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Mardi 2 février 2016

Standing Committee on Finance and Economic Affairs

Comité permanent des finances et des affaires économiques

Pre-budget consultations

Consultations prébudgétaires

Chair: Soo Wong
Clerk: Katch Koch

Présidente : Soo Wong
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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

COMITÉ PERMANENT DES FINANCES ET DES AFFAIRES ÉCONOMIQUES

Tuesday 2 February 2016

Mardi 2 février 2016

The committee met at 0900 in room 151.

PRE-BUDGET CONSULTATIONS

The Chair (Ms. Soo Wong): Good morning. Welcome to the Standing Committee on Finance and Economic Affairs. We are resuming for the last day of the pre-budget consultations.

TORONTO ATMOSPHERIC FUND

The Chair (Ms. Soo Wong): The first witness before us is the Toronto Atmospheric Fund. Are they here?

Ms. Julia Langer: Yes.

The Chair (Ms. Soo Wong): Good morning. Welcome. Come on down. Please take your seat. I am just going to give you some simple, straightforward instructions. You have 10 minutes for your presentation followed by five minutes of questioning. This round of questioning will be coming from the official opposition party. When you begin, can you please identify yourself for the purposes of Hansard? You may begin any time. Welcome, again.

Ms. Julia Langer: Thank you. Good morning to the Chair and all the members of the Standing Committee on Finance and Economic Affairs. My name is Julia Langer. I'm the CEO of Toronto Atmospheric Fund. Thank you for the opportunity to contribute to your preparations in advance of the Ontario budget.

Late last year, the Premier travelled to Paris to meet with leaders from around the world, and committed to meeting bold global targets to reduce greenhouse gas emissions. We applaud this commitment, which builds on Ontario's climate leadership, especially the elimination of coal-fired energy generation. We strongly support the government's bold direction on addressing climate change going forward, including the recent commitment to a cap-and-trade system.

Toronto Atmospheric Fund has been at the forefront of the fight against climate change for over a quarter-century, before it was headline news. Since its creation in 1991 through an historic $23-million endowment from the city of Toronto and special-purpose legislation by the Ontario government to create the corporation, Toronto Atmospheric Fund has played a leading role in reducing greenhouse gas emissions and our pollution in our urban environment in Toronto.

Our vision is a future of climate-smart cities that function within their environmental means livable, prosperous cities that embrace the green economy, cities where people spend less time commuting, spend less money on energy costs and breathe cleaner air. We've done this through strategic grant making, impact investing, and technology and program piloting. TAF has been on the ground floor of many of Toronto's green success stories, including deep-lake water cooling, AutoShare and energy retrofits. The emission reductions that Toronto has achieved of 23% are really world-leading accomplishments. Since 1990, our emissions have gone down when many countries are increasing.

But with approximately 60% of Ontario's greenhouse gas emissions originating in cities, much more needs to be done to achieve Ontario's ambitious climate change targets. We believe there is a significant opportunity for Ontario to achieve very-high-impact, low-carbon results in partnership with Toronto Atmospheric Fund by supporting climate solutions for Ontario's cities, our urban areas, with a focus on the greater Toronto and Hamilton area. This partnership that we are proposing will accelerate emission reductions across the GTHA, will be able to share best practices across the province in other urban areas, and leverage Toronto's visionary creation of an urban climate solutions endowment.

In order to make this possible, TAF is seeking a $25-million legacy investment from the Ontario government. This would be complemented with reforms to the Toronto Atmospheric Fund Act to ensure strong accountability and stewardship of the endowment, much like we have done with the city of Toronto over these 25 years. This proposed investment would effectively match the original endowment provided by the city in 1991, doubling the existing working capital and enabling TAF to expand our successful model into a regional driver for helping Ontario and the GTHA realize the benefits of a low-carbon economy. This will help enshrine the government's commitment to positive action on climate change and help fuel innovation and job creation in the growing low-carbon economy.

Our model is sustainable and high-impact. We invest strategically to reduce sources of greenhouse gas emissions in urban areas, and we use the financial returns to fund our operating costs and our grant-making and innovation work. It's an approach that has earned TAF a reputation as one of Canada's most successful impact investors and incubators.

It's also a record of success that hasn't cost Toronto taxpayers a single cent since Toronto's original endowment 25 years ago. Since then, we have reinvested the original endowment three times over. We've mobilized an additional $160 million in public and private contributions to projects that we've invested in. We've generated over $60 million of cost savings for the City of Toronto Corp. alone, through energy conservation, and we've helped achieve Toronto's greenhouse gas emissions by being part of that incubation/innovation cycle.

Actually, our investment strategy is very much aligned with and central to our mandate. We invested in low-carbon opportunities in a very strict governance framework, with investment oversight from investment professionals. We get not only a market rate of return to fund our operations but greenhouse gas emission reduction, and we demonstrate how other investors can get their money profitably into low-carbon investment opportunities.

We're ready to expand our footprint to help make a meaningful impact on reducing greenhouse gas emissions and climate change impacts across urban communities in Ontario. We can evolve our identity. We have proposed The Atmospheric Fund, reflecting a new regional and provincial focus, and we will maintain the distinct integrity of both the original city of Toronto contributions and the proposed Ontario investment, ensuring that the province's endowment is structured with clear regional objectives and a strong framework for governance and accountability.

We look to mobilize, we look to innovate and we look to be, as I say, on the ground floor of many urban solutions that are needed to achieve Ontario's objectives. In particular, we will seek out new job-creating low-carbon investment opportunities, strengthening the GTHA and Ontario as a low-carbon business leader on the global stage.

I'm here today to encourage the Ontario government to entrust the Toronto Atmospheric Fund, and a rebranded The Atmospheric Fund, with this endowment. We are experienced stewards of public funds, with a strong reputation for achieving results. Our record demonstrates that a single targeted investment, responsibly and effectively managed over time, can continue to deliver substantial benefits indefinitely. In this case, we need them soon—medium- and long-term—for the sake of the planet.

Together, we can help bring together innovative solutions and approaches from across the GTHA and bring us closer to low-carbon, environmentally friendly, sustainable communities that we are all committed to achieving for future generations.

Thank you for this opportunity today. I am happy to answer any questions.

The Chair (Ms. Soo Wong): All right; thank you very much. I'm going to turn to Ms. Martow to begin this round of questioning.

Mrs. Gila Martow: Thank you so much, Ms. Langer, for an excellent presentation. Full disclosure: My father was a meteorologist with Environment Canada.

I just want to commend you on the investment. Instead of taking money and just coming back for more money, it sounds to me that the money is being invested in projects that you support. I assume that it's being invested well and that you're getting good returns. I'm wondering if the money that you're asking for from the Ontario government would be invested in the same manner as well.

Ms. Julia Langer: Yes. In fact, the endowment model is meant to be sustainable. We do not receive any operating budget from the city of Toronto. The only operating funds that we have are the returns on our investment.

What we look for in our investing is three returns. One is the market rate of return—that's the only money that we have, so we do not discount our return. We get a risk-adjusted market rate of return.

We need greenhouse gas emission reduction impact. Most foundations often put the money somewhere—whatever—and they take the 5% and do their good work. What we've done with our investment policy is take not only our returns but our asset, and done good work with it.

It's also meant to help other investors see the opportunities for investing, in a profitable way, in low-carbon opportunities. Sometimes people think innovation is gizmos or technology, but often, financial structures or contracts—new contract models—are also innovative and can unlock opportunities.

We've tried to use our entire asset in a way that benefits our mandate.

Mrs. Gila Martow: I'd like to see a lot more of that in government. I assume it works similarly to a high school or a college where they have a scholarship fund—very similar to that.

Ms. Julia Langer: That's right.

Mrs. Gila Martow: I wonder, in the remaining couple of seconds, if you could share some of the projects that you were recommending specifically for Toronto in terms of providing its citizens with cleaner air and cleaner water. I think that's what people want. I think we get off on a tangent, but what people really want is clean air and clean water.

Ms. Julia Langer: Yes. In fact, some of the successes that we've managed to invest in and work on in Toronto, we can leverage to a wider constituency. That includes work on transportation, buildings and waste. That's where emissions come from in cities, so energy efficiency retrofits are not only profitable; they're highly carbon-reducing and can benefit the air quality for the residents who live in those buildings. So it's a nice coming together of multiple solutions, multiple benefits.

0910

Mrs. Gila Martow: Thank you very much.

The Chair (Ms. Soo Wong): Thank you very much, Ms. Langer, for being here and for your written submission as well. Have a good day.

Ms. Julia Langer: Thank you.

CANADIAN BEVERAGE ASSOCIATION

The Chair (Ms. Soo Wong): The next presenter before us is the Canadian Beverage Association. Good morning. Welcome. I believe the Clerk is coming around with your written submission. As you heard earlier, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official third party. You may begin any time. When you begin, can you please identify yourself for the purpose of Hansard?

Mr. Jim Goetz: Great. Thank you. My name is Jim Goetz. I'm president of the Canadian Beverage Association. It's an honour to be here today and have the opportunity to make a presentation on behalf of Ontario's beverage industry. We hope the information we provide will result in a thoughtful discussion and collaboration with this committee and with the Ontario government.

The Canadian Beverage Association represents the majority of manufacturers and distributors of non-alcoholic refreshment beverages consumed in Canada. When I speak of manufacturers, I refer not only to the beverages themselves but the 100% recyclable packaging used our member companies. We are the national voice for more than 60 brands of juice, bottled water, sports drinks, ready-to-serve iced teas and coffees, enhanced beverages, carbonated soft drinks, energy drinks and other non-alcoholic beverages.

The beverage industry directly employs 7,700 Ontarians in more than 60 production facilities, offices and distribution centres across Ontario, many right here in the GTA, but for the members of this committee, also in North Bay, Barrie and, specifically in Toronto, York South–Weston.

The majority of non-alcoholic beverages consumed by Ontarians are manufactured in Ontario locally by our members. Beyond local consumption, Canadian Beverage members also manufacture millions of dollars' worth of product in Ontario destined for export markets both in the United States and the European Union.

The beverage industry's entire value chain is responsible for employing over 25,000 Ontarians, generating $2.9 billion worth of economic activity and contributing over $170 million in provincial tax revenue.

Our members are committed to maintaining and growing our contribution to Ontario's economy and practising good corporate citizenship in the communities in which we operate.

As part of our effort in this area, last year, in collaboration with the Conference Board of Canada, we launched Balance Calories, which is our industry's 10-year goal to reduce beverage calorie consumption in the Canadian diet by 20%. At its core, Balance Calories is about providing consumers with a range of beverage options and calorie information to help them make the choices that are right for them and to help consumers balance their calorie intake.

In addition to this, our members have a significant track record of providing substantial investment in Ontario's economy. A recent KPMG economic impact assessment determined that for every dollar our industry spends on production, 85 cents of that dollar are retained in the Ontario economy. According to KMPG, this is higher than the provincial average.

While the beverage industry in Ontario has had great success in the past in building and expanding our businesses, it is facing mounting economic stressors, such as increased hydro rates and a declining Canadian dollar.

The beverage industry in Ontario is committed to its employment record here and our workers, with salaries that are 29% higher than the average manufacturing wage in the province. I should add that the vast majority of those jobs are unionized, with good benefits and solid pensions.

When combined with our industry's investment in community programs that support public health and education, Canada's beverage manufacturers and distributors are active participants in the health of the Canadian economy but face tough decisions while trying to grow and maintain their businesses.

Ontario's beverage industry appreciates the significant fiscal and economic challenges facing the Ontario government and recognizes that policies set forth will play an important role in shaping the future success of our province. As an active and established industry in Ontario, we want to work with the government to ensure that the business environment remains productive and focused on growth.

To this end, we will continue to work with the Ontario government in 2016 to fortify Ontario's economy and help achieve the Premier's goal to add 120,000 new food and beverage industry jobs by 2020.

In the interest of collaboration, we appreciate this opportunity to present our industry's major legislative and policy priorities for 2016, which include the Waste-Free Ontario Act, Healthy Menu Choices Act regulations, and the Ontario Retirement Pension Plan.

Beyond these specific priorities, our industry would like to advocate for better policy coordination and dialogue between ministries, to ensure that policy proposals are aligned with the government's overall objectives. Our members have increasingly encountered differences in policy priorities between various ministries. This has compounded the regulatory and legislative burden on our members, which, over time, will impact our industry's growth and job creation.

Regarding the Waste-Free Ontario Act, overall, our industry would like to express our support for the thoroughness of the Ministry of the Environment and Climate Change's consultation process. Our members support the government's overall objectives of reducing waste and transitioning Ontario's recycling system to a comprehensive, extended, producer-responsibility model.

As previously communicated to the province, our industry is looking to introduce an innovative $150-million beverage container recycling program, which will increase recovery rates for our product packaging to 75% or higher, strengthen the province's world-class Blue

Box program, and generate jobs in Ontario's circular economy.

However, to ensure this program is implemented in Ontario, we respectfully request that the Ontario government remain cognizant of the immense costs our industry would incur if our industry is not given the regulatory flexibility under the proposed act to implement our proposed program. As recommended in a recent C.D. Howe Institute report examining Ontario's recycling policy, producers should be unhindered in the design and implementation of recycling programs.

Once the act has received royal assent and the regulation drafting process begins, we ask that the Ontario government ensure producers are given maximum flexibility for both the physical and financial designs of recycling programs. This flexibility will allow our industry to implement a recycling program similar to the Recycle Everywhere program in Manitoba, and invest over $150 million in five years in Ontario's economy, to increase recycling efforts and generate green jobs.

Now on to the Healthy Menu Choices Act: CBA and our members have appreciated the opportunity to work with the Ministry of Health Promotion on the rollout of this legislation. Our goal is to work collaboratively with the ministry to develop regulations that will both support consumer understanding and allow for a wide variety of food and beverage options, without negatively impacting the food and beverage industry's ability to remain competitive.

When the Ministry of Health Promotion is developing regulations for the calorie labelling of dispensed beverages, our industry asks that the ministry be guided by the philosophies of flexibility and simplicity. This request, along with more detailed feedback, was outlined in our official comments to the Ministry of Health Promotion in October 2015. We strongly encourage the government to consider our feedback during the final drafting of the regulations. It is important for the government to work collaboratively with food and beverage stakeholders to ensure that the regulations achieve a balance between providing consumers with helpful nutritional information and ensuring a healthy and achievable regulatory compliance regime.

Finally, our comments on the Ontario Retirement Pension Plan: As I noted earlier in my remarks, the beverage industry pays its employees 29% higher than the provincial average in the manufacturing sector. We are deeply concerned, however, that at a time of higher material costs, higher utility costs, and a depreciating Canadian dollar, the mandatory Ontario Retirement Pension Plan program will only serve to increase the financial pressures and economic uncertainty being faced by our industry. We call on the government to conduct a comprehensive and publicly available economic analysis of the new pension plan before moving ahead with its implementation, as well as to expand the definition of comparable private sector plans.

Overall, Ontario's beverage industry appreciates the significant financial and economic challenges the Ontario government is currently faced with, and recognizes that the policy choices set forth will now play an important role in the shaping of the future success of the province. As a significant economic driver in Ontario and in the food and beverage sector, the Canadian Beverage Association and our members welcome all opportunities to work with the government on our industry's legislative priorities for 2016 and to maintain our industry's strong economic footprint here in Ontario.

Thank you again for this appearance, and I look forward to any questions.

0920

The Chair (Ms. Soo Wong): Okay. I'm going to turn to Ms. Fife to begin this round of questioning.

Ms. Catherine Fife: Thanks, Jim, for coming in and sharing some of your thoughts on the budget. On the Healthy Menu Choices Act, you make the point that your association of members would like to be able to ensure healthy and achievable regulatory compliance regime compatibility. Can you give us some specific examples, so that we have a better understanding of that?

Mr. Jim Goetz: Absolutely. It gets very into the weeds as far as how the labelling will happen at each individual restaurant where beverages are served, for example, in a fountain dispenser. The calories vary widely amongst our products, from zero up to full-calorie products. And of course it gets as simple as how much ice you put in the cup compared to how much product you put in the cup. So that varies; people have their personal preferences.

Having to measure calories for every possible option at a fountain dispenser is difficult, so we are simply asking for the flexibility to do what the FDA in the United States is doing, which is allow for a range of calories telling consumers about anywhere between zero and a certain ceiling of calories. But to have to change that every time a product is changed and to figure out some of the variables that occur when people are making their choices is very difficult.

Ms. Catherine Fife: So you want consumers to have a general idea of what the calorie and nutritional issues are.

Mr. Jim Goetz: Correct.

Ms. Catherine Fife: Energy costs: Obviously this has a major impact on your industry, and it's been a consistent theme across the province as we have travelled extensively. Have you been following the government's plan to sell off 60% of Hydro One, and have you done an analysis of the Financial Accountability Officer's report, which says that this is a short-sighted plan that will actually cost Ontarians more down the line?

Mr. Jim Goetz: Our industry is not that heavily involved in the actual policy regarding the sale but I will comment that we are, like all other manufacturing sectors, really reliant on electricity. In particular, our member companies are doing what they can to make their facilities as energy-efficient as possible. We are having a lot of success at that. However, it is something that is a concern of ours.

Some of our member facilities are some of the largest in North America, here in Brampton and Mississauga, for example. They are heavily reliant on hydro and it does have an effect in a consumer package business, which is a pennies business, really, as many food and beverage sectors are. Those pennies count, and it certainly matters on our hydro bills.

Ms. Catherine Fife: And finally, you do raise the ORPP. The Ontario Chamber of Commerce was here yesterday. They shared some concerns about not having enough information around what is a comparable plan, as well, and they asked the government to push the deadline another year.

But I think their primary concern is that their members don't have the information that they need. Do you think that your members have enough information on how the ORPP is going to roll out, what it's going to look like, and what the economic impact is going to be?

Mr. Jim Goetz: Overarchingly, we support the position of the Ontario Chamber of Commerce. In my comments I did state that we would like to see a full financial costing of the program.

Ms. Catherine Fife: Sure. We're supportive of it but we know that businesses need the information in order to adapt.

You haven't weighed in on cap-and-trade at all. Are you maybe going to wait for more information from this government so we'll hear from you next year on cap-and-trade?

Mr. Jim Goetz: Yes, possibly. We are heavily reliant on transportation, though, to get our product to stores and restaurants, like all other food and beverage sectors are—particularly the beverage industry because our products are everywhere, so we look forward to working with the government on it.

Ms. Catherine Fife: Yes, and if the goal is to reduce greenhouse gas emissions, then any funding or financial impact from this plan should go toward helping businesses be more sustainable and efficient, as your members are already trying to be.

Mr. Jim Goetz: Absolutely. Pointing out success stories, our industry collectively has the largest fleet of hybrid vehicles in North America, and continue in that change.

Ms. Catherine Fife: That work should be recognized, don't you think, going forward?

Mr. Jim Goetz: Agreed.

Ms. Catherine Fife: Okay. Thank you.

The Chair (Ms. Soo Wong): Thank you, Mr. Goetz, and thank you for your written submission. Have a good day.

ONTARIO RESTAURANT HOTEL AND MOTEL ASSOCIATION

The Chair (Ms. Soo Wong): The next group before us is the Ontario Restaurant Hotel and Motel Association. The Clerk is coming around with the written submission.

Good morning, Mr. Elenis. Welcome.

Mr. Tony Elenis: Good morning.

The Chair (Ms. Soo Wong): As you probably heard, you have 10 minutes for your presentation, sir, followed by five minutes of questioning. This round of questioning will be coming from the government side. When you begin, can you please identify yourself for the purpose of the Hansard? Thank you.

Mr. Tony Elenis: Thank you. Good morning, Chair and committee members. I'm Tony Elenis, president and CEO of the Ontario Restaurant Hotel and Motel Association. The sharing economy, specifically Airbnb, is a milestone in innovation, a great concept. But today, Airbnb in Ontario operates as part of the professional underground economy. It is a threat to the accommodations sector, its huge supply chain and to jobs. Approximately 35% of all youth work in the hospitality industry. Every day the government waits is a day without tax revenues. We call on Ontario to follow the lead of the province of Quebec and regulate Airbnb.

Back in 2004, Toronto hotels, soon followed by Ottawa hotels, developed a destination marketing program, DMP, an industry solution to an industry problem. The fee applied to hotel guest rooms generates a significant return of investment. Government does not have the amount of funding required for destination marketing, and Ontario's accommodations industry will not be able to compete in an industry that is highly competitive without the type of funding generated by the DMP. Global tourism ranks as the fourth-largest growing industry, and we are far behind.

At one time, there were 14 destinations operating with the DMP program in Ontario. City of Toronto hotels alone generated $34 million towards a marketing fund strongly supporting Toronto and the province through a healthy economic return. The same can be stated for the city of Ottawa and the other destinations.

The program has now reached its full potential and, most importantly, it's under threat. The Ministry of Tourism, Culture and Sport has officially endorsed the DMP, but that's not enough. We call for a legislative or regulatory authority for the DMP. A regulatory framework will provide certainty needed by the industry and validate destination marketing programs as a valued economic development mechanism. It mandates that funds raised through this program be used solely for the purpose of promoting tourism and specifically addresses visitor experience and consumer protection.

Furthermore, a major concern to the DMP is a municipal-added tax to the hotel guest room rate. The ability for municipalities, such as the city of Toronto, to add a tax to a hotel guest room rate—well, to put it bluntly, it will kill the DMP. Our recommendation is for the government of Ontario to legislate no new taxation powers to implement a hotel lodging tax under the Ontario Municipal Act for all municipalities in the province of Ontario.

Now, on regulations: The industry is aiming to comply with the recent new AODA and the Ministry of Labour safety standards, but it's tough with new non-stop regulations thrown at it. Our sector is unique, as it touches upon several ministries. In an extremely regulated industry, it was disappointing in 2015 to see so many new pieces of legislation come forward at one time from the various ministries: Bill 45, the healthier choice act—menu labelling—compliance in 2017; Bill 56, the Ontario Retirement Pension Plan—compliance in 2017; Bill 12, Protecting Employees' Tips Act—compliance in May 2016. Among many others in the pipeline, the Employment Standards Act and the Labour Relations Act review aims to revise regulations that will most likely financially impact our industry in 2017.

Along with skyrocketing energy costs, rising food costs, and labour shortages, these regulations will create more red tape, impacting growth. To state the obvious, such expansion of legislation and regulations is inconsistent with the principles of a streamlined and focused regulatory environment, as enunciated by your government's Open for Business philosophy.

0930

We recommend that the government review all pieces of legislation that are coming into force for January 2017, and consider delays for implementation. A financial impact study makes a lot of sense.

Thank you for your consideration.

The Chair (Ms. Soo Wong): I'm going to turn to Ms. Albanese to start this round of questioning.

Mrs. Laura Albanese: Thank you for your presentation here today. I do understand your point, the fact that you are expressing concerns about the number of bills and regulations that could have an impact on businesses, which we want instead to thrive and to be healthy, to help our economy.

In regard to the Employment Standards Act and the Labour Relations Act: Have you made deputations, or have you participated in the consultations that the government has been doing?

Mr. Tony Elenis: Yes, and we had two meetings with the reviewers.

Mrs. Laura Albanese: The sharing economy is a new reality, an emerging sector that we're trying to be very prudent about. In October, the province established an advisory committee. I don't know if you've had any conversations with them, as well, to bring forward your point of view.

Mr. Tony Elenis: Yes, I had several interviews. I've been on panels with Tim Hudak involved in there, and I'm aware of what's going on there, but I think the key area here is that any commercial business should be separated from a typical Kool-Aid stand in front of a home garage with kids selling Kool-Aid.

Mrs. Laura Albanese: Of course, yes. There is the private member's bill that MPP Hudak is bringing forward, and then there is also this advisory committee that the province has established.

Mr. Tony Elenis: We've studied global jurisdictions, and there are many models, but they're all moving into regulating it. When we're talking about the underground economy and deficits, where's the action?

Mrs. Laura Albanese: We're trying to move on that. Personally, as parliamentary assistant to the Minister of Finance, I've started some consultations specifically on the underground economy in the construction sector. I know that all businesses that have a lot of cash transactions are affected, but at the same time, that seems to be one where we should dedicate some attention, so that's the one I'm taking care of. I wish I had a magic wand, but we don't.

We hope to get some action soon and we hope that we can at least make a dent in it. I will take your recommendations back to the minister, and we thank you for your presentation.

Mr. Tony Elenis: Thank you.

The Chair (Ms. Soo Wong): Thank you very much for your presentation, as well as your written submission. Have a good day.

RETAIL COUNCIL OF CANADA

The Chair (Ms. Soo Wong): The next group before us is the Retail Council of Canada. Mr. Gary Rygus? Good morning.

Mr. Gary Rygus: Good morning.

The Chair (Ms. Soo Wong): Welcome. The Clerk is coming around with your written submission. As he distributes your written submission, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official opposition party. You may begin any time. When you begin, can you please identify yourself for the purposes of Hansard?

Mr. Gary Rygus: Good morning. My name is Gary Rygus. I'm the director of government relations for the Retail Council of Canada. On behalf of RCC's members operating across the province of Ontario, thank you for the opportunity to appear before the committee today.

The Retail Council of Canada has been the voice of retail since 1963, and has members who operate more than 45,000 storefronts nationally, 17,000 of which are in Ontario. We represent an industry that touches the daily lives of most people in the province.

Our members represent all retail formats: department, grocery, specialty, discount, independent stores and online merchants. While we do represent large mass-merchandise retailers, a significant number of our members are in fact small, independent merchants.

As an employer, retail is number one in Ontario, with more than 839,000 jobs generating over $177 billion in sales. Retailers invested over $3 billion in capital expenditures in 2015 in Ontario, and will continue to invest in the province for as long as Ontario remains competitive with other jurisdictions.

According to Stats Canada, Ontario sales were up 4.5% for 2015, as compared to being up 4.7% in 2014. Current sales growth may not continue, due to external factors such as China's economy and Canadian dollar volatility. But it's important to note that Ontario has the second-highest provincial level of sales growth, behind only BC, which experienced a 7% growth in sales. Going forward, Ontario retailers expect to generate a sales increase in the area of a 3% to 4% range for 2016.

However, storm clouds remain on the horizon, as consumer debt is at an all-time high level, and this continues to have an effect on disposable income and discretionary purchasing going forward. Canadians remain cautious when it comes to opening up their wallets. Going forward, this will create challenges for retailers. The global financial crunch continues to make it tough to forecast future sales, especially with slow-growing economies in many countries.

Faced with challenging circumstances and a fragile economy, the government must focus on improving the conditions for economic development. The government must foster a positive job-creating environment.

Members of the Retail Council of Canada continue to be concerned about the implications of the Ontario Retirement Pension Plan. Retailers understand the need for all Ontarians to build an adequate nest egg for retirement. The level of retirees' incomes affects the overall economy and, of course, determines people's abilities to buy goods from our members. The challenge will be to balance the importance of long-term pension income adequacy against the near-term impact on growth, jobs and investment.

There is a limit to payroll contributions that retail businesses in this province can be expected to pay without there being a significant economic impact. We have a substantial employer health tax, the second-highest WSIB rates in Canada, and now we are looking at a new provincial retirement pension plan. The government must look at the cumulative impact of these payroll costs to ensure that they do not diminish our capacity to hire more Ontarians and to make key investments.

Retailers continue to have ORPP concerns, and they're focused on the following: the significant cost that this program will impose on merchants. This is especially troubling for small to mid-sized retailers who have no pension offerings currently in place. Specifically, at $3,500, RCC argues that the low-income threshold will limit the hiring of seasonal, part-time and first-time employees. We question why this number, in place since 1996, has not been adjusted to current realities.

RCC had also put forward that the age threshold should be moved from 18 to 25, as people of that age are, for the most part, still pursuing their education, and any funds earned would be going to a higher-priority issue. Even with a higher age threshold, individuals would still possess approximately a 40-year time horizon to save for their retirement years.

RCC believes the government made an incorrect decision on both of those issues, and they need to be re-examined.

With retail sales growing slowly in Ontario for many categories, retailers will have no way of recouping these costs except by increasing prices or by decreasing staff or new hires.

However, more needs to be done for controlling business costs. The government needs to find additional ways to reduce taxes and make changes that will support job creation.

As a support to mid-sized and smaller businesses, especially in view of the ORPP introduction and higher utility costs such as electricity, RCC continues to recommend that the employer health tax exemption threshold be raised to $1 million, as its current level in Ontario is uncompetitive with other provinces that have payroll-type taxes. To further support hiring of full-time staff, the government should consider providing a one-year EHT holiday for employers.

RCC supports the efforts of WSIB management to eliminate the unfunded liability, currently at about $8 billion. The 0% increase for 2016 premiums will not further add costs to make Ontario less competitive in the job creation front. The WSIB must maintain its laser focus on managing the WSIB revenue stream and not become complacent in its efforts. In fact, RCC is recommending a 15% reduction in WSIB premiums for 2017, as the unfunded liability is expected to be paid off several years earlier than anticipated. This would help offset the ORPP costs facing businesses, especially for businesses without pension offerings.

On the environment front, RCC generally supports the Bill 151, Waste-Free Ontario Act, framework legislation. RCC looks forward to working with government during consultations for drafting of relevant regulations to support this legislation. In creating the regulations, it will be important to minimize administrative burden for businesses while reducing the waste stream in the province.

0940

One point to note: Retailers continue to insist that they be allowed flexibility in showing environmental levies separately on the sales receipts. Visibility of fees provides the opportunity for consumer education. With informed consumers, increased diversion is possible. The approach is consistent with an open and transparent government.

On the infrastructure front: Retailers understand the need for infrastructure improvements and congestion reduction for transportation of customers and for logistics because of their broader economic impact. However, retailers will not support tools that disadvantage any one sector of the economy or create economic distortions, such as parking space taxes or regional sales taxes.

New tax sources should be our last resort, with every effort made to reallocate first from existing funds and with strict, audited controls on spending programs. Spending must be open and transparent so as to demonstrate accountability to the taxpaying public.

RCC continues to support the fast-tracking of the Open for Business initiative. Change the way government creates legislation; adopt a business lens; and focus on creating legislation by asking the question, "Does this legislation add economic value to the province?" Adopting this type of approach will require an adjustment of government policy development. Now is the time to establish a positive environment that facilitates job creation.

On behalf of the Retail Council of Canada, I thank you for your time.

It seems appropriate that today is Groundhog Day. As I mention at this point at every pre-budget consultation, there are only—in this instance—333 days before Christmas. RCC asks that you please remember to shop each and every day at your local retailer. It is never too early to start. The jobs you support will be of family, friends and neighbours. The Ontario economy will thank you. Thanks for your time.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Rygus. I'm going to turn to Ms. Munro to begin this round of questioning.

Mrs. Julia Munro: Thank you very much, and thank you for coming. There are so many things in this presentation that we would be able to spend considerable time discussing, but a couple of things that I would like to give you an opportunity to respond to: one, particularly, is Open for Business. It seems to me that it was announced by this government several years ago, and we're still looking fairly reticent in terms of making changes and things like that. I wondered if you've had the same experience in the snail's pace of change for Open for Business.

Mr. Gary Rygus: That's an interesting observation, Julia. I think that the government still struggles in trying to make it streamlined for businesses to operate in the province. I was recently at an event with Minister Duguid and Mayor Tory where there was going to be an Open for Business kind of review between the municipality of Toronto and Ontario to see where there could be possible streamlining. Those are potentially great areas for improvement, where you have municipal governments trying to get businesses to go in one direction or in the same direction but, for example, reporting twice: at the municipal level and at the provincial level.

There are still areas. If you have the energy to look at those things, you can achieve benefits for the business community. There's no shortage of them.

Mrs. Julia Munro: We have other sectors who want to have a lens on a particular issue that is important to them—I'm thinking in terms of the environment, for instance. Is there a lens that looks after the retail industry?

Mr. Gary Rygus: Interesting question. I think that retail, in general, can sometimes be taken for granted. We're always going to be there, but are we the ones that governments of the day pay attention to? I would suggest to you that they don't, because governments are more interested in the higher-value-added-type jobs. They look at pharmaceuticals, aerospace and car manufacturing as being the jobs that are where the future resides. Retail continues to chug along. We continue to add to the economic landscape, and it's something that goes on day after day.

I think that governments take the attitude that retail is always going to be there because that's where the population is, but retail is always being challenged because the landscape for it is so competitive, whether it's cross-border shopping or whether it's online shopping. Those kinds of activities happen. We have to be relevant for the day and going forward. If they're not, they're constantly rediscovering themselves as new and improved entities.

Mrs. Julia Munro: I wanted to ask you a question about the ORPP. The Conference Board of Canada admitted that there would be some definite challenges to it as it begins. I wondered if you would comment on the retail sector in a response to that description of a definite challenge for people.

Mr. Gary Rygus: I think, in general, businesses are going to be challenged to implement the ORPP. Significantly, our discussions have been focused on small and mid-sized, where they currently have little or no pension offerings. That's why we've focused on providing some sort of offsets on the EHT front as well as the WSIB, because those are areas where you can reasonably provide an offset, if you will, going forward.

I'm trying to time that with the 2017 implementation but, by all means, all the answers to a previous question: "Does the business community know what to expect starting January 1?"—there's still some question in businesses' minds that they know all the answers to make that happen successfully on January 1.

Mrs. Julia Munro: Thank you.

The Chair (Ms. Soo Wong): All right. Thank you very much for your presentation as well as your written submission.

Mr. Gary Rygus: Thank you very much for your time.

The Chair (Ms. Soo Wong): I don't believe we have the next two witnesses before us, so I'm going to recess the committee. I ask the members not to go too far because, whoever is coming next, we're going to call them back to the presentation. So I'm just going to recess the committee. As soon as the next presenter or the subsequent presenter comes, I'm going to reconvene the committee. We have a very tight schedule with the minister at lunchtime.

The committee recessed from 0947 to 0954.

ODSP ACTION COALITION

The Chair (Ms. Soo Wong): Okay, I'm going to resume the Standing Committee on Finance and Economic Affairs. Our next witness before us is the ODSP Action Coalition. I think that both of the witnesses are here: Louise Bark and Patricia Smiley, and you also brought your friend. What's his or her name?

Ms. Louise Bark: Bruce.

The Chair (Ms. Soo Wong): Okay, Bruce. You're being pretty good.

Ms. Bark and Ms. Smiley, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official third party. I know that you have your written submission—

Ms. Louise Bark: I can barely hear you. Sorry.

The Chair (Ms. Soo Wong): Oh, I'm so sorry. You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the third party. You may begin any time. When you begin, please identify yourself for the purposes of Hansard.

I know the staff has your written submission and it will be circulated very shortly. All right, you may begin.

Ms. Patricia Smiley: Good morning. My name is Patricia Smiley, and I'm here as a member and on behalf of the ODSP Action Coalition.

The ODSP Action Coalition is a network of disability service providers, community agencies, community legal clinics and recipients of the Ontario Disability Support Program. Our mandate is to advocate for improvements to the income and employment supports available to people with disabilities. We've been connecting organizations and individuals concerned about ODSP since 2002.

People with disabilities who get their income through ODSP have many barriers and stresses to deal with in their lives. These include the lack of accessibility that still exists with respect to services, employment, housing, transportation, communication, physical and mental health challenges that may come with their disability and difficulty in finding adequate services to meet those needs, and the problems of navigating complex systems of income and other supports. However, members and correspondents to the ODSP Action Coalition consistently cite poverty—the lack of an adequate income to meet needs—as the biggest stressor and barrier to full participation in society.

We're here to say: Why does having a disability or chronic illness result in a life of poverty in 2016? Why do so many people in receipt of ODSP have to rely on food banks in order to be able to pay their rent or afford transportation to get out into the community? The Daily Bread Food Bank's 2015 survey found that 34% of their clients receive ODSP, a percentage that has almost doubled since 2005. They add, "The length of time people receiving ODSP have been coming to a food bank has also increased significantly since 2008. They have been coming for an average of three years, up from two years in 2008. One reason for this is that ODSP is more likely to be a long-term source of income that recipients are completely dependent on, and it is falling farther and farther behind the rapidly rising costs of living such as rent and food."

In order to make sure that we have all our recommendations, I'm going to go to the last page and give you the summary, and then, dependent on time, fill in some of the blanks.

The summary of our recommendations is:

(1) Provide an adequate level of income for all ODSP and OW recipients based on the real, average costs of nutritious food, shelter, energy, transportation, personal and household needs, and, particularly for people on ODSP, the additional costs related to their disability.

(2) Include the families of ODSP recipients in the raise in income supports that allow spouses to keep more income.

(3) Do not deduct any portion of the new federal child benefit from social assistance income or restructure social assistance rates to lower amounts paid for children on OW and ODSP.

(4) Do not deduct child support payments from social assistance.

(5) Ensure there is adequate access to dental, vision care and other health benefits for all ODSP recipients.

(6) Take care when extending health benefits to more people so that there is not a loss of benefits for people with disabilities or their children and other dependants.

(7) Make adequacy of income the number one priority for rate restructuring.

(8) Ensure that changes to OW and ODSP do not result in any individual or family losing ground and sinking even deeper into poverty.

Our key priority is in fact adequate incomes. It's been the same for many years. There must be a commitment to increase the levels of income support provided for people on ODSP as well as for people on Ontario Works. These levels should be set in a way that reflects the real, average costs of shelter, nutritious food, transportation, personal and household needs, communication and the additional costs related to disability.

For many years ODSP and OW rates were frozen, thus falling farther and farther behind the cost of living. There have been slight increases over the past few years. In the past few years, it's been 1% for ODSP recipients with a disability, but that has been insufficient to keep up with the continual increase in the prices of the most basic needs for food, shelter and transportation.

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In November 2015, food prices were found to be 3.4% compared to a year earlier. The increase in the average rent for a bachelor apartment in the province was 3.3% from October 2014 to October 2015. Furthermore, while the government gives a 1% increase in ODSP rates and OW rates, and only to the recipient member of the household, the fact is that landlords are allowed to charge 2% more—a simple example of how we're falling further behind.

We would also add that there has to be a process developed to raise rates to meet these basic costs of food, shelter, transportation etc. Having done that, we would like the Ontario government to show their commitment to reducing the poverty that recipients live in by starting with a substantial increase in the 2016 budget.

The next point is about fairness for families on ODSP. This point is that the income assets of all family members are taken into account, but if there's a non-disabled spouse, a dependent spouse or an adult child, that income will be deducted in whole or in part.

In each of the last three years where there's been a 1% increase, the Ontario government has acted as if the person with the disability does not have a family. The rationale is that family members on ODSP receive more than those on OW. But while income support for families in either form of assistance is simply inadequate, it isn't right to achieve equality by effectively cutting the incomes of families on ODSP.

The last point I'm going to make is about rate restructuring, which was promised in last year's budget. There was an indication that what would be followed are the principles set out in Brighter Prospects, the report of the Commission for the Review of Social Assistance in Ontario. Our concern is that Brighter Prospects, while talking about balancing various other principles with adequacy of income, does not provide recommendations to achieve a level of income for people on either OW or ODSP that actually provides for their needs and allows them to participate fully in the community.

One example that we would like to point out was that in the 2015 budget, there was an announcement that the Work-Related Benefit under ODSP would be eliminated as part of a simplification of a number of employment-related benefits with different purposes into one benefit delivered in a new way, and was non-mandatory. This would have resulted, basically, in a decrease of $100 per month for any ODSP recipient who works or has a family member who works.

After an extensive outcry from people with disabilities, this change was put on hold until the rate restructuring consultations are held. We are grateful in the coalition that the government did not proceed with this income cut for ODSP recipients.

I think I should pass things over to Louise.

Ms. Louise Bark: How many minutes do we have left?

The Chair (Ms. Soo Wong): You've got one minute.

Ms. Louise Bark: I was afraid of that.

In your package, I gave a copy of my actual budget. The reason I did that is that I wanted to highlight the critical part. One very important piece to note on this piece of paper is—remember, I'm subsidized; I have subsidized rent. I'm extraordinarily lucky. Thirty-four per cent of people on ODSP cannot get subsidized rent, so their rent—even a bachelor is $800 or more a month. When you look at the maximum a single person gets, it's just absolutely unacceptable. We can't manage to even get transit to go to a food bank to go and get food. It really leads to a crisis in this province, and we really want to highlight the importance.

I'm a very visual person and I didn't have enough ink to produce enough copies, but what I did is I tried to create an image that shows—so groceries are taking up a huge chunk of my amount of income. That's $275 of my living allowance portion. I took out the rent only because I'm subsidized. It's dollar for dollar. It doesn't count.

Sorry, I take that back. I did put shelter in here. Shelter is actually 28% covered right now, of my total income, which is actually good for me, but not for all those other people who can't get it.

In my case, I have a service dog. I put that in for one reason: He's a working dog. He's my "assistive device," if you want to call it such. One of the things people with disabilities say is that we don't always have coverage for our extraneous disability-related costs. In my case, my dog food actually does get covered dollar for dollar, and that will be reflected in the budget here. But the vet? Absolutely not. And with grooming, which is critical, because there's no way I can wash him or trim him myself—I have to pay that extra.

There are lots of other costs that I have to cover, but I won't go into it further. For anyone who doubts why I would have a cellphone, I use Wheel-Trans. To get service in places that have steps, I have to actually phone to say, "Please serve me on the street."

As far as employment goes, I have an education and the ability to get a job, maybe an entry-level job. But you tell me how many cashier jobs or convenience store jobs or customer-service-type jobs do not have a physical component to them. The majority do have a physical component.

Trying to get a post-secondary education: I did apply for that and went through Web design, graduated from Web design. The idea was to be self-employed. When I graduated, I found out that because I'm in subsidized housing, I cannot work out of my home. That ended the career. Here's an attempt to go into the working world, and yet we have too many silos between all the different things.

So we have health affected; we have poverty. We have families being penalized when they raise the amount of income—1% last year, but only for the individual who's disabled, not for the rest of their family. Yet if they have a family member who is usually helping them with day-to-day things—

The Chair (Ms. Soo Wong): Okay, Ms. Bark, I'm going to have to stop you here. I'm going to turn to Ms. Fife to start this round of questioning.

Ms. Catherine Fife: Thank you very much for coming in. You've been coming in since 2002 and making the case for justice on ODSP, and I want to thank you for that.

The work-related supports that you mentioned that had been delayed a year: You're in favour of the delay because the consultation is still going on. Is that right?

Ms. Patricia Smiley: Consultations haven't begun yet.

Ms. Catherine Fife: They haven't begun yet? It's been a whole year.

Ms. Patricia Smiley: No.

Ms. Catherine Fife: Okay. Well, we had some concerns about that because we saw it as a reduction, going forward, for those who actually want to go out into the workforce. The government said, "No, it will be better," but we pushed back on that. At least that hasn't been brought into play.

I do want to say that the messaging around families being penalized has been consistent. When Desmond Cole wrote that piece in the Toronto Star before Christmas—I think it was actually December 24—on the clawback for those who are on social assistance, on ODSP, I think that took people by surprise, that the government can actually do it. They don't collect $49 million in fines that they issue to road maintenance companies. They don't collect $49 million, but they can come in and collect $40 from a single mother who got a child support payment.

BC has eliminated that, and we would like to see this government go that same route. If you want to lift people out of poverty, you shouldn't be basically taking money from the poorest people in the province. So I want to show support for that.

Do you want to comment at all—accessibility was brought under the Ministry of Economic Development, Employment and Infrastructure, and you've really raised some key points as to some of those obstacles, because people on disability don't want to be on disability if they are able to work. That's a direction that we should be going in around social justice, I think.

Ms. Louise Bark: I'll certainly speak from my experience. They often look at the little piecemeal pieces of accommodation. If you want to accommodate a wheelchair, you're looking at removing a step and maybe making an accessible bathroom. But what about inclusion and allowing that person to be included in all the activities of the office? I know that when I worked in the call centre and we had an office party, I couldn't participate because they were not in an accessible location. The same with the lunch room and different things. You don't have the same opportunities to actually do the key soft stuff that exists in employment. That's one example.

If you look at people who have other kinds of disabilities, unfortunately, people are uncomfortable in trying to relate to people with disabilities. There's some really good information out there, but we need to somehow take a step somewhere.

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One mistake, I would say, is that in my case, I have gone and asked people, "Help me get my foot in the door." I have five volunteer jobs. I work well over full time, volunteering, right now. I don't get paid a penny. Why am I volunteering? Because there's nothing else I can do.

Here's the thing: If someone could get my foot in the door of a paid employer, I bet you I would do a lot for them. But unfortunately, they look at a resumé-based principle and they look at the fact that I don't have a lot of work history—in my former city, Kingston, there were not the opportunities to work. I might get a better chance in Toronto—no work experience.

They somehow have to look at those soft pieces, and they maybe have to look at some placement, helping people get placed. But the biggest, most important thing is the dignity and respect of the person. Allow the person with a disability to say, "Here's what I need; can you help me?", and then have that service provided, so there's not an insult or a patronizing attitude toward it, but just help them get their foot in the door.

Ms. Catherine Fife: Okay; that's really good. Finally, the housing piece: We're supposed to see a provincial housing strategy, an updated housing strategy. It has long been promised, building on the 2010 plan, the last strategy, but that didn't have targets or specific plans to actually build affordable, quality housing. The maintenance, I know, is a huge issue for subsidized housing.

Thank you for raising that issue. But all future housing, obviously, should be accessible and energy-efficient—

Ms. Louise Bark: As an FYI, they're not even accessible.

Ms. Catherine Fife: They're not?

Ms. Louise Bark: My place is not accessible. The provision to help me with anything related to help in the kitchen, where my kitchen is not accessible—there is none. That's another key piece to put into that, yes.

Ms. Catherine Fife: Okay. Thank you very much for sharing your perspectives today and for your recommendations going forward. Let's pay attention to the housing piece as it comes forward as well. Thank you.

The Chair (Ms. Soo Wong): All right, thank you very much, Ms. Bark, Bruce, and Ms. Smiley. Thank you for your presentation and your written submission.

ENBRIDGE GAS DISTRIBUTION

The Chair (Ms. Soo Wong): The next group before us is Enbridge Gas Distribution. I believe the witnesses are here. Are there any handouts? Okay.

Just give us a minute, so that Ms. Bark and Bruce—I think Bruce is having a good nap down there.

Ms. Daiene Vernile: He's sweet.

The Chair (Ms. Soo Wong): He's adorable; he really is.

While you are getting ready for your presentation, I'm just going to give you some quick instructions. You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the government side. When you begin, can you please identify yourself for the purpose of Hansard? You may begin any time.

Mr. Jamie Milner: Good morning. My name is Jamie Milner, and I'm the vice-president of market development and customer care at Enbridge Gas. It's my pleasure and honour to be here again.

Last year, I spoke to this committee about natural gas expansion to rural communities. I'd like to thank the government for its commitment over the last year to ensure that affordable natural gas can be available to families in rural communities. It will help customers save money—and I'll talk a little bit more about that—and municipalities will be able to leverage new natural gas service to attract jobs and investment. That's one of the important elements of natural gas. That will provide much-needed economic stimulus in the agricultural, industrial and commercial sectors. We hope to keep that momentum going with the development of a grant and loan program to expedite the expansion.

Today, in moving forward, I'd like to talk to you about how Enbridge and the government can help existing natural gas customers find efficiencies in their homes and businesses, and, like other jurisdictions, "green the gas grid." Greening the gas grid is introducing renewable types of fuels into the natural gas stream.

Before I get started on that, I want to provide a bit of context for that. The carbon context is very important in terms of how we move forward.

Enbridge Gas: First of all, we've got over two million customers and have been in over 100 communities for 160 years. In terms of natural gas, the message is that natural gas is affordable and it contributes to economic prosperity. That's because it's abundant; we've got a 200-year supply of natural gas and more. One of the key benefits to increased expansion and utilization of natural gas is that those gas prices are amongst the lowest in the world and are forecast to be that way for some time—in fact, well beyond 2025.

Today, natural gas is about 70% less expensive than electricity and 67% less expensive than heating oil, and that means that the average natural gas customer would save about $2,000 over the non-natural-gas consumer.

In the transportation sector, natural gas is 10% to 25% less expensive today. It was 40% less expensive when oil was a bit higher, but it's less expensive than traditional fuels and it's cleaner. I'll talk to you a little bit more about that.

Today Ontarians want to see the province's economic health continue to improve but they also want to help build a greener environment and more environmentally focused place to live and work. That balance is something I'm going to talk about in the context of cap-and-trade. We at Enbridge continue to be willing and supportive partners in building a carbon reduction strategy. Our belief is that natural gas is part of the solution. It's the least carbon-intensive of all fuels and burns efficiently, with fewer air pollutants.

Moving forward, we believe that through a combination of measures the gas sector in Ontario can reduce emissions by 21 megatonnes. The goal for 2030 is around 61 or 62 megatonnes, so that's about a third of the reduction the province needs to hit its 2030 goals.

I've got a slide that I've put up here that was produced by ICF Consulting, and it identifies the 21 megatonnes that I talked about. The yellow bar looks at basically vehicles, and in the vehicle sector there are about three megatonnes that can be reduced by switching from other fuels to natural gas in the heavy and medium truck sector. Not only is natural gas less expensive than diesel or gasoline, but you get that carbon benefit as well. In the transportation sector, that accounts for a third of Ontario's greenhouse emissions and it's the fastest-growing sector, so it's the sweet spot for switching fuels.

Dr. Philip Walsh at Ryerson—he's at the Ryerson Centre for Urban Energy—recently wrote an article that said that to tackle the immediate problem of transportation, Ontario needs to take advantage of natural gas and that when compared to diesel, "natural gas is clean, reliable and affordable." He's just one of many that claim that natural gas is an imperative to help meet those carbon reduction targets.

I've got a quick video. It captures the voices of others and brings the story of natural gas in the transportation sector.

Video presentation.

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Mr. Jamie Milner: You can make that "zero emissions by using renewable gas." I talked about greening the gas grid, and that's basically taking waste from organics, whether it's from farms, municipal waste or waste water. Those types of things can be used to produce biogas that can be put in the pipeline and used anywhere, contracted by anybody, to have zero emissions. There are other jurisdictions, like Quebec, California and BC, that have already introduced RNG in their systems. We need to encourage the government to use a portion of the cap-and-trade proceeds to help us enable that investment in technology here in Ontario.

Over the last two decades, the electricity grid has been largely de-carbonized with the replacement of coal plants, with conservation, renewables and natural gas. Just like the electricity sector, that natural gas grid can be de-carbonized, and it can be de-carbonized more cheaply than renewable electricity, just to put it in some context. Conservation, though, is going to be a real linchpin for moving forward. What we've been doing over the last—well, since 1995, Enbridge has reduced 18 megatonnes just through conservation programs. So there's a track record, and that's something that's really important moving forward.

Despite the fact that natural gas represents the largest potential for GHG reduction, there still remains a gap. Back to that chart, there's a white area there. That white area is something that we need to find. That really represents innovation. We call it the innovation gap. This is where we need to innovate with more efficient technologies and ways to take carbon out of the end-use types of appliances. We think that can be done.

We believe strongly that we need to invest more to help transition the market and so on.

The Chair (Ms. Soo Wong): Mr. Milner, could you wrap up your presentation? Thank you.

Mr. Jamie Milner: I'm two lines to wrapping that up.

The Chair (Ms. Soo Wong): Okay. Thank you.

Mr. Jamie Milner: The bottom line is that we think that natural gas is part of this energy mix and part of the carbon solution.

I appreciate the opportunity to be here today.

The Chair (Ms. Soo Wong): Thank you very much. We are strict on time this morning, because we will be meeting the minister at noon today.

Mr. Jamie Milner: I appreciate that.

The Chair (Ms. Soo Wong): I'm going to Mr. Milczyn to begin this round of questioning.

Mr. Peter Z. Milczyn: Good morning, Mr. Milner. Thank you for your presentation, and certainly for making it more entertaining than just an oral submission.

I wanted to start off by asking you about the progress that we're making on the $200-million infrastructure funds the province already announced in the previous budget to expand natural gas into rural and underserved communities. Could you tell us a little bit about the process that's ongoing now to let that happen? That $200 million: How much investment is that going to leverage from your company and others in the private sector?

Mr. Jamie Milner: The investment will leverage about $100 million from ours, and probably something similar from Union Gas, and that's the starting point. That's just the first tranche. That's one community for us; for Union, I think that's several communities. Then, that will move forward. That's just to give you some perspective.

In terms of process moving forward, the regulator has weighed in. There are some policy issues that need to be ironed out. The OEB is having a generic hearing on some of the rules that need to change. That will happen sometime this year, probably mid-year, as we get decisions. In parallel, we're talking with the government on how to deploy that $200 million and the $30 million in infrastructure. So we're trying to work through that at this point.

Mr. Peter Z. Milczyn: I assume you have already identified, or are in the process of identifying, those communities which would be the first ones to which you could extend these gas networks?

Mr. Jamie Milner: Yes. We have quite a number.

Mr. Peter Z. Milczyn: Okay. In terms of your presentation and how the increased use of liquid natural gas in the transportation sector could help drive down our greenhouse gas emissions and help us achieve our targets as a province, could you tell us a little bit about what level of infrastructure needs to be put in place in the province with fueling stations and so on to make this a reality, to start transforming the transportation sector into a less-emitting service?

Mr. Jamie Milner: We're in the process of working with the Ontario Trucking Association to lay that exact framework out. But it's looking at, first of all, the high-density corridors, what we call the Blue Highway, which is the main areas, and then you start to build them out in terms of nodes-and-spokes types of locations. And it's not just LNG, liquefied natural gas; it's compressed natural gas too.

Anyway, it's a process to map it out, and then how do you stand that up?

Mr. Peter Z. Milczyn: Our government is making unprecedented investments in public transit, expanded public transit and public transit infrastructure. In a number of communities we're looking at implementing bus rapid transit as the most efficient form of transit. Are there any barriers or is there any reluctance of transit operators of this province to adopt this technology? If so, what are they and what could we do to help overcome that?

Mr. Jamie Milner: It's an interesting question. There are lots of barriers, and there have been lots of barriers. Probably the biggest barrier is just the status quo—people are comfortable using diesel—and the mechanics and training. That's the biggest resistance that we've had.

In terms of leadership, that's really what is needed: leadership to say, "This is the direction we need to go," to create that framework, and then make it happen. Where bus operators have gone to natural gas, as you heard in the video, they like it. From a maintenance perspective, there's no difference; it's all good stuff. But it starts with leadership and saying, "Hey, there's an opportunity here," and then it's creating the framework.

Because these are municipal decision points, there's policy stuff; there's a lot of process that happens there. Those processes are cumbersome and there isn't any guidance. Every municipality has to do their own study and figure out exactly how that's going to work, so—

The Chair (Ms. Soo Wong): Okay, Mr. Milner, thank you for your presentation. I just want to remind you that you have until 5 p.m. this afternoon if you would like to do any written submission to the committee.

Mr. Jamie Milner: We will provide a written submission to you.

The Chair (Ms. Soo Wong): All right. Thank you very much, and thank you for your presentation.

NURSE PRACTITIONERS' ASSOCIATION OF ONTARIO

The Chair (Ms. Soo Wong): The next group before the committee is the Nurse Practitioners' Association of Ontario. I believe that the nurses are coming forward, and the Clerk is coming around with the written submission.

Good morning, ladies. Now, we only have one name before us: Theresa Agnew, executive director. So I'm just going to give you quick instructions. First, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official opposition party. When you begin, can you please identify yourself for the purposes of Hansard? Welcome.

Ms. Theresa Agnew: Thank you very much. It's an honour to be here. I am Theresa Agnew. I'm the executive director of the Nurse Practitioners' Association of Ontario. I'm here with our director of policy, Jane Fahey-Walsch, and also with Marcela Killin from our office.

My notes are in the submission that you have, as well as a pamphlet about nurse practitioners and also a platform that was developed. We actually did get a response on our platform questions from the Premier, and she did commit to making the changes that we had requested in that platform.

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The Nurse Practitioners' Association of Ontario is the professional voice for nurse practitioners in Ontario. Formed in 1973, NPAO has been active in policy development, advocacy, awareness, professional development and knowledge dissemination for more than 40 years. NPAO is the professional voice of more than 2,800 nurse practitioners across Ontario.

Nurse practitioners are registered nurses with advanced university education and experience who provide a full range of health care services. Nurse practitioners are authorized to independently prescribe all medications, with the exception of controlled drugs and substances. I would note that Ontario is now the last jurisdiction in

Canada to enable nurse practitioners to prescribe controlled drugs and substances. Nurse practitioners are able to order and interpret all laboratory tests and some diagnostic imaging tests. NPs are also able to admit, treat and discharge hospital patients.

NPAO is asking in the 2016 provincial budget that the budget include a targeted investment in primary care in order to address the nurse practitioner recruitment and retention crisis which is being experienced in the community.

In Patients First: Action Plan for Health Care, Minister Hoskins has articulated a strategy that will help to ensure that the people of Ontario receive the right care at the right time by the right provider as close to home as possible. Furthermore, by utilizing the most efficacious and cost-effective provider, taxpayers will see better value for their tax dollars. Unfortunately, one of the major impediments to achieving this goal is the ministry's current compensation policy.

The government talks extensively about shifting health care services to the community, but provincial policies drive health care professionals out of the community and back into the hospital. The average nurse practitioner works for 16 years as a registered nurse before doing a master's degree to become a nurse practitioner. Despite the added accountability and scope of practice for a nurse practitioner, an RN working in a hospital or a public health unit makes the same salary as a nurse practitioner working in primary care.

Nurse practitioner salaries in the community are frozen at the 2006 rate. Not surprisingly, community positions for nurse practitioners are now experiencing high turnover and vacancy rates. This means that approximately 250,000 Ontarians are kept waiting for care. Organizations such as CHCs, family health teams, and nurse practitioner-led clinics must turn away patients who could otherwise be treated by an NP. The salary for an NP in Ontario working in primary care is now the second-lowest in Canada; Quebec is lower. An equitable compensation policy would help to ensure a return on the investment in nurse practitioner-led clinics and community-based health care that the province has already made and pledges to make.

Reducing turnover also improves patient safety and improves continuity of care. There are a number of cost-effective and relatively straightforward measures to address the recruitment and retention crisis in primary care. For example, introducing pension equivalency—HOOPP—between primary care and the rest of the health care system would provide a powerful first step in helping address the problem. NPAO, along with the Association of Ontario Health Centres and the Association of Family Health Teams of Ontario, is proposing a multi-step solution to this crisis. We submitted this document, actually, in June 2013. In addition, NPAO is asking that the 2016 provincial budget create a truly integrated funding structure for health care that follows the patient, not the provider.

In the discussion paper entitled Patients First, which was released by Minister Hoskins on December 17, 2015, the minister sets out a bold and ambitious plan for the health care system. In the proposed plan, the LHINs would have more responsibility for planning and more accountability for monitoring performance measures. However, the paper also states that the government would continue to centrally negotiate funding for primary care and physician compensation. This leaves the LHINs without the financial levers they need to accomplish their work.

Recently, four public health units in different areas of Ontario let all of their nurse practitioners go. These nurse practitioners had worked for years providing sexual health clinics. They provided high-quality care, with excellent outcomes. The NPs were replaced with physicians. Why? Because the nurse practitioners are paid a salary out of the global budget of the organization, whereas the physicians bill OHIP. While the budget of the public health unit may look better, this change will actually double the cost of services to taxpayers.

This type of maneuvring is going on in hospitals and long-term-care homes as well. Various incentives encourage organizations to follow the money rather than determine who can achieve the best outcomes for clients. For example, nurse practitioners in some emergency departments are relegated to seeing the most complex patients. This enables physicians to see less complicated patients, in order to bill for higher volumes.

Physician services account for 20% of every dollar spent in Ontario. Despite the fact that this amounts to $11.7 billion, there is barely any mention of this funding in previous provincial budgets. We know that this government is committed to transparency and openness. We know you are committed to achieving the best value for taxpayer dollars. As such, we recommend that health care funding be integrated at all levels.

Finally, NPAO is asking that the 2016 provincial budget include further investments in health human resource funding for long-term-care facilities so that the ratio of one nurse practitioner for every 150 long-term-care residents is achieved. Long-term care is a critical component of our province's health system. Long-term care houses 75,000 Ontarians who require significant care and are no longer able to live at home. In recent years, the acuity level in long-term care has risen significantly. Residents are much sicker when they go into care and more in need of complex care than even a decade ago.

Increasingly, nurse practitioners are acting as the most responsible practitioner in long-term-care homes. Systematic reviews indicate that an on-site nurse practitioner in long-term care can decrease transfers to emergency departments; decrease hospitalization rates; decrease length of stay; decrease depression, urinary incontinence and pressure ulcers; and increase staff and resident satisfaction rates.

The Liberal government has recently rolled out an additional 30 nurse practitioners in long-term care, with a commitment to an additional 45 attending nurse practitioners over the next two years. But this is far below the number needed to address the "grey tsunami." Based on emerging evidence, NPAO believes that both long-term-care residents and the province would benefit from continued expansion of NP positions in this sector. Our goal is to ensure that there is at least one nurse practitioner for every 150 residents in the sector. This ratio would guarantee that all residents have access to timely care. As well, taxpayers would see better value for their money.

Thank you so much for the opportunity to make this submission.

The Chair (Ms. Soo Wong): Perfect timing. I'm going to turn to Ms. Munro to begin this round of questioning.

Mrs. Julia Munro: Thank you very much for coming and being able to give us this kind of insight. I just want to say off the bat that I have a nurse practitioner-led clinic in my riding, and I would want you to know that they're doing a good job of keeping their MPP informed of their issues.

The question of retention, of course, comes right at the very top. From an outsider looking at the situation, it just doesn't make any sense whatsoever. The question of the money following the patient is something that people have tried to get their heads around for a long, long time, and I would hope that this kind of data helps to make that happen.

The issue around the way in which they are delegated into other places: Can you give us a sense of how much pressure there is on having the nurse practitioners in situations like you've described in the hospital? What are the stats on that kind of thing? How much of a challenge is it?

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Ms. Theresa Agnew: Of the more than 2,800 nurse practitioners, currently approximately 1,000 of them are working in hospitals. We have approximately 100 working in a nurse-practitioner-led clinics. Many of the rest are working in primary care.

I think it is about 1,500 nurse practitioners who would enter into a community health centre, family health team or a nurse-practitioner-led clinic, only to leave there for a higher-paying job. That's what creates the high turnover. The nurse-practitioner-led clinics have really seen that quite acutely. As a result, they've had to turn away patients and not provide services.

But there are other examples of the funding not aligning to the appropriate provision of services. For example, in family health teams, physicians are paid an incentive or a bonus to see babies, to do prenatal care, to do smoking cessation counselling. Well, that makes no sense at all. That could definitely be done by a nurse practitioner—or by an RN, quite frankly.

Mrs. Julia Munro: My colleague has a question.

The Chair (Ms. Soo Wong): Mrs. Martow?

Mrs. Gila Martow: I just wanted to touch on your presentation. You said that the government basically shut down the sexual health clinics that were being run by the nurse practitioners. I was just wondering, because it's just another shell game, if we're taking funding out of one program and then we're putting it on to another program without increasing that other program's budget, which means that now if the doctors are billing OHIP to do that work, then that comes out of the global budget for doctors' billings in the province and that means that there's less money for doctors to see patients for other needs.

What amount of money, would you say, was being paid for those nurse practitioners in those sexual health clinics?

Ms. Theresa Agnew: Basically, according to the current Minister of Health, the average family physician has an income of about $350,000, whereas nurse practitioners are paid under $100,000, so you can see that there is quite a differential.

My point, though, is that the funding is coming from two separate pots, if you will: There's the protected OHIP billing pot and then there's generally everything else. Until we integrate those sources of funding and also bundle funding that follows the patient, we will continue to see this shell game happening, I believe.

Mrs. Gila Martow: I think what we're seeing in terms of funding for patients is that funding per patient, per taxpayer in the province vastly decreasing, because the population is increasing and the funding isn't increasing at the same rate to keep up with the aging population as well.

I just want to mention that when you're saying things like $350,000, that's billing. That's before their expenses and it's not salary.

Ms. Theresa Agnew: That's revenue. That's correct, absolutely.

Mrs. Gila Martow: Thank you very much.

Ms. Theresa Agnew: Thank you.

The Chair (Ms. Soo Wong): Thank you for your presentation and for your written presentation as well.

ELEMENTARY TEACHERS' FEDERATION OF ONTARIO

The Chair (Ms. Soo Wong): The next group before us is the Elementary Teachers' Federation of Ontario—ETFO. I believe Mr. Hammond and his colleagues are here. The Clerk is coming around with his submission.

Good morning, Mr. Hammond and your colleagues. Is it Vivian McCaffrey? Good morning. As you've probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. In this round, the questioning is coming from the third party. When you begin, can you please identify yourselves for the purposes of Hansard? Welcome, you may begin at any time. Thank you.

Mr. Sam Hammond: Thanks. I don't have 25 minutes? They told me "25."

Laughter.

The Chair (Ms. Soo Wong): I'm so sorry. As everyone knows, I'm strict about the times, especially today. Thank you very much for being here.

Mr. Sam Hammond: Thanks. It's a pleasure to be here. My name is Sam Hammond. I'm the president of the Elementary Teachers' Federation of Ontario, the largest teachers' union in Canada. With me, on my left, is our general secretary, Victoria Réaume; and on my right, our amazing government relation officer, Vivian McCaffrey. On behalf of our 78,000 members, I am pleased to participate in this, the 2016 pre-budget hearings.

ETFO is looking to the government to develop a budget that adopts a more equitable and balanced approach to addressing the deficit and fostering economic growth. Public sector services and public sector employees have felt the full brunt of the province's public sector austerity policies. The 2013 budget confirmed that one-time savings from the cuts to teachers' sick leave and retirement gratuity provisions contributed $1.1 billion—that's $1.1 billion—to the $5-billion drop in the estimate for the 2012-13 deficit. The 2015 budget reported that the province had achieved $1.6 billion in savings since the 2014 budget through lower pension costs resulting from constrained public sector wage growth and better-than-expected investment performance.

With wage increases not keeping up with the cost of living, the latest round of education sector bargaining has continued this pattern of austerity. ETFO members and the public sector generally have contributed more than their fair share to deficit reduction. In the post-recession economy, following the loss of thousands of manufacturing jobs, a strong public sector has an important role to play in ensuring that there are middle-class jobs that contribute to the provincial treasury and fuel economic recovery. ETFO is recommending that the province work with the federal government to reform personal and corporate income tax so that we narrow the growing income gap, tap into the dead money that corporations aren't using to invest in our economy, and create jobs for Ontarians.

ETFO acknowledges that since 2003, the Liberal government has indeed increased education funding. But the additional funding has only gone partway in addressing the $2 billion in cuts imposed by the previous Progressive Conservative government. Not all cuts implemented by the previous government have been restored. Programs such as special education, English as a second language, design and technology, physical education and the arts continue to be shortchanged at the elementary level.

Much of the funding increase since 2003 has supported new initiatives like the reduction in primary class size and the introduction of full-day kindergarten, but the government is not paying the full cost of these mandated programs. In its 2007 election platform, the Ontario Liberal Party committed to reviewing the education funding formula by 2010. Well, it's 2016 and that review has yet to take place. A comprehensive review is long overdue.

ETFO has identified a number of priorities for funding reform for elementary education.

The first is special education. Currently, approximately 17% of elementary students receive special education support. According to the most recent Ministry of Education data, approximately 83% of these students are in regular classrooms. In order to be implemented successfully, integrating students with special needs into our regular classrooms requires more resources to support the students as well as the classroom teacher in terms of training, human resources and material resources.

As the government has phased out its mitigation funding to ease the impact of declining enrolment, a number of public boards—at least 14—are struggling with cuts to special education. In some boards, the funding reduction is leading to cuts to educational assistants. For example, the Bluewater District School Board eliminated 49 EA positions. These support staff are critical to the ability of teachers to meet the needs of all students in the class and to address the behavioural issues of many students with special needs.

There is also a need to provide training for occasional teachers to assist them to address behavioural issues and adopt teaching strategies that support students with a wide spectrum of learning disabilities.

Teachers need release time to fulfill the time-consuming responsibilities to complete the documentation for the increasing number of students who require individual education plans.

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Another area of funding shortfall is support for English-language learners. There is no direct accountability for school boards to actually spend their second-language grants on the intended programs. The latest data from People for Education surveys indicate that 23% of English-language elementary schools with 10 or more ELL students do not have an ESL teacher. All too often, the overall shortfalls in the funding formula have led to school boards using their second-language grants for other purposes. This shortchanges, obviously, ELL students. As Ontario prepares to welcome an estimated 10,000 Syrian refugees this year, many of them children, school boards need to have the necessary language programs in place.

Full-day kindergarten is a significant provincial education initiative. Preliminary Ontario-based research suggests that this investment is already producing strong results in terms of students' reading and writing abilities, the complexity of their drawings, social confidence and problem-solving skills. To optimize the potential of the full-day kindergarten program, the Ministry of Education needs to address issues identified by front-line educators and Ontario researchers monitoring the program. These issues include class size and physical space, professional learning to support the teacher and designated early childhood educator team, preparation time for the designated early childhood educator, and deeper systemic support for the inquiry/play-based learning philosophy underlining the program.

Although the kindergarten program is funded to have an average class size of 26, there are a considerable number of classes with 30 or more students. In April 2014, the Ministry of Education reported that 640 FDK classes had more than 30 students. ETFO members consistently raise concerns about the challenge of setting up activity-based programs for that many young children in limited space.

Class size is another key issue that needs to be addressed in elementary schools. Like full-day kindergarten, the investment in smaller primary class sizes reflects the importance of focusing on early-years education in order to promote student success and to achieve long-term savings. Based on the research, we should be protecting our smaller classes at the primary level and moving to reduce them in grades 4 to 8 as well.

Class sizes in grades 4 to 8 are the largest in the K to 12 system. There is absolutely no reason, no rationale, for this difference. Lowering class sizes in these grades would provide teachers with greater opportunities to develop strategies and interventions tailored to the learning needs of each student.

All of the issues I've addressed—more resources for students with special needs, more investment in full-day kindergarten and smaller class sizes—were raised during our recent round of bargaining. We were pressed to raise the issues in the bargaining forum because the government has failed to address them through the provincial budget and expenditure plan. The budget process is really the most appropriate forum for addressing these important classroom issues. I urge this committee to support our positions.

I've been speaking primarily to where the government needs to assign greater funding to elementary classrooms. I'd like to draw your attention to our long-standing recommendation regarding funding efficiencies in the education sector. We believe the government could find savings from the $36-million budget of the EQAO—

The Chair (Ms. Soo Wong): Mr. Hammond, can you please wrap up so we can start this round of questioning?

Mr. Sam Hammond: Absolutely. You could save that $36 million through moving to random sample testing, which is used by international programs that we all point to.

I want to refer to our 18 recommendations that we've provided you in our submission. I'd be very happy to answer questions.

The Chair (Ms. Soo Wong): Okay. Thank you very much. I'm going to turn to Ms. Fife to begin this round of questioning.

Ms. Catherine Fife: Thank you very much for being here and for raising some very relevant, current and also long-standing issues in the education system.

Thank you for raising the issue around full-day kindergarten. The research and the evidence is very sound, but not when it's watered down. Your message on maintaining those ratios in our FDK classes to make them safer and to make them not just more efficient but more effective is very good advice for us.

The special education is a long-standing issue. That 17% deserves special education funding and is not necessarily getting that. Inclusion needs to be funded, and your message on that has been consistent over the years.

Class size, though, is the political football that this government likes to talk about but not necessarily fund. I just would like to give you an opportunity to respond to those who challenge the research claims—that the value and the benefits of investing in smaller classes diminish in later grades. That's what is out there; that's the rhetoric on this issue. Can you set the record straight on this, please?

Mr. Sam Hammond: Yes, thanks very much for the question. It's the first time I've actually needed 25 minutes to submit.

It's usually right-wing think tanks out of the United States that are saying that class size doesn't matter. I would say that there are two groups that, if you simply talk to them, you'll understand very clearly the importance of class size. That's parents and that's our members on the ground—teachers, ECEs, DECEs, ESPs and PSPs—who have consistently told us and the government—and we absolutely agree—that smaller class sizes make a difference. In fact, the Liberal government agreed with us by reducing class sizes in grades 1 through 3, which we were very appreciative of.

If you look at research coming out of the National Education Policy Center in the United States—and it's in our submission—they very much support our position and point to all of the benefits around smaller class sizes.

In fact, perhaps one of the reasons it diminishes in higher grades is because of the size of our classes in grades 4 through 8, and the inability, because of those class sizes, for our members—they do a great job, a professional job, day in and day out, but lack the time and the resources—in addition to that class size—to individually assist students in a way that benefits each and every student in that classroom. The increasing class sizes in grades 4 to 8 are extremely problematic in that regard.

Ms. Catherine Fife: Thank you. Also, thanks for raising the issue around Syrian refugees, because the fact that school boards are not required to hold that money, that ESL and ELL money, for those students is going to be a major factor going forward. It already is; it has been emerging for a number of years. But thank you for raising that.

On the EQAO, though, I must ask—because you do make a recommendation to move to a random sample model of student testing. We had also proposed this in the past. What is the pushback on this? Because the EQAO experiment has run its course, and it's costly. In times when there is not enough money for ESL and ELL, and there are 16,000 students on an autism wait-list, there are other places to invest that funding. Can you give us some sense as to the pushback around random sample testing?

Mr. Sam Hammond: What I would say is that, over a decade later, we should be reviewing all of these things. It's time for us to do what is in the best interests of students across the province. If we're looking at a deficit, looking at efficiencies, as we've highlighted in our submission and in my brief to the committee, there's a very good example of moving to random sample testing that could save approximately $36 million. As I said, our international tests that we all point to, and that are on the front page of the Toronto Star, are all random testing. We think it's a win-win for everyone, if you will, to use a phrase, in terms of the efficiency, in terms of the reduction to overall cost, and to students and our members.

Ms. Catherine Fife: Thank you, and thanks also for raising the issue of poverty reduction. There was a lawyer in Hamilton who said that there are enough kids using food banks in Hamilton alone to fill 270 classrooms. Because there is so much transition around housing, that obviously impacts the academic performance of students. ETFO has been consistent in asking this government to invest strategically in poverty reduction, not just press releases. So I want to thank you for that. Thanks for being here today.

Mr. Sam Hammond: Thanks.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much for your presentation.

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ONTARIO PHARMACISTS ASSOCIATION

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness is the Ontario Pharmacists Association. Good morning. You have 10 minutes for your presentation, following which you will have questions from the government party. As you start your presentation, if you could please state your name for the official record.

Mr. Dennis Darby: Yes. Thank you, Mr. Chair, and good morning, members of the committee. I'm Dennis Darby. I'm the CEO of the Ontario Pharmacists Association. To my right is Mr. Sean Simpson. He's the chair of our board.

It's a pleasure to present to the committee on behalf of the more than 9,000 pharmacists, pharmacy students and pharmacy technicians who are members of the Ontario Pharmacists Association, as well as our board of directors and staff.

We have submitted our remarks as well as some background information on the profession and some of our policy priorities for your consideration today.

Before we get into the substance of our remarks, I want to emphasize that the Ontario Pharmacists Association represents the profession of pharmacy. Our members are employed as staff pharmacists, as independent owner-operators of pharmacies, as hospital pharmacists, pharmacists in family health teams, pharmacy technicians, and more. We represent those who work both in and outside of clinical settings.

Our student members, at the University of Waterloo and the University of Toronto, represent the next generation of pharmacists and professionals, and they will be providing the care and driving the innovation, in the years to come, that those of us in the room are going to need.

While the economics of pharmacy are very important to us, we must view and consider the impact of government programs and funding through several lenses in order to ensure that they reflect the needs of our patients as well as our member groups. I want to emphasize that patient care is the first and foremost priority for pharmacists in Ontario. However, this is a budget exercise, and we'll focus on budgetary matters.

You are well aware of the sustainability challenge facing our medicare system: how the Ministry of Health and Long-Term Care's budget consumes around $51 billion annually, and the challenges facing our health care workers in the system when it comes to delivering the goal of providing accessible, affordable, patient-centred care to all Ontarians. You're also aware of the various reforms that this government and previous governments have undertaken in an effort to control costs without compromising quality or access to care.

What might be less known to members of this committee, especially to its newer members, is that pharmacies and pharmacists have already borne the brunt of significant funding reforms three times in the last decade. Funding and policy changes implemented by the McGuinty government in 2006 and again in 2010 not only affected funding levels but actually changed the business model for the distribution, dispensing and reimbursement of pharmaceuticals in this province. Just last year, the current government's budget reduced funding to Ontario's public drug program by $150 million a year.

These three sets of reforms—in 2006, 2010 and 2015—have not been the only major changes to pharmacy funding in Ontario. Along the way, Canada's provincial Ministers of Health joined together, through the Council of the Federation, to reduce generic drug prices more than once. These have also had effects on the profession and how pharmacists practise.

Sean?

Mr. Sean Simpson: For context, members should know that 50% of prescriptions filled in this province fall under the Ontario public drug program. Half of the dispensing activity in Ontario pharmacies is for seniors, people with disabilities and people on social assistance. So when the government makes changes to the public drug program, these changes are felt by pharmacies and pharmacists alike.

The net effect is that our staff pharmacist members have experienced downward pressure on wages, reduced hiring, and less staffing and support to provide the level of patient care that the public deserves. Our independent pharmacy owners have had to change their business models. In many cases, local independent stores have closed.

The Ontario Pharmacists Association recognizes that high-cost drugs and pharmacy dispensing fees are easy targets for cuts. However, I would ask you to ask yourselves: What other product can you buy where the retailer's markup is 8% or even 6%? The answer is simply, "Not many." But that is the markup on provincially funded drugs in Ontario.

By the way, the Ontario public drug program pays pharmacies $6.83 for the majority of prescriptions that it reimburses pharmacies for. From that markup and reimbursement, pharmacies must pay distribution, staff salaries and all their overhead costs. So when governments take the simplistic approach of reducing dispensing fees and cutting drug prices, pharmacies feel it as business owners and pharmacists feel it as professionals trying to deliver the care that they are trained to provide and that the health care system expects.

The Ontario Pharmacists Association and our members recognize that Ontario has a fiscal problem. We're not here to advocate for increases. We're here to tell you that when it comes to helping the province find health care system savings, pharmacists and pharmacies have done our part more than once. It is our recommendation that, as the province seeks to balance its budget, policymakers look elsewhere for savings. Consider this profession as one in which to invest to provide better care for patients.

It hasn't all been bad news for pharmacy. The 2015 Ontario budget highlighted the government's intention to move forward with further enhancing pharmacists' scope of practice by building on the very popular flu shot program and allowing our members to administer travel and possibly other vaccines. The Ontario Pharmacists Association has been working with the Ministry of Health and Long-Term Care in an effort to bring that change to fruition, and we look forward to an announcement very soon. We do not expect there to be funding attached to a travel vaccine program, but we would welcome it as it would help bring Ontario pharmacists more in line with what pharmacists in other provinces are doing and would allow us to provide safe, convenient alternatives for our patients looking for this type of care.

We also look forward to the day when Ontario pharmacists have the authority to administer a common ailments program or to offer therapeutic substitution to patients and provide other professional services that are already available and well used in other provinces. Enabling pharmacists and other allied health professionals to expand their scope of practice creates greater capacity elsewhere in the system, improves access, and is a safe, cost-effective alternative to physicians' offices and emergency room visits.

Additionally, enhancing pharmacists' scope of practice and expanding the flu shot and travel vaccine programs helps keep patients out of hospitals—one of the biggest expenses in our health care system by far. The association has provided costing information for some of these programs to the government in the past, and there continue to be real savings to be had by expanding the scope of practice for pharmacists.

In closing, I want to thank the committee for the opportunity to address you today. Pharmacists have much to contribute to the people and the health care system in this province. With the proper regulatory and funding framework from policy-makers here at Queen's Park, Ontario's pharmacists can deliver quality, patient-centred care in a way that supports the province's health care goals.

We would be happy to answer any questions.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much. Ms. Vernile has questions for you.

Ms. Daiene Vernile: Thank you very much, gentlemen, and thank you for coming to Queen's Park today to share your information with us. First of all, I'd like to say that I want to thank you and all of the people who work in your sector to keep Ontarians healthy. Our top priority is to help people in this province to have better and faster access to the right kind of care.

You've heard that our Minister of Health and Long-Term Care, Dr. Eric Hoskins, is very concerned about creating a national pharmacare program. I'd like to get your thoughts on that. How would that impact your sector?

Mr. Dennis Darby: I'll answer first and then Sean can fill in. First of all, pharmacists support the idea of accessibility of medications for all patients. Pharmacists know first-hand in their practice people who can't afford to take their medications. If they can't comply and they can't use their medications, then they don't get better. So a system that would provide fairer access would be something that pharmacists could support—access to everyone depending on their income rather than on their age, which is the current system.

We also think that patients should have access to the same level of pharmacy services, pharmacists' scope of practice, and the same drugs across the country.

The idea of creating something that's fairer and more accessible, and also provides equivalent care both in terms of what the pharmacist can do and what kind of medications they receive, is something that our association would support.

Ms. Daiene Vernile: Our government has worked with you to help you expand your scope of practice. I know that that's very important to you. You mentioned administering the flu vaccine but also prescribing smoking cessation medication and renewing prescriptions independently from a doctor. I think that these are important initiatives.

A small piece of trivia for you: I'm the MPP for Kitchener Centre, and the very first pharmacist in Ontario trained to deliver the flu vaccine was in my riding. I received my flu shot from him a couple of years ago. I think that's a wonderful initiative.

Are there other things that you would like to add to the list in expanding your scope of practice?

Mr. Sean Simpson: Thank you very much. Front and centre, as part of our submission, we referenced the ability to treat minor ailments, which are programs that rolled out in most other provinces across Canada and the United Kingdom. We feel that this type of program would help Ontario pharmacists to ease the burden on walk-in clinics and emergency rooms for minor conditions that pharmacists are well-trained and quite capable of treating, not to mention that this is something that would be quite convenient for patients in an effort to access the care that they need.

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Ms. Daiene Vernile: You touched on allowing Ontarians the ability to go into a pharmacy and to get their travel vaccines there. I can tell you that in my previous career as a news journalist, I've had the opportunity to travel to various parts of the world such as Central America, Africa and Southeast Asia. On those occasions, I had to go to a special travel clinic and get a whole bunch of needles. It would have been more convenient to go to the pharmacy.

What will it mean for your industry if you are able to do this, to administer these travel vaccines?

Mr. Sean Simpson: I think that's an excellent point. For our industry I think it provides the opportunity to close the loops on care. If anybody has travelled recently or tried to access certain vaccines—for example, a Twinrix vaccination—the process as it would go right now would be that you would get a prescription, bring it to the pharmacy, be told to come back and pick it up, bring a cooler pack, take it back to your physician's office, go over there, get an appointment and make sure you keep it cold and on time.

I think for one it helps our industry to close that gap on care and ensure that compliance with treatment regimens on those vaccinations. If somebody has to go through that cycle three times, we quite often see people do the first vaccination, and the second and third typically don't get completed.

I think for our industry, for one, it allows us to provide a better level of care. I think there is potential for financial benefits for our industry through that as well, but I think the most important thing for all of us is that we're able to provide a better standard of care for our patients.

Ms. Daiene Vernile: And you know your patients. You have a relationship with them.

Mr. Sean Simpson: Absolutely, we do. We know them by name; we see them on the street.

Ms. Daiene Vernile: I think it's going to bring more convenience, too. Thank you very much for your presentation today.

Mr. Sean Simpson: Thank you.

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

CENTRAL 1 CREDIT UNION

The Vice-Chair (Mr. Peter Z. Milczyn): We're running slightly ahead of schedule, which is not a bad thing. Our next witness is Central 1 Credit Union. Good morning. You have 10 minutes for your presentation, followed by five minutes of questioning by the official opposition. As you begin, if you could please state your name for the record.

Ms. Megan McIver: I'm Megan McIver. I'm the regional director for Central 1 Credit Union.

Mr. Ralph Luimes: My name is Ralph Luimes. I'm the vice-president of government relations and governance for Libro Credit Union.

Ms. Megan McIver: Thank you, Mr. Vice-Chair, and thank you, committee members, for having us here today. My apologies, as I've been struggling with a bit of a sore throat, but I will try to speak as clearly as possible.

I am Megan McIver, and I'm the government relations regional director for Central 1, which is the trade association that represents 80 member credit unions and their 1.3 million members. I'm also joined by Ralph Luimes, VP of government relations at Libro Credit Union, one of Ontario's largest credit unions, with 31 branches in 25 communities across southwestern Ontario.

We're here today because Ontario credit unions are in a unique position to help grow the economy and create jobs. Our focus is local prosperity, and our goal is to improve the financial well-being of families, local businesses, farms and not-for-profits, as well as investing in talent and resources in the local communities where every credit union stakeholder lives and works.

While other financial institutions focus on providing profits to shareholders, credit unions' purpose is to provide service to members. Credit unions are owned and governed by our members, by the people who have decided that a co-operative business model will generate greater mutual success in everyone's interest.

Credit unions as a whole are a large and growing player in Ontario's economy. You may have heard these stats more than once during your consultations, but at the end of November 2015, Ontario credit unions that are class-A members of Central 1 had total outstanding loans of $34.1 billion; $20.8 billion in residential mortgages; $9.8 billion in commercial mortgages and loans; $1.4 billion in agricultural loans; $32.3 billion in total deposits; $5 million in donations and sponsorships; and $300,000 in scholarships and bursaries. And we're growing every day.

As you know, this is an important year for credit unions. The legislation that regulates us has been reviewed and the mandates of our regulators, the Financial Services Commission of Ontario and the Deposit Insurance Corp. of Ontario, are being reviewed at the same time. We look forward to seeing those results and continuing to play an important role in that process.

Our policy submissions to the current government have encouraged Ontario money to be reinvested back into Ontario. That's what we do, and we pride ourselves on the diversity of our system and serving our members with different needs.

Financial services face global competition for investment and talent. To continue on a path of growth benefiting businesses and families in Ontario, credit unions will need to explore new ways of differentiating ourselves and capitalizing on opportunities in order to have a sizable impact in the community going forward.

The credit union system is at a bit of a crossroads. I want to take a moment to reiterate a few opportunities that are of particular interest to us.

First, credit unions pay premiums on deposit insurance, and the cost of the premiums, much like your own car and home insurance, is tied to the amount of coverage you have. Presently, the insurance premiums in Ontario are based on $100,000 worth of coverage per member. That's the lowest rate for credit unions in North America. New Brunswick, Nova Scotia, and Newfoundland and Labrador each have a $250,000 limit, while every other province west of Ontario has unlimited deposit insurance for credit unions.

Banks also have $100,000 of coverage, but that's based on per-account with each subsidiary, meaning that banks can double- and triple-up on insurance. Banks also operate extraprovincially, meaning there's no guarantee that money will stay in the province.

We believe that raising the level of deposit insurance to $250,000 per member would encourage more deposits to be kept in Ontario with local institutions and level our competitive playing field.

Second, we think it makes good sense for municipalities, universities, schools and hospitals to keep deposits with local financial institutions. Right now, they can't. We believe there is a compelling rationale for a differential, higher rate of deposit insurance on those funds.

Third, we wish to applaud the government for not raising the provincial tax rate on credit unions, as was done by the federal government in 2014. Today, I want to strongly encourage that you maintain our present tax rate. Because we are capitalized differently than banks, we estimate that if the provincial tax rate were increased, it would result in a decrease of $266 million in loans to households and small businesses in Ontario. These loans often mean money reinvested back into the local economy.

Our time is short today, so I will leave it at that. The credit union difference is all about service to our members and to our community. This means driving community and economic impact, as well as pioneering innovative approaches to banking. With these changes outlined today, credit unions will be better positioned to work together to build greater awareness of the co-operative values and unique differences that make us an integral part of Ontario's economy.

I will now turn it over to my colleague, Ralph.

The Vice-Chair (Mr. Peter Z. Milczyn): Sorry. That actually was your 10 minutes already.

Ms. Megan McIver: Oh, okay.

The Vice-Chair (Mr. Peter Z. Milczyn): I'll pass it over to questions. Ms. Munro.

Mrs. Julia Munro: Thank you for coming. I think it's really important that you come and make a submission, because there are some unique qualities in the structure of a credit union and they have to be recognized, obviously, in legislation.

I was going to ask you: Many of our deputants have made reference to the Ontario pension plan and how they might be impacted by that. I wondered if you had any comments to make on that, as obviously it would be a big shift in the mandatory obligations that employers and employees would have.

Mr. Ralph Luimes: It's our experience at Libro that businesses generally across the country, but certainly in Ontario as well, are experiencing some challenge with the roller-coaster economy. In order to survive that and deal with the various unknowns that may occur from time to time, cost management is very tight, and efficiency is the primary focus for their operations.

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We support, therefore, a simple model where the CPP would be expanded to meet the needs of the provinces and country, and encourage that. We support the position that the chamber has advocated along those lines.

Mrs. Julia Munro: Yes, thank you. That was going to be my next question. Do you see yourself in the same position as the chambers of commerce?

Mr. Ralph Luimes: Very much.

Mrs. Julia Munro: Yes. Thank you. We hear so much about the influence of having China as a world player in the economy, and local businesses having a lot of struggle in their specific areas. As a credit union, how do you absorb the kind of pushback and challenge that comes from the retail industry, for instance, or manufacturing, both of which have been very heavily impacted by a number of things beyond their control?

Ms. Megan McIver: I want to answer this one really carefully. In our consultation paper, we talk about our prescribed subsidiaries—

Mrs. Julia Munro: I'm sorry, your prescribed what?

Ms. Megan McIver: Subsidiary ownership, what we're allowed to own and not.

Mrs. Julia Munro: Okay.

Ms. Megan McIver: We are substantially harmonized with the types of subsidiaries banks are permitted to own in the Bank Act. We would suggest that this list of prescribed subsidiaries for credit unions be fully harmonized.

In particular, credit unions could be permitted to acquire control of an entity operating a business of an insurance agency the same way that banks are permitted. That helps us to grow our revenue in a meaningful way and, ultimately, our capital base so that we can in turn absorb any shocks like that; or play a meaningful role in helping the government, for example, tackle issues like payday lending. Those things are higher risk for us. As you can imagine, there is not a huge margin on a two-week loan, but it's an interest of ours and something that we hope to play a meaningful role in. We can't do that, though, if we can't have an opportunity to grow our capital base.

Mrs. Julia Munro: I appreciate the answer. Thank you.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you for your questions.

Thanks for your presentation today, and thanks for your written submission as well.

Ms. Megan McIver: Thank you very much.

ONTARIO FEDERATION OF LABOUR

The Vice-Chair (Mr. Peter Z. Milczyn): Our next delegation is from the Ontario Federation of Labour. Good morning, gentlemen.

Mr. Chris Buckley: Good morning. How are you?

The Vice-Chair (Mr. Peter Z. Milczyn): You have 10 minutes for your presentation—

Mr. Chris Buckley: Ten?

The Vice-Chair (Mr. Peter Z. Milczyn): Ten.

Mr. Chris Buckley: I was told 30.

The Vice-Chair (Mr. Peter Z. Milczyn): Thirty?

Mr. Chris Buckley: Someone fibbed.

The Vice-Chair (Mr. Peter Z. Milczyn): Well, you'll have to negotiate that with somebody else. Ten minutes, following which there will be five minutes of questions—in your case, from the third party. As you begin your presentation, if you could please state your name for the official record.

Mr. Chris Buckley: Absolutely. First of all, thank you for the opportunity to be here today. My name is Chris Buckley. I'm the president of the Ontario Federation of Labour. To my right is Rob Halpin, who is the director of the Ontario Federation of Labour's research and education department. In fact, Rob is responsible for putting the document together that you should have a copy of right now. Might I say he did a fantastic job doing so.

Before I get into my comments, I have one comment. I just want to say that I'm looking forward, as we go through the next year or so, to having the opportunity to modernize the Ontario Employment Standards Act and the Labour Relations Act. I know that it's going to be quite challenging for everybody as we go forward, but it's long overdue. I'm looking forward to the opportunity to move the yardstick ahead for all workers across the province.

Today, we have 30 recommendations within our submission. I'd like to focus on five recommendations that, in our opinion, are attainable and will make a real difference across the province, starting with number 9 in the booklet you have, and what is referred to as the anti-racism secretariat.

We must make the labour market more equitable for indigenous people, Ontarians with disabilities, members of racial minorities, LGBTQ communities and women. These groups of Ontarians are faced with barriers. They face discrimination in finding employment; they also struggle in retaining employment, and career advancements. As a result, they are overrepresented in those areas of employment that provide low pay and low chance for advancement. Yet some provinces, like Ontario, have abandoned their employment equity legislation.

Racial exclusion is rooted in structures and systems that appear to be race-neutral but exclude or discriminate against people of colour. Ontario must lead the charge to ensure that employment equity is once again a priority for all employers and at all levels of government.

Our recommendation is to ensure that the anti-racism secretariat outlined in the Human Rights Code Amendment Act is assigned adequate resources, and that the mandate to advance racial justice is—I'm sorry, I can't pronounce it.

Mr. Rob Halpin: Prerequisite.

Mr. Chris Buckley: —a prerequisite throughout Ontario.

Number 25 in booklet is to halt the sale of Hydro One, which has got a lot of attention. The Ontario Liberal government was not elected on a mandate to dismantle public assets by privatizing Ontario's electric utility, Hydro One. Any further planned sell-off must be halted.

For Nova Scotia, which privatized their electricity system in 1992, the outcome was bleak, as they now have the highest rates in Canada.

In the fall of 2015, the Financial Accountability Office—the FAO—of the Ontario Legislature released a report that warned that the sale of Hydro One was not only going to generate less money than estimated, but the sale would likely add to the provincial debt. Specifically, the FAO noted, "In years following the sale of 60% of Hydro One, the province's budget balance would be worse than it would have been without the sale."

Our recommendation would be to stop the further sale of Hydro One. Our recommendation is to commit to investing in Ontario's future by supporting strong public services.

Then we move to recommendation number 27 in our submission, about greening the economy, and cap-and-trade.

The scientific consensus is quite clear: We have to substantially reduce our carbon emissions by the latter half of this century. Any carbon pricing system or program must contribute meaningfully toward the province's target of reducing emissions to 15% below 1990 levels by 2020.

The government of Ontario must ensure that low- and middle-income families of Ontario are not thrown under the bus and asked to contribute more than some of the largest environmental offenders, which are large corporations.

Our recommendations will be:

—to ensure that the details of the cap-and-trade system provide protection to low- and middle-income families of Ontario;

—to make transparent the details that will apply to corporations, and guarantee that they will be required to contribute their fair share and at the same time as households, to truly confront climate change; and

—to divert any revenue generated from the program away from deficit reduction or from being hidden in the general revenues, and to commit to reinvesting the funds toward build a greener economy by providing the green jobs required to truly tackle climate change.

Our next recommendation would be number 17, on the migrant workers' bill of rights.

Measures proposed by the governing Liberals in Bill 146, the Stronger Workplaces for a Stronger Economy Act, introduced in December 2013, are positive steps in the right direction, but more robust protections are needed for vulnerable workers across the province. We must ensure that migrant workers are not forced to cope with excessive or illegal recruitment fees, substandard housing, unsafe working conditions or unpaid wages.

We propose to prohibit recruiters and employers from charging or passing on recruitment fees to all migrant workers by expanding the Employment Protection for Foreign Nationals Act. However, the effectiveness of this legislation will be limited because it relies on employee complaints rather than proactive enforcement.

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In 2013, the OFL launched a proposal for a migrant workers bill of rights. To date, we have yet to see real, concrete action on our request. Our recommendation would be to establish a registration and licensing system for migrant worker employers and recruiters to provide the oversight and data needed for a proactive enforcement.

That turns us to recommendation 18, a labour market partners forum. Ontario must turn the corner on job creation and economic growth. Implementing the best public policy requires open dialogue between government, academics, industry and workers in order to meet modern challenges head-on and develop creative ways to overcome them. Without the best ideas and buy-in from stakeholders, Ontario's growth will be minimal.

A labour market partners forum made up of representatives from government, labour, businesses and academics must be established to address a wide range of economic and labour market challenges and to advise on public policy, particularly employment strategies. Our recommendation would be to establish a labour market partners forum for multi-stakeholders, consultation about job creation and training.

Out of the 30 recommendations you'll see within our submissions, those are five, in our opinion, that we presented here today that we believe are obtainable. If anybody has any technical questions, I will turn it over to Rob, who provided and put together this documentation. On behalf of the Ontario Federation of Labour, we truly appreciate the opportunity to present to you today.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Buckley. I'm going to turn to Ms. Fife to begin this round of questioning.

Ms. Catherine Fife: Thank you both for coming in here today and sharing some very progressive ideas to address some of the inequities in the province of Ontario. And thank you, first and foremost, for ensuring that you're showing your support for the anti-racism secretariat.

Your specific ask is around adequate resources, so because this is the budget committee, I'd like to give you the opportunity to speak to how important those resources are in order to ensure that, if this secretariat is actually established by this government, it actually does what it says it's supposed to do. Rob, do you want to touch on that, please?

Mr. Rob Halpin: Please, yes, thank you. I think, to reiterate President Chris Buckley's point, it's extremely essential. Many provinces have done good work in ensuring that racism is addressed not only in the labour market but across the province in all its forms. I think, regardless of how good and well-funded an initiative is, that it must be able to go out and be enforced as well. I'll leave it up to the knowledge of this committee to understand how much that will take, but clearly just paying it lip service is not working. We see this not only in the labour market, but clearly we see it when people take to the streets, for example, in initiatives like Black Lives Matter, right?

Ms. Catherine Fife: Absolutely.

Mr. Rob Halpin: It's extremely important to be enforced as well.

Ms. Catherine Fife: This government has a track record of not following through on the enforcement piece, right? So thank you for raising that.

The issue of Hydro One: We've heard across the province—this is our seventh day of hearings—that electricity prices are impacting potential investment and job creation strategies in the province of Ontario. Those are good jobs that we're missing out on. Do you want to talk a little bit about the impact of if we go down this road? You've asked this government—as many other labour groups and the business sector have asked—to halt the sale of Hydro One. Do you want to talk about the privatization of hydro and the impact it will have on all jobs across the province? Chris?

Mr. Chris Buckley: I will jump in. Listen, I'm not going to mislead anybody. I'm not the expert, but I can tell you one thing for sure: If we're doing anything that's going to discourage job growth in this province and investment in this province, I would ask that everybody take a serious look at it.

I've represented workers my entire life at a number of different levels. I've seen—and so have all of you in this room—that we have suffered enormous job losses for far too long in the province of Ontario, some of which are not within our control, and some of which are in our control. I'm not pointing the finger at anybody here right now. I think that collectively, between government, labour and everybody else, we need to put our heads together to ensure that we're not doing anything to make it easy for employers to walk away from this province or make it easy for employers to say, "Your hydro is too expensive; we're not going to create jobs," because that's what they're going to do. Look at the job loss we've experienced. And I'm not speaking from my notes; I'm speaking from my heart. I've experienced it. I've lived it.

Before I became the president of the Ontario Federation of Labour, I was elected for 27 years in my hometown of Oshawa in Local 222, representing auto workers and auto parts workers, and seeing nothing but devastation and despair. I'm grateful, as a former representative of auto workers, for the government aid in the auto prices. It was absolutely necessary.

But mark my words: Large corporations like General Motors, who have not invested a penny back in this country—or very little, I might add, a little bit of investment in Ingersoll, which we're grateful for. But in the city of Oshawa, specifically, when I started there on November 3, 1983, there were 23,000 members in that assembly plant. Today, there are about 2,600. Guess what

General Motors is going to hang their hat on? They're going to be looking at workers to give up more, although workers have given up a ton, but they're also going to be saying, "It's too expensive for hydro." Other employers are already saying it.

I would ask you to revisit your position. We've seen enough job loss and despair. This is not the Ontario we want. We should collectively be putting our heads together and putting together a strategy that's going to do a number of things. Encourage companies to invest. Don't give them an excuse that hydro is too expensive. They have an obligation. Large corporations that have been around for decades, workers who have built this province and all of our communities that are suffering—don't give them an excuse to point the finger at lack of investment because of hydro. We need to seriously consider halting that. We need to come up with a plan for how we can give some people some hope and optimism.

Ms. Catherine Fife: One of those key things that draws investment is our social infrastructure. The cuts to education and health care in times of austerity, even though those times of austerity have been self-imposed, I can argue—those are poor investments. You've been very firm on ending the cuts to health care, so—

The Chair (Ms. Soo Wong): Okay, Ms. Fife, I'm sorry. I need to cut it off.

Ms. Catherine Fife: Okay. We'll talk later.

The Chair (Ms. Soo Wong): We're time-sensitive today. Anyway, thank you, gentlemen. Thank you for your presentation and your written submission.

Mr. Chris Buckley: Is my half-hour up already?

The Chair (Ms. Soo Wong): I'm so sorry. You know the drill. Thank you, Mr. Buckley, and to your colleague.

TTCRIDERS

The Chair (Ms. Soo Wong): The next presenter is the TTCriders. I believe it's Herman Rosenfeld and Dane Grgas. Good morning. Welcome down. Thank you very much.

Gentlemen, good morning. As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the government side. When you begin, can you please identify yourself for the purposes of Hansard?

Mr. Herman Rosenfeld: Okay. My name is Herman Rosenfeld. I'm a member of the campaigns committee, as is Dane, with an organization called TTCriders. First, I want to say thanks for allowing us to address this committee.

We're an organization of public transit users in Toronto, and we've been around for about six years. We stand for accessible transit. Accessibility, of course, can be defined in different ways, and we define it in all of those ways: an affordable and publicly owned, managed and maintained TTC.

We expect the following from the province for public transit in Toronto: Number one, to provide roughly half of the operating subsidy of the TTC, which would equal a subsidy per rider of roughly between $1.26 per ride to $1.44. We also call on the city to raise the same amount. Those of you who come from the city, as representatives, know about these debates.

Mr. Dane Grgas: We're even asking the feds as well. We'll ask anybody.

Mr. Herman Rosenfeld: But between the city and the province, that would equal a subsidy of roughly $2.50 per rider—actually, it would be more. The province used to provide almost half the operating subsidy until this was changed in the mid-1990s, and it hasn't been remedied since.

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This regular infusion of funds is necessary to cap and reduce fares for all; to bring in even lower fares for people on low incomes and social assistance, which is now a subject of study in the city of Toronto and the TTC; and to increase service to socially acceptable levels of accessibility. This is besides the capital investment and the contributions to building new accessible transit, such as the promised LRTs, the long-suffering Toronto-York Spadina extension, and others that have not been formulated or are constantly being reformulated.

We want current and new transit to remain publicly owned and managed, and not paid for by selling off other public resources to the private sector, and we want them paid for by progressive, effective and environmentally friendly forms of revenue tools as part of the provincial budget.

Why is this important, and why are we coming to the province from one city, the city of Toronto? Well, Toronto is a central economic hub not just of the province but of the country, and it's absolutely critical that public transit be up to snuff there. It's a fundamental way of addressing climate change through replacing individual car use with public transit.

You might have noticed, about 10 days ago in the Globe and Mail business section, that they described how 43% of carbon emissions come from transit. Now, obviously, they didn't say from where, and that might include airlines and that sort of stuff, but a lot of it is through cars.

The key role of public transit in getting people around: You want to have as many people as possible, from many different social classes, to be able to rely on public transit. But for certain people, particularly people in lower incomes, it's a key way of social life, maintaining life errands, all kinds of things. Then, of course, it has a central role in some of the issues that Chris was describing in terms of getting to work.

How can this be accomplished? Currently, the operations budget of the TTC is about $1.7 billion—and yes, folks, that's the third-largest in North America. It's big. The city pays through fares; 70% of the operations are paid for through what they call the fare box ratio, which is by far the highest anywhere in North America and one of the highest in the world. Transit users pay an inordinate percentage of the operating costs.

The subsidy per rider is somewhere around 73 cents, which comes to around $400 million, and that's supplemented by the $90 million that comes through the gas tax from the province. The total subsidy comes out to around 90 cents per rider. That leaves the rest to be raised by fares. This year, the total TTC subsidy will probably be around $490 million. That really isn't up to snuff, especially when you look at the role of the provincial component, which is very, very low.

The situation is not sustainable. It has led to constant increases in fares; service breakdowns; problems with the forms of transit that most people rely on in low-income neighbourhoods, i.e., buses; and terrible overcrowding at certain kinds of pinch-points in time.

The existing TTC infrastructure—the buses, streetcars and subways—are currently providing 555 million rides per year, which far exceeds the ridership of some of the new rapid-transit plans that are going to be brought in, but those are important and we're not here to put them down at all. Yet the TTC carries a state-of-good-repair and a maintenance backlog of $2.7 billion, and it goes up. Those are capital costs, but that contributes to the breakdowns that we see there every time.

Why do we continuously have this? The era of austerity has led to a steady deterioration in public transit and other infrastructure, and it must end. Some of the new building in the last few years is based on recognizing this. The province wants to be a leader in transit, and challenging climate change, and social justice. This is a critical component.

What are some of our proposals, more concretely? Principally, we want the provincial budget to include funding for one half of the existing operational needs of the TTC, not including ongoing capital requirements. It should result in a subsidy per rider of somewhere between $1.26 and $1.44—and we're talking about 550 million rides—along with a comparable subsidy from the city, which would allow for fare reductions, service increases and a contribution to low-income fare reduction. This can be accomplished by increasing the provincial corporate tax, income taxes on high earners, and by giving a share to Toronto's transit needs—obviously, it would be shared in proportion to other cities—and increasing the gas tax and sharing the increases with Toronto and other municipalities. If you look at the amount of money that comes from the gas tax in other major cities in this country, it could be done and it could actually bring in about $300 million per year.

Finally, a critical point is partnering with the city—not blaming the city for not properly using existing revenue tools, even if they deserve to be blamed—to be addressed in a principled manner. We're sort of tired of this "You draw first"; "No, you draw first," from each level, using the refusal of the other level of government to ante up its fair share as an excuse to do nothing.

Public transit can never pay for itself. It's a public service that costs a lot of resources everywhere, all the time, and can only run properly with adequate funding from governments, hence the term "subsidy."

The artificial conundrum that we hear as an annoying mantra is always, "Well, you have to trade off service and fares." With an increase in fares, service must be sacrificed, as if this is somehow a zero-sum game between fares and services. It is not. We cannot trade off these issues. We need both service improvements and fare reductions, and the missing factor is funding from the city and particularly this province, which does very little around subsidies.

Final point, a point that the president of the OFL raised, and that is that the needs of public transit users in Toronto can't be addressed by selling off resources. Public transit must also be publicly owned, managed and maintained. It's the only way it will be responsible to the needs and requirements of the people who use it, and not profit-seeking investors, even if lots of people who do use it are profit-seeking investors. We want to encourage them to use it, and we want to have more resources for them to use it.

In particular, we want transit expansions or operations funded not by privatizing critical resources such as Hydro One to wealthy investors, but by public, democratically administered institutions.

Decisions about how to fund public transit can become separated from democratic control by elected governments when subjected to, and eventually subordinated to, the requirements of private markets. There's a long history as well of P3s in maintenance contracts. You might have seen what happened in London, where every single one of the P3s set up to maintain the London Underground and build new components of it ended up having to be undone because they cost too much and they were ineffective. Some of the corporations involved in that have been involved in some of the P3s here.

Thank you very much. If you have any questions—

The Chair (Ms. Soo Wong): Thank you very much, Mr. Rosenfeld. I'm going to turn to Ms. Albanese to start this round of questioning.

Mrs. Laura Albanese: Thank you very much for being here and for your presentation today. I have had contact, in my life as an MPP, with the TTCriders, especially when you were still advocating for the affordability of the Union Pearson Express, which I am on record as supporting.

But I want to say that I think you're doing the right thing by going to all levels of government, because without co-operation, we really can't get things done. I think it's important for all levels of government to co-operate, especially on something as important as transportation and moving people, whether it's in cities or whether it's in smaller towns.

I know that the TTC has committed to expediting the rollout of the Presto card, so that should be a co-operation between the TTC and the province. I do take note, and we will take back, your ask for operational funding for the TTC.

The province has been helping out with capital projects. There are, I think, seven different corridors of the GO that are planning more stops and all-day, two-way GO service within the city of Toronto as well—and the Eglinton Crosstown—

Interjection.

Mrs. Laura Albanese: Yes, I'm coming to the question. I'm coming to a question, yes.

Mr. Dane Grgas: Thanks. I thought I'd speak through the Chair.

Mrs. Laura Albanese: No, no, you can speak to me.

Mr. Dane Grgas: Okay.

Mrs. Laura Albanese: The Eglinton Crosstown—I don't know if you know, but the province is picking up even the city's part on that. So we're trying to help through that, through the gas tax.

You're asking for an increase in the gas tax. Are you asking that only for the city of Toronto? Are you asking for—

Mr. Herman Rosenfeld: No, actually. There's a percentage that the city of Toronto gets, and that would be only fair. Public transit in other cities in Ontario, in fact, is mostly working-class people and poor people. Yes, there's a formula, which we have no problem with. The point is that there needs to be lots more, because, yes, there is building that's happening. Thank goodness, in the last few years, even though there have been tremendous hassles and fighting over what it's going to be like, there is a commitment to a certain kind of building, and we're happy with that. We're happy with the outcome. But the fact that that's happening is extremely important.

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The operation: For us, the critical point is that unless there is regular operations funding, aside from the capital funding—of course, we want more of that too—from the province, then the breakdowns will continue to happen.

Mr. Dane Grgas: Can I just cut in?

Mr. Herman Rosenfeld: Pardon me.

The accessibility continues to be problematic; it still remains. And we're not alone. A lot of the city councillors constantly make their pilgrimages here—at least they say they do—of making this demand, including the mayor.

Mrs. Laura Albanese: I want to give you the opportunity—

Mr. Dane Grgas: I just wanted to bring something up about Presto, in terms of trajectory. We've seen the trajectory from the province in operational funding go down and down. It has plateaued for a long time, but now it's going to go down even more because of Presto.

I was at a budget meeting the other day for the city of Toronto, and they have a line item of $51 million as their Presto fee next year. So the rollover to Presto for the TTC is going to be a negative exercise and the city is budgeting $51 million in a fund to make sure they've got that covered. We would like to see the trajectory at least remain the same. Yes, we'd like more, but can you stop taking what we already have? That's what the thing is here. Keep in mind that to let children ride for free on the TTC costs $7 million. That $51 million that is being taken is every year, every year, every year. When you want to put a net value on that, it's billions of dollars that are being taken out of TTC operations. We just can't afford that anymore. Our pockets are picked.

Mrs. Laura Albanese: I get your point. I have my colleague who wants to ask a question.

Mr. Peter Z. Milczyn: It's very interesting, what you mention about Presto, because I was on the TTC commission when we negotiated the deal with Metrolinx—meaning the TTC. For the record, I just wanted to say that what was a $300-million-plus project, which originally the province wanted the city or the TTC to pay fully—the arrangement that was arrived at was that the TTC/city would put in $41 million, I believe it was. The entire balance of the capital work was picked up by the province, by Metrolinx, and the ongoing fee to Metrolinx is the equivalent cost savings that the TTC is going to see by not having to do the counting of cash and coins and the various operational savings.

Mr. Dane Grgas: Yes. I've heard about all the heavy trucks and stuff.

Mr. Peter Z. Milczyn: So it was a net zero to the city. Yes, there would be a fee to Metrolinx for the back office, but that was offset by the savings the city was going to see.

The Chair (Ms. Soo Wong): Okay, I'm going to stop you here, Mr. Milczyn. You know we're on strict time today.

Gentlemen, thank you so much.

Mr. Dane Grgas: Could I just make one rebuttal?

The Chair (Ms. Soo Wong): No. Thank you for your presentation. Before you go, you have until 5 p.m. today to do your written submission to the committee. Thank you for being here.

Mr. Herman Rosenfeld: Thank you very much.

HON. CHARLES SOUSA

The Chair (Ms. Soo Wong): We now have the minister joining us. You know I've been very strict about times. I just want to remind the committee that the minister will be presenting for 10 minutes. The two opposition parties will each have 11 minutes to do your presentations and ask the minister questions; that's your 11 minutes. Then the government side will do eight minutes.

Minister, welcome. Thank you for being here. You may begin any time.

Hon. Charles Sousa: Thank you, Madam Chair and fellow colleagues. Good afternoon. I appreciate the opportunity to be with you, and the invitation. I know it was an invitation I did; then you have responded with a request by the NDP for me to appear. I think that's a good idea, so I'm happy to be here.

I know that you've all travelled across the province to hear from mayors and associations and chambers of commerce, but more importantly from everyday people from across Ontario, many of whom have serious concerns, and what it is that they want us to put in this budget going forward for 2016.

I just want to first off acknowledge the tremendous work that all of you are doing and continue to do. I'd like to know and ask what you've been hearing throughout the course of your pre-budget consultations.

As you know, I've been holding consultations as well, and I want to make sure that we're receiving the full, wholesome degree of reports and information that we're obtaining. I'm happy to share some of mine as well. But I really would like to hear from you in order for us to appropriately represent the betterment of our great province. By hearing your concerns and discussing the future systems we want to see, together, I believe, we can create the best possible plan for the people of Ontario. As I said, I want to hear your ideas and receive your feedback so that we can work together to make the everyday lives of Ontarians easier.

Allow me now to update you with what I've been hearing throughout our own pre-budget consultations. I appreciate the work also by my Associate Minister of Finance, Mitzie Hunter, and of course our wonderful parliamentary assistant, Laura Albanese. This year, together, we visited over 12 cities and heard from more than 530 presenters.

We've also expanded our reach to social media. For the second year in a row now, the province has launched Budget Talks, an online consultation tool that makes it easier for the public to shape policies and programs that will help initiate and talk about their part in Ontario's future.

We've actually done some pretty important work with tele-town halls as well, which has helped shape the contents of this process, enabling us to put forward a budget that speaks to a lot of households—people at home who don't always get out or have the opportunity to be before SCFEA or respective budget consultations. This past week alone, Mitzie Hunter and Laura Albanese did tele-town halls that reached tens of thousands of participants, both in Ottawa and Toronto, and I was able to participate in some of that as well.

A great part of what we've heard is the need to ensure that we reduce congestion, to enable people to get to and from home more quickly and more safely, and to enable businesses to get their goods to market more quickly as well, to maintain competitiveness.

Associations—those that are fostering jobs and business investment, those in chambers and municipalities across Ontario, especially AMO—talk a lot about the need for us to make good on our investments of $134 billion over the next 10 years, so that we can get on with those very critical projects: roads, bridges, public transit, hospitals and schools.

In fact, today I announced the second issue of our green bonds, an initiative which services specific projects approved by CICERO, so that we can foster projects that are also friendly to the environment, and it enables us to promote some of these projects, specifically transit and some of our buildings, to make them more effective going forward. We've launched over $750 million as our second issue. That money has been dedicated to projects like the regional express rail, the Eglinton Crosstown, Sheridan College, and Waypoint Centre for Mental Health Care in Penetanguishene.

In Ottawa, through the Canadian solar society in Peterborough, and in green communities across Canada, there have been a number of presentations about how important it is for us to take these steps to fight climate change as well.

We know that we must take action now, and it's why the strategies that we're bringing forward—and I know all of you have heard this, because you have all also made recommendations with respect to securing a healthier, cleaner, more prosperous low-carbon future, for transforming the way we live, move and work. Our government, like you, recognizes that Ontario's economy is evolving into a knowledge-based, innovative economy, so we need to look at ways to bolster our competitiveness. We must continue to foster more innovative and dynamic initiatives to improve not only our environmental climate but our business climate as well.

Organizations such as the Sault Ste. Marie Chamber of Commerce and the Kingston Economic Development Corp. are putting forth bold new strategies to make Ontario a world leader in smart manufacturing and the service economy.

For Ontario to be prosperous and an innovative economy, we must know that to strengthen and transform also means strengthening and transforming our post-secondary education to enable more students to enter university and colleges and to graduate, to put our young minds, at their best, to enable those skills to be available for the future economy—for the new manufacturing. Colleges Ontario and the College Student Alliance have let us know just how important these types of investments are for students.

Focusing on our economy, taking appropriate strategies to combat climate change, investing in our people and building critical infrastructure across the province is what we're doing today and what I think we should continue to do in the future. But part of that is to hear from you as to what some of those initiatives should be.

We must continue to invest in hospitals and in health care. We must continue to foster the investments necessary to make certain that patients get the appropriate care they need, in a sustainable and effective way. We must continue to invest in the calibre of our doctors, nurses and physicians, and the delivery systems that are important to all of us. Our universal health care system is critical and, as you all know, is the largest component of our budget, so we must get that right.

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Ontarians want a government that is sensitive to these needs—health care, education and social programs—but they also want us to be fiscally responsible in managing their money, and to be committed to balancing the budget by 2017-18, as we said we would. As you know, our government is moving forward with this path to balance the budget in 2017-18. The fiscal sustainability of the programs we cherish depends on this.

We're doing this in a fair and balanced way, and we're managing compensation costs, but I need to hear from you to determine the degree to which what we're doing is, in fact, balanced. We want to ensure that no one is left behind, that the services that we value are continuing to be invested upon and that we continue to provide the necessary means for the public to attain and have proper access to government to initiate those things. We must, again, modernize and provide for greater service delivery.

I believe all of us want to do this in a fair and balanced way. By reviewing all government programs to see where the appropriate transformations and end programs—for example, there may be some that just don't perform effectively, so we're going line-by-line to determine which programs can be modified, changed or enhanced. Those are some of the systems that are under way now.

I'd like very much to hear your summaries of what you've heard while travelling across the province. I'd like to understand and know when your submissions will be ready. I know there will be some draft submissions soon. What did Ontarians say to you about the place where we live and work? What is the government doing and where can we improve? I am certainly open-minded and receptive to making the appropriate changes, because after all, all of us have a shared responsibility to deliver the message and to get this out soon so that we can, appropriately, make the changes necessary for their betterment. Where can we invest to make everyday Ontarians' lives that much easier?

As I said, having been a member of this committee for a number of years, I truly appreciate the tremendous work you do in order for us to get it right. Thank you for having me here today over lunch—I'm not sure any of you are eating at this point. But the work you do is important and it helps shape the budget each year.

With that, Madam Chair, I'd be happy to take questions.

The Chair (Ms. Soo Wong): Thank you very much, Minister Sousa. I'm going to turn to Ms. Munro to begin this round.

Mrs. Julia Munro: Minister, I want to thank you for taking the time to come and present before the committee today. I have some information that I would like to share on behalf of my colleagues who took the time to sit and listen to all of the presenters from across the province. But first, I'd like to recognize and thank our finance critic, MPP Fedeli, and MPP Barrett, the PC member of this committee, for their dedicated work and for travelling with this committee. I would like to thank, as well, MPPs Clark, MacLeod, MacLaren, Walker and my—

Mrs. Gila Martow: Seatmate.

Mrs. Julia Munro: —seatmate today, Mrs. Martow, for their attendance and participation in the committee to listen to presenters from across the province at different locations. We heard from people in Hamilton, Windsor, Thunder Bay, Sault Ste. Marie and Ottawa. People from communities across the province came to those cities to address this committee. Through this committee, presenters thought they would be addressing you with their ideas and the committee's report.

Minister, because of recent news, I'm very disappointed. The Toronto Star is now reporting that the government will be releasing the budget in early March. We all know it takes a long time to prepare and translate the budget, so frankly, that means this year's budget is most likely finished.

Minister, with all due respect, it is clear you won't be considering any of the advice, tips or requests we have received from presenters during this committee. You won't be considering any of these presentations. As MPPs, we witnessed that people in our communities are often not interested in government or its policies. The general public is apathetic and cynical. No wonder: Here we have a process that should provide government with first-hand insights into the challenges people across the province are experiencing. This process allows MPPs to gain important insights—insights, Minister, that presenters have an expectation you will listen to. By the media reports, it appears you have turned your back on the people. You have displayed a complete lack of respect for meaningful consultation.

Minister, I'd like to read a quote from our finance critic: "It takes months to price out each component of a budget and many weeks to write the final document, translate it and print it, so we know that work is largely complete. With the pre-budget consultations still under way, this confirms the Liberal government had absolutely no intention of considering any of the ideas from the committee."

Mr. Fedeli added, "It's sad these costly hearings were a sham—simply an opportunity for the Liberals to make it appear they would listen to people throughout Ontario."

I'd also like to share with you a quote from MPP Barrett. The member from Haldimand–Norfolk and member of this committee travelled five days and was in attendance yesterday. He said, "So much for public consultation. The whole pre-budget consultations were a farce. Not only did it cost the taxpayer untold thousands of dollars to fly the finance committee members across the province, but individuals and groups spent thousands of dollars and invested valuable time into presentations that were meaningless."

Those are your colleagues, Minister. Those are your colleagues who had the privilege to meet hundreds of individuals across the province and hear their stories and hear their requests. Yet, because the government has forged ahead and drafted their budget, you won't be considering any of those presentations.

I'd like to ask Ms. Martow to continue.

Mrs. Gila Martow: In each and every city, the finance committee heard from health care workers and patients. They heard what effect this government's cuts will have on patient care. They not only heard from around the committee table, but they heard from the hundreds of people who showed up at each stop. They showed up and participated in a demonstration asking that these health care cuts stop.

In Windsor, the committee heard from the Windsor Regional Hospital, and we heard from many hospital workers outside at the demonstration. Our members heard that to cope with a $20-million budget shortfall, Windsor Regional Hospital is eliminating 86 full-time jobs throughout the hospital's two campuses. They are firing 80 registered nurses and, in total, 120 nursing jobs are being eliminated. Because of this government's policies, the Windsor Regional Hospital CEO said electricity will cost an extra $700,000 in 2016.

Beginning February 16, the North Bay Regional Health Centre will no longer draw blood or collect specimens for outpatients for tests that are not performed onsite. It's estimated that the change will affect 25% of outpatients.

In Sarnia, Bluewater Health is cutting 12 jobs as part of a $5-million savings plan. Combined with inflation, Bluewater Health has lost $13 million in funding since the formula changed in 2012.

This government is attacking health care to try and balance the budget. It is clear that per-taxpayer health care spending is being cut. With inadequate increases to address our aging population, our growing population, new treatments and new medications, it's clear that the amount of money per taxpayer that's being spent on health care is being drastically reduced. We keep hearing about global health care budgets, but we have to look at what's being spent per patient. We're seeing nurses being pitted against nurse practitioners and doctors being pitted against nurses. That does not benefit the patients of this province.

We heard today from the Canadian Beverage Association and the Retail Council of Canada about concerns with rising energy costs and your government's plans for ORPP. The presenters specifically asked for a proper public full disclosure of the effects of ORPP on our economy.

Today's headline in the National Post is, "Ontario Pension Plan Not About 'Helping' Retirees, but Financing Infrastructure." This government has wasted billions of taxpayer dollars on failed and mismanaged projects. These billions of dollars of taxpayer contributions were to be applied to health care and infrastructure. Instead, your colleagues wasted the funding and we are now seeing the impact. You are reducing the amount of funding per taxpayer in Ontario. You are searching for funding for infrastructure projects, and have latched onto a plan, as outlined in today's National Post, to raid taxpayers' retirement investments.

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Minister, your budget is already finished. Those are the rumours we're hearing. It will most likely be released before you receive this committee's report, and we have yet to hear from many presenters. Minister, I am disappointed that you do not value these consultations.

We are hearing from you that you are planning to balance the budget in 2017-18. When we hear from all of the presenters today about all of the needs of the province, I'm hopeful that we can do that. Thank you.

Hon. Charles Sousa: Do I respond, Madam Chair?

The Chair (Ms. Soo Wong): We still have a couple of minutes, so given your remarks—we have 11 minutes per opposition party, Minister. There are still four more minutes, so you can respond to the comments made.

Hon. Charles Sousa: I'd be happy to.

Mrs. Gila Martow: My colleague wants to—

Ms. Soo Wong: Ms. Martow?

Mrs. Gila Martow: Do you have anything else you want to add?

Mrs. Julia Munro: No.

The Chair (Ms. Soo Wong): Okay. I'm going to let the minister speak, then.

Hon. Charles Sousa: Certainly. I appreciate both your comments, Mrs. Munro and Mrs. Martow, MPPs, but I am here for the very purpose of trying to understand and hear from you what work has been done. You're making allegations. This is not about playing partisan politics. I'm trying to assess the degree of work that you have done to determine the consultations that you've made and reflect back in terms of informing us as to what to do for the budget.

I haven't completed the budget. We're in the process of proceeding to prepare the budget, certainly. In the past, the very members you cited have been critical of the fact that the government has taken too long to provide a budget. We want to make certain that it does reflect the work that's done by SCFEA, and that does inform us as to where we go next.

The budget will eventually be complete. It will be delivered in the Legislative Assembly of Ontario, not elsewhere. It's going to include the work that I've obtained from the consultations that we've had, all of us have had, keeping in mind that a lot of the work that you're doing has already been forwarded. I do look for your work and your report.

The fact of the matter is, I am here. I thought it appropriate for us to have this dialogue. This hasn't happened for 12 years. That is why I invited you all to join me in having an open discussion. Instead, I'm here as a request by the committee. I'm happy to be here and I'm happy to have this discussion. I believe the people of Ontario want us to. We have a shared responsibility in quickly divulging the work that you've done, for the benefit of the people of Ontario.

I'm encouraged by this discussion. I hear you loud and clear in terms of the points that you've made relative to health care. I recognize that when you talk about the Ontario pension plan, it's a misnomer. The money's in the funding; it's a savings program. The investments are held outside of government and they're managed—or would be managed—outside of government.

We are making historic investments, contrary to what you've just said. We are, in fact, investing heavily in our economy and in our infrastructure to make us competitive, to make us more prosperous and to enable our society to be better off in the future. Those things will be ongoing.

I welcome this discussion, and Madam Chair, I'm happy to take another question.

The Chair (Ms. Soo Wong): I'm going to need to stop you there, Minister. I'm going to turn to Ms. Fife for her 11 minutes of presentation and questions.

Ms. Catherine Fife: Thank you for being here, Minister, and for accepting the invitation. Your original invite was a meeting behind closed doors, and for us, this is the preferable option, to have this meeting in public.

As you have previously said, the pre-budget consultation process is important for highlighting the priorities of Ontarians. I know that I speak for the rest of the committee when I say that I hope you are looking forward to reading our report. A lot of time and energy goes into those reports. I want to thank research and legislative staff, because they're part of this entire process as well.

I hope that the budget will be informed by the voices of the citizens of this province in a meaningful way. It would be a shame if the budget were tabled before you incorporated the suggestions that the people of this province made in their submissions to this committee. That is a concern of ours.

The NDP believes that the voices of Ontarians are critical to the democratic process, to say nothing of the value that they can provide in ensuring that their government gets the fundamentals right. I can assure that on some key issues, there's a lot of room for improvement, based on the feedback that we've received from Ontarians.

Bearing in mind your interest in knowing what this committee heard as we travelled the province for pre-budget consultations, I would like to share with you what was on the minds of Ontarians. I'm going to be focused on three issues: energy, health and the economy.

In Windsor, we heard from the district labour council and, as they began their deputation, they said on the Hydro One sell-off, "Quite simply, that was not a campaign promise. We have not heard one citizen in the region that is" in favour of the sell-off. "It wasn't even good enough for Ernie Eves."

The executive director of Bioindustrial Innovation Canada said, "To be honest, there are a lot of companies that we talk to internationally that have an interest in being in Ontario, but as soon as they start developing the costing, electricity cost, they turn away."

Minister, we visited two cities in northern Ontario. These are some of the voices we heard in the north: The president of the Northwestern Ontario Associated Chambers of Commerce talked about the cost of electricity "impacting whether or not they choose to invest in or expand in our region.... Or stay, for that matter." When I asked if energy prices impacted their decision, he confirmed that it is a game-changer.

Minister, the problem of high electricity rates is neither exclusive to northern Ontario nor to businesses. If this government had listened to Ontarians, they would have heard that people from all over the province are having a hard enough time making ends meet without having to worry about skyrocketing electricity rates that will happen as a result of the sale of Hydro One, which was confirmed by the Financial Accountability Officer.

This includes our hospitals. The CEO of the Windsor Regional Hospital told us that their hospital's hydro costs increased by $700,000 year over year, for a total of $4.2 million. He said, "All funding for Windsor Regional Hospital and for hospitals across the province has been frozen for the past five years." He went on to say, "When the overall pie is frozen and the areas that are not growing in population are funding those areas that are growing in population, we can't continue; we can't sustain it."

We can't cut any more.

The Sault Area Hospital told us that their hydro bills have shot up 25% in the last four years, all in the face of budget freezes. They've been forced to make $12 million in cuts; they're looking for another $6 million in cuts, as we speak. Their vice-president and CFO told us, "My fear is that the things that we've done in the past are no longer achievable."

A doctor in Thunder Bay talked about the 23,000 people in the northwest region who have no family doctor and, in the northwest, we also learned—I think this is probably the more shocking stat—that the infant mortality rate is 20% higher than the rest of Ontario, Croatia or the United States.

In Windsor, the Chatham-Kent Health Coalition talked about the actual crisis that has arisen in hospitals in Ontario over a number of years due to downsizing, restructuring and the real dollar loss of funds for hospital funding.

In Hamilton, the head of surgical oncology at Juravinski cancer centre told us that "the government is failing to accept its responsibility to fund the" health system. That's a direct quote.

The Essex County Health Coalition said, "We need the cuts to stop, for the sake of our health and also for the health of our communities."

The interim CEO and president of the Thunder Bay Regional Health Sciences Centre said, "The academic health sciences centres of Ontario are grossly underfunded." He reminded us that at the Thunder Bay hospital, they open 31 beds every day that are completely unfunded by the ministry. The hospital is still in "almost continuous gridlock," according to the Thunder Bay Health Coalition.

On the economy: It's clearly not only our health care system that is suffering; it's the people of this province.

The director of the Hamilton Roundtable for Poverty Reduction pointed out, "Precarious employment affects approximately 44% of employees in the greater Toronto and Hamilton area." He went on to say, "Three quarters of everybody who's using a food bank are really receiving their main income source from the provincial government. In a very real sense, the provincial government is instituting hunger through its inability to fix the social assistance system." He implored this government to take action because there are enough kids using food banks in Hamilton alone to fill 270 classrooms.

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A lawyer from the Hamilton Community Legal Clinic said, "One of the most unfortunate tasks with" his "job is that I often have to tell people who are in receipt of provincial social assistance that the best thing they can do is get evicted."

Minister, this is a reality that you and your government can longer ignore. This government needs to start listening to people who are telling you to stop the cuts to health care and to education, to put the brakes on the fire sale of Hydro One and to begin investing in the creation of good, family-supporting jobs.

On the three issues, I do have three questions for you; because I think that if the budget does go ahead—and you haven't been clear about whether or not it is going to go ahead prior to us submitting our report—I do think that we deserve some answers on the energy file, on health care and on the economy. I'm going to just give you the three questions, and then you can feel free to answer all of them.

On the energy file: In the 2015 fall economic statement, it showed that the same Hydro One proceeds were being used for deficit reduction, for paying down the hydro debt and for infrastructure, all at once. Why should Ontarians believe that the sale of Hydro One will do anything more than make your government's books look slightly better on paper for a few years, until the next election?

On health care: Last year, at least 770 registered nurses were cut from Ontario's hospitals, and countless more health care workers lost their jobs. The hospitals are telling us that another year of cuts will be devastating. Will you end the freeze on hospital funding and stop the cuts to patient care?

On the economy: Your government failed to meet its job creation goals in 2015. In April 2015, you said that there would be 78,000 new jobs for Ontarians; by November, you had slashed projections by 40%, to 46,000 new jobs. Now the latest numbers show that you still missed your target by 700 new jobs. What do you have to say to the thousands of Ontarians who are unemployed, underemployed and precariously employed under your government's watch?

Those are my three questions, and I appreciate the time that you'll take to answer them.

The Chair (Ms. Soo Wong): Minister, you have two minutes to respond to Ms. Fife's questions.

Hon. Charles Sousa: All right. Well, I thank you for the wholesome work that you've done and your presentation. I also thank you for the invitation to be before you. I have been following your consultations closely; notwithstanding, we have been paying attention to many of the submissions you've made.

I'm sure that when it comes to the electricity issue and Hydro One, you're also clarifying to your constituents that the Ontario Energy Board is the one that determines the value and the price of electricity; it is not Hydro One. As you well know, there are 72 distributors that compete with Hydro One in that forum, and I'm sure you're advising your constituents of that.

I'm sure you're also recognizing that the value of Hydro One was underperforming and now, it has much greater value as a company, enabling us, as the majority holders of Hydro One, to have more funds to reinvest in investment projects that provide even greater returns to the province. That's determined by third-party groups that say that we get $1.30 back for every dollar invested in infrastructure, which is well beyond that of Hydro One. So the value has certainly increased.

The mitigation to costs, especially for northern communities, is necessary to address, and I appreciate your comments with respect to that. The amount of money that was received that you asked for: There was about $4 billion, of which $1 billion must be used to pay down the debt of Hydro One. The balance is being reinvested into the Trillium Trust for the purposes of enabling us to provide for funding of the projects that are so essential. That's part of the electricity issue.

Of course, I'm sure you're telling your constituents that we've invested heavily. Thirty new power plants were made, thousands of tracks of electricity and transmission were invested in order for us to have greater integrity of the grid, which enables us to have greater competitiveness long-term.

With regards to health care, it is critical; it is the largest part of our budget. I agree with you completely that we must continue to invest in hospitals, in more doctors, in nurses, in practitioners—and we have. The net effect is that we actually have more supports in our front line, and we must continue to do so.

I've heard, and all of you have heard, about palliative care, hospice and other transformation with regard to home care. These are essential for us to have sustainable health care, with the best people and best skills available to us. So we'll continue to do that, and I look forward to ways that we can improve upon that.

When it comes to the economy and employment, the fact is, we have over 600,000 net new jobs. Last year, we had 100,000 new jobs that were full-time—

The Chair (Ms. Soo Wong): Minister, I'm going to stop here. I'm sorry; we are strict about the 11 minutes.

I'm going to the government side to start with Ms. Albanese.

Mrs. Laura Albanese: I just want to take a moment to thank you, Minister, for joining us today. I want to say that, as an all-party committee, I believe that we'll have invaluable input and recommendations for you as to what we've heard from the people of Ontario, their priorities and their concerns.

As you know, we've travelled to six different cities, including Toronto, and we too were joined by some of our colleagues—Minister Orazietti up in Sault Ste. Marie, and Minister Naqvi and Marie-France Lalonde, as well, in Ottawa.

We've heard about the positive effects that our government is having on people, business and community across the province, but we've also heard a number of ways that we could do better. As you know, as you previously mentioned, I've been participating in SCFEA, but also in the ministry consultations. I've attended a hearing in York region, and tomorrow I'm travelling to

London and then Kitchener-Waterloo to talk to more Ontarians.

I'm going to allow my colleagues to go first to hear what they've heard.

Ms. Daiene Vernile: Minister, thank you for being here today. I'm going to comment on business opportunities and infrastructure. We heard some very positive feedback regarding our investments in businesses and infrastructure. We heard from the Centre for Research and Innovation in the Bio-Economy, Resolute Forest Products and Bioindustrial Innovation Canada, just to name a few. These investments and partnerships that we are creating are producing thousands of jobs in Ontario, we were told.

We heard from Art Sinclair, who's with the Kitchener-Waterloo chamber of commerce. He came before us in the city of Hamilton, and he said in his publication—and this is a quote from him—"Ontario is poised to be among the faster-growing provincial economies in 2016," adding—and these are his words, Minister—that in his region, the economy is "smoking hot."

Now, in his region currently, there are about 2,000 jobs in manufacturing that need to be filled. We actually had a member of this committee try to characterize this as a negative, but I just heard from the head of the workforce planning board in that region this morning, who told me that it is actually a great opportunity that there are all these jobs in manufacturing. She is working very actively with businesses and educational institutions in her region to address this labour market need. By the way, Art Sinclair with the local chamber told this committee the exact same thing.

Minister, on infrastructure, we heard that our $134-billion commitment is critical to building prosperity. There is a great need to support this particular investment. I want to stress the importance, if you'll allow me this as the member for Kitchener Centre, of all-day, two-way GO train service on the Kitchener line. We can add 30,000 jobs in the tech sector and manufacturing along this corridor within 10 years, and you know that, as the MPP for the centre, I'm going to be trying to champion this. Thank you.

The Chair (Ms. Soo Wong): Mr. Baker.

Mr. Yvan Baker: Minister, thank you very much for coming. I have to say that I have had a chance to speak with you on a number of occasions, and I know that when you asked to hear input, you were genuinely listening. I believe that you're here to listen and to hear what we have to say.

I'll speak about two topics. The first topic is that we had a few presenters talk about our fiscal outlook and the financial element of the budget, folks like the chamber of commerce, the Canadian Taxpayers Federation etc. Things that we heard: The need to remain focused on balancing the budget by 2017-18—it was something we heard from those folks—and to continue to reduce our debt load as a province. They talked about this as being important, first of all, so that we have the financial flexibility, so that we have the resources in the years to come to invest in those services that we're all talking about, whether it be health care or education or infrastructure, but also because this allows us to attract investment, grow our economy and grow jobs. This was a big theme from these folks: Continue to hold the line on spending, continue with the PRT process and continue to hit those fiscal targets.

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The other element that I wanted to speak about was education and post-secondary education. We heard a lot of presenters coming from the post-secondary sector in particular, student groups like Canadian Federation of Students and the Graduate Students' Alliance.

There were two key themes. One was the affordability of tuition, and a lot of input and suggestions on the need to help, in particular, low-income students who are struggling to pay for tuition. An idea that was brought forward was a greater focus on upfront grants versus loans or tax credits. Another piece was helping students to find employment once they graduate from university or college. A little bit about work-integrated learning, experiential learning programs, was some of what we heard.

There was a lot of excitement around the funding formula review that the ministry is undertaking, and the importance of availability of data on post-secondary institutions so that all users—students and others—can learn more about how the post-secondary institutions are performing and what they're doing on behalf of students.

Mrs. Laura Albanese: Also, we heard a lot about climate change as well. I think I could sum it up by saying that the call is that we need action now, especially to achieve our shared goals of clean air and creating a green economy. Investing in innovation and business growth opportunities was important, and reducing the carbon footprint, and for the government to be a leader, using principles of reducing emissions, as part of our government contracts and across ministries. I guess I would say, lastly, that many organizations stressed that cap-and-trade revenues should be used on infrastructure.

The Chair (Ms. Soo Wong): Okay. I believe it's Ms. Hoggarth.

Ms. Ann Hoggarth: Yes. One of the things that I heard, and it's dear to my heart, is that people with children with special needs and autism are having difficulty. They would like some more funding for services for those children, whether it's in the schools themselves or in the community: smaller class sizes, more EAs, community services for those children.

As well, we definitely heard from everyone about affordable housing. That is very important to everyone across this province. We also heard—and again this morning, we heard—that they hope there would be a possibility of an increase in social assistance rates for ODSP and Ontario Works.

Thank you.

The Chair (Ms. Soo Wong): Mr. Milczyn?

Mr. Peter Z. Milczyn: Minister, in addition to the usual things we hear about our health care system—hospitals, doctors, and nurses—we also heard very clearly, in every community, about the need to provide more support for palliative care services, and certainly the issue that was raised by our colleague MPP Mike Colle: the pregnancy and infant loss programs, which are lacking throughout the province. Those were key issues we've heard in every community.

Also, in northern Ontario, we heard a great deal about the lack of opportunities for aboriginal communities and the need to strengthen our partnership with them, to make sure that the economic development opportunities that are being created in the north are accessible to those communities as well; as well as about ensuring that the other services that we extend to First Nations people, whether it be education, health care or various other community supports—that we work with them to ensure that they're more effective.

The Chair (Ms. Soo Wong): Okay. I am going to turn to Ms. Albanese for 30 seconds.

Mrs. Laura Albanese: I also wanted to say that we heard from seniors, correctional services, job supports for people of all ages, credit unions that are expecting the results of the review that I conducted—and also about taking action on the underground economy. I'll just say that.

Thank you, Chair.

The Chair (Ms. Soo Wong): Okay. Thank you very much, everybody.

Minister, you asked a question to the committee. The summary of the presentations will be submitted on Friday, February 12, to the committee—next week, February 12, 2016.

The draft report will be submitted to the committee on February 16, 2016. The committee will begin writing the report on Thursday, February 18. The House returns on February 16. All the written submissions will be submitted to the Clerk today by 5 p.m.

The timeline is very tight. The first report coming out will be on February 12, and as soon as we can we will reconvene the committee on Thursday, February 18. I just wanted to bring that to your attention.

We are going to recess the committee until 1:15 this afternoon because we have a cancellation. I just wanted to bring that to everybody's attention.

Ms. Albanese?

Mrs. Laura Albanese: The submissions are due at the end of today.

The Chair (Ms. Soo Wong): Yes, 5 p.m.

Mrs. Laura Albanese: Would it be possible for the minister to receive a copy? Or the ministry? Or is that not—

The Chair (Ms. Soo Wong): Mr. Clerk?

The Clerk of the Committee (Mr. Katch Koch): Yes. Once it's filed with the office, I will distribute it to committee members electronically, I suppose, since it will be after the committee meeting. I'd be more than happy to send an electronic copy over to the ministry.

The Chair (Ms. Soo Wong): Minister?

Hon. Charles Sousa: I would welcome a copy, certainly. The work that you're doing, by all means continue it. You're doing a great job. I noted the points addressed by all parties here. I recognize how important it is for us to move forward on a budget that reflects the work that you have done. I've noted all of that, and I appreciate the tremendous contributions that you're making. We will work ahead, with that information in hand, to produce a document that reflects all of us. Thank you.

The Chair (Ms. Soo Wong): Thank you very much, Minister, for joining us this afternoon.

We will recess the committee until 1:15. Thank you.

The committee recessed from 1235 to 1317.

ONTARIO TRIAL LAWYERS ASSOCIATION

The Chair (Ms. Soo Wong): I'm going to resume the Standing Committee on Finance and Economic Affairs.

The first witness before us this afternoon is the Ontario Trial Lawyers Association. Ms. Bent, right? You're the president of the Ontario Trial Lawyers Association.

Ms. Maia Bent: Yes.

The Chair (Ms. Soo Wong): Welcome. Thank you for being here. As you've probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official opposition party. You may begin any time. When you begin, can you please identify yourself for the purposes of Hansard? Thank you.

Ms. Maia Bent: Certainly. Thank you. Hello; I'm Maia Bent. I am the president of the Ontario Trial Lawyers Association. I am also a lawyer in London, Ontario, practising at the law firm of Lerners. I have almost 20 years of experience in representing plaintiffs who have been injured primarily in motor vehicle accident cases, so I have seen first-hand how auto reforms have a real-life impact on the people of Ontario.

Auto insurance is mandatory, and therefore it has to achieve a balance between competing interests. We consider them the three Ps. There has to be consideration of premiums, of protection and of profitability. Premiums must be affordable for consumers. There also has to be coverage protection so that insurance is there for people when they need it. And insurance companies need to be reasonably profitable. An analogy might be a three-legged stool, and if any one of those interests is out of whack, the entire product will not function properly.

We've had almost two decades of insurance reforms. Almost every reform has eroded coverage for innocent accident victims, and premiums have remained stubbornly high. This is unclear, because the insurer profits are very healthy. A report that was done by two York University professors, Professors Lazar and Prisman, shows that the insurance industry is very profitable, but these profits are not being passed on to the consumers. They show that consumers have overpaid by $840 million and $702 million in the last two years for which they had data, and that in 2014, the insurers were making a return on equity of 10.6%, which they felt was double what was reasonable.

The erosion of coverage to accident victims means that we are now at a place where the automobile insurance system is fundamentally broken. The multiple reforms have given us an unwieldy, bureaucratic system that is not working for anyone, least of all those it was designed to protect.

The appointment of David Marshall is an opportunity to reboot the entire system, and if the government is interested, the Ontario Trial Lawyers Association has many ideas on things we can do to rethink the automobile product. Today, I want to highlight just one problematic aspect.

The culture of claims denials makes it difficult for injured people to access the few benefits that they have left. For those unfamiliar with the system, an injured person must first submit an application for every treatment that they need; for example, eight sessions of physiotherapy. This form is filled out by a medical practitioner such as a family doctor, and that doctor has to certify that the treatment requested is reasonable and necessary. So the insurance company already has medical data that this treatment that is being requested is, in fact, required and legitimate. Despite having this information, approximately half of all claims are turned down at first instance. This gives the injured person a choice: They can either withdraw their claim or they can submit to an insurer medical examination.

Injured people tell us how difficult it is to be repeatedly subjected to these examinations, often in other cities by unsympathetic and skeptical doctors. This is even worse if the assessor is assessing them for a disability that comes from a psychological or a psychiatric problem and they are forced to talk about their feelings to somebody who is there to evaluate them in a skeptical manner.

In addition to these examinations, the insurance company also has the right to send a claimant to medical examinations "as often as is reasonably necessary." That's the language of the legislation. A couple of decades ago, when I started doing this, the rule of thumb was about once a year per problem; for example, a psychological problem or a physical problem. But since then, there has been an explosion in the frequency and number of these examinations. In my practice, I have often received requests for five, six or seven medical evaluations, all to take place within a two-week period.

If a person objects or refuses, the insurance company labels them "non-compliant" and terminates their benefits. My clients tell me that they can't survive without their income replacement benefits or their medical benefits, and they often give in, even though our advice to them is that those examinations are being held more often than is reasonably necessary.

When the medical reports do arrive, they are frequently negative and support the insurer denials. Justice Cunningham stated in his review of the Ontario automobile insurance dispute resolution system that the problem was obvious. His quote is, "An expert retained by an insurer who supports claimants is unlikely to be retained again."

At the end of it all, I have discovered that injured people are often angrier at their own insurance company than they are at the person who hurt them. They feel betrayed by the company that was supposed to be there as their safety net if something bad happened to them or to someone they loved.

Medical examinations are not being used to fairly evaluate claims. They are a systemic barrier to injured people who are trying to get insurance benefits for their legitimate injuries.

All of this adds costs to the system. The insurers' own data shows that for every dollar paid out for treatment, 70 cents is being paid for medical examinations to deny treatment.

One simple solution would be to legislatively limit the number of medical examinations and the frequency of those examinations. This would save cost in the system, it would speed up claims handling, and it would remove barriers to injured people who are claiming accident benefits. This is just one idea that we have to assist in a reboot of the system, which we are strongly encouraging the government to consider.

We need to move the focus of the conversation about automobile insurance to what happens to claimants once they go into the system. The conversation has been very heavily weighted on the premiums and bringing premiums down, but there's no point in even having an insurance product if it isn't going to be there for the people who need it. We need to achieve a balanced automobile system, and we need to rethink the priorities around that.

I'm happy to entertain any questions.

The Chair (Ms. Soo Wong): Okay. I'm going to turn to Ms. Martow to begin this round of questioning.

Mrs. Gila Martow: Thank you very much. I think it's very timely that you bring up that doctors' reports are often being ignored, because we're just seeing in the news, the past week or so, that there are complaints about WSIB, the Workplace Safety and Insurance Board, and that a lot of claimants also feel that their benefits are denied because their doctors' reports are ignored. The doctors themselves, I think, have created a group and are speaking out against that.

We have to ask ourselves, as a society, what we mean by ignoring doctors' reports. Are we suggesting that the doctors are part of some elaborate fraud, or we just think that a bureaucrat knows better?

My question to you is, what would you suggest in terms of what could be implemented so that doctors' reports are taken seriously? I know you're advocating for fewer doctors' exams, but would you advocate for a system where the doctors' reports have to be taken more seriously? Maybe that would facilitate having fewer exams.

Ms. Maia Bent: The courts have recognized that a doctor who sees somebody over a period of years, such as a family doctor or an expert or a treater who has been working with the person, has a far, far better grasp of their issues, their disabilities, than some so-called expert who has been hired by one side or the other and came in on a one-time basis. In the courts, the shift has been to put more and more weight on the people who actually have some continuity and really do have a chance to get to know you.

I think that, unfortunately, it is an adversarial system that has sprung up. I think that, as Justice Cunningham said, a doctor who gives a report repeatedly in favour of a claimant instead of an insurance company is unlikely to be hired again.

I'm not suggesting that there's any wrongdoing, necessarily, but I think that different practitioners have different philosophies, and the insurance companies seek out people who support the views that will assist them financially.

Mrs. Gila Martow: I agree. I just think that the doctors feel very disrespected in the province, and things like this aren't helping.

In terms of the government trying to cut down insurance premiums, what we've heard from other committees—I'm on the social policy committee, usually—is that coverage is being cut. Instead of $2 million for a serious accident—say, somebody unfortunately becomes a quadriplegic. Instead of $2 million of coverage, the government is cutting it to $1 million allowable for coverage, and people don't find out about this, unfortunately, until it's too late. They don't read the fine print.

Is that what you're also advocating, that you want to see better coverage?

Ms. Maia Bent: Absolutely. This has been a problem that has been coming for a long time. The most recent round of cuts has gone into an area which had not been touched before, and that is the issue of people who are catastrophically injured—the most seriously injured people. These are people whose problems are not going to disappear with the elimination of coverage. You're simply downloading that cost onto the public health care system. It is a very, very worrying problem.

But for people who don't achieve that level of designation—catastrophic impairments being harder and harder to qualify for all the time—there are a lot of extremely seriously injured people who are in a much worse position, because their coverage has been eroded down to almost nothing. If they are fortunate enough to have a claim, they may, many years down the road, get some financial remuneration that way, but a lot of people are simply out of luck.

Mrs. Gila Martow: Has it ever been suggested, instead of using the court system—which is so costly for the insurance company and for the patients—to have more of a mediation for some of these claims, the way we've tried to take some of the family law out of the court system and things like that? By trying to say we're going to cut insurance premiums—let's face it; it's a capitalist market for insurance. The government didn't go the route of what the NDP had suggested under Bob Rae—and he backed out—to have no-fault insurance or something. You know, I'm from Quebec; that's what we call it there. Is it feasible to have some kind of a mediation to cut costs?

1330

The Chair (Ms. Soo Wong): Ms. Bent, can you make your response brief? Because we're running short on time today.

Ms. Maia Bent: Yes, I will. Mediation does exist in the system already, in many different aspects of it. It is widely used, but mediation is only effective if the parties are there with a willingness to settle. Mandatory mediation hasn't worked very well because it has created another step that people have to go through. A lot of times the insurance companies show up with no offers at all.

The Chair (Ms. Soo Wong): Okay, Ms. Bent. Thank you very much for your presentation as well as your written submission. If there's any additional information you want to give to the committee, you have until 5 p.m. this afternoon.

Ms. Maia Bent: Thank you.

CAAT PENSION PLAN

The Chair (Ms. Soo Wong): The next group before us is CAAT Pension Plan. Good afternoon, Mr. Dobson. Welcome. As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will be coming from the third party. You may begin any time. When you begin, can you please identify yourself for the purposes of Hansard? Thank you.

Mr. Derek Dobson: Thank you, Madam Chair. My name is Derek Dobson. I'm the CEO and plan manager of the CAAT Pension Plan. The CAAT Pension Plan is one of the best-kept secrets and success stories in Ontario. In fact, I find it amusing that we're regularly asked to share expertise worldwide but often not asked locally.

CAAT delivers adequate pension benefits at stable and predictable cost to over 43,000 Ontarians working at 39 employers in the post-secondary education sector. Our members and employers share risk and cost equally through a joint governance model. We invest in much-needed infrastructure, like the Bridgepoint health centre. We are over 107% funded, and our reserves provide stability to our employers to run their businesses, attract and retain talent and provide quality education rather than running a complex pension plan. For the majority of Ontarians who do not have a good workplace pension, these remain challenging times to efficiently save for adequate income in retirement.

The three retirement headwinds we face are persistent. Headwind number 1: demographics. Demographic shifts will have a large and persistent impact on our health care financing in Ontario with the population in Ontario aging. For example, the number of people over 65 will more than double in 20 years. The fact is that a majority of health care expenses are for those over age 65, and Ontarians need to plan for a retirement where more health care costs will come from their pocket, either directly paying for them or via higher taxes. Nevertheless, my first key message is that we need a strong deferred tax base in Ontario.

Headwind number 2: longevity. Ontarians are living longer, which is a good thing, but our savings goals and plans have not always adjusted to ensure we have set enough aside. It is becoming more the norm that a 60-year-old today will live to age 90, but their savings may fall short of this target, leading to heavy reliance on social programs and further increases in health care costs. My second key message: We need an efficient and adequate retirement program.

Headwind number 3: investment expertise. Even if individuals are aware of demographic shifts causing health care costs and improving longevity, and want to save more, Ontarians in general are intimidated by investment markets. It is estimated that over 90% of individuals do worse when managing their own money than those in defined-benefit pension plans because individuals tend to buy high and sell low, or use investment products with high fees. In fact, many people just stay out of the market or just avoid saving altogether, guaranteeing a substandard retirement and reliance on public programs, which leads me to my third key message: We need retirement programs that are easy for Ontarians.

I was pleased to hear Minister Mitzie Hunter refer to the strength of Ontario's public sector pension plans when answering questions from a journalist about the design of the Ontario Retirement Pension Plan last week. She is correct that we should take pride in our local talent and successes. It is unfortunate that defined-benefit pension plans are often and incorrectly viewed as expensive. The fact is that retirement in general is much more expensive than it was 20 years ago.

I would like to share three facts about defined-benefit pension plans. Fact number 1: Dollar for dollar, DB plans provide the best value, and they're cheaper. Public sector DB plans in Canada are efficient investors, generating approximately 75% of every dollar they pay from investment returns. For the same level of benefits, the DB plan will deliver it 44% cheaper when compared to retirement plans where members make investment decisions.

Fact number 2: Inadequate retirement income increases the need for taxpayer-supported social benefits for seniors, while adequate retirement provides a much-needed deferred tax base. Retirees with an inadequate income are more reliant on tax-supported systems such as GAINS. Lower incomes also lead to higher health care costs—a double impact for inadequate pensions.

Future generations of taxpayers need to be protected from having to prop up a growing number of seniors who have been unable to save efficiently for their retirement. Retirees with adequate income are also taxpayers and, as the population ages, will be relied on to help support existing social programs.

Fact number 3: Multi-employer pension plans like CAAT, especially those which have cost-sharing at a 50-50 basis, are doing very well in Ontario and provide a strong model.

It is clear to me that we need a retirement and aging solution that is based on facts and clear objectives. So what are the retirement and aging solutions? It is definitely not to wait. There is no better time to invest in improving retirement income than today. Our population aging will keep coming and will grow more significant over time.

The ORPP, for example, is an important and necessary step for a sustainable Ontario in the long term. We should support retirement savings that are adequate, efficient and mandatory. Without these three goals, we will pass down our financial responsibility to our children and grandchildren. As a father of three, I personally find this a short-sighted and unfair transition.

To offer very specific suggestions, there should be support for mergers of less efficient, single-employer pension plans into larger and more efficient well-run, multi-employer plans that share risk and governance. This is an obvious and natural solution.

For example, the Royal Ontario Museum is a great institution that we should all be proud of. The ROM was facing a pension challenge but, to its credit, it found a better path to pension sustainability and lower cost by joining CAAT. CAAT opened itself up and allowed the ROM to merge with it, providing a pension solution that works for the long term, lowering the risks and their costs.

Similarly, we are encouraging universities that face similar pension challenges to seriously explore joining our plan or, at a minimum, leverage our local experience and expertise.

Finally, public policy on pensions needs to be thoughtful and take a long view. Pensions are complex. I would urge legislators to rely on pension expertise that exists right here in Ontario. Some of the best pension plans anywhere in the world are right here, and we are willing to help find solutions. We have one of the best pension systems in the world, and we should continue to work together to make it stronger.

I'd be happy to answer the questions of the committee.

The Chair (Ms. Soo Wong): All right; thank you very much. I'm going to turn to Ms. Fife for this round of questioning.

Ms. Catherine Fife: Thanks very much, Mr. Dobson, for coming in and sharing your expertise. It's good that you were here, especially in the midst of various announcements on the ORPP. New Democrats share many of the values that you just shared with us.

Various stakeholders have come. This is the seventh day of this committee meeting, and there are a lot of questions about the ORPP and the plan, as defined by the government. Originally, the promise was that every employee would be a part of the ORPP, or a comparable plan, by 2020. Mitzie Hunter just announced with the minister last week that every "eligible" employee will now be part of the ORPP, or a comparable plan. And there are some questions about comparable plans.

You've made the case for the public pension plans that are currently in the province of Ontario, and we share that confidence in those plans. Do you want to make a suggestion as to the administration of the ORPP? Your idea of supporting mergers of less efficient plans is intriguing for us. Do you want to extrapolate on that a bit?

Mr. Derek Dobson: Sure. With respect, specifically, to the ORPP, I think it's right to exclude comparable plans because, for example, our members are governed by a plan specifically designed for them, where the ORPP is more designed for the population—

Ms. Catherine Fife: It's the definition of what "comparable" is, though. That's the big question, right?

Mr. Derek Dobson: Absolutely. If we take the DC comparison of more efficient or less efficient, since DB plans are 77% more efficient or 44% cheaper, I think the 2 to 1, the 8% for DC plans has merit from a technical perspective for comparable plans. So I think both of those are reasonable overall. We all have our personal views about fine-tuning it, and I would have my own as well, but in general I think the direction is fairly good.

To run a DB plan there are actuarial costs, legal costs, and complex system administration things. Having small plans in Ontario—we can define what "small" is. But to replicate costs of 170 different plans—those should be merged.

1340

Ms. Catherine Fife: Your ask, though, is for the government to support mergers of less efficient or smaller plans. Have other jurisdictions done that? Do you have any examples other than the ROM?

Mr. Derek Dobson: The regulations were just passed November 20, so the ROM was the first out of the gate on November 21, the day following those elements. But I think that it should go more for facilitating an environment and letting the parties—more encouraging them, not necessarily through financial means, but whether it's sustainability measures or whether it's funding formulas, there should be more ideas to move this process along, because I think the longer we wait, the bigger the problems can magnify.

Ms. Catherine Fife: Okay, thanks. And just one final comment: I'm happy that you made the connection between having a strong pension plan, a strategy down the line and the impact on health care. As you point out, with an aging population those health care costs continue to rise, and there's a direct correlation between having adequate retirement savings and quality of life.

Thank you for coming in today.

The Chair (Ms. Soo Wong): Thank you, Mr. Dobson. You have until 5 p.m. today if you would like to submit anything in writing to the committee with regard to the pre-budget consultations. Thank you for being here.

Mr. Derek Dobson: Thank you.

CANADIAN MANUFACTURERS AND EXPORTERS ONTARIO

The Chair (Ms. Soo Wong): The next group before us is CME Ontario: Mr. Paul Clipsham and Ian Howcroft. I believe there will be some handouts coming our way.

Welcome, gentlemen. As you've probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the government side. You may begin any time. When you begin, can you please identify yourself for the purposes of Hansard? Thank you.

Mr. Ian Howcroft: Thank you, Chair. Good afternoon, everyone. My name is Ian Howcroft and I'm vice-president of the Canadian Manufacturers and Exporters Ontario division. With me is CME Ontario's director of policy and programs, Paul Clipsham.

First, I'd just like to say a few things about Canadian Manufacturers and Exporters. We are Canada's leading industrial association, and we've been around for about 147 years. We have approximately 10,000 members across the country, and about half of those are here in Ontario. Our members represent about 82% of Canada and Ontario's manufactured output and are responsible for about 90% of the exports from manufacturers. I also want to note that 85% of our members are small and medium-sized enterprises.

I'd also just like to touch on the importance of manufacturing. I think many people have an inaccurate or very negative image of manufacturing, but it is still Ontario's largest sector. It has about 750,000 direct employees and it supports about one and a half million indirectly. For every dollar invested in manufacturing, it generates about $3.50 in total economic activity. This is the largest multiplier of any sector. Manufacturers are also responsible for about half of Ontario and Canada's R&D, and about 80% of the commercialization.

Last fall, the Minister of Finance made some comments in the fall economic statement. We found many of them to be extremely positive and in line with what we've been advocating for. I would just like to note that we were very pleased to see that the industrial exception is going to be maintained. Also, there is work going on with regard to the defined benefit plan single-employer solvency issue, which is a big issue for us. We were also pleased to see the debt retirement charge move forward by about eight or nine months for manufacturers. That's a good first step. We think that's a key area where more needs to be done, but we're pleased to see that. Also, in the fall economic statement, key statements were made about what we have to do with regard to the regulatory challenges and regulatory barriers that are preventing our economy from realizing full advantage.

There have been huge challenges, huge transformations taking place in our economy. Very quickly, over the last year, we've seen a dramatic decrease in the price of oil and a decrease in the dollar. It's a double-edged sword. We are extremely tied to the oil sands initiatives and many of our members had supply chain opportunities there that have gone. However, with a lower dollar, it does tend to help more in the manufacturing sector here in Ontario and in eastern Canada, but that depends on how you're structured, where your markets are and how many inputs you're getting from around the world. But overall we see a lower dollar as an opportunity that we want to find ways to help our members realize.

Tax issues, a key issue for us: Ontario has a relatively comparative tax system in comparison to our global competitors. We have seen great movements on the tax side: the elimination of the capital tax; the introduction of the HST; accelerated depreciation, which was put in last year's budget, for the next 10 years; and a manufacturing rate of 10%. These are all issues that we had advocated for and are pleased to see realized. But again, more needs to be done. We have to also realize that we have to address the building deficit. That has to be something we keep in mind as well.

For our pre-budget submission, we are focusing on three key areas, and they build on what was stated in the fall economic statement.

The cumulative impact of regulatory challenges really has to be recognized, and we have to deal with that. We see all types of regulations coming at us. There are already many on the books that we think need to be changed or adapted to better deal with the realities.

We're also dealing with a lot of unintended consequences. We can provide many examples of those: toxic reduction, under environmental legislation; 900 days to get an approval through in the area of environment. Now, we're working on these and we have a very receptive ear right now, so we're hoping, again, to build on what was mentioned in the fall economic statement.

We're also working on the cap-and-trade system that Ontario is dealing with, and we're also dealing with the ORPP. We have some real issues and challenges around the implementation of the ORPP, and we'll get to that in a couple of minutes.

The other area that we wanted to focus on is the electricity rates in Ontario. We have among the highest electricity rates in North America, and we have to find ways to deal with that. We've seen the government act on some of our recommendations to introduce ways to deal with a global adjustment mechanism, and as I said, the debt retirement charge is being addressed. But a lot more has to be done if we want to retain and grow the manufacturing sector that is so important to the standard of living and quality of life in Ontario.

With that, I will turn it over to Paul to go into some of the details from the pre-budget submission. Paul?

Mr. Paul Clipsham: Thanks very much, Ian. I wanted to build on what Ian said around those three areas, which are the cumulative economic impact of legislation and regulation; electricity rate competitiveness; and support for innovation, productivity and skills development.

With respect to the cumulative economic impact of legislation and regulation, as Ian pointed out, there has been some significant progress in that area. CME specifically recommends that the government adopt an authentic consultation approach that seeks input from stakeholders at the policy development stage, before legislation is developed, and to accelerate the progress under Open for Business and the Burden Reduction Reporting Act of 2014.

CME also recommends that all preliminary regulatory impact assessments should be posted publicly for comment. We hear a lot from our members that it's difficult to be able to respond effectively to government initiatives if there's not that transparency as far as what is being contemplated and what the assessed impact will be.

With respect to the Ontario Retirement Pension Plan, the ORPP, CME believes that under the economic circumstances, Ontario should consider taking a pause with the progress and implementation of the ORPP, particularly in light of federal commitments to reviewing the CPP. Going ahead at this time could put Ontario manufacturers at a competitive disadvantage. We think we should see how that plays out and put our efforts into that.

Failing that, we believe the government should consider further expanding the definition of "comparable." We have many members that have significant contributions to capital accumulation plans that aren't comparable under the definition of the plan. We have one extreme example of a member that ultimately contributes 17% to a program which, because of the way it's structured, isn't deemed comparable. There are a number of examples of that, and we think there should be more flexibility as far as what constitutes comparability.

The cap-and-trade program: Ontario continues to pursue a cap-and-trade program that's similar to, and in conjunction with, California and Quebec. In pursuing this course, it will be critical to continue to employ authentic consultation with industry to avoid unintended consequences. CME is concerned that the costs of implementation of this program could put Ontario manufacturers at a disadvantage to other jurisdictions outside of California and Quebec. It will be imperative to fully offset the added cost to industry and to provide certainty beyond the first reference period, to avoid adverse economic consequences. Ontario needs to avoid a scenario in which higher costs to Ontario industry drives investment elsewhere, where those costs don't exist. In this scenario, we will fail to reduce GHGs and will lose high-paying jobs and investment in the process.

1350

CME supports the Green Investment Fund initiative, which is focused on accelerating technological progress which will drive further GHG reductions while improving manufacturing competitiveness. That's the type of initiative we need more of.

CME also recommends exempting the electricity system under cap-and-trade. There's already been significant progress in the electricity system with the coal phase-out. We view adding further costs to the electricity system under cap-and-trade as being counterproductive.

The second area is electricity competitiveness. Electricity rates are fundamental to the success of Ontario's manufacturing sector and our economy. On a relative basis, the rate environment is improving from the last few years. However, despite progressive reforms, including demand-based allocation of the global adjustment for large users, Ontario industry continues to be at a disadvantage compared to key North American jurisdictions. This issue is compounded by the fact that US states are offering significant incentives to attract and retain manufacturing investments south of the border. The moderating effect of the low dollar is largely offset by falling gas prices, which form a more significant part of the supply mix in competing US jurisdictions.

We also have a near-term issue of surplus power during the spring and fall. To deal with this surplus, Ontario is selling off power at steeply reduced rates to neighbouring and competing jurisdictions. This surplus capacity challenge and the bigger challenge of funding ongoing upgrades to our electricity infrastructure would be further exacerbated by erosion of the manufacturing sector.

Ontario has put in place the industrial electricity rate incentive program to try to address this issue, but we feel that program should be significantly expanded. Right now, it's fairly narrow in scope and is still challenging for the majority—

The Chair (Ms. Soo Wong): Mr. Clipsham, can you wrap up so that we can start the round of questioning?

Mr. Paul Clipsham: Yes. Thank you.

The final point is around support for innovation and productivity. Innovation, productivity and training are also critical to the manufacturing sector and the economy. We think ongoing support in those areas is really important to the viability of the sector as a whole.

With that, I will close out and thank you for your time and attention and welcome any questions.

The Chair (Ms. Soo Wong): Thank you very much. I'm going to Mr. Baker to start this round of questioning.

Mr. Yvan Baker: Thank you both very much for coming in today. I wanted to pick up on something that you had talked about in the initial stages of your presentation and that you have here in writing. I'm just going to highlight a few things that you have here on page 3 of your presentation, where you talk about the reduction to corporate taxes, the accelerated write-offs from M&P equipment, the elimination of the capital tax, commitments to regulatory burden reduction, temporary solvency relief and the elimination of the debt retirement charge for non-residential ratepayers. They were things that you're applauding, essentially, in this document.

I guess what I wanted to get an understanding of, for those of us who aren't from a business background, for those who are watching who aren't from a business background—could you just talk a little bit about how these kinds of things help the businesses that you represent and, ultimately, the communities that they're drawing employment from?

Mr. Ian Howcroft: It helps to encourage investment if we have what's considered a competitive environment. Companies are looking at what it costs to do business in Ontario. We were pleased to see the elimination of some of these tax issues. Some were on the books for many, many years. Back in 2008-09, there was the elimination of the capital tax. Then we worked to get in the HST, which was embraced, which reduces costs for businesses. Accelerated depreciation is a huge opportunity both federally and in Ontario and, as I said earlier, we're very pleased that that has been implemented now for the next 10 years.

On a tax-competitiveness basis, we are pretty competitive worldwide. However, that's just one component. There are a lot of other costs that are looked at: the labour costs, the health costs of employees. There is the cost of input credits. Everything is looked at, so we have to ensure that we're dealing with not just the tax side but also the other costs.

Two of the big ones that we're focusing on are the cost of electricity, which is still enormous and we need to find solutions to assist manufacturers, and also the regulatory burdens. Companies are spending, in our view, an inordinate amount of time dealing with compliance when they need not. I cited the Toxics Reduction Act. Who doesn't want to reduce toxics in the workplace? But it's in the definition. Copper is identified as a toxic, so companies have to go through and explain how they're reducing that. If you're a copper mine, a wire company or a plumbing company, your goal is to increase the use of copper, not reduce it, so you're going through the same mechanisms, the same process, to demonstrate why you're not reducing copper.

In 99% of the cases, copper is not a toxic. We use it to bring water to our homes and our coffee machines etc.

What we want to do is go back to first principles when it comes to having a regulatory system that makes sense, that focuses on what we're trying to accomplish and reduces the costs for employers and for government.

Paul, did you want to add anything?

Mr. Paul Clipsham: I think that's good.

Mr. Ian Howcroft: Okay.

Mr. Yvan Baker: I know that our government is committed to continue working on the regulatory side of that. I hear what you're saying. That's helpful.

The other question was just around infrastructure. We've had some presenters come in—yesterday comes to mind—who talked about the importance for businesses to be able to get goods to market, goods across borders etc. Can you just talk about the importance of the investments in infrastructure? I think when we think about investments in infrastructure, we think from the perspective of commute times and gridlock and those sorts of things. Those things are very, very important, but from a business perspective, could you talk about the importance of those investments?

Mr. Ian Howcroft: Those things are important, but also, it's getting our goods to market across the borders. That's why we have been advocating and very supportive of the bridge that's being built down in Windsor. I think we have a very clear example of the challenges we have with the bridge in northern Ontario. It was just built and just opened, and now we're getting calls from member companies, saying, "This is hard for us. We don't have permits, necessarily, to go through the States. We have to be escorted across. It's having a huge impact on our business and our operations." That just shows how important having the proper infrastructure is.

We recognize that there are costs involved in that too, but I think we're in a real challenge, if we don't pay those costs, to have an infrastructure that gets people to work, but also gets product to the marketplace and gets supplies in so that companies can build, add and assemble the products that they need, to keep employing people here in Ontario.

Mr. Yvan Baker: Okay. Thank you.

The Chair (Ms. Soo Wong): All right. Thank you very much, gentlemen, for your presentation as well as your written submission. Have a great day.

Mr. Ian Howcroft: Thank you very much.

ENVIRONMENTAL DEFENCE

The Chair (Ms. Soo Wong): The next presenter is Environmental Defence: Keith Brooks. I think the Clerk is coming around with the written submission.

Welcome, Mr. Brooks. As you probably have heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official opposition party. You may begin any time. When you begin, can you please identify yourself for the purposes of Hansard? Thank you.

Mr. Keith Brooks: Sure. Thanks for having me. My name is Keith Brooks. I'm with Environmental Defence, which is a Canadian environmental charity. We're based here in Toronto. We also have an office in Ottawa.

We work across four main issues. We work on land use planning and urban sprawl issues. We work on toxics issues—toxics reduction, actually. We work on fresh water and Great Lakes protection. We also work on environment and climate change.

The clean economy program that I manage touches most intimately on climate change and energy issues, but in a nutshell, the idea of the clean economy program is that we don't need to choose between a clean environment and a strong economy. We have to have both.

I know this understanding is shared by the province of Ontario. We saw it in the last budget and we've seen it in the green stimulus fund. We've seen it in the progress with cap-and-trade and a lot of the things that the province is doing. We see it in the province's acknowledgement of this need to move toward a low-carbon economy, which is another way of talking about a clean economy. I just want to say that it's really encouraging.

Overall, we're quite encouraged by the environmental issues that this government is pursuing, from taking action on climate change, to banning the use of neonicotinoid pesticides, which were causing bees to die, to moving forward with the Great Lakes Protection Act, and a whole bunch of things. But I do want to flag a concern that we have with the MOECC and the capacity of the government in general to deliver on this agenda with limited resources.

I think some of these things are big. We're pretty worried, in fact; we're supportive of the Great Lakes Protection Act, but we're worried about the need for there to be more resources to actually do that. To deal with the algae issue in Lake Erie is a complex matter, and we think more resources will be needed to effectively address that. We think that you might need some carrots as well as sticks, quite frankly, to rein that issue in.

We're concerned with some of the progress on some of the toxics stuff. We know that the mandate letter to the Minister of the Environment and Climate Change talked about increasing people's knowledge and access to information around toxics. In recent years, a lot of the toxic products have shifted from the industrial base to consumer products. We're worried about a lack of capacity by MOECC to in fact address toxics on the consumer side. We think that more money is needed, more investment is needed on that from the MOECC to actually pursue it.

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We're not just concerned about things that are within the Ministry of the Environment and Climate Change. We're also worried about the Ministry of Natural Resources and Forestry's ability to properly enforce the changes they're contemplating as they revamp the Aggregate Resources Act. We're worried about the province's ability to deliver on this ambitious agenda around transit—all of these things which we support. The short story is, we would like to think that there's a need for more capacity inside government to actually deliver on these things.

I'm going to speak about the cap-and-trade program in more detail, but I just want to say that that's a "polluter pays" model. We support that kind of a model. It's very close to the idea of the clean economy stuff. We just think that there are a couple of other instances where the Ontario government might be able to raise some resources to help deliver on some of these things that are in the mandate letters, in the budgets and whatnot. For example, the Environmental Commissioner flagged that the water-taking fees for large-volume water users are much too low. They only cover a fraction of the costs of maintaining water conservation programs. It's time, in our opinion, to raise those rates. It's $3.70 for a million litres, so it's very, very low. It must be much higher.

Also, I mentioned earlier the Aggregate Resources Act; there's A Blueprint for Change. The Ministry of the Environment and the Ministry of Natural Resources and Forestry had originally contemplated having a more substantive conversation about the fees that aggregate producers pay—the fees or royalties, depending on the licence that they pay. There was, at one point, an appetite to raise those fees. For some reason, they seem to have backed away from that, despite the fact that there is actually a very large and diverse set of stakeholders who have said, "We're ready to talk more about fees," and this includes aggregate producers, municipalities, environmental organizations and pretty much all the stakeholders involved.

I just want to flag that, in budgetary issues going forward, we think there's a capacity issue. We think there is a lot of room to address some of that through a "polluter pays" approach, and some of the examples I have cited—but there are others, as well, that we would be happy to talk about.

On the cap-and-trade, in particular, again we're very supportive of the province moving forward on the cap-and-trade stuff, but there are two issues that I want to flag there. First, I'll just say that we coordinate an organization called the Clean Economy Alliance. It's a multi-stakeholder organization with about 90 organizational members drawn from a very broad cross-section of Ontario society. We've got the Ontario Federation of Agriculture, we have labour unions, we've got clean tech companies, some very large emitting companies and, of course, some health charities and some environmental charities. We've worked together with that alliance to educate ourselves about cap-and-trade. We put in a submission to the government around some recommendations we would like to see in the program.

I'd say we see almost all of those recommendations reflected in the most recent document that the province was consulting on, with two exceptions. One is the allocation of permits to the large emitters. In our submission, we said that we recognize the issue of leakage, the issue that we just heard about from CME, this idea where companies might relocate to evade paying a price on carbon. But, at the same time, this is one of the ways in which you can put a price on carbon. People need to pay that price or you actually haven't put the price on carbon and you have weakened the market signal that you're trying to send.

In our submission, we acknowledged this issue around competitiveness, the issue around what's called leakage, but said you have to base any free permits that you give—if you're going to give a company a break on the carbon price, you must base it on a lot of sound analysis and it must be targeted only to those companies that need it. I would just say that this set of recommendations is echoed also by the Ecofiscal Commission, who said that any free allocation of permits needs to be targeted, transparent and temporary. I think we're not necessarily seeing that. The province seems to be contemplating giving free permits to 100% of the reporting industries—the entire industrial base. The Ecofiscal Commission's analysis says that about 2% of Ontario's economy is actually energy-intensive and trade-exposed and would be deserving of those free permits. The plan is to give 100% free permits to all polluters over that 25,000-tonne threshold. We think it goes too far.

There are a couple of drawbacks that can come from this. One is, you're diluting the price signal you're trying to send. Economists say, "Do this because it's the most efficient way to send a signal to the market to change behaviour," and if you dilute that signal, it doesn't work. Not only is it that the big firms aren't paying it, but a lot of free permits in the system mean that the price is lower in general and the signal across the whole system is dampened. We want to see that signal strengthened. We're concerned about the efficacy of the program on that.

Also, there is another issue around forgone revenue. If all of the permits in this system were auctioned at, assuming, $17 a tonne, which is about what the floor price is going to be in 2017 when this program is launched, this province should be expecting to raise about $2.4 billion. Now, for some reason, in the fall economic statement, they said that in the first year of the program they expect $1.3 billion. That's a $1.1-billion difference between what the math shows you should be raising and what the fall economic statement said you expect to be raising.

I'll say two points about that. One is that that would be over $1 billion annually in forgone revenue. I've run the numbers, and I would say that if all of that industrial base doesn't pay further permits to pollute, it's about $660 million of forgone revenue. That's a lot of money annually. It would be better if that were less. Also, I just wanted to say that that $660 million is a lot, but I think that number, the $1.3 billion in the fall economic statement, needs to be looked at again, because the math doesn't seem to add up, even if you were going to give free permits to the entire industrial base.

I already spoke about the effectiveness issue and diluting the price signal that you're trying to send. I'll just add that there's a concern around this free permit thing leading to some perverse outcomes at times, and there have been some examples of this happening in the EU where they issued a lot of free permits to the industrial companies there as well.

I guess there are two main things that have been documented. There was a professor at Brock University who documented the fact that the stock performance of high-polluting companies did better than that of their relatively clean peers. Another effect has been documented, which they refer to as windfall profits, when companies get free permits but they are able to pass on the costs to consumers, because consumers know that there's a new price on carbon. So these companies end up getting a benefit from this.

We understand that the leakage thing is an issue and we want to address that; we're just flagging the notion that we could be going too far here. Surely the purpose of this program is not to reward polluting firms. I think that in an effort to address these competitiveness and leakage issues, you can go too far and that can happen.

The Chair (Ms. Soo Wong): Mr. Brooks, I need you to wrap up. Can you just do that?

Mr. Keith Brooks: Okay, I'll wrap up.

The last piece is about the use of proceeds. We just want to say very strongly that the government needs to put the money back into reducing emissions; otherwise, we could be buying a lot of permits from other jurisdictions, sending money out of the province. Instead, we need to be reinvesting and retooling this economy, creating this low-carbon economy that we're committed to, and we need a lot of transparency around that.

More details are in the document.

The Chair (Ms. Soo Wong): Okay, we're going to stop. I'm going to turn to Ms. Martow to begin this round of questioning.

Mrs. Gila Martow: I think I can speak on behalf of my colleagues when I say thank you for your very passionate presentation. I think we've all picked up a few pearls from you about things we need to look into and learn more about.

We keep hearing from experts saying, "What we want is to have a strong economy, and we want to get revenue from that economy." That's the government's job. It's not the government's job to decide how an industry should necessarily invest—try to be supportive, of course.

But my question to you is this: What can we do, realistically, to have cleaner air and clean water? We're looking at places like Europe that have implemented a carbon tax, and what we're hearing is that companies sold their permits and actually made more money selling permits to pollute than they made on the product that they were making.

This is all very disappointing. We see in many countries that there are more people riding motorcycles or the rice burners or whatever they're called that are hugely polluting, much worse than a small car.

You seem like an expert, so I want you to tell us what we can do, other than saying to companies, "You're going to pay to pollute." That doesn't sound very healthy.

Mr. Keith Brooks: Well, I think that the payment for polluting is one aspect of the good policy that could be put into place. Most of the research that I've seen, at least, says that these efforts are largely successful. They've been successful in the past around reducing acid rain, and I think we're trying to model that now for carbon dioxide.

It's economists who say that you should do this. If you want to ask an environmentalist what to do, we might well say that you should regulate industry. Certainly, when it comes to some of these things around the diesel emissions that might come from certain vehicles or whatnot, these perverse outcomes, I think that backstops need to be put in place to make sure those things aren't done.

Sometimes regulation is the right thing. When you have something like carbon dioxide, though, that's across the entire economy, a price signal perhaps is the best way to go, because it's very difficult to find the points of regulation.

Mrs. Gila Martow: Okay. You say that you're working with the federation of agriculture, and there has just been in the news the last week or two about the government cutting the subsidy to what they call coloured diesel. I wanted to know what your thoughts were on that, if you had any thoughts, because I think that that makes it difficult for our farmers.

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Mr. Keith Brooks: We work with the federation of agriculture on land use planning things as well. We've put in some recommendations around the growth plan review that's under way. We also work with them on the cap-and-trade program. They're supportive of cap-and-trade.

I wouldn't be able to speak on their behalf with respect to the issue around coloured diesel, but they're supportive of cap-and-trade. They recognize that farmers have a role to play in this and would like to participate in the system. They, of course, would like to inform how that system is shaped. But agriculture represents a significant source of emissions here in the province of Ontario, and we need to have the farmers as part of the solution. I think that they're ready to do that.

Mrs. Gila Martow: Okay. I'm going to pass it on to my colleague. I hope when you're saying "emissions from farmers," you're not just talking about the cows.

The Chair (Ms. Soo Wong): Ms. Munro?

Mrs. Julia Munro: Thank you. I think that everyone understands that we have had a culture that took a lot for granted, including our own environment and water and things like that. People look at other jurisdictions where the matter seems to be so much more of a crisis. Is there, in your mind, a concern about the kind of laissez-faire attitude of people in our communities, because they look at this and say, "Well, we're nothing like the other areas where it's a much more significant problem"? Do you see that as a problem as we go forward?

Mr. Keith Brooks: I'm not sure that I fully understand the question.

Mrs. Julia Munro: All I was trying to do was kind of separate between our situation and others in other countries, and whether or not that creates a more challenging audience for you in terms of a level of complacency or things like that, whether that becomes an issue for you.

Mr. Keith Brooks: I think it can. I think, though, that the vast majority of Ontarians are very strongly supportive of the government taking action to deal with pollution, climate change and cleaning up the Great Lakes. We do poll people out there, and we find above 70% support for government-led action on environmental issues. We find over 80% support for taking action on climate change. The people are very much asking for this and want government to lead.

The Chair (Ms. Soo Wong): Mr. Brooks, I need to stop you. Thank you for your presentation and thank you for your written submission.

Mr. Keith Brooks: Thanks for having me.

UNITED FOOD COMMERCIAL WORKERS CANADA

The Chair (Ms. Soo Wong): The next group before us is the United Food Commercial Workers Canada. I think the Clerk is coming around with the written submission. Welcome. Good afternoon, Mr. Johnstone.

Mr. Derek Johnstone: Good afternoon.

The Chair (Ms. Soo Wong): Welcome. As you've probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official third party. You may begin any time. When you begin, can you please identify yourself for the purposes of Hansard? Thank you.

Mr. Derek Johnstone: Thank you, Chair. I'd like to start by thanking the panel, Premier Wynne and the

Minister of Finance for organizing this session today and for providing the members of the United Food and Commercial Workers with an opportunity to participate in this very important process. My name is Derek Johnstone, and I have the pleasure of serving UFCW Canada as the Ontario regional director. Today I'll be speaking about our pre-budget submission that focuses on five issues: good-paying jobs, pensions, health care, child care and education.

When we talk about good-paying jobs, we must also discuss labour law and the balance of power between employers and workers. Many experts attribute unions to the rise of Canada's middle class and the general prosperity of the country. By helping more workers make decent wages with more job security, unions are largely responsible for stabilizing the economy and stimulating its growth. Because of unions, more working people can afford houses, healthier food, clothing, cars and other consumer goods. Increasing demand for these things creates more jobs and even more economic growth. Workers who are paid well and enjoy job security can afford to pay taxes to support the growth of our public services.

With that in mind, UFCW Canada is calling on the government to seriously consider card-check certification and other important labour law reforms as part and parcel of this upcoming budget. There are more than 1.6 million Ontarians who belonged to unions in 2013. These workers earned, on average, $6.42 more per hour because their unions negotiated better wages and greater fairness in the workplace. That union advantage resulted in more than $2.7 billion of additional income being injected into Ontario's economy in 2013. That money was spent at local businesses. It was used to buy a lot of products that are made right here in Ontario. That capacity to support the local economy is key to sustaining good jobs and supporting community services that add to everyone's quality of life.

When we talk about good-paying jobs, we also have to discuss the gender wage gap that currently exists in Ontario. In this last year, women in Ontario earned on average 68 cents to every dollar that men earned. Under the Ontario Human Rights Code, discrimination based on gender is a human rights violation, but the gender wage gap is still a reality for many of our sisters, daughters, mothers and friends. UFCW Canada is strongly urging the government to make the gender wage gap a human rights priority and, in co-operation with workers and our unions, to put together a serious plan to finally correct this issue once and for all.

On the Ontario Retirement Pension Plan, our first recommendation is to have the CPP expanded. Real retirement security in our country is rapidly declining. Pension coverage in the private sector, outside of the CPP, is almost non-existent. According to a recent StatsCan report, the incidence of low income among the elderly has risen from 7.6% in 2000 to 11.1% in 2013.

That said, the UFCW believes that the establishment of the ORPP is a positive first step forward. Thousands of UFCW members in Ontario participate in the Canadian Commercial Workers Industry Pension Plan, or CCWIPP, which is a multi-employer pension plan. Our members who participate in this plan receive a modest benefit payment upon retirement.

We support this government's initiative to further advance retirement security as long as it does not leave anyone behind or exclude any worker simply because they receive modest benefits from a private plan.

On health care, UFCW Canada includes more than 10,000 members who work in this key sector of the economy. As many in the government will know, health care remains the single largest government expenditure. It costs our province approximately $842 a day for a patient in a hospital, compared to $126 a day for long-term care and $42 a day for home care.

UFCW Canada proposes, in this upcoming budget, to absolutely maintain universal health care provisions in our province but also to increase investment in long-term care and home care. Increasing investment in long-term care and home care will lessen the burden on hospitals and also help ensure a comfortable living environment for residents and their families.

Speaking on child care, many of our members are leading young families, and they are deeply affected by the steep cost of finding care for their children. Ontarians should not have to decide between staying at home to raise their young children and returning to the workforce, where they can continue to advance their careers. For many, it's often not a choice. One parent has to stay home and put their career on hold, sometimes permanently, as child care costs continue to rise.

In the case of a single-parent family earning a low wage, the cost of child care, even if they're lucky enough to get a subsidy, becomes profoundly discouraging and even irrational.

UFCW Canada is recommending a $15-a-day-per-child child care program. It seems like an ambitious plan. But put into context, compared to some other provinces—including Manitoba, with an average daycare space at $631 per month; Winnipeg, at $451; and Quebec, at $152 per month—$15 a day would place Ontario competitively, somewhere in the middle of the pack.

Without a doubt, one of the greatest beneficiaries of a $15-a-day child care program would be the province's economy. More discretionary income in the hands of Ontario families means more dinners out, more movie nights, parents being able to buy electronic goods for their kids, and, when your car brakes squeal, being able to repair them on time.

When it comes to education, 40% of UFCW's membership is under the age of 30. UFCW Canada, as such, is urging the government of Ontario to lower tuition fees for post-secondary students in order to help lessen their financial burden and to see our youth start building their lives and making more significant contributions to the local economy sooner.

Information obtained from StatsCan shows that a person with a post-secondary education will earn, on average, more than $2.3 million over their lifetime, as compared to $1.3 million for a high school graduate. Ontario can be a leader in the Canadian global economy by simply providing Ontarians greater access to affordable post-secondary education.

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In addition to tackling high tuition rates, UFCW Canada respectfully requests that this government turn its mind to an issue that is near and dear to us: There are approximately 30,000 seasonal agricultural workers in Canada each year, with about 70% of them working and residing right here in Ontario. Seasonal agricultural workers in Canada are without a doubt one of Ontario's most vulnerable worker populations.

UFCW Canada, I am pleased to report, is the leading force in providing education resources to seasonal agricultural workers in association with the Agriculture Workers Alliance. We operate three support centres in Ontario and also centres in BC and Quebec. Many seasonal agricultural workers are dependent on the services and assistance that only UFCW Canada and the AWA provide. Our centres provide workshops and information about CPP eligibility, parental benefits, WSIB, health and safety, and general support services like accessing information regarding payroll deductions, hours worked, statutory holidays and vacation pay entitlements in general.

The Ontario government provides numerous financial resources to the agriculture industry, but the industry does not provide any support and services to the agriculture workforce. UFCW Canada and the AWA already have the infrastructure in place. We ask the government to partner with UFCW and the AWA in order to continue providing the vital services these workers require, and to help protect the health, safety and human-rights interests of the hard-working people who make our agriculture industry possible.

In closing, once again thank you for the opportunity to provide our submission, and we look forward to your final report.

The Chair (Ms. Soo Wong): Thank you very much. I'm going to turn to Ms. Fife for this round of questioning.

Ms. Catherine Fife: Thank you very much for coming in. I appreciate the length and the research that you've provided around your recommendations. And thank you for raising the issue of the gender wage gap. This has been a very consistent stream of thought through all of the delegations. Nurses and hospital workers in particular have raised the issue that the cuts to front-line health care primarily are women working in hospitals, so thank you for addressing that; that's really important.

Around pensions, you list that your first preference would be the modernization of CPP. We also put forward that position as well. In lieu of that, though, the ORPP does seem to be going forward. There are some questions outstanding, though, as to what the ORPP is going to look like. The government originally promised that every employee would be eligible for the ORPP or a comparable plan. The latest announcement said "every eligible employee," so we're wondering about precarious, part-time contract workers, and, as you rightly point out, vulnerable workers that are working in the agricultural sector. I wanted to just raise that with you.

This morning, the OFL mirrored your concerns as well around agricultural workers. They asked the government to follow through on a migrant worker bill of rights, because, as you've rightly pointed out, they're incredibly vulnerable.

What is your discourse with this government on some of these issues? Because they're long-standing—UFCW has been a staunch supporter of some of the most vulnerable workers in Ontario. Are you making any progress? Are they receptive to some of your recommendations?

Mr. Derek Johnstone: Thank you, Catherine. I think on your first point, in terms of the gender wage gap, it's really crucial for the committee and cabinet and the government to put this within some of their larger policy and legislative ambitions.

I mentioned labour law reform as part of my presentation, but I think it's key to view this process through that lens. I think that when we talk about the gender wage gap, you can't have a serious conversation in Ontario about that issue until we have a look at improving the ability of workers to join a union. Let's face it: At UFCW, we've been trying very hard over the past 10, 15 or 20 years to help the most vulnerable worker populations in this country, whom I would strongly argue include women who work in the retail sector. Women increasingly work for gigantic, transnational corporations—like Walmart, as an example—and their history when it comes to their employees trying to exercise their collective bargaining rights is no secret.

We need to create a better balance in this province—and in every jurisdiction in Canada, as far as I'm concerned—that reflects the new reality of who our employers are. Employers aren't Ma and Pa anymore. Employers are huge transnationals. Employers are private equity firms who live in places far away from Toronto. I think we need to do everything we can as Ontarians and, in your case, as the government, to ensure that there's a proper balance between us, the workers, and, increasingly, these transnationals who, in every manner, have so much more power than employers had a very short time ago.

Ms. Catherine Fife: You are talking about some of the most marginalized workers in Ontario when you talk about migrant workers. That was one of the reasons that we've been trying to get this government to bring forward the anti-racism secretariat and have some resources to apply some supports in that regard.

Just on card-check certification, though, this is not the first time you've asked this government to open workplaces in this way. You asked them to seriously consider card-check certification in this upcoming budget. What does that look like, and what would you like the government to do on this particular issue, Derek?

Mr. Derek Johnstone: I'd just preface my answer by saying that what we're asking for is what Ontario had for decades—

Ms. Catherine Fife: Yes.

Mr. Derek Johnstone: —until it was changed in the mid-1990s with, some would suggest, a more extreme agenda. We're really just starting to regain some rights and some ground that workers in this province always had. As I mentioned in my last comments, we're in the 21st century. Globalization is not going anywhere, and employers will continue to get bigger and stronger. We need to make sure that workers in this province have a real chance to exercise their labour rights.

The Chair (Ms. Soo Wong): Mr. Johnstone, I need to stop you here. Thank you for your presentation and your written submission.

CHIEFS OF ONTARIO

The Chair (Ms. Soo Wong): The next presenter before us is Chiefs of Ontario: Isadore Day, the Ontario Regional Chief, and Nathan Wright, CEO of Chiefs of Ontario. Good afternoon.

Mr. Nathan Wright: Good afternoon.

The Chair (Ms. Soo Wong): As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questions being asked this time around by the government side. You may begin any time, sir. When you begin, can you please identify yourself for the purposes of Hansard? Welcome.

Mr. Nathan Wright: Thank you, honourable committee members. First of all, I'd just like to send regrets on behalf of the Ontario Regional Chief, Isadore Day. He had a commitment in terms of a health file that took priority. However, my name is Nathan Wright. I am the chief operating officer with the Chiefs of Ontario.

We're here to present some broad recommendations on how to make things right with the relationship between the government of Ontario, Ontarians and the indigenous peoples.

The Chiefs of Ontario are an organization that supports the collective decision-making of the 133 First Nations communities across Ontario. Before I begin, I do wish to clarify that Chiefs of Ontario are an advocacy organization for the indigenous rights holders in Ontario, but we are not a rights holder; an organization cannot hold those rights.

I make this statement just to be clear that this does not constitute the duty to consult as has been outlined in a number of court decisions over the years. Therefore, I urge honourable members to talk to all First Nations communities that may be affected by the Ontario budget. I know many of them were making written submissions, and some have even appeared.

Chiefs of Ontario, through engagement with First Nations communities, are tabling nine broad recommendations to this committee. These recommendations are made in the spirit of a historic political accord signed last year between the Premier and the Ontario Regional Chief. These are premised on the fact that First Nations must take our rightful place in Ontario.

We're at a turning point in our history, something that has been said time and time again, for years and years, over and over again. But really, what we're talking about in terms of a turning point in our history is that we are starting to see just a sliver of action—just a sliver—from the Truth and Reconciliation Commission findings that have come out this year, to all of the transparency in the mandate letters from both federal and provincial governments. We signed the political accord late last August, and we even received some strong commitments from legislators in the Leaders in the Legislature event last November.

1430

The recent decision by the human rights tribunal points to the expectation that government is starting to get things right—going back to my sliver. This must be demonstrated, though, in this budget in 2016.

Chiefs of Ontario is focused on nine major areas, which are grounded in the spirit of reconciliation and grounded in the spirit of building opportunities for our children and our young people.

This is not a presentation that should lead to budget negotiations or nickel-and-diming on certain programs and services delivered very importantly to our communities. It's about the relationship, and the expectation is the end result that we do secure our rightful place as First Nations people, which is long overdue.

Our first recommendation is simple: Let's work directly with First Nations leadership at a number of tables to look at what's actually realistic within the calls to action of the Truth and Reconciliation Commission. We see that as a very good guiding road map going forward.

Our people have been at the table for a number of different engagements. Ipperwash, RCAP, they've all come through; they all had strong recommendations. But again, we still have that sliver of hope that we'll get the investments and we'll get the resources so we can start moving forward to correct the wrongs that have occurred over the years.

We're looking in the area of justice as well so that we can start revitalizing our legal principles, legal principles that we feel will keep our community safe and secure moving forward. On the issue of safety and security, we know our nine First Nations police services are grossly underfunded. They can't do the jobs in their communities without having the adequate resources, at least on par with the provincial standards that have been put in place for municipalities as well as the Ontario Provincial Police.

The other issue that I want to bring in front of the committee is the high electricity bills within our First Nations communities—the outstanding legacy issues that the hydro dams and hydroelectricity has cost—delivery costs—and the de facto monopoly that has forced many of citizens into very challenging financial situations. We recommend extending the Ontario Electricity Support Program by raising the salary threshold for eligibility.

We're also asking for a subsidy of $1,500 in addition per year for all First Nations households to get us out of this rut.

In terms of additional recommendations, the additional ones focus on the children, which we see as our future. We know we have to do better for them, and we know that the number of children who are in care today certainly do outnumber the number of children who were taken during the course of the residential schools. Again, the Truth and Reconciliation recommendations and the calls to action are grounded in these. Again, we're looking for strong investments to ensure that we have the coordination amongst all of our governments to make that wrong a right.

For the Chiefs of Ontario, this also means investments in education. We've been working with Ontario for the last little while to develop a strategy, a strategy that's been thoroughly developed as a means to ensure First Nations, their community members and supporting organizations are involved in the development, implementation and ongoing assessment of a joint strategy with Ontario to support First Nations learners in the provincial education system, and strengthening the relationship at all levels.

Keep in mind that this isn't a system that we developed or created; it's not one that we were involved in in the evolution. It's an excellent system for Ontarians, but when our kids don't see themselves in it, it's not going to work for them. So we've come up with a joint strategy to ensure our indigenous children see themselves in that system.

Finally, I'd like to take a few moments to talk about the three final points. First is health care access for First Nations. We need immediate investments at this time for palliative and home care for our seniors. Right now, the federal government, through the NIHB Program, does not provide adequate funding for palliative care and home care so that our seniors can live in dignity. We're asking for immediate investments to right that wrong. Right now, care for our elderly falls on the families and the youth who are already stretched thin with a number of obligations and little means to meet their needs.

Reconciliation goes beyond the TRC and includes Ontario fully implementing the Ipperwash recommendations and continuing down the path of reforms on consultation and accommodation of members, especially for the engagement, and the environmental sector as well. We're looking for full involvement on that decision-making, as well as their investments.

Finally, we'd like to reinvigorate discussions on resource revenue sharing so that we can, as per the treaties, share in the wealth that comes from the indigenous territory on which I am standing today.

Honourable members, I thank you for inviting me here today. I recognize you may have questions, so I turn the floor back to you.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Wright. I'm going to turn to Ms. Vernile to start this round of questioning.

Ms. Daiene Vernile: Nathan, thank you so much for being here today. We are honoured to have you here and to hear all of your important recommendations.

I took the opportunity of reading your pre-budget submissions to Ottawa and I see a lot of the same themes there: You're concerned about water, poverty, mental health and addiction, autonomy over resources and access to technology. All of those are very important. I understand that the overarching theme is that you're looking for sufficient, predictable and sustained funding for First Nations communities across Canada.

Considering all this, we do have a new partner in Ottawa and we have fairly newish leadership here in Ontario. They both expressed a willingness to listen and to work with First Nations leadership here. Can you compare and contrast what it was like in the past to where we're at now and where you'd like to be in the future?

Mr. Nathan Wright: I think this relates back to that sliver of hope that I talked about in my presentation, because in the past we've gone through similar exercises, as I presented today, but I feel that the difference in terms of the here and now is the aspect of the willing partner. The willing partner going forward on a number of fronts is refreshing, because we are seeing that sliver of investment hitting some of our communities. We're seeing some of these major projects come down.

But we need to see a whole heck of a lot more in terms of being able to secure what we call our rightful place. We've gone beyond closing the gap. We've identified the gap, and through the 2000s to 2008, there was this initiative to close the gap. We don't want to close that gap anymore. What we're talking about is that we actually have to start securing our rightful place in Ontario. As we move forward in our particular strategies and as we continue to present these findings, we're hoping that the willing partner actually turns that sliver of action into a broad spectrum of action, because we're ready, we're at the table. We're ready to get moving on all of these investments that have been called for by the Truth and Reconciliation Commission and through the tribunal decision last week. So we're ready to go.

Ms. Daiene Vernile: Nathan, on that point on taking your rightful place, you used the term looking at "realistic" approaches. Drill down for us. What do you mean by that?

Mr. Nathan Wright: Well, we know that we can't get this all done in a single term and in a single budget cycle. We need the assistance of governments to come to the table with us and work in a very strategic and prioritized manner, to ensure that where we hit with the investments now is actually hitting our community.

I take, for example, housing. Housing is a need across Ontario, in particular northern Ontario, where there are remote communities. There are particular challenges and innovations that we need to work together on to ensure that we find cost-effective measures to get the supplies and the equipment into remote communities, so that they can effectively build for the housing needs they have. It is deplorable up there when you go up and you look at the housing needs within our indigenous communities. That's what I mean: Let's prioritize this in terms of looking at the investments that we can hit now.

To me, that's the single number one need, because so many boxes get checked off on the TRC recommendations when you have adequate housing. You won't need to apprehend the child anymore because there's proper housing within the First Nations communities.

Ms. Daiene Vernile: Considering the leadership that we have now in Ontario and in Ottawa, are you hopeful that things are going to change for you?

Mr. Nathan Wright: I want to get beyond hopeful. I actually want to get to work.

Ms. Daiene Vernile: Okay, very good. I thank you very much for coming here today and sharing your lived experiences with us. I'm sure that we're going to get things done for you and that, like you say, you will take your rightful place. Thank you.

1440

The Chair (Ms. Soo Wong): Mr. Wright, thank you very much for your presentation. Please send our very best to the chief. I also want to let you know that a significant number of your colleagues came before this committee in Sault Ste. Marie. I believe we're the first committee, in the last two years, that has been advertised in the Turtle News, your local paper—

Mr. Nathan Wright: Turtle Island News?

The Chair (Ms. Soo Wong): —to promote the finance committee, just so you know, the last two pre-budget consultations—last year and this year—so we've been getting really good representations.

Thank you very much for being here. If there are any written submissions you'd like to pass on to the committee, please do so by 5 o'clock today.

Mr. Nathan Wright: Okay. Thank you.

CUPE ONTARIO

The Chair (Ms. Soo Wong): The next group before us is CUPE Ontario, Mr. Fred Hahn, as well as, I think, your colleague. Mr. Hahn, your colleague can come forward.

Interjection.

The Chair (Ms. Soo Wong): Mr. Clerk, I heard the chief say he had a handout for us. Can you double-check so that the committee has the presentation from Mr. Wright?

Sorry, Mr. Hahn. I just want to make sure we have the submission.

Mr. Hahn, as you know, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official opposition party. When you begin, can you please identify yourself as well as your colleague for the purposes of Hansard? Welcome, and thank you.

Mr. Fred Hahn: Thank you very much. Good afternoon. I'm Fred Hahn. I'm the president of CUPE Ontario. With me today is Daniel Crow, who is the senior researcher who helped in writing our brief.

CUPE, as you well know, is the largest union in the province. We have more than 250,000 members in communities large and small. Our members provide care for Ontarians in hospitals, at home and in long-term care. We provide support and help to educate the next generation from their first day in a child care centre through primary and secondary school all the way through to university. We keep the lights on, help keep the water clean, help keep neighbourhoods safe, and provide emergency medical services when needed. We make life better for people with developmental disabilities and protect children at risk. CUPE members are hard at work every day to help make Ontario a better place to live.

That work is getting harder and harder each year because of decisions made in budget processes like this one. Austerity budgets, which have been adopted by the government for the past six years, simply aren't working. They strip money out of the economy and out of the pockets of hard-working people. Cutbacks have caused severe harm to the people of the province.

The global economy is in turmoil, and further austerity measures will prevent Ontario from weathering that storm. Commodity markets are weak. The value of the Canadian dollar is low. Growth is lagging in many key areas. The direction that the government has taken over the past six years will only make the province more vulnerable to these global threats.

Now, it's true that some have benefited from the government's priorities. Corporate tax cuts have handed over $2 billion to profitable corporations. The problem is, they haven't invested that in the real economy. They have hoarded it or they've used it in non-productive speculative ventures. The loss of revenue due to corporate tax cuts has been used as a justification for cutting funding to important services that people need.

It's time for the government to ask a very simple question: Whose side are you on? Will you continue to govern solely in the interests of a few, or are you prepared to govern in a way that benefits people and our communities and our future? Will you continue down a failed path of austerity, or are you ready to try an alternative? Because Ontario has choices and there are real alternatives.

We propose that the government abandon austerity and instead implement a budget that invests in people, stimulates the economy and immediately provides improvements to people's lives. That alternative approach begins by abandoning the arbitrary date of 2017-18 for balancing the budget. A recent report by the Canadian Centre for Policy Alternatives clearly shows that Ontario's debt load is not at a crisis point. In balancing by 2017-18, the government would have to make even more drastic cuts to expenditures, which would be disastrous.

Alongside this recommendation, we have four main areas, all of which are articulated in our brief, that we'd like to group our recommendations in.

The first is to increase revenues for government, notably by restoring corporate tax rates to 2010 levels. Now, it will come as no surprise to some of you that we are recommending increasing corporate income tax rates. We have been making this key recommendation in our budget submissions for a number of years.

Discretionary cuts to corporate income tax rates have now deprived the Ontario economy of $2 billion a year, adding up to $10 billion since these cuts were first made. Had the government kept the income tax rate for corporations at 2010 levels, there would be no budget deficit today. There would be money to start to reinvest in services.

Lost revenue is not the only reason for this policy failure. Recent research has demonstrated that there is no correlation between low corporate income tax rates and rates of investment. In fact, it's far more likely that higher corporate taxes correlate with higher rates of investment.

The second line of recommendations is to end the practice of privatizing public services and selling public assets. The Auditor General has identified that the use of public-private partnerships has cost the people of Ontario over $8 billion more than if those projects had been built with traditional public sector mechanisms. P3s are an example of how government is actually redistributing wealth: from the public to a few in the business community. These projects are a waste of financial resources.

The sale of public assets, we believe, should also be stopped. The sale of Hydro One will deprive the government of significant revenue streams permanently in exchange for one-time cash. But it also deprives the government of control over a key lever of the economy and a key feature in planning an environmentally sustainable future. In Europe, utilities that had been previously privatized are now being brought back under the public realm because of their strategic environmental importance.

Nor should we accept the view that this is simply asset recycling or that government is better at realizing the value of an asset. We realize the value of assets by holding onto them and by reaping the benefits we get from them collectively as an investment. That is the prudent thing to do.

At last count, 85% of people across the province of Ontario were opposed to the sale of Hydro One, and it's not too late to keep hydro public. This budget offers the government an opportunity to press "pause" on its plans.

The third part of our alternative economic plan is to urge the government to invest in public services. Expenditures on public services cycle through the economy in a number of ways. Public services help to augment people's incomes. Even with the cuts that we've seen, each individual in the province reaps approximately $17,000 in benefits from the public services available to them. For a median family with a median income, that benefit is $41,000. When workers don't have to go out of pocket to pay for health care or education, there's more money to spend on other goods and services. There are profound economic advantages to spending on public services, and we have identified several key areas of recommended investment in our written submission.

The fourth part of our plan is to prepare a budget that actually gives everyone a raise, to create good jobs in communities and to help our economy. It means ending a reliance on precarious work and improving wages. We've been through six years of net-zero wage policies, and it is time for this to end.

Our members work providing quality services, and a great many of our members still have very low incomes. Support workers in schools, cleaners in hospitals and universities, home care workers and social service workers aren't earning high salaries, and six years without real improvements to their incomes is punitive and it hurts.

There must be also be dedicated funding to support pay equity. Years of freezes have blocked the ability of broader public sector employers to meet pay equity requirements, which is the law. The government must provide funding to eliminate the gender wage gap.

A real effort must be made for a poverty reduction strategy. Social assistance rates need to be increased by 58% in order to restore them to the value that they were prior to the cuts of 20 years ago.

There must a comprehensive strategy to reverse precarious work. In 2013-14, 44% of all government job postings were for temporary positions, contrary to any stated goals of creating good jobs for people. There's a growing tendency towards precarity. It leads to lower incomes, no access to benefits or pensions, and higher levels of stress for those who constantly fear that they'll lose their job when their contract runs out.

It's time for the government and all employers in the broader public sector to be model employers, to create full-time jobs with guaranteed hours of work, access to benefits and pensions. It would make a world of difference to workers, to the services we all rely on, to our communities and to the economy as whole.

If the government is serious about being progressive, if you're serious about wanting to enhance the well-being of the people of Ontario, you cannot continue to go down the road of austerity. You will need to change course and to implement the recommendations that we have included in this submission. The choice is yours.

Thanks very much.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Hahn. I'm going to turn to Ms. Munro to start this round of questioning.

Mrs. Julia Munro: Thank you very much. When you were going through these things, I wondered if you had established a priority, since they're pretty broad and far-ranging, obviously, the suggestions that have been made, the recommendations. Can you think of one or two that would be the top of the list?

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Mr. Fred Hahn: Given the extensive feedback from the Auditor General—the waste of public money that comes from privatization of public services, from using the P3 funding model; that we've overspent by more than

$8 billion to build projects that could have been built in traditional methods—there seems to be a clear, concise and easy way for the government to act immediately, to fund infrastructure and fund projects in a way that is much more cost-effective and to ditch the P3 model.

The sale of assets, the current proposed sale of Hydro One and the impacts that that will have not only on government revenues, but on all parts of the economy—there's an opportunity for the government today to just press "pause" on that plan and to re-evaluate where it goes.

There are some strategic investments in public services that have real benefit to the economy. Every dollar we invest in child care generates more than $2 in the economy in terms of people's ability to actually spend in the economy. That's one example of many.

We know that there are real needs for seniors in long-term care and in home care. We know that many small communities have real needs in their hospitals.

We keep cycling down when, in fact, if we make investments, those investments will work their way through the economy to help us all cycle up.

Mrs. Julia Munro: Have you had any indicators from the government, particularly on the infrastructure and the P3—a response to the auditor and her findings? Have you had any sense of interest or concern about that from the government?

Mr. Fred Hahn: No, we have not—not yet. We will keep trying.

Mrs. Julia Munro: The other thing I wanted to ask you was, many people have identified the situation that people find themselves in where they have more than one job. I've talked to people in my riding who have two or perhaps even three jobs that they juggle. Are these people who should have an ORPP?

Mr. Fred Hahn: I think that retirement security is important for all people who work. There are a couple of issues, of course. The fact that people have to piece together portions of jobs in order to support themselves and their families is a real concern. It's where a concrete strategy to end precarious work is quite important.

In relation to retirement security, the very best way, the most efficient way—the way that any expert who ever looked at retirement security would say—is to enhance the CPP. It is a universal plan, well founded, cherished across the country. To introduce an Ontario plan, particularly when there is a federal government that is now saying it may be interested in looking at the CPP, seems to be counterintuitive to that—and particularly to introduce a plan that is not universal, that leaves workers behind, whether they be part-time workers, precarious workers, or some workers who may have some small retirement benefit that exists today that is not going to be sufficient to ensure that they don't retire into poverty.

Mrs. Julia Munro: Thank you.

Mrs. Gila Martow: Do we have more time?

The Chair (Ms. Soo Wong): One minute. Ms. Martow.

Mrs. Gila Martow: I would just want to continue that vein of conversation. I quoted earlier to the minister, when he was here, the headline today in the National Post that is questioning the ORPP and saying that the government just needs it as some kind of revenue tool, to fund their infrastructure projects.

I have it right here: "Ontario Pension Plan Not About 'Helping' Retirees, but Financing Infrastructure." So there you have the answer, which is what the PC Party has been saying all along: It doesn't make sense; it doesn't make financial sense. What makes sense is to get a robust economy throughout the country and improve the CPP as much as we can, for all Canadians.

Mr. Fred Hahn: Certainly in the previous iteration of the federal government, where the chances to expand the CPP were dismal, having the fortitude to go forward and say that we need something for the people of Ontario was something that was important.

We're in a different time now. The mechanism to improve retirement security has to be one that's not just going to do that for some but do that for all. A plan that is not universal—the costs of that plan alone, tracking workers as they may move in and out of that plan through the course of their working lives, will mean that that plan is inefficient on its face. That's why the CPP, a universal plan, is more efficient and is the best mechanism.

The Chair (Ms. Soo Wong): Mr. Hahn, thank you very much for your presentation and your written submission.

ONTARIO KOREAN BUSINESSMEN'S ASSOCIATION

The Chair (Ms. Soo Wong): The next group before us is the Ontario Korean Businessmen's Association: Mr. Don Cha, the general manager. Welcome. I believe the Clerk is coming around with your written submission.

Good afternoon. As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the third party. You may begin any time. When you begin, please identify yourself for the purposes of Hansard. Thank you.

Mr. Don Cha: Good afternoon, members of the committee and Madam Chair. Thank you for the opportunity to present to you today. My name is Don Cha. I'm the general manager for the Ontario Korean Businessmen's Association, also known as the OKBA.

The OKBA has presented to the finance committee before, and we will likely do so again in the future. Before I go into the details of our submission and propose some possible solutions, I first want to tell you a story—a story that has repeated itself hundreds, if not thousands, of times. It involves Korean-born people like myself. We envisioned living in Canada so that we could build a better life than what we had back home. Starting in the 1970s, tens of thousands of Koreans immigrated to Canada, with the majority settling in Ontario. Today, it is estimated that more than 100,000 Korean-born nationals now call Ontario home. Koreans by nature are hard-working and humble people. We did not come to Canada asking for handouts or any special treatment. We play within the rules and seek a fair shot at success like all Canadians, regardless of their background, religion or what we do to generate an income for our families.

With a strong work ethic and an entrepreneurial spirit, many Korean immigrants ended up owning and operating small convenience stores. At our peak, we had more than 2,000 Korean families who owned and operated independent convenience stores across the province, in cities and small towns of all sizes. With a few exceptions, we have members in every riding across the province, and most likely in each of your ridings. Our members operate their businesses like many small business owners. They work long days, often seven days a week, and keep their stores open for long hours, often maintaining 18-hour days.

As you know, convenience stores can be a cornerstone of a community, particularly in smaller towns. Our owners know many of their customers on a first-name basis, and see hundreds of people every day. Our members know better than most the inevitable changes that are impacting the retail landscape and people's buying habits. As a result, our members' stores are diversifying the products they sell in order to stay in business. Gone are the stores that just sell lottery tickets and newspapers.

However, a significant portion of our revenue still comes from the responsible sale of licensed and taxed tobacco products. The issue that I want to highlight this afternoon is the problem that contraband tobacco continues to cause for our members' businesses.

I mentioned earlier that when our association was at its largest, we had over 2,000 members. Today, less than 1,500 stores remain in operation. Some 25% of our member stores have closed since 2009. While the challenges of operating a retail business nowadays are complicated, the single biggest reason our member stores are threatened is because a significant number of smokers in Ontario are seeking out and purchasing unregulated, untaxed and illegal tobacco—contraband tobacco that, despite repeated government commitments at both the provincial and federal levels, continues to be readily available in communities across the province.

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Contraband tobacco comes in many forms and, as you know, is widely distributed by organized crime groups, who profit by millions of dollars annually. Society loses when these people are allowed to do their business with little or no interference from law enforcement or government. Combined, it is estimated that governments lose in excess of $1 billion annually in lost tax revenue.

Government's increased efforts to limit tobacco to youth is compromised when illegal products are readily sold in parks, schoolyards or even out of high school lockers. This problem is not new, and we know that the government and members from all opposition parties are aware of the threat of contraband tobacco.

We also know that this government has made announcements in the past to combat contraband tobacco, and we applaud them for that. Just last week, we learned that a 2015 budget promise to create a dedicated OPP anti-contraband unit is being followed through on. This is a great initiative. We wish it could have been done sooner and, if required, expanded. After all, Ontario is a big province. More needs to be done.

We also would like to recognize and applaud MPP Todd Smith's Bill 139, the Smoke-Free Schools Act. Mr. Smith recognizes that one segment of the population that suffers most from the growth of the contraband tobacco market is our youth. Convenience store owners, including our OKBA members, diligently check the ID of our customers to make sure minors are not sold legal tobacco. Sadly, those that trade and sell contraband tobacco do not. Mr. Smith's bill focuses on increased fines for transporting contraband tobacco, and some financial incentives for local police to get involved in the fight against contraband tobacco will be welcome measures.

As far as this year's budget is concerned, we ask for consideration on the following points:

First, do not increase any taxes on legal tobacco products. When governments add new tobacco taxes, we see an immediate loss in business. The loss in sales of legal tobacco is made worse by our customers frequenting our stores less often for other household purchases. New taxes should only be considered when a permanent reduction in contraband tobacco levels has been achieved.

Second, increase enforcement and fines for those trafficking. All police must have the resources to start fining individuals, not just the dealers of illegal tobacco. The province has fines and penalties in place but rarely are they enforced or publicized. If there is little or no deterrent to purchase illegal tobacco, what will motivate people to stop purchasing it? Support the initiatives behind MPP Todd Smith's private member's bill, Bill 139, and increase the penalties against those that traffic illegal tobacco.

Third, partner and collaborate with the federal government. Ontario has been the front line of the war against contraband for some time. When you communicate with your new federal counterparts, please educate them about the significant problems associated with contraband tobacco. Working with your federal counterparts, we hope someone will eventually address the illegal, unregulated, untaxed manufacturing operations that currently exist on First Nation lands. We understand it is a sensitive issue, but it must be dealt with.

Regrettably, some of our members who closed their stores have actually gone back to Korea. Those of us who remain are proud Canadians and proud to call Ontario home. We look forward to doing our part to help our economy grow and, with your help and leadership, partnering for brighter days ahead.

Thank you for the opportunity to present today. I welcome any questions you may have.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Cha. I'm going to turn to Ms. Fife to ask you some questions.

Ms. Catherine Fife: I just wanted to thank you. Your presentation is very clear. We have been supportive of MPP Todd Smith's private member's bill, and we do believe that enforcement is one of the key issues.

Your membership—you're the Ontario Korean Businessmen's Association?

Mr. Don Cha: Yes, ma'am.

Ms. Catherine Fife: Do you have any businesswomen in your association?

Mr. Don Cha: Well, this has been called this for the last 40 years, so—

Ms. Catherine Fife: So it's just a name, but there are women.

Mr. Don Cha: It's just a name, yes.

Ms. Catherine Fife: I want to thank you for the work that you do in ensuring that you get age of consent when you do sell the products, because that's a key issue, and it's a key issue that's assigned with Mr. Smith's private member's bill.

Mr. Don Cha: Thank you.

Ms. Catherine Fife: Thank you very much, Mr. Cha.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Cha, and for your written submission as well. Thank you for being here.

DUCKS UNLIMITED CANADA

The Chair (Ms. Soo Wong): The next group before us is Ducks Unlimited Canada. I believe we have Lynette Mader and Kevin Rich. The Clerk is coming around with the written submission. Good afternoon. Welcome.

I'll just give you quick instructions. You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the government side. You may begin any time. When you begin, please identify yourself for the purposes of Hansard.

Ms. Lynette Mader: Thank you. Madam Chair, members of the standing committee, my name is Lynette Mader, and I'm the provincial manager of operations for Ontario for Ducks Unlimited Canada. I'm here today with my colleague Kevin Rich, who is our provincial policy specialist in Ontario.

Mr. Kevin Rich: Good afternoon.

Ms. Lynette Mader: Thank you for the opportunity to speak here today. February 2 is World Wetlands Day, so it's appropriate that we're here today. We have to share the day with Wiarton Willie, and I'm always a little bit jealous; he tends to get more press than we do.

Ms. Daiene Vernile: Some weather-predicting ducks, maybe.

Ms. Lynette Mader: That's right. That's what we need.

We'd like to congratulate the government on moving forward with several key environmental initiatives, including Ontario's climate change strategy, the Great Lakes Protection Act and committing to reverse the loss of Ontario's wetlands. Successful implementation of these initiatives will certainly require significant resources. However, we propose that an increased investment in wetlands and other natural assets is an investment in the future—an investment that will underpin the Ontario economy, on top of providing substantial social and environmental benefits.

We commend the Ontario government for their commitment to make a historic investment of $130 billion over the next 10 years in Ontario's infrastructure. This level of investment is clearly important to sustaining the Ontario economy, enhancing Ontarians' quality of life and adapting to climate change. But Ontario's real infrastructure includes much more than bricks and mortar and pipes and pumps. Ontario's infrastructure assets also include natural systems such as wetlands.

Natural green infrastructure like wetlands provides many of the same benefits and services that conventional grey infrastructure provides, such as protection from flooding and drought, erosion control, cleaning our water supply, and capturing and storing carbon. At the same time and at no additional cost, wetlands provide many co-benefits that grey infrastructure may not provide, such as improved biodiversity and habitat, healthy Great Lakes, healthy watersheds, enhanced recreation opportunities and overall quality of life for Ontarians. People need nature.

Despite the proven societal benefits provided by wetlands, the cost-effectiveness of wetland infrastructure and current habitat protection policies, wetland loss continues in southern Ontario. In some counties, the loss is upwards of 95%. If this trend is not reversed, the environmental and social consequences will be substantial.

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There is also an economic and cost-savings argument in favour of wetland conservation. Ontario-based research by Ducks Unlimited demonstrated that investment in wetland conservation reduces the public investment required to build and maintain traditional grey waste water infrastructure in Ontario. The study confirmed that ecosystem services provided by existing wetlands clearly help to reduce the amount of phosphorus entering Ontario streams and rivers, which is a growing threat in the Great Lakes basin.

For more than four decades, Ducks Unlimited Canada has played an instrumental role in securing substantial investments for Ontario's wetlands. Since 1986, almost $200 million has been invested in Ontario through the Eastern Habitat Joint Venture, in which the Ontario government and Ducks Unlimited Canada are important partners. Through the North American Wetlands Conservation Act, we can leverage up to US$3 for every Canadian dollar of match that we provide through our organization, and at today's exchange rates, that's a pretty good deal. This has translated into more than $75 million of US funds being invested in Ontario's natural heritage features and Ontario wetlands.

Wetland restoration also generates jobs for Ontarians. For example, in 2009 and 2010, a $4.3-million investment in wetland restoration by the federal government and Ducks Unlimited Canada provided 10,600 days of work for an additional 900 Ontarians. We feel this sets a clear precedent for a return on investment when public dollars are invested in wetland infrastructure. Furthermore, the insurance sector has determined that investment in wetland conservation is part of the solution to adapting to a changing climate and the associated escalation in claims for flood-related property damage.

I still have neighbours who don't believe in climate change. When we get into debates over our wine-and-cheese evenings on the weekend, I say to them, "You don't have to believe me; believe your insurance adjuster."

Interjection.

Ms. Lynette Mader: Yes, sometimes, in their opinions.

According to a recent report by economist Mark Anielski, for every dollar invested in DUC's wetland conservation efforts, society enjoys a $22 return on investment in terms of ecosystem goods and services. That's a pretty good return.

Mr. Kevin Rich: Therefore, in order to capitalize on the economic, social and environmental benefits of natural green infrastructure, we recommend that the Ontario government do the following:

Firstly, commit to a substantially higher investment in Ontario's natural infrastructure assets, and specifically wetlands, to address water-related challenges and build community resiliency, including wetland protection, restoration and management. Ensure that natural green infrastructure projects are eligible for provincial infrastructure program funding, particularly programs dealing with water management, such as water quality measures, stormwater management and watershed-related programs.

We urge the government to give strong consideration to allocating a portion of the proceeds generated by the future cap-and-trade system towards programs to protect and restore wetlands, based on the proven ability of wetlands to assist in both the mitigation and adaptation of impacts associated with climate change. In our opinion, this would be a key step forward in the implementation of Ontario's new climate change strategy and to help communities to mitigate and better adapt to the impacts of a changing climate. We note that the state of California, one of Ontario's key partners in the forthcoming cap-and-trade system, has allocated revenue from their cap-and-trade system towards wetland conservation through their wetlands and watershed restoration program. For the 2016-17 fiscal year alone, the state of California has budgeted $60 million for this program—that's six-zero million dollars.

Secondly, we recommend that the government ensure that all investments of public funds in infrastructure result in a net gain of wetland area and function. This outcome can be best achieved by the implementation of a mitigation-compensation hierarchy, which is currently being considered by the Ministry of Natural Resources and Forestry as part of their wetland framework review. In this approach, in a nutshell, the sequence works like this: Avoidance of wetland impacts is the first priority. Minimization is the second step, where you can't completely avoid impacts. Thirdly, as the option of last resort, compensation or offsetting is allowed when there will certainly be some unavoidable impact. We also think this will be a critical way to engage the industry sector in the needed changes around wetland policies and programs.

Thirdly, we recommend that the government actively pursue current legislative and policy initiatives to advance the conservation of wetlands and other natural green infrastructure, including via the Ontario wetland framework review that I just mentioned; the 2015 coordinated review of the growth plan, the Oak Ridges Moraine Conservation Plan, the Greenbelt Plan, and the Niagara Escarpment Plan; and, thirdly, the implementation of the climate change strategy.

Finally, we recommend that the Ontario government allocate adequate funding to the Ministry of Natural Resources and Forestry and the Ministry of the Environment and Climate Change so they can effectively implement the programs they oversee. In recent years, these two ministries were only allocated a combined average of about 1% of the total provincial budget, despite being given additional responsibilities and programs to deliver over that period; for example, implementation of the Great Lakes Protection Act.

In summary, Ducks Unlimited strongly believes that a substantial investment in wetlands and other natural green infrastructure is sound fiscal policy that will strengthen the economy and provide a strong return on investment. Such an investment will also enhance Ontarians' quality of life and bolster Ontario's ability to mitigate and adapt to a changing climate. New thinking and approaches on how we design, build and maintain infrastructure are urgently needed to address these challenges.

On that note, we'd like to thank you for the opportunity to present our input to the committee, and we would certainly welcome any questions from the committee.

The Chair (Ms. Soo Wong): Okay. I'm going to turn to Mr. Milczyn to begin this round of questioning.

Mr. Peter Z. Milczyn: I want to start off by thanking you for your presentation. You raised a lot of issues that are near and dear to my heart. I'm the MPP for Etobicoke–Lakeshore. I believe you've actually funded some remediation/mitigation projects along Mimico Creek and Etobicoke Creek and Lake Ontario in my riding. We've actually had great success in an urban environment of mitigating the impacts of new development and re-creating wetlands where they were destroyed generations ago. So you raised a number of really good issues.

I just wanted to say that through our $130-billion infrastructure program that we've laid out and that we're working on, I know Minister Murray has been speaking to Minister Duguid about ensuring that part of our focus of the infrastructure program is resilient infrastructure, so not just building pipes, but making sure that what happens around our infrastructure uses natural processes to be able to mitigate the impacts of climate events and so on. Have you observed in some of the infrastructure projects that have been built around the province with this funding that there is a move among various municipalities, as well as the province itself, to put in place strategies for resilient infrastructure?

Mr. Kevin Rich: I'll speak to one example, because I know it well and I drive it every day to and from work. It's a provincially significant wetland which a road currently runs through, and that road is now totally inadequate in size. MPP Ann Hoggarth will know this site. It's Mapleview East. That road is in the process of being expanded to four lanes, I believe. So there will be a clear impact on that wetland, and it is unavoidable. That road needs to stay where it goes. It's a clear example of when we think a mitigation sequence is ideal. As I understand, between the municipality and the local conservation authority, there has been a plan put forward that will compensate for that lost wetland area and function by doing restoration work elsewhere in the watershed. So I think that's a great example.

Ms. Lynette Mader: If I might add to it, we are seeing an interest in municipalities in pursuing more innovative stormwater systems, so we're seeing prettier stormwater ponds, not the traditional cement swimming pools. They tend to be just that: prettier stormwater ponds. We feel that there's an opportunity to use those types of systems and incorporate wetland features so that they provide all the stormwater benefits as well as the properties that function as wetlands. There is a precedent for that in the city of Winnipeg. Our organization has been working with the city for over a decade. We've been in discussions with the home builders' association, but one of the concerns is that the current stormwater legislation is somewhat outdated and doesn't provide for innovative thinking. There's lots of room to do new and innovative things.

1520

Mr. Peter Z. Milczyn: The review of our greenbelt legislation, which is one of the signature hallmarks of our government, is under way this year. It's been made very clear that there is going to be no net increase to developable lands through that, that the green areas we have identified, that net—we want to maintain that, if not improve it.

Could you maybe say a little bit about what you would like to see through that review that could assist us with mitigating the impacts of development in the areas where it's permitted?

Mr. Kevin Rich: Sure. At a real high level, I guess our main comments are in two parts. First, that there would be no scaling back of the level of protection that's in the Greenbelt Plan and the other two plans, the Oak Ridges and the Niagara Escarpment plans, because they are very solid. We helped to do some research on measuring the outcomes of those plans in terms of wetlands, so we don't want to see scaling back there.

Outside the greenbelt area—in the greater Golden Horseshoe, the bigger geography—we advocate for increased protection through the application of a mitigation sequence. So again, this notion of avoid where you can, minimize where that's not possible and compensate only as a last resort. Those were some of the key pieces from our submission.

The Chair (Ms. Soo Wong): I'm so sorry, Mr. Rich and Ms. Mader. Thank you for your presentation as well as your written submission.

Ms. Lynette Mader: Thank you.

Mr. Kevin Rich: Thank you.

ALZHEIMER SOCIETY OF ONTARIO

The Chair (Ms. Soo Wong): The next group before us is the Alzheimer Society of Ontario. The Clerk is going to come around with the written submission. Good afternoon; welcome. I'm just going to let you take a seat before I give the instructions.

As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning, this time around from the official opposition party. When you begin, can you please identify yourselves for the purposes of Hansard? You may begin any time, and welcome again.

Ms. Delia Sinclair Frigault: Thank you very much. My name is Delia Sinclair Frigault, and this is David Harvey. As you heard, we're from the Alzheimer Society of Ontario. First, we'd just like to thank you for this opportunity to share our thoughts on the priorities for the upcoming budget.

As you know, the Ontario economy faces significant challenges, and we understand the government's commitment to reduce the deficit that lingers from the last recession. On the other hand, positive fiscal actions by government are important to move Ontario's economy forward.

Last spring, for the first time, people with dementia visited Queen's Park as part of the Alzheimer Society day at the Legislature and urged you as members to work with them to do something about dementia.

More Ontarians are developing dementia. Today, more than 220,000 Ontarians aged 65 and over live with the disease. That's one in 10 older adults. Four years from now, in 2020, one quarter of a million older adults in Ontario will be living with dementia. This is a 13% increase from today. Most of these people will be living in the community where family and friends will be supporting and caring for the majority of them. Among persons living in the community with a diagnosis of dementia in 2013, almost 9,000 were under the age of 65. The number of people with younger-onset dementia continues to grow.

Yes, there are great needs, but we also have grown some great solutions in Ontario, solutions that are proven and worthy of greater investment, not only to improve health care but also to support our workforce.

Today, we will be providing information and an overview on how you can better support caregivers, and particularly caregivers who are still active participants in the labour market. These two proposals are available to you, with more appropriate financial recommendations, through our written submission provided electronically directly to the Clerk, for your more detailed consideration.

This year, Ontarians caring for family members and friends with dementia will contribute approximately 120 million unpaid caregiving hours. Many of the hours are from working people. As evidenced by last year's Health Quality Ontario report, 33% of people who provide unpaid care over a long period of time to home care patients reported feeling distress, anger or depression. This is up from 16% in the year 2008.

Labour shortages are occurring in several economic sectors, and the Conference Board of Canada, among many others, predicts ongoing shortages. Strategies to address workforce shortages include immigration, education and skills training, and services like daycare and junior kindergarten. Another strategy is to retain the older and skilled workforce in active employment.

In 2014, the Legislature passed an amendment to the Employment Standards Act known as Leaves to Help Families. This amendment provides for leave of up to eight weeks for workers who provide care to family members with chronic or serious health conditions. In addition, Bill 138 is currently before the House to establish a family caregiver day, which would recognize and celebrate Ontarians who perform this important role.

There are two basic strategies to help caregivers. One improves their ability to manage, and the other reduces the load they carry. The Alzheimer Society and its partners have experience in doing both.

One strategy is to work with our partners to reach caregivers as soon as dementia is diagnosed and, through our First Link program, provide education, support and access to other services. Since 2011, our 30 local Alzheimer Societies have enrolled 60,000 Ontarians into the First Link program. One of the most successful partnerships is with the 77 primary care memory clinics across Ontario, where we work with teams to make diagnosis and support more accessible and earlier.

We have developed these partnerships without any additional resources, but we are struggling to manage the growth. One primary care practice, for example, increased referrals to the society by 900%. We are approaching the Minister of Health and Long-Term Care to support this partnership so that we can continue our successful effort to support caregivers who provide care while remaining employed.

We are also looking forward to ministry assistance to expand our partnership with the Reitman Centre of Mount Sinai Hospital to extend its CARERS Program and, eventually, its workplace program, now in the pilot phase. Already, our local societies in Brant, Haldimand, Halton, Hamilton and Norfolk, as well as Waterloo Wellington, have initiated this program with local resources.

But capable caregivers also need concrete help. Respite enables caregivers to refuel their reserves and continue in their caring role. Limited respite that meets the varied needs of caregivers has been available, and we acknowledge this government's past support in this area. But as the expert panel's report, Bringing Care Home, acknowledges, respite care needs to be affirmed as a priority and made more flexible to meet caregiver needs, distinct from the person with the health need to whom they provide care.

To accelerate this change, we propose that the government establish a respite innovation fund. This fund would have two purposes: to seek out and grow existing programs that offer flexible and more caregiver-oriented service, or, where absent, to encourage new programs that meet certain principles, including putting patients and caregivers first; driving greater quality, consistency and transparency; modernizing delivery; and maximizing value.

Premier Wynne has made an Ontario dementia strategy one of her government's priorities. We welcome Minister Hoskins's leadership and that of his parliamentary assistant, Indira Naidoo-Harris, on this file. Through them, we are also forging collaborations with a range of ministries who touch the lives of people with dementia and their families. These include the Ministries of Transportation, Municipal Affairs and Housing, Labour and, of course, seniors affairs. Though the strategy will not be finalized for another year, caregiver supports are a recognized priority. Early investment in this known area should not be considered premature but rather a signal of meaningful engagement by responding to what caregivers are telling the government they need.

Madam Chair and members, investing in caregivers is not just a social investment; it is an economic investment. It enables workers to remain active in the economy, and it enables caregivers to continue to provide essential supports to persons with the highest of needs so they can continue to live in the community.

The Alzheimer Society and its partners have the tools to help. Today we seek your support for the investment to reach even more Ontarians who are doing something about dementia. Thank you.

The Chair (Ms. Soo Wong): Thank you very much. I'm going to turn to Ms. Martow to begin this round of questioning.

Mrs. Gila Martow: Thank you very much for your presentation. It's something that I've been doing a lot of research on, actually. I was visited by Lynn Posluns, from the Women's Brain Health Initiative. She has a magazine, Mind Over Matter, I believe. What I found shocking, and what I think a lot of people find shocking, is that 70% of new Alzheimer cases are women, and that's taking into account all variables, including the fact that women live longer. That's a discussion for another day.

I just want to get your thoughts in terms of research funding and programming addressing the fact that so many more Alzheimer cases are women.

1530

Mr. David Harvey: Perhaps I might comment. It is interesting, the gender effect of dementia, not only in terms of the higher proportion of the population being women who contract the disease, but also it impacts on caregiving because that also is a role performed more by women than by men, although it's changing a little bit; and also in terms of the workforce, where certainly women form the majority of supporters as well. So I think there are three areas.

I think there needs to be more research conducted in terms of the gender impact of dementia in those three areas. What are the risks that women experience from a biological perspective that put them at more risk and, also, from a comorbid condition? For example, heart disease and diabetes are active contributors toward dementia, so is that one of the sources? Because women, as we know, are often under-treated in heart disease, for example. That is an area that warrants more research, as well as the other two areas that I mentioned.

I think it would be interesting, for example, to look at the relative equity of women as caregivers. Are they getting as much support in their job as men who are performing caregiving, for example? I think there are rich areas of exploration.

Mrs. Gila Martow: I think that's the tsunami, if I can use a term that somebody used earlier, in terms of how we're talking about health care funding, and we're not able to adequately fund our health care needs now—and that's without taking into account our aging population as well as costly new treatments.

I think it behooves all of us to look at it from so many different angles, including, as you said—it's a good point—that if a disproportionate number of new cases are women and women are disproportionately the caregivers, well, then, who's taking care of these women who are struggling?

Thank you very much for coming in and for your presentation.

Mr. David Harvey: Exactly. Thank you.

The Chair (Ms. Soo Wong): Thank you very much for your presentation as well as your written submission.

Ms. Delia Sinclair Frigault: Thank you.

ONTARIO CONVENIENCE STORES ASSOCIATION

The Chair (Ms. Soo Wong): The next group before us is the Ontario Convenience Stores Association: Mr. David Bryans. I believe the Clerk has the written submission.

Mr. Bryans, welcome. You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official third party. You may begin any time. When you do, can you please identify yourself for the purpose of the Hansard?

Mr. Dave Bryans: Great. My name is Dave Bryans. I'm the chief executive officer for the Ontario Convenience Stores Association. Good afternoon, everybody. It's good to see so many familiar faces that I have spoken to before in committee, and today again.

Today I'm going to touch on two issues that would be of concern to the c-store industry and which, if addressed, will have improved financial and economic outcomes for our industry and also for the province of Ontario.

Let me remind the committee, though, of OCSA's profile. We're made up of small businesses, but we amount to big business from an economic standpoint. I represent 6,000 convenience stores in the province of Ontario. We interact with 2.7 million Ontarians each and every day when they come into our stores. We collect $3.8 billion a year in tax revenue for the government and we account for $2.6 billion in lottery revenue for Ontario Lottery and Gaming, which means, by the way, that 76% of all lottery sales come through the convenience sector in Ontario. That means that 76% of all the winners come through our channel as well. We are an $18.4-billion industry in Ontario and we support 65,000 jobs.

Despite this, our industry is struggling. Margins are extremely small and are shrinking under pressure from suppliers and costs associated with accommodating new regulations. Without a new destination category product or a significant drop in the public's consumption of illicit tobacco products, our members are going to continue to suffer.

Of the two issues I'm here to talk to you about today, let me first address a topic that is likely on the top of your minds as I sit here: the beer and wine file. Firstly, I will say that it was encouraging to see this government take a proactive approach to opening up the beverage alcohol system in Ontario. The current Liberal administration should be commended in recognizing the need for modernization, especially given that it was an 80-year-old system and that commitments to update it from previous governments never happened.

The OCSA was pleased to have an opportunity to present a comprehensive submission, complete with financial models, logistical considerations and a reasonable solution during the consultations with the Ed Clark panel. Our solution did include the expansion of the LCBO agency store model in urban and suburban communities. There are currently over 200 convenience stores in rural and northern Ontario that retail beverage alcohol products under the LCBO banner. They have operated successfully for a number of years, and we felt that expanding this program would meet all of the objectives that the government was considering during the review.

Obviously, our proposal was not successful. As this committee knows, it was announced late in 2015 that the first 150 licences would be issued, with none going to the convenience sector at all. But remember, we're used to being patient, and we appreciate that it appears we will have to wait a little bit longer again.

Most confusing to our members, however, was the way in which the industry was treated during the consultation. Convenience stores were eliminated from the process before the consultation had even concluded. We were notified of this via a media report and not through any other more professional forms of communication.

Perplexing our industry further were the Premier's remarks at a recent media event in Niagara. The comment "Not on my watch" was uttered immediately after she received a question on convenience stores and the potential of using our channel to retail beer or wine. I have trouble understanding where this sentiment comes from.

Indeed, our industry has been very supportive of the Premier and this administration in the past. I remind this committee that the OCSA lent its public support when this government announced its intentions of raising the minimum wage to the highest in Canada. In fact, I believe that we were the only small business association that lent its support to the Minister of Labour.

Some have said that c-stores can't be trusted to retail beer and wine. To that, I point to success in other jurisdictions, as well as numerous third-party studies that show our businesses are highly dependable when it comes to restricting access to adult products. The punitive measures enforced by public health units on our members all but ensure that our store owners are the most diligent in this country at checking for age.

Our public dismissal from the consultation reflects negatively on the c-store owners, 70% of whom are new Canadians. They are hard-working people looking for a way to support their families. They work sometimes seven days a week, both days and nights. More importantly, they understand that if their small business is going succeed, it needs to promote an image of responsibility, and that means a commitment to age verification and training. I only hope that in future rounds of licensing, our industry will be considered. I would welcome an opportunity to re-engage with Ed Clark and the government on this topic that remains of great importance to our members.

I'd like to spend the next few moments discussing illegal tobacco in Ontario and the role our stores play in preventing youth access to tobacco products. As committee members are well aware, convenience stores are the largest retailer of legal tobacco products in the province of Ontario. Because of this function, we are an important tax collector for the government and, equally as important, gatekeepers who prevent age-restricted products from being accessed by minors.

Our industry was encouraged with the government's inclusion of anti-illicit tobacco measures in the 2015 budget, and we were also pleased to see last week's announcement regarding new enforcement measures. These will be helpful in addressing the illegal tobacco trade, which we know has resulted in a reduction of revenue for the government and also for our businesses.

The fact of the matter remains that the rate of illegal tobacco remains higher in Ontario than any other province in this country. We released our updated contraband numbers in December that saw rates as high as 40% at hospitals of illegal tobacco and between 30% and 40% at high schools in Ontario, in areas such as Sudbury, Thunder Bay, Ottawa and even Windsor.

It should be noted that the answer to solving Ontario's deficit cannot come at the price of another tobacco tax increase. This only increases the appeal of the illegal market and sends tobacco users to cheaper alternatives. Customers will not curb their smoking following a tax increase, with 70% saying they would find another, cheaper source for their product.

We have conducted these annual contraband studies in recent years, and what is most troubling are the consistent findings of illegal products at high schools. This is greatly concerning for law-abiding retailers, as it means young people are still finding access to cheap tobacco products. We are equally concerned by the implications that these products are coming from our stores. This is simply not true and not the case.

We share the concerns of government in terms of youth access and we partner with government as part of our social responsibility by ensuring we are the most reliable gatekeepers between youth and age-restricted products. However, the solution to preventing youth access can only be partially addressed by more tobacco enforcement.

1540

As mentioned in our presentation last year, and as part of our goal to reduce youth smoking, we are recommending once again changes to the smoke-free act to mirror that of the Ontario liquor act. These changes would make purchasing, consuming and possession of tobacco a ticketed offence. It is time to change the behaviours, and if we had implemented this six years ago when I originally proposed this in committee, today we would not see one child standing next to a high school smoking a cigarette.

We want this government to step up its efforts against youth smoking by treating tobacco the same as we do alcohol. We cannot continue to normalize this behaviour. People would be shocked to see a 15-year-old drinking a bottle of beer in the middle of the street, yet there are zero repercussions should they be smoking a cigarette. We do not want to demonize youth as part of this initiative; however, there needs to be greater deterrence measures similar to those of alcohol in the province of Ontario.

A possession and consumption ban is also heavily supported by the Ontario public, with 80% of Ontarians agreeing with the new law. Even seven in 10 smokers agree with this proposal, which would achieve our shared goal of curbing youth smoking.

An area we are asking this committee to consider is for funding to certify and train every employee in Ontario to handle the most contentious product we sell: tobacco. Similar to Smart Serve, together we could train over 69,000 employees—many new Canadians—on age-testing, handling of tobacco and types of cessation programs available to customers. The Alcohol and Gaming Commission has also declared they would like to extend that certification to lottery here in Ontario. To ensure small businesses are the best-trained to handle two major age-restricted products throughout the province I think is a win for the government and all of us. I'll be happy to share more details in questions.

Finally, the last topic I'll mention is the Ontario Retirement Pension Plan, or ORPP. The OCSA is troubled by the recently announced rules that seem to ignore the challenges of small businesses. On this, our association shared the view of other small business stakeholders and recommended that the government consider an income threshold of $20,000. We felt this provided a fair balance that would allow our members to contribute to the program while allowing them to retain staff and stay profitable.

The fact that the government has set the income threshold to $3,500 is problematic for convenience stores. In addition to losing business to larger grocery stores for beer, and to the reserves for tobacco, our small businesses will now be forced to absorb an additional 1.9% cost on its personnel. While 1.9% may not sound like much to everyone in the room, for an industry that already has had to absorb high additional costs, including large increases in minimum wage, it has the potential to be significant.

Current estimates are that the ORPP will end up costing Ontario 6,000 jobs from our sector, or one employee for every store that I represent. Most of these will be students and they will be new Canadians. Our hope is that the low-income threshold can be revisited and that special considerations be given to small businesses that remain a vital part of this economy.

Thank you, and I'll take questions.

The Chair (Ms. Soo Wong): Okay, thank you very much, Mr. Bryans. I'm going to turn to Ms. Fife to begin this round of questioning.

Ms. Catherine Fife: Thank you very much, Dave, for coming in. At least part of your presentation isn't like Groundhog Day, because you did ask for the anti-illicit tobacco measures which were announced last week. Do you want to comment on the rollout of those measures? Do you think it's strong enough, or do you know enough about it yet to comment on it?

Mr. Dave Bryans: First off, and I think I said this in the notes, congratulations to the government. I think it's long overdue. We've been asking for it for years. I don't know all the specifics and the timelines, but any movement better than no movement is a movement in the right direction.

I still think we have an issue of 50 illegal factories located on reserves in Ontario and Quebec delivering white vans to every community. That has to be addressed. It's not going to be as simple as six new police officers, but, again, it's worth starting somewhere.

Ms. Catherine Fife: Sixteen police officers? That was—

Mr. Dave Bryans: Six, I think.

Ms. Catherine Fife: How many police officers?

Mr. Dave Bryans: I think it was six.

Ms. Catherine Fife: Sixteen, okay.

Your stats around the amount of contraband cigarettes that saw rates as high as 40% at hospitals and 30% to 40% at high schools really is shocking, and I commend your association for gathering that data, because it should inform policy going forward.

The changes that you're recommending around fines or making it a ticketed offence: Have these been tried in any other jurisdictions?

Mr. Dave Bryans: It has been tried in many, Nova Scotia being one. It is actually what health groups would like to do: Change the behaviour. The only way to change the behaviour is to say that if you're caught at a high school with a pack of cigarettes in your locker or in your pocket or you're consuming them, you will get a fine of $150. It allows the teachers to confiscate the package and also allows parents to parent and teach them that there are laws around underage smoking.

Ms. Catherine Fife: Behaviour modification is one of those key factors, right? I grew up in Nova Scotia. You used to be able to buy a single cigarette for 25 cents, which is just incredible.

Mr. Dave Bryans: And the whole thing is normalized. But I actually believe—I'm a parent first and a businessman second—that no one wants their children to smoke, and we have to put the tools in place. If we believe in a healthier society, I think it's time we all joined forces and said, "How do we fix this?"

Ms. Catherine Fife: When you consider the impact on the health care system long-term, the economic case is there. Thank you very much for coming in today.

Mr. Dave Bryans: Thank you very much.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Bryans.

HEALTHCARE OF ONTARIO PENSION PLAN

The Chair (Ms. Soo Wong): The next group before us is the Healthcare of Ontario Pension Plan: Ms. Victoria Hubbell, as well as Darryl Mabini. I believe the Clerk has distributed your little booklet to us.

Welcome. As you've probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the government side. When you begin, can you please identify yourself for the purposes of Hansard? Thank you.

Ms. Victoria Hubbell: Thank you, Madam Chair and members of the committee. I appreciate this opportunity to speak with you today. My name is Victoria Hubbell. I'm the senior vice-president of strategy and stakeholder relations at HOOPP. Darryl Mabini, senior director of growth and stakeholder relations, is also joining me today.

HOOPP is a defined benefit plan that represents 300,000 working and retired health care professionals in Ontario. We're the third-largest pension fund in Ontario, with $61 billion in assets. We're a shared-risk plan that is not backstopped by the government, and 80 cents of every dollar paid to our pensioners comes from our investment returns, not the taxpayers. We're proud to say that we are fully funded at 115%. We're in a surplus position, which allows us to weather the storm in this low-interest-rate environment.

HOOPP invests for the long term, knowing our members may have a retirement window of up to 40 years. CEM, a group that benchmarks pension fund investing and administration, reports that HOOPP has the highest 10-year-rate net returns when compared to 124 global funds. We accomplish these results with a small team of 37 investment professionals. Our investment expenses are 0.3%. By comparison, mutual funds are 2% to 3%.

HOOPP has participated in a variety of research initiatives with the sole purpose of setting the record straight and providing factual evidence so informed decisions can be made. I'd like to share some of the key highlights of that research with you today.

Public polling by the Gandalf Group shows that 86% of Ontarians believe there is an emerging retirement crisis. Top issues for Ontarians are the state of the health care system and not having enough money for retirement, both of which they said were of greater concern to them than the government deficit and losing their job.

There are many factors that are contributing to this crisis. First and foremost, we're just living longer. Canada introduced the first government-run pension in 1927. The average age of death for men at that time was 61, and 63 for women, so not a significant number of years after retirement to pay out pensions. Today, the majority are living into their mid-eighties and longer. In fact, HOOPP has a pensioner who is 107 years old, and she has been collecting her pension for 42 years.

Simply put, living longer means more retirement income is needed. Canada has reached a significant milestone in its aging demographic. For the first time in our history, we have more seniors than children. By 2036, just 20 years from today, it's expected that 40% of Canadians will live to the age of 90. Without adequate retirement provisions, who will be caring for these people? It will be the taxpayers.

Another critical issue is the lack of adequate pension coverage. Only 12% of Ontarians have a DB pension, with the majority of them in the public service. The Toronto Star reports that 76% of private sector employees don't have a pension at all. The average income for a single person in Ontario is $49,000. The average RRSP balance at retirement is $55,000. So retiring at 65 and living to 90, that RSP would provide you with $183 a month to live on. When you add CPP and OAS, the monthly total would be just under $1,300 a month, which is less than 30% of their pre-retirement income. If we use Toronto as an example, the average rent for a one-bedroom apartment is $1,085 per month. So after paying rent, there would $215 left for food, transportation, medication and utilities for that month.

1550

Research shows that half of middle-income Canadians will save less than 5% of their income for retirement. Some critics believe that people aren't saving because they're irresponsible and they're living beyond their needs; they're accumulating debt, rather than saving for the future. Of course, this is true for some, but the majority of our population—middle-income earners—are financially strapped. They're worrying about saving for their children's education, paying down their mortgage, and caring for aging parents, and are just not able to save. This is the dilemma that needs attention and focus.

HOOPP is encouraged by the province's pursuit of a new pension solution for Ontarians, the ORPP. It's a step in the right direction. At a time when we have an aging population, one that will grow more dependent on government services like health care, it's critical that the government does something for the more than two thirds of the population that has no pension.

We know that mandatory savings are the only way. It's just human behaviour: There's always something else that requires financial attention before a retirement that is decades away. Our retired members have told us this: Had HOOPP been a voluntary plan, they would not have joined. As pensioners, they're most grateful that they did not have the choice to opt out.

The average HOOPP pension is $23,500, and $18,800 of that pension comes from investment returns, not the taxpayers. The remaining comes from the biweekly employee and employer contributions.

The Gandalf polling shows that 68% of Ontarians agree that it would be better to improve the private sector pension crisis than reduce the benefits of public sector employees; 74% support nurses receiving the pensions that they worked so hard for. The argument is not about taking pensions away from others because they don't have one; it's about fixing the problem for those people without coverage—an increasingly urgent issue, given our aging society.

According to research conducted by the Boston Consulting Group, DB plans are good for the economy. Pensions are important to our cities and towns throughout the province. For example, in Elliot Lake, 37% of its income is from retirement funds, with pensions contributing most of it. The smaller the town, the greater the impact on their local economy.

Some 65% of Ontarians believe that our economy will suffer without good pension programs, and they're right: $30 billion is paid annually in pensions in Ontario; $3 billion is paid back to the government through income tax; and $1 billion goes into personal savings. So just under $27 billion represents consumer spending that goes directly into our economy. That $27 billion is spent on food, clothing, services, pharmaceuticals, rent, household items, and the list goes on and on. Within that $27 billion, another $3 billion goes back into the government in property and sales taxes, for a total of $6 billion a year.

This is a direct revenue stream for the government. It helps to pay for essential services like education, social services and roads, with a large percentage going to health care and hospitals.

Public polling research found that individuals with inadequate retirement income will cut down on food and pharmaceutical expenses, the two things that help keep us healthy. Retirees 65 and older account for 1.8 million people in Ontario. That's 14% of our total population. That 14% currently consumes nearly half of the total health care spend. We can only imagine the negative impact if seniors were cutting down on food expenses, not taking needed prescriptions and not being able to meet other basic health care needs. We could expect more visits to the emergency room, increased health care costs and a further strain on our system.

Some good news for our taxpayers: Only 10% to 15% of DB pensioners require the Guaranteed Income Supplement, compared to 45% to 50% of the non-DB population requiring that needed financial assistance. Translating this into a dollar impact means that DB plans save the government $2 billion to $3 billion annually in GIS payments, so in addition to the revenue stream created by these DB plans, they also reduce the need for government support.

Defined-benefit plans are the key pillar of our financial system. Benefits paid to retired workers generate significant consumer spending that creates and sustains jobs throughout our province. It also ensures that seniors who have worked hard and contributed to building this province can age with dignity.

Just in closing, I want to read a very quick letter. We get many from our pensioners, but I thought it was appropriate to share. We just received this two weeks ago.

"Dear sir, I was born April 7, 1920, the only daughter and two younger brothers of hard-working, loving pioneers in Belfast, Ontario. In the years from 1940 to 1965, I was married. I raised four boys and four girls—health, happy, ambitious, educated children—until 1965, when circumstances forced me to earn my own living, starting from scratch. I took the nursing assistants course offered by Wingham district hospital. I passed my government registration exam and was hired on full-time, working 12-hour shifts for $5 an hour. Canada pension and also HOOPP were just beginning at that time.

"I remained on staff from 1965 to 1985, when, at the age of 65, I took compulsory retirement and old age pension. I'm now 95 years old, living in a lovely old retirement heritage home with 40 residents. Good care, friends and reasonably good health—I'm up and about. All this would not have been possible without my pensions and especially HOOPP, which I receive regularly, generously and happily every month in my bank account.

"I do thank God daily for this wonderful provision. I don't know where I would be otherwise. I thank you with all my heart for HOOPP and its help. I also thank you for reading my story. Please excuse my scribbly penmanship. Yours truly, Dorothy MacLeod."

The Chair (Ms. Soo Wong): I gave you a little bit more time because I wanted you to finish that letter. I'm going to Mr. Baker to start this round of questioning.

Mr. Yvan Baker: Thanks very much for coming in and for sharing your thoughts. First of all, I wanted to go back to what you were saying about the ORPP. If I read page 13 of the document that you provided: "The Ontario government is taking action. It is introducing a new DB plan in 2017. The Ontario Retirement Pension Plan (ORPP) is a supplemental CPP-like plan that is intended to provide a predictable source of retirement income for millions of Ontarians not already participating in a comparable workplace pension plan."

If you were talking to—I'm sorry, I've forgotten her name, but the person—

Ms. Victoria Hubbell: Victoria.

Mr. Yvan Baker: Sorry?

Ms. Victoria Hubbell: My name?

Mr. Yvan Baker: No, the name of the person whose letter you were reading.

Ms. Victoria Hubbell: Oh, okay. Dorothy.

Mr. Yvan Baker: If you were talking to Dorothy—I think of Dorothy as representative of many of my constituents—how would you explain why you say the ORPP is a good start? If you were talking in those terms, how would you explain to one of my constituents why it's a good start?

Ms. Victoria Hubbell: Well, Dorothy had the benefit of being covered by a DB plan due to her work. It's interesting; most of our pensioners that we speak with are very concerned because many of them have friends who didn't end up with a pension and they see them struggling. I would think that Dorothy would see this from a place of compassion, knowing that, as she said, she wouldn't know what she would be doing right now if she didn't have the pension. There are two thirds of Ontarians who have no coverage. At the end of the day, to simplify it, as taxpayers, we can pay now or we can pay much more later.

Mr. Yvan Baker: You said two thirds; approximately 60% of Ontarians have no workplace pension at all here—a large number. You talked about human nature and how many of us aren't necessarily inclined—and I'm guilty of this too—to think about our pension or our retirement when there are urgent needs today. What can we do to change that?

Ms. Victoria Hubbell: My own bias here is that I'm not sure it can be changed, because generation after generation, you see people—if it's not mandatory, there's always another reason where that money can go. When we hear from our members—we have over 180,000 retired members who say, "The only way to make this work is to take it from us, in a mandatory plan." If it's optional, to your point, there's always something else, and it seems so far down the road. I, personally, didn't sign up for two wonderful DB plans in my banking career. There was always something else to spend it on.

1600

Mr. Yvan Baker: Okay. What advice would you—Chair, do I have any time left?

The Chair (Ms. Soo Wong): You've got two minutes.

Mr. Yvan Baker: Two minutes? Oh.

As the ORPP is being rolled out, is there any advice you would give to the government in terms of the ORPP and its rollout? Obviously, you know its primary characteristics; you would have read about it. I'm just wondering what advice you would give as someone who is so knowledgeable about pensions and retirement. Could you share your thoughts?

Ms. Victoria Hubbell: I think what's most important is education, and I don't mean pension technical knowledge, but really understanding the value of this and what it will give them down the road. Initially, I would think, the reaction, as it is with most of our new health care workers that join HOOPP, is, "Oh, it's this biweekly deduction. I can think about that later." Really help people understand why it's so important for them personally, and what it would be if they didn't have it.

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

The Chair (Ms. Soo Wong): Thank you very much for your presentation as well as your little booklet. If there's any written submission you want to share with the committee, you have another hour to send it to the Clerk. Thank you very much.

Ms. Victoria Hubbell: All right. Thank you.

ONTARIO REAL ESTATE ASSOCIATION

The Chair (Ms. Soo Wong): The next group before the committee is the Ontario Real Estate Association. I believe the Clerk already distributed the written submission.

While the next group is coming forward, staff is sharing with us the written submissions to date, so I just want everybody to know that. Thank you.

Welcome, gentlemen. Good afternoon. As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official opposition party. When you begin, can you please identify yourself for the purposes of Hansard? Thank you.

Mr. Ettore Cardarelli: Thank you very much. My name is Ettore Cardarelli. I'm a broker with National Realty Centre in Mississauga, and chair of the 2015-16 government relations committee at the Ontario Real Estate Association. Joining me today is Matthew Thornton, OREA's director of government relations. We would like to thank the committee for the opportunity to present our recommendations for the 2016 Ontario budget.

The Ontario Real Estate Association is one of Canada's largest provincial trade associations, with over 63,000 realtor members in 40 real estate boards across Ontario. Before I get into our recommendations for the 2016 Ontario budget, I want to take a moment to discuss the provincial housing market and its impact on the broader economy.

As you know, global economic circumstances continue to cast a shadow of uncertainty over the provincial economy. Amongst this uncertainty, however, and indeed, since the great recession, the Ontario housing market has been a pillar of strength for our economy, creating jobs, driving growth and generating tax revenue for our province, and 2015 was no different. Last year, 224,000 homes were transacted through MLS systems in Ontario, an increase of almost 10% from 2014. These sales were valued at over $104 billion, up almost $20 billion from 2014.

According to our forecast, Ontario's market is expected to moderate in 2016 but still experience growth. This outlook is good news for Ontario's economy. Research has shown that every resale home transaction generates $55,000 in consumer spending on everything from professional services to appliances and home renovations. Last year, this spending generated over $11.9 billion in economic activity and supported the creation of almost 77,000 jobs. Each transaction also generated an average of $10,000 in land transfer taxes, contributing an estimated $1.7 billion to the provincial treasury in 2015. We urge this committee to be conscious of these important benefits as it considers its recommendations for the 2016 Ontario budget.

OREA's recommendations focus on two key issues. First, as many of you who are parents to millennials know, the dream of home ownership in our province for young Ontarians is becoming increasingly difficult. While prices are largely responsible for these challenges, young first-time buyers are also being hurt by increasing closing costs like the provincial land transfer tax.

Thankfully, and for good public policy reasons, both the federal and provincial governments support first-time buyers looking to enter the market. Notably, Ontario provides first-time buyers with a rebate of up to $2,000 on the provincial land transfer tax. This rebate was created for new homes in 1996 and extended to resale in 2007. When it was introduced, the rationale behind the LTT rebate was to exempt first-time buyers from paying any tax so they could more easily enter the market and begin to build equity. Unfortunately, since the LTT is charged as a percentage of the sale price of a home, the rebate's effectiveness, which has remained fixed at $2,000, has been eroded with increasing home prices. For example, in 2017, a first-time buyer of an average-priced home at $299,000 paid just $960 in provincial LTT after qualifying for the rebate. Today, the average resale home price has increased 56% to over $465,000. As a result, a first-time buyer now pays an average of almost $4,000 in provincial LTT, after taking into account the rebate. In other words, first-time buyers today are paying a 300% higher land transfer tax bill than those buyers did just nine years ago. This problem is even more apparent in the GTA, where a first-time buyer is paying almost $7,000 in land transfer taxes after receiving the rebate. These are costs that come straight out of the pocket of first-time buyers. Often, first-time buyers are forced to borrow money for the tax through lines of credit, from family members or even from credit cards.

To help keep home ownership affordable for younger generations, OREA recommends that the LTT rebate for first-time homebuyers be modernized to reflect present-day home prices in Ontario.

OREA's second recommendation for the 2016 Ontario budget focuses on helping Ontarians to improve the energy efficiency of their homes while avoiding costly red tape on residential real estate transactions. As you know, the government of Ontario has identified the creation of a culture of energy conservation as one of its priorities to address climate change. With respect to residential housing, the government is proposing the implementation of a home energy rating and disclosure, or HERD, program. The proposed program would mandate time-of-listing energy audits for homes advertised on a listing service.

OREA has a number of concerns with the proposed program. For the purposes of this presentation, we will focus on two. First, since the requirement is mandatory, meaning a seller cannot list their property without first completing an audit, HERD will impose a number of unintended consequences on the marketplace.

Ontario transacts 200,000 resale residential properties annually. At present, there are only 150 energy auditors in the province. The ministry estimates that 1,900 auditors will be required to meet market demand. OREA estimates that number would be even higher. Either way, sellers can expect delays while they wait to schedule an appointment with auditors scrambling to keep up with the market. Realtors work with clients every day who, as an example, have lost their jobs or are getting divorced and must sell their properties quickly. These folks will be punished by HERD.

The lack of effective regulation of energy auditors themselves is another concern. Unlike most other professionals involved in real estate transactions, energy auditors are not licensed by a provincial regulator, not subject to an enforced code of ethics and not required to carry errors-and-omissions insurance. Through HERD, the province will force consumers to put their single largest investment in the hands of a sector that is unregulated and uninsured.

OREA believes that the residential housing sector must play a role in reducing greenhouse gas emissions. For this reason, Ontario realtors are proposing a two-pronged solution to help reduce GHG emissions from the sector. First, OREA is recommending that the government include an energy audit in the standard home inspection, ensuring that an audit is done by a sector that is soon to be licensed and regulated. According to our research, 75% of homebuyers make an inspection a condition of a purchase, so it would also capture the majority of transactions in our province. Since the inspection would remain voluntary, OREA's proposal would also avoid many of the unintended consequences.

The second part of OREA's proposal is the creation of a series of provincial rebates for homeowners to assist them with the costs of doing the audit and the recommended retrofits. You may recall that the province used to administer the Ontario Home Energy Savings Program. OHESP was in operation from 2007 to 2011 and provided homeowners with $150 towards the cost of a retrofit energy audit, and rebates of up to $5,000 for retrofits. OHESP was a significant success, helping over 428,000 homeowners to complete energy audits and 380,000 to complete retrofits. Most importantly, 88% of OHESP participants undertook retrofits, making it a remarkable success in helping to improve the energy efficiency of the Ontario housing stock.

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OREA recommends that a portion of the expected $2 billion in proceeds from the cap-and-trade be dedicated to a program similar to OHESP that assists homeowners in improving the energy efficiency of their properties.

These two recommendations will help Ontario achieve its GHG emission targets while injecting stimulus into our economy and supporting jobs in the construction and renovation sector.

Before I conclude, I want to add that Ontario real estate professionals are still looking to have the ability to form personal real estate corporations, and we hope, as the government gets closer to their target of balancing the budget in 2017-18, that realtors will be given that ability.

Lastly, I would be remiss if I did not thank the government for announcing that the municipal land transfer tax powers would not be given to other municipalities last December. OREA was thrilled to see MPPs from all parties take a position in support of affordable home ownership and against this unfair tax.

Thank you very much, and we'll take your questions.

The Vice-Chair (Mr. Peter Z. Milczyn): You're right on time. Questions for you are from the official opposition. Ms. Munro?

Mrs. Julia Munro: Thank you for coming here today. I would like to offer my congratulations on your presentation, because it's easy to follow and you haven't put in too many requests. I think it's much better to zero in on some of the things that are of particular concern.

One of the things that you've got in here in recommendation 4 is the incorporation of individuals. My question is really on that, but in the context of what seemed to be a confusing number of people who hold real estate licences but who are in some designation within a larger organization. Are they independent or are they not in terms of consideration in something like this?

Mr. Matthew Thornton: So in terms of their tax status, are they independent contractors, or are they independent from organized real estate?

Mrs. Julia Munro: Would they be the people we're talking about in recommendation 4?

Mr. Matthew Thornton: Yes. The focus of the personal real estate corporation recommendation is really around folks who are earning a little bit more than the average. Because of the costs associated with incorporation, it tends to only benefit those who are what we would call high performers in the industry. You would need to earn a certain amount—depending on conversations with your accountant, obviously—in order to benefit from a tax perspective, using the personal real estate corporation.

But just in general, the reason why our members are so enthusiastic about that issue: I think it's fundamentally just an issue of fairness. I think they look around to a lot of industries around the province who are allowed under legislation to form personal corporations, folks like lawyers, accountants, veterinarians etc. Our members see those folks incorporating and they look at their own situation and, unfortunately, they can't.

We're not looking for special treatment under legislation; just equal treatment is the key message there.

Mrs. Julia Munro: Okay, thank you.

The question of the ORPP is toward the end of your presentation. Are you concerned about this or are you interested in seeing it happen, when so many of the people are individual—they are the employer and the employee?

Mr. Matthew Thornton: In general, I think our members share a lot of the concerns that a lot of other Ontarians share, which is saving for the future. As independent contractors, often realtors won't have a personal pension plan. They'll have to get creative in terms of saving for retirement.

The concerns that we have with the ORPP I think are concerns shared by other similar sectors in that our members, as independent contractors, would be required to pay not only the employee side of the contribution but also the employer side, so it's going to be a hit to their bottom line at the end of the day.

That being said, we are very much in favour of the PRPP proposal that was put forward by the government. We think that's a good, flexible plan or structure that could allow our membership to save for retirement.

So, yes, we do have some concerns, but we do acknowledge that there is a broader public policy goal here, which is to help people save for retirement.

Mrs. Julia Munro: Thank you very much for coming today.

Mr. Matthew Thornton: All right, thank you.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much, and thank you for your written submissions.

CITY OF BRAMPTON

The Vice-Chair (Mr. Peter Z. Milczyn): Our next listed witness is Fix Our Schools; are they here yet? No? We'll move to our next witness. Your Worship, if you could come forward. The city of Brampton will be presenting. Welcome, and for the official record, if you could state your name, please.

Mrs. Linda Jeffrey: Thank you, Chair. My name is Linda Jeffrey, mayor of Brampton. It's nice to be back.

The Vice-Chair (Mr. Peter Z. Milczyn): And you have 10 minutes.

Mrs. Linda Jeffrey: Thank you. We're handing out the presentation on behalf of the city of Brampton council. I'm pleased to provide the Standing Committee on Finance and Economic Affairs our 2016 pre-budget submission.

We fully support the province's continued collaboration, working with municipalities, and we have four suggestions for the 2016 Ontario provincial budget to endeavour to propose meaningful and practical solutions to promote economic prosperity in areas that would benefit our residents.

The first is continuing with the Moving Ontario Forward plan. We thank the provincial government for the commitments in previous budgets to improving transportation and public transit that have benefited Brampton. The 2014 Ontario budget laid out the new plan, Moving Ontario Forward, making $29 billion in infrastructure investment over the next 10 years, with a commitment to expand two-way, all-day GO rail service as a priority in all corridors including the Kitchener line that connects Brampton with Toronto and Kitchener-Waterloo along the innovation corridor. The 2015 budget increased these dedicated funds to $31.5 billion, with $16 billion to be invested in transit projects in the greater Toronto and Hamilton area, including a commitment to enhance service on the regional express rail.

In September 2015, Brampton saw an addition of 14 new train trips between Mount Pleasant GO station and Union Station during off-peak midday hours from Monday to Friday. The last time we saw additional train service in Brampton was nearly 30 years ago; thank you.

The city of Brampton appreciates the progress we've been able to achieve and wants to encourage the provincial government to continue to make investments and to plan for two-way, all-day GO rail service along the rail corridors in the GTA because moving people matters.

Our ask is that the municipal partnership of Brampton, Guelph, Kitchener-Waterloo and Waterloo region requests that the Standing Committee on Finance and Economic Affairs recommend continuing funding in the 2016 budget to implement two-way, all-day GO rail service on the Kitchener line.

Second issue: expansion of the province's post-secondary education system. The province announced a second targeted post-secondary expansion call for the Peel and Halton regions in the spring of 2016. In July 2015, Brampton city council began preparing a strategy focused on preparing a bid to establish a university campus in Brampton. The university blue-ribbon panel, led by former Premier Bill Davis, has been hard at work interviewing prospective partners and recently undertook an economic impact study that demonstrates the quantitative and qualitative benefits to the city of Brampton associated with the construction and operation of a university campus. All successful cities combine capital, knowledge and innovation to spark the next chapter in their development, and Brampton's next chapter needs to include attracting a university.

Our ask is that the city of Brampton requests that the committee recommend that the second call for proposals for a post-secondary facility to serve Peel and Halton regions be issued by the province this spring, and that details can be shared regarding how post-secondary institutions partnered with municipalities can bid.

Our third issue is addressing youth homelessness in Peel region. Our community needs better and stronger supports to prevent youth homelessness. Peel has only one youth homeless shelter, serving youth from 16 to 21. All the beds are located in Mississauga, and these beds are usually full; I'm told the average occupancy rate is 98%. Last year, they had to turn away 493 youth.

Youth homelessness is a critical issue in Brampton. Currently, there are 12,000 people on the wait-list, and our region has one of the longest wait-lists in Canada. The region of Peel has no dedicated youth beds in Brampton. In fact, the region has no shelter beds for females of any age in Brampton.

Our ask is that the city of Brampton requests that the Standing Committee on Finance and Economic Affairs address that this funding shortfall for youth homelessness in Brampton be provided for in the 2016 budget. The budget request is for $299,650, which would help support 215 youth in crisis and, more importantly, keep the youth in Brampton close to school, family, employment and their support networks.

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Our last issue is building healthy communities and legacies. Active living and support are important building blocks for any healthy community. The city of Brampton is home to one of the largest senior populations, a community that seeks out sporting activities to stay fit and stay engaged.

The city of Brampton is going to be hosting the Canada 55+ Games for three days this August. The national 55+ games began in 1996 and have been held in various parts of Canada every two years. These games will feature 24 sports with over 2,000 participants over the age of 55. Initially, our organizers thought that the registration sponsorship grant model would offset some of the costs, but that's no longer a reality.

These games are an extensive financial undertaking for any city, and we've learned quite recently that the games aren't eligible for any provincial or federal subsidies because the event doesn't meet their criteria to earn a sports organization designation. Although these games will be an economic boost for our community and will reinforce our commitment to seniors, these games are facing a serious funding shortfall.

We're seven months away from the event. The city of Brampton respectfully requests that the Standing Committee on Finance and Economic Affairs recommend to the Ministry of Tourism, Culture and Sport and the Ministry of Citizenship, Immigration and International Trade that the 2016 Canada 55+ Games receive $500,000 in provincial grants to help offset costs and promote Brampton and, more importantly, Ontario's commitment to sport and seniors.

I want to thank you for the opportunity to submit to the standing committee's consideration for the 2016 budget.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much. There will be questions for you from the third party. Ms. Fife?

Ms. Catherine Fife: Thank you, and welcome, Your Worship.

Mrs. Linda Jeffrey: Thank you.

Ms. Catherine Fife: It must be a little strange for you.

Mrs. Linda Jeffrey: It's great.

Ms. Catherine Fife: I think maybe you got out just in time.

The issues that you've brought to us—actually, one of them in particular is very close to my heart, and that's the two-way all-day GO. As you know, in the 2014 budget there was a promise to bring two-way all-day, which means getting people from Toronto also to Brampton and Kitchener, in five years. That's now been stretched out to a decade. Do you think the business and economic case is there to accelerate that project a bit?

Mrs. Linda Jeffrey: Absolutely. When I was a minister, I had the mayors of Kitchener, Waterloo and Guelph come and see me. They made such a strong business case that after I was sworn in as mayor and they came to see me, I said, "You had me at 'hello.' Come on in." There is a strong business case. There is a huge innovation corridor. I think we can demonstrate that it will work.

Our challenge is moving freight and people at the same time. We're competing for the line, so we need some assistance and some conversations to take place. I know they're happening; this is just to encourage that conversation.

Ms. Catherine Fife: That's good. It's going to take everyone to keep the pressure on. That's why I raise it.

I'm really cognizant of the fact that there are 10,000 commuters who are trying to get from Toronto into our communities. Taking them off the road would make a lot of sense.

Mrs. Linda Jeffrey: Yes.

Ms. Catherine Fife: The homelessness piece, especially with youth, is a long-standing issue but I think we're getting a grip on it a little bit now, around youth homelessness. You said that you have no youth housing options in Brampton at all?

Mrs. Linda Jeffrey: Nothing for females.

Ms. Catherine Fife: Oh, nothing for females, which is a very vulnerable population. And no shelter beds for—

Mrs. Linda Jeffrey: There are 14 shelter beds for those youth in Mississauga.

Ms. Catherine Fife: In Mississauga.

Mrs. Linda Jeffrey: This was brought to my attention by the chair of the United Way, Shelley White, who has brought this to my attention more than once. I decided to help by bringing attention to this issue and because I don't think most people know about it.

Ms. Catherine Fife: The Long-Term Affordable Housing Strategy: We're all awaiting that with some anticipation. It should be part of this budget cycle, though, to make sure that the money flows. It's not a huge ask that you're asking for.

Mrs. Linda Jeffrey: That's why I put the numbers in, because it's really not a big ask but it really could make a huge difference. If you're turning away almost 500 young people every year, where are they going?

Ms. Catherine Fife: You make a compelling case with that.

Finally, the 2016 Canada 55+ Games: They don't qualify for anything? That's fairly discriminatory, don't you think, both at the federal and provincial level?

Mrs. Linda Jeffrey: It's surprising, because the city of Brampton bid on the bid prior to my arrival. When I got there, I thought we'd be further along than we are, but it's surprising that they just don't seem to qualify. I'm pretty sure most of us weren't aware that that was the case. They've applied, I think, to about seven or eight different opportunities within the province and don't qualify—and federally they don't either.

I will be sharing this plea with our federal partners, but we could use the support of the Ontario government. I know it's something that we all share, our pride in making sure our seniors stay healthy.

Ms. Catherine Fife: Well, there is an economic case as well.

Finally, I just need to ask you, because this hardly ever happens, and it has to do with why your council refused to accept the fully funded LRT. Some of us across the province would have loved to receive full funding. I know you voted in favour of it. But can you give us some sense? Why did your council turn down a fully funded LRT system?

Mrs. Linda Jeffrey: It does seem counterintuitive. I would say that there were returning members of council who felt very strongly about this issue, and certainly there were members of the community who felt the route wasn't right. We debated about it for a long time. We stretched the conversation and the debate for a long period of time and allowed facilitation. We tried to provide more information. Certainly, I couldn't have asked for Metrolinx to be more patient with my council, giving them the statistics and the numbers to make the decision.

It was a very close vote. One person decided that it wouldn't come during this term of office, but we still need transit options. It may not be LRT, but I'm focused here today asking for the province to continue the work that they're doing with regard to rail, because we have 600,000 people. It's going to grow to 900,000, and we need other transit options.

As I stated earlier, we're also trying to attract a university. I need to get 5,000, 10,000, 15,000 students in and around the city if we're the successful bidder.

Ms. Catherine Fife: So your themes are transit and housing, and they tie everything together.

Mrs. Linda Jeffrey: Yes.

Ms. Catherine Fife: Thank you very much for coming in today.

Mrs. Linda Jeffrey: Thank you.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much. Maybe there's not enough fluoride in your water.

Mrs. Linda Jeffrey: Oh, you had to go there, didn't you?

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you, Your Worship, for coming. Please come again any time you feel like it.

Mrs. Linda Jeffrey: Thank you. Thanks a lot.

FIX OUR SCHOOLS

The Vice-Chair (Mr. Peter Z. Milczyn): Our final witness of the afternoon is Fix Our Schools. Please come forward. You have 10 minutes for your presentation, followed by five minutes of questions. In your case, questions will be coming from the government side. Just for the official record, if you could state your name as you begin your remarks.

Ms. Krista Wylie: You bet. Thank you. My name is Krista Wylie and I am one of the co-founders of Fix Our Schools, which is a grassroots, parent-led, non-partisan campaign that has been working for the last 18 months to build a network across the province of citizens in Ontario who are all expecting the same thing. We're all expecting safe, well-maintained schools for our children; we're all expecting the $15 billion of disrepair that currently exists across all 72 publicly funded school boards to be addressed; and we're expecting the government to fund and consider public schools as integral public infrastructure, on par with transit.

The $15 billion of disrepair that I mention: It gets bandied about as perhaps a fact or a statistic in a newspaper, but I want to start my presentation by highlighting that it's much more than that. It actually impacts real children, some of whom have come down to Queen's Park with us today. For two million students in this province, it impacts their learning, their achievement, their health and their attendance at school.

Classrooms that are 10 degrees to 12 degrees in the winter are not an anomaly across the province. Any school, really, built over 40 years ago has no air conditioning, so in the shoulder seasons, spring and fall, on a third floor in an old building, it wouldn't be uncommon to be in excess of 30 degrees—certainly not optimum learning conditions.

We have washrooms in such a state that children are refusing to go to the washroom for an entire day, leading to health issues such as bladder infections. We have leaking ceilings across this province, causing distraction and then begging the question if there isn't mould growing in the walls behind, where the leaks are happening. Those are some of the visible examples of disrepair in our children's schools.

The next type of disrepair is a little bit more subversive. We've called it "catastrophic," which may seem to be an overstatement, but we don't believe it to be so.

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Many of the repair items that are included in the $15 billion of disrepair that I mention actually pertain to such things as fire suppression and alarm systems, electrical systems, heating and cooling systems, and structural issues. While these types of repair items are often invisible and may not immediately impact student learning or achievement, if failure in these systems occurs before they can actually be fixed, the results will indeed be catastrophic.

You may have heard in the news recently that a six-year-old child received a concussion because she was going to the washroom and a washroom door fell on her.

Auditorium ceilings have collapsed during school hours. We've heard this from not just the TDSB—I would like that noted—but from other school boards across the province as well.

MPP Milczyn, you might be familiar with a school named John English Junior Middle School, home to 900 students, in critical condition and in need of over $20 million in repairs. It impacts everyone in this room and certainly the two million children who spend six hours a day in these buildings.

The community impact of disrepair: Not only are there students in these buildings every day, but there are teachers and there are staff members, all of whom deserve safe, well-maintained buildings as well.

School administrators: I know that many school administrators, principals, vice-principals, if they're unlucky enough to be in an old school, spend half of their time focused on being a project manager rather than being a curriculum leader of their school, which is an underbelly to this issue as well. You have resources that should be spending time on one thing, and instead they're managing boiler repairs, which is not how I want my child's principal to be spending her days.

You have children in daycare programs; much of our daycare happens in these public school buildings. And finally, citizens rely on these buildings as community hubs. So there are many real people across this province who are impacted by this disrepair.

Funding and how we've gotten to this state: As I keep mentioning, there is over $15 billion of disrepair across Ontario's publicly funded schools. Every single one of our 72 public school boards is impacted by a capital repair backlog. The recently issued Ontario Auditor General's report just before the holidays highlighted that $1.7 billion of that $15 billion of disrepair is actually deemed urgent and critical, yet this year the government has allocated $500 million, leaving $1.2 billion of critical, urgent disrepair in buildings where two million children spend six hours a day. As a parent, that certainly doesn't make good sense to me.

To put this year's funding in the context of addressing the overall capital repair backlog, school boards this year are receiving the equivalent of less than $5 for every $100 of disrepair. If you or I had a plumbing issue, for example, in our home that was going to cost us $100, and the only money we could get our hands on was $5, I don't care how efficient or effective we are with that money; we're not fixing the $100 problem. That's to bring it into scale.

If you roll up all of the data presented by the Auditor General over the last five years on what school boards have received versus what the Auditor General suggests is needed, she suggests that $1.4 billion per year is needed just to maintain schools. That's presupposing that five years ago they were in good shape to begin with, which is actually not the case, but if you assume that, the underfunding over the last five years comes up to close to $6 billion.

This is a problem that we would like to see addressed in this upcoming budget. The current funding solutions being offered are simply insufficient—we would say grossly insufficient—to address this problem. One of the funding solutions that we would urge the government to explore immediately in the short term would be to revise Ontario Regulation 20/98, which pertains to the collection and use of education development charges. This is not a complete solution by any stretch of the imagination, but in a fiscal environment where we're hearing that there is no new money, this is something that should be looked at immediately. It's simply a change of a provincial regulation. We're suggesting that all school boards should have access to development money and that these moneys should be able to be used for repairs, capital projects or land purchase.

We're also strongly urging this government to allocate some of the expected federal infrastructure money that is coming to school repairs. While we are huge fans of public transit, not all federal money that's coming our way can go to transit. Some of that money we would urge the government to allocate to repairing and rebuilding Ontario's public schools.

Finally, we have a Premier, Premier Wynne, who's very committed to realizing public assets as community hubs. We would suggest that that represents another opportunity for additional funding. At the moment, school boards bear the brunt of all the capital costs associated with not only the building, but the green spaces that are very valuable to our citizens. We would suggest that community hubs will only fully be realized when the capital costs of both the buildings and the green spaces are allocated in proportion to those that use them, the municipalities and the other ministries that use and benefit from those public assets.

Those are some short-term solutions. In the longer term, we need a long-term sustainable funding source to maintain our schools as the critical part of our infrastructure that they are. We would urge you to consider developing health and safety standards for children in schools, much like the workplace health and safety standards for adults, and then we would urge you to fund those standards accordingly.

Some final recommendations to help address disrepair in our public schools: We would love to see the capital repair backlogs published every year. They should be on public record. It's our money that pays for the assessments that are done, and I believe every citizen in this province should know if their child's school has $20 million of disrepair.

Establish guidelines for the desired condition at which facilities ought to be maintained. In business, you would have a goal, a target. We would expect this government that's spending billions of dollars on infrastructure to have the same, to have a goal, a target, a standard that should be met.

Finally, we would urge this government to provide constructive and comparable feedback to every Ontario school board on its capital plan.

We have sent the attached letter that you have been handed and we would expect answers to the three questions outlined, and we would expect the forthcoming budget to provide some answers as well.

To close today, as I mentioned, this disrepair has real impact on real children. I haven't left students a lot of time to speak, but I wanted—Olivia, why would you say that we need to fix our schools? Why is it important?

The Vice-Chair (Mr. Peter Z. Milczyn): Come up and tell us your name, and you can have one minute.

Ms. Krista Wylie: Thank you.

Ms. Olivia Bourk: My name is Olivia Bourk and I go to Runnymede public school. This year our school turned 100 years old. It's not in very good condition. Some kids have to wear their winter coats in class while for others, their classrooms are so hot that it's hard to learn. Our bathrooms don't have locks so you can't have privacy. So some of our schools aren't very safe.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you, Olivia, for telling us about your school.

We have some questions for you from Ms. Hoggarth.

Ms. Ann Hoggarth: Good afternoon. Thank you, Olivia, for that presentation. You can tell that the children are being well educated. Good job.

I'm on leave from a teaching position and I understand what you're saying. I really appreciate your bringing these concerns forward.

We are committed to supporting school boards, like the TDSB, in providing safe and healthy learning environments for the children. That's very important to us. Now, a lot of the schools—Olivia said her school is over 100 years old. The majority of schools, I believe, in the province were built for the baby boomers, so they were built in the 1950s and 1960s. That sometimes is a problem. It's very hard to not only maintain, but to fix them.

In my riding, we had a school that was just going to—as you said, there's one school that will require $20 million to fix. Sometimes it's cheaper to build a new school.

Ms. Krista Wylie: Certainly.

Ms. Ann Hoggarth: But parents—I've experienced it since I was elected—get really upset if a school is going to be closed, even though it's in a bad state. That is part of the problem as well. It's a very hard decision for school boards to close schools.

The other thing is that the TCDSB received $33.6 million in 2015-16, 27% more than last year. The average of their 213 schools is 29%, which is comparable to the provincial average. It's important to note that it actually is the school boards who decide. When the funds are allocated by the government, it's the school board who decides how they are spent.

I don't want to put off—

Ms. Krista Wylie: Right. I'm keenly aware of how that works.

Ms. Ann Hoggarth: I just want to tell you that I really appreciate you coming. As you know, it is impossible to do them all at once.

Ms. Krista Wylie: Right.

Ms. Ann Hoggarth: Can you give us some suggestions as to how you think that we could do this in a way that—we can't possibly do it all at once, right?

Ms. Krista Wylie: Right. Understood. As a collective society—and it's not just Ontario; it's North America—we've left ourselves in quite a pickle. We built all this stuff 50 to 60 years ago and then we decided that we shouldn't really maintain it. Right? Now, you've got a government and you're in a tough spot where you've got angry parents who want you to do it right now. I appreciate what you were saying about how it's tough for school boards to close schools and to move things around. Parents who would grumble about a tax increase, if you threaten closing their local school, they won't grumble; they will show up en masse and raise royal Cain. It's a tough pickle.

I would suggest that one of our recommendations would help a little bit with that. Right now, there's not a lot of transparency between the provincial government and school boards. We're regular citizens. It has taken me almost two years to really understand a little bit about how this works. If school boards were to receive public and transparent feedback on their capital plans, and I, as a parent, knew that money was being withheld to my children's school board because trustees weren't closing a school, I might be a little bit more supportive of closing the school. I would be forced to consider the greater good. Do you know what I'm saying? I think a little bit more transparency might help arm the trustees with the data that they need and the greater-good argument that they would need to close schools.

We're not suggesting that closing schools is our favourite solution either. We're really optimistic that Premier Wynne and Karen Pitre can come together on the community hubs. I'd again highlight that the way we would see community hubs really gaining traction is when you can allocate not only the operating costs of schools as public assets, but the capital costs.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much. I cut you off because we—

Ms. Krista Wylie: Yes, you bet, because it's your time. Sorry.

The Vice-Chair (Mr. Peter Z. Milczyn): Well, no. It's because, to be fair to all our presenters, we give everybody exactly the same time.

Olivia, I really want to thank you for coming. I want you to know that you have a right, like all of your friends, to come and talk to your MPPs, city councillors or school trustees about what you think is important, because your voice does count.

Ms. Olivia Bourk: Thank you.

Ms. Krista Wylie: Thank you all very much.

The Vice-Chair (Mr. Peter Z. Milczyn): If there is no other business of the committee, the committee will stand adjourned until Thursday, February 18 at 9 a.m.

The committee adjourned at 1643.

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