that probably are a common theme as you travel the province and hear from various municipalities around Ontario. I suspect you're hearing a common theme that municipalities are struggling to make ends meet financially with the limited revenue tools that we have available, and property tax ratepayers, who are themselves extremely stretched in these challenging economic times.

Municipal elected officials are also struggling with what is seemingly an increasing requirement to provide supplemental funding for services that were typically and historically outside of the mandate of municipal government, or what the chair of our Eastern Ontario Mayors' Caucus, His Worship Jeff Leal, terms as "mission creep."

I would like to draw to your attention, to exemplify these challenges, to two specific issues that are impacting the city of Brockville and our ratepayers at this time. One has to do with long-term care and a short-term fall in operational funding with our municipally owned long-term-care fund, largely due to the courts striking down Bill 124. The second is about the rising cost of infrastructure renewal and replacement in an environment where funding sources have not been adjusted for inflation, and I'll use one particular project as an example for that.

If I might provide some context on both issues—to start with, long-term-care funding: The St. Lawrence Lodge long-term-care home is jointly owned by the city of Brockville and our neighbours, the towns of Gananoque and Prescott and the united counties of Leeds and Grenville. It has been in existence since 1967, even before MPP Clark was mayor of Brockville. It's a 224-bed facility. It was a brand-new building in 2006, the second building to serve the community under the banner of St. Lawrence Lodge, and the owner municipalities continue to service the debt obligations of the building replacement in 2006. It has a tremendous reputation for care.

Of the overall operating budget, it has come to the point where 20% is borne by the municipal ratepayers. This year, the facility is facing a significant operating expense increase. The municipalities are assessed for the supplemental funding based on the place of residence of the patient or resident

before they entered, and at the moment three quarters of the beds are occupied by Brockville residents, hence we're feeling the greatest financial impact.

In 2023, last year, Brockville's operational subsidy was \$1.6 million of the total municipal subsidy and, for 2024, due to pressures relating to rising employment costs, the proposed budget increase for the city of Brockville alone is 63%, an additional million dollars, to \$2.6 million. On our tax levy, that equates to about 2.7% of our levy increase. This comes as extremely unanticipated; it's quite out of our control. In comparison to the last five years, the combined increases in dollars were only \$329,000. So I hope that exemplifies the massive impact this has on our budget.

The cost increases are largely due to the court striking down Bill 124, so the impacts are both retroactive and ongoing. There's also tremendous recruitment competition among area health care facilities, so our long-term-care home must adjust its wages to remain competitive to maintain our current staff complement and continue to fill growing vacancies. Exacerbating this situation is the fact that the annual provincial funding adjustments for long-term care are not communicated until after municipalities have had to set their annual budgets, because our fiscal calendars are not in sync. You're probably aware that municipalities across Ontario are highlighting that, more and more, they're funding services that are within the provincial and federal mandate and that the property tax system was not designed to fund, and this is certainly one of them.

To switch to infrastructure: This morning, as you drove to this facility, you likely crossed over the main line of CN Rail, over a bridge known as the William Street overpass. It's one of two overhead crossings for the mainline of CN, which transects our community. This bridge requires refurbishment. Then-Minister Monte McNaughton came to Brockville in 2019 with a wonderful announcement of 50% federal and 33% provincial funding towards this project, leaving our municipality to fund 17% of the costs, and we were certainly thrilled with this announcement.

When the application was made, the work was planned to be done in 2024-25. The project funding was based on a scope of \$1.7 million to rehabilitate this vital structure that thousands and thousands of cars and our emergency services rely on to pass over the CN Rail line.

We've done everything we were supposed to do, but in attempting to move this project forward after COVID, we're now advised that the \$1.7-million price tag—

**The Chair (Mr. Ernie Hardeman):** One minute

**Mr. Matt Wren:** —is now in excess of \$3 million, virtually doubled. We've communicated this back to the ICIP program, but were told that we're on our own to fund the difference.

We respectfully submit that this project should be reviewed and the funding arrangement updated to reflect the current realities of construction costs. We realize a similar ask would need to be made of federal officials, but we certainly seek the province of Ontario's support in our position that the current economic realities and constraints should be factored into a revised funding arrangement and the current shortfall should not be on the shoulders of the municipal ratepayer, who is already under great pressure.

Inflation is impacting every aspect of municipal services in drastic ways when it comes to infrastructure. We are grateful for our OCIF funding. We had a moderate increase this year. Our Canada Community-Building Fund—not your responsibility, but you should know—has decreased in our case. And all of this at a time—the easiest way to boil this down—

**1010**

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes your time.

We'll now go to the next speaker, for the Ontario Federation of Labour.

**Ms. Laura Walton:** My name is Laura Walton. I'm the president of the Ontario Federation of Labour, representing 54 unions and one million unionized workers. While this is my first opportunity to address you in my new role, I am quite familiar with lending my voice to advocate for workers.

Year after year, we have seen this government turn away from the concerns of workers and their families and instead favour corporations, privatization and austerity. It hasn't worked to date and, frankly, it will not work moving forward.

The Ford government can be a leader in Canada—to put their media sound bites into action. Instead, we are falling further behind in spending, revenue and making life affordable for Ontarians.

While we hear about “unprecedented” investments, the reality is that in 2022, Ontario was dead last in program spending. For every dollar per person spent on programs in other provinces, the Ford government only spent 75 cents. According to the FAO, during the first half of 2023, this government starved public services to the tune of \$2 billion. This is not efficiency; this is hoarding.

The Ford government has enough money to cover shortfalls in public services. They are choosing not to act in the best interest of Ontarians. Since this government took power, the Ministry of Finance has made close to 30 policy changes that have cut taxes and fees and paid out large sums in the form of tax credits, losing \$7.7 billion that could have met the needs of 15 million Ontarians.

Amid crumbling public services and declining revenues, Ford's friends, developers and political donors are enjoying record wins. For instance, at least 11 ServiceOntario locations have been shut down and relocated as kiosks in Staples stores and in Walmarts. This was a sole-sourced deal that was not put to tender. Unsurprisingly, the executive chairman of Staples donated money to both Ford's leadership campaign and to the PC Party. Meanwhile, the workers who have worked in these stores will be unemployed with minimal notice and no severance and have been told to keep quiet.

This is not the only case of the Ford government rewarding their friends at the expense of Ontarians. Currently, the Ford government is under RCMP investigation stemming from the greenbelt scandal. They said it was about building affordable housing, but it was nothing more than a plan to reward donors, Conservative friends and partygoers. Simply put, it was about the rich getting richer.

It's time to put the people of Ontario first. We need universal, accessible, publicly delivered and well-funded public services that ensure big corporations and the rich pay their

fair share of taxes and that centre equity concerns in the design, delivery and expansion of services. We must also immediately stop the privatization of our public service and assets.

As the cost of living skyrockets, those who already are among the poorest and most vulnerable prior to the global pandemic are now worse than they were before. Ontario Works and the Ontario Disability Support Program have been below the deep poverty line for the past 15 years, leaving almost 900,000 Ontarians behind. Food bank usage has risen by 40% in one year alone. This is the largest single-year increase on record, with 800,000 people seeking supports to the tune of 5.9 million visits. Doubling social assistance rates and implementing a comprehensive poverty reduction strategy now is needed.

The number of Ontario households in core housing need has increased while those receiving supports have decreased, significantly expanding the wait-list for social housing, with many waiting over 10 years. Meanwhile, the Ford government will continue to fall short of their commitment to build 1.5 million homes by 2031. This crisis has led to the highest number of people leaving Ontario this century. We need you to implement a comprehensive housing strategy and pass real rent control and a tenants' bill of rights now.

Ontario is not working for workers, it is not working for families, and it's not working for Ontarians, so who is Ontario working for? CEOs broke records once again. Their average salary is 246 times that of the average worker, and they got a raise of \$600,000 this year alone. Meanwhile, workers took home an additional \$1,800, and when we consider inflation, that's truly a pay cut.

Public sector workers, education workers and health care workers have been bearing the brunt of higher costs more than any other professionals in the country. Introducing a \$20 minimum wage with no exemptions and guaranteeing that all workers are covered under the Employment Standards Act and Labour Relations Act is needed now.

Ontario public hospitals have reached critical status. Last year, 158 ER departments were forced to close. If you can access an ER, the wait times have skyrocketed, with serious illnesses not being seen for 10 to 32 hours. Hallway medicine is rampant, with one in every 10 patients waiting at least two days before they get a bed.

Hospitals are not able to staff properly, with one in four jobs left unfilled. Left with staffing gaps, hospitals are turning to agencies to supply nurses. These agencies are charging as much as \$160 per hour for a registered nurse, and some hospitals have tripled their spending on agency nurses last year alone. Many hospitals are projecting budget deficits and are taking out high-interest loans to stay afloat. As our health care crumbles, this government has focused on privatization. The fast-growing area of health care spending was private for-profit delivery, which grew by 106%.

In 2022, Ford quietly increased funding by 60% to private hospitals run by his donors. We need you to increase annual hospital funding to protect and expand service levels, end staffing shortages for front line workers and ensure all work is decent work now.

**The Chair (Mr. Ernie Hardeman):** One minute.

**Ms. Laura Walton:** While the education minister continues to spin a tale of unprecedented investment in our schools, the data reveals a much different story. In 2023, there was \$1,200 less in funding for every child. That means less access to education workers, more crowded classrooms and crumbling schools. Most of the children on the wait-list will not receive much-needed therapy for autism any time soon, and this wait-list is growing, with 60,000 kids waiting and 7,000 added each year. Meanwhile, the government provided millions of dollars in direct payments with no strings attached to parents and are now under investigation by the ombudsperson. Clearly, this plan was nothing more than a thinly veiled attempt at privatization.

We demand that we have smaller classes with improved staffing levels, and increase publicly funded and publicly delivered supports for students with special education needs now. This is your chance. The people of Ontario are watching. It's time that you choose the people over friends, and actions over words—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes your time.

We now will now hear from AIMA Canada. This will be virtual.

**Ms. Claire Van Wyk-Allan:** Thank you very much. We're very grateful for the opportunity to present to you all today. My name is Claire Van Wyk-Allan. I'm the managing director and head of Canada for AIMA, the Alternative Investment Management Association. I am joined by two of my association peers, who will introduce themselves.

**Mr. Charles Lemay:** My name is Charles Lemay. I'm a partner at Walter Global Asset Management, as well as president of the emerging managers' association of Canada.

**Mr. Michael Thom:** Thank you very much, Charles. Thank you to the committee for having me today. My name is Michael Thom. I lead CFA Societies Canada as managing director. We're the federation of CFA charterholder member societies across Canada, including a little over 11,500 charterholders here in Ontario.

**Ms. Claire Van Wyk-Allan:** Emerging managers are defined as asset managers who are managing less than \$1 billion under management. They're all entrepreneurs.

The investment management industry is a strategic industry and a strong contributor for Ontario's economy, though it is facing existential crisis. It needs to be thoughtfully supported by government policy, given these existential challenges it is facing.

A recent PwC report, from 2023, cited that over half of asset management AUM will be controlled by only 10 firms globally by 2027. None of these firms are in Canada, and none of them are in Ontario.

The burden for emerging managers is rising significantly from multiple layers. There's rapid consolidation of asset managers globally. These are competing with Ontario and local Canadian asset managers for market share, not only from Canadian pensions, but also through retail channels. The cost of distributing continues to rise as Canadian pensions often are not investing within our own borders, but

rather investing outside of our country, where they don't have local talent. Meanwhile, wealth channels increasingly have competition from global products from some of the behemoths and have operational burdens, like risk ratings, which exist nowhere else in the world.

The costs of operating a business as an emerging manager-entrepreneur continue to rise:

- cyber security costs amid cyber security threats, driven also by the use of AI;

- the inputs for alternative data, for example, continue to rise so that managers can deliver an edge as markets become increasingly fast and data-driven;

- the cost of attracting and retaining talent, as we continue to see jobs and top talent departing our borders, not only in the province, but out of the country; and

- then there's regulatory burden, where we have a provincial securities regulation system with Ontario not signed onto the passport system, often resulting in duplicative costs, increased time and other challenges that, generally, no other asset managers face globally.

**1020**

The benefits of an emerging manager program funded by public policy would benefit Ontario with enhanced productivity, capital formation, job growth and innovation.

Mike, over to you.

**Mr. Michael Thom:** Thanks, Claire.

I think Claire has highlighted a number of reasons that entrepreneurship in investment management is extremely challenging in Ontario, in Canada. Scale is working against us here in Canada, as are a number of other factors.

I wanted to highlight the silver lining for this for Ontario and point out that we have an incredible human capital base. We have the largest concentration of CFA charterholders, broadly regarded as the gold standard in the investment manager credentialing in the world, here in Toronto and broadly across Canada. That is not something to be taken lightly. There is also an extremely robust ecosystem of spinoff economic benefits available to the sector in administration, audit services, legal services, support. This is a sector that produces wonderful spinoff secondary employment opportunities, and we see that, frankly, all across particularly the GTA, but into areas of Ottawa, as well as other parts of Ontario.

Credit to Quebec—and Charles will speak to this further—for recognizing the challenge of this industry in their province, particularly in Montreal; for taking a leadership role, now a handful of years ago, and seeing that really grow; and for recognizing that if this sector is not tended and supported, it will leave. I think the overriding concern was that it would leave for Ontario. But I think, broadly, the effect that we're seeing now is that it's leaving Canada altogether. I think they answered that call before it became really existential, and I think Ontario should do the same.

What can the government do? I think from our experience in other provinces and in observing the growth of emerging manager programs around the world, convening and focusing a conversation of stakeholders is one of the government's most powerful roles and one that potentially doesn't cost them a dollar, which I think is great policy.

What it can do as well is focus the investable dollars that are accountable to the government, in various areas of government, on the question not of why to hire an investment manager that's based in Ontario, but "why not?" if the strategy is comparable, the return-stream is comparable, and really focusing the conversation on—

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. Michael Thom:**—investable dollars have spinoff benefits and they should be here in Ontario.

I'll pass it to Charles.

**Mr. Charles Lemay:** What we have been able to create over the last a little over five years in Quebec—it was launched over seven years ago. We have about 12 different institutional investors, led by CDPQ, the equivalent of the Ontario Teachers' Pension Plan or OMERS, in Quebec. They've invested in 16 strategies over about a dozen firms. Some firms have been removed; some firms have graduated. It is a fiduciary approach to the investment, but most importantly, we've created 100 jobs.

Each of these mandates is not a donation, it's a managed account for the pensions, for the teachers, for the employees, and they get a return on that investment. These investments create jobs, and that's what's most important—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time for the presentation. Hopefully, the rest of it can come out in the rounds of questioning.

We will now start the rounds of questioning with MPP Pasma.

**Ms. Chandra Pasma:** Thank you so much to the witnesses for joining us this morning. Thank you, Mayor Wren, for welcoming us to your city. I certainly agree this is the jewel of Brockville. I know my kids have had an amazing time here. I think it's one of the best-kept secrets of Ontario, actually, that we need to do a much better job of promoting.

Laura, I'm going to start with you. Thank you for your presentation, which really laid out very clearly the challenges and the scope of the crisis that we're facing in Ontario right now. One of the conversations that I often have with my constituents is the question of what happens when government isn't spending. Because it's not as if it's a question of government spending and nobody spending; if government is not spending, other people have to step in to fill in that gap.

My question is, in Ontario right now, who is paying for the government underspending? What does that mean in the midst of an affordability crisis?

**Ms. Laura Walton:** It's really interesting because what we're seeing is we have downloaded the burden onto everyday people of Ontario and it's reaching in so many different ways. It is someone like my mother, who is trying to do the shortfall, helping my grandmother, but then also trying to make sure that her grandkids are doing okay.

It is the parents that are trying to make decisions about how they are going to afford to keep their kids in school, then also be able to provide autism therapy—that is really underfunded. Just listening to those parents right now, they are spending tens of thousands of dollars privately, trying to keep their child at a level, because regression is real.



It is being downloaded onto the next generation, who are trying to further themselves through going through school, going through trades, going through colleges, going through universities, and every step of the way they are getting smashed.

It's the fact that my children honestly say to me every day, "Mom, I will never have a house," because they just can't afford a house in Ontario.

I have to talk about the workers of Ontario, because the workers of Ontario are filling these shortfalls every single day trying to make ends meet, by saying, "I will go and pay \$500 for this test that used to be covered under OHIP but now is no longer covered." Or they are being attracted to go have the private surgery because they want to be able to not have pain in their knees. It's money that they don't have the because they have a cost-of-living crisis, it's becoming a debt load and it is just furthering the gap between the haves and the have-nots in Ontario.

**Ms. Chandra Pasma:** Would you say that the shortages that we're seeing in workers in the health care sector, in the education sector and in other critical sectors is workers saying, "We can't afford to keep paying what the government is not investing any longer"?

**Ms. Laura Walton:** What you are seeing right now is workers who love their job—in the case of health care workers, just recently almost half of those workers are saying, "I no longer want to do this work." It's not because they're not passionate about providing health care for the people in Ontario; they're saying, "I can't afford to keep providing health care to the people of Ontario." I think we need to recognize that.

It is parents who are education workers who are taking two or three jobs, and they are exhausted by the time they get back to their education job because they've also picked up respite work and are working in a diner in order to make ends meet. Because we know that if food bank usage is rising, the people who are using it are workers in Ontario. They no longer can afford to live. That's why we're seeing the highest level of migration out of Ontario to other places, because Ontario is no longer a place you can afford to live.

**Ms. Chandra Pasma:** That is such an important point, and I thank you for bringing that up, because in my riding what we are seeing is food banks extending their hours into evenings and weekends because people who are working full time need to access the food bank. Nine-to-five isn't cutting it for food banks anymore.

Would you say that this is an example of the deficits in spending becoming self-perpetuating, because now we have these shortages in our labour force that are being filled by agency nurses or other stopgaps that are incredibly expensive? We see hospitals taking out high-interest loans, so now in future years funds are going to go pay off the debt on those loans rather than going into health care. We're actually creating a situation where, every year, the government's underinvestment is going to mean greater cuts to services that people in Ontario rely on.

**Ms. Laura Walton:** Absolutely, it's a self-fulfilling prophecy. But I also would like to add that bills such as Bill 124 actually make it worse. Because when public

workers get wage increases, they are not going and putting that money into an offshore account. They are not buying a yacht. What they are doing is bringing their kids to these museums and putting it back into their community. They're going and they're making purchases in small businesses in their community. They are eating out instead of going to the food bank.

**1030**

So when we invest in public services, when we invest in workers, we are investing in workers everywhere in Ontario. That's how we make the economy grow—is when we invest in workers and stop privatizing and putting the money into people who are taking that money and, just as we heard from the finance managers, they're not keeping their money here in Ontario; they're taking their money offshore.

**Ms. Chandra Pasma:** Thank you for raising that very important point.

Mayor Wren, I have a similar question for you. When the province and federal government are investing in municipal services like long-term care or investing in important infrastructure like the bridge, we have many revenue sources to draw on, most of which are established in a progressive fashion so that those who can afford to pay the most are contributing the most and those who can't afford to contribute are not asked to bear the burden. Can you talk about what it means when you have to increase rates by more than 2% in order to pay for delivery of long-term care in Brockville?

**Mr. Matt Wren:** Thank you for the question. Brockville has the statistic of being the fourth-oldest population in the province of Ontario.

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. Matt Wren:** And the fact is that we have a very aged population living on fixed incomes, so it's quite a struggle for us to have to pass on the inflation of the cost of services, which really aren't municipal services, to our local ratepayers.

And you're absolutely right: We have very few revenue tools, and our revenue tools do not increase with inflation and the economy the way consumption taxes like the HST do. So it's a tremendous challenge.

**Ms. Chandra Pasma:** So what does that mean for the seniors in Brockville if they're being asked to pay a 2% or 3% increase to cover services that should be covered by the province?

**Mr. Matt Wren:** Well, that's just one small chunk. We're tabling the last piece of our budget tonight to just keep doing the same things we were doing last year. Our operating budget alone is going to increase 8%. All the different community partners that we fund, like the police, the library, the health unit—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time.

We'll now go to MPP Hsu.

**Mr. Ted Hsu:** I have a really quick question for Mr. Wren, the mayor of Brockville. How has the mental health and addictions crisis affected the budget of Brockville, and how much assistance have you received from the province?

**Mr. Matt Wren:** Well, as a separated municipality, we partner with the united counties of Leeds and Grenville, who are the designated service provider for social services, social housing etc. We're facing massive impacts.

Homelessness: We have 106 people on our by-name list, and there's tremendous impact on our police services, on our health care providers, down to our parks and operations staff dealing with encampments—

**Mr. Ted Hsu:** Do you have a number, roughly, that you could attach to that?

**Mr. Matt Wren:** I apologize; I don't have an exact number. But it is a tremendous strain on municipal resources.

**Mr. Ted Hsu:** How about support from the province? Do you have a number on that at all, for mental health and addictions-related things?

**Mr. Matt Wren:** Certainly, in homelessness prevention funding, we had a very large increase last year, which we were thankful for—98%. But in working with our MP and MPP, we're realizing that we also need mental health funding to support people dealing with addictions and mental health issues. Homelessness funding alone is not going to do it, and so we do need assistance in that area.

**Mr. Ted Hsu:** Thank you very much.

I want to switch to AIMA. Let me just preface this with kind of a silly question. Your logo looks a lot like the Société Générale logo. Just to be clear, you're not associated with them, right?

**Ms. Claire Van Wyk-Allan:** No, we are not—although they are members of AIMA.

**Mr. Ted Hsu:** Our other two witnesses have talked about the effects of inflation and the effects of governments not spending enough. If you want to look at a long-term solution to inflation, productivity of people in this province has a lot to do with it. It's really the only way to deal with inflation in the long run.

My question to you is a “why should we care?” question. What's the benefit to productivity gains in Ontario, or capital formation, which is where you're coming from, of encouraging an emerging management industry in Ontario?

**Ms. Claire Van Wyk-Allan:** Thanks for the question. From an inflation perspective, obviously that has an impact on operating costs of the business, including the cost of talent and the salaries that are required to compete for global talent—again, with global peers. The issue, from a capital formation and productivity perspective, is that these jobs will continue to depart our Ontario province and Canada as a country if we do not create government-policy-funded solutions to enhance jobs in this industry.

I'll kindly ask that my colleagues are unmuted at the same time so they can weigh in.

**Mr. Ted Hsu:** Well, what I'm asking is, why couldn't somebody else in a different part of the world contribute to capital formation in Ontario?

**Mr. Michael Thom:** Thanks to the committee, and I'll answer this quickly.

Look, in management fees and other economic conditions, economic spinoffs from managing money in Ontario, what we see is—

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. Michael Thom:**—particularly Ontario is a destination for talent and capital from around the world, particularly those trained and ready to work from other jurisdictions, whether it's South Asia, sub-Saharan Africa, East Asia. Toronto is a destination of choice for highly trained financial professionals. What we don't have is a deficit of investable capital to put these people to work.

In order for these new Canadians and existing Ontarians to become economic contributors and maximize their potential here in Ontario and in Canada, we need high-quality jobs, and that comes with capital. Productivity is a product of labour and capital. We have a surplus of one and a deficiency of the other, and we're actively seeking to correct that in this sector and focus the government's attention.

**Mr. Charles Lemay:** I would just re-emphasize the fact that the United States has been doing this for the last 10 years, 15 years, and these programs are quite established. Similar pension plans to the ones in Ontario—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time.

We'll now go to MPP Clark.

**Mr. Steve Clark:** At the onset, I just want to thank the presenters—Your Worship, Ms. Walton, the folks from AIMA—and all my colleagues. I talked to Senator Runciman the other day and asked if we had ever had a standing committee meet in Brockville in his time—certainly in my time as an MPP. So I really appreciate the opportunity for everyone to be here in this beautiful location of the Aquatorium. I agree, actually, with Queen's Park Observer's Sabrina Nanji, who wrote this morning that this is the coolest venue for a Standing Committee on Finance and Economic Affairs. So I just want to welcome everybody here.

Because you're my home mayor, Your Worship, and I live in the city, I want to start with the first rotation to be to you. I'm very mindful of your two asks. You made the same identical asks to PA Byers last Friday. And I think it's important for the committee members and the presenters to understand a bit about St. Lawrence Lodge. This was a facility that was created by the united counties, the city of Brockville, the towns of Prescott and Gananoque in the 1970s, but can you talk about the model? Because there was a certain amount of beds that the citizens of Brockville paid for back then when the home was opened, and you had said in your testimony that you used three quarters of the beds the following year.

So maybe you can speak to the committee members about just how that facility was created and the financial impacts that you're facing because of it.

**Mr. Matt Wren:** Thank you, MPP Clark—a pleasure to. In 1967, when St. Lawrence Lodge was founded by the four municipalities, there was an initial bed allocation. In those days, three quarters of those beds of that initial 1967 inhabitation went to residents of the united counties, one quarter of the beds went to city of Brockville residents, and five beds each to Gananoque and Prescott.

Over time, Brockville has become the home of retirement homes and senior citizens' apartment buildings that didn't exist in those days. So now residents in the county

migrate into Brockville to take advantage of senior living. And then, when they move on, after maybe a few years in the Wedgewood or the Marguerita, to St. Lawrence Lodge, they're a Brockville resident at that point. So we're only 22,000 of the 100,000 people who live in the united counties, but we're bearing the brunt—because of the way the bed assignment works—of supplementing the cost of three quarters of the residents of the lodge today.

**Mr. Steve Clark:** I think that's very important from the perspective of committee members when you talk about the increased cost. What I want to say to you—being a former member on that board, I think it's important—what is the differential between bed usage last year versus this year? Because if you use 10% more beds, you'd have to pay 10% more off the top, regardless of Bill 124.

1040

**Mr. Matt Wren:** Well, actually, it has been the case for some time now that Brockville has had the lion's share of residents in the facility, so it's not an issue of the place of residency of residents having changed; it's strictly the dollars and cents of the staffing increases that we need to deal with. Brockville has the share it has, and that has been consistent for a number of years.

**Mr. Steve Clark:** You're talking about a 63% increase for the city in terms of your local levy. It's about \$1 million you spoke about last Friday. So maybe talk about the staffing issues around Bill 124, but also, I think people should know the fact there are a number of homes that you're going to be impacted on that are going to be expanded, places like Sherwood Park Manor and Maple View Landings.

**Mr. Matt Wren:** Absolutely. That's a very good point. Maple View Landings is adding beds, as is Sherwood Park Manor, a not-for-profit just across the road from St. Lawrence Lodge. Both are expanding, and we need those beds.

But there's only a certain pool of workforce available here in Leeds and Grenville, and there's a lot of sheep-stealing going on from one facility to another. We compete with the budget of the Brockville General Hospital for our PSWs and RPNs, who are paid higher wages in hospitals. They're also greatly impacted by agency nurses coming in to fill shifts, earning much higher rates of pay than our permanent and full-time employees. So I think there's a massive need of a close look at how we're staffing and paying for the staff that work in long-term care in Ontario.

**Mr. Steve Clark:** Thanks for that. I wanted to make sure you got that in.

The other question I have to you is just a clarification around the William Street overpass. I joined, as you did, then-Minister McNaughton when he made the announcement. It's very uncommon to have a situation like we've seen, where the funding announcement was done in 2019, yet the scheduled project wasn't until 2024.

Talk about what the city did in 2019 to get ready for 2024. What was your projection of cost increase for that project? You mentioned that it was \$1.7 million. Was the actual cost in 2019 dollars significantly less than that, and the \$1.7-million projection was presented out to 2024?

**Mr. Matt Wren:** The project all along was to have been completed—I believe the spending must be complet-

ed by 2025. When the project was put together and funded in 2019, it was known that it was going to take a few years to pull it all together, tender it and get the work done. We're well within that time frame, we're all on track, but nobody expected in 2019 COVID and the massive increases in inflation that would follow. So we're left in this situation. I'm sure we are not alone in it, and we really just feel that the municipalities need the upper levels of government to sit down and have a second look at these funding arrangements.

**Mr. Steve Clark:** You mentioned it this morning a bit differently than you did on Friday, so I just want to confirm the percentage numbers that you're asking.

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. Steve Clark:** Your project in 2019 was 50% federal, 33% provincial, and the balance was municipal. So your actual ask, if I got it right—because I believe you said it was \$1.7 million more, so double the cost—is you're really asking the feds for \$850,000, the province for about \$567,000, and then the rest will be via the city, about \$283,000? Did I get that right?

**Mr. Matt Wren:** Well, we were quite happy with the original percentages offered, but the price has changed. If the percentages remained the same as the 2019 year funding option, obviously we would have to bear some inflation as well. We would expect to do that, but not to fund the whole remaining inflated cost of the project.

**Mr. Steve Clark:** Yes, I understand that. I think the challenge the government has is that when we took over as a government we had four funding streams of programs that were signed, sealed and delivered by the federal government—

**The Chair (Mr. Ernie Hardeman):** Your challenge is you're out of time.

We will now go to MPP Harden.

**Mr. Joel Harden:** Good morning, everybody. It's nice to be here in Brockville as an eastern Ontario person. Mayor Wren, it's nice to meet you for the first time. I also want to thank, just while I have a moment, some of the staff in this great building who do great work. I had the pleasure to meet Trevor MacAdam, who I grew up with in Vankleek Hill, who I understand manages a lot of the programs in this building. I also just want, for the record, to note the not-presence—the guy who left this committee who did a lot of work in this area too, Leigh Bursey, who has moved on to Newfoundland, who I know contributed a lot to your city—and deep respect for the work Leigh did while he was here.

Some of the things you said, Mayor Wren, made my hair stand on end, but I guess we're living in an age now where I'm getting used to that. The notion that the costs for this bridge have doubled is an alarming figure, given what we're hearing from municipalities across the province in the aftermath of Bill 23. We know that the impact on that for revenue going into municipalities has been severe; in our city of Ottawa, significant enough to force reductions in spending on public transit for operational transit, reductions in spending on things like affordable housing, key priorities for keeping the city safe.

I'm wondering if you could elaborate a little further. Are there other examples beyond the infrastructure project

you mentioned where the city has had to make difficult choices because of revenue shortfalls that have been caused by legislation from the government?

**Mr. Matt Wren:** Absolutely, thank you, MPP Harden, for the question. The last segment of our budget that was tabled two weeks ago was our capital budget, and this year, there are \$4 million worth of capital projects that we're just going to have to defer. These aren't nice-to-haves or superfluous things; this is asset management and replacement of things that are at the end of their life.

We are going to increase our capital spending on our tax levy by a million dollars this year, or at least have proposed to do that. But even at that, it's still this \$4 million worth of projects that need to be pushed down the road, and we all know what happens when we push things down the road.

**Mr. Joel Harden:** So you spoke about the health and well-being of seniors and the unique demands Brockville has as a hub for seniors wanting to live here. I'm not surprised. It's a beautiful place. But I'm wondering if it frustrates you. Because in Toronto, often when I make the trip down the 401 and work with my colleagues on all sides of the aisle, it is frustrating, I have to admit, from an eastern Ontario perspective, to see capital projects like the Ontario Place project signed, a \$600-million investment.

Do you feel like there is a discrepant attitude towards infrastructure spending in the province of Ontario, where beloved is the city of Toronto—it's a wonderful place—but it feels as if eastern Ontario isn't necessarily getting the commitment on the scale that we've seen in the GTA when it comes to commitments from the province on major infrastructure needs that you have?

**Mr. Matt Wren:** Well, I'm not here to be a critic to the hand that feeds us. We have been fortunate to have been well looked after in many ways and the province is about to make a major investment in the east side of our community to build a new correctional facility, which will create jobs and employ people and modernize the care of those that end up needing that service.

But I am just a little concerned reading about the municipalities that don't have housing targets and the Building Faster Fund—10% is going to be devoted to rural and small communities: \$120 million. With upwards of 400 municipalities that might be part of that pool, I don't know how far \$120 million is going to go.

**Mr. Joel Harden:** Fair question. I also just want to note, for the record, something you said that seems to be an easy thing to fix: the notion that your targets for when you decide to allocate your spending on long-term care are not synchronized with when you get the information from Queen's Park. I mean, that seems to be an easy thing, I would hope, that the province could fix. They could send you the signal about what to expect before you make those allocations. If I understood you correctly, that's the issue you're dealing with.

**Mr. Matt Wren:** It is exactly the issue. I must say, it has not been a problem in the past. As I illustrated, over five years, the supplemental spending from our city has only increased by \$329,000, so it was very moderate

increases. We're in unprecedented times right now, so hopefully information sooner than later would help us set our budget for this year.

**Mr. Joel Harden:** Understood.

I will say to the OFL, I'm going to ask a question to our friends at AIMA—because we worked with you closely, we respect what you said.

It's not often that we have before the committee, Chair, capital market experience. I have a couple of questions, because as the province is dealing with the housing crisis, we've seen some activity in capital markets that make me believe what we've heard this morning about the need to figure out that capital formation works for the province of Ontario and not for the interests outside it. I just note that Blackstone has recently made a \$3.5-billion investment in Tricon in Toronto. This is the largest corporate landlord in the world.

Their record, when they've gone from country to country, community to community, is not stellar. What I've seen through evidence that's been made available to me is massive rent increases for tenants, neglect to build infrastructure, and some countries, like Denmark, having to pass specific legislation to make sure that there isn't an incentive to dive into a housing market, drive up costs and leave.

**1050**

Is this something that concerns you as a representative for smaller capital market investors, that when you have large entities like Blackstone coming into a community like Ontario, a real estate market like Toronto, there could be extremely negative impacts?

**Mr. Michael Thom:** I won't speak to the specifics of that transaction, but I will say that it should be concerning to everyone that it is a large US acquire that has no vested interest in the well-being of Canadians or Ontarians that is going to end up being the ultimate owner of record here, and that it isn't a Canadian organization that is becoming a global champion in this particular sector.

I will note, however, I believe the vast majority of Tricon's portfolio is, in fact, in the US. This was ostensibly a great story of a Canadian business scaling and now, to the trend that Claire spoke about, being acquired by one of the global champions that has no vested interest in Toronto, Ontario, Canada or otherwise, to any appreciable degree.

**Mr. Joel Harden:** I certainly have noted—

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. Joel Harden:** Thank you, Chair. I certainly have noted—did you say one minute or three?

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. Joel Harden:** One minute. Thank you, Chair.

I certainly have noted, from Blackstone's activity in Scandinavia, in particular, they're a champion of their bottom line, that's for sure. But when you have 250% rent increases and a country like Denmark being compelled to issue a decree saying that when a foreign entity comes into that economy and makes big housing bets, there's a five-year moratorium on rent increases—they had to do that on purpose to make sure that real estate investment trusts like Blackstone stay out and the well-being of the Danish people remains at the forefront.

Again, I just want to ask the question to you because you have this financial expertise: Is that on your mind as you're advocating for smaller investors and not large Goliaths like Blackstone?

**Ms. Claire Van Wyk-Allen:** It's absolutely on our mind, which is why we are raising the existential threat to the financial market industry in Canada, particularly in Ontario, as, of course, Toronto does represent one of the largest capital market bases in our country.

**The Chair (Mr. Ernie Hardeman):** Thank you very much.

We now go to MPP Hsu.

**Mr. Ted Hsu:** I have a question for Ms. Walton. I wanted to know what you thought about Ontario looking at a pension program for early childhood educators, both registered and also the support staff that need to be hired by any child care provider.

**Ms. Laura Walton:** Currently, if we're speaking about early child care educators within the school system, they do have a pension plan through OMERS that has been around for a significant amount of time. I think it's something that should be considered as we're moving forward, but it means that we need to be doing some investments in child care.

What we're seeing right now is—although we have announcements, what I am hearing very clearly from parents is that they do not have access. Announcements don't get kids in care; access to child care is what gets kids into child care.

We need to be looking at the costs. We need to be funding it appropriately. We need to recognize that these are professionals and pensions need to be part of the compensation package when we are looking at workers. They need to be able to retire with dignity. That goes for every worker, not just for an early child care worker. That would go for any food services people that are working in child care, anyone who is doing custodial caretaking or maintenance work. Every worker should have access to a pension so that they can retire in dignity after providing services to what I consider our most precious resource.

**Mr. Ted Hsu:** Do you have a preference as to the structure, what part is defined benefit, what part is defined contribution?

**Ms. Laura Walton:** You'll always hear me say that defined benefit is better than your defined contribution. We want to be able to ensure that people are putting in the money and that they are able to—the employer puts in a portion, the worker puts in a portion, but at the end of the day, the money is there for them to retire.

When we move to the concept of, "Here's some money for RRSPs," that is not the same. What we want to be able to do is build up the potential for people to retire with dignity, and that requires defined benefit pension plans as we move forward.

**Mr. Ted Hsu:** A final question, for AIMA: How does fiduciary responsibility figure into favouring one local emerging manager over somebody else? How do you make that argument? Because there is a fiduciary responsibility, and you have to be able to say, "I didn't choose a lower

return or higher risk just because I wanted to favour a local manager." How do you deal with that?

**Mr. Charles Lemay:** That's a great question. What I was bringing up earlier when I mentioned that is that the \$50-million allocation that you're doing to a larger entity with similar returns and similar strategy will not be hiring anybody else for that \$50-million allocation of managing the pension or the endowment or the county's money. When you do hire a smaller manager with the same fiduciary duty of doing their due diligence, they will be probably hiring a new analyst who graduated from the University of Toronto, a new compliance officer who did his law studies at York University, a new salesperson who went to Queens who did an MBA. Those are real jobs that are created by the fees that are charged on that \$50 million for a return on equity. It's not a venture capital investment, where you do \$50 million and \$45 million of that is lost and \$5 million make up the rest of your \$50 million because they're great home run bets. These are strategies that are implemented in a safe, smart investment policy. And especially on these emerging management programs like they've done in Quebec and like they do in the United States, they're done on a massive managed-account platform called Innocap—

**The Chair (Mr. Ernie Hardeman):** Less than one minute.

**Mr. Charles Lemay:** —meaning that you can pull the money at any time you want.

**Mr. Michael Thom:** I will add on to that, saying that I think it's a false compromise. There is a demonstrated academic emerging manager premium. What it comes with is operational risk. What they've done is grouped together in Quebec to use a platform like Innocap at that scale to remove that operational risk while still capturing the emerging manager premium—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time.

We now go to MPP Byers.

**Mr. Rick Byers:** Thank you to all the presenters for being here today in Brockville. It's my pleasure to be back in Brockville after being here on Friday. It's a lovely community. We didn't have this lovely visual at our Friday meetings, so this is a great location.

I have a question for AIMA—just to follow up on some of the questions that you've had. I want to make sure I clearly understand what your policy recommendations are for the province. You've mentioned Quebec a few times, and I don't know whether you could elaborate again on what they have done to enhance the industry, in your view, and offer those to the committee.

**Ms. Claire Van Wyk-Allen:** In short, Quebec has worked with some of the local pensions and the province and the city of Montreal to fund a pool of capital that's deployed to emerging managers, so entrepreneurs who are building their asset management business. There's expectations around what they deliver in terms of returns and, of course, that de-risked operational oversight from Innocap as the managed-account platform.

But the scenario for Ontario could be similar. It could be a pool of capital, combined from pensions, significant

multi-family offices or wealth platforms, or from the province directly or some combination thereof. And equally, it would be a similar return-driven strategy to build these entrepreneurs up so that they can scale globally.

There are other solutions, though. On the tech side, we, of course, have the MaRS Discovery District and their significant sandbox resources for financial technology services and the technology sector in general. Some of that is, of course, led by the OSC, the Ontario Securities Commission, and some of it, again, through MaRS and other ventures. So it could be a sandbox-type solution, where we have shared services operationally; or to allow these managers to better compete globally, bringing in an operational due diligence specialist to do reviews and enhance operational capabilities for Ontario-based managers; or get an ESG consultant, such that these managers can integrate ESG at a level that will make them attractive to an international pension outside of our borders.

There's a ton of different opportunities that we could consider, again, from a sandbox perspective, but I will pass to Michael and Charles, should they wish to weigh in.

**Mr. Michael Thom:** I think you've captured it well, Claire. We're advocating across the country to the other large provinces, and I'll say the path this takes is different in every province, and it will be in Ontario. What I think is an important starting place is convening a conversation of important stakeholders at the government's behest to recognize the problem and address the problem head-on: that unless we tend to it, entrepreneurship in the investment management sector and the investment management sector writ large will not be a prominent feature of Ontario's economy going forward, given the consolidation and global pressures at play.

1100

**Mr. Charles Lemay:** And exactly what we started doing in Quebec is a \$450-million program; in the US, it's \$1-billion, \$2-billion, \$10-billion programs, and they're already supporting those local economies. So we just copy-pasted what they did and put it in Quebec. We saw the success, and we saw Canadian managers go to the US, get those mandates and manage them locally. We need to be able to support that locally in Canada ourselves, or else we're just going to lose more talent to the US and abroad—high-paying, taxed jobs.

**Mr. Rick Byers:** Thank you very much. I'll pass my time over to MPP Ghamari.

**The Chair (Mr. Ernie Hardeman):** MPP Ghamari.

**Ms. Goldie Ghamari:** My question is for the mayor of Brockville, Mayor Wren. Thank you for being here today. I'll echo what my colleagues have said: It's a fantastic location. I'm getting a little distracted by the fish, but it's not necessarily a bad thing.

You talked briefly about how the recent changes in how our government funds homelessness have really helped the city of Brockville, and you mentioned an increase. Could you talk a little bit more about that, how our homelessness program has benefited the city of Brockville and how you've been utilizing those funds?

**Mr. Matt Wren:** I should have mentioned earlier, as far as the assistance we've received from the province and the feds, that we wouldn't be sitting in this building if it wasn't for that assistance. A massive amount of money was poured into building this building, by the province and the federal government.

To the question: Homelessness prevention funding—I believe the united counties was receiving \$1.5 million, \$1.6 million up until last year, when we received, I believe, a 98% increase to \$3.2 million or \$3.3 million or in that neighbourhood. All of a sudden, small-town Ontario has a problem it never had before, which is homelessness. That tended to be an issue that large cities dealt with, but through the pandemic, it certainly became quite apparent. In the counties, Brockville is the epicentre of where all the services are, so the city of Brockville has about 85% of those on the by-name list.

With those extra funds, though, the united counties has been able to work with a number of agencies, add case-workers, see people faster and try to get them housed. And they are housing people. In the last two years, the counties have housed over 200 people who were homeless. The challenge that we face—and I think we're all learning as we go—is that the vast majority of people in homelessness experience addictions and mental health issues, and over 50% of the people who have been housed, within three to six months, become homeless again. That's why we're working with MPP Clark and MP Barrett to hopefully bring the mental health funding component to the equation, so that when we get these people housed, we can keep them there.

**Ms. Goldie Ghamari:** Thank you. I'll turn it to my colleague MPP Dowie.

**The Chair (Mr. Ernie Hardeman):** One minute, MPP Dowie.

**Mr. Andrew Dowie:** Mayor Wren, thank you for being here. I certainly appreciate your comments, particularly about the balancing of municipal responsibilities versus revenue tools in place.

In a perfect world, would you rather do less, as a municipal government, with the resources you have or would you prefer to have additional revenue-collection powers and keep that local control over those services that you feel are best delivered by the province?

**Mr. Matt Wren:** We're left in a situation where the community enhancements that people want—that pavilion in the park, that new arena, extra funding for festivals, and so forth. It's impossible for us to think about doing those things because of this ever-increasing need to supplement funding.

One thing I didn't bring up, which I've written to Minister Piccini about, is the impact of the presumptive-PTSD legislation—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time for that question, and it concludes the time for that panel.

We want to thank all the presenters, virtual and at the table, for taking the time to prepare to be here and sharing

your presentation with us to help us formulate a great budget for 2024 for the province of Ontario.

DAVID SUZUKI FOUNDATION  
KINGSTON HEALTH SCIENCES CENTRE  
ONTARIO SECONDARY SCHOOL  
TEACHERS' FEDERATION

**The Chair (Mr. Ernie Hardeman):** We will ask the next panel to come forward: David Suzuki Foundation, Kingston Health Sciences Centre and the Ontario Secondary School Teachers' Federation. As they're coming to the table, the David Suzuki Foundation will be virtual, the Kingston Health Sciences Centre will be virtual, and the secondary teachers will have the table all to yourselves here.

As with the previous panel, you will have seven minutes to make your presentation. At six minutes, I will notify you that it's one minute left. At one minute, I will say, "Thank you." We also ask that everybody that speaks not only makes the presentation, but if they're asked to speak during the questions, to introduce oneself to make sure we can get the comments to the appropriate person.

The first one will be the David Suzuki Foundation.

**Mr. Gideon Forman:** Thank you, Mr. Chair and committee members. I much appreciate the opportunity to speak this morning. My name is Gideon Forman, and as you mentioned, I'm with the David Suzuki Foundation. I'm a transportation policy analyst at the foundation. I'll keep my remarks short. I don't think I'll need the full seven minutes, Mr. Chair.

We're here to urge you to put money into public transit and, more specifically, \$725 million into the dedicated public transit fund this year. This request mirrors, as you may know, an ask made to your government by the Ontario Public Transit Association, OPTA. As you know, coming out of COVID, many transit systems have been facing financial hardship. As OPTA writes, "The fiscal situation facing Ontario's transit agencies remains dire as they contend with significant capital and operating deficits, which are already resulting in costly fare increases and service reductions."

We know that generous, predictable support from the province, not higher fares or service cuts, is the way to keep transit strong and to build ridership.

Transit agencies need your support with both capital and operations expenditures. On the capital side, for example, they require money for the purchase of things like electric buses. But funding for day-to-day operations, things like vehicle maintenance and just unglamorous things like hiring drivers—those operational needs are the top priority right now. And so your generous investment in transit this year will bring Ontarians a host of benefits, and I'll just briefly touch on those.

First, transit generates very significant employment. According to the federal government, over 37,000 Ontarians work as bus drivers and subway operators or other transit operators. And, of course, that doesn't include all

the other jobs in transit, like construction and maintenance and administrative support. When you put money in transit, you create good, well-paying jobs right across the province.

It's also worth noting that transit funding creates more jobs than funding in some other areas. For example, an April 2020 report from the World Resources Institute found, "Spending on public transportation creates 31% more jobs per dollar spent than spending on new roads."

Transit is also crucial to our post-pandemic economic recovery. According to StatsCan, over 700,000 Ontario workers commute to their jobs using public transit, and of course this is in addition to all the other transit users who are accessing things like schools or entertainment or medical appointments. If bus and rail services falter, a staggering number of employees will be unable to reach their workplaces and untold numbers of residents will be unable to purchase goods and services. As well, if our transit systems are allowed to fail, traffic congestion, which already costs the GTA alone about \$11 billion—if traffic congestion continues, things will only get worse for drivers.

The Canadian Urban Transit Association summarizes the situation well when it says, "A sustainable, equitable recovery depends on public transit, and it in return depends on operating support being extended."

I also want to mention that transit enjoys enormous public support. A December 2023 EKOS poll—so the end of last year—found that 82%, about eight in 10 Ontarians, agree that the province should provide more funding for public transit so residents can safely get to work or school.

Putting additional money into transit, Mr. Chair, is the right thing to do, but it's also very popular with your constituents. It's a nice thing when it's the right thing and also popular.

Finally—and I'll be almost complete at this point—we ask that you bring in, or allow cities and towns to establish, a variety of new revenue tools to fund transit. These could include road tolls, levies in commercial parking lots, congestion charges or motor vehicle registration fees. Collectively, these tools would generate hundreds of millions of dollars annually and vastly improve local transit agencies' fiscal health. These tools are deployed successfully in some of the world's strongest economies. There's absolutely no reason to avoid them in Ontario.

**1110**

So to summarize, we ask you to put \$725 million into the dedicated public transit fund this year. This spending will create good local jobs, strengthen the economy and help bust congestion, and it will be immensely popular with Ontarians. We also ask you to set up or empower towns and cities to enact new revenue tools to fund transit.

Thank you, and I'd be happy to answer any questions.

**The Chair (Mr. Ernie Hardeman):** Thank you very much for the presentation.

Our next presentation will be the Kingston Health Sciences Centre.

**Ms. Sherri McCullough:** Good morning, and thank you for the opportunity to participate in this pre-budget consultation. My name is Sherri McCullough, and as the board chair of Kingston Health Sciences Centre, the only

tertiary-care academic health sciences centre between Toronto and Ottawa, I'm proud to speak on behalf of the over 500,000 individuals we serve from across southeastern Ontario, the more than 6,000 employees and the thousands of doctors, volunteers and other credentialed health care providers that work at KHSC.

As everyone here is no doubt already aware, the health care system and hospitals in particular are facing unprecedented challenges, and KHSC is certainly no exception. On any given day, it's easy to find news stories of hospital emergency department closures, budget shortfalls, long wait-lists, crowded clinics and emergency rooms, and staff and physician burnout. When other providers close their doors, Ontario's tertiary-care hospitals fill in the gaps.

While many providers and organizations throughout the health care system do play an important role in overall health care, tertiary-care hospitals have become the backbone of the entire health care system. Throughout the COVID-19 pandemic, our teaching hospitals not only cared for the sickest people in Ontario, but also stood up assessment centres, administered COVID-19 vaccinations, distributed community PPE, supported struggling long-term-care homes and coordinated sharing of urgently needed but back-ordered supplies. Hospital labs developed new COVID-19 PCR testing, quarterbacked disease surveillance and tracked changing variants of concern across the province.

Academic health sciences centres also drive the research and innovation that is critically important to finding new solutions to health care challenges and system improvements. In 2024, despite being tired and short-staffed and working in aging and sometimes crumbling facilities with inconsistent funding, our health care providers and support staff continue to provide stability and efficiency in a struggling system. We have developed innovative models of care and found creative ways to improve access, filling in the critical gaps in available primary care and supporting Ontario health teams as they work on a collaborative path forward.

So as you plan the 2024-25 budget for Ontario, we have three things we urge you to do:

(1) Continue to support, and also expand, focused funding aimed at stabilizing hospitals' financial positions. We face labour cost pressures, continuing supply and service cost inflation and unprecedented service growth. Bill 124 settlements are driving hospitals into extraordinary cash flow difficulties, threatening our financial viability and forcing delay of critical capital purchases.

(2) The second thing on the wish list is to work with hospitals and communities to find sustainable solutions to the shortage of available long-term and other post-acute care. Inability to find sustainable discharge destinations for many of our patients means that thousands of acute care beds remain unavailable for acute care. It also means that many health care professionals end up working in a long-term-care environment, and that was not their career choice. These circumstances don't serve our patients well, or our providers.

(3) We ask that you continue to invest in desperately needed infrastructure improvements for our hospital sector.

Delaying previously approved hospital redevelopment funding will worsen access to care for decades to come. Each year, hospitals in Ontario spend millions of dollars repairing facilities and equipment that has long since passed their best-before date, spending money that would be far better focused on providing clinical care.

Mr. Chair, you'll remember last year when I was here that I mentioned that in Kingston we have the two oldest operating hospitals in Canada and that we had a \$25-million flood at our Hotel Dieu site. Well, it's a year later, and that remediation is not complete yet and it looks like it's going to exceed the \$25-million claim. The original wings were built in the 1830—that's just a little plug there.

Ontario's health care system is set to face some of its biggest challenges and the able and resilient hospital sector—including Kingston Health Sciences Centre—stands ready to support and lead a new way forward, but we can't do this without the same support from the government of Ontario, including stable funding, reasonable working conditions and sufficient space to provide the care that the people of Ontario require. Thank you so much.

**The Chair (Mr. Ernie Hardeman):** Thank you very much for the presentation.

We now will go to the Ontario Secondary School Teachers' Federation.

**Ms. Martha Hradowy:** Good morning, everybody. Honourable members of the committee, thank you for granting me the opportunity to address you today. First, I'd like to acknowledge that we are meeting today on the traditional lands of the Wendat, Anishinaabe and Haudenosaunee people. May we always be grateful to live and learn on these lands.

I would like to draw your attention to our written submission. I believe that has been handed to each and every one of the committee members here. With me today is John Wells, OSSTF/FEESO staff, who is responsible for educational finance at OSSTF.

I stand before you as the vice-president of the Ontario Secondary School Teachers' Federation, a parent and an education worker, with a background as a developmental service worker. Our federation represents over 60,000 dedicated educators, including educational assistants, psychologists, social workers, university support staff, public high school teachers and occasional teachers. Today I'm here to cast a spotlight on the current state of Ontario's educational institutions.

Our members, the true experts in nurturing and guiding our students, dedicate themselves daily to imparting knowledge and fostering intellectual and personal development in classrooms across the province. Regrettably, headlines across the province echo a distressing reality: Serious staff shortages are plaguing our boards and post-secondary institutions.

On December 5, CBC reported that the Windsor-Essex public board declared the impossibility of teaching the most vulnerable children with current staffing levels. On January 7, GTA principals raised a crisis alarm over school staffing, followed by an ominous headline on January 8 that Toronto "schools are facing 'enormous' support staff shortages." January 10 brought news of a substitute-teacher



and educational-assistant shortage, directly impacting student learning and safety. These headlines expose the underfunded and understaffed conditions of Ontario school boards, impeding their ability to meet the needs of our students adequately.

In Windsor-Essex, the chair of the board communicated the impossibility of properly teaching the region's most vulnerable children due to government cuts to their budget, a sentiment echoed by school boards province-wide. Our written submission scrutinizes these cuts, revealing a \$1,200 reduction in funding per student since 2018 and a \$600 cut in per-pupil spending in the last year alone.

Shockingly, under this government's leadership, Ontario ranks dead last in Canada for per-student funding at the post-secondary level.

**1120**

The consequences of these cuts are real and they are profound. Thousands of dollars are missing from every classroom and campus, leaving students without essential supports and services on a daily basis. In the Thames Valley District School Board, encompassing the riding of Oxford, 91 class sections have been cut this semester, impacting student learning experiences and forcing them into undesired courses, sometimes resorting to online classes. These cuts predominantly target courses designed for students with special needs or those pursuing workplace credits. From Windsor to Oxford, Brockville, Thunder Bay and Kenora, government cuts disproportionately affect vulnerable students and their families. As a pattern, and in an alarming move, the Upper Canada District School Board a few years ago slashed 50% of their professional student services personnel, depriving special needs students of crucial daily supports. I recently heard from a school psychologist, again in Thames Valley, who has over two decades of experience, who said that more than ever before, students are experiencing significant learning, development and behavioural concerns, as well as more diverse learning needs.

With less resources, every classroom teacher is trying to meet the needs of many more students with greater learning needs. Violence is becoming more frequent and injuries to staff are unfortunately becoming all too commonplace. Simply, there aren't enough educational assistants, social workers or psychologists to provide early intervention, safety and support. This is especially concerning as community resources have become increasingly rare and limited as well. Students turn to their schools as one of the only access points they have for mental health support, and yet they're met with further cuts and further underfunding.

These cuts are not due to a lack of need but a failure of this government to provide necessary funding, despite the existence of billions in excess funds and surpluses, as reported by the government's own Financial Accountability Office. This is not the Ontario schools I remember growing up as a kid, and it's not the one we should be living in today.

Ontario students deserve the best, and it is our collective duty as lawmakers, as educators, to collaborate and deliver a world-class, publicly funded education to every student in our care.

**The Chair (Mr. Ernie Hardeman):** One minute.

**Ms. Martha Hradowy:** As a wealthy province, Ontario possesses the means to turn our 38 recommendations into reality. The real challenge lies not in the availability of funds but in our collective will and choices. We implore the provincial government to join forces with us, ensuring every school board and classroom is fully funded and staffed, providing all students with the necessary supports, services and courses they need to succeed.

This achievable vision should not remain a fantasy but become a reality for students of Ontario. OSSTF/FEESO calls on the government to collaborate with us in making this vision a reality. Together, let us champion the cause of education and ensure that every student in Ontario receives the world-class public education they rightfully deserve.

**The Chair (Mr. Ernie Hardeman):** Thank you very much for your presentation. That concludes the presentations.

We will now start with the first round of questioning. We'll start with the independents. MPP Hsu.

**Mr. Ted Hsu:** My first question I'll give to the David Suzuki Foundation about funding for public transit. There's a lot of things where, if you ask the public if they would like it or not, they'll say yes, and then when you ask them to pay for it, the support becomes a little bit less solid. You mentioned a number of ways of raising revenue: raising tolls, parking charges, congestion charges, registration fees. Do you have any evidence that people are willing to pay more for those things, or even the ridership, the fares, to support public transit?

**Mr. Gideon Forman:** I don't have numbers from across the province, but I do have some data for the city of Toronto. You'll forgive me, sir, for not having province-wide, but this is some evidence.

KPMG did some work for the city of Toronto a few years back, in 2016, and they found—and this is their words—that there is generally support from the public when it comes to things like parking taxes and levies if the revenue is raised to fund investments in transit and transportation. In other words, my understanding from KPMG is that if the money is targeted and directed at a specific thing, and people know that that's what it's for, generally there is public support for these sorts of things. So that's KPMG.

I think, intuitively, it does make sense that people are concerned about congestion. They want cities to work better. Anyone who has driven in our cities knows what a problem congestion is, and these revenue tools can, in addition to supporting transit, also bust congestion. They give motor vehicle drivers one more reason to leave the car at home, and they support more convenient and more reliable transit, so it's kind of a virtuous circle of fewer cars and better transit. So it's not surprising that there is generally a public willingness.

**Mr. Ted Hsu:** Okay—

**Mr. Gideon Forman:** And I also mentioned—sorry, just quickly—some polling that EKOS did at the end of 2023, which found widespread support across the province for more money for public transit to help people get to school and work safely.

**Mr. Ted Hsu:** Just a really quick question about the economics of public transit and the fare box recovery rate: It's less than half, more something like 30% of the cost, because there are a lot of public benefits. But what, in your view, is roughly the ideal fare-box recovery rate for a bus in a city or something like that?

**Mr. Gideon Forman:** I'm not an economist myself, so I hesitate to put a specific number on it. I think what we're seeing, though, in general, at the level of principle, is that we just cannot rely on the fare box anymore. In cities like Toronto, a very significant portion comes from the fare box, and you can't run a robust system that's designed for ridership growth if you rely too heavily on the fare box. There is a role for the fare box, but we do need to keep fares reasonable so that people will use the system.

Roughly speaking, we might be looking at half-and-half: half from the fare box, perhaps, and half from government subsidies. Cities can't do it alone. That's why we're here to say the province has a very significant role to play.

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. Ted Hsu:** I have one minute, so a really quick question for Sherri—welcome, virtually. The really quick question: Is the laboratory in the basement of KGH still leaking rainwater?

**Ms. Sherri McCullough:** Well, we built a concrete barrier outside now, to try to protect it. There's a lot of really valuable equipment.

Jason, do you want to add something to that answer, please?

**Mr. Jason Hann:** Sure. Good morning. I'm Jason Hann. I'm the executive vice-president of patient care and chief nurse exec for Kingston Health Sciences Centre.

We have intermittent floods, depending on the weather. To our board chair Sherri's comment, we have built a brick concrete wall, but we have a lot of sandbags across our sites at Kingston Health Sciences Centre. As well, we have a flood room ready to enact at any minute here at our KGH site due to the ongoing challenges with infrastructure.

**Mr. Ted Hsu:** Okay. So I think it's fair to say—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time.

We'll now go to MPP Clark.

**Mr. Steve Clark:** I want to thank Gideon, Sherri, Jason and Martha for your presentations. Welcome to Brockville in person, Martha, and virtually to the others.

I guess I'm going to have a short question first to the David Suzuki Foundation. I just came from the Rural Ontario Municipal Association conference, or ROMA—primarily rural municipalities—and I was quite struck with two of the delegations that I attended with my own municipalities: one in Gananoque, which is a small town near Kingston at the west end of the riding, and North Grenville, which is much closer to the city of Ottawa, in the northeast part of my riding. Both of them—one, in North Grenville's case, started an on-demand transit system without provincial funding because it was an important thing for that community to extend. So while I'm not a fan at all of increased revenue tools that you highlighted, I am interested in your comments regarding rural transit expansion.

In the city of Brockville, where we're being hosted today, they've had a transit system for about 40 years—still very, very small, but they've been able to expand with the collaboration of south Grenville communities along the southern border of the riding along the St. Lawrence. I'm seeing a lot more rural transit opportunities and the need for our government—the pitches that they made were for community transit funds. Those are the small operating funds, as opposed to the large capital funds that perhaps some of the larger, more urban transit systems require. I would love to have your opinion on rural transit expansion without revenue tool expansion at the same time.

**1130**

**Mr. Gideon Forman:** I appreciate the opportunity to speak about smaller communities. I'm not an expert, and the first thing I would say, Mr. Clark, is that those decisions do need to be made by local people; it's not for me to come in. But, in general, I'm delighted to see transit expansion in the smaller communities. I do think there's an important role for the Ontario government to put money into that, and I appreciate your point about the operations funding.

Certainly, what we are hearing from transit agencies across the province is that they need that operations money now, especially. They can't even think of expanding their ridership until they cover the pressing day-to-day operations needs of things that are not glamorous, like hiring more drivers and maintaining vehicles. So I very much appreciate the operations funding you're providing.

What we're also hearing from organizations like OPTA, the transit association, is that the money that they currently are getting from the province is insufficient. We do need to grow ridership. The dedicated public transit fund, which we're very appreciative of, was designed to grow ridership, so it does need more money from the province to do its mandate, which is to grow ridership.

I think it's wonderful that we're seeing initiative in these smaller communities, and it's great that they're contributing locally and from their own resources, but they cannot do it on their own. They need your government's support to be able to expand ridership, which they must do—not least to bust congestion in these communities, because populations are growing and we will see more and more congestion. Transit is a key tool for busting traffic congestion.

**Mr. Steve Clark:** Thanks, Gideon.

I'm going to turn my next question to Sherri and Jason from Kingston Health Sciences Centre. It's great to see you both again.

I really appreciated, Sherri, your words to the Premier in October, when we toured your facility along with my colleague MPP Rick Bresee, who knows your organization, certainly, better than I do, given his past history. Just to MPP Hsu's comment: the Premier did go through the lab, so he ventured and talked to the employees about what KHSC are trying to do.

You're a big operation. I've got a couple of smaller hospitals—we're going to hear from Nick Vlacholias of Brockville General later on, and Frank Vassallo from Kemptville

District presented on Friday to PA Byers. I'd love to get your opinion on two things: first, what Kingston Health Sciences was able to do because of the predictable, 4% funding increase; and second, I'm really interested to hear what you think the government should do to try to convince more medical students coming out of Queen's and other facilities to get into family medicine. You're a big outfit; you hire a lot of people, and some of us small communities, like Brockville and Kemptville, are at your mercy in terms of your recruitment and some of the other tools that you can pull out of your pocket. So we'd love to have your comments on both of those points.

**Ms. Sherri McCullough:** I'm going to touch briefly on the question about family physicians, and then I'm going to turn it over to Jason.

We're actually awaiting funding right now from the Ontario government on a very interesting pilot project called the Periwinkle program that the school of medicine is going to be setting up, and what it will be is—we have some retired GPs and some nurse practitioners. We have 35,000 people in Kingston alone who don't have a family doctor. Once we receive that funding, we'll have the capability to address 10,000 of the people who are currently registered on Health Care Connect.

As far as the GP program at Queen's, it has been expanded.

I'm going to turn it over to Jason to talk to you about the 4% funding.

**Mr. Jason Hann:** Thank you for the question.

Regarding the 4% funding, which we're very grateful and thankful for, as we all know there are significant budget challenges in all of the hospitals. Some of the work that we've done with our 4% increase is we have a KHSC@Home program, so we discharge patients directly to home from Kingston Health Sciences Centre with home support services.

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. Jason Hann:** With the increase in funding we've been able to increase the capacity of that @Home program. For example, any given day at KHSC we have about 170 patients being cared for at home under our @Home program. If you think about creating hospital capacity and getting patients home sooner, the feedback is that the patients really appreciate the program and we're seeing really good outcomes there. So we've created capacity.

Another thing that we've been able to do, appreciating the surgical backlog—we're back to, despite all the challenges, 100% of our surgical throughput. So we're really focusing on doing more surgical procedures to help reduce the backlog of care: orthopaedic joints or cataract procedures would be some examples, as well as we focused on increasing our cardiac surgery throughput. There are a few examples of providing care and access to care.

You're absolutely right, we're a big ship and we're—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time.

We now will go to MPP Harden.

**Mr. Joel Harden:** Thank you to all the presenters this morning.

Gideon, I want to begin with you. I wonder if you could just describe for the committee what's being described in research on public transit at the moment as a "death spiral" that is happening in public transit. It seems like very severe language, but this is, as I understood it—and please flesh it out for us a little further.

Here, in the city of Ottawa, where I serve—we're, of course, in Brockville. But in Ottawa, we are having a reduction of 74,000 service hours because of less funding coming into the city as a consequence of revenue impacts from Bill 23 and revenue impacts on the dedicated transit funding. So that 74,000 fewer service hours for OC Transpo means that people are waiting longer for the bus. As I understand the concept of the death spiral, it works such that if the province doesn't invest in public transit, and it gets longer to wait for your bus—your bus is crammed or you watch it go by you because it's full—you're less inclined to take it again.

And then there's a knock-on spiral that happens because when the transit operator, who's running the bus or the light-rail train, has to put up with the frustration from transit users coming on the bus—their first point of contact is that transit operator—they're less likely to remain in the occupation. We're losing people when we need to hire people.

I'm just wondering if you could explain this concept of the death spiral and how serious it is for public transit.

**Mr. Gideon Forman:** Yes. Thank you, MPP Harden. It's not just the David Suzuki Foundation that's talking about that; it's the transit organizations across the province, OPTA, and nationally, Canadian Urban Transit Association.

The concern is as follows: During COVID, there was a remarkable drop-off in ridership and, of course, funding. That meant that transit agencies were stressed. It made it very difficult for them to provide adequate service, not to mention improve service. And so, like you say, there were people who just got fed up and said, "That's it. I'm not going to use transit anymore. I'm somehow going to get to work in another way," if they could. That meant that there was even less money in the system because ridership plummeted even further. So that meant that transit agencies had to reduce service even further, and that's how you get this vicious circle of fewer riders, less money, worsening service, and it just keeps getting worse and worse. The Toronto Star has written about this. Other media outlets have covered it as well.

The good news is that, if we get a generous infusion of money from the province, we can start to arrest the death spiral. We can improve public transit so that people want to take it. People do, in general, want to take transit if it's affordable, if it's convenient, if it's fast. We have to make public transit more attractive than taking the private gas-burning car. And if we do that, we will launch a virtuous cycle where more people take transit.

So we improve transit so things just keep getting better, and not just better, Mr. Harden, for transit users, as important as that is, but better for all of society. Because as we migrate people from private cars to transit, we bust congestion, we improve air quality and we tackle the climate crisis. It benefits all of us when transit is on a virtuous

cycle, as opposed to a death spiral, and we can do that by putting more public money into it.

**Mr. Joel Harden:** Thank you. I will just say, before transitioning to some other questions, that I want to note, just for the record, the city of Toronto has managed to persuade the province to have another \$600 million put into its transit system. It would seem to me that's a great model for the province to repeat everywhere else. The ask, as I understood it, is \$725 million into operating funding. I think it's a terrific ask.

With due respect to my friends from the OSSTF, we're going to cover you with our education expert at the table here in the next round.

**1140**

I want to turn to our friends from the Kingston Health Sciences Centre. What you said is quite unique in a way. You're dealing with infrastructure that is historic, that is old, that needs refurbishment. The Premier has seen it himself. I'm wondering if you could also explain—because it didn't come up in your presentation, and I've heard it from other health care advocates where I serve in Ottawa—the impact between less primary care for people in the community and then those people presenting to an emergency room for access that they would be able to receive through a primary care option, a nurse practitioner or a family physician. The number that I saw from a recent report from the Auditor General is that 23% of ER visits in 2022-23 were done for non-acuity visits, things that could be solved through access to a nurse practitioner or a family physician. So literally one in four people coming to the ER could be diverted if we had a ramp-up in primary care options. I'm just wondering if that's a message that resonates with you, if that fits your experience and if that's something the government could benefit from learning from your perspective.

**Ms. Sherri McCullough:** You're absolutely correct, and I'm going to let Jason speak to it, but we have people showing up every day. As I said, we've got 35,000 people in the city of Kingston without a family doctor, so when they need a prescription renewed, they show up in our emergency room. We've got ambulances lined up. We've got ambulance drivers who can't offload patients literally standing nose to nose in the corridor because they can't leave those patients. But Jason can speak to the numbers better than I. I can speak to the emotional look of it, but Jason will speak to the numbers.

**Mr. Jason Hann:** Sure, Sherri. Again, yes, we're all challenged with lack of primary care. With the ED overcrowding, there's a good proportion of our patients who truly need acute tertiary care who come to our emergency departments who require hospital admission or access to a tertiary-level type of care.

We also struggle with, due to capacity pressures, the high volumes. There's a high proportion of our patients who do not have primary care or access to a primary care practitioner. For example, in the eastern region, over 9% of our population is 75 years or older and there's 11% of our population who are 65 to 74 years old. If you think about that, as people age, they are more reliant on services. So if

you think about the service gap there, absolutely, that would be an example, and we're projecting an increasing age of the population across the eastern region.

In addition to that, we have a lot of students who come to Kingston from September until the end of April. We have Queen's and we have St. Lawrence College. So there's a lot of people within the region who come to our emergency departments for primary care, as well as acute tertiary care.

**Mr. Joel Harden:** Thank you both for that. What I would say again, Mr. Chair, is that this is something the province can work on with a lot more vigour. At the moment, we have \$30 million, promised for innovation in primary care, in money that wasn't spent in the previous budget cycle.

I know of at least three proposals to the government now that are nurse practitioner-led clinics based in the city of Ottawa that would cover thousands of patients and keep them out of our ERs for things like filling scripts.

I'm also wondering if you could just, in the time I have left, even 15 seconds—are the costs associated with hiring agency nursing staff also a huge driver for you in increasing your costs of operation?

**Ms. Sherri McCullough:** Jason?

**Mr. Jason Hann:** For sure. Due to HHR challenges last year, we've contracted with agency nursing services to support our emerg and critical care units due to lack of nurses. We've had good experience—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time. We'll have to get that in the next round.

We will now go to the independent. MPP Hsu.

**Mr. Ted Hsu:** Thank you, Chair. As a preamble to my question to the Kingston Health Sciences Centre, I just want to say that I was very pleased to write the minister to call for funding of the Periwinkle project and other primary care initiatives, and I hope that the government does fund these.

It was mentioned that some of the increase in funding went towards surgical facilities to reduce the backlog of surgeries. My question is, is it funding that affects backlogs? What would happen if we increased funding more and spent more on surgeries? Would backlogs be further reduced?

**Mr. Jason Hann:** We have a number of proposals at Kingston Health Sciences Centre. We want to increase the number of hours of ORs, so extend the times into the evening, as well as putting additional resources on weekends to help with the backlog and improve access to care here at the KHSC site.

**Mr. Ted Hsu:** So extra funding would help with that?

**Mr. Jason Hann:** It would, yes.

**Ms. Sherri McCullough:** Yes, absolutely.

**Mr. Ted Hsu:** So funding is a bottleneck for reducing the surgical backlog, right?

**Mr. Jason Hann:** Right.

**Mr. Ted Hsu:** Thank you very much.

I just have a question now for Martha from the OSSTF. Thank you very much for coming here today. I wanted to ask you what you feel about destreaming, especially grade 10, because teachers disagree about destreaming, as far as

the ones that I've talked to, and recommendation 17 in your booklet here is about enhanced funding for destreaming. I'm just wondering if the OSSTF has a position on destreaming grade 10—and I can see the recommendations for increased funding to help with destreaming and addressing inequality, but what does the OSSTF think about destreaming grade 10 and maybe other tweaks of destreaming?

**Ms. Martha Hradowy:** Thank you so much. Just to be clear, OSSTF is not opposed to destreaming. We do agree with you that it does address inequities within the education system. Where we will press the government is that they need to fund the destreaming initiative for it to certainly work better.

We know that when funding is provided for things like reduced class sizes or dedicated education workers in classrooms, destreaming can work, but that's not something that we have seen over the course of the last couple of years, and certainly through the course of the implementation of the destreaming initiative here in Ontario.

As you had pointed out, in number 18 in our recommendations, which is very solution-focused, we believe that if the government were to take the destreaming initiative seriously and certainly provide for the training for all education workers and teachers, provide those dedicated education workers in classrooms to support the students and the classroom teacher, that destreaming can work in Ontario. But unfortunately, that's not where we're at today. So hopefully, through the course of this budget consultation and in the upcoming budget, the government can provide the resources and supports to the school boards to help make this a success.

**Mr. Ted Hsu:** What's one example? I'm actually a parent. Next fall, I'll be a parent of a kid going into grade 9. What's one thing, as a parent, that's going to affect my kid because the government hasn't properly funded the destream in grade 9?

**Ms. Martha Hradowy:** Well, certainly, right now, there isn't the funding necessary to provide the reduced class sizes to support destreaming. As we know with the previous academic stream, those classroom sizes tended to be higher than the other streams. But with the consolidation of those classes, the government hasn't provided the funding to reduce the class sizes to support the individual needs of the students in those classrooms—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time.

We now go to the government. MPP Ghamari.

**Ms. Goldie Ghamari:** My question is for the David Suzuki Foundation. You spoke a little bit about transportation, and you didn't really have numbers, but you had numbers for Toronto, I believe. Toronto is one of the most densely populated areas. How does your plan or your ideas fit into rural areas, let's say, for example, in my riding of Carleton, which is just north of here. Carleton, the riding, is located entirely within the municipal city of Ottawa, but it is geographically larger than the city of Toronto. There is no public transit there. People in my riding heavily rely upon vehicles because that is the only form of transportation that is available.

I'm not sure if you're familiar with the LRT system and the issues that the city has had with that. How does your plan or proposal fit into rural areas, where people really have no other choice but to drive in order to get to a hospital, a doctor's office or the grocery store? Public transit just is not a viable option.

**Mr. Gideon Forman:** Well, thank you for the question. I guess that's a matter of a debate whether or not it's a viable option. There are certain people who—

**Ms. Goldie Ghamari:** I wouldn't say it's a matter of debate, because there is no public transit. Like, I mean, for example—

**Mr. Gideon Forman:** But there could be.

**Ms. Goldie Ghamari:** There could be if the city planned for it. But Ottawa has been around since it was amalgamated in 2001, so the city has had over 20 years to expand public transit; if anything, they've retracted it. So "could be" is one thing, but if you look at it practically, there is no public transit whatsoever, so how could people do what they need to do?

1150

**Mr. Gideon Forman:** "There isn't, but there could be," I think, is relevant because if a community decided that it was a priority, they could put in public transit, and if there was the funding to do it, it would become real.

**Ms. Goldie Ghamari:** How could the community decide to—

**Mr. Gideon Forman:** By the provincial government putting in the necessary money to get it off the ground.

Once we put the public transit in, our research has shown that it would have a host of benefits. First of all, it would create employment locally—drivers, support staff, maintenance and all that—so it would create jobs. It would provide service for folks who simply cannot drive—seniors who aren't able to drive, young people who can't drive—and people who choose not to drive. It would improve air quality. It would improve the climate crisis. There would be a host of benefits if the public transit went in. It's not impossible to do. It's just a matter of putting the funding in place.

**Ms. Goldie Ghamari:** Our government has invested billions in the LRT—not just phase 1, but phase 2—and the city still can't even get phase 1 operational. So the funding is there, it's available; it's just the municipalities having an issue. So why should people in rural areas be penalized for this—or why should they have to suffer the burden when there's no public transit available?

**Mr. Gideon Forman:** Forgive me; I must be missing your point when you say "penalized."

**Ms. Goldie Ghamari:** You said, if there's a will from the community, if the community has a will—

**Mr. Gideon Forman:** And the Ontario government.

**Ms. Goldie Ghamari:** I'm saying that the Ontario government has invested billions in public transit, not just—

**Mr. Gideon Forman:** In Carleton?

**Ms. Goldie Ghamari:** In the city of Ottawa, yes, for the LRT, which includes my riding of Carleton, which is located entirely within the municipality of the city of Ottawa.

So I just want to put it out there that sometimes the stats and numbers that you have might not necessarily reflect the reality for the majority of Ontario. Taking stats and numbers in a densely populated area like Toronto is fine—when I'm in Toronto, I only use public transit, because it's available and I'm a big believer in it. But when I'm out in rural Carleton, when I'm out in Osgoode or North Gower or Richmond, I don't have access to public transit; I don't have that luxury. So I just wanted to make sure that you have that in mind when you're looking at creating a plan for public transit—how are you going to include the reality of rural communities that literally do not have public transit infrastructure and have not had it for a long time?

With that, I'll take it to my colleague. Who would like to speak next? MPP Dowie.

**The Chair (Mr. Ernie Hardeman):** MPP Dowie.

**Mr. Andrew Dowie:** How much time is left?

**The Chair (Mr. Ernie Hardeman):** It's 2.4.

**Mr. Andrew Dowie:** Thank you.

My first question is to Ms. Hradowy. Thank you for being here and travelling from our shared hometown. I'd like to ask you about another letter I received from the Greater Essex County District School Board. They raised issue with the cap on executive compensation and that they were unable to attract suitable candidates to their ranks in management because of the government's freeze on executive compensation. I'm wondering if you have any potential comments on that, if this is harming the student experience.

**Ms. Martha Hradowy:** Thank you for the question.

For those of you who don't know, he is also my MPP, and we live in the same riding.

Our proposal here that we have submitted to you provides 38 solution-focused recommendations for education here in Ontario.

Specifically, in Windsor-Essex, the Greater Essex County District School Board and the members I speak to are unable to provide the supports to students in their classroom. As I said earlier, the reality is that there are families who have to keep their children home because there isn't the educational support staff in the schools to be able to provide the supports and services to their children. That is the real issue facing Windsorites and people in Windsor-Tecumseh. The school board isn't able to attract educational assistants because of the low compensation that they receive. It has been further exacerbated by the fact that we are still trying to deal with the impacts of Bill 124. These are not people that are making even \$40,000 a year. As Ms. Walton had spoken about earlier, these are workers who are having to work two to three jobs to make ends meet. These are people who are having to access the food banks through extended hours in Windsor and Essex county.

So I think the real issue for the school board and the government in the upcoming budget is, how are you going to address the fact that school boards are not even able to attract staff who provide the direct support to our most vulnerable students in the system?

**Mr. Andrew Dowie:** Chair, any time left?

**The Chair (Mr. Ernie Hardeman):** Nine seconds.

**Mr. Andrew Dowie:** Nine seconds? Okay. Thank you so much.

**The Chair (Mr. Ernie Hardeman):** With that, we will now go to the official opposition. MPP Pasma.

**Ms. Chandra Pasma:** Thank you so much to the witnesses for joining us this morning. It was quite striking and, may I say, a bit discouraging to have the presentations of Kingston Health Sciences Centre and the OSSTF back to back, hearing you both speak of crises in your sector. Ms. McCullough, you used the word "unprecedented." Martha, you spoke about something that you never saw when you were in school and when you began your career in education. There are some similarities in the challenges that we're hearing: significant underfunding of the sector, a shortage of workers, not being able to deliver the service that is expected within the sector.

Martha, I'm going to start with you. You alluded to this a bit in your presentation already, and then in your response to MPP Dowie's question. You laid out a pretty stark picture of the government's underfunding of education: \$1,200 less per student in Ontario compared to six years ago. Who is paying for that underfunding in Ontario?

**Ms. Martha Hradowy:** I would say our children are, our students are—the very students that we are tasked with providing supports and services to. Our members show up every day wanting to do their best, wanting to provide the best possible care and support to the children in their care.

I have had the opportunity in my role as an executive officer and vice-president in OSSTF to tour the province over the last couple of years, and the stories are the same. They really are. The supports are not getting to the front line, and our members are having to do more with less. Our teachers are having to teach with very diverse learning needs of students and very little support in terms of support through educational assistants, social workers or child and youth workers. I would say the real cost and who is paying at the end of the day are the families and children that we're tasked with trying to support.

There was a Conference Board of Canada report that was issued back in 2019, and it really lays out the economic case for investing in education. Through that report, what the Conference Board of Canada found was that for each dollar that we invest in publicly funded education, \$1.30 is generated in positive economic impacts for the province. We know that investment in education also creates a wide range of private, social and fiscal benefits including, I would say, higher tax revenues and, additionally, cost savings in health care, social assistance and criminal justice.

So investment in publicly funded education does have strong economic returns for the province of Ontario. If the government could take a look at it through that lens, I think we would be in a lot better position today than we have been over the course of the last couple of years.

**Ms. Chandra Pasma:** You mentioned the Windsor-Essex school board being unable to offer classes to children with special education needs, because of the lack of educational assistants, and Thames Valley District School Board cutting class options that particularly targeted students with special needs. I know the Ottawa-Carleton District

School Board, when they had to contemplate cuts this year, were looking at multiple options largely affecting students with special needs. Would you say it's fair to say that it's kids with disabilities, kids with learning challenges, kids who need a little extra support in the classroom who are paying the biggest price for this government's cuts to education funding?

**Ms. Martha Hradowy:** I would absolutely agree with you.

**Ms. Chandra Pasma:** I mean, it's really disheartening that the government is downloading onto children with disabilities, but government is all about making choices. What happens if we continue down this road without making the investments in education that you're calling for today?

**Ms. Martha Hradowy:** Our members are going to continue to do more with less. I said in my presentation that this is not the same education system that I recognized when I had attended in the 1990s. Things have significantly changed. I have seen a lack of community supports available to families, and particularly we can point to the #60KIsNotOk and the Ontario Autism Coalition—the lack of community supports that are not available to families. The reality is that those children are being put into the school system without the additional community support.

So, in our presentation and in our written submission, we talk about tiered supports, and that tier 3 support does talk about community supports, but we need the additional funding, certainly, to be able to provide supports to students in our classrooms, in our schools, so they can continue to thrive just like every other student here in Ontario.

**Ms. Chandra Pasma:** So the government is actually sitting on \$5.4 billion in a slush fund that they're refusing to spend. It's called a contingency fund; every province has one, but no province puts \$5.4 billion in it.

What I'm hearing you say is that if the government chose to invest those funds in our students, chose to invest those funds in our kids and education workers, chose to invest those funds in our community services, it would make a huge difference in the province of Ontario.

**Ms. Martha Hradowy:** Absolutely—long-term, sustainable funding. What I have witnessed over the course of the last couple of years are announcements and re-announcements about one-time grants for learning recovery and other limited supports for reading, math, destreaming initiatives, and that has proven certainly to be inadequate. What we're asking the government to do is to provide long-term, sustainable funding in this upcoming budget.

**Ms. Chandra Pasma:** Thank you very much.

And quick question to Ms. McCullough and Mr. Hann: Similarly, who is paying the price right now for the underinvestment in hospital care in Ontario?

**Ms. Sherri McCullough:** Definitely our patients and our staff as well. It's really hard, but they show up every day and we take care of people every day and we make people well. But it's not easy. Jason, do you want to—

**Mr. Jason Hann:** Sure. Thank you. When you think about the cost of health care and the service growth—and there's backlog in care, whether it's a child or the frail, elderly waiting for long-term care. So you think about the

strain and the capacity pressures as those patients that need that acute care, and our staff—I mean, we go into health care because we care. Our staff and physicians always do the right thing. But it's very taxing on them because there is not always a bright light at the end of every day. So we continue to—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time, and that concludes the time not only for these presentations but for the panel.

We want to thank everyone that's been involved with this panel. Thank you for the time you took to prepare and to be here to share your presentation with us. I'm sure it will be helpful in our deliberations as we prepare the budget for 2024. Thank you very much.

With that, the committee is recessed for lunch.

*The committee recessed from 1204 to 1315.*

**The Chair (Mr. Ernie Hardeman):** Welcome back. We'll now resume consideration of public hearings on the pre-budget consultation of 2024.

As a reminder, each presenter will have seven minutes for their presentation, and after we've heard from all the presenters, the remaining 39 minutes of this time slot will be for questions of the members of the committee. The time for questions will be divided into two rounds of seven and a half minutes for the government members, two rounds of seven and a half minutes for the official opposition members and two rounds of four and a half minutes for the independent members as a group.

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WERPN

MR. RANDAL HARE

**The Chair (Mr. Ernie Hardeman):** With that, we will ask the panels to come forward. The first panel this afternoon is Western University, Brescia University College; WeRPN, and Randal Hare. I believe that Western University and WeRPN are virtual, so the only presenter that will be at the table is Randal Hare.

With that, we will start the presentations virtually with Western University, Brescia University College. As we're starting that, before we click it on, I would say that you have seven minutes to make the presentation. At six minutes, I will say, "One minute." At seven minutes, I will say, "Thank you," and it will be over. We also ask you to start your presentation with making sure you introduce yourself so we can attribute your comments to the right script.

With that, thank you very much, and now to the University of Western Ontario.

**Ms. Peggy O'Neil:** Thank you very much for having me today. My name is Peggy O'Neil. I'm an Ontario certified teacher. I now work in higher education at Western University in the School of Food and Nutritional Sciences, and I'm here representing a group with members from the Ivey school of business, Western Faculty of Education and the Lawson Centre for Child Nutrition at the University of Toronto.

I wanted to speak to you today about a made-in-Ontario strategy for school food. We feel that this project aligns to the government's strategic priorities of reducing health spending in the long-term and improving services, so reducing health spending in child poor diet and food insecurity-related disease, but also allowing for cognitive emotional, social and behavioural access to education through school food.

We noticed that the FAO reported that for 2027-28, there will be a \$21.3-billion shortfall in spending—that was as of March 23—for health. So we know that we are looking for strategies and areas to take low productivity into high productivity, and we wanted to offer a project that would help the Ontario government do that.

A recent study showed that \$15.8 billion a year across Canada in 2018 was spent in direct and indirect costs related to poor diet and food insecurity. So there is a direct link between food security and health spending. The government of Canada recently received a petition from the Coalition for Healthy School Food asking for the \$1 billion that was put into the budget in 2021 and that they said would be allocated—that that be shared. It's not coming anytime soon, so we feel we need a made-in-Ontario strategy.

There is the Ontario school nutrition program After the Bell, and for many advocacy groups, talking about school food is top of mind. We wanted to acknowledge the leadership in Ontario, particularly in food literacy, giving the people skills to be successful through food, but also as one of the first provinces with a school nutrition program, and also the recent responsiveness of the government with \$1 million in school food funding around June. It was weeks after our letter was received, with another \$5 million recently. So we know this is an important area.

We wanted to think about made-in-Ontario, because education and health is in the hands of the province. We're a stakeholder group. We want to work with and for the government and try to answer questions we have that we don't have answers to that we thought maybe you also would have an interest in.

The purpose of the project would be to take a look at how much a universal, fully funded, JK-to-grade-8 school food program would cost; identify what the nutrition, mental health and education benefits were; and then do a comprehensive epidemiological and economic assessment of the scale and rate of immediate through to long-term returns on investment.

**1320**

We have a team of scholars across the universities that I mentioned. We also have within that same team people in Ontario certified in dietetics, teaching, medicine and psychology—so a robust group of economists, epidemiologists and health practitioners to take a look at answering these questions. We feel the values of duty—we understand it would be public money that would be funding this; collegiality—we're not social critics, and we want to help; and competency—production of knowledge for the advancement of society requires us to ensure that we keep our highest standards in place. We think that this will

transform child health and education, and it will interrupt premature entrance into the health system by children and youth, and increase access to education.

The project will need \$375,000 for one year. Knowing that this is a challenge in these economic times, we also have a proposal that, if it would be preferable to have it done sooner, the Ontario government introduce a task force with members that you would see—great representatives across the Ministry of Education, Ministry of Health, ministry of child and youth services, to have a group look at this and answer these questions and look at those returns.

We really wanted to offer you that, but also a written, detailed proposal that will be coming on January 31 through the digital portal that we have access to for the budget consultation process. Thank you very much.

**The Chair (Mr. Ernie Hardeman):** Thank you very much for the presentation.

Our next presenter will be WeRPN. You've heard the instructions. The floor is yours.

**Ms. Dianne Martin:** My name is Dianne Martin. I am the CEO of the Registered Practical Nurses Association of Ontario, or WeRPN. We want to thank the members of the committee for the opportunity to highlight our key recommendations from the 2024 pre-budget submission. It's always an honour to speak on behalf of Ontario's registered practical nurses, or RPNs.

There are 61,000 registered practical nurses, and they represent more than two thirds of the nurses who care for residents in long-term care. In the community, RPNs deliver compassionate care in clients' own homes, which allows them to stay out of hospital and/or congregate care as long as possible. In our hospitals, they're an important part of a seamless health care team.

Ontario's health care system is struggling with pressures caused by the growing needs of an aging population, staffing shortages, and the mental health toll that the pandemic has caused; those suffering the most as a result are our residents, patients and clients.

Just last week, WeRPN hosted a town hall in Kitchener-Waterloo, where we heard about these challenges for nurses who worked in a retirement home. One in particular told us that her team is so short-staffed that they are only able to assist residents who need assistance twice a day—once in the morning, once in the evening—with going to the toilet. Another said that something as simple as a second shower each week is considered additional care that residents must pay for out of pocket, if they are unable to do that on their own.

While the Ontario government has made important efforts to support Ontario's nurses, such as funding continuing education programs like the Nursing Education Initiative and the BEGIN program, growing the seats in nursing programs and recruiting more internationally educated nurses, the reality is that RPNs continue to face challenges, from stagnant or compressed wages to workplace environments that hinder their ability to deliver the best care possible, to staffing shortages that have direct impacts on patients like the one I described above, or situations where key signs of trouble are missed because there



are not enough eyes on a patient throughout the day. It doesn't have to be this way.

Today, I would like to talk about two of the solutions that can be found among those that we have in our pre-budget submission.

First, the one leading challenge nurses are facing is an inability to provide the highest standard of care because of inadequate staffing levels. We regularly hear from our members that the reality of a day at work includes choosing the essential care to provide given the volume of demands on the day, rather than providing the comprehensive care that they know patients deserve and that they're required to provide through their professional standards. This leads to moral distress in nurses.

During our town halls, RPNs shared stories of not being able to take a break or missing meals out of concern for the welfare of their patients during their 12-hour shift. They talk about accruing vacation they cannot take because there is no one available to cover for them. Nurses talk about the unmanageable workloads. They have told us stories repeatedly about working short in hospitals or having unreasonable ratios of residents to care for in long-term care or retirement homes, leaving them running on each med pass, unable to provide the kind of thorough assessment they're educated to do.

After almost four years of a pandemic, RPNs need more supportive work environments where their work can be properly distributed to ensure that RPNs can be retained and recruited. We urge the Ontario government to introduce legislated nurse-to-patient ratios to ensure that workloads remain manageable while RPNs continue to achieve optimal care for their patients. This will promote a culture of safety for the patients, residents and nurses, and alleviate the current distress that RPNs face. As we continue to work together towards the goal of an average of four hours of care per resident per day, the only way to achieve that while maintaining the highest standards of care is by introducing nurse-to-patient ratios to enable it.

Secondly, we need to increase our focus on retaining the nurses we already have through competitive, but more importantly harmonized, wages across the sectors. Ontario has had success in recruiting new nurses over the past few years, with more than 60% of internationally educated nurses coming to Ontario's RPNs. However, despite almost 5,400 new RPNs registered in 2023, there was only a net increase of 30, because an almost equal number left practical nursing, leaving those in the role to manage with inadequate numbers. Addressing this starts with fair compensation.

Current wage differences between RNs, RPNs and PSWs do not appropriately reflect the differences in education, accountability, ability and experience. Too often, we see RPN wages more closely aligned to the PSW wage, while their role is much more aligned to that of an RN. At our KW event, we heard from nurses who told us about these pay differences between the professions. At our local hospital, the RPN base compensation is \$14 an hour less than an RN and only 50 cents more than a PSW. In order to retain RPNs, it's essential to develop a compensation

scheme that better recognizes the knowledge and ability of the RPN role.

What's increasingly troubling is the significant differences in compensation across sectors. This disincentivizes nurses from working in sectors where they are urgently needed and where many want to work—

**The Chair (Mr. Ernie Hardeman):** One minute.

**Ms. Dianne Martin:**—like long-term care and home care. At a recent event, we had a nurse describe a passion for wanting to work in the community, but she's unable to leave the benefits provided in her hospital job.

The Ontario government can take action to incentivize RPNs by harmonizing wages across sectors. Pay is a leading cause of job dissatisfaction among RPNs and a major reason they are leaving the profession as fast as we can recruit them. Ensuring that RPNs are compensated fairly for their work is the most impactful step towards increasing retention and addressing staffing issues that the government could take.

We know that the Ontario government is committed to addressing health system challenges, and that begins with nurses, who are the backbone of the health care system. To build on the work that has already been done, we urge you to implement these two and the two other solutions we have outlined in our pre-budget submission to this committee.

Thank you very much for the opportunity to present today and to discuss how we can—

**The Chair (Mr. Ernie Hardeman):** Thank you very much for your time, and it has just run out in time.

We now will go to Randal Hare.

**Mr. Randal Hare:** Hello, ladies and gentlemen. Thank you for having me today. My name is Randal Hare. I'm a transportation enforcement officer with the Ministry of Transportation. Our role: As you drive on the 401, when you see those big signs that say, "Trucks enter when lights flashing," that's what we do. We're an important cog in the wheel of road-user safety for all.

I'm here to put forth the case for an increase in officer compensation. The reason for that is—if you can look at the handout and the retention issues on that side of the page—we have significant retention issues, and the model we use is not sustainable. Currently, it takes about a year to bring on and fully onboard an officer, not to mention the about four years it actually takes to be fully independent. Within that year, your costs per officer are approximately \$165,000.

**1330**

In my case, at Gananoque truck inspection station, which is about 25 minutes back west of here, we hired five new officers last September; we have two left. That's \$495,000 that has walked out the door because the other ministries are our greatest competitor, for lack of a better word. They pay more; it's simple as that. They pay more. And if you look at the grid you can see down below, it's not just a little bit more, it's significantly more.

In comparison to the roles and responsibilities, if you were to turn over the page—I've been with the government now for 21 years. I started in the enforcement world in 2010. In that one column, you can see the roles and re-

sponsibilities that were there when I started. I'm still doing the job, and the roles and responsibilities have increased significantly—not only changes within the law itself, but changes to the, for lack of a better word, weapons and tools that I use, like handcuffs and batons. You see a PAVA launcher, which is a pepper ball gun—the risks are significant, which means our tools are becoming more and more significant. If I was here in uniform, you would see those things, and I'd look almost identical to OPP police.

On top of that, the duties are increasing. We are doing moving violations. We do school bus inspections. My kids ride on these school buses, your grandkids, your kids—they all ride on these school buses. We are out there to enforce the safety and rules that they are to pertain to and they are to adhere to.

We are conducting radioactive load inspections, which are being transferred from Chalk River to the US. We do emissions inspections, where we've taken over the role of the Ministry of the Environment. And we do highway closures now, just like police, if there's an accident or a need to close, whether it be weather or whatever the case may be.

All in all, these all represent risks. There are significant risks every time I step out of my cruiser on the side of the 401, not just because people aren't paying attention, but there's interaction with ongoing criminal investigations from contraband tobacco, drugs and vehicle thefts. We have human trafficking, which is a large portion of what we look for. We have weapons we come in contact with, of which we have no response to an offensive weapon. All we have, as I said, is a pepper ball gun. And we have drug interdiction, with people driving under the influence. These are all significant risks, and it's very difficult to retain people when the expansion of these duties continues and the salaries are not there to complement that expansion.

We are a vital and important cog in the wheel of road-user safety, and we do need to have and to retain these good people that are walking out of the door for more compensation. I cannot stress that enough: We are losing good people, and we cannot continue without these people.

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the presentations.

We will start this round of questioning with the government. MPP Clark.

**Mr. Steve Clark:** Thanks, Peggy, Dianne and Randal for your presentations.

I think I'll start with Randal. So you're at the new Gan inspection station?

**Mr. Randal Hare:** That's correct.

**Mr. Steve Clark:** I'd love to come and do a tour and have a more in-depth meeting with you at some point, if you're able to. As MPPs, we certainly celebrate when we get a major injection of dollars, and I have to say that I was excited that MTO was spending money on the station, but you have to have people running it as well.

I'm very interested in the salary grid that you gave us between MTO, Ministry of Labour, Ministry of the Environment and the Ministry of Agriculture as well, in terms of ag officers.

When you said there were five people hired, is that the full complement at the Gan inspection station?

**Mr. Randal Hare:** No, there are six currently left: three on one platoon and three on my platoon. The three that have left have gone on to OPP, municipal police and the Ministry of Labour. And in terms of that salary grid, we're not seeking more; we're seeking parity. That is all.

**Mr. Steve Clark:** In terms of labour, we did a big influx of hiring inspections, so I'm assuming that, when we did the big influx of hiring, that's when you lost your worker, is that right?

**Mr. Randal Hare:** Yes, that was when she left. She started her basic training for the Ministry of Labour on January 8.

**Mr. Steve Clark:** That's very insightful because I've heard anecdotally about this, but I haven't actually got the documents showing the salary change until you brought it in today, so I want to thank you for that. I certainly understand that you can't just have a nice, shiny station with all the bells and whistles; you've got to have people that are there 24/7 to be able to do it, so I appreciate the presentation.

I would like to ask you about training, because your presentation talked about the extensive training. Like you, I started as an MPP in 2010, and I realize that the work that you're doing at that facility is totally different today than it was when it was in its previous incarnation. Can you talk a little bit about some of the changes that you've seen since 2010?

**Mr. Randal Hare:** I'm sorry—the changes?

**Mr. Steve Clark:** The changes in training.

**Mr. Randal Hare:** In terms of our basic training, it's a 12-week program that has remained fairly the same. I would say, in addition, you have three weeks of additional mechanical training in order to pull vehicles off the road that are mechanically not fit. It's the expansion of the duties after that training that has really expanded, and that's the moving violations—that's anything, as you can see, from speeding to lane changes and all that—as well as these radioactive loads and everything that I've listed there. That's expansion; that's happening after the training. That's on-the-job training. So these expansions and these changes in focus and policy and whatnot create a longer learning curve for people and it takes a fair amount of time.

When I started in 2010, the older officers—four years or five years before you're on your own. We're still in that boat and that \$165,000 represents that first year only of training costs. So in terms of the basic training, it's roughly the same at about 15 weeks. It's after that—it's the on-the-job training where I've been a coach officer where pulling people along to get them up to speed takes some time, and you're definitely out of your comfort zone and you're definitely within risk when you're trying to do these things.

**Mr. Steve Clark:** And because I've got you here—your captive audience at committee—I remember Minister Mulroney talking about some of the technological advancements at that station. We had, just before it was redone, that terrible spill on the 401. Many municipalities and many mayors came forward and asked for changes.

What's the biggest technological benefit that officers have had at that station in its new form?

**Mr. Randal Hare:** If I'm being completely honest, there haven't been that many. We have something called weigh in-motion, which allows you to weigh the truck as it rolls in, but that system isn't connected to the system that controls—or where you could review the registered weight for that truck or its past histories. So they're not connected there. We could have put in infrared cameras to read if an exhaust is not working, the tires are flat, if brakes are overheating etc. That wasn't done. So the technological advancements, if I'm being completely honest, haven't been as good.

I used to work at the old scale where we did the same sort of work for 30 years for the guys before me, and now I'm doing the same sort of work that I was doing before—walking around the vehicles and using my knowledge of mechanical systems to find those bad trucks and pull them off the road. It could have been quite a bit better, to be absolutely honest with you.

But in terms of successes, we are pulling a lot of vehicles off the road. Even the old way, even without the really good technological advancements we could have had, we are still pulling a lot of trucks off the road and we have six trucks a minute go by that scale. The numbers can be staggering.

**Mr. Steve Clark:** And it's certainly amazing, given the smaller footprint that you had for so many years, that you were able to provide the numbers that you have provided. Because I saw them when I first got elected, and it was a pretty tight site before the expansion.

Now, do you think, on the technological side, there is still room for advancement if those other more infrared construction could be added at some point? Would there be a huge cost to government?

1340

**Mr. Randal Hare:** I can't speak to that. I don't know what the cost would be, but there is definite room for improvement. There is definite room for new technologies to come in place. Those alone would increase the number of vehicles we would pull off the road. That's something simple, like a licence card reader. Every truck that came by I could simply read that card, and I bet you I would pull a suspended driver every shift. It wouldn't take much.

**Mr. Steve Clark:** I'm sure you could.

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. Randal Hare:** That's sort of the little things I could have.

**Mr. Steve Clark:** I look forward to having a meeting offline at some point, if you could do that.

**Mr. Randal Hare:** Fantastic.

**Mr. Steve Clark:** Chair, how much time have I got? I'm done?

**The Chair (Mr. Ernie Hardeman):** No, you have 51 seconds.

**Mr. Steve Clark:** Okay, a quick question to Peggy: Thanks for the presentation. I'm particularly interested in scale, rate and return on investment. What does the government get for \$375,000 on a province-wide school nutrition program?

**Ms. Peggy O'Neil:** What you get is a comprehensive, evidence-based cost-benefit analysis of a fully funded On-

tario school food program. I used to work in health in the 1990s. I have served two million therapeutic diets, from a 26-week-old preemie to a 103-year-old, so I know those numbers on meal days, and I'm not confident with what I see in school food. We would like to compare it to hospitals, long-term care and corrections, because those metrics are long and deep to go. When we say, "This is what it's going to cost," this is what it's going to—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time.

MPP Pasma.

**Ms. Chandra Pasma:** Thank you to all the witnesses for being here. I really appreciate your input into this important process.

Professor O'Neil, I'll just let you finish the answer to that question, because I'm also very curious.

**Ms. Peggy O'Neil:** So, three systematic reviews, which are very long and sophisticated reviews of what proven outcomes there are in mental health, nutrition and in school achievement. We know that some success is immediate. A kid that is fed is cognitively and behaviourally able to access education.

Then we need to look at the scale and rate of return. We wanted to have epidemiologists and economists project that out, because it's not just knowing what it's costing, it's, "How can we afford it?" We wanted to give evidence to informed decisions that we could really start to get a made-in-Ontario strategy.

I'm not as optimistic as I once was about federal money saving us in school food, and I know that there are opportunities for efficiencies, looking at what's already been done well in hospitals, long-term care and corrections.

**Ms. Chandra Pasma:** Thank you. I'm wondering if you can expand a little bit, given your expertise in this field, about what it actually means to a child to be at school hungry. I know in Ottawa we just saw a significant jump in the number of students who are accessing breakfast programs, from 13,500, which had been stable for years, to over 17,000, and they had to wait-list nine schools—the first time they've ever had a wait-list. I know in London, where you are, there are even more children being served: 23,000 children being served by the breakfast program, and they've had to wait-list schools. What does it mean on a tangible level for these children when they are attending school and they haven't had breakfast and they don't have lunch with them?

**Ms. Peggy O'Neil:** I think it tells them that they matter, primarily, and that there is greater life chances than what they're experiencing in the moment, and that's from a teacher. Immediately what it means, though, is social cohesion, that there are not troublemakers in the class, there are not kids that are slow, kids that are always behind or sent to the principal. That is immediate.

What that does long term: We have seen some research that it's very tangible returns. There was one study recently published that for families whose children were accessing school food, not just a granola bar, not just a sandwich or whatever—which we are grateful to have; I don't want to criticize the good work being done and the foundations that help top things up—there's a 12% reduction in family

food budgets where there are school food programs. Immediately that then means there's more money in the household to distribute to other things and reduce social services and whatnot.

There is, obviously, the health-curbing of kids. We're starting to see now, unfortunately, fatty liver at 10 years old, high body-mass index at five, and type 2 diabetes—which is maturity-onset—at 13 years old. These are food-security and diet-related problems—and then, of course, long term, the full workforce and life chances of every citizen to be able to succeed. That's what we expect to do a full and comprehensive report on.

**Ms. Chandra Pasma:** That's pretty shocking because—I'm the parent of two 10-year-olds and a 13-year-old, and I'm just imagining those diagnoses right now.

To the question MPP Clark asked about why the province should invest: Based on what you're saying, would it be fair to say that if the province doesn't invest, it's our 10-year-olds and 13-year-olds who are sitting hungry in a classroom, who are being diagnosed with fatty liver and other illnesses, who are paying the price if we don't make that investment?

**Ms. Peggy O'Neil:** Socially, yes, but also the health rationale is there. They're entering the health system, right? The premature entrance into the health system through poor and unhealthy diet, or the lack of food, is a direct cost to the health system. Those are long-term diseases, which is why we need an epidemiologist and an economist to run a sophisticated analytics. But it's not just arriving at the price; it's really understanding—not just from a research study, but the offer is for true foundations, to say that this is what we can expect. And the best numbers, we know now, with the brightest minds, say it can be done.

**Ms. Chandra Pasma:** Thank you very much for helping us understand that better, Professor O'Neil.

Ms. Martin, I have some questions for you as well about the impact about what happens if we don't invest here. I've been asking witnesses all day about the question of who pays if the government is underinvesting—and you've already painted a very clear and stark picture for us of seniors in the province of Ontario who are only getting to use the toilet two times a day—when the government is refusing to invest and to address these challenges.

But I'd like you to expand a little on the issue of workers and what the impact is on workers when we're not seeing these investments, when these workforce conditions aren't being addressed. I know WeRPN did a survey that's not very optimistic for the future of the profession if these issues aren't addressed. Can you talk about what the impact is on workers and what will happen if we don't take action now?

**Ms. Dianne Martin:** Well, first of all, nurses would want me to mention clients and *[inaudible]* patients first, and we have done that.

But as far as the nurses go, the moral distress they experience causes them to make—it's very difficult to face going to work every day knowing that when you're finished, you're going to leave feeling like you have failed, every day when you go to work. It's really hard to imagine what that must be like. Sixty-two per cent told us at our last

survey—and we do it every year—that they were considering leaving the profession for those very reasons. I think when you look at the issues that they're identifying: workload, compensation—when Bill 124 was in place and compensation was restricted, at the very time that the demands placed on these nurses were expanding so rapidly, the demoralizing effect was like nothing I have seen in my 45 years of nursing.

**Ms. Chandra Pasma:** That's certainly what I've heard from health care workers as well. I think it showed incredible disrespect to people who were carrying more than their fair share of the work during the pandemic to be suppressing workers' wages at that moment.

**The Chair (Mr. Ernie Hardeman):** One minute.

**Ms. Chandra Pasma:** On the issue of the solution that you put forward, the idea of patient-to-nurse ratios as a way of ensuring that everybody is receiving adequate care and we are addressing workload conditions is a solution that the Ontario NDP has put forward as well. This isn't new, right? There's other jurisdictions that are already doing this, that demonstrate that this works.

**Ms. Dianne Martin:** Absolutely—California, Australia and now British Columbia, here in Canada. It makes it so much harder for organizations to make do with the staff that show up that day, in a short-staffed situation. They are forced to find an answer to those questions, and it would move us past this normalization of lack of staff within our organizations.

**Ms. Chandra Pasma:** Thank you very much.

**The Chair (Mr. Ernie Hardeman):** Thank you very much.

We'll now go to the independent. MPP Hsu.

**Mr. Ted Hsu:** I'm going to start with a question for Peggy O'Neil about the funding source for the research grant. I wanted to ask you why wouldn't something like this—because it seems to be quite comprehensive, in-depth and academic in nature. Why wouldn't it be funded through CIHR or an SSHRC grant or—

**Ms. Peggy O'Neil:** Right. It certainly could be, but it would be roughly a three-year project, and we're out of time. We need something soon, and we want to work with the government so that you have the information; it's not just another third-party study that is social comment. We want to work with you to find solutions to cross the finish line together.

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**Mr. Ted Hsu:** So you would like something in this year's budget, then?

**Ms. Peggy O'Neil:** Yes, please.

**Mr. Ted Hsu:** Okay.

**Ms. Peggy O'Neil:** Or a commitment to a task force where we can shorten the time on a return for this. But most of the budget—the budget isn't going to any of the professors' salaries. It's for business analysts and operations specialists and people that are going to support the team. There is no salary in any of that. You'll see that in the detailed submission that comes in at the end of the month. None of that is for funding for any of the tenured professors or any professors.

**Mr. Ted Hsu:** There must already be estimates of operational costs of universal food programs, because it seems to be much more common in countries like France.

**Ms. Peggy O'Neil:** Right.

**Mr. Ted Hsu:** I mean, almost every school I know of has some kind of lunch programs. Is that an example that you can look at to get an idea of—

**Ms. Peggy O'Neil:** We would look at comparator nations that are not part of Canada, but we were adopting the viewpoint, if we had to sign the cheque, we want to be pretty certain that's the price. We know, in health and long-term care, what the price is. We know the menu cycle. We know the operations. We know the purchasing structures, economies of scale, all of that. That's why we wanted to compare what's in school food also to what else is being done in food service programs in Ontario, and then also external. So it could be France, the UK, the US. We would look for comparators.

**Mr. Ted Hsu:** Okay. Thank you.

Another question I have is something that I've asked our local food sharing people—I think they're coming up later in the day, yes. This question—and I know it's a very hard question to answer, but I'm wondering, because you're doing a serious research project. Earlier it was mentioned, the numbers accessing the breakfast program. These programs are meant to be universal, to avoid stigma, and just difficult to manage if you're trying to figure out who needs it more than somebody else. But that could be a challenge for funding if funding is limited, and I'm just wondering if you're going to study that program, or is it outside the scope of what you want to study?

**Ms. Peggy O'Neil:** If it exists currently in Ontario, absolutely we would look at that.

**Mr. Ted Hsu:** Then another question is—I think you also alluded to this as well, and that is the type of food. And I remember, I volunteered for a breakfast program many, many years ago. I think things have changed since then, but 15 years ago it seemed, in my opinion, that the breakfast program was way too sugar-heavy, because people had a choice of what they wanted to eat, and it just felt like I would never give my kids this much sugar in the morning. Are you going to study that kind of thing?

**Ms. Peggy O'Neil:** Absolutely, which is why I think it's really important to have those internal provincial comparators. For example, in long-term care a 28-day meal cycle is aligned to Canada's Food Guide: two true choices at the point of service. I know it may seem like the Cadillac, but if we really are trying to change the social architecture not only of our child education but health system, we are going to need a strategy. It's sophisticated and robust, but you're right. I will not go on record criticizing any of the school food programs. They run out. They bring things in themselves—teachers. They go to foundations. They're in perpetual sales trying to get money in. They're just—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes that question.

MPP Byers.

**Mr. Rick Byers:** Thank you very much to all the presenters this afternoon.

Randal, I wanted to ask you—and thank you for providing the information in your presentation. You've outlined the situation, and MPP Clark asked a little bit about it. Has this changed over recent years or has this been a challenge for a while? Can you give me some sense of how long this has been a stress for the organization?

**Mr. Randal Hare:** When I started in 2010, the number of officers in the province ranged from about 240 to 250. We now sit with 130. Yes, that's been over 14 years. There's been attrition and retirements etc. But more and more, personal experience-wise, people are walking out the door for the other jobs that pay more—whether it be OPP or Ministry of Labour or Ministry of the Environment, whatever the case may be. It's not new; it is absolutely not new. It was an issue back in 2010, but we had more officers. Now we do not, and we are losing. When you picket and the Ministry of Labour comes out and they need 47 more new officers for their jobs—we lose anywhere from five to 10 on each competition. It's just something we can't sustain, because we only put about 15 or maybe 20 through our basic training program each year, and we were losing people, in the last training—so in 2022, we lost people while they were in their basic training. So it's not terribly new, but the numbers seem to be accelerating.

**Mr. Rick Byers:** Got it. Thank you. You've outlined the very specific salary ranges there for those other organizations. Again, I assume those differences have been around for a while as well. Is that fair? Or is that more recent?

**Mr. Randal Hare:** Yes, absolutely. They've been around since the CPA negotiations and whatnot have occurred. That's definitely not new, but the issue is that the gulf continues to widen. A 1% increase on \$95,000 is worth a heck of a lot more than on \$77,000, so that gulf is the same number percentage-wise, but it continues to grow.

And after last night's announcement, with that growth of 9.5% through OPSEU negotiations, that gulf is going to continue to expand, and it'll be just far more attractive to go somewhere else than to stay within the job that we do now.

**Mr. Rick Byers:** Got it. And have you or others made this case, this point, directly to MTO?

**Mr. Randal Hare:** We have director and ADM—not approval, but support. We've had a special case in the works to review these things for approximately eight years. It's been a long, long fight to try and get more light onto this issue. We've exhausted a lot of avenues, and we're continuing because the group that's doing this and leading it is very passionate about what we do. I love my job and I do believe that it's a very important cog within the wheel of transportation in Ontario. These issues simply cannot be ignored any longer, or else there's not going to be a program left, because it'll have no people.

**Mr. Rick Byers:** Got it. Well, I appreciate it. Driving out from Toronto yesterday, there were certainly a lot of trucks on the road, all day and night. I heard them last night at the hotel.

**Mr. Randal Hare:** There are lots.

**Mr. Rick Byers:** Thank you for the work you're doing. I really appreciate it, and message received, so thank you.

**Mr. Randal Hare:** Thank you, sir.

**Mr. Rick Byers:** Chair, I'll pass my time to MPP Anand.

**The Chair (Mr. Ernie Hardeman):** MPP Anand.

**Mr. Deepak Anand:** Thank you, Chair. I will be talking to WeRPN, but I want to start with Randal.

We understand the pain. I'll tell you, 14 or 15 years back, MPP salary used to be 70% of MPs'. Now, it's probably way more different; our salary has been frozen at that same level, and they have been going up and up, and we see the difference. I can understand the trouble that you're talking about.

My question is, do you have data 10 years back? What was the salary of a similar professional officer in MTO compared to the others? Do you have that data as well?

**Mr. Randal Hare:** In terms of salary?

**Mr. Deepak Anand:** Yes.

**Mr. Randal Hare:** When I started, the top end was about \$68,000, give or take, and the other ministries were still offering more. That has been the case throughout my tenure as an enforcement officer. There has always been more offered elsewhere.

**Mr. Deepak Anand:** So the differential was always there.

**Mr. Randal Hare:** It has been, yes.

**Mr. Deepak Anand:** Okay.

**Mr. Randal Hare:** It's not recent. It's been continuing—

**Mr. Deepak Anand:** So unlike in our case, where the difference was less earlier, and now the difference is huge because we've been frozen and they've been going up.

**Mr. Randal Hare:** Exactly.

**Mr. Deepak Anand:** Okay. Thank you.

To WeRPN: Dianne, thank you so much. Thank you for your presentation. I want to start by saying that I understand how important our health care workers are. I'm proud to say my daughter has decided to become a nurse. She's actually going to the University of Windsor. I'm so proud of that—she's in first year, by the way. So thank you for what you do.

**Ms. Dianne Martin:** Wonderful.

**Mr. Deepak Anand:** And I love the mission statement: WeRPN's mission is to "break the walls down, build the person up and bring the people together to improve patient care"—amazing.

I was actually at the ROMA conference yesterday, and I heard from the rural municipalities, time and time again, that they're struggling with the health care professionals in their communities more than the big cities like us in Toronto and Mississauga.

1400

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. Deepak Anand:** I was talking to them, and I said, "I have a different problem. You don't have people? In Malton, we have a lot more people, because 11% more people come every year to Malton." How do we mitigate this, wherein we can redistribute these resources? Many of those people are wonderful health care professionals back wherever they're coming from. What can government do to support the communities that you serve?

**Ms. Dianne Martin:** First of all, congrats on raising a daughter to become a nurse. You will be grateful for that in your older years.

For rural communities, it's also a little bit of a different type of health care. The great thing about nursing in a rural or remote community is that nurses stay for life. The teams, the family, the friendships that are built—I live on a farm, so I'm very attuned to that. It's a much more rewarding environment, I think, in provision—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time for that question.

We'll now go to the official opposition. MPP Harden.

**Mr. Joel Harden:** I'd just like our friend from WeRPN to finish that thought. Go ahead.

**Ms. Dianne Martin:** Yes, thank you. I just think that we need to make sure that people understand how appealing—and that is part of our job—other sectors and other geographical locations are for providing care and the gifts that that brings to your profession.

**Mr. Joel Harden:** Thank you very much, Dianne. It's nice to see you again. It's nice to see all of the folks who have been here this afternoon.

Again, Dianne, I want to start on health care. I'm trying to beat a bit of a drum today, because I've been instructed to do so for the people I work for in Ottawa Centre. I've asked previous folks who talked about health care today to talk about the impact of the lack of primary care access, be it nurse practitioners or family doctors, and what that means inside a hospital setting. The last numbers we have from the Auditor General indicate to us that 23% of admissions to ERs are from people with low-acuity needs. They could be helped by a nurse practitioner, by a family physician or by a community health centre, but they can't get their scrip for their meds filled. They don't have that connection, so they go into the ER.

What's the impact, when you're talking about morale and the people that you work for? What's the impact on them when that happens?

**Ms. Dianne Martin:** Yes, absolutely, I think we all think that what people are talking about is great big investments in health care, and we do need investment, but there is so much wastage, and it's wastage by poor planning. The last time I was in emerg and actually needed to be there, the wait times were so long, and the abuse that those nurses were taking—graciously—all of that could have been prevented by a different primary care structure out there.

Recently, this week, an ad was released by Niagara Health System that talks about when to go to emerg and when to find your primary health care provider or a clinic. But I think we fail at looking at the big picture of what needs to happen so that all of it can make sense, save money and really improve health care. And everybody wants their own primary care provider.

**Mr. Joel Harden:** Would you agree with what I said earlier in a round of questioning, Dianne, that if the government committed \$30 million—that was it—from the budget from last year to primary care innovation and didn't even end up spending the money—would you think from your perspective, from WeRPN's perspective, there's a great case to spend at least that but far more to make sure people can get access to primary care, be it a nurse practitioner or a family physician? And would that make a material dif-

ference in the lives of your members—their morale, which we care a lot about?

**Ms. Dianne Martin:** Yes. I think people think that \$35 million sounds like a lot of money. When you're talking health care, it's actually not a large sum of money, sadly. So, absolutely, the changes that could happen, and in terms of patients, clients, residents being sorted in a way that is their preference—but also it decreases pressure that doesn't have to happen on care providers, say, in hospitals. Of course, that's going to improve their mental health and their ability to cope.

**Mr. Joel Harden:** Chair, how much time do I have left?

**The Chair (Mr. Ernie Hardeman):** Four minutes.

**Mr. Joel Harden:** Mr. Hare, thank you so much for being here today. As everybody has said, we greatly appreciate the work that you do in keeping our roads safe. It's a huge priority.

These figures are startling figures. I'm wondering, are you, in your capacity working for the province of Ontario, a member of the Ontario Public Service Employees Union or no?

**Mr. Randal Hare:** Yes, I am. I am vice-president of Local 430.

**Mr. Joel Harden:** Well, thank you for your service there too. I'm glad to hear that, and I will be anxious to support OPSEU's proposals moving forward for some parity. It seems like there's a very good case for the government to be advocating for that too.

I know you see a lot in your job. You've already detailed how the mission scope of your profession has increased. One of the things I wanted to ask you about, because it's not every day we get transportation safety experts before committees of the House: There was a matter that came across my desk a couple of years ago around the safety of dump trucks in the province of Ontario, and I had occasion to hear Mr. Bob Punia, who is the president of the Ontario Dump Truck Association. You may or may not recall that their disagreements with the need to retrofit their trucks got to the point where they actually held protests in the city of Toronto. Were you familiar with some of those incidents? Were you responsible for enforcement around those dump truck situations?

**Mr. Randal Hare:** Yes, I'm familiar with that issue. Trucks used to destroy the roads, so engineers and industry decided to come together to make something called safe, productive and infrastructure-friendly trucks, which, based on their lengths and whatnot, could change the weights and whatnot to safely carry their goods without destroying the roads. That required, then, that all the old dump trucks that no longer met that criteria be gotten rid of, and you could buy new ones, or you could retrofit an older vehicle to have that lift axle, that steer axle in place.

**Mr. Joel Harden:** Yes—and I'm sorry to interrupt you, sir; I only have a certain amount of time. Again, I want to mine your expertise shamelessly here. So the shift was going from manual lift axles to self-steering axles, as I understand—

**Mr. Randal Hare:** Correct.

**Mr. Joel Harden:** And the cost per truck was about \$40,000, as I understood from Mr. Punia's advocacy. Does that make sense?

**Mr. Randal Hare:** Sure. I don't know the numbers.

**Mr. Joel Harden:** Okay. What disappointed me at the time was that the province of Ontario was doing its job, and you were doing your job in making sure those trucks were not causing damage to our infrastructure, but the individual dump truck drivers were the ones responsible for seeing through some of those retrofits. The companies weren't coming to the table to make sure that some of those folks, who were making between \$40,000 and \$50,000, if I understood Mr. Punia, were supported. I mean, these are critical. Dump trucks play a critical role in the province of Ontario.

So I was disappointed at that, but I was also surprised—to an extent happy, but also surprised—at how quickly Ontario acted when it came to dump truck safety. They were right on top of it. But they weren't asking the companies, which earn a tidy return, as they should, to bear the brunt of these retrofitting costs; they were asking the operators to.

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. Joel Harden:** Now, in my city, you may be familiar that we had a convoy occupation that lasted for three weeks, where various trucks were brought into our city. Were people in your employee group ever asked to assist with safety concerns with the usage of those trucks, with the damage to our infrastructure? Were you ever called? We have a bunch of records now, receipts from the Rouleau commission. Were you ever contacted, as experts in truck safety, to help us through that moment?

**Mr. Randal Hare:** Definitely not me.

**Mr. Joel Harden:** That's disappointing.

**Mr. Randal Hare:** I can't say who was contacted. I know that through those convoys, through those protests, we don't do a lot of axle-weight enforcement, which is also a contributing factor. So the political side overruled the legal side.

**Mr. Joel Harden:** It's unfortunate, because we could've really used your help to stop trucks that were on the 417, before they pulled off, with police escort, led into our downtown.

But anyway, thank you very much for your time today, sir. Thank you for—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time.

We'll now go to MPP Hsu.

**Mr. Ted Hsu:** I wanted to ask a question of Dianne. Thanks for being here today. I wanted to understand a little bit about your statement that competition between sectors was an issue, because there's something in my mind that I want to understand. On the one hand, you might have competition between sectors; on the other hand, we also want to incentivize health care professionals to work in rural and remote areas, just as an example. So how would you reconcile the desire of a competition between getting more help in rural and remote areas versus the desire to

maybe have harmonized wages or reduced competition between sectors? How do you think about that?

**Ms. Dianne Martin:** The harmonized wages issue is an issue across Ontario, whether you're urban, rural or remote. It is an issue that needs to be solved for all areas.

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The attraction of people to rural and remote areas, though, to work, regardless of the sector they want to work in—the biggest step we've made toward dealing with that is the fact that we are now allowing colleges and universities to educate nurses. Colleges add an element of rural and remote. We know the people who are educated in an area tend to stay in the area when they graduate. Growing rural and remote educational opportunities is probably your very best way to get nurses into those areas.

But sometimes incentive is needed. I'm from a family of nurses. I will tell you that nurses will provide care anywhere. They love their jobs when they're allowed to do them well. They will move anywhere for an incentive that enriches their lives, whether it's help with education or whether it is a financial incentive.

**Mr. Ted Hsu:** Okay, thank you. I guess, then, just to understand it a little bit better, you might want wages even in different sectors to all go up in rural or remote areas, because there's this imbalance between different sectors, or competition between different sectors, that you're worried about. Is that—

**Ms. Dianne Martin:** Yes. I think money for return of service is a good way to do that. I don't know about raising the wages across rural and remote areas. It depends on the type of nursing or whatever you're looking at. Sometimes the shortage is in urban; sometimes it's in rural. It's about identifying where the shortage is and, just like anything else that you're short of, paying more for it to have it in that area to solve the shortage.

**Mr. Ted Hsu:** I wanted to understand just a little bit better—you mentioned that RPN wages were just barely higher than PSW wages and a lot, lot lower than RN wages. I'm just wondering, historically, how did that come about?

**Ms. Dianne Martin:** I know exactly how it came about, because I've been a nurse for 45 years. I'm both an RN and an RPN.

**The Chair (Mr. Ernie Hardeman):** One minute.

**Ms. Dianne Martin:** When I became an RN, 19 years into my career, I went from an experienced RPN to a novice RN and I went back 50 cents an hour in pay—it made sense to me—and then moved forward again. Now the starting wage of an RN is much, much higher than the wage of an experienced RPN. That happened through a settlement in the 1990s, when the RN union, which was different than the practical nursing union, managed to achieve a very large settlement for the RNs, and the RPNs have forever been moved back.

Plus, during Bill 124, the PSWs were legislated a much-needed increase in pay, but they didn't do the same for the practical nurses, who were already hurting in terms of pay. That's when the PSWs moved up close. So it's been through history that we've moved in this direction.

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time for this presentation, and it also concludes the table and all the presenters.

I want to thank all the presenters, both virtual and at the table, for taking all the time to prepare and come share your thoughts with us. We very much appreciate that as we move forward with trying to develop a budget for the coming year—oh, no, the year is already here; it's just that the budget isn't yet. But thank you again.

As you are leaving the table, we'll ask the next table to come forward.

MR. JEREMY WILLIAMS

THE FOOD SHARING PROJECT

VENTURELAB INNOVATION CENTRE

**The Chair (Mr. Ernie Hardeman):** The next table is Jeremy Williams, the Food Sharing Project and ventureLAB Innovation Centre. I believe they're all here in person. As they're coming forward, we will again repeat the instructions. You will have seven minutes to make your presentation. At six minutes, I will say, "One minute." Don't stop. At seven minutes, I will tell you, "Thank you," and that means stop. Then we'll have the questions and answers for the rest. We ask each delegation to give us their name for Hansard to make sure it's properly recorded.

With that, we will start with Jeremy Williams.

**Mr. Jeremy Williams:** I'm just getting my Zoom mike up.

**The Chair (Mr. Ernie Hardeman):** The floor is yours, sir. I just want to add, no one has to turn their mikes on or off. We have great people in the corner that will do that.

**Mr. Jeremy Williams:** Ladies and gentlemen, thank you very much for the opportunity to present today. My purpose today is to draw your attention to the dire straits that the forest sector in Ontario finds itself in and to request greater government attention and greater government support for the sector. My name is Jeremy Williams. I'm a registered professional forester in Ontario. I've been an independent consultant for more than 30 years, and I'm here as a private citizen.

As you know, forestry remains a mainstay of many communities in northern and central Ontario. Ontario's forest sector is very tightly integrated; in particular, sawmills and pulp mills are mutually dependent on each other. Roughly 40% of each log that goes into a sawmill is turned into chips as a byproduct, and sawmills are dependent on pulp mills to take those, providing that additional source of revenue for the sawmills and also eliminating the disposal issue. For pulp mills, it's an excellent feedstock. If pulp mills have difficulty, sawmills have difficulty and vice versa also.

For the past several decades, Ontario has had a great deal of difficulty attracting investment and a number of mills have closed. We have recently entered in another round of contraction with the announcement in November that the Espanola pulp mill will be shuttered. Then, in January of this year, in Terrace Bay, we heard the an-



nouncement that that mill was also going to be shuttered. And just down the road, the Trenton mill is also due to be shuttered as well, which makes corrugated from a combination of wood fibre and recycled. The loss of the Espanola mill and the Terrace Bay mills together will probably reduce the harvest in Ontario by 30% or so. The sector is capable of producing much more benefit for Ontario than it currently does. Why isn't it doing that?

When a pulp mill closes, the entire region is negatively impacted. Not only are the direct jobs at the mill lost, but a number of secondary jobs are lost as well: the harvesters, the transport people, the people that maintain the mill. Taxes on incomes and sales are lost, and instead, government has to end up supporting the community.

It also makes difficulties for other mills. Harvesting for value-added mills becomes much more expensive, threatening their existence, and sawmills have nobody to send their chips to, again, which also threatens their existence. Harvesting stops, stumpage revenue to the province declines, and in the forest, the roads and the bridges aren't being maintained.

The province still has an obligation to manage these forests, so in the worst-case scenario, such as what happened in 2008-09 when Buchanan went bankrupt, the province has to take back the tenures and manage them themselves. The timber that is left standing gets older, fuel builds up and there's the potential for a contribution to major fires.

This chart shows, between 2009 and 2024, the number of operating pulp mills in Ontario, and you can see that we've declined from eight down to two, taking into account the two recent closure announcements, so we've lost 75% of our pulping capacity in the past 15 years.

This graph shows another metric which illustrates how poorly Ontario's forest sector has performed. This goes from the year 2000 to 2021. The year 2000 employment levels are shown as being 100%, and we see the direct employment as a percentage of that in every year since then. You can see that Ontario, represented by the solid line, has performed the worst, losing 50% of its direct employment, and if we were to extend the line out to 2024, we would be another leg down.

It doesn't have to be this way. The forest sector has the potential to be a substantial part of the future bioeconomy. Products such as lumber and panel boards are much more sustainable than steel and concrete. They're produced from a renewable resource and while they're in use, they store carbon, keeping it out of the atmosphere. They're part of the climate solution.

**1420**

Pulp mills can produce many more products than just pulp. They can produce a wide range of chemicals. They're being reconfigured to extract carbon dioxide and sell that commercially, and they can produce enough energy to provide excess onto the grid. An example is UPM Pulp, a major Finnish company which provides 2% of Finland's overall power needs. One of UPM's mills in Uruguay provides 8% of that country's power needs. These are

opportunities that are present in Ontario, but they haven't been taken advantage of.

I think what Ontario needs to do is to identify the key issues that are holding the sector back and limiting the amount of significant investment that has gone into the sector over the past several decades. Ontario has world-class resources. Our forest management standards are extremely high. It's a stable jurisdiction. This should be a very attractive place to invest, yet that hasn't been happening on a significant scale. Northern bleached softwood kraft pulp is a premium product that sells for double the amount of hardwood pulp on the markets.

**The Chair (Mr. Ernie Hardeman):** One minute left.

**Mr. Jeremy Williams:** The administration of forests also needs to change, as well. The allowable cut in the province is about 30 million cubic metres of wood. We're currently cutting about 13 million. There's a lot of wood available, yet a lot of it is locked up in commitments to companies that may or may not exist and that may or may not use the wood.

Lastly, there are opportunities for Indigenous people to participate in the sector going forward. Many are eager and very interested to do so, and including them in the transformation of the sector is imperative and a very important thing to do as part of the transformation of the sector going forward. Thank you very much.

**The Chair (Mr. Ernie Hardeman):** Thank you very much for your presentation.

Our next presentation is the Food Sharing Project. Welcome, and the floor is yours.

**Ms. Brenda Moore:** My name is Brenda Moore and I am the chair of the Food Sharing Project. I am here to tell you about one student nutrition program which is struggling to meet the nutritional needs of thousands of students in schools across the city of Kingston and the counties of Frontenac and Lennox and Addington.

The Food Sharing Project is the organization which provides the nutritious food and the equipment for breakfast, lunch and hearty snack programs which operate in all 88 elementary and secondary schools in KFL&A. Every week, we deliver fresh fruit and vegetables, grains, dairy and protein items to the school door, and our programs are offered to all students, regardless of need, in an inclusive environment. Schools choose from a variety of models, such as sit-down breakfasts, hearty snacks in classroom bins or grab-and-go lunches, based on the needs of their students and the availability of space and volunteers.

Students come to school without enough food for a variety of reasons, and educators and research tell us that when they eat nutritious food at school, they are more engaged in their learning, can focus better on tasks and can have more positive social interactions.

Research shows that nutrition during school hours is poor for all Canadian children. At least one third of school-aged children in Canada eat vegetables and fruit less than once a day. School food programs can level the playing field by improving the diet of all children, regardless of socio-economic status, by increasing their access to fresh, nutritious food. Importantly, students can access this food

in a non-stigmatizing manner that does not single out students whose families are less able to pay for the program.

I'm a retired principal, and a grade 5 student once told me that he didn't know why, but math was an awful lot easier to understand after he had something to eat first. You know how you feel when lunch is just a bit late? Imagine a child trying to get through the really hard things we ask them to do at school without having had breakfast that morning and, for some, no dinner last night.

Our coordinators tell us the food we provide helps students get to school, because that's where breakfast is. It helps them stay in school, like the graduating student who said he would have had to quit school and get a job to contribute to the family income if he and his siblings hadn't had access to good food at school. It gives them one less thing to worry about when they are struggling with a divorce in their family and mental health issues which require a new medication that makes them hungry all the time. In the words of one of our school coordinators, it gives them a fighting chance to succeed.

The 2022-23 school year was unprecedented for us. In 2019, we sent food with a value of \$12,000 to schools each week. Last year, that amount soared to \$21,000 per week. Due to the perfect storm of the skyrocketing cost of food, increased demand from more students needing more nutritional support, we faced a significant budget shortfall at the same time as school coordinators were calling to say they had to increase their weekly order because the kids are just so hungry.

In an effort to fill the need as best we could, we set limits on some of the more expensive single-serve items, which were put in place due to pandemic restrictions, and made the heartbreaking request to schools to reduce their weekly orders by 10%. We know it was very challenging for school communities as so many students were coming to school hungry, and at times, there just wasn't enough to go around.

I often say that it takes a community to feed a child, and never was that statement more true than last year. We asked for more volunteers to cover a second shift for packing food boxes, and increased community awareness through tours and discussions with school board trustees, city councillors, MPs and MPPs.

We've told school councils, donors and our school board partners about the desperate need faced by so many families. With the help of a fourfold increase in funding from our school board partners and the generosity of school communities and our donors, we were able to decrease our deficit from a high of \$250,000 to \$150,000. We have never experienced a deficit like that in our 40-year history. Thankfully, we could dip into our reserves to get through the year but that is not a sustainable fiscal strategy.

In KFL&A, one in nine families live with food insecurity. With the soaring cost of living, especially the relentless increases to the cost of food, nutritious food is out of reach for so many families. A family of four is paying \$700 more for groceries this year than last which is putting many working Canadians further and further behind.

When we provide healthy food at school, families can redirect their limited income to rent, utilities and put gas

in the car to get to work. A recent report shows that universal free school meals could save families \$129 to \$189 per child per month on groceries.

We are a member of the Ontario chapter of the Coalition for Healthy School Food and passionately support their 2024 pre-budget submission. It asks the Ontario government to double its current investment in student nutrition programs to \$64.4 million annually. Doubling this funding is a direct investment in the future of Ontario as well-nourished children have the potential to be the leaders and productive citizens of tomorrow. Additionally, it is a tangible action that this government could make to take pressure off families who are struggling because of the affordability crisis.

We are all responsible for the well-being of others and report after report has recently told us that the kids are not all right. They are hungry and they are stressed. We appeal to the Ontario government to show the federal, provincial and territorial governments that Ontario will invest in the health, well-being and success of our most precious resource by doubling its current SNP funding in budget 2024. Success starts with good food. Thank you.

**The Chair (Mr. Ernie Hardeman):** Thank you very much for the presentation.

Our next presenter is ventureLAB Innovation Centre.

**Mr. Avinash Persaud:** Thank you, Mr. Chairman. Thank you to the members of the committee for allowing me an opportunity to present to the pre-budget process and to provide input into provincial investment focus.

I'm Avinash Persaud. I'm the vice-president of a program called the Hardware Catalyst Initiative at ventureLAB. Our mission is to power hard tech founders to build and scale globally competitive ventures that advance Canada's knowledge-based economy. We're based out of York region—Markham, Ontario—and ventureLAB helps organizations to start, grow and scale. We support them with access to capital, with access to technology tools, with commercialization, customer access and IP strategy.

To date, since the inception of ventureLAB, we've helped companies build out over 4,500 jobs, and we've helped these companies raise over \$340 million in capital.

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With the support of our provincial partners, federal partners and corporate partners, the Hardware Catalyst Initiative has resulted, now, in a legacy of a hardware infrastructure lab, including a medtech lab, that, in aggregate, is over \$11 million in support capability to our lab that we can provide to our hardware start-up companies. The hardware program itself is second to none anywhere in North America. We've been able to launch an OVIN-based hardware stream that supports automotive hardware technology development, and also a medtech stream through the OTF funding program. We also have 52 corporate partners in our network and, in aggregate, they provide over \$55 million of in-kind support.

We have absolutely achieved significant success since this program started about four years ago. I extend an invitation to each and every one of the committee members here—and unlike invitations from my relatives, and when

I show up, my invitation is sincere, and I'd really like you to come by and see what we have.

Looking to evolve the strategy that we have, we're looking to help companies grow globally and to spread Ontario's footprint in the semiconductor technology space. We do recognize that we have other jurisdictions that are looking to invest significantly in this area. Just yesterday, FUMEC Mexico indicated that they received funds from the CHIPS act in the US to look at advanced technology development in Mexico. Costa Rica visited us, and they received funds from the CHIPS act in the US to work with Intel to build out their advanced packaging facility there.

I just want to mention a couple of things that should give pause on this particular number—if none of the other numbers resonate, this one should. In 2021, the Semiconductor Industry Association in the US did a study that showed that for every semiconductor professional, there were 5.7 jobs generated in the broader economy. It has a huge multiplier impact. And unlike software-type jobs where you can literally move anywhere in the world, when you're in the semiconductor supply chain, it's a very sticky type of job; you need to be where the infrastructure is, where the capabilities are.

Realistic opportunities for Ontario, in particular, are in the compound semiconductor fabrication capability and advanced packaging. We have realistic opportunities to make significant progress in that area.

The semiconductor supply chain is the underpinning to \$7 trillion in the global economy—that's in the automotive sector, the medtech sector, the consumer product sector, the aerospace sector. You name the sector; it is driven by semiconductors.

We recently saw, through the pandemic, what a shortage of chips can do to getting a washing machine or buying a car. In fact, by the end of this decade, it's determined that 50% of the cost of a car will be determined by the cost of the electronics within the car—cars are euphemistically being referred to as iPhones on wheels—whether it be entertainment systems, navigation systems and all the other electronic systems.

The sector, between Bromont, Quebec, Ottawa, Toronto, the greater Toronto area, Waterloo—they perform the strongest axis of semiconductor capability in Ontario. And since our focal point is somewhat narrower than the more dispersed ecosystem that's in the US, we have the opportunity with our investment, we posit, to make significant strides in this area.

We want to ensure that there's continued investment in the regional investment centres, especially ones which are aligned to the hard tech sector, and we want to ensure that we spend a lot of focus on developing the talent needed for this sector. Deloitte did a study that showed there's going to be a global shortage of one million professionals by the end of the decade. I think we need to galvanize our engineering faculties at our great universities in Ontario to graduate the talent that's going to take our economy to the next level through significant investments in the semiconductor value chain. Thank you.

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the presentation.

We'll start the first round of questioning with MPP Harden.

**Mr. Joel Harden:** Thank you very much, Chair. Thank you to everyone who came to present this afternoon—very much appreciated.

I'd like to start with you, Brenda, if you wouldn't mind. A personal point of departure, because Chandra and I are connected to a bunch of different community kitchens—

*Interjection.*

**Mr. Joel Harden:** Oh, pardon me. Can you hear me now?

**Ms. Brenda Moore:** Yes, I can.

**Mr. Joel Harden:** All right. I'll start from the beginning. A personal connection would be wonderful to hear, just because these sessions are recorded on Hansard, and it's always good to know citizens who take an interest in retirement and wanting to make their communities better. What was your gateway from principal to the Food Sharing Project? Why did you pick this?

**Ms. Brenda Moore:** What was my—

**Mr. Joel Harden:** Why did you choose this as a project for you to work on in your retirement after school?

**Ms. Brenda Moore:** I've been chair of the Food Sharing Project for a very long time. As a teacher, I joined because I saw the need in my classroom. Teachers have fed kids at school forever. We always had the bottom drawer that had something in it to hand to a child, and what the Food Sharing Project does is look after all of that for schools.

**Mr. Joel Harden:** Okay, so moving from kind of individual adaptation from the standpoint of a teacher to more of a systemic approach, if I'm getting you correct?

**Ms. Brenda Moore:** Right.

**Mr. Joel Harden:** Okay. One of the things I remember very well from the pandemic is a move the province made through the social services relief fund to actually allow for communities to put applications in for a variety of projects. A big one at home was one that united community kitchens that work out of community centres—very analogous, it would seem, to what you do here—with retailers, so that would be caterers, bakeries, restaurants, who had food capacity to offer the community but no customers anymore. The pandemic had utterly devastated their business, but there was a collaboration opportunity, and Chandra and I were aware of community initiatives to make applications to that money.

What the research from those projects showed was the outcomes for people's well-being rose dramatically. Meals were produced at a cost of less than \$5 a meal for seniors' homes, persons with disabilities, our harm reduction facilities and neighbours who were homeless going into warming centres. Everything came around to the fact that when people had access to not just any food—these are some of the best meals to be made in the city of Ottawa—people's outcomes improved. Is that what you find through the work you do with not just some kids but all kids?

**Ms. Brenda Moore:** With all kids, and it's immediate. As soon as a child has something to eat, their outlook

changes. They can solve problems better. They can focus better, they're calmer and their behaviour improves.

As a principal, one of the first questions I used to ask kids when they came to me off the schoolyard with an issue was, "When was the last time you ate?" If it was yesterday, then we would go down to the Food Sharing Program room before we talked about anything that brought that child to my office. It's immediate.

But we also know the long-term effects of nutrition. We know that our children are at their peak for growing. They need optimum food, they need fresh fruit and vegetables, they need whole grains and dairy, and those things are out of reach for their families, so the best place for them to get it is at school.

**Mr. Joel Harden:** And you believe in the universal approach?

**Ms. Brenda Moore:** I do.

**Mr. Joel Harden:** You're not interested in finding out who the poor kids, the kids having a hard time, are; you're interested in a universal approach. Why, just for the record?

**Ms. Brenda Moore:** The universal approach is also part of the Student Nutrition Program guidelines, in that we are mandated to provide universal. But the most important thing about the Food Sharing Project is that it doesn't matter why you're hungry; it doesn't matter who you are, either.

I have a friend who was a principal for a day at one point, and she got called in late, so she hadn't had time to get her lunch together. She was standing in the hallway at the school and she said, "Oh, gosh. I didn't get my lunch." This little guy told her, "Oh, you just go down the hall, in that room there, and they'll give you a lunch." That's exactly the way we want it to be. It's just part of what you need to do. In order to succeed at school, you need to be well fed.

**Mr. Joel Harden:**—student or staff.  
How much time do I have left?

1440

**The Chair (Mr. Ernie Hardeman):** Three point two.

**Mr. Joel Harden:** Thank you very much for that.

I want to move on, Mr. Williams, to you. Something you said that I found very intriguing was the role, in other jurisdictions, the forestry industry plays in generating electricity.

You're probably aware of the fact that Ontario has significant demands upon it, as we continue to electrify. The government has a campaign on the further electrification of Ontario. We are in the process of refurbishing our nuclear stock. The government has taken the decision to pursue gas-fired electrical generation, and many municipalities have risen their voice against it, because it cuts against our emissions obligations that we have.

So could you elaborate on these other jurisdictions so we are clear that there is another potential choice we can make to meet our electrification demands for the sector you spoke about today?

**Mr. Jeremy Williams:** Sure. So I'm not an expert in pulp and paper technology, but I do know that with northern bleached kraft—the kraft pulping process produces a by-product called black liquor, and that's usually what is burned to produce energy. So mills can be configured to

provide enough energy to meet the power needs of a mill as well as provide additional energy for the grid, and there are other types of waste materials and things that can come out of the mill process as well that will do that. I know that there are mills in Canada, for example, one of the mills in Alberta, Alberta-Pacific mill. I've visited their facility a number of times, and they tell me, some years they make a greater amount of revenue from selling electricity onto the grid than they do from pulp and paper. So it's not a difficult thing to do.

**Mr. Joel Harden:** Yes—a similar story in Trail, British Columbia for the British Columbian government, on electricity generation being a bigger role than what that company's major product is.

What I'm taking from your presentation, sir, is that there are many ways in which Ontario can meet its electricity needs, which stands to me that renewable options would make a lot more sense from an emissions perspective. In the time I have left now, could you talk a little bit about what the forestry industry, properly managed, presents for Ontario as part of its climate—

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. Jeremy Williams:** Sure. Ontario, as I say, firstly can produce—the allowable cut in the province is 30 million cubic metres; we're probably down to 12 million or 13 million, something like that. So there's an opportunity to harvest more. If that goes into long term—forest products that have a long lifespan, such as lumber, mass timber, structural panels or those types of things, take carbon out of the atmosphere for a long period of time, and that's a benefit atmospherically. We also don't have any large-scale wood pellet facilities, for example. British Columbia has 12 or 13. Alberta has got five or six. There are a number in the Maritimes and Quebec. Those can take waste—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time.

MPP Hsu.

**Mr. Ted Hsu:** I have a question for Brenda. You mentioned that in Kingston, Frontenac, Lennox and Addington you're able to dip into reserves. But that's just part of the province. I'm wondering if you could comment on what's going on in other parts of the province.

**Ms. Brenda Moore:** In other parts of the province, many student nutrition programs didn't have the benefit of a 40-year history like the Food Sharing Project did and the opportunity to build up reserves. In those places, across the province, there were schools that had to close their programs. May and June last year were significant issues for many schools. They closed their programs, so when kids came to school and were hungry, there was nothing there. Other schools reduced the number of days that they were open. They reduced the amount of servings they had available. There were reductions in many, many locations across the province, because they just ran out of money.

**Mr. Ted Hsu:** Is that continuing in the second half of the year? I mean it's happening now, even?

**Ms. Brenda Moore:** Yes, we're still seeing very high numbers. That has been somewhat alleviated with the \$5 million that the Ontario government put into the Student

Nutrition Program in September. I can tell you that our portion at the Food Sharing Project was \$54,000. That provided support for us for two and a half weeks. While we are very grateful for that support, it's important to understand the amount of money that is required for these programs.

**Mr. Ted Hsu:** So it's fair to say that is why you're asking, instead of going from the \$30-million range per year, to double that to \$60 million, because that would provide the money that would be needed to not close these programs and to reopen these programs in many parts of the province.

**Ms. Brenda Moore:** Yes. There are wait-lists that are existing, as well. So not only are older programs closing, but then newer programs need to come online, and there's no money for them.

**Mr. Ted Hsu:** And that \$5 million last fall wasn't able to be used to open the programs that are on the waiting list.

**Ms. Brenda Moore:** I think in some areas, they did. They were able to clear some of their wait-lists. It would just depend on what each community needed.

**Mr. Ted Hsu:** This money could be put to immediate use because all the programs are there—the infrastructure, the supply chain. It's like putting gas in a car.

**Ms. Brenda Moore:** Yes. We'd take that money and we'd go right to the grocery store or to our local wholesale providers, and we would be able to increase our food going out to schools by 20% tomorrow. And then, because there's also equipment money being asked for, we could increase our cooler space; we could do another 20%.

**Mr. Ted Hsu:** Thank you very much.

I have a question for Mr. Williams. I want to invite you to elaborate on the role of research and development. One way that you can make commodity prices go up—

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. Ted Hsu:**—and keep pulp mills open is research, discovering new uses. Many years ago, there was a lot of research on black liquor, as you mentioned. Now we're replacing all sorts of single-use plastics by paper things. I'm just wondering if there's an opportunity there, through research, to increase the commodity price.

**Mr. Jeremy Williams:** I believe there is. I think the uses that you've talked about are growing markets, and they're long-term markets that are sustainable. I think that with research and a mechanism to transfer the research to the companies that actually own and operate the mills—I think that's the important thing that's missing. But, yes, research would definitely be useful.

**The Chair (Mr. Ernie Hardeman):** We'll now go to the government side. MPP Anand.

**Mr. Deepak Anand:** First of all, I'd like to welcome and thank each of the presenters.

I will be asking ventureLAB, Mr. Persaud—but before I do that, I want to give an opportunity to Mr. Williams to complete his conversation with MPP Harden.

What exactly are you asking here through your presentation? What is your one ask?

**Mr. Jeremy Williams:** My ask is that the government pay more attention and devote more effort and will to addressing the needs of the system. The government has a

forest sector strategy, but I don't think it has diagnosed the issues appropriately, because this is a long-running issue. Lack of investment, as I say, has been present for decades. The current sector aims to double the harvest while we're going in the other direction. So I think that we need to better understand what it is that's holding the sector back.

British Columbia, for example, has appointed a minister of state for innovation and forestry. That's one way in which they're dealing with it. Nova Scotia has been negotiating with Paper Excellence for four years, and they've just announced that Paper Excellence is putting \$200 million into a mill that has been shut for four years, to refurbish it, and it will be one of the most advanced mills in the world.

The strategy is not big enough, and I don't think it gets at the issues, so I think some mechanism to get at what it is that really ails the sector is really important here.

**Mr. Deepak Anand:** What should we do? Should we make more investment, or should we do a review?

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**Mr. Jeremy Williams:** I think a review, with an outside expert from—well, there are a number of possibilities, I guess. There certainly would be experts in Canada, but it would be helpful, perhaps, to have somebody internationally, from Scandinavia, for example, which has much more advanced technologically in the sector than we have.

**Mr. Deepak Anand:** Thank you. I see the passion in you for the industry, and I really appreciate that. I think it would be nice if you could add some costs and benefits to the presentation when you put together your presentation. When the ministry is looking at it, they can look at it in perspective for the benefit to the community at large. Thank you again for coming.

**Mr. Jeremy Williams:** Thank you.

**Mr. Deepak Anand:** My question to ventureLAB would be, first of all—you know, when we talk about Ontario, we talk about Ontario being open for job creators, and it's not just a metaphor; it is something that the government is proud of, the economic growth and the innovation we have seen. I agree with you: On your website, it says, "Do not wait for the opportunity. Create it." That's exactly what we also believe in, and that's why I think the government has provided you with a \$2.5-million grant through the Ontario Together Fund and then, subsequently, a \$1-million investment through the Ontario Vehicle Innovation Network as well.

It's a vicious cycle, and you're a venture lab; you're more into that sector where everything is "X." So, in your opinion, all these investments—what was the benefit of those investments in terms of multiplication of jobs, multiplication of the benefits?

**Mr. Avinash Persaud:** Certainly. I'm pleased to say as a taxpayer that before we got the money, we were given certain metrics in terms of companies to support, products to be commercialized, IP to be generated, jobs to be created, and we have those numbers against each one of them.

For example, with the HCI program, we had 51 partners. The criteria was that they provide \$3.5 million. In fact, when we got 51 partners, they contributed \$55 million of in-kind supports.

In terms of patents, the criteria was to achieve just about 30 patents. Right now, the companies we support have achieved 86 patents. So there are measurable numbers we've achieved on that. We've done more than what the program, by the letter of the agreement, has stipulated.

We've now been able to create the HardTech Summit every year. The last one we had had 900 hardware professionals coming to it. We've also developed the HardTech Investor Network to create opportunities for our companies to get funded. So we're looking to take the predicate that has been provided to us and build even more on that.

**Mr. Deepak Anand:** As we all know, Minister Fedeli, who has been the Minister of Economic Development, Job Creation and Trade of Ontario, has been a champion for growth. He has been bringing a lot of investments, working hard to make sure that our revenue is large. It's increasing. We started in 2018 at \$154 billion; we are at \$202 billion in revenue as a government itself—plus the GDP of Ontario has grown at the same time.

How do you compare Ontario with the other jurisdictions in Canada, and especially with the US, so that we can take it back to him, to the champion who is doing so much? Maybe through him we can reach out to the Ministry of Finance to ask for more, to grow more of Ontario.

**Mr. Avinash Persaud:** If we try to compete in the same arena, we're going to get badly bruised. What we have to look at is where we have certain advantages, certain capabilities. Two key areas: I mentioned compound semiconductors—

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. Avinash Persaud:** We have a lot of capability in that area and advanced packaging, and we can leverage that.

**Mr. Deepak Anand:** Thank you. I have about 50 seconds left, so I just want to understand and ask you a very simple, straight question: Where does Ontario stand compared to other jurisdictions in Canada in terms of—

**Mr. Avinash Persaud:** I would say we have to compare mostly against Quebec and Bromont. They have a MEMS foundry there. They have advanced packaging. Ottawa does have a photonics foundry—

**Mr. Deepak Anand:** We're ahead of them or behind that?

**Mr. Avinash Persaud:** We have a platform on which to build, but we're definitely behind.

**Mr. Deepak Anand:** Thank you.

**The Chair (Mr. Ernie Hardeman):** We'll now go to the official opposition. MPP Pasma.

**Ms. Chandra Pasma:** Thank you very much, Chair. Thank you to all the witnesses for being here this afternoon. We really appreciate you taking the time to appear.

As the education critic for the official opposition, as I'm sure you can imagine, I have a lot of questions about the Food Sharing Project and the school nutrition program. We had the opportunity in the last panel to hear some of the impacts of hunger on children at school, and you've shared some from your experience which certainly resonate with me as a parent. I have one child in particular who gets very hangry when she's angry, and when she's going through a growth spurt, it doesn't matter when she last ate; you would swear that she has never eaten in her life, given the level

of hunger that she experiences. So I appreciated your point that it's not just children from low-income families who need support to get through the school day.

If I understand correctly, you're supporting all the schools within your school district; it's not only some of the schools.

**Ms. Brenda Moore:** That's correct: 88 elementary and secondary schools.

**Ms. Chandra Pasma:** Okay. Because in Ottawa, the Ottawa Network for Education is only able to support some schools and has had to wait-list schools. I know in London, as well, the school breakfast program has significantly more demand than they are able to meet, so schools have been wait-listed. We're seeing this real increase in demand, the increase in hunger, at the same time that costs have gone up. If I understand correctly, your core funding from the ministry has not increased since 2014.

**Ms. Brenda Moore:** That's correct. We haven't had an increase since 2014, and the world is very different now than it was 10 years ago.

**Ms. Chandra Pasma:** In many ways, and among the things that are different is that grocery prices have been even more subject to inflation than some other areas of our economy.

**Ms. Brenda Moore:** Yes. We purchase from the grocery store, but we get the wholesale prices. We've experienced the same increase in the prices that families are seeing across Canada, so we totally understand what's going on at family tables and, as I said, if we can take the feeding of their children for breakfast and lunch off their plate—literally—then that means that they can direct their funds to all the other household pieces that they need to fund in their budget.

**Ms. Chandra Pasma:** And you're actually able to provide that food more cost-effectively, because you benefit from the wholesale prices.

**Ms. Brenda Moore:** That's right. We do all the shopping, which, I can tell you as a principal, is a really great thing, because the last thing you want to do is ask somebody on your staff who is working very, very hard in their classroom, "Do you have time to go get groceries after school?" I was always very grateful that the Food Sharing Project just came to the door and we took it from there.

**Ms. Chandra Pasma:** Absolutely, it's incredibly important. The rising grocery prices also mean that it's much more difficult for families to be able to provide nutritious food for their children before they go off to school.

**Ms. Brenda Moore:** Absolutely.

**Ms. Chandra Pasma:** So do you know, with no increase since 2014, what proportion of your budget, then, has gone from being provided by the government to being funded by local contributions?

**Ms. Brenda Moore:** I don't think I have a solid answer for you for that, but I know that we receive about 30% of our funding from the government, and then the remainder comes from foundations like Breakfast Club of Canada and through our donors and our fundraising.

**Ms. Chandra Pasma:** Right, and I've heard from other school breakfast programs that government funding is now as low as 15% of the contribution. The \$32.2 million that's

being advocated for would cover—well, it's not necessarily the shortfall, but it would be an increase that would affect all the school nutrition programs across the province?

**Ms. Brenda Moore:** I think it's the increase from \$32 million or \$34 million to \$64 million that we're looking for, and that is across the province. It would be equitably distributed. Based on meals is how we normally count in terms of funding, because we don't want anybody to write their name on a list or anything to say, "Brenda ate three times this week at the Food Sharing Program." So it's based on the number of meals that are served, and then that's how our funding is distributed across the province.

**Ms. Chandra Pasma:** Right. And that doubling, the \$32.2 million, is not even covering all of your expenses; that's relieving the pressure on your budgets?

1500

**Ms. Brenda Moore:** That's right, and so the fundraising responsibility is becoming more and more significant at a time when people have less and less disposable income because of the high prices of everything.

**Ms. Chandra Pasma:** Like my colleague was talking about this morning, it's a vicious cycle in which the costs are affecting the fundraising and affecting the demand, and it's all becoming increasingly precarious.

Are you aware that the government of Ontario has a contingency fund of \$5.4 billion that they haven't allocated to anything, that could be put toward programs like this at any time?

**Ms. Brenda Moore:** I wasn't.

**Ms. Chandra Pasma:** Well, I had lunch, so I was able to do the math with a clear head, and \$32.2 million is 0.59% of that contingency fund. We're talking about less than 0.6%. So the funds are there in Ontario.

I certainly hope that the government will listen to your petition today and make sure that everybody in the province of Ontario has sufficient food to get through the school day.

I'm going to turn over the rest of my time to my colleague MPP Harden, Chair.

**The Chair (Mr. Ernie Hardeman):** You have 1.45. MPP Harden.

**Mr. Joel Harden:** Mr. Persaud, thank you for being here.

I'm wondering, your industry, it would seem to me—you know Ottawa: Silicon Valley North. We have a big imprint with respect to the sector in which you're involved; you named us. I'm very mindful of some of the post-secondary policies that we're talking about here in Ontario, most notably the policy just released from the federal government on international students. We are still evaluating the kind of impact this is going to have.

In your sector, how important is having that international knowledge and expertise, be it at an entry level, for people going to school, or people being in Canada temporarily? How important is that to your industry and for us, as a province, to encourage?

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. Avinash Persaud:** It's vitally important. The chain of graduates for microelectronic engineering and the people who are, in turn, able to generate those 5.7 jobs as a multi-

plying factor—they have to start very early, so that has to start, essentially, in high school. Female engineers are about 20%. A more expected number, when we say that is at the level it should be, should be 40%. It should be double that. The Canadian immigration policy is generally much more favourable to us than what it is in the US, and that has mitigated some of the challenges. Because we lost Nortel Networks some time ago, BlackBerry decided to divest itself of—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time.

We'll now go to MPP Hsu.

**Mr. Ted Hsu:** Mr. Persaud, I'll let you finish what you were going to say.

**Mr. Avinash Persaud:** What I was going to say is, because of the lack of hardware engineering jobs here, a lot of the investment our taxpayers paid to create those capable people went down south to the US. We ended up subsidizing American industry.

Our goal is to reinvigorate a microelectronic semiconductor sector where we're at the top end of the value chain so we can be at a point where not only are we employing people here but we're repatriating engineers who contact me and say they would love to be able to work back here.

**Mr. Ted Hsu:** I was going to ask you a question along the same lines. You're located in Markham, and I want to understand why you're in Markham. What's the advantage of Markham?

And then the bigger question that we're always facing in Canada is, what is to prevent companies from leaving, especially when they're searching for later-stage funding? A lot of times, some investor will say, "Just come down to where we are and you'll have millions and millions of dollars."

The other thing is, what more could the Ontario government do to keep companies of your type in Ontario?

**Mr. Avinash Persaud:** One thing that we did was to create the HardTech Investor Network to make investment funds more readily available locally so there wasn't that, "Come where I am, and then I'll fund you"—because these investors very often want the IP to be close to them. We obviously want it in the region.

Markham has a lot of hardware start-ups. They're second to Silicon Valley in the number of semiconductor companies that are there, and we have mature ones as well. AMD, Renesas, Astera Labs, Six Semi and so on—we have a lot of semiconductor companies. That's why we're in Markham. It attracts a lot of semiconductor start-up companies.

What can the province do? Well, if each level of government invested entirely on its own and looked at it entirely on its own, it's not going to be effective. It has to have an integrated policy with the federal government, with the municipal and regional governments. They all have a part to play, and this involves not only funding of the infrastructure, but it involves the talent generation. It involves the IP policy. This is not something that could be looked at superficially, and we've been involved in all

facets of this, trying to move this discussion forward on all the fronts that will help make this work.

**Mr. Ted Hsu:** Okay. You mentioned IP policy. One thing I've heard is that if we help new companies prepare a really good, strong first patent application, it would help a lot. I'm just wondering if that's something that you're seeing.

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. Avinash Persaud:** Our director of IP, who we place a lot of emphasis on, comes from the Canadian patent office and gives really meaningful guidance to these start-up companies. But when we're dealing with the university network and their patent offices, it's a little bit labyrinthine, and different universities handle it differently.

When you compare it to Israel, where they have standardized policy, it makes it much easier to navigate. They commercialize their IP much better, rather than having it on a shelf. If we could galvanize that better than we do, I think we'd make significant strides.

**Mr. Ted Hsu:** Okay, thank you.

**The Chair (Mr. Ernie Hardeman):** We'll now go to MPP Dowie.

**Mr. Andrew Dowie:** I want to thank all the presenters for being here. First, I would like to start with Mr. Williams. I was intrigued by your knowledge of the pulp industry and, ultimately, with the recent news of the sector, understanding the importance of the industry to the local communities and the spinoffs.

Would you have any insight as to why these decisions are being made by the companies to effectively shutter or stand down? What is the missing piece that prevents these from being viable businesses, that results in this outcome? Would you have any thoughts on that?

**Mr. Jeremy Williams:** I do. In the case of the Terrace Bay mill, it was bought by Aditya Birla in 2012, I believe it was, and they stated at the time that they intended to convert it into a dissolving pulp mill. Dissolving pulp is an input for rayon—because Aditya Birla is a very large company, and one of their arms is in textiles. They have two mills in New Brunswick which they had previously converted to producing dissolving pulp. But it never happened, and I'm not sure exactly what their reason was for that. I think part of it was that China imposed a series of tariffs shortly after they purchased it, but I don't know exactly what the problem was. However, pulp prices have been declining for the last couple of years, and last year alone, they declined by 25%, so I think that was one of the reasons that they decided this was the time to shutter the mill.

As for Espanola, I don't have any insight into what Paper Excellence was thinking. Paper Excellence, as I mentioned, are putting a large amount of money into a Nova Scotia mill. Perhaps they felt they didn't have sufficient money to put into that mill. I'm not sure. They are very old mills; both of them are extremely old.

But the missing ingredient? It's broader than that because, in the last three years, all of the major forestry companies in Ontario have been sold. So you can look at it and say, "Well, they've all been bought by somebody," but they've also been sold. So what does that tell you? I think it

indicates that there's something really missing or something really not right within the sector. Resolute, Domtar, RYAM—which was formerly Tembec—and Eacom have all been sold, and so there is something going on here that's much more systemic. I think that somebody needs to do a really deep dive to look at what's going on here and why we are having such a problem.

1510

**Mr. Andrew Dowie:** Thank you very much for that. I appreciate that.

My next question, before I pass it to MPP Byers, is for Mr. Persaud. Given what you have described to us and the hollowing-out of sorts of our innovative side, how much of an influence is access to capital and the ability for that research and development locally or domestically? And the secondary question: The government recently announced the Ontario Infrastructure Bank, which provides access to capital for certain sectors; telecom may very well fit in there depending on the concept. But I'm hoping you can describe—are we in an environment where it's difficult for an emerging sector to get access to capital and is there a fix that you might see for that?

**Mr. Avinash Persaud:** The answer is yes, but I wouldn't say that's the number one challenge. The number one challenge by far is talent. We need the talent generation. Companies now will go where the talent is. If you look at Intel and their number one determinant of where they're going to build their foundry, it is based on where they have access to qualified talent to build their foundry. TSMC announced that they were going to build a foundry in Arizona and then announced they're going to be delayed by one year because they couldn't get the talent. So that is the number one barrier. If we have significantly more talent in this sector, the other problems would be minimized in comparison.

However, that's not to say it is minimal. Part of the problem is that the number of investors who are knowledgeable in hardware is very small compared to, let's say, software and other technologies areas, which they understand a bit better. The hardware sector requires a deeper dive and deeper understanding. In fact, that's one of the things we assist with. We do, in a sense, a pre-screening, because we go through their IP strategy, their technology, their team, their funding capabilities, their market competition. We do a lot of that assessment initially, which has attracted a number of people to join the HardTech Investor Network, and we're hoping to build that up even bigger.

But definitely, we'd like to partner up with some investment banks, and we've got some interest—this is not just national, but international interest—in supporting these companies. We obviously can't lock the door and say, "You can't leave," but we want to create the conditions where it's far more accommodating to do that right here. If we can create the ecosystem that's dynamic, generating start-ups, bringing investors, bringing the talent, I think we can definitely succeed.

**Mr. Andrew Dowie:** Thanks very much for that. Chair, I'll pass to MPP Byers.

**The Chair (Mr. Ernie Hardeman):** One point one.



**Mr. Rick Byers:** One point one—I love it. Thank you, and thanks to the presenters this afternoon.

I want to follow up with Mr. Williams just a little bit on the previous conversation. I think about some of the uses for hardwood products. You look at home construction these days—much more, you will have the metal studs instead of old two-by-fours, so I don't know whether that's contributing to some of the decreased interest in the industry. On the other hand, we have increasing use in biofuels and byproducts. I don't know whether you can comment on any of those factors that may be impacting the data you gave us this afternoon.

**Mr. Jeremy Williams:** There's certainly competition from aluminum in studs and other materials in studs, and the forest sector is basically fighting back, partly by touting the superior environmental qualities of wood, but also going to more modular construction forms as well.

In terms of biofuels, you've put your finger on an area that is receiving a lot of intense interest. When people talk about the bioeconomy, that's one of the areas that they have in mind. There is a great deal of research that's gone on—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time for that question, and it also concludes the time for this panel. With that, I want to thank each and every one of you for the time you took to make your presentation and to prepare your presentation and to make it here for us today. I'm sure it will be of great assistance to us.

CORPORATION OF THE TOWN  
OF GANANOQUE  
CANADIAN FEDERATION  
OF INDEPENDENT BUSINESS  
JOHN HOWARD SOCIETY  
OF KINGSTON AND DISTRICT

**The Chair (Mr. Ernie Hardeman):** We will now move on to the next panel, as we're clearing the table: the corporation of the town of Gananoque, the Canadian Federation of Independent Business and the John Howard Society. And I believe the corporation of the town of Gananoque and the Canadian Federation of Independent Business are both virtual. The John Howard Society is here and, I'm sure, coming up to the table as we speak.

As you are approaching, as with all, you will have seven minutes to make your presentation. At the six-minute mark I will say, "One minute," and at seven I will say, "Thank you for your presentation." With that, we also ask everyone, both the presenter and if someone else is going to be speaking, to introduce themselves prior to speaking. We would appreciate that so we can get the names correct for Hansard.

We'll start the presentations by the corporation of the town of Gananoque.

**Mr. John Beddows:** Thank you, Mr. Chair. My name is John Beddows, and I am the mayor of the corporation of the town of Gananoque. Thank you very much for let-

ting me present by Zoom. I'm speaking to you from the site of the ROMA conference; it would have been impossible for me to present otherwise.

I pre-circulated a copy of my briefing slides to you. I don't know if they've been made available to you or not before this, but I'm speaking to you today specifically on the issues of MPAC and then the OCIF, OMPF transfer payments to municipalities. Should I just launch right into it, Mr. Chair?

**The Chair (Mr. Ernie Hardeman):** Yes.

**Mr. John Beddows:** Okay. As I'm sure this committee is aware, the MPAC assessment has been deferred for a fifth year in a row. Essentially, every year since 2020 there's been a deferral, and municipalities continue to rely on the 2016 valuation for privately owned real estate, but also for publicly owned real estate.

We are staring at a statutory requirement to complete an asset management plan by 2025, and we're facing a deadline. The assessed value of municipal infrastructure and property is actually an essential input for that asset management plan. Now, I can build one based on 2016 valuations, but the fact that we haven't had anything out of MPAC means that we're building risk into our proposal here, because we haven't got a key input.

The second piece about the impact of the deferral of valuation that I'll speak to is the consequence on equity, and that is the obligation, the need, to ensure that taxes are distributed fairly in accordance with property values. As has often been said, "Well, municipalities will decide how much money they need and then they'll raise that amount of taxes." But the problem, the challenge is that the failure to properly assess the properties or to bound that or to base it on an updated assessment means that I can't state up front that there's an equitable distribution of the tax burden based on asset value. This presents a challenge for me when it comes to the assertion that the process is procedurally fair, on its face.

The question that comes out of this: Accepting that the process is under review for assessments, it would be very useful for municipalities, well, frankly, (a), to have the assessment in place already—but to know what the deadline is for completion and promulgation of MPAC's next assessment. We bring that to you under the Ministry of Finance because it speaks to money, and whether or not in the next provincial budget a deadline will be set for MPAC—because it speaks to valuations, but it also has a trickle-on consequence.

As the mayor of the town of Gananoque, the quality and the availability of proximate, academically demanding primary and secondary education is a key underlying element of the quality of life for my community. MPAC assessments or their deferral directly affect the funding of primary and secondary schools in the province of Ontario.

So to date, we have a situation where not only are the assessments frozen, but so is the tax levy which supports the schools. The property tax school levy is frozen as well. In other words, if the assessment caused the value of properties to go up, then with a frozen levy set—and the levy for school taxes is set centrally, not by the municipal-

ity; we just collect it—then the revenues generated to support primary and secondary schools would also go up. But with a frozen MPAC assessment, so that property valuations don't reflect anything that looks like market value, and a frozen tax levy, we've built—we'll call it a structural weakness into the funding model for primary and secondary schools.

So our ask on this one is, oddly enough from this politician, will the province of Ontario look to increase the school tax levy of property tax to mitigate the inflationary pressures, which are building on the revenues provided to primary and secondary schools?

**1520**

From our perspective, now, in context, my municipality voted in a 7% increase in property tax this year and a 13.8% increase in our water costs. It's an unusual place for a municipal politician to look at the province and say, "Consider a tax increase," but the reality is that the funding model is based on the property tax levy. So either the province assesses the property so that the amount adjusts to the assessment based on revenue—because unlike municipalities, school boards have no latitude to set their own tax levy. That happens centrally. So if school boards had the latitude to do so, then they could adjust the tax levy to reflect their actual costs, but they haven't got the power to do that. The tap is controlled centrally, so school boards can't adjust the levy for inflation. That happens centrally, and that happens out of the budget.

The trickle-on effect of this, of course, is that any provincial funds required to support primary and secondary education out of the operations budget may no longer be required to do so, and they might well be freed up for post-secondary education, which is facing its own challenges in funding right now, as you have seen in the press.

The follow-on, to the second point I wanted to raise, is about the provincial transfers to municipalities under OCIF and OMPF. There is a chart for the total transfers between the years 2015 and 2024 included in the briefing package. Across that chart, we track the total transfers, because the total is what matters, because that's what gives me the latitude in my municipal budget. So between 2015 and 2024, the net increase in 2024 dollars was 6.8339% over that period of time. Over the same period, however, the Bank of Canada said that the CPI increase was 25.14% for their given basket of services. So accepting that it's a gross metric, it essentially means that the value of the transfers decreased by 19% between 2015 and 2024.

Like every other municipality, what we're looking for is—

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. John Beddows:** —the ability to make strategic plans based on expectations for revenue and fiscal surety. The question that I have here is framed as: Will the province of Ontario commit to sustaining OCIF and OMPF funds by CPI increases going forward? I know that's a big ask and it may not be what—the core question is, can municipalities get the floor? Can we actually say, or can we know that it won't drop below a certain level and that it will increase to that level going forward? Because that allows us to do strategic fiscal planning with programmable funds.

Grants are nice, but they have to be expended in one year. It's difficult to build programming on a grant system.

The second piece that we're looking for is related to timing. Accepting that the OCIF and the OMPF funds are both sort of centrally controlled, what we're looking for is announcements and numbers for the next fiscal year in time to inform the municipal budgeting process—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time for the presentation. Hopefully, we can finish it as the question rounds start.

We now have the Canadian Federation of Independent Business. We're up on the screen, and the floor is yours.

**Mr. Ryan Mallough:** Good afternoon, everyone, I'm Ryan Mallough, the vice-president of legislative affairs for Ontario with the Canadian Federation of Independent Business. CFIB is a not-for-profit, non-partisan organization. We represent small and medium-sized businesses in all sectors across Canada: 97,000 members across the country, with 38,000 of those right here in Ontario. All of our members are Canadian-owned and independently operated businesses.

I really appreciate the opportunity to share our members' asks, opinions and concerns around the upcoming budget. I'll start with this: The number one priority by far that Ontario small business owners have for the government is to lower the cost of doing business. We surveyed our membership: 96% say addressing the cost of doing business should be the government's top priority. Coming off of last week's CEBA deadline, we want to thank both the government and the opposition for their support in pressuring the federal government for an extension. We were sorry we didn't get one, but it was extremely helpful along the way.

But reducing costs is now even more of a priority as tens of thousands of businesses in the province will be carrying a \$60,000 debt load on top of the other financial and economic pressures that they're already facing. In fact, we know from our December survey that the average pandemic-related debt for an Ontario small business is still sitting above \$90,000.

Our December business barometer shows that a lack of domestic demand has been the top barrier to sales for the past four consecutive months in Ontario. The reality is that people are just not buying or spending as much, as they too feel the cost-of-living pinch that we are very much seeing on the business side. We feel strongly that lowering taxes is a key pressure release valve for small businesses, and we've got three main asks in that area.

First, Ontario's 2023 small business tax rate is tied with Quebec for the highest rate among all provinces and territories at 3.2%. The rest-of-Canada average sits at around 1.9%, and we strongly encourage the government to reduce that tax rate, bring it down to, say, 2% to start, with a plan to eventually match Manitoba's 0% over time.

Second, Ontario's small business tax rate threshold has sat at \$500,000 since 2009. Had that been indexed to inflation, it would be just over \$700,000 today, around \$718,000. We index personal income tax rates to avoid bracket creep; we index other government payments, WSIB,

ODSP. We should be indexing the small business tax rate threshold as well. That is an ask we have across Canada. We are also asking for that at the federal level—but to bring the threshold up to \$700,000 and index it to inflation moving forward.

Third, we also encourage the government to re-examine industry-specific taxes. For example, ending the Beer Store monopoly is great news, and not just an opportunity for retailers but also Ontario's excellent craft brewers, distillers and vendors. We particularly appreciate that the government plans to act on our long-standing ask to eliminate that 6.1% tax on Ontario wineries that are selling their product on site, but there are still other tax issues in the industry, including the craft brewers nine-cent charge on cans, as well as the triple-indexing issue that many of them face.

As the government continues its ongoing tax review from the previous budget, we hope that these and other industry-specific taxes should be included, and we will add in there too, an MPAC reassessment is an important element of that. We are also looking for a timeline on when that's going to resume.

Finally, on the tax side, I just want to touch very lightly on the carbon tax. We understand that this falls under federal jurisdiction. However, we would like to advise all committee members that the federal government is currently sitting on \$1.3 billion that it promised to return to Ontario small business owners. They have not done that yet. They're still sitting on that money. We're unsure what the plan is or if there's a plan. We encourage MPPs from all parties to urge their federal counterparts to get that money immediately back to small businesses, as well as to share their plan for future revenues as long as the tax is still in effect.

I'm going to pivot quickly to labour now. Finding skilled workers is still a challenge for Ontario small business owners, but we have seen the pressure there decrease over the past year. Programs like Ontario's Skills Development Fund have all the right principles—supporting trainees, job matching, supports for businesses—fantastic, but the program can be difficult for small businesses to access due to the need to be tied to an applicant organization. We know that 80% of our membership plans on making training investments this year. We strongly encourage the government to either open up a more direct funding stream through the fund or explore ways to make it easier for small businesses to connect with applicant organizations.

Excessive red tape and over-regulation is still a priority for small businesses. A shout-out to Minister Gill: He's done an excellent job on red tape reduction. We look forward to sharing more on the government's progress in that area during our 15th annual Red Tape Awareness Week that is starting this coming Monday, but there are two key areas where we'd like to see a continued focus: reducing the physician paper burden and creating service standards.

Improving the quality and accessibility of health care remains a top-three priority, even in this post-pandemic phase #, for Ontario small business owners. Our research

has found that reducing the paper burden by just 10% could free up over two million patient visits' worth of time. Reviewing forms to free up the 95,000 hours that the government announced in October is an excellent first step, and we look forward to monitoring the progress on that file to hit that 10% target.

On the service standard side, we're pleased to see the government is consulting on a new regulation under the At Your Service Act to give businesses more predictability around permit and licence service timelines and hope to see that spread across any area where government is providing a service to business or to citizens.

Lastly, I want to touch briefly on construction mitigation. As the government continues to invest in infrastructure and major transit projects, it is very important to again reiterate the need for comprehensive construction mitigation programs, including financial compensation for significantly impacted small businesses.

I'm here in Toronto. As any business along the Eglinton LRT will tell you, it is impossible to enjoy the finished project and to benefit from it—

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. Ryan Mallough:**—if you do not survive the often long and painful road to get there.

Our ask continues to be to provide financial support to small businesses for any projects that are highly disruptive where the province is involved. That ask also exists for municipalities where it is just the municipality, as well as for the federal government when they are also providing funding.

**1530**

Those are the key highlights. We will share a more detailed written submission with other recommendations for the February 1 deadline. I thank you all for your time and look forward to taking any questions.

**The Chair (Mr. Ernie Hardeman):** Thank you very much.

Our next presenter will be the John Howard Society. Welcome, and the floor is yours.

**Ms. Julie Langan:** Good afternoon, and thank you for the opportunity to present today. My name is Julie Langan, and I'm the executive director of the John Howard Society of Kingston and District.

The John Howard Society of Kingston and District is a not-for-profit organization that provides a variety of services for people who are justice-involved or at risk of justice involvement. Our critical programs address risk factors such as housing, homelessness, release planning and unemployment, all with the aim of reducing crime.

Not-for-profits as a sector are in crisis. Our organizations are dealing with inflationary pressures, long-awaited funding increases and recruitment challenges. I want to take this time this afternoon to focus on an urgent recommendation for the 2024 budget investment that directly aligns with the provincial government's current focus on increasing community safety at the bail stage and the justice process, a focus we both share.

Our agency is funded by the Ministry of the Attorney General for the Bail Verification and Supervision Program,

or BVSP, in Belleville, Napanee, Brockville and Kingston. We also support weekend and statutory holiday court from Quinte West all the way to Cornwall. This is inclusive of seven provincial ridings and almost 15,000 square kilometres.

Briefly, the BVSP supports local courts in addressing the risk of individuals seeking bail, determining whether they're suitable for release. The BVSP will also provide supervision to the accused—those who are deemed safe for release by the courts. This entails regular monitoring through our agency, monitoring the accused's bail conditions, ensuring that they appear in court as required and connecting them with the necessary supports to ensure success in the community. We address these underlying risk factors of addictions and homelessness to prevent future engagement in the justice system, and our organization excels at working with these clients with complex needs.

The courts have come to depend heavily on the BVSP to facilitate both the bail process and to supervise and monitor bail compliance. The police also work closely with BVSP programs to coordinate monitoring of accused persons.

The BVSP offers bail supervision for a very low cost per client. Comparatively with provincial incarceration at \$302 a day, the bail program currently operates at \$3 a day per client. The accused persons attend court and comply with their conditions.

Despite the important role that we play in keeping our communities safe, we have received no funding increases since 2014. Our program is reaching a crisis point, and we have had to cut services for the first time since the expansion of our program in 2014. Our staff supervision case-loads are becoming unmanageable. Cases are becoming more complex, therefore demanding more staff time—who are very underpaid and therefore becoming harder to retain. We have been seeking funding relief for years, and we can't wait anymore.

We strongly urge the provincial government to invest in a meaningful increase in base funding for the BVSPs as part of the 2024 commitments. This increase will ensure that we can offset significant budgetary pressures and continue to provide these essential services to preserve community safety and reduce pressures on provincial correctional facilities. This will allow us to increase our staffing ratios and provide much-needed mental health and addictions support to those we supervise.

To respond to the current demands of the hybrid court system, our staff also assist with systems navigation, which ultimately reduces time spent from charge to resolution, which will address Jordan issues.

The Bail Verification and Supervision Program ensures a fair and equitable access to the justice system for all Ontarians, and continues to support community safety.

I thank you again for the opportunity to provide input into the 2024 budget, and I welcome any questions.

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the presentations.

We will now start the first round of questioning. We'll start with the independent. MPP Hsu.

**Mr. Ted Hsu:** If I could just start with Julie, and I just wanted to make sure I understood something. If we put somebody in jail, it sounded like—maybe you can verify this—it's 100 times more expensive if they are in prison. So it's really worth it to have a bail program that works. Did I get the numbers right?

**Ms. Julie Langan:** Absolutely. That's just the cost of the incarceration. That's not the cost or impacts of the systems that will be broken as a result of the incarceration. Even short, temporary stays in incarceration will cause fractures in the supports they receive. They could lose their housing, their job, their access to mental health supports, as well as other services, such as Ontario Works or ODSP. So yes, it costs \$302 a day just for the housing, not for the ripple effects of incarceration.

**Mr. Ted Hsu:** Okay. You said that you haven't had a funding—in nominal dollars, your funding has been constant since 2014.

**Ms. Julie Langan:** With the exception of an expansion of our program, so they've asked us to do more with a little bit less.

**Mr. Ted Hsu:** Okay, but the funding, based on what they ask you to do, has been constant, so based on what you were asked to do in 2014. You're trying to do the same with the same nominal number of dollars.

**Ms. Julie Langan:** Yes.

**Mr. Ted Hsu:** But since 2014, there's probably been about 25% inflation; I think that's a fair number. You've had essentially—a quarter of your budget has been cut for what you were asked to do in 2014.

I'll just make that remark to the committee, that you are asking to get some relief from a 25% budget cut.

**Ms. Julie Langan:** Essentially, yes.

**Mr. Ted Hsu:** Great, thank you.

I was wondering if you could comment a little bit on other parts of the province you're familiar with. You're based in Kingston. I was wondering if you could just talk a little bit about other parts of the province and strains that they're feeling.

**Ms. Julie Langan:** Absolutely. BVSPs, as a sector, are really challenged, and the John Howard Society and John Howard Society of Ontario are working to address these core issues with our program in combination. All across Ontario, John Howard bail operators are in crisis. We have bail-bed programs that have been at the same rates. You know, that cost of housing—these individuals are diverted from incarceration and they're being supported by John Howard staff on the front lines, making sure that they're going to their court dates, making sure they're getting access to the mental health supports and making sure that they're in the community safely. They haven't received any funding increases. There are over 10 John Howard programs that are all in the same situation. We are operating this essential service and being asked to flex to all the different demands of the current court system.

Bail court can go for 10 hours a day now because of the hybrid nature. The remand populations have exponentially

increased since COVID, so we're responding to more people who are being charged, and our ability to supervise them—as they're more complex cases, there's more needs determination. We have more people who are without housing—

**The Chair (Mr. Ernie Hardeman):** One minute.

**Ms. Julie Langan:**—longer wait times for addictions and mental health services. So, all of that, we're all struggling to address as John Howards.

**Mr. Ted Hsu:** So your work really contributes to community safety, because there are people who are having difficulties, who need to be managed. They're in the court system. They've obviously been accused of doing something wrong, of being a danger to community, and you are helping to manage it.

Is it fair to say that this 25% cut from the government has resulted in putting community safety—like my safety, your safety—at risk?

**Ms. Julie Langan:** Absolutely, because it's causing our staff to be spread thin. They don't have the ability to supervise as many people as we'd like. We haven't cut services, but a lot of programs across the province are at that breaking point. I know the Peel-Halton-Dufferin John Howard program will be cutting services next week because of the dire circumstances they find themselves in.

We've cut our WASH court services to three hours a day—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time for that question.

We'll now go to MPP Clark.

**Mr. Steve Clark:** Thanks, Chair. I'm going to be concentrating this round of questions to Mayor Beddows and also to Julie, but I do want to thank Ryan—and only because you're on the screen beside the mayor of Gananoque, I want you to give a shout-out to Julie Kwiecinski, our Ontario director who hails from Gan, just because her mayor is right beside you.

Your Worship, it's great that you could join us from ROMA. I know first-hand how busy you were yesterday because I joined you in some of your meetings. I also have beside me PA Byers, who you made the same presentation to, especially around MPAC, last Friday at our meeting in Brockville.

1540

I want to touch on the OCIF and the OMPF comment. The government has tried to move up the OMPF announcement every year in advance of your municipal budget deliberations, given the fact that your fiscal year and our fiscal year aren't the same. But I also want to give you an opportunity to talk about OCIF and OMPF and what it does to a separated municipality like Gananoque—the graph showing that you've experienced a significant increase over a couple of years and then the decrease this year; how difficult it is when there's a possibility of having a 15% reduction, where you have a very must-do, must-have—as opposed to some other mayors that might have an aspirational list, in terms of what you're going to be spending your OCIF dollars on. Could you elaborate on that for us a bit, Your Worship?

**Mr. John Beddows:** Thank you very much, MPP Clark, and thank you for your support yesterday. The OCIF and OMPF grants between them provide more latitude in the application of our municipal tax levy, and whether or not they are reduced year over year, the challenge is in predictability when it comes to programming for capital reinvestment. We are deeply into a capital reinvestment cycle where we're addressing needs, not wants. We're specifically talking about waste water, we're talking about deaccessioning assets which really can't be managed or funded over time, and we're focused radically on those needs. For example, we get OCIF money and it goes to refurbish street infrastructure, and that allows us to apply municipal budget elsewhere.

In essence, what we're lacking is predictability. I accept that we live in an uncertain world, and I also understand that the pressures on the provincial coffers are as extreme and significant in effect, if not at scale, as those on municipalities. But we're accelerating our budgeting process, for example, in an effort to complete our capital approvals so that we can push our RFPs out as early as possible in order to be first to market and try and achieve some kind of pricing advantage. Early announcements allow us to do that because it creates fiscal predictability.

Managing the capital needs of the community going forward is, in a lot of ways, about trying to set conditions so that we require less provincial support in the future than we do now. So I want to create less reliance on transfers and I want to create less reliance on grants. I want to try and get to a place where Gananoque is as self-sufficient as possible without unduly burdening residents and businesses through municipal tax levies or water and waste water infrastructure levies as well.

**Mr. Steve Clark:** How important is knowing where the floor is in advance of your municipal budget process?

**Mr. John Beddows:** It's actually quite important, not just for the municipal budget process in any one year, but our capital plan is a decade long. One of the most interesting questions is, how do you plan 10 years out based on January 2024 dollars? If we knew where the floor was and we knew that once the floor was hit, even if it stayed there, it would increase year over year by the rate of inflation of the year before, we now have programmable funding. At least at that point, we would be able to understand how those transfers influence our capital plans.

**Mr. Steve Clark:** Thanks, Your Worship. I'm sure some of my colleagues will come back to you in some of the future rounds.

I do want to talk to Julie because—I appreciate the fact that we've met in my constit office. You, too, were at the meeting on Friday with PA Byers. The importance of the Bail Verification and Supervision Program—you've stated it very well. I think the one thing you might have missed in your compressed time to present is the challenge in eastern Ontario. You've got our government, who wants to expand correctional capacity in eastern Ontario in a variety of locations. You're faced, like many organizations, with increased insurance, increased rent and utilities. So it's not just the base funding of MAG, and it's not just

enhanced program funding periodically; it's the fact that you're in the middle of an area that is poised to have more correctional capacity. So speak to some of the challenges that will create for John Howard.

**Ms. Julie Langan:** We've seen a change in our landscape in our provincial institutions. Quinte Detention Centre has recently been switched over to an all-female facility, which means that local residents from eastern Ontario are now shipped to Lindsay, so we have complex release planning to determine when folks are getting out at midnight from Lindsay. That's a risk factor. Individuals who don't have access to public transportation are being released at midnight in a city that they're not from, having to get back to eastern Ontario. That creates risk in itself.

The Kemptville jail complex which is slated to be built—that is increased capacity that we need to be prepared for.

**The Chair (Mr. Ernie Hardeman):** One minute.

**Ms. Julie Langan:** We have to have our staff be able to respond effectively to those new accused and to ensure that there are proper supports in place in terms of housing, addictions and mental health supports, as well as be able to release-plan effectively ahead of time.

**Mr. Steve Clark:** How much time have I got left?

**The Chair (Mr. Ernie Hardeman):** Forty seconds.

**Mr. Steve Clark:** The other thing you mentioned is mental health support. The St. Lawrence Valley treatment centre expansion, while small, could provide a big impact. Is there any comment you would have about that opportunity?

**Ms. Julie Langan:** Well, 91% of our clients are experiencing mental health or addictions issues, or both. That means almost every person we see—over 400 people have that as a barrier to their participation in our community. We need enhanced workers to be able to support those people more effectively, because it can't be a 1-to-1 ratio. We need to have staff who are specifically trained to work with those folks.

**The Chair (Mr. Ernie Hardeman):** We'll now go to the official opposition. MPP Pasma.

**Ms. Chandra Pasma:** Thank you very much to all the witnesses for joining us this afternoon and sharing your perspectives.

It's very interesting and, I have to say, disheartening to hear some of the common themes of the presentations today. We've heard many stakeholders say their sector is experiencing a crisis. They have talked about funding levels being frozen since 2014-15, at a time of very high inflation and very great challenges in Ontario, and the fact that so many people in Ontario are being asked to deliver essential and crucial public services at the municipal level—not-for-profits, health care and education organizations with greater challenges being asked to do more with less.

One of the questions I've been asking many of our witnesses is the question of who pays for the government's frozen funding levels, for the government's underfunding, because it's not like that happens and then there are no consequences to it. It's the government paying, or it's citizens of Ontario paying.

Ms. Langan, let me start with you. When the government has frozen funding since 2014 and, as discussed, that basically works out to a cut of 25% of your budget, who's paying for that budget cut?

**Ms. Julie Langan:** We ask staff to do more. We end up doubling up programs. So we have our bail supervisor, a team lead, also managing our Community Service Order Program. So we ask them to do more with less.

We're fortunate that we do have reserves, and we are able to support those crucial programs, but it also means we're not able to be innovative. We're not able to push the supports into directions where we could be providing new and innovative programming. We're in survival mode.

**Ms. Chandra Pasma:** For the clients you're supervising, is there also a cost—does the risks to not-as-great supervision mean risks of recidivism?

**Ms. Julie Langan:** Absolutely. It means that we have less money to assist with transportation; we have less money to assist with client supports.

Some of the reasons why they're coming in conflict with the law could be that they're stealing from the local grocery store—so if we can address some of those risk factors with food, simple things like clothing, hygiene supports, then we're able to keep them out of incarceration and we're able to reduce the impacts in our community.

**Ms. Chandra Pasma:** I want to explore that a little bit more. You mentioned that homelessness and mental health challenges are both risks for crime. We're seeing a significant housing and homelessness crisis in Ontario. The number of people who are homeless is rising. We're seeing significant mental health challenges. That's not restricted to one demographic of the population. The mental health services are not there, and particularly for the lower-income members of our society. Dianne Martin from WeRPN, in an earlier panel today, said we're seeing waste through poor planning, so instances where we are needing to spend more money because we're not spending the money up front.

1550

So I'm wondering: From the perspective of the John Howard Society, would it be more cost-effective for us to be investing in housing, in supportive housing, in mental health services in the community? Would that be more cost-effective than paying to incarcerate people and then supervise people?

**Ms. Julie Langan:** Absolutely, but housing is also so many years away. As somebody who is trying to currently work on a capital project in our Brockville office, there have been construction delays. All of the things that the mayors have been talking about regarding their ability to do capital builds, we're also facing as not-for-profits, and affordable housing is hard to come by. That funding is hard to come by. So yes, of course, we should be investing in housing, but right now, there are people who need to be supervised, who need supports and who need those connection and access points.

The difficulty is, our clients are mandated to see us, and that also gives us a unique opportunity to change the trajectory of their lives and to prevent further crime in-

volvement. So when we are able to supervise them effectively, with case managers who are skilled, competent and adequately compensated, then we're able to reduce that impact of crime and keep them housed, which is actually also more cost-effective. If we can keep them in their current location, that costs less than having to respond to the homelessness.

**Ms. Chandra Pasma:** Absolutely. It's not a question of either/or; it's both/and. We need to invest in both.

Recent data show that 20% of inmates in Ontario are homeless upon their release. Can you talk about what impact that has on the trajectory of someone's life, what impact that has on their likelihood of reoffending, and what kind of supports we should be providing to people in that situation?

**Ms. Julie Langan:** In my experience, I would say that it's actually higher than 20%, because they wouldn't necessarily classify individuals going to couches or going to precarious housing as homeless. That has a huge impact on their ability to find housing, their ability to go somewhere safe. Especially for vulnerable folks like women, they're often put in situations where they're trading sexual services to be able to be housed, so then you're creating more victimization. This is where we find human trafficking to be at an all-time high. All of these risk factors associated with homelessness create more crime in our community.

**Ms. Chandra Pasma:** Right. So again, we're seeing a vicious cycle where failing to invest, failing to make sure that people have the resources to get back on their feet, is actually making us less safe in a community, instead of more safe.

**Ms. Julie Langan:** Absolutely.

**Ms. Chandra Pasma:** Well, thank you very much for helping us understand that better.

Mayor Beddows, I have a similar question for you. You mentioned that, basically, the transfers to municipalities have been frozen since 2015, which amounts to a 15% cut in real terms. You mentioned the significant rate increases you needed to pass on to your ratepayers this year in order to be able to provide basic municipal services. The municipalities don't have the same revenue tools that the province does, and they are not as progressive as the province's revenue tools, so I'm wondering if you can help us understand better who pays the costs when the provincial government is not keeping up its fair share—

**The Chair (Mr. Ernie Hardeman):** One minute.

**Ms. Chandra Pasma:** —and those costs are being transferred down to municipal ratepayers.

**Mr. John Beddows:** Well, there is a two-factor answer to that. Thank you for the question. The first one is that before this year, if you looked back for 12 years at the property tax increases by the town of Gananoque, in no year in the last 12 were they equal to the preceding year's consumer price index inflation rate. You could frame it as the idea that we're in the process of catching back up; because we're responsible to provide those services, we have to fund them.

The second piece is, if you look at the impact of downloading over time and the discretionary funding available

to municipalities, in essence, the downloading of service to municipalities since the late 1990s is not about shifting responsibility to deliver services; it's about shifting responsibility to increase taxes to continue to deliver essential services, whether that's 50% of the cost of paramedic ambulance services and so forth. So one of the issues is, the consequence of downloading is that the revenue generation at municipal levels has had to come up—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time.

We'll have to get to the next question. We'll now go to the government. MPP Clark.

**Mr. Steve Clark:** Yes, I'm going to jump back in, Chair, if that's okay. I'll give you back the floor here in a sec, Your Worship. One of the things that you've talked about at ROMA that I think would be along the same lines as your OCIF and OMPF conversation is around collaboration on infrastructure. You had a very unique situation that I think the committee would be interested to hear, where, on the federal side, you were able to get buy-in by both the government and the opposition for an application. Just in a very short answer, if you could outline how you were able to construct that.

**Mr. John Beddows:** Engaging with both MP Gerretsen from Kingston as well as our own MP, Michael Barrett, and through MPP Clark's support, I was able to obtain a letter of support for a Disaster Mitigation and Adaptation Fund federal capital grant application from both members of federal Parliament. I also was able to receive a letter of support from Minister Khanjin of the Ministry of the Environment for the province of Ontario. What we have is federal cross-party support. We have provincial cabinet support. I believe I will shortly receive support from the opposition as well because I've made the ask, but it's still to be confirmed. The intention is to upgrade critical waste water infrastructure in the town of Gananoque by leveraging a federal grant with provincial support.

What I've tried to do is set a condition where all political parties and all levels of government are equally informed about the requirement, so everyone can sit down at the table and proceed from the same facts. MPP Clark's support has been invaluable, but the reality is that cross-party support from the federal MPs is equally important; cabinet-level support is essential. Building a unified consensus on the need for a capital project, I think, is an essential element of how we should look at going forward if we're going to fund needs and not wants, because you can make the case objectively. And if you can make the case objectively, then everybody gets to the table.

**Mr. Steve Clark:** Thanks, Your Worship.

Ryan, I'm going to have to—I can't not ask you a question. My CFIB members would be furious with me if I didn't chime in. Can you give us an idea of your recommendation regarding the tax rate to go down to 2%? I'm not asking you to tell me the cost of getting to Manitoba, but what's CFIB's estimates on what the government would have to deal with in terms of a fiscal change to be able to deliver that for you?

**Mr. Ryan Mallough:** We're trying to pin down the math on that exactly. I think the last time we looked at it

was in the billion-dollar range, I want to say. But we also know that the benefit back makes it worth it. We know from our members that freeing up money in their taxes goes directly back into their businesses and, importantly, directly back into their employees.

I talked a little bit about how there has been a bit of an easing of pressure on labour shortage challenges. That's not to say they are gone. They are very much there, but there is a ton of focus on retention; there is a ton of focus on training. All of that costs money on the business. In fact, for a small business, rarely is training a formal program that has either a provincial or a federal tax credit attached to it. It's often on-the-job training. The business owner, the manager, someone more senior is taking time out of their day to provide that training. There is a time and actual direct financial cost to that.

Freeing up money through leaving more money in business owners' pockets will help to address that and overall benefit the employee through upskilling and the business, from putting the money into expanding, paying off some debt and just getting back to where they need to be.

**The Chair (Mr. Ernie Hardeman):** MPP Anand.

**Mr. Deepak Anand:** I just want to say thank you to all the presenters again.

I know MPP Clark has talked to the wonderful people at the local area, but I want to ask the Canadian Federation of Independent Business: You gave a shout-out to the Ministry of Labour, Training and Skills Development for the SDF. Thank you so much. That's a game changer. We've seen, with that investment, over 400,000 people being trained and serviced.

You did mention yesterday that it's probably not possible for the small businesses to go directly apply. I'm just curious to say this line as well: When we talk about a business, the word "business" means the practice of making one's living by engaging in commerce. So the word here is "making one's living," which I want to talk about. What is your proposal? If we can take it back to the minister, who is an absolute champion for the workers, what could that be? What would that training program look like if the small businesses can directly apply? I think it could be something similar to the Digital Main Street—just giving you an idea as well. Yes, go ahead.

1600

**Mr. Ryan Mallough:** Yes, I think that's a good way to think about it. I think the way to sort of position the challenges—we see this with work-integrated learning and co-op programs at university levels. I love those programs; huge proponent of them—I think there should be more of them. But oftentimes, what a university will do is go to one large employer, because they can provide 100 positions for the university, versus going to a hundred small employers that all provide one. The Ontario Skills Development program is in that same vein, where the programs often go to businesses that are a little bit on the larger side because they can offer more positions in one fell swoop. It's just an easier go.

What we would like to see, if not some sort of direct funding—and again, I think the Digital Main Street, the

grant side of things, that's the right way of thinking, but even having a portal where small businesses can learn which larger organizations have applied and say, "Hey, that's in my area. Please see me. I have positions available. Please include me this process." That would be something very helpful and get more businesses engaged and accessing the funding and the program.

**Mr. Deepak Anand:** Again, to understand—I'm kind of thinking out loud. What we could do, taking back from you—

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. Deepak Anand:** Maybe we can have more conversations offline after this. Something that, for example, STO does is, when we invest into those people, either it's upskilling—there's another program called Better Jobs Ontario, which we actually are going to revive and revise for upskilling as well. So maybe we can look at that as well.

I'm happy to have more conversations on this. I think it's a great idea, not just only talking and concentrating on X number of people, but expanding it around, as long as we can give back more to the communities at large. So thank you again, and I'm happy to have more conversations.

**Mr. Ryan Mallough:** Sounds good.

**The Chair (Mr. Ernie Hardeman):** Thank you very much.

We go to MPP Harden.

**Mr. Joel Harden:** Thank you to everybody who is here to present this afternoon. I appreciate your contributions today.

Mr. Mallough, I want to begin with you, from a small business perspective. You mentioned in your remarks this afternoon the impact of the CEBA loan sunset, the impact upon businesses. One of the things that our small business critic, MPP Kristyn Wong-Tam, called upon was for the government extend bridge financing because the federal government refused to extend the deadline for repayment of the CEBA loans. Has CFIB taken a position on that?

**Mr. Ryan Mallough:** First, a shout-out to MPP Wong-Tam. They have been wonderful throughout this whole process and very much a friend of the community on the CEBA file.

It is something that we floated probably about a year ago, just trying to understand what the feasibility on that side is. The challenge now that the deadline has passed, though, is that businesses are realistically in one of three positions: They either paid it off, and those guys are okay; they have not paid it off, and those guys are very much not okay; or the in-between, where they have refinanced or are in the process of refinancing. And the challenge with coming in with a provincial program at this point is that part of the CEBA extension to the end of March and a little bit of extra time was that you were already in the process of refinancing, and we don't know how a new provincial program would play into eligibility. Would it count? Would it shut them out? I think it's one of those ideas that came in a bit late.



But moving forward, it is important to understand that it is a reality that small businesses across the province are now dealing with. There is a significant debt load for a significant number of them.

**Mr. Joel Harden:** Does it frustrate CFIB members when they're in a position—and I take your point. People's experience with the CEBA loan was different depending on the enterprise. But does it frustrate CFIB members when some very large organizations were able to write off complete amounts of capital loss—that operate at a very important level in the Canadian economy, no doubt, but seemingly on a grant basis—whereas other, smaller enterprises are forced onto a repayable loan basis and are still dealing with the effect of a very difficult inflationary environment? Has the CFIB acknowledged that discrepancy—which is, I guess, more of an ask to Ottawa? Do you hear that from your members?

**Mr. Ryan Mallough:** Yes, there's absolutely frustration when small business views a larger business getting what they would see as unfair treatment or preferential treatment. All any small business owner will tell you is the one thing that they want to be able to do is compete. They believe, if you put us on even footing, we'll be able to compete. We can carve out our space and find it there. So there is always immense frustration when it seems like a larger business is getting to play by a different set of rules or getting a sweetheart deal. That does tend to rub members the wrong way.

**Mr. Joel Harden:** Okay. I'm aware of the fact, through your members in Ottawa, that CFIB provides programs to help people defray the costs of operating, like your Interac program. Just for our committee's knowledge, are you as an organization engaged in any programs to help defray people's costs as independent business owners? I'm aware in other jurisdictions that small business organizations offer benefit programs, group pension arrangements and things like that.

**Mr. Ryan Mallough:** We have some set-ups, like, Scotiabank is a partner to help with banking costs. We've got Telus as a partner on telecoms. Because of the size of our business, there is sort of a purchasing power element there. We don't take on that money; we pass the savings on through to our members. But on the government side of things, that's a hard no on our side. We maintain our non-partisanship, and we do not take or administer government funding on our side.

**Mr. Joel Harden:** Certainly, no. I wasn't talking what you administering government funding. I was talking about the organization taking on a benefits program on a group sort of basis, given your imprint in the province and given the size—

**Mr. Ryan Mallough:** So we have partnerships with insurance companies like Northbridge to do that sort of thing, but it's not—it's a CFIB partner versus not run through CFIB.

**Mr. Joel Harden:** Okay. How much time do I have left, Chair?

**The Chair (Mr. Ernie Hardeman):** You have 3.2.

**Mr. Joel Harden:** I want to end with one note before switching to our friends in the John Howard Society. And hello, Your Worship, from Gananoque.

Commercial rent: I'm hearing incredible complaints and duress in Ottawa around the costs of commercial rent. We've just lost in Little Italy, if you're familiar with that part of our downtown core, Mercato Zacconi, which was an important—one of the only food operators in that district. One of the reasons they had closed is because they didn't fit a particular requirement from AGCO to have a 10,000-square-foot space to be able to maintain their beer and wine sales. So they had to close because they're not Eataly. They're not one of the large grocery chains that can have in-restaurants. It would seem that built into commercial rent and built into these AGCO regulations is a discrimination against smaller businesses. I continue to get correspondence over this particular matter. Is there anything you want the province to know that they could change to make sure that small business could continue to thrive?

**Mr. Ryan Mallough:** That is an issue. We do hear frustrations on commercial rent on that side. Often, it's the case where the lease is up and then the renegotiated or sort of next step—the increase is extremely high, and that's a frustration. It's one of those ones that you hear about from the ones that it impacts the most; we don't hear it from others. I would say, based on recent survey data, that about 30% of our membership, which is not a small number, feel it.

We are still, ourselves, trying to figure out where to live in that space. We understand that the rent control conversation is out there. We're not fully down that road just yet, but there are elements—I know that MPP Wong-Tam has floated standardized leasing as an option. That's something that we're looking into, I think the property tax conversation plays into that. Often renters are still paying property taxes through their lease agreements. So there are a number of angles, but yes, the cost of space is certainly a challenge moving forward.

**Mr. Joel Harden:** I'm just mindful, as I switch to Your Worship from Gananoque, that there's a nice segue in here. Because you're talking about property taxes, Mr. Mallough, and you made the case, Your Worship, that the frozen, static nature of the income coming into municipalities plays a role in the funding that goes not only to you but to the levies assigned for public education.

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. Joel Harden:** It was refreshing to hear that perspective. Is there anything you wanted us to know as committee about changes you're aware of in other jurisdictions that would provide more equitable outcome on the levy side so you could do the work you need to do and our public education institutions can do the work they're doing?

**Mr. John Beddows:** Thank you very much for that question. We are in control of the property tax portion of the levy which supports municipal operations, and we are committed to managing to deliver effective and efficient service using those increases. The challenge that I iden-

tified in the speech was that the school tax portion that levy is not controlled by us, it's controlled centrally. School boards haven't got the authority to increase or decrease that levy in order to adequately fund their operations. Therefore, the province has created a condition where the assessment is frozen but the school tax levy isn't increasing. So there's no inflationary increase in the property tax levy for schools—

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the time, not only for this presentation but for this panel. We thank the panel, both the virtual and at the table. Thank you very much for taking the time to prepare your presentation and to so ably represent it here today. I'm sure it will be of great assistance moving forward.

1610

BROCKVILLE GENERAL HOSPITAL  
FEDERATION OF ONTARIO PUBLIC  
LIBRARIES/ONTARIO LIBRARY  
ASSOCIATION/MISSISSIPPI MILLS  
PUBLIC LIBRARY

**The Chair (Mr. Ernie Hardeman):** Our next panel is the Brockville General Hospital, the Federation of Ontario Public Libraries, the Ontario Library Association and the Mississippi Mills Public Library. We'll ask them to come forward. I believe maybe one of them is virtual.

*Interjections.*

**The Chair (Mr. Ernie Hardeman):** We'll get it all straight here. We have one virtual on the screen and we have one sitting at our table. Thank you for that.

As I've given instructions earlier—in case somebody hasn't heard them, you will have seven minutes to make a presentation. At six minutes, I will say, "One minute," and at the one-minute mark, when that's finished, I will say, "Thank you for your presentation."

We also ask each one that's making the presentation to start with introducing yourself to make sure we have the right name in Hansard. I see there's another face on the screen. If anybody is going to speak during the questions and answers, we ask that they give their name before they start to speak, so, again, it can be recorded in Hansard.

With that, we're going to start with Nick of the Brockville General Hospital.

**Mr. Nick Vlacholias:** Welcome to Brockville. Thank you, and good afternoon. I'm Nick Vlacholias. I'm the president and CEO of Brockville General Hospital. I'm here with our board chair, who's here virtually, Mr. Cooper. We want to thank this committee for the opportunity.

Our three asks for the 2024 Ontario budget are as follows:

- investments to stabilize hospital operations for the next few years, while keeping hospitals financially whole while the system stabilizes;

- expansion and further investments in primary care to ensure every person in Ontario has a family practitioner; and

- approval of our capital planning grant, so we can plan for our future expansion that has been endorsed just recently by Ontario Health.

Brockville General is our largest employer within the region, and we've been caring for our community for 139 years. We've overcome every challenge through determination and innovation. This includes the COVID-19 pandemic. I ask the committee to join me in thanking the Brockville General team, which worked tirelessly to care for patients from across our region and the province of Ontario. During the pandemic, we joined our partners to open up an assessment centre that set the gold standard for COVID testing, treatment and home monitoring for respiratory illness. Brockville General Hospital also became a trusted source of reliable, fact-based information the community turned to to stay safe. We continue to exemplify the role hospitals can play in an integrated health care system, which can only lead to better outcomes for our patients.

I'd be remiss if I didn't acknowledge the significant investments the government made into the hospital sector prior to and during the pandemic, as well as the support for our new MRI, which will be operational in the spring of this year.

I want to thank personally MPP Steve Clark for being a consistent champion and strong advocate for Brockville General.

Despite the support, we continue to face significant challenges, including a shortage of regulated staff to provide care and too few beds for the number of patients who need them; a higher number of patients requiring alternate level of care—the total across the province represents about 5,000 at this time, which is equivalent to 30 Brockville General Hospital sizes; however, recent investments in creating additional long-term-care capacity will help, and I want to thank the government for that—service growth due to an aging population; addressing the backlog in care and population growth; extreme financial pressure, including rising labour costs, Bill 124 impacts and a shortage of working capital; and cost pressures to implement a new regional health information system with our six partners in the southeast. There are significant cost pressures associated with that, and there are also inflationary impacts on non-labour costs.

Immediate investments are critical for us to continue delivering health care excellence. Our staff have been through four years of constant change and unrelenting pressure. They deserve stabilization in the system and a chance just to catch their breath. As Anthony Dale of the Ontario Hospital Association noted, while hospital boards have a duty to balance budgets, hospitals have a wider duty to ensure ongoing health care services in their communities.

Beyond the challenges meeting demands for services today with over 30,000 emergency visits at our hospital annually and more than 100% of our funded beds occupied, we must plan for tomorrow. In the coming years, external experts tell us that our population here at Lanark, Leeds and Grenville will grow by 12%, while the demo-

graphic group with the highest hospital usage rate—those over 65—will increase by 59%. Those double waves of population growth and aging population with increasingly complex health care needs will impact our future services. In fact, they are already impacting us with increased demand on the hospital. Brockville General will need to grow services by 35% by 2029 and by 70% by 2039. This exponential growth is significant.

We can be ready for these future challenges with another expansion. Having successfully completed our \$180-million expansion to consolidate all in-patient care onto one site in 2020, we are ready to move forward with our next redevelopment. We are awaiting provincial approval of our capital planning grant to plan Brockville General's expansion to build a new 125-bed tower to replace our 1950 wings and also expand at the same time. The expansion would also include services such as diagnostic imaging, surgery, intensive care, ambulatory care and emergency department to meet our growing demand. I'm confident our staff physicians, our incredible foundation—our executive director for the foundation, Trish Buote, is here today—and partners, along with the residents of our community, are up to the challenge.

Ontario is at a crossroads with a health care system that is understaffed and has fewer beds per capita than any other in the world, according to the Organisation for Economic Co-operation and Development. On average, the rest of the world has double the hospital capacity of Canada. In Ontario, even with recent investments with the 3,500 additional beds, we are still behind. Fixing the system will require a cross-government focus on hospital expansion, investments in technology and recruiting and training the health care workforce for tomorrow.

In closing, I also note the economic affairs responsibility of this committee. I'd like to leave you with this: We have a chance to make Ontario the leader in health system reform around the world. We know the quality of health care is a major factor for people and businesses choosing to relocate. Health care investment drives economic growth, and we have an incredible opportunity to give Ontario a competitive advantage. Thank you for this opportunity to present today.

**The Chair (Mr. Ernie Hardeman):** Thank you very much.

Our next presentation is from the Federation of Ontario Public Libraries, Ontario Library Association and Mississippi Mills Public Library. The floor is yours.

**Ms. Christine Row:** Hi. Thank you. My name is Christine Row, and I am the CEO of the Mississippi Mills Public Library. I have been working in rural small-town public libraries in eastern Ontario for over 20 years. I am here representing my library, along with—as we just mentioned—the Federation of Ontario Public Libraries and the Ontario Library Association. I will be speaking about the three public library sector priorities: The Ontario digital public library, the First Nation Salary Supplement and an increase to the provincial Public Library Operating Grant.

Before getting into details on these priorities, I just wanted to give you a bit of background on my library and

the community we serve. Mississippi Mills is just over an hour's drive north from Brockville and about 40 minutes west of Ottawa. We have a population of just over 14,000 people. The municipality includes the town of Elmont, the village of Pakenham and surrounding rural communities. The Mississippi Mills Public Library is a two-branch, medium-size library. The municipality of Mississippi Mills values library service, and funding is fair.

#### 1620

In my part of rocky, hilly, beautiful eastern Ontario, the digital divide is still a reality. High-quality internet infrastructure and cell coverage are not available for many people in our area. People rely on the library for access to the internet. We are grateful to the Ontario government for the investment of \$4.8 million to upgrade broadband connectivity. The Pakenham branch, one of our branches, was chosen as a site for this investment and we hope to have fibre internet infrastructure installed this year.

With quality broadband and technology, the Mississippi Mills Public Library is eager to have the opportunity to offer high-quality digital resources to our residents, as proposed through the Ontario digital public library. The Ontario digital public library, the first priority I mentioned, will provide high-quality online digital resources for all Ontario public libraries. Digital resources such as online learning, digital newspapers, health and small business reference are expensive. Purchasing in bulk for all libraries in the province is estimated to save up to 40% when compared to purchasing individually. Alberta and Saskatchewan have been sharing digital resources for many years now, so we know this plan is possible.

To put this in perspective, here are my challenges: National newspapers cannot be delivered to our branches. I reached out to get a quote for a subscription to a digital newspaper platform and was quoted over \$2,000 for our population. Our total periodical budget for the year is just over \$2,000, so this one subscription was not possible.

Similarly, we were thinking about hosting lunch learning sessions. Small business owners could come to the library to learn Excel or website design. I looked into the purchase price for an online learning platform, and once again, the \$2,600 subscription was beyond our budget.

People are immigrating to eastern Ontario, and we welcome this diversity. Unfortunately, we do not have access to online language learning resources or résumé and job coaching, all digital resources that would be very beneficial to new immigrants—in fact, to all residents. Creating an Ontario digital public library through a targeted provincial investment of \$15 million annually would give all Ontarians, no matter where they live, access to a common set of high-quality digital resources through their public library.

Next, on to the most urgent priority, the First Nation Salary Supplement. Public libraries on reserves are vital gathering places and information-sharing resources for First Nations communities. Of the 133 First Nations communities in Ontario, only 39 have public libraries.

Most recently, four public libraries on reserves have closed due to inadequate funding over the past 20 months.

These libraries are closing because staff are not paid a living wage. They are volunteering their time to ensure the doors are open and paying for supplies with their own money. These libraries are chronically underfunded because they do not have municipal tax funding revenue. As an immediate first step, the First Nation Salary Supplement of \$2 million annually would ensure that all existing staff of public libraries on reserves are fairly compensated for the work they perform.

Now, the final priority: Public libraries are requesting an increase to the provincial Public Library Operating Grant. Public libraries in Ontario have not received an increase in provincial funding support in over 25 years. Provincial funding provides critical stability to public libraries. As libraries continue to offer essential services, we are finding ourselves on the front lines of many of the most critical challenges facing our communities.

We are proposing a targeted investment of \$25 million to help with the following: address community impacts of mental health and addictions; provide services and resources to help high-needs members of the community; and support early literacy and K-to-12 success.

Funding the Ontario digital public library, the First Nation Salary Supplement and increasing the Public Library Operating Grant will help all residents of the province. One in three Ontarians have a library card, and no other public institution gets 6.34 visits every second.

I hope you agree that investing in public libraries means investing in Ontario. Thank you.

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That concludes the presentations.

We'll start with the government side. MPP Clark.

**Mr. Steve Clark:** First of all, Christine, thanks for your presentation. I had a very, very good meeting with Cindy Code from the Leeds and the Thousand Islands Public Library—she's the CEO, as you know—about the Ontario digital public library. So I'm very encouraged by the presentation.

I do have to say that as a former circulation manager for the Brockville Recorder and Times, when you said 2,000 bucks for a circulation—man, oh, man, I was sorry to offer a non-profit one for \$144, let alone \$2,000.

I appreciate the need to have high-quality digital products available to your patrons and to Ontarians, so I really appreciate your presentation.

I'm going to concentrate, though, on my hospital CEO, if that's okay, Chair.

Mr. Vlacholias, you mentioned some of the support that the government has been able to give Brockville General. Right from the time I was elected in 2010, Brockville General has had a bit of a tumultuous relationship in the community a couple of times—very significant financial cutbacks, nurses laid off, beds closed. This was well before your time. We had a supervisor come and take over the hospital—again, before your time.

I think between yourself and your board chair, Jim Cooper, who was on the screen earlier—I just want to make sure that you're not allowed to retire as long as I am the member of provincial Parliament, and neither is Mr.

Cooper, just because of the importance of what you've been able to do.

I want you to try to tell members of the committee a couple of things, and then I'll get to your asks for a minute. You were very successful in leading the charge to fix the medium-sized hospital funding formula, and you also provided MPPs like myself with a load of information to be able to deal with the working capital deficit that your hospital had. Tell the committee members just what type of dollars we were talking about with the changes our government was able to give you for the formula moving forward and for the working capital relief, which was in the millions of dollars.

**Mr. Nick Vlacholias:** Thank you, MPP Clark, for your kind words.

Yes, the medium-sized hospital funding formula did hurt medium-sized hospitals before 2018. The adjustment that occurred in 2019 was approximately \$5.6 million for us, which is significant, and which was almost a 4% to 5% base increase. On top of that, the working capital funding that was provided about a couple of years later was in the vicinity of about \$25 million. Those investments have gone a long way to allow us to make the changes we needed at the Brockville General Hospital. Then, on top of that, we had an expansion at the same time.

When we total up all the investments that have been made at our hospital, in base terms, it's approximately \$40 million to \$45 million since 2018. That excludes the one-time initiatives like the working capital. So there have been significant increases at the Brockville General Hospital over the past five, six years.

**Mr. Steve Clark:** You're in the middle of the MRI construction, which you talked about in your presentation. Take a moment and talk to me about the importance of your pre-cap submission to the government on the capital on the tower that would replace 1 and 2 East, which are in before-I-was-born-type condition.

1630

I do want to tell you that the minute you told me that Ontario Health approved it, I did send it off to Minister Jones. So I just want you to know that it's already been sent to her. But I want you to talk about the importance of that pre-cap submission for hospitals like you, moving into budget 2024, because it is a component in this year's budget.

**Mr. Nick Vlacholias:** That's correct. We need to continue to plan for the future. Our capital redevelopment that just occurred allowed us to consolidate all services onto one site. However, we still have a 1950s-era wing that has about 65 to 70 beds, and we need to get to a modern facility. I think the pandemic has taught us a lot of lessons, and with the older facilities we have, they're just not conducive to the care that we provide today. So that pre-capital submission is the next phase of our redevelopment that we need to get to and it will enhance the care for everyone in Lanark, Leeds and Grenville.

**Mr. Steve Clark:** I hope, and I'm going to say it on the record and say it publicly, that next door, the Upper Canada District School Board supports you when they go

to dispose of the Commonwealth school, because having a big property like that next door—obviously, I think the field would still be part of BCI. I don't want to say anything politically incorrect and get a whole bunch of people upset with me, but I do think that facility would be ideal for you as part of your future expansion. Could you speak to that?

**Mr. Nick Vlacholias:** Yes. Again, thank you for the support on that. Yes, we are looking at the Commonwealth school, which is just across, adjacent to the hospital, for future expansion. It will allow us that flexibility for the future. When you have properties that come up that size around a hospital, you certainly want to look at that and take some time to determine if there is a need or not, and there is a need.

**Mr. Steve Clark:** Chair, do I have another minute?

**The Chair (Mr. Ernie Hardeman):** You have one minute, two.

**Mr. Steve Clark:** Perfect.

Okay, so I'm going to touch on HR, because that's a big part of your ask. You've done a tremendous job with your campaign recruiting new staff. I want to congratulate you, the board, the foundation, everybody at BGH. You've got tremendous staff. Talk about your success, but also talk about the challenges and what you need to do in the future.

**Mr. Nick Vlacholias:** Our vacancy rate right now for our staff is approximately 8.3%, and I would say about 12 to 18 months ago it was at 12.38%, so we're making some ground on that. We're working with the city of Brockville and the area around recruitment for health care staff here at the hospital. It hasn't been easy, and it's very competitive out there. What we're trying to do is create the culture that we can attract people to come here to Brockville, and we're doing a pretty good job considering what's happening out in Ontario, across Canada, across the world. This is a worldwide issue; it's not just an Ontario issue.

**Mr. Steve Clark:** Thanks, Chair.

**The Chair (Mr. Ernie Hardeman):** Thank you very much.

We'll now go to the opposition. MPP Harden.

**Mr. Joel Harden:** Just as I get started, in case I don't have the opportunity to do so, I want to thank the staff from the Aquatorium today and all the leg. staff who came to make this session possible. We very much appreciate it.

We have not had the chance to talk enough about libraries today, so I'm very happy to see you, Ms. Row, here as part of this session. I'm wondering, just if you wouldn't mind—you are connected to your colleagues and to the libraries right across Ontario, I know, but could you take us into a day in the life of what Mississippi Mills Public Library looks like and what it tries to do to provide the digital access you were talking about? Just help people understand what your workplace looks like and what you're trying to offer people and why you're asking for the funding you're asking the committee for today.

**Ms. Christine Row:** Sure. Libraries, coming through the pandemic, have proven to be very essential places in their communities. As I had said, in many parts of eastern Ontario, libraries are the place that people will access the

Internet, and what we're also seeing right now is that we're also a place where the people can access quality information. As we're moving through the world right now and really becoming aware of how it's very hard to figure out what is quality, I think libraries are going to become more and more essential for that for the future. Seniors come to us. Kids come to us. We do tutoring at the libraries. But this is also people that are housebound, people that are trying to learn at home. If they have these quality resources that they can access at the library from home, we're going to make such a difference, because you can live in downtown Toronto or you can live in Pakenham and you would have access to exactly the same information.

I can speak for rural libraries because that's where I've worked for 20 years. We are helping people apply for work. We are helping seniors connect online. We are helping kids learn. Every library in eastern Ontario, in Lanark and Leeds, has a summer reading program. I mean, these are essential resources.

So for the digital public library, that's where we're falling short in our area in eastern Ontario. It's that we cannot afford those online digital resources. I'm so thrilled to be able to speak to you today, because we can provide the one-on-one tutoring and the one-on-one tech help to seniors, but we can't afford those digital resources.

**Mr. Joel Harden:** No, it makes total sense.

I was also struck by your comments around the First Nation Salary Supplement and the fact that you mentioned—it's a narrative I'm accustomed to hearing in public schools too—that the people actually running the services through the library are offering up their own income in order to keep them afloat before they simply have to leave, I'm sure, to put food on the table, to put roofs over heads.

For this moment in our time together this afternoon, could you just give us anything you might have forgotten about the equity case, the financial case, about why the First Nation Salary Supplement is important for Indigenous communities?

**Ms. Christine Row:** So I had the honour to present—I went to the library at Queen's Park not too long ago and I was with a group. One of the members was the CEO of the Six Nations Public Library. I really learned a lot about the situation in First Nations public libraries on reserves. Because they don't have that municipal funding, they are at risk of not getting any stable funding.

The desire to keep these community-essential spaces open is there, but it's usually run by one person, and so if they can't make it, the doors are shut; or if they're tired of volunteering their time, the doors are shut. They have to use, many times, their own pay to pay for supplies for children's programming.

So that's where we are right now. These libraries are closing, and so—just requesting help from the province to ensure that the people right now working at these First Nations libraries are paid a living wage.

**Mr. Joel Harden:** Amen to that. Thank you for that.

Okay, I want to move along to our friends from Brockville General Hospital. First of all, I think you can assume every single member of this committee, every single citizen

in this province, is very appreciative of the work your team has done, not just over the last few years, but continues to do every single day. So thank you for that—shout-out to them and it's shouted right back to you, so please bring that back when you go back to the hospital.

We have heard a lot today about the situation in which hospitals find themselves. You mentioned in your testimony today about how we're behind, on a per capita basis, as far as beds available to people.

I'm hearing considerably from people in the Ottawa area that a lot of staff are finding it hard to go back to work. They're greatly discouraged. There's polling information from employee groups that lead us to believe at least 50% or more of people are discouraged every day going into work. And as I mentioned, before this afternoon, to other folks deputing, it would seem that if we were much more assertive on the primary care front, with preventative care, we could keep people out of the ER system and reduce some of the strain that you're currently feeling. Is that something that bears out also in what you see every day at the hospital?

**Mr. Nick Vlacholias:** Well, that's part of our ask—to invest more in primary care—because we feel it's extremely important and it will prevent people from coming to the hospital.

Just to talk about the assessment centre: During the pandemic, up until last June—

**The Chair (Mr. Ernie Hardeman):** One minute.

**Mr. Nick Vlacholias:**—we were operational, and what happened there was that it actually helped the ED, and we saw the results. It was a team-based approach: It was hospital. It was family health teams. It was other organizations. It was the health unit, at the beginning, and even their vaccination clinics during—we saw what we could do, and any investment in primary care will help the hospital.

1640

**Mr. Joel Harden:** Okay. Last but not least, is there anything you missed in your presentation? I'll give you my last 20 seconds. Go for it.

**Mr. Nick Vlacholias:** What have I missed? That's a great question. Thank you for that; thank you for the time. I just want to thank the staff. I want to thank all health care workers across the board. It hasn't been easy for them, and we can do better when we talk about health care recruitment and retention.

**The Chair (Mr. Ernie Hardeman):** Well, that was 20 seconds well spent. Thank you very much.

Our next speaker is MPP Ghamari.

**Ms. Goldie Ghamari:** No, MPP—

**Mr. Steve Clark:** She's going to let me go first, if that's okay?

**The Chair (Mr. Ernie Hardeman):** MPP Clark.

**Mr. Steve Clark:** At the presentation with PA Byers last Friday, you talked about ALC. I think it's really important for the members of the all-party committee to hear your experiences with ALC and the numbers that are at Brockville General. So yes, we've got a number of long-term-care homes that have been announced, but one is under construction, one has just had sod turned, so it's at

least 2025 until they come. I think it's important for you to talk about the ALC impact at Brockville General.

**Mr. Nick Vlacholias:** The impact over the past 12 to 18 months has been significant. We had one of the lowest ALC rates, I would say, 12 months ago. We had nine patients in our 160-bed hospital. We hit 40 patients about four weeks ago, and that had an impact on lots of flow within the hospital and also our ED wait times for admitted patients. Now we're down to 30, so it has fluctuated quite a bit.

Anything we can do about alternate-level-of-care patients being in the right place, because right now—they don't need to be in a hospital. We can't wait until—we're hopeful that these expansions can be accelerated. Maple View Lodge, for example, is going from 96 to 196, I believe, so there is going to be 100 more beds in the system within the next 12 to 18 months, which is going to be extremely helpful to the hospital.

We've been talking about ALC for almost 20-plus years. I've been in health care for 29 years, so for the majority of my health care experience, we've been talking about ALC. We just need to do something about it that has a significant impact on hospitals.

**Mr. Steve Clark:** And on using Maple View Landings as an example, one of the delegations the county had at ROMA was with parliamentary assistant Anand from the Ministry of Labour to talk about some of the challenges they're having and wanting to be able to tap into some of the immigration programs that we've got.

Finally, I just want to give you a chance to talk a little bit more about your recruitment, the dollars that you've been able to spend and the importance of that. I'm not going to talk about Bill 124 because my daughter-in-law, who works for you—before I see my grandchildren, I get the Bill 124 speech from her. So she's very good at representing ONA, very direct with the grandfather of her kids. Anyway, I want you to be able to talk about some of the importance of that percentage. I think we cut you off a little bit; I want to give you a better chance to talk about it.

**Mr. Nick Vlacholias:** We're working with the city of Brockville on trying to advertise—not trying, but we are advertising our culture here in Brockville and at the Brockville General Hospital, so it's been extremely helpful for us, and successful, in fact. We're seeing the success that's happened over the past three or four months since we've done that campaign.

The nursing graduate program that is funded by the Ministry of Health and the extern program has been very helpful for us. You have fourth-year graduates that are coming into the hospital that are being paid, and they're getting training while they're getting paid, and that is a pipeline for our new recruits for the future. That has been extremely successful, and the investment has been quite high when we total up all the dollars over the past two years. I would encourage the government to continue with that funding because it is our pipeline for the future for health care workers.

**Mr. Steve Clark:** And the other aspect, just because you mentioned the assessment centre—there's been lots of discussion earlier, I think it was MPP Harden that talked

about the government announcement last year about more teams that are coming in and Minister Jones hinted at ROMA about an impending announcement within the next couple of weeks. Talk about how important that is and drill down a little bit. In the last couple of months, we had one of the last assessment centres open in Ontario. Just let the committee members understand the difference in those last days of the volume of patients that visited there that didn't come to your emergency department.

**Mr. Nick Vlacholias:** The assessment centre, over its lifespan of four years—because we started it in March 2020 and it ended, I believe, in June 2023—we were seeing a high of almost 150 to 200 patients at one point in time. But in the last 12 months, we were seeing between 40 and 60 patients on average, and that was helping the hospital with our capacity in the ED. Unfortunately, once it closed, we actually saw within a four-week timespan our ER visits going up, our admitted patients going up at the same time, our ALC rates going up at the same time. So the assessment centre in this area was extremely successful. The data is there to show—and I'm hoping that we can have another assessment centre in the future or an expansion of primary care for patients to go to primary care physicians and practitioners.

**Mr. Steve Clark:** And just talk briefly in the time left—

**The Chair (Mr. Ernie Hardeman):** One point three.

**Mr. Steve Clark:** You touched on Anthony Dale and the Ontario Hospital Association so I wanted to give you a chance to speak more about that.

**Mr. Nick Vlacholias:** Yes, the Ontario Hospital Association are strong advocates for our hospitals. Right now, the situation in hospitals financially has been strained, and I think everyone knows this and it has been in the public domain. We're hopeful. During the pandemic, everyone was uncertain of investments that were going to come. They came and then some, so I want to thank the government for doing that. I think we need to continue that for the next two to three years until things stabilize a bit in health care. And, again, this is across the world, not just here in Canada and Ontario. It's across the world. But we need stabilization in hospitals.

**Mr. Steve Clark:** Thank you.

**The Chair (Mr. Ernie Hardeman):** We'll now go to MPP Pasma.

**Ms. Chandra Pasma:** Thank you to the witnesses for being here this afternoon. I will echo my colleague's comments: It's great to have the libraries here this afternoon. I'm sure it will shock my fellow committee members, but I spent a lot of hours in the libraries as a child, still do as an adult too—not ashamed to admit it.

But I wanted to start with you, Mr. Vlacholias, with some questions about the state of our hospital sector. You've done a really good job of laying out the difference that's made by investments in primary care, the impact of missing options for alternative-level-of-care patients.

Let me take one step back a moment to say, in Ottawa we also saw the really big difference that the assessment centre made on our hospitals. In my riding of Ottawa West–Nepean, the Queensway Carleton Hospital actually asked the government for permission to keep the assess-

ment centre and transition to a critical-care centre for the west end and they were denied, so it's closed and all those patients are now going to the Queensway Carleton, where the ER is over capacity. I'm wondering if Brockville also considered putting in a similar request to the government and whether it would make a difference to your hospital capacity load to have a critical care centre in the region.

**Mr. Nick Vlacholias:** Any investment in primary care will have a significant impact on the hospital, and we too asked for our assessment centre to continue to stabilize until the investments are made in primary care. I echo a good friend of mine, Dr. Falconer at the Queensway Carleton Hospital. We've had a lot of discussions on the positive impact that assessment centres had on the hospitals. I would welcome new investments that actually replicate something like an assessment centre that meets what everyone is looking forward to in the future around primary care.

1650

**Ms. Chandra Pasma:** I will say, as a patient during the past four years, I needed to seek health care for an issue that my primary care provider would not treat—sent me to the ER, but it wasn't an emergency. I knew it. The ER doctor knew it. It meant a very long wait time for me, and for the ER docs it meant that they weren't treating an actual emergency. But there's no option in between primary care physician and ER. Having that is an important additional level of care for patients.

But I want to zero in specifically on the financial pressures on hospitals. Can you help us understand better the financial pressures that your hospital is facing? Liz Payne, an excellent journalist at the Ottawa Citizen, just revealed a couple of weeks ago that hospitals across Ontario are taking out high-interest loans just to be able to keep the doors open, the lights on, provide patient care. Is your hospital in that situation? What is driving hospitals to take out those loans?

**Mr. Nick Vlacholias:** Yes. Ms. Payne—I did read the article. Yes, all hospitals across Ontario are in a similar situation. Collective agreements are one thing; the reopeners for Bill 124 are another. Just inflationary pressures across the board—we're getting maintenance agreements, for example, for some of our equipment where they're going up almost 100%. So there is lots of pressure in the system right now, and it needs to stabilize. It will get there, but it's going to take some time. While that happens, we need to ensure that we remain stable as an organization, financially.

And, no, we have not taken high-interest loans out. We tap into them from time to time though, based on our line of credit. But we're hopeful. There is a move around providing hospitals some relief, and we should be finding that out soon is my understanding.

**Ms. Chandra Pasma:** What's the impact on care when hospitals have to turn to loans, whether they're short-term or long-term, in order to be able to meet operating costs?

**Mr. Nick Vlacholias:** We don't make decisions about care using finances. Our focus is providing patient care directly to our community, and we will not take any shortcuts when it comes to the finance versus patient care.

**Ms. Chandra Pasma:** So the patient care is provided, but your loans may be larger as a result? Right.

The question I've been asking witnesses all day is, when the government is underinvesting in a sector, it's not as if that just means nobody pays, so who is paying the costs of the underinvestment in the hospital sector, the failure to stabilize finances to this point? Who is paying that cost—patients, the workforce, the community?

**Mr. Nick Vlacholias:** As I just said, we are not making decisions based on finances when we're making decisions on patient care. I will leave that to the government to determine how to find the funding for hospitals, given that they have the operating levers for that.

There have been significant investments in hospitals over the past four to five years. These are extraordinary times. Labour agreements have come due. Inflation has hit its highest levels ever. Interest rates have gone up. I think it's going to be an once-in-a-lifetime situation, and I'm just hopeful for the future that it actually stabilizes.

**Ms. Chandra Pasma:** Okay. You've mentioned the impact of lack of alternative-level-of-care options on Brockville General Hospital, which is certainly something we've seen at the Queensway Carleton as well—a significant proportion of the beds.

The other issue that we're seeing have an impact on Ottawa hospitals though is the underinvestment in home care, in the community support services sector, because in order to discharge someone from the hospital you have to know that the home care is going to be there to dress a wound or to provide meals to a patient who is unable to cook for themselves. Unfortunately, the funding for that sector has been frozen—

**The Chair (Mr. Ernie Hardeman):** One minute.

**Ms. Chandra Pasma:** —which means that the community-support-sector organizations in Ontario east had to, basically, implement service cuts. They were asking for \$7 million in funding to be able to maintain the level of service.

I'm wondering if you're seeing an impact on your patients and your ability to discharge patients from the hospital based on the availability of home care and community support services.

**Mr. Nick Vlacholias:** Definitely. We would say that maybe 20% of our ALC rates and numbers is attributed to home care being delayed. So we are seeing the impact, but long-term-care investments are going to be as important. We have to do this in parallel.

In 2012, the focus was to invest everything into home care and no long-term-care beds, and that will take some time to catch up.

**The Chair (Mr. Ernie Hardeman):** Thank you very much. That's the last word. With that, this presentation is over and the panel is over. We want to thank both the presenters online and the ones at the table for taking the time to prepare and ably delivering the message to us here as we go forward for the 2024 budget.

#### COMMITTEE BUSINESS

**The Chair (Mr. Ernie Hardeman):** I do believe we have a motion from MPP Harden.

**Mr. Joel Harden:** Thank you very much, Chair. And thanks to the members for presenting this afternoon.

Chair, I move that the Clerk of the Standing Committee on Finance and Economic Affairs be authorized to schedule the town of Moosonee to appear before the committee in Cornwall, Ontario, on January 25, 2024, and that they be given the option of appearing virtually or in-person, as needed.

**The Chair (Mr. Ernie Hardeman):** You've heard the motion. Discussion? No discussion.

All those in favour? All those opposed? The motion is carried.

With that, if there's nothing else, this committee stands adjourned—

*Interjection.*

**The Chair (Mr. Ernie Hardeman):** Oh, I'm supposed to read something here, I think.

This concludes our business for today. Thank you again to all the presenters. The committee is now adjourned until 10 a.m. on Wednesday, January 24, 2024, when we will resume public hearings in Ottawa, Ontario.

*The committee adjourned at 1657.*









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Ms. Goldie Ghamari (Carleton PC)  
Mr. Joel Harden (Ottawa Centre / Ottawa-Centre ND)  
Mr. Ted Hsu (Kingston and the Islands / Kingston et les Îles L)  
Ms. Chandra Pasma (Ottawa West–Nepean / Ottawa-Ouest–Nepean ND)

### **Clerk pro tem / Greffière par intérim**

Ms. Tanzima Khan

### **Staff / Personnel**

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