

Legislative
Assembly
of Ontario



Assemblée
législative
de l'Ontario

**Official Report
of Debates
(Hansard)**

F-12

**Journal
des débats
(Hansard)**

F-12

**Standing Committee on
Finance and Economic Affairs**

Pre-budget consultations

1st Session
42nd Parliament
Friday 25 January 2019

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

Consultations prébudgétaires

1^{re} session
42^e législature
Vendredi 25 janvier 2019

Chair: Stephen Crawford
Clerk: Timothy Bryan

Président : Stephen Crawford
Greffier : Timothy Bryan

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Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

ISSN 1180-4386

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LEGISLATIVE ASSEMBLY OF ONTARIO

**STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS**

Friday 25 January 2019

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

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

Vendredi 25 janvier 2019

The committee met at 0903 in the Delta Hotel, Waterloo.

PRE-BUDGET CONSULTATIONS

The Chair (Mr. Stephen Crawford): Good morning, everybody, and welcome to our pre-budget consultations. It's great to be here in Waterloo. I'd like to welcome some of the local members here: Catherine Fife and Laura Mae Lindo from the opposition, and from the government, Amy Fee and Mike Harris. Welcome to our finance committee.

We're here today to hold pre-budget consultations. Each witness will receive up to seven minutes for his or her presentation, followed by eight minutes from the committee, divided equally amongst the recognized parties.

Are there any questions before we begin? Okay.

**WATERLOO REGION
HOME BUILDERS' ASSOCIATION**

The Chair (Mr. Stephen Crawford): With that, we'll call our first witness, which is the Waterloo Region Home Builders' Association. Welcome to the finance committee. If you could please state your name for the record. We'll give you seven minutes—I'll give you a one-minute warning—and you can get right into your presentation.

Mr. Larry Maseo: My name is Larry Maseo. I'm here this morning to represent the Waterloo Region Home Builders' Association.

So, I'll begin. Mr. Chairman and members of the committee, good morning. As I said, my name is Larry Maseo, and I serve as a director of the Waterloo Region Home Builders' Association. We are proudly affiliated with both the Canadian and the Ontario home builders' associations. In my professional capacity, I am employed as vice-president, planning and development, for Aactiva, a land developer and home builder based here in Waterloo region.

My comments today are on behalf of the Waterloo Region Home Builders' Association, or the association, as I will refer to it going forward.

First, I want to thank you for giving me the opportunity to speak to the budget priorities of the association. We are the voice of the residential development and construction industry in Waterloo region, and our association includes nearly 200 member companies that support some 20,000 well-paying jobs and represent an annual investment of approximately \$2.5 billion in our local community.

We've had an interesting few years for housing here in Waterloo region, and it's clear that our local housing market is evolving. In decades past, we really were a separate community, and our housing market had very little influence from the GTA. But I can tell you that in recent years, that has changed. Our members have been reporting more and more buyers coming from the GTA to look for housing opportunities that either aren't available or aren't affordable in their local communities.

Quite simply, people are seeking the right housing in the right locations for their families. A lack of supply of the types of housing that families need is creating hardship for many and helping to drive prices to unaffordable levels.

Governments receive significant revenues from the home building industry. In addition to the growth in municipal assessment from new housing starts, governments bring in substantial revenues from other housing taxes, such as municipal development charges, the harmonized sales tax and land transfer taxes. In total, all levels of government collectively receive billions of dollars from various taxes on new housing. This is in addition to the direct income taxes generated by wages in the home building industry.

With these billions of dollars in revenue, government needs to be directing resources to supporting strategic, growth-related infrastructure aimed at bringing more housing supply and choice to Ontarians.

In an environment where housing of all types and tenures is becoming more expensive, the association believes that the provincial government has not only an opportunity but a responsibility to consider the impacts of planning and fiscal policy decisions that affect housing supply and housing prices.

The government has many levers it can manipulate that influence housing supply. Over the past several years, our association warned the previous government that prices would escalate as a result of the specific policy decisions it made, and that is exactly what has happened here in Waterloo and in many communities right across the province.

For this reason, we are wholly supportive of the recent announcement with respect to the launch of the Housing Supply Action Plan and the proposed amendment 1 to the Growth Plan for the Greater Golden Horseshoe.

As an industry, we are encouraged by the direction this government is taking. These consultations represent an important opportunity for the people, including those in our industry, to share solutions for addressing barriers to

new housing. We are convinced that this will lead to better public policy decisions.

I would also like to note that this consultation is important for not only the current but future budget processes. As I have already stated, new residential development and construction contributes billions of dollars to the provincial treasury through various housing tax programs. A healthy housing market, and ultimately a market that delivers more supply, will deliver even higher tax revenues to the provincial government. We believe that we are your best asset when it comes to fighting the provincial deficit.

Our provincial partners at the OHBA will be providing comments to this committee with respect to recommendations that affect the province as a whole. Our association here in Waterloo region fully supports those comments.

0910

This morning, however, our association would like to offer some suggestions that we feel will support housing affordability and choice for consumers here in Waterloo region, and help us to say once again that we are open for business.

First, local transit: The government needs to explore new or improved funding models that establish meaningful and reliable local public transit service within our primary future growth areas, including those in west and southwest Kitchener. An increased investment in local transit services will help establish direct and efficient links from our planned and existing urban areas to the local rapid transit service and the provincial GO Transit network.

Second, growth infrastructure: An elevated investment in trunk sewer, water and transportation infrastructure is required to allow municipalities and the home building industry to deliver housing choice within the local market. Local municipalities continuously struggle to provide available funding for this important infrastructure, without which a significant number of new homes cannot be built.

The province needs to explore new funding models and/or capital investment programs that help make funds available to municipalities to complete necessary growth infrastructure in a timely fashion and in advance of the need for new housing.

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

Mr. Larry Masseo: Third, and lastly, Highway 401: Highway 401 is the main street of Ontario and one of the most, if not the most, important highways in the province. This highway is critical in supporting our provincial economy by moving people and goods. Recent expansions east of Highway 8 are nearing completion and are welcome. But they're not enough.

Highway 401 west of Highway 8 is also a critical component of the Waterloo region transportation network, and is becoming more and more important as major investments in Conestoga College, local industries and our residential communities continue. This growing area needs additional trunk road capacity.

The Highway 401 corridor between Cedar Creek Road and Highway 8, together with new and improved Highway 401 interchanges linking to southwest Kitchener, is

becoming more and more necessary. The province needs to initiate appropriate studies and begin the planning and budgeting process for this important infrastructure.

With that, I'd like to thank all of you for your attention, and I would be happy to try and answer any questions you may have.

The Chair (Mr. Stephen Crawford): Thank you very much. It's exactly seven minutes to the second, so congratulations. We'll start with the opposition side for questions. Ms. Fife.

Ms. Catherine Fife: First, I'd like to just welcome the committee to my riding of Waterloo. Laura Mae and I would like to welcome all of you to the region of Waterloo. A lot of good things are happening here. It's a pleasure to have you in the riding. This is actually one of the first times in a long time that the budget committee has come to this city, so I'm thankful that the committee decided that.

I literally live across the street, so I've seen this region change greatly. As soon as we were designated a good place to grow, we started to go up and we started to grow in, I think, a very responsible way.

That said, Larry, there are some challenges with ensuring that the housing stock meets the needs of the people of this community. I want to thank the home builders for championing transit. As you pointed out in your presentation, this is quickly becoming a destination area for those who live in Toronto, because housing has remained somewhat affordable—comparatively to Toronto, of course—and the GO Transit line is actually very key.

I do want to get right to the point, though. Your association, in particular in Waterloo, has been very strong on this: Municipalities are struggling with infrastructure costs. You make a recommendation here on page 2 of your presentation that you're hoping that the provincial government comes up with additional revenue streams around "directing resources to supporting strategic, growth-related infrastructure aimed at bringing more housing supply." That infrastructure is the stormwater management, roads and hydro, if you will. Is there a jurisdiction that your association has looked at that is doing this well, which is truly partnering with municipalities, to help them with the infrastructure costs?

Mr. Larry Masseo: In answer to that, I can't single out any one particular municipality. For the most part in Ontario, municipalities follow the same general format and methods for planning and raising capital for new infrastructure. What we're saying is simply—and we're talking about the trunk infrastructure here. You mentioned stormwater management, but 98% of stormwater management is a development cost. It's built by the development industry, so it's not really the kind of stuff we're talking about here. We're talking about the major arterial roads, Highway 401, major trunk sewers—the kind of sewers you could walk through, the big-diameter sewers that serve the entire city. Those are the kinds of projects that are very expensive.

We need to find, in our opinion, or at least explore—we don't have the answers, but we want to be part of the solution and part of the discussion—additional revenue

streams or a new way of doing business so that that infrastructure can be built in a timely way. We have many, many subdivisions—or potential subdivisions, for instance—that would provide a lot of new housing and a lot of affordable housing of the types of housing people want, but we can't build them or we can't bring them on because we're relying on trunk infrastructure that any one developer can't bring in. It's not even a matter of funding—

Ms. Catherine Fife: So we agree: Development charges can't fund that kind of infrastructure, and so it truly has to be a partnership between the province and the municipalities. Do you agree with that?

Mr. Larry Masseo: Yes, I would.

Ms. Catherine Fife: Okay. Thank you very much, Larry, for your—

Mr. Larry Masseo: And the industry. I think the industry wants to be a partner in that too.

Ms. Catherine Fife: Absolutely, and that's key to growing the economy and generating revenue for the province as well. Thank you.

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

Mrs. Amy Fee: Thank you so much, Larry. I want to thank you for coming in today, from the government side, and thank you for taking the time to speak with us this morning. We've had quite the opportunity to chat before about housing in Waterloo region. I'm just wondering if you could elaborate more on what you were just saying about how you can work with the government and the government can work with you to create more housing opportunities, but also the housing that people are specifically looking for, because I know that that was something that we had chatted about before. It was trying to ensure that the housing supply that was coming on was what families and buyers are actually looking for in the community.

Mr. Larry Masseo: What I would say is—and I'm not out here advocating this morning that we should be expanding urban areas and designating more land, although I think there is a need for that in the medium to long term. We do have quite a lot of residential land, through the last go-round of the regional official plan and the Places to Grow document that the former government brought in. There is land. The issue for us, in the short term at least and into the medium term, is bringing that land to market. If you can't build on it, all the designated urban land doesn't do you any good.

In our instance, there is still significant infrastructure that needs to be planned and/or constructed before that housing can—we're simply saying, even though I think our documents and our policies say that we're supposed to be doing that, in my estimation, and I think in our association's estimation, it's really not working that well. We need to really have a growth outlook, not an anti-growth outlook or a hold-the-line type of growth. It's not urban sprawl that we're doing; it's orderly planned urban development.

The issue is we need to get the infrastructure for that development to occur. It needs to be planned and financed in advance of the need for the housing. Otherwise, we're

not going to have the housing that people need or want when they need it. That's the situation, largely, that we're in, in the province, today. The demographics, the people who are seeking new housing, are not able to find the housing that they want. They can find the housing that is available or that some people would say they should have, but it's not what they want. Our industry is simply saying, in a balanced way, that people should be able to seek and purchase the type of housing that they need for their individual circumstances.

The Chair (Mr. Stephen Crawford): Mr. Cho. There's just over one minute and 10 seconds.

Mr. Stan Cho: Thank you for your presentation. I don't think Waterloo is a good place; it's a great place to grow. I haven't been here in 10 years, and it's unrecognizable, so you can see that happening. In Willowdale, our biggest challenge has been that growth did not come with the infrastructure investments, and I can go on and on about those problems.

0920

My question to you, sir, is: Have there been examples in Waterloo where the growth wasn't done right, so we can learn from those mistakes and move forward?

Mr. Larry Masseo: To be honest, I can't think of a specific situation where a development was not done right. There are issues with any development, inevitably. To be honest, I don't want to be here this morning to highlight my perceived problems for somebody's—

Mr. Stan Cho: The reason I asked, sir, is that I think it's a golden opportunity, then, to get it right and avoid some of those mistakes from my riding. I think that Waterloo has a glorious opportunity. Your points are very well received.

Mr. Larry Masseo: We'll never get it 100% right, but maybe we'll get it "righter."

Mr. Stan Cho: Exactly; that's why—

Mr. Larry Masseo: It needs more dialogue, and I think our industry needs to be a primary component of that.

Mr. Stan Cho: Let's stay in touch; your points are well received. Thank you.

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

Mr. Larry Masseo: You're welcome. Thank you.

The Chair (Mr. Stephen Crawford): We appreciate it.

UPPER GRAND DISTRICT SCHOOL BOARD

The Chair (Mr. Stephen Crawford): I'd like to call up our next presenter, the Upper Grand District School Board. Welcome to our finance committee. If you could please state your name for the record, and you can get right into your presentation.

Ms. Linda Busuttill: Thank you; it's Linda Busuttill. Good morning, Mr. Chairman and members of the standing committee. Thank you for the opportunity to present this morning.

I'm the chair of the Upper Grand District School Board. We provide educational services and supports to 34,000 students in the city of Guelph, Wellington and Dufferin

counties and vast rural areas, with the professional skills of over 3,000 teachers and support staff. Our annual budget is approximately \$400 million.

We are members of the Ontario Public School Boards' Association and we support the items in the Grants for Student Needs brief dated December 14, 2018. I have included a copy of that document with our written submission today.

Our board submission this morning includes advocacy for several items. The three main ones are: the hiring regulation, regulation 274—this has been a request to repeal this regulation of our board and others across the province. By repealing this regulation, local boards would have our hiring flexibility restored. This would not only meet the needs of our students but would also allow our public education system to respectfully reflect the diversity of our changing families, neighbourhoods and communities.

The second item is rural school funding. We advocate for enhanced and sustained rural school funding. The Rural and Northern Education Fund introduced by the Ministry of Education in June 2017 redefined “rural” and resulted in over half of our rural schools ineligible for support. We ask that the Ministry of Education and government revisit this school support in light of creating opportunities, fairness for all, and enhancing communities.

The final item is barrier-free access. We support and look forward to the timeline of 2025 and we would proactively advocate and request funding—a dedicated capital funding stream—for older buildings which continue to serve our educational purposes. Some of these buildings are over 100 years old and also have cultural and historical significance to our communities, and yet there's no capital mechanism to address the accessibility requirements of those buildings.

There are two other items that I snuck in in handwriting at the last minute. If I may, as the government, as you're looking for opportunities to create in the private sector, also look at the public sector: An example that has come to our board's attention several times has been around removing barriers, like in school-housed daycare centres, the requirement—the “must”—that it must be a provider from the public sector.

In three examples that we've experienced in Dufferin county, in Erin and in the city of Guelph, where we've had long-standing providers in the private sector, given that all things are equal, we must choose the private operator. In the case of Dufferin county, the private operator bidder came from the YMCA of Toronto; in Erin, it is the YMCA in Guelph; and in Guelph, it was a long-time Montessori private operator who was overlooked, again, by a public operator.

As local politicians, we want to maintain positive relationships with everyone in the community. The private operators feel that they are disadvantaged. On the one hand, we are reducing their operations. There are opportunities to create jobs and other economics in the community. That is an example of how changing “must” to “may” gives us, as a local school board, the opportunity to make the best decision for the community, reflecting the Day Nurseries Act and all the other regulations that are in place.

The other thing—and this is something that I worked on for three years with the Ontario Public School Boards' Association—is executive compensation in the broader public sector. In the education sector, we have had a salary freeze with our senior staff for the past 10 years. As someone who needs to look at creating change in our school board, we need our leaders to be respected and to have this salary freeze revisited. We were ready to remove the freeze in September 2018, and it was frozen again.

As the government is looking at systemic changes, we as local board politicians need our senior administrators to work with us to help implement this.

That would be my submission.

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

Mrs. Amy Fee: Thank you so much for coming here this morning to talk to us. I am a former school board trustee as well, with Waterloo Catholic, but a few people on the government side have some questions around regulation 274. I'm just wondering if you can walk us through the background of that regulation—what that means for school boards, how it came to be, that sort of thing.

Ms. Linda Busuttill: In the media, especially in the northern boards, what you'll hear is the difficulty in recruiting new teachers. They're actually struggling because the hiring regulation has a very structured, “You must be on the LTO list. You must have a performance review.” It creates a long period of time before you're able to get that full-time contract job. There's that process.

Human resources is my background. When I look at this, there are ways, instead of using a regulation, through the central bargaining process, to say that there are elements of that good practice of duration of posting and process that can be packaged to say, “You must, at your local boards, incorporate that into your collective agreements,” rather than it centrally being for everyone.

The history around that came through central negotiations. It came through one bargaining unit on one side, and then everyone was required to have the regulation implemented.

Mrs. Amy Fee: One other question for you: One of the things that we've been looking at, obviously, across the province is finding efficiencies in our spending. I'm just wondering if you have noticed anything in the school board in particular that you could recommend to us or that you've been thinking about on the efficiency side of our spending.

Ms. Linda Busuttill: I was in the health sector during the last Conservative government, the Mike Harris years. One of the things that I found most effective, if I were in your seat, was to give us a target. It could be 4%. We are local politicians and we have regional differences. What's good in Toronto is not good in our area. Let us make the decisions. Let us create the plans: “More special education? Where can we cut, looking at our budget?”

What is difficult is waking up and finding out that something has been cut. My arm has been cut; now I have to move things around—“my”: the board, the staff. Give

us targets and let us—we're accountable—come up with the efficiencies based on how we operate.

At the local level, we're part of consortia: transportation, purchasing and so on. Let us come up with that creativity. Give us a target in savings and let us come up with a plan.

Mrs. Amy Fee: Thank you.

The Chair (Mr. Stephen Crawford): Any further questions? No? Oh, Mr. Harris.

Mr. Mike Harris: Could you just provide a little bit more clarification for me regarding the child cares that are being built into schools? Right now, as it sits, are you only allowed to accept public daycares?

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

Ms. Linda Busuttill: Yes. When we build child care based on demand and the capital funding that flows through, in looking at the third-party operator, given that all things are equal, we must—and I can send you the policy and requirements—

Mr. Mike Harris: I would like that, if you could, please. Thank you.

0930

The Chair (Mr. Stephen Crawford): No further questions? We'll go to the opposition side for questions. Ms. Lindo.

Ms. Laura Mae Lindo: Thank you so much for your submission.

I know that in our region we do have a number of newcomers and refugee students. Specifically in Waterloo region, this is really, really important for us to address. I do like the idea that you've put forward about dedicated funding to support their particular needs. I'm just wondering if you can give us some insights on where that funding happens now, because I know that schools are dedicated to their students and the boards are dedicated to their students, so they're finding ways to do this. I'm curious to know where you are finding that funding to support the students and where you wish you could look to for that support.

Ms. Linda Busuttill: In the OPSBA submission, on page 8 at the very back, it talks about local priorities. Similar to this region, Guelph also has been receiving and welcoming new Canadians. Looking at local priorities is where we can create summer language programs, trying to create opportunities for those students. So that is an area that we recommend. Again, it's, "Trust us. We're locally elected. Let us create those opportunities for those students based in our geographic circumstance."

Ms. Laura Mae Lindo: Thank you.

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

Ms. Catherine Fife: Linda, good to see you again. Education has been a consistent voice at these meetings for as long as I've been an MPP. The Ontario public school boards' submission here raises a number of important issues. The truth and reconciliation curriculum writing sessions were cancelled unceremoniously at the beginning of the summer this year, and there has been a series of announcements from the PC government that have, I think

it's fair to say, taken the education sector by surprise. Can you speak broadly to how important it is for education to be consulted and to be a partner at the table as policies are changed or announcements are made? School boards end up picking up the pieces at the end of the day.

Ms. Linda Busuttill: Thank you. Nice to see you too. I just came from OPSBA. Similar to what I was saying earlier, consultation is important, and understanding the fiscal situation, but also our local needs. Colinda Clyne in our board is one of the leaders in the writing teams, and the conversation with us and the decision-making at the local level, but also giving some direction around those resources that are created at the provincial level and OPBSA.

I can't speak on behalf of OPSBA—I am a director—

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

Ms. Linda Busuttill: However, provincially there are some priorities that we would like to see continue to develop that have been underfunded and given a lack of attention.

Ms. Catherine Fife: That's good. Many people don't know that school boards actually have a legislated responsibility for student well-being. This was brought in by the former government. Well-being was a lens that policy was supposed to be rolled out from, and that's where the updated sex ed curriculum came from: around consent, around mental health, around cyber security. Can you speak to the importance of having a modern sex ed curriculum in our schools so that students have the information they need to stay safe?

Ms. Linda Busuttill: On our board, as chair of the board and director, we spoke quite clearly that we will ensure that the students receive what they need from the sex ed curriculum that was presented by the government and the consultation—the revised one that will come—but also drawing on the equity and all the other resources in the community. We are charged with student well-being.

Ms. Catherine Fife: Yes, and—

The Chair (Mr. Stephen Crawford): Thank you very much. We've expired our four minutes, but thank you very much for your presentation.

JOSSLIN INSURANCE

The Chair (Mr. Stephen Crawford): We'll call up our next witness, Josslin Insurance. Good morning, and welcome to the finance committee. If you could state your name for the record, and you can get into your presentation right away.

Mr. Steve Wagler: For sure. My name is Steve Wagler, and I'm with Josslin Insurance brokers. First of all, thank you and good morning, Chair and honourable members of the committee. For the past 28 years, I have been working in and have become a partner in our family-owned business, which is Josslin Insurance brokers. We have six locations in the Waterloo region, we presently service 21,000 policyholders across the region, and we employ 65 broker professionals, all living in this community.

I'm here today to talk to you mostly about the auto insurance file, because that's honestly the one that's near

and dear to your heart. I guess I should start by expressing my sincere appreciation for the invitation to come and to address some of the issues.

I'm representing our family brokerage, but we're also part of a regional organization called the Waterloo brokers' association. There are 20 independent brokerages that are a part of that, again, all from this region. We typically do the same things. We're advocates for our consumers, for the clients.

We're also part of the Insurance Brokers Association of Ontario, which is 12,000 independent brokers representing about 1,200 different offices around the province. I think they made a presentation to you about a week ago, so I'm going to stick to some key points, but I'm going to kind of dive a little deeper into some of the issues locally here too.

Just a little bit about insurance brokers for you that you don't know or that you may not know: We work for the best interests of our clients and provide choice and individualized advice. In our case, at Josslin Insurance, we represent over 30 insurance companies, so we're able to provide people with options for their specific needs. They may have issues with acquiring insurance because of previous acts in their history or previous driving histories, but we're able to help people find a place where they can purchase their insurance.

Not only do we help people and advocate for them at the beginning of the process in buying the product, but we also help them when they have to actually use it. During a claim situation, when they have to call on their cover, we give them independent advice on how to get through that process.

I think what I want to leave you with here is that we are independent of any insurance company, and we truly work—the two things that are important to us I believe are important to this committee, and those are availability of products and affordability.

I want to talk a little bit about auto reform. I know it's a concern for us locally; it's a concern for our clients every year. We're seeing some price pressure right now, and I'm sure, with some of the news we saw this week—I'm sure you might have read it as well. There was an independent, I think, insolvency organization that conducted a survey, MNP, that talked about the fact that almost one third of Canadians can't afford their current bills and debt repayments. So any kind of movement with prices on auto insurance is going to have an impact on consumers. It is a concern of ours, again: the affordability piece and accessibility.

I'm going to focus in on four pieces. The first one is, as you look to reform the product, we would like if you would keep geographical rating as a rating factor, a rating tool. Just to talk about that: I know you're travelling around the province, and I'm sure you know from your own experience that there are differences in driving in communities like Waterloo versus the GTA. There are some similarities, for sure, but the reality is, when you get outside of here and some of the rural areas that you all know, it is different. It is definitely a unique piece. Part of insurance is developing a rate that is based on the risks that are

present. We'd like to keep it as part of it. Our concern is that if we level it and make it one territory across the province, people in this region would see significant increases in their insurance premiums versus those that are coming down in the GTA. Perhaps it needs to be more transparent on how the territory rating is used, and we would be supportive of that.

We'd also like you to consider simplifying the accident benefits schedule. The point on this, really, at the end of the day, is that we want to see the benefit actually get to the accident victim and less cost going into legal advice. Legal counsel is certainly needed on some of the extreme cases, but in some of the minor situations, I think we'd all be better served as consumers of the product if we could just simplify it and we know exactly what it's expected you can receive. Again, the point is not to push anybody out, but we have to control costs as we go forward and make this an affordable product.

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I also would suggest or support a review and an amendment of the process for filing rate approvals for insurance companies. We're seeing this right now. There is rate pressure in the market. My understanding is, it takes insurance companies about six months to file a rate application and to get approval. They may be asking for significant rate changes that are justifiable for whatever reason, but they may receive about half of that. When that happens, what happens to us in selling the product is that companies feel that they're not rate-adequate, and they start to actually close the door, and what I mean by that—

The Acting Chair (Mr. Stan Cho): One minute.

Mr. Steve Wagler: Okay. Basically, we have an increased demand for the product we sell, and we have limited supply. That doesn't help competition and it hurts consumers in the end.

Finally, I'm just going to talk about education. As you make changes, one of our roles as advocates for consumers is to give advice and to educate our clients. So, as changes are made and premiums are brought down, we'd like to be part of that solution on informing consumers what the changes are and what benefits have been given up to get the price reduction. So please work with our provincial association as you roll out the education.

The Acting Chair (Mr. Stan Cho): Thank you very much. We'll begin questions with the opposition side. Ms. Fife.

Ms. Catherine Fife: Thanks very much, Steve, for coming in. I have to say, Josslin Insurance has an amazing reputation in this region for delivering on access and affordability but also the outreach you do with regard to charities and with community involvement. It makes a huge difference.

You're representing family brokers here today. Family brokers really have stepped up, I think, over the years, because there's no doubt that the auto insurance file has been messy. Across all lines, we can all agree that it has been pretty messy. It's a hot-button issue because everyone needs to have some form of auto insurance in particular, and there's no doubt that the comments that you've made around not having a one-size-fits-all policy for a rural

driver versus a downtown Toronto driver resonates with people who are navigating this system.

That said, there are some inconsistencies around rates. We haven't landed on a solution. Drivers in Brampton pay exorbitant rates for their auto insurance versus another similar-sized city in certain jurisdictions. It's good that the family brokers are weighing on this because it's an important voice for the committee to hear.

I didn't hear anything from you around fraud. The last government talked about fraud all the time. FSCO was trying to streamline, if you will, a system to address fraud because that was one of the reasons why the big insurance companies said that they needed to have higher rates. Is this something that you face as a family broker?

Mr. Steve Wagler: Certainly, there is fraud, and it doesn't matter what geographical territory—so yes, it does impact us as well but probably not to the same extent. I didn't address it in here because I had limited time. But the other side of it is, I think there's awareness that there is a piece that we need to be aware of. Especially as we innovate and look for digital solutions and online, it tends to draw in people who don't want to necessarily tell you exactly what they're actually using their vehicles for.

Ms. Catherine Fife: My only ask of you is that you stay involved. I think that your ask for transparency as policies roll out is a fair one because, as I said, you end up dealing face-to-face with the individuals who require insurance. Thank you very much for being here today.

Mr. Steve Wagler: Thank you.

The Acting Chair (Mr. Stan Cho): Thank you. We will now move to questions from the government side. Ms. Skelly.

Ms. Donna Skelly: I know you wanted to focus specifically on auto insurance, but I'd like to just get your views on home insurance and how the insurance company has adapted to what I'm sure is an increased number of files due to climate change.

Mr. Steve Wagler: For sure. I stuck with auto, but the reality is, there's price pressure on basically every line of business that we sell today. Personal property is a significant one. With climate change or weather-related incidents, there's significant pressure specifically on certain areas of the province where there has been increased rainfall. It's making it virtually impossible for certain clients to actually obtain the cover that they once had.

Ms. Donna Skelly: I believe that in recreational properties the insurance industry is now expanding what they will cover and will allow a certain amount of flooding, for example, which wasn't permitted, I think, a number of number of years ago, but that has been added to one of the areas that you can actually claim. Is that correct?

Mr. Steve Wagler: Right. They're making it much more clear on what they're covering and what they're not covering in specific lines. Yes, they've always covered potentially overland flood under different sections of the policy, but now they're very specific, to say that you either have that cover or you don't. There are availability issues with that too.

Ms. Donna Skelly: Thank you.

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

Mr. Doug Downey: I want to start with the first—which I think is a bit of a perception issue of the private members' bills that have come forward on both sides. Nobody has suggested that we do away with geographic rating entirely; it's just that right now it's mandated based on this odd 10-district thing. The private members' bills deal with that a little bit. I just wanted to give you that assurance that nobody is suggesting that we wipe it out altogether. There are regional differences. We were in Dryden and Timmins, and it's very different than being in Waterloo or Ottawa. That's intuitive. People get that.

The claims cost: I just want to have a quick chat about that. What I'm being told by the data is that auto property damage is actually where the increase is these days; it's not in AV. Is that your experience?

Mr. Steve Wagler: There is price pressure in both, but absolutely. Technology improvements and innovation in vehicles for safety have increased the cost to repair these vehicles. The sad thing is, it's not necessarily diminishing the frequency of claims. I don't have stats in front of me today, but certainly, distracted driving is not helping that. It's just costing us more money to repair smart vehicles.

Mr. Doug Downey: Because of the technology in the door panel.

Mr. Steve Wagler: Correct. Yes, for everything. It's all of the centres and basically in every—it depends on the vehicle. But we have some that—aluminum bodies—it's just very difficult to repair these vehicles.

Mr. Doug Downey: Yes. I just want to touch on fraud as well. We have the Serious Fraud Office, which is now operational. Maybe next year, we'll have a conversation about the efficacy of that.

The rate approval process: The government has heard from several stakeholders on that. I have somebody I grew up with who is an actuary. He gave me a simplified version of what it looks like. It was very educational. This government is looking to find ways to simplify processes, reduce costs and make life more affordable.

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

Mr. Steve Wagler: Okay. Thank you.

RECEPTION HOUSE WATERLOO REGION

The Chair (Mr. Stephen Crawford): I'll call up our next witness, Reception House Waterloo Region. Good morning, and welcome to the financial committee.

Mr. Carl Cadogan: Thank you. We appreciate the opportunity to chat with you. I brought my colleague and the chair of our board.

The Chair (Mr. Stephen Crawford): Okay, great. If you could please just state your names for the record, you can get right into your presentation. I will give you a one-minute warning.

Mr. Carl Cadogan: Okay. My name is Carl Cadogan. I'm the chief executive of Reception House Waterloo Region.

Ms. Marika Galadza: My name is Marika Galadza. I'm manager of community engagement at Reception House.

Mr. Chris Stanley: My name is Chris Stanley. I'm chair of the board of directors at Reception House.

Mr. Carl Cadogan: We appreciate the time to chat with you about the work that we do at Reception House. We have circulated information that we have pulled together for your reflection. Chris will start the presentation.

Mr. Chris Stanley: I just want to talk to you a little bit about who we are, because there are sometimes misconceptions out there, and then I'll let the actual experts here talk to you about what we do and how we deliver it.

Since 1987, Reception House has helped thousands of permanent residents and vulnerable newcomers rebuild their lives in Waterloo region. We start by providing the basics, temporary accommodations and orientation to Canadian culture. Down the line, we empower our clients to find meaningful employment, improve their English, and heal from trauma and loss so that they can become healthy and productive members of our society.

It's really something when you start to see the people who come through the house and what they've gone through and then when you see what the people in the house are able to help them achieve. It's really inspiring.

Moving forward, as we know, there is probably going to be continued government assistance for refugees coming through. Getting the opportunity to actually see the impact they do have on our economy and our way of life—it's really essential that we continue to be able to provide the service that we do.

Our mission is that all refugees and permanent residents arriving in Waterloo region settle, integrate and become contributing members of our community and our economy. Just looking at the stats below from the 2016 census: Really, the take-away is that we all know the world is changing. We all know that there's a shift in global migration. Hopefully, this country is going to continue to step up and be a leader in that. As they do, and as Ontario takes the largest proportion of those people coming to this country, places like ours are an opportunity to truly help them integrate not only into our society but our economy. We set them up for success. What our staff do on a day-in and day-out basis is not only amazing but it's inspiring. Giving us the opportunity to continue to work with these people who come here, and to deliver that, would be just beyond words for us.

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Talking about investing in newcomers—we can continue to invest in the regional initiatives, as described in our rationale, which Carl will discuss. It does create real change. It leverages volunteers to strengthen the province's mandates, and accelerates the path to prosperity for newly arrived permanent residents.

Carl will get into the details, but in the past, we've had \$200,000 a year in support, and we'd like to see that continue.

Mr. Carl Cadogan: Thank you, Chris.

The investment in the work of Reception House by the government started in 2016. The investment ends, I guess, in March 2019.

What that investment has allowed us to do is focus in four key areas:

- a family partnership program, which is boosting the path to prosperity by contributing and matching newcomers with established Canadians;

- volunteer coordination, enabling community members to continue to help us create capacity in the systems;

- an English outreach program, which really empowers marginalized and isolated people to improve their language skills. Our volunteers go into the homes of people who, for whatever reason, aren't in English language classes, and they help them learn languages; and

- our wellness interventions, which are providing early interventions, systems navigation and crisis interventions to reduce costs in policing, emergency health care and costly one-on-one counselling down the line.

The effectiveness of these programs has been measured by the Community Service–Learning project and the faculty of social work at Wilfrid Laurier University. The programs listed above empower newcomers to improve their English language, increase their social capital, learn Canadian norms and customs, and heal from traumatic past events so that they can integrate, find employment and find prosperity for themselves and their families.

Additionally, the volunteer coordination enables established Canadians in the community to strengthen and reinforce practical settlement support, building capacity and reducing reliance on the social service sector.

These initiatives began with the province of Ontario's priority for real change and real results, challenging the status quo and cutting costs. Continued investment in these programs is a win-win for the province of Ontario and for newcomers in our community. Our impact and numbers demonstrate a “roll up your sleeves” attitude.

Here are some of the highlighted benefits of these interventions.

Ms. Marika Galadza: I'll be speaking to our impact and some of the key take-aways.

By now, you have a bit of a better sense of who we are and what we're able to accomplish in our community. One of the greatest barriers to seeking employment for the newcomers we serve is that ESL training happens during regular work hours, and LINC is not available in the summer. Language is a barrier to employment. Employment is a barrier to improving language. I can only imagine how I would fare if I was forced to flee Canada and had to rebuild my career from scratch in Arabic. That's why we provide at-home, intensive language tutoring at flexible times to people who need it most.

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

Ms. Marika Galadza: We are the only program of this kind in our entire region.

The people we serve are eager and motivated, but many need intensive language support, broader social networks and the ability to identify mental health challenges that are

holding them back from contributing to our community and our economy.

Our wellness worker shared a quote with me that has really stuck in my mind and that I'd like to share with you today. She said that one of our clients, who had experienced war trauma back in his native country, told her, "Where I come from, only people who are crazy on the street, or don't have family, seek mental health help."

After our wellness worker provided an orientation to services in our community and helped to destigmatize them, he said, "I had no idea these services existed. Now I know I can ask for help before things get worse."

We are the only program in Waterloo region that offers at-home wellness interventions.

The Chair (Mr. Stephen Crawford): Thank you very much. We've used our full time allotment. We'll start questions from the government side. Ms. Fee.

Mrs. Amy Fee: Thank you to the three of you for being here today, and thank you to you and all the volunteers that make this community great. It certainly takes a lot of emotional toll, I'm sure, on all of you and all of your volunteers as well, helping newcomers coming to our area.

Something you didn't elaborate on is the government bureaucracy in trying to get through systems around getting a driver's licence or OHIP and that sort of thing in the system. I'm just wondering if you have seen anything that you could recommend to us that we should be taking a look at from that angle, to make the transition into Canada a little bit easier on those sides.

Mr. Carl Cadogan: Thank you for that observation. There's so much I could say; I'm not sure what I should say.

I think that when people land at Pearson, and before they take a shuttle to Kitchener to come to our house—once people get into the community, I think you're correct in terms of programs like OHIP.

There are programs the federal government provides that transition people, sometimes connecting to—we probably have, right now, about 90 families who don't have primary physician support, so they can't find a doctor to help them.

Part of what we do is help people to navigate the system. We try to educate people about hospital emergencies. If you can't find a doctor, if there's something wrong with you or your child, you head to emergency, and so emergency rooms get a bit more crowded, with longer waiting periods.

If there's more that the government can do to support building more family physicians, so people that we serve can access those services, and can have language interpretation so that when they sit in a hospital or they go to a family physician, they don't have to wait eight hours, and their child who is seven years old doesn't have to try to interpret for a mother who's having some serious issues. I think interpretation and access to more family physicians are just two examples—and, really, how quickly people get enrolled in OHIP.

Sometimes it's better—it is a hit-and-miss—but we probably spend 55% of our time in areas around health, helping people to navigate the health system.

Mrs. Amy Fee: Thank you for those suggestions.

The Chair (Mr. Stephen Crawford): Mr. Cho. We just have a little over a minute.

Mr. Stan Cho: I just wanted to know, on the end there, if you wanted to finish your thought about mental health access. We have \$3.8 billion coming in the next 10 years. Keeping that in mind, do you want to speak, to finish your thoughts from earlier?

Ms. Marika Galadza: If I have a minute, I'd just like to finish reading what I had to say.

Mr. Stan Cho: Please do, yes.

Ms. Marika Galadza: The investment that we are proposing in low-cost, high-impact programs like family partnership, wellness interventions and English outreach helps newcomers in Waterloo region optimize their contributions.

We believe that when newcomers are given an equitable chance at advancement, it makes for a stronger community, more resilient citizens, and alleviates pressure on remedial supports like food banks, emergency health care, policing and Ontario Works.

We have seen what happens when newcomers are not integrated well, or when young, disenfranchised youth seek belonging through increasingly radical groups.

In the extremism awareness guide prepared by the RCMP in 2016, researchers state: "Isolation, a sense of failure and a lack of social integration skills increase the vulnerability of the individual" to violence.

Former RCMP Commissioner Bob Paulson writes: "Although we could fight endlessly against this threat using a law enforcement approach, the long-term solution to mitigate unforeseeable threats lies in prevention and citizen engagement."

Prevention and citizen engagement are what we are all about. Our programs are really about reducing marginalization—

The Chair (Mr. Stephen Crawford): Excuse me. Our time is up. I have to apologize, but we have to keep to the schedule.

Ms. Marika Galadza: Thank you.

The Chair (Mr. Stephen Crawford): I'm going to go now to the opposition side. Ms. Lindo.

Ms. Laura Mae Lindo: Thank you so much. It's really nice to see you folks here. I just wanted to be really clear about this: The settlement and integration services for refugees and vulnerable newcomers, which is the provincial funding to your organization, ends at the end of March 2019.

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Mr. Carl Cadogan: Yes.

Ms. Laura Mae Lindo: Can you please speak to me about the impact that not renewing this contract is going to have on the amazing work that you're doing here?

Mr. Carl Cadogan: All of the programs that Marika spoke of—the wellness, the family partnership program, the English outreach—all are supported by that investment from the province. It means that those services wouldn't happen. It means that two and half staff will not have that opportunity to do the kind of work that we do. It means

that the 280 volunteers we have are not going to have anyone to help coordinate and support them to help us do the work that we do. That's what it means.

Ms. Laura Mae Lindo: Okay. Thank you so much for that.

There has been a lot of talk, I'm sure you've heard, with the current government around money that the federal government is providing and money that the provincial government is providing, and there seems to be a feeling by a lot of organizations that do work like yours that everybody is sort of passing the buck; nobody wants to sit down and provide the funding that these newcomers and vulnerable folks deserve. Can you speak to me a little bit about the gaps that the provincial funding are actually filling so that there can be clarity about what that money is doing?

Mr. Carl Cadogan: I think both the federal government and the provincial government in their program delivery and how they invest money into newcomers—they focus on trying not to duplicate efforts. We hear a lot about duplication. The federal government focuses on certain aspects of settlement, and the province focuses on other aspects of settlement. There is never enough money from the federal government and there is never enough support from the province, but what we have been able to do is really look at how we can utilize both the federal investments and the provincial government investments.

Part of these programs is also supported by the community. I think about a third of our support for the programs I just described comes also from the community and fundraising. Two thirds of that money comes from the province. It's very important to recognize that it's not just provincial funding that makes these things work; it's really support from other organizations and other people who are willing to invest in the work that we do.

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

Ms. Laura Mae Lindo: And the provincial funding that you have received, that will be cut, is the funding that you've been using, in part at least, to fund on-the-job English training? That has been part, right?

Mr. Carl Cadogan: Yes.

Ms. Laura Mae Lindo: The job training, English training in the home, and some of the mental health supports are coming from the province, which is why this investment is so important.

Mr. Carl Cadogan: Absolutely.

Ms. Marika Galadza: All of the mental health supports were funded by the province.

Ms. Laura Mae Lindo: All of the mental health supports.

Ms. Marika Galadza: That we provide—yes, all of our wellness interventions.

Ms. Laura Mae Lindo: Fantastic.

Mr. Carl Cadogan: And that's really just also helping people to navigate the system as well, so it's not just us providing the support, but helping people to get connected to mental health systems in the community.

Ms. Laura Mae Lindo: Thank you.

The Chair (Mr. Stephen Crawford): Okay, thank you very much for your time. We really appreciate it.

Mr. Carl Cadogan: Thank you, sir. Thanks to the committee for listening to us.

GREATER KITCHENER WATERLOO CHAMBER OF COMMERCE

The Chair (Mr. Stephen Crawford): I would like to call up our next presenter, the Greater Kitchener Waterloo Chamber of Commerce. Welcome to the finance committee. If you could please state your name for the record, and you can get right into your presentation.

Mr. Art Sinclair: Great. Thank you, Chair. My name, for the Clerk's note, is Art Sinclair, vice-president of the Greater Kitchener Waterloo Chamber of Commerce.

Following up on Ms. Fife's remarks, as a member of the local business community, we would like to welcome everybody here today. The chamber of commerce is not responsible for the weather. This is not normal January weather here.

I have prepared a brief, which I guess has been circulated around, so I will not read the brief in its entirety. I will try to highlight some of the key points that we would like to advance to the provincial government for the budget for 2019. On page 1, there is a list of five recommendations; hopefully I can get through as many of them as possible.

The first recommendation, as you will note, is that the chamber of commerce—and I think generally the business community across Canada and across Ontario, particularly here—would support tax cuts, specifically corporate income tax rate cuts. You will note that the proposal is to cut the corporate income tax rate from its current 11.5% now to 10.5% in 2019, and then a further cut of half a percentage point to 10% in 2020.

What I'd like to make clear here is that the 10% corporate income tax rate is not unheard of in this province. In fact, 10 years ago, when Dwight Duncan was delivering his budget in 2009, Minister Duncan outlined a schedule of cuts to the corporate income tax rate, and it would arrive at 10% in 2013. As is explained in the brief, in 2012, Minister Duncan announced that the corporate income tax rate would be frozen at 11.5% in 2012—where it is still in 2019—and would not be cut to 11% in 2011 and it would not be cut to 10% in 2013.

Again, the issue for a lot of businesses, and I've heard this quite frequently, is that they were planning for a 10% corporate income tax rate in 2013, and it was never delivered. Furthermore, what Minister Duncan mentioned was that when the provincial budget was balanced, there would be a 10% corporate income tax rate. Well, in 2017 we spent a lot of time debating this. The government said that the budget was balanced, but there was no 10% corporate income tax rate. So that is why we are asking for further cuts to that rate.

Again, there are a couple of factors that I think are of concern through the business community—and these have been outlined in the brief. There's some concern with rising interest rates. It's noticed that bankruptcies have gone up—not a lot of bankruptcies in the province of Ontario, but still, there's a rising number. But I think of more concern is consumer bankruptcies. I think a lot of economists are looking at this, because of course when you've

got higher interest rates—and we all know that these have been coming—the higher interest rates can lead to less consumer spending. That’s always a concern for the business community.

Another significant point here, as well, is—and Minister Fedeli outlined this quite extensively in his fall economic statement—the American corporate tax cuts. They came in at the end of 2017. I know that our local business community across Ontario and across Canada are saying, “My gosh, we didn’t realize what an advantage we had in Ontario and Canada over the United States on corporate income tax rates before Trump made the cuts.” This isn’t a time for panic. I recall being at a conference years ago, and Ray Tanguay, the former CEO of Toyota manufacturing in Canada, made a point. He said that what Ontario has in terms of advantage over a lot of other jurisdictions in attracting manufacturing jobs are two things: skilled workers and medicare. A lot of people were probably somewhat surprised, but we have got a lot of manufacturing industry jobs through public health care. So, again, just keep these things in mind. Yes, this is going to be a challenge, but there are still a lot of positive factors I think that we have in Ontario here for attracting jobs.

A couple of recommendations—I’m going to skip over number 2, but 3 and 4: You’re going to hear shortly from a coalition of businesses and other stakeholders here in the community about the huge demand that we have here for expanded two-way, all-day GO train service into Waterloo region along the Toronto-Waterloo corridor. You will be hearing a presentation very shortly on this.

Another big concern for us here in terms of infrastructure—and this has been a long-standing concern—is the new Highway 7 between Kitchener-Waterloo and Guelph, not only because this is a key connecting link between all of the businesses, educational institutions and services between Kitchener-Waterloo and Guelph, which are both growing communities, but also from a business perspective. We need—and this is manufacturers; this is people in the food industry—to move products to the east. Certainly, Highway 7, from here to Guelph, connecting to Hamilton and going down the 401, is another major infrastructure requirement, another major infrastructure ask that we need here in this community—not only for us, but north of here: Grey, Bruce, Perth, and Huron counties. Trucks come from those areas. A lot of them are in the agriculture and food industry. As Minister Smith said on TVO with Steve Paikin on Wednesday night, the agri-food industry has huge potential in the province of Ontario. We need to move products to the east, number one, for Pearson—and again, I think we all know of the global opportunities for not just agriculture but for all our products. We have to move our products from here in Waterloo region east to the airport in Hamilton. So that new and expanded Highway 7 is an imperative for us.

Another point on the infrastructure side, and probably you’ve heard this many times over the last week, is broadband expansion. Two points here—

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

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Mr. Art Sinclair: Two points on broadband expansion: We have a lot of businesses and farmers in rural areas of Waterloo region who, of course, have the same problems as everybody else across rural and northern Ontario: bad Internet.

But the other thing as well, I think—and this is key for us in places like Windsor, London and Kitchener-Waterloo—is that we have a lot of people, and a lot of them are professionals and senior management with a lot of our employers. They live in rural areas, and on days like this, when you can’t get in to your office, they’re having difficulty connecting with their IT infrastructure in their offices. Again, that’s key.

We’re following up on the recommendations from the Ontario Chamber of Commerce about the need to get more private sector investment into broadband.

One final point: As I think you’re all aware, we’re having a federal election this year. This is a key issue for the business community across Canada, and our chamber and chambers of commerce across Canada. We’ll be asking our candidates in the federal election what their plans are for this, because it is an imperative.

Thank you very much for the opportunity.

The Chair (Mr. Stephen Crawford): Thank you very much. It’s good timing: We’re right at seven minutes.

We’re going to start the questioning from the opposition side. Ms. Fife.

Ms. Catherine Fife: Thank you, Art, for once again coming to finance committee.

From our perspective, the connectivity piece—the transportation, the transit infrastructure—is one of the key parts of your presentation. You spent a good deal of your time at the beginning on the promise that Minister Duncan made at the time around a balanced budget. We’re a long way from a balanced budget, and the finances of this province have been left in a fairly—I think it’s safe to say it’s as messy as it can get. That promise around a corporate tax rate—we’ll have to see where this government goes with that promise. I’m sure you’re not surprised that the Liberals didn’t keep their promise. None of us are.

Mr. Art Sinclair: The only one. They’re not here.

Ms. Catherine Fife: No, they don’t have party status.

Highway 7: They broke ground on Highway 7 in 2007. There was a ribbon-cutting. Minister Milloy, at the time, was part of that. Some parts of that project have been expropriated; some of that project has been lost. There has been \$100 million invested already in Highway 7. There was a promise from this government on an announcement about Highway 7. It’s a huge issue. We’re halfway there, so a solid decision has to be made and a plan has to be committed to around either regaining some of the losses that we’ve had or completing that project, because it’s safety, it’s quality of life and it’s economic impact.

Do you want to talk a little bit more about Highway 7 and its importance to this region?

Mr. Art Sinclair: Yes, and I think you referred to that briefly as well. A lot of studies were done a long time ago. Essentially, we’ve been told over and over again that we’re in a position where all that needs to be done is a

commitment has to be made by the provincial government. All the background work has been done.

But of course, as you said, we're so far into this—some of those studies, I don't know, maybe go back to the 1930s, and they might be a bit outdated. Maybe that's a bit exaggerated there, but some of them are probably into the 1980s. So that's where we're getting the position. Sooner or later, if this goes on and on, a lot of the background work and the studies are going to have to be done over again.

As I said before, we've always been under the impression that all it takes is a financial commitment to get this under way.

I will say this: I know that Minister Yurek was here on Wednesday at the University of Waterloo, making an announcement on autonomous vehicles. They indicated that for two projects—two-way, all-day GO, and Highway 7—announcements would be forthcoming shortly.

The budget is forthcoming shortly, so hopefully, we're looking for announcements on both.

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

Mr. Art Sinclair: As you say, the two-way, all-day—both are very important projects for us.

Ms. Catherine Fife: I guess those reports on Highway 7 and GO are with the high-speed rail reports. There's a special room at Queen's Park where there are 23 high-speed rail reports.

The rollout of the two-way, all-day GO: The government promised an extra train in the morning and an extra train in the evening. They cancelled the express train. We have been inundated with feedback about cancelling that train, because it adds some 20 to 25 minutes to the commute.

Two-way, all-day GO and Highway 7: Those are high-ranking projects for the chamber, to make sure that they get completed in the next four years?

Mr. Art Sinclair: Absolutely. I agree.

Ms. Catherine Fife: Thank you, Art.

The Chair (Mr. Stephen Crawford): We'll go to the government side. Mr. Harris.

Mr. Mike Harris: Thank you, Mr. Sinclair. It's great to see you, as always. I know we had time to chat about the majority of the issues you've brought forward today, but I wanted to talk a little bit about taxation. Consistently throughout these proceedings, the opposition has talked about increasing revenue. On this side of the table, we all know that means more tax. I was just hoping you could elaborate a little bit more on what increased taxes in Waterloo region might do to economic development.

Mr. Art Sinclair: Well, I think there are really two fundamental schools of thought around taxation. One of them goes back years and years ago to two people, John Maynard Keynes and somebody from Ontario, John Kenneth Galbraith, who essentially had the approach that governments could spend their way into prosperity. Then we saw a shift in the 1980s with Ronald Reagan and Milton Friedman, who said, no, that governments facilitate private sector growth; governments do not spend their way into prosperity.

I think that would be one of the approaches of the business community, that, in fact, by being in a position where we're offering competitive taxes to our neighbouring jurisdictions, we attract the jobs that will in turn generate the revenues for our vital social services. I think we saw that in the late 1990s and early 2000s with the province of Ontario. Ontario, under the previous administration of Mike Harris and Ernie Eves, did have an agenda of corporate tax cuts, and Paul Martin did too. I think we saw some evidence that that increased economic activity actually increased revenues going into the provincial and the federal governments, to pay for services like infrastructure, like health care and like education. I think that would be our approach here as well.

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

Mrs. Amy Fee: Art, thank you for coming today. One of the things I think that you are hearing as well and that we are certainly hearing, especially MPP Harris and I when we're out in the community, is about the tech sector and especially getting talent and convincing talent to come here. I'm just wondering if you have any thoughts on what we can do as a government, other than the transportation, to try and increase the talent to come to Waterloo region and help develop that talent for our tech sector.

Mr. Art Sinclair: Tech sector: yes, as you said, two-way, all-day GO. I know Mr. Klugman is following me, but while we're on the issue of skills, the fifth point, which I didn't get to, was the Ontario College of Trades, which our chamber is highly supportive of.

The current college of trades, as it existed, was not functioning. I think we were like any other community. We're a growing community like many others in Ontario, and our issue has been getting a lot of people in the skilled construction trades: electricians, plumbers, framers. Quite simply, hearing from a lot of companies in the construction trades, in manufacturing, they just weren't getting new entrants. A lot of it had to do—and I think this was pointed out—with the journey-person-to-apprenticeship ratios, which in some cases were six journey-persons to one apprentice.

So yes, we're certainly highly supportive of the government's position of (a) setting all the apprentice-to-journey-person ratios at one to one, and (b) looking at some type of an alternative governance model for the skilled trades other than the college of trades.

Mrs. Amy Fee: While I have a few seconds left, I'm just wondering about your thoughts on trying to encourage young people into the trades. Any thoughts on how we can do that?

Mr. Art Sinclair: Well, you know, we have an excellent institution here, Dr. Tibbits in Conestoga. I mentioned this in the brief. I think what the Ontario government has to do is work with businesses and the community colleges, because—and I've heard this from business associations across Ontario and across Canada. The community colleges are excellent resources in terms of—and Dr. Tibbits has been addressing this for 25 years or however long he's been president of Conestoga College; I think it's about 30.

He says, “Look, we have to get more people into the skilled trades.” In fact, he has said publicly on a number of occasions that there are probably a lot of people in the university system who should be in the college system. He can quite go on about it.

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

COMMUNITECH

The Chair (Mr. Stephen Crawford): I’d like to call up our next presenter, Communitech. Good morning, and welcome to the Standing Committee on Finance and Economic Affairs. If you could just state your names for the record, and you can start right away with your presentation.

Mr. Iain Klugman: Absolutely. My name is Iain Klugman, CEO of Communitech.

Mr. Chris Plunkett: Chris Plunkett, the vice-president of external relations at Communitech.

Mr. Iain Klugman: Many thanks for giving me the opportunity to address the committee today. My name is Iain Klugman and I’m the CEO of Communitech.

Communitech was founded in 1997 by a group of entrepreneurs determined to build a world-class technology cluster in Waterloo region. These entrepreneurs built some of the largest companies in Canada, many of which continue to thrive. However, while companies like BlackBerry and OpenText continued to grow throughout the 2000s, the dot-com crash meant that few new companies were created, and very little capital or talent was available to those that were.

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In 2009, Communitech entered into a public-private partnership with the provincial, federal and municipal governments, the private sector and local innovation partners, determined to rebuild the start-up ecosystem. Since that time, we have supported more than 3,000 companies, helping them to attract \$1.7 billion in investment and create 16,000 new jobs. This has helped Waterloo region create the second-highest density of start-ups in the world and attracted companies like Shopify, Google, Square, NetSuite and others to the community.

However, the true value of the investment will only be realized over the next couple of years. Building a strong start-up ecosystem is about creating economic growth and jobs, and the biggest impact comes from the scaling companies that grow out of the large number of start-ups. Right now, Waterloo region has the largest cohort of scaling companies that we’ve ever seen. We are working with more than 50 scaling companies, with more than 60 high-potential companies ready to get on the growth curve.

These companies, like North, Vidyard, Axonify, Dejero and ApplyBoard, each employ somewhere between 50 and 500 employees, and they are all growing exponentially, and collectively will need to hire thousands of new employees over the next couple of years. This success of Communitech partnership has also attracted the attention of corporate Canada, and Communitech is working with companies ranging from TD Bank to Manulife to Thomson Reuters to

the Royal Canadian Air Force to help them innovate and grow in Ontario.

This growth is important not just for Waterloo region but for the province as a whole. The recent fall economic statement noted that 93% of jobs created in the province since 2003 have been created in the GTA, but we now have the opportunity to grow a new generation of companies in Waterloo region that will create high-paying jobs for years to come.

This opportunity isn’t coincidental; it is because of conscious decisions and investments in infrastructure to support economic growth. To take full advantage of this opportunity, we will need to continue to invest in the infrastructure that has helped to get us here, as well as make new investments to help companies attract the employees they need to grow.

Provincial investments have helped build strong start-up ecosystems in Toronto, Ottawa and Waterloo region, which will see huge economic returns over the next five years. They have also helped provide specialized support in areas like Sudbury in mining and Niagara in gaming, and encouraged entrepreneurship across the province.

With that said, not every innovation program launched by the province has been a success, and the programs that do exist are often a bewildering array of acronyms, particularly to the entrepreneurs they’re intended to support. We also understand that there is a need to improve the fiscal situation in the province, which we support, and every investment needs to return significant value. This is why we support a review of the provincial business support programs and believe that there are areas of potential savings, particularly in centralized and duplicative programs.

However, it is important to understand that provincial investments in organizations like Communitech, the Accelerator Centre and Velocity have been a key driver in making this region one of the best places in the world to start and grow a great technology company. It has led directly to economic growth and thousands of jobs. Continuing that support will ensure that scaling companies get the support they need to grow even faster and that we will produce the next generation of start-ups to continue this growth into the future.

For our scaling companies, the key issue they are facing centres around talent. The Information and Communications Technology Council of Canada estimates that there will be a shortage of about 200,000 tech workers in Canada by 2021, and here in Waterloo region we know that there are at least 2,000 unfilled jobs.

The engine that drives the tech sector in the region is the University of Waterloo. Their computer science, engineering and math programs consistently produce the most talented graduates in the world, and their creator-owned IP policies and entrepreneurship programs encourage students to build great companies right here in Ontario. However, Ontario needs to produce more students of this calibre, and we encourage the province to look at the success of the co-op model used at both UW and Laurier and to expand it more broadly across the province.

Investments in transformative technologies like quantum computing and artificial intelligence are also important to develop the specialized skills that are needed to drive the economy of the future. Work by the Institute for Quantum Computing, Quantum Valley and Perimeter has put Ontario at the forefront of quantum computing, and we need to continue to develop and attract world-class talent. For our part, Communtech has taken on a number of activities to address the skills shortage, including campus programs, job fairs, “work in tech” etc.

However, the biggest single obstacle in attracting and retaining the talent we need to grow our economy is the lack of viable transit between Waterloo region and Toronto. This is the single issue I hear most often from companies who struggle to attract the talent and capital necessary to grow their businesses in the region and regularly waste valuable time on the 401. The Toronto-Waterloo corridor has the potential to create huge economic growth for the province. McKinsey estimates that turning the corridor into a global technology cluster would result in an increase of \$17 billion in GDP and the creation of over 170,000 new jobs.

The Acting Chair (Mr. Stan Cho): One minute.

Mr. Iain Klugman: We know that scaling companies alone plan to hire many people, as do larger companies like Google and Shopify. While we’re glad that the government has committed to all-day, two-way GO, the challenge remains that this may not be coming fast enough. Anything that can be done to speed up the process or to implement alternatives would make a huge difference.

We like to think of the Communtech and Ontario government partnership as a grand experiment that has worked. We’ve built a unique public-private partnership innovation model that has attracted billions of dollars in jobs and investment and created thousands of new jobs. We look forward to continuing this partnership and working further to grow Ontario’s economy.

The Acting Chair (Mr. Stan Cho): Thank you for your presentation. We’ll begin with four minutes of questions from the government side. Ms. Skelly.

Ms. Donna Skelly: Thank you for your presentation. I’m going to get right into it. I believe that we had an opportunity to speak this past fall when I toured a number of the facilities in Kitchener-Waterloo with the Minister of Economic Development and Trade as the parliamentary assistant on that file. Without a doubt, the number one issue that is raised at hearings and by any person I speak to in the private sector is the lack of skilled trades, the inability to find people to fill the jobs—and these are good-paying jobs.

You mentioned all-day GO as one of the, perhaps, most important issues in addressing this problem in the province right now. Is the LRT not fulfilling that void?

Mr. Iain Klugman: The LRT is going to help us build the kind of community that we want. It will increase urban intensification. It will create the kind of cool city that is going to attract and retain talent. The train in and out of Toronto, especially out of Toronto and into Waterloo region in the morning, is what will fuel the continued growth of the companies.

It’s the combination of these things. We need to be competitive globally to attract the best talent to come here and to stay here, and we also need an opportunity to be able to tap into the commuting traffic that potentially could come out of the GTA to fuel the growth of the companies. It’s a combination of both.

Ms. Donna Skelly: The University of Waterloo was raised as creating and providing a huge number of potential future employees for all of the tech companies in this region, but there was also a concern about a brain drain heading down to Silicon Valley. Can you speak to that?

Mr. Iain Klugman: We have the fortune of having produced this university that produces the best undergraduates in the world in areas such as computer science, math and engineering. There’s huge competition for them. I think there are a couple of things, one of which is that we need to make sure that we are truly competitive for them, and that means building the kinds of companies and creating the kind of community where they are going to want to stay. I think the second thing is that there’s a really strong need for us to think about how we grow our economy outside of the GTA. The GTA is a very important piece of our economy, but I think we have over-relied on it in the last couple of decades. The big opportunity that we see is, if we can capture the full potential of cities in the Waterloo region, we can build the economy, in addition to what the GTA has shouldered in the last 10 years.

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

Mr. Mike Harris: I was hoping you just would be able to touch a little bit more on that global competitiveness aspect. Obviously, areas like Silicon Valley, New York, the greater San Francisco area, Israel—there are a lot of new companies and pre-existing companies that are setting up shop there.

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

Mr. Mike Harris: In your estimation, what do you think the government could do to help streamline some processes here in Ontario to attract more of that investment here?

Mr. Iain Klugman: I think that the attention that your government has taken toward the notion of competitiveness is very welcome by us and the companies. I think it really is about global competitiveness. That comes down to things like availability of talent, competitive taxation structures, and regulatory frameworks. That’s how you compete in the world. For companies, that’s what they look at to decide where they’re going to come and invest or where they’re going to set up their company and invest. I think those are the key drivers. It’s really making sure that we’re competitive in all three of those areas.

Mr. Mike Harris: Excellent.

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The Chair (Mr. Stephen Crawford): Okay. Thank you very much. We’re now going to move to the opposition side: Ms. Fife.

Ms. Catherine Fife: Thank you, Iain and Chris, for being here. It’s interesting that you do support—and I think it’s an important thing to come to committee and say that you would like the government to do a review of the provincial business support programs. The Liberals were

really in the business of picking winners and losers. They had the Rural Economic Development Fund and the South-western Ontario Development Fund, and quite honestly, they weren't that good at it.

Communitech has proven that you are good at helping companies scale up in a very reliable and solid way. If your provincial funding is not honoured on a go-forward basis, can you please give us some sense as to what that impact would be for Waterloo region and, indeed, the province?

Mr. Iain Klugman: The model of Communitech is a public-private partnership, and the provincial money is foundational to who we are. It was that on which we built and were able to bring the federal and the incredible support from the private sector to the table.

It would be a fundamental change to who we are as an organization and would significantly impact the kinds of services and programs and the number of companies that we would be able to support and house within our facilities; there's no doubt.

The first visit we had from Minister Bethlenfalvy, where he said, "You need to make a strong business case"—we believe that we have that strong business case. We've got a track record of 10 years of success that places us as one of the top performing organizations of our kind in North America.

We've also heard support and optimism from a lot of people within government, and we've got tremendous support from the region, from our local MPPs as well. So I remain optimistic that we're going to be able to continue this great partnership.

Ms. Catherine Fife: You do make the point in your presentation that the province has been investing, and over the next five years, the return on that investment will be huge. So it's important to continue the path that we're on right now.

I want to tell you that I was visiting a company at Communitech this week called Curiato. Not only are they going to grow their full-time equivalent workforce, but they will also save health care money, potentially \$1.4 billion, once their product reaches the market. There are qualitative benefits to Communitech, and there are quantitative.

I'll send it over to my colleague Laura Mae.

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

Ms. Laura Mae Lindo: Hi, there. Thank you both for being here. I also want to stay sort of along the same lines with the importance of investing in Communitech because of the broader work that you're bringing. But I just wanted you to speak a little bit more about the partnerships that you have with the universities and colleges, because I know that that's one of the ways that those students are getting on-the-ground experience, that they're able to create jobs and get that job experience, but also to see Waterloo region—

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

Ms. Laura Mae Lindo: —as a place where they can stay, so if you could speak to that.

Mr. Iain Klugman: You bet. I think it is the partnership that we have with the universities and colleges that does make us successful as a community. Because we've

got these additional assets and infrastructure in the form of organizations like Communitech, we make a much more compelling offer for students as they're deciding where to go. You can go to universities elsewhere, but by coming here to the universities, you have an opportunity of actually being in a living, working ecosystem where real business challenges and real technologies are being built.

I think the other thing that's so important about the relationship we have with the universities and the colleges is that we're supporting these often young adults who are building solutions and products that are going to fundamentally change the world. We've got people who are building medical devices, implantable kidneys, and tools for people and organizations dealing with mental health and Alzheimer's. One of the things we're seeing that I think has always been the case in this region is that people in this community want to solve the world's most difficult and most important problems with technology.

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

Mr. Iain Klugman: Thank you.

CONNECT THE CORRIDOR COALITION

The Chair (Mr. Stephen Crawford): I call up our next presenter, the Connect the Corridor Coalition. Good morning, and welcome to the finance committee. If you could state your names for the record, and you can get right into your presentation of up to seven minutes.

Ms. Jan De Silva: I'm Jan De Silva, president and CEO of Toronto Region Board of Trade.

Mr. Ian McLean: And I'm Ian McLean, president and CEO of the Greater Kitchener Waterloo Chamber of Commerce, and I chair the Connect the Corridor Coalition.

Good morning, and thank you to the committee for the opportunity to speak before you today. I do chair the Connect the Corridor Coalition, which is a regional transit advocacy organization whose top priority is establishing fast, frequent, two-way, all-day rail service along the Toronto-Waterloo innovation corridor.

Just to reinforce what you heard from Communitech and others, this is the number one ask from all of our organizations: business, post-secondary and municipalities, but in particular, from the broad cross-section of the business community here in the region of Waterloo and right through to Toronto.

I am joined by my colleague and coalition member Jan De Silva from the Toronto Region Board of Trade. She'll be talking in just a few minutes. We've been working together for three and a half to four years on a variety of issues, none more important than this.

Connect the Corridor does represent businesses, universities, employers and municipalities that do drive Canada's innovation economy forward. Those organizations—just to give you a flavour and then we'll pass this information to you—includes chambers of commerce from Guelph, Cambridge, Kitchener, Brampton and Toronto; tech companies like Shopify, North, Google and Desire2Learn; the insur-

ance companies Manulife and Sun Life; professional services like Gowling, GHD, Challenger Motor Freight, Home Hardware, Cowan, and the Grand Valley Construction Association; and Conestoga Meats, which is a large manufacturer. So it is broad and it is right across the economy. Our members are the foundation of the Toronto-Waterloo innovation corridor, a top 20 global technology cluster that is home to 205,000 technology workers and is responsible for about 17% of Canada's GDP.

While our organization may only be a few months old, we are the culmination of almost seven years of hard work of stakeholders at both ends of the innovation corridor, people like my colleague Jan and the Toronto board of trade, who have fought tirelessly to bring this issue to the forefront, as it represents the single most important economic investment this government can make to improve our province's productivity, create jobs and grow the economy.

It also has the benefit of being a rare instance where people, commuters, the business community, universities, chambers—you name it—all agree on something. When was the last time that you could say that? We are all of a common view.

To be blunt, the Toronto-Waterloo innovation corridor is being held back from reaching its full potential due to years of delay from previous governments in making the necessary infrastructure investments to increase the productivity of this vital economic hub. The time has come to establish two-way, all-day GO service along the Toronto-Waterloo innovation corridor. Every day we delay in making this a reality is another dollar lost in lagging productivity, another job not created, and another Ontario-grown company that can't reach its full potential to become a world leader in the innovation economy.

That's why we're asking the government to establish in the budget a clear plan to do the following: establish Kitchener-to-Union-Station rail service every 30 minutes throughout the day with a 60-minute trip between Union Station and Waterloo. Service on this line would be with zero-carbon electrified trains and would make the line a vital link to Toronto Pearson Airport.

We also ask for proactive confirmation, including from Metrolinx, of the national importance of the Toronto-Waterloo innovation corridor and the crucial priority of improving frequent-rail service.

There are some stats here: McKinsey estimates a potential to deliver a \$50-billion increase in direct equity value, \$17.5 billion in direct annual GDP improvements, and more than 170,000 quality jobs by 2025.

Simply put, we believe there is no other investment this government can make that will have the same economic impact as two-way, all-day GO.

I think I'm going to turn it over, because I don't want to run out of time. I'll let Jan take over.

Ms. Jan De Silva: Okay. Why don't I start by saying why I am here and why Toronto cares? Ian and I started working together about three and a half years ago because, here's the thing: Our members are very much the same; we share many of the same companies. As far as they're

concerned, this is one economy, the Toronto-Waterloo corridor. So for them, it's absolutely critical that we provide opportunities for their workforce to get access to their jobs and that we get the inputs into manufacturing; 50% of the country's manufacturing happens in the corridor.

We've got numerous examples: Manulife, with Canadian operations here in KW and international headquarters in Toronto, bemoaning the fact that they can only plan one meeting a day in Toronto. It takes a whole day to get back and forth from Waterloo. We've got our manufacturing sector, which is really struggling to get inputs to production into their factories. We work very closely with Communtech and MaRS because a number of our businesses are investing in some of the start-up ecosystems in both these markets and need to navigate across.

Iain Klugman, in his last presentation, spoke about a really promising start-up that we're looking at: North. As they commercialize, they need to get into manufacturing. If we can't fix the gridlock on the 401—that is, the congestion from movement of people and movement of goods—then it really doesn't make any sense for them to set up manufacturing here in the corridor.

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We're lagging right now from a competitiveness perspective because of this inability to move our people to their jobs, to move the inputs that they're using in manufacturing to those jobs and to move people back and forth.

In Toronto, in May, we're hosting a huge global tech conference: 40,000 people will be coming in from around the world. It's not going to be easy to get them here to see all the magic that's happening in this part of the corridor. This is something we absolutely want to focus on fixing. That's why we've come together.

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

Ms. Jan De Silva: Let me turn things back to Ian, and then we can cover some more in Q&A.

Mr. Ian McLean: I think you see the solidarity right along Canada's innovation corridor. I won't belabour the point, but this is incredibly important for business and communities right across the corridor. It brings together transit and environmental improvements, and it gets talent to the jobs in the places where they need to be. It addresses gridlock. It promotes job creation and economic growth. There is no ask that can do more for, we think, the corridor region, and broadly for the province and the country, than making this investment. Our ask is pretty simple: a concrete plan with timelines and funding attached to it. There's no better place to start than budget 2019.

We're happy to answer any of your questions.

The Chair (Mr. Stephen Crawford): Okay, thank you very much. We're going to start questions from the opposition side. Ms. Fife.

Ms. Catherine Fife: Thank you for being here and for your advocacy on this important issue. I want to let you know that we fully support the work that you are doing and made a financial commitment in our last budget to make sure that timelines and the plan were very clear.

When the government made their last announcement with GO trains, they walked back their promise around the

freight bypass. I'm actually asking for your help in this meeting, because that freight bypass was 30 kilometres of relief line which would relieve the tension between the freight business of CN and commuters. Without that freight bypass, we won't see the electrification of the line. It's not a long-term sustainable plan. We don't know what the deal is with CN: how much it costs, how long it will last. This is a missed opportunity to actually invest in the infrastructure now, as you point out, for the 2019 budget, because we will create jobs, and those 35,000 people that commute into this region would have an option to actually come via train.

I guess my question to you is: Can you make it very clear to this government that that 30 kilometres of relief line is so key to two-way, all-day GO? Because without it, we won't see electrification and we certainly won't see a train from Toronto to KW in the morning, which we desperately need.

Mr. Ian McLean: Well, let me answer it this way: We are prepared to work as a coalition, as businesses, with municipalities, with the government, to do whatever it takes to make sure that we have all-day, two-way GO. It needs to start from both ends of the corridor. There are more people coming into the region of Waterloo than going into Toronto, and we can't get the talent to the places, to the jobs and to the job creators, with the way it stands right now. If you drove down here, you can't get to Waterloo or to Toronto in less than two hours. There is no reasonable way to commute other than rail service.

Our view is that we will work with the government, with bureaucrats, with everybody to make sure we have all-day, two-way GO. However that happens, whatever the technical parts that need to be implemented, we're prepared. We don't have all of the technical answers, but what we know is that we need a plan with concrete goals and timelines and budget attached to it. That's the bottom line. I don't think we can wait for another 18 months or two years to get to where that plan is.

Jan?

Ms. Jan De Silva: I would just agree.

The Chair (Mr. Stephen Crawford): I'll go to Mr. Arthur.

Mr. Ian Arthur: Thank you so much for your presentation. It was fascinating. I was struck by what you said about wanting to expand manufacturing. We hear so much about manufacturing jobs leaving. There are some types that do leave, but I think that there is an opportunity. Germany just made the first pair of Adidas shoes in Germany again, I think last year or something like that. What do you see for opportunities in manufacturing and making sure those jobs come back or are created in Ontario?

Ms. Jan De Silva: Well, Ian and I and the chambers throughout the corridor have a group called the corridor business council.

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

Ms. Jan De Silva: We were involved with the Advanced Manufacturing Supercluster proposal, and we're working very closely with businesses in that space. Here's the problem: The large international manufacturers, be it

automotive or others, that are in the corridor are bemoaning the fact that the competitiveness of their operations here in the corridor is reliant on the smallest part of the supply chain. The inability to get connectivity to get workers into those smaller factories, to get the technology in place and those things is putting a lot of pressure on those jobs to go elsewhere. So I think there's a lot, with the combination of some of the tech that's coming out of Communtech and other parts of the corridor.

We're looking at opportunities to deploy those with those smaller producers. But it's also fixing, particularly for automotive, where you've got parts coming across the border that are getting stuck in all of this traffic. That's a huge pain point for the cost and productivity of manufacturing here in the province.

Mr. Ian McLean: One point I would add is that the manufacturers that want to be in the corridor itself still rely on having high-skilled, high-paying jobs and people, and they're not all going to live right close to the plant. They're going to need to commute to get there. Again, it's a competitive investment that needs to be made so we can get people to where those jobs are, wherever they are along the corridor.

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

Ms. Catherine Fife: They didn't get their turn.

The Chair (Mr. Stephen Crawford): Oh, sorry—my apologies. Moving to the government side: Ms. Fee.

Mrs. Amy Fee: Thank you both for appearing here this morning. I really wanted to focus and bring it back to that piece. Just as many people are coming in—or more people, actually, are coming in to Waterloo region to work here every day than are heading into the GTA. I think that's a piece that we're trying to really advocate, as your government MPPs, in Toronto: that we have people coming into Waterloo region. Can you elaborate a little bit on the economic benefit that it would be to have trains coming into the region in the morning to bring people here?

Mr. Ian McLean: I'll quickly start, Amy. We hear this from our colleagues at Manulife and from the tech companies that there are dozens of buses that are busing staff into the region of Waterloo. It's inefficient. They still have to be on the 401. It takes a long time. The economic benefits—we'll leave some leave-behinds where there are stats in here. We know anecdotally that people can't get to where the jobs are, and so it's producing gridlock on the 401. The study that the Toronto Board of Trade did on the movement of goods and services: All of those things are all tied together. It's incredibly important to understand that talent, broadly, is one of the most important things for every business sector. That's what I hear about most. Getting people to where they need to be is the bottom line.

Ms. Jan De Silva: I think, without a doubt, that Communtech, the University of Waterloo and Laurier have been huge anchor points here, so you're seeing a lot of professional services firms that may have historically been situated in Toronto that are moving back and forth and have offices here.

We've also got a lot of connectivity happening with Ottawa. BlackBerry is here. We've got QNX up in Ottawa. It's how do you get folks connected back and forth between where things are happening.

As I said at the opening, we may think of ourselves as 11 municipalities. We simply live in municipalities; our businesses just view this as one economic zone, and it's how do we connect this efficiently, to make it work to the advantage of the province.

Mr. Ian McLean: The bottom line is that all-day, two-way GO starting in Toronto and coming here and vice-versa is table stakes if you want this to be the economic engine of the province of Ontario, and for the country, for that matter. It's not a nice-to-do; it's not "we'll get to it at some point." If you want to create jobs and create economic prosperity, it has to happen. There needs to be a plan now with money attached to it and effort at the bureaucratic and the cabinet levels, the local MPPs—right across the Legislature. It needs to happen. There needs to be a plan, and it needs to happen now.

Mrs. Amy Fee: Thank you.

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

Mr. Mike Harris: Thank you guys for being here today. Obviously we've spoken many times about this over the last few months—not just myself but MPP Fee and of course, MPP Karahalios from Cambridge as well.

Obviously this is something that we want to get done as quickly as possible. Our government and Metrolinx have been working really hard to repair some relationships with CN. Outside of that, what do you think can be done regulation-wise or by help from the government to help move this along faster?

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

Mr. Ian McLean: I guess, without getting right into the weeds, my view, quickly, would be that this just needs to be a priority. The Minister of Transportation needs to say, "We're going to make this happen." The cabinet needs to make it happen. The Legislature needs to say this is a priority. If you say that is a prime focus and put that in the budget with dollars attached to it, it will happen. There are ways to make it happen, but when you've got competing interests across the province, if you don't have focus, you won't get it done.

Jan?

Ms. Jan De Silva: I would say that you've got overwhelming support from business, from residents, from universities—you name it. I don't know where else you're going to get a stronger parade of endorsement, not just here in the corridor but throughout the province. It's needed and it's just such an easy home run.

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Mr. Ian McLean: It's table stakes. If you want to have this region, this corridor, this economic zone from Toronto to Waterloo, it's table stakes if you want this to drive the provincial economy in the next 10 or 20 years.

Mr. Mike Harris: That's great. Thank you, guys.

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

Ms. Jan De Silva: Thank you.

Mr. Ian McLean: Thank you.

EPILEPSY SOUTH CENTRAL ONTARIO

The Chair (Mr. Stephen Crawford): I'd like to call up our next witness: Epilepsy South Central Ontario. Good morning. Welcome to our finance committee. If you could just state your name for the record, you can get right into your presentation.

Ms. Cynthia Milburn: My name is Cynthia Milburn, CEO of Epilepsy South Central Ontario. Committee Chair and members of the committee, I'm here today on behalf of my colleagues across the province who have collaborated through Epilepsy Ontario. There are 14 epilepsy agencies in Ontario. My particular agency has offices in both Mississauga and here in Kitchener, covering about 25% of the province's population.

I'm here to speak about why epilepsy needs government funding in Ontario. Epilepsy is a neurological disease characterized by recurrent seizures and has no age, racial, geographic or socio-economic boundaries. Seizures are brief disruptions in normal brain activity that interfere with brain function and may cause alterations in behaviour, consciousness, movement, perception and/or sensation. However, most seizures are not medical emergencies.

People with epilepsy are 71% more likely to have a mental health disorder in their lifetime, and the unemployment rate for people with epilepsy is more than four times the national average.

Across Ontario, over 95,000 people live with epilepsy. It affects people of all ages for their whole life, impacting their life, education, transportation, family, employment and mental health in a way that no other disease does. Because it can be embarrassing, it is shrouded by stigma, and social isolation is a result.

Medication and other treatments effectively control seizures for only 70% of people living with epilepsy, meaning tens of thousands of people in the province do not have seizure control. Although frightening, most seizures for someone who has already been diagnosed with epilepsy are not medical emergencies and do not require a trip to the emergency room.

Despite this, every year Ontario emergency rooms have over 31,000 visits where the diagnosis is for epilepsy or seizures. Many are unnecessary visits, as these numbers exclude other, more serious epilepsy-related diagnoses that are medical emergencies, like status epilepticus, which is when a seizure won't stop.

Consider a few statistics about the ER:

Seventy-seven per cent arrived by ambulance, compared to only 16% of all other ER visits.

Seventy-three per cent had no diagnosis other than epilepsy during that visit. Only a small percentage had an injury or complicating diagnosis, such as diabetes or pregnancy, recorded.

Fifty-six per cent had no medical intervention, and 16% had a CT scan as their only intervention.

Less than 10% were recorded as being the first visit to the ER.

The average patient who visited an ER for epilepsy visited multiple times and stayed for an average of 6.7 hours.

Using data from the Canadian Institute for Health Information—CIHI—and the IntelliHealth database, the estimated health care system cost of those epilepsy and seizure emergency room visits by people who made at least one visit diagnosed as due to epilepsy was over \$10 million per year. These are costs that can be reduced. Many of these are unnecessary hospital visits, contributing to Ontario's hallway medicine crisis. It is a combination of fear on the part of people with epilepsy, and those around them, and the lack of epilepsy education that allows this problem to continue.

I have provided you with a one-page executive summary of the pre-budget submission. Epilepsy Ontario is proposing that the government fund an expansion of epilepsy patient education programs through Ontario's 14 community epilepsy agencies, covering important topics such as seizure first aid, including when, and when not, to go the ER. These registered charities already provide education and support programs to people living with epilepsy and their families, but do not receive core government funding for this work and do not have the resources to reach nearly as many people as could benefit from these programs.

An investment of \$11 million over four years, province-wide, will allow agencies to increase their education programs and bring programs to those parts of Ontario without local agencies. The health care system would save an estimated \$2 million to \$4 million beyond the cost of the program by the end of the fourth year, through reduced emergency room usage alone. Savings would continue to grow to between \$8 million to \$10 million in year 5 and beyond.

The education program would reach over 30,000 people with epilepsy over four years. While we don't assume that every person taking part in the program would never go the ER again, even a modest 50% reduction in the ER visit rate of people in the program would eliminate 22,000 unnecessary ER visits, freeing up space and resources in Ontario's over-burdened hospitals. With an additional investment of \$1 million per year, these agencies would also be able to provide longer-term support to help address the many challenges in mental health, employment and education faced by people living with epilepsy.

I want to draw your attention to the flow chart I also provided, which was a result of the clinical guidelines for the management of epilepsy in Ontario developed by the Epilepsy Implementation Task Force, with the support of Critical Care Services Ontario. The point I'd like to make here is that this entire program was funded except for the referral-to-community-agency piece, which you can see is in there twice in the light purple box—deemed to be important enough in the critical path, but not important enough to be funded.

The management of epilepsy in the community is a vital component. Individuals and families living with epilepsy

require access to coordinated care and integrated supports to effectively manage this chronic disease.

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

Ms. Cynthia Milburn: Community-based programs need to be an integral component of the model of care for Ontarians living with epilepsy

Our budget ask is to hire staff to implement the epilepsy educator role across the province. Therefore, the patients newly diagnosed have a direct resource and support system once they leave the neurologist's office. All of the funds will be used to create front-line jobs. It's a win-win. Health saves money while this program creates more jobs that will further save money. Thank you.

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

Mrs. Amy Fee: First off, thank you for taking the time to come here this morning and to put together this package for us. I'm just wondering if you could walk us through a little bit more on the ask. I'm wondering where the research piece came from, and have you seen it done in other provinces, the education piece to support people, and if they've seen the reductions as well in the health care system with people access the ER.

Ms. Cynthia Milburn: Part of the research came from my colleagues in London, Epilepsy Southwestern Ontario. They conducted a clinic-to-community study through an Ontario Trillium grant. They have determined that once people have this community connection, after they have a diagnosis and a prescription and they walk out the door having to live their new normal—through their studies they found that less people go back to the ER. People go to the ER because they're afraid. They don't know how to handle it. They don't have that support.

Other diseases: If you go to the hospital, you get your referral to this clinic, that clinic, your support clinic. There's nothing for epilepsy. It's us. We're all grassroots organizations that deserve to be funded because we are providing a source of service that otherwise would be deferred to government.

Mrs. Amy Fee: Thank you. My daughter has had seizures as well in the past. Thankfully, she has outgrown them, but I can certainly relate to that fear piece, not knowing what's going on. It's your loved one, and the first reaction is, "I need help from someone who is experienced." So I understand where that part is coming from.

I've also had a couple of families that have come into my constituency office to talk to me about resources that are available in the community and the fear of not having a family doctor who understands what they're going through. I'm wondering if that is something you are also hearing, that we need that education piece for the medical side as well.

Ms. Cynthia Milburn: Yes. It is actually literally right from the clinic to the community. The doctors refer directly to the community agencies. The doctor doesn't have an hour and a half or two hours to spend with these patients to do this education piece, so they are referring directly to us, and we take over from there. The study done in London

proved that that created a much stronger community support system for those families.

Mrs. Amy Fee: Thank you.

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

Mr. Stan Cho: Just a quick question: I'm curious to know if you have a challenge finding qualified health care workers in your field.

Ms. Cynthia Milburn: We would be employing community educators. Is that what you're referring to?

1100

Mr. Stan Cho: Yes. Do you have a challenge attracting—

Ms. Cynthia Milburn: No. We would be looking at people who have a public health background or a social work background, so they can provide multiple—

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

Mr. Stan Cho: Okay. Thank you.

The Chair (Mr. Stephen Crawford): Any further questions? No? Okay. We'll go to the opposition side. Ms. Lindo.

Ms. Laura Mae Lindo: Thank you so much for being here. I remember meeting with the organization at Queen's Park. One of the pieces that stuck out to me then, and that was again reiterated here was the prevention piece—from adding to the crisis of hallway medicine, which we know we're experiencing here. I feel very strongly that a lot of what you're asking for, the community resourcing being a priority for the budget, speaks to what's happening with your organization around epilepsy, but it's also a broader concern that we're hearing from community organizations who are stepping in to fill gaps that they see, like sending people to hospital when they don't have to be there. Could you speak a little bit more about the way in which funding to your organization and to community organizations that do that educational piece can help to address the hallway medicine crisis that we're in?

Ms. Cynthia Milburn: When people go to the ER because they're seeing someone having a seizure—as MPP Fee said, it's terrifying to see someone having a seizure, especially your child. They just call 911 because that's a person that is going to come and support them. They're doing that out of fear. When they know that they can call our agency—we have a summer camp; kids have seizures all day at camp, and we tell the parents at 4 o'clock, "Oh, by the way, the seizure happened." Nobody calls 911. Everyone stays calm. That's the support system that we create for all of our families so they don't resort to calling 911 just because they're afraid. They just want comfort. They want support.

Ms. Laura Mae Lindo: Fantastic. I just wanted to reiterate the importance of the community organizations. I do find that in Waterloo region we have a number of organizations like this that do the work on the ground, that understand how that crisis is being created. Again, the funding: Could you speak a little bit more around the importance of the education piece at home, for instance the family getting a sense of when they have to call emergency or 911 and when they don't? We can talk a little bit about that prevention piece.

Ms. Cynthia Milburn: Well, all of our families need education, because as I said, the doctor sees them for 15 minutes. That's their allocated time. They don't have time to go into it in-depth with them, and they don't have time to field calls all day long. So when families understand that they have a community agency that understands their condition, that can actually navigate them through the system a little bit—we refer people to the ketogenic diet for epilepsy, we refer them to stress management, we teach them that being compliant with their drugs is so important because you can die from epilepsy, and we teach them the vital facts and myths that they need to know.

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

Ms. Laura Mae Lindo: The fact that the community epilepsy agency on the flowchart is the only portion of this important flowchart that hasn't been funded or isn't being funded—it's an indication, then, that the doctors, the medical professionals etc. see this as a vital part of health care for folks with epilepsy.

Ms. Cynthia Milburn: They absolutely see it as vital care. I have many doctors referring to us at this point as well. Yes, definitely, it was seen as a vital part. It was the previous government—everything else is "health" and we're "community," and they cut us from the chart. It doesn't make any sense.

Ms. Laura Mae Lindo: Thank you so much. I think it's important that we recognize the need to fund what the professionals and such are saying needs to be funded, so that we can keep people safe. Thank you.

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

PROGRESSIVE CONTRACTORS ASSOCIATION OF CANADA

The Chair (Mr. Stephen Crawford): We're going to call on our witness. It's the Progressive Contractors Association of Canada. Welcome to the finance committee. If you could please state your names for the record. You will have up to seven minutes, and I'll give you a one-minute warning when your time has almost run out.

Mr. Sean Reid: Thank you, Chair. Good morning. Thank you for the opportunity to provide our input on the 2019 provincial budget. I'm Sean Reid, vice-president and regional director, Ontario, for the Progressive Contractors Association of Canada.

I'm joined by David Timlock, who is a member of PCA'S board of directors and also is the president of Collaborative Structures, which is a Cambridge-based construction contractor.

PCA member companies employ thousands of skilled workers across Ontario represented by the CLAC labour union. Our membership is comprised of small, medium and large general contractors and subcontractors involved in various types of construction, including water and waste water facilities, roads, bridges, schools and long-term-care facilities.

First, I want to express a big thank-you to the Ontario government. We are proud supporters of Bill 47 and Bill 66.

Our organization has waited a long time for bold action that levels the playing field for Ontario employers and workers, strengthens our economy and prepares the next generation of skilled workers, and these bills deliver on that promise. We especially applaud the government for wasting no time in moving to close a costly legislative loophole pertaining to the tendering of public infrastructure projects in Ontario. The action this government has taken in Bill 66 to ensure open tendering of all public infrastructure projects will restore fairness for companies, workers and taxpayers.

Dave Timlock would like to take a moment now to focus on why the fair-and-open-tendering portion of Bill 66 is so important, and then we will come back and speak to our recommendations for the pre-budget hearing.

Mr. David Timlock: For many years, our organization has been a strong and vocal advocate for fair and open construction tendering for all Ontario municipalities. This allows all qualified workers and businesses to compete for work on public construction projects, based on merit, rather than union affiliation. After years of being ignored by previous provincial governments, we'd like to thank the Ford government for listening to Ontario construction employers and workers and moving quickly to make fairness and value for taxpayer dollars a priority.

Stakeholders from this region and across the province have lined up in support of fair and open tendering, including, locally, the region of Waterloo, the Greater KW and Cambridge chambers of commerce, the Conestoga Heavy Construction Association and the union that we're signed to, which is CLAC. Provincially, this bill has enjoyed strong support from the Ontario Chamber of Commerce, the Ontario Sewer and Watermain Construction Association, AMO and the city of Sault Ste. Marie, to name a few.

This Labour Relations Act amendment will allow all municipalities to openly tender construction work. Research shows that increasing competition could save taxpayers anywhere from 20% to 30% on municipal construction work. This amounts to more than \$600 million annually, according to Cardus, the Hamilton-based think tank. Ending the costly reign of construction labour monopolies can't happen soon enough. We urge the Ontario government to move swiftly to pass Bill 66 and proclaim fair and open construction tendering into law to save taxpayer dollars and restore fairness to companies and workers.

I'd also like to take this time to commend your government on the passage of Bill 47, the Making Ontario Open for Business Act. By reducing apprenticeship ratios—and the ratio that means the most to us, which is for carpenters, has been reduced from four-to-one to one-to-one—halting the expansion of the compulsory trade certification and winding down the Ontario College of Trades, Bill 47 is, without question, the best thing that could happen to Ontario's skilled trades system. Thank you for listening and for implementing the kinds of changes that will allow more employers to train the next generation of skilled workers.

Sean will now provide further recommendations related to the modernizing of skilled training systems, as well as labour relations reforms.

Mr. Sean Reid: Thanks, Dave. As the government takes the next steps in bridging the skills gap in our province, PCA recommends that it consider the following broad concepts: First, the government should recalibrate its approach to promoting the skilled trades. In particular, we recommend that existing promotion resources should be turned into a fund for industry participants to lead the promotion mandate. Skills Ontario is one organization among several that could be enlisted to play a bigger role in this regard, and it's one that PCA enjoys a long-time relationship with.

Secondly, we encourage the government to focus more support and incentives for both employers and employees on increasing apprenticeship registrations and completions. For example, we recommend creating a targeted grant to support apprentices in their preparations to challenge the certification exam. Such a grant may provide the small but critical boost an apprentice needs to get over that final hurdle in their training and obtain her or his certificate of qualification.

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Thirdly, we encourage the government to enable the dramatic expansion of skilled trades training, access and availability. While reasonable regulation to ensure safety and quality of training should be maintained, we recommend that the government undertake a comprehensive review to ensure that no agency or association is prohibited from full participation in Ontario's apprenticeship and skills training delivery system for any reason other than expertise and capacity to deliver that training. The current system allows for too many local and sectoral monopolies on training, particularly in the construction trades.

We also want to propose two further recommendations pertaining to labour relations law that would benefit the construction industry and its workers, and promote choice, competition and fairness.

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

Mr. Sean Reid: First we recommend creating a mechanism whereby unutilized union bargaining rights with a construction contractor be allowed to expire. Under such legislation, collective bargaining rights would expire if a construction contractor does not employ a member of a particular trade union for a defined period of time—for example, three years.

We secondly recommend permitting employers to own and operate multiple construction companies with different union or non-union obligations. This legal framework is commonplace in many jurisdictions across Canada. It enhances worker choice, facilitates increased market competition and consolidation, and ultimately increases construction efficiency and productivity. All this adds up to a more attractive private investment climate and significant infrastructure cost savings for the taxpayer.

We appreciate this opportunity to provide our recommendations and look forward to any questions you might have.

The Chair (Mr. Stephen Crawford): Okay, thank you very much. We're going to start with questions from the opposition side. Ms. Fife?

Ms. Catherine Fife: Thank you, Tim and Sean, for being here today. We have no questions for you. Your presentation has been very clear. Thank you.

The Chair (Mr. Stephen Crawford): Okay. We'll go to the government side for questions—

Mrs. Amy Fee: I want to thank you both for being here—

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

Mrs. Amy Fee: Sorry. You were looking at me and I just thought, "Okay. It's my turn to speak."

I just wanted to thank you both for being here this morning. One of my biggest things, on top of the open tendering, that has been a frustration for me and that has kind of helped lead me to where I am today is the stigma around trades. One of the things that we certainly saw on social media earlier this month was that tweet that came out from Mike Holmes about, I believe it was, his son, who had overheard a conversation where somebody pointed to, I think it was, an electrician, telling their son, "This is why you have to go to school or something, so you don't end up like him." We need to break that stigma. We need to get our youth and our teenagers understanding what it is like and the great jobs that they can have working in our skilled trades. I'm wondering if you have any ideas that you could share with the group this morning around that.

Mr. Sean Reid: Why don't I say a few words, and then, Dave, if you want to add a little bit?

This speaks to our recommendation around promotion of the trades. We have an enormous skills shortage in this industry. Unfortunately, up to this point—over the last generation, really—all of the endeavours we have attempted to utilize to expand our workforce have really focused on the same small pool of workers. Essentially, we keep trying to reach out to "construction people." If we're going to address the skills shortage, we need to think more boldly than that—and, frankly, introspectively—in a way that will draw underrepresented communities and non-construction people into the trades. In every other industry, you compete for work; we need, as an industry, to look inward and make those same changes.

Our suggestion, our recommendation, the essence of it, is that the government could assist this industry in a leadership role, in bringing the industry together to have a hard conversation about what it is that we're doing right and what it is that we're doing wrong in terms of bringing in more representative groups into this industry. A huge part of that is getting past the stigmas that exist in our industry.

Mrs. Amy Fee: Thank you.

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

Mr. Mike Harris: It's great to see you guys here today. I know we've had a chance to have many conversations in the past, especially regarding fair and open tendering here in the region of Waterloo. I was hoping we could maybe have a quick chat and elaborate a little bit on how that will affect your company and some of your organization's companies going forward.

Mr. David Timlock: I must say that we were very pleased with the direction that the government is taking. Last year on December 17 there was a pre-qualification

that went out for the region of Waterloo for a \$90-million bus terminal. They received four qualified bidders.

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

Mr. David Timlock: They ended up stalling it out because of the new government coming in, so they were out again. This gives us an opportunity to go after this \$90-million project as a qualified bidder.

Mr. Mike Harris: What would that mean to your company?

Mr. David Timlock: It would mean a huge ability to do significant projects within our community. Most of the time, we're having to go outside of our community to do some of these kinds of things. Now we can work within our own community.

Just further on the other topic, we've found that we've been able to get—the stigma for labour has not been impacting us as much. We've had these aggressive, young kids who want to become tradesmen joining our firm, but because of the high ratios, we weren't able to spend time with these people and actually put them into the apprenticeships they wanted to be in. Now, with the relaxing of the ratios, those same individuals can be trained, and we'll have a much better opportunity to train our own rather than looking to immigration to supply our needs.

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

WOMEN'S CRISIS SERVICES OF WATERLOO REGION

The Chair (Mr. Stephen Crawford): I'd like to call up our next presenter, Women's Crisis Services. Good morning and welcome to the finance committee. If you could just state your name for the record, and you can get right into your presentation.

Ms. Jennifer Hutton: Jennifer Hutton, CEO, Women's Crisis Services of Waterloo Region.

Hi, everyone. I want to start by saying thank you for having me here today. The reason I am here is because, every other day, a woman or a girl is killed in Canada, not by a stranger or an acquaintance, but by someone very close to her—an intimate partner or family member. I am here because domestic violence is a real, serious problem we face not only in Canada but right here in Waterloo region. Every hour and a half, Waterloo Regional Police receive a domestic violence service call. Yet we know this is only the tip of the iceberg. Seventy per cent of women are not even calling the police.

At Women's Crisis Services, we have two shelters: Anselma House and Haven House. Between the two shelters, we have 90 beds for families who have no other safe place to stay. We are almost at capacity every single night, including tonight. Half of our residents are children. Our job is to provide safe shelter and support services to women and children experiencing domestic violence. We're the only agency in the region that provides this type of shelter service.

To help you visualize what I'm talking about, I want to tell you the story of a woman who stayed with us. A few weeks ago, I received a handwritten note in my mailbox at

work. It was from a past shelter resident. I'm going to call her "Helen." She wanted me to know her story.

When Helen came into our shelter, she wasn't alone. She was with her daughter and her two-year-old granddaughter. She contacted us because the abuse from her spouse was rapidly escalating. He was yelling at her, screaming at her and threatening her. She was becoming very, very scared not just for her own safety but for the safety of her daughter and her granddaughter. She ended up calling us and spoke with a staff member. They helped her to develop a safety plan so that she and the girls could escape safely. They had nowhere to go, so we arranged for her and her family to come to our Anselma House shelter. We have two shelters full of people just like Helen and her family—people who are in the same situation, are very afraid and are looking for help.

I am here today because I want you to consider the cost of abuse. It's not only the people who experience the abuse who suffer; it's also those children who witness it. When children experience trauma, it affects their developing brain. Trauma has a major effect on the emotional, behavioural, social and physical welfare of children. These children are much more vulnerable later in life to depression, anxiety, mood disorders and high-risk behavior like drug abuse. In fact, these children are twice as likely to develop psychiatric disorders. They also have a greater risk for poor health outcomes, such as type 2 diabetes.

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Knowing this, it's not surprising that the significant economic cost of abuse, whether it's costs for health care, emergency services or legal services, all adds up. The total cost of abuse in Canada is approximately \$7.2 billion each year, whether that's the intangible cost, the tangible cost, lost time, lost opportunities, loss of productivity, not to mention the ultimate cost, which is loss of life.

One of our biggest challenges as an organization is breaking the intergenerational cycle of abuse. We've been around for 40 years now, and we're seeing third generations in our shelters. This is because children who witness domestic violence are twice as likely to abuse their own partners and their children. We need to put an end to this.

At Women's Crisis Services, we support more than 1,000 people each year who are experiencing domestic violence. Although we're making progress, there is so much more we need to do. In November, when the Ontario government announced it would be allocating more funds to stop violence against women and support survivors, we were so happy with this news—to hear that it was a priority for this government. We are confident that with more support, we will be able to make a greater impact in our community.

As I mentioned earlier, we have 45 beds at each shelter. We currently receive government funding to cover the cost of 28 beds at Anselma House and 30 beds at Haven House. That means that we have to come up with the money through fundraising just to keep the remaining 32 beds open. This is quite expensive, so we don't have a lot of remaining funds to put toward such things as prevention and education.

Today I'm asking you to fund an additional four beds, for a total of 31 beds at each shelter, meaning an increase of about 4.8% to our base funding. To keep one bed open for a year costs about \$35,000. Covering the cost of four more beds would lighten the burden on us significantly. In terms of a cost-benefit analysis, there is evidence to show that there is a significant social benefit. The cost of funding these beds really isn't much when you think about the future cost savings.

If you cover the cost of four more shelter beds, we would be able to put more of our fundraising dollars towards prevention. If we don't do this, we will never break the intergenerational cycle of abuse. Our plan would be to purchase an education program and begin rolling it out in Waterloo region. If we can reach more youth and teach them about domestic violence, we believe we can prevent more children from becoming abusive when they grow up.

There is research to support that prevention works. One study concluded that high-school violence prevention programs are highly effective. Students actually experienced long-term benefits such as better dating relationships, the ability to recognize and leave an unhealthy relationship, and increased self-confidence, assertiveness and leadership.

With your support, we can help more families like Helen's. The letter she put in my mailbox wasn't just to share her story; it was to say thank you. She was so grateful that we had helped her family escape abuse and restart their lives. She said she had noticed a huge amount of progress in her granddaughter since staying with us. She's happier and she's much more social, like all kids should be.

Stories like Helen's demonstrate why the work we do is so important and why we need to continue working in this way, so that in the future, families like Helen's don't even have to go through this.

The Chair (Mr. Stephen Crawford): Thank you, Ms. Hutton. We appreciate your presentation. We're going to start with questions from the government side. Ms. Fee.

Mrs. Amy Fee: Thank you, Jennifer, for being here this morning. I know how hard it has to be to do your work and the emotions that have to go through every day for you and what you see and what you do to support these women. I want to thank you personally for all of the work that you do.

Ms. Jennifer Hutton: Thank you.

Mrs. Amy Fee: I'm also the parliamentary assistant to Minister MacLeod, who is responsible for children, community and social services as well as women's issues. One of the things that she wants us to be doing is looking at that more multi-ministerial approach, so looking at working with the health ministry and working with education. I was wondering if you could elaborate a little bit—you were talking about the different education pieces you could do—about how, maybe, government could assist you in working with the mental health services and in working with our education partners, maybe in the school boards across the region, to try and bring this education piece that you were so hoping to do.

Ms. Jennifer Hutton: Yes, that would be amazing for us. There are so many components to the work that we do. I always say that it's one of the most complex types of

social work, as the women and the children we are meeting with have physical issues, have mental health issues and have addiction issues. It's very, very complicated. Having that type of approach would make a lot of sense.

In terms of education, there are other shelters that have been able to roll out education programs following the Ontario curriculum. These are available for purchase. Some of these organizations have actually been able to set it up so that they had great relationships with the school board, and then the school board in turn purchased that service, so then the cost significantly decreased for them and we were actually bringing money into the organization. That would be the hope as well.

Mrs. Amy Fee: Thank you.

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

Mr. Doug Downey: My mom was one of the founders of the York Region Abuse Program and was a family and crisis counsellor. So I have a decent sense of the angel's work that you do.

My question—I want to take a step further, the multi-agency. Is there any connectivity, or could there be any connectivity if there isn't, with the children's advocacy centre in Kitchener? Is that something that has developed yet?

Ms. Jennifer Hutton: We have a number of different partners that we're working with. We are a part of the Family Violence Project, so we're in-house at Carizon and we have a worker there for half days. We have an understanding with the police that when they go out and lay charges, they are making a referral to us, and then we are meeting with the woman to complete a safety plan as well as to offer additional services. We know that the window of opportunity—that timing—is so important. Police are giving those referrals to us rather quickly and actually able to walk them down the hall—

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

Ms. Jennifer Hutton: We have a protocol to call them within certain time periods. It's 24 hours; try again at 48 hours etc.

Mr. Doug Downey: Because we don't have a lot of time, if there are any barriers in that communication window that are happening because of something that the provincial government is doing, we'd be interested in hearing about them.

Ms. Jennifer Hutton: Okay.

The Chair (Mr. Stephen Crawford): Thank you very much. We'll go to the opposition side. Ms. Lindo.

Ms. Laura Mae Lindo: Thank you so much for the work that you do in the community. I recognize you as one of the leading experts in this work.

I have had a lot of people, and I feel confident saying that MPP Fife has also had a lot of people, discuss concerns with us when we were told that the expert panel on violence against women was being disbanded. We are unsure as to whether or not the promise from the previous Liberal government to increase funding is going to be maintained, but we're also being told that currently, in this government, these are the fiercest advocates for violence against women. I would like to say that you folks on the ground are the fiercest advocates, and as such, my question

is if you could speak a little bit more about the importance of doing the preventive piece and the educational piece, not just finding ways to cobble together the funding to make it happen, but having a provincial government that actually invests in the safety of women. If you could speak to that, it would be greatly appreciated.

Ms. Jennifer Hutton: Yes, that would be huge. Of course we try to do little pieces where we can, but because we don't have that reliable, sustainable funding—in one school, we go into all grade 9 classes. Now that we've been doing it for four or five years, we know that most of those kids in that school have heard our program and know about domestic violence. But we need to do better on a larger scale and we need the funding to be able to do that.

It was interesting. I was in a meeting not too long ago where a representative from the John Howard Society said that when he's working with abusive men, they're saying, "I wish I had learned some of this in high school. I wish I had learned some of this in elementary school." I'm also hearing from parents saying, "Hey, my teens don't want to hear this information from me. They want to hear it from professionals." So it's huge.

Ms. Laura Mae Lindo: Fantastic. Thank you so much for that, because that educational piece being funded and valued helps everybody—all of the students who are there, and our broader community.

I also wanted to touch on the particular ask that you had: four additional beds to increase the services that are being provided. I want to give you an opportunity to ask for more, because I know that you're asking for what you need because you're already dealing with cuts upon cuts from previous governments. If you could ask for anything that you would need to be able to provide the care that these women deserve, what would that ask be?

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Ms. Jennifer Hutton: For all our beds to be funded would be the ultimate ask. We know there's a lot of variability in fundraising. It's really hard to depend on it. There are a lot of great organizations trying to seek these funds, so it becomes competitive. There is donor fatigue and all this sort of stuff that we're dealing with—and specific earmarked dollars for prevention and education programs to have staff dedicated to do that work.

Ms. Laura Mae Lindo: So currently, the beds that you have are all funded through fundraising, as opposed to—

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

Ms. Jennifer Hutton: We have 58 of our 90 beds funded through the government. The remaining beds are what we're responsible for.

Ms. Laura Mae Lindo: Okay. And so as the fiercest advocates, the ask is to make sure that all of those beds are funded, because we value the safety of women and children.

Ms. Jennifer Hutton: Absolutely.

Ms. Laura Mae Lindo: Thank you.

Ms. Jennifer Hutton: Thank you.

The Chair (Mr. Stephen Crawford): Okay, thank you very much for your presentation. We sincerely appreciate it.

BEEF FARMERS OF ONTARIO

The Chair (Mr. Stephen Crawford): We're going to move to our next presenter. It's the Beef Farmers of Ontario. Good morning and welcome to our committee. If you could just state your names for the record, you can get right into your presentation of up to seven minutes.

Mr. Joe Hill: Joe Hill.

Mr. Richard Horne: Richard Horne. Good morning.

Mr. Joe Hill: Good morning. As I stated, my name is Joe Hill. Firstly, I'm a farmer, but I'm also the president of Beef Farmers of Ontario. I'm joined today by Richard Horne. He is our manager of policy and issues. I would like to thank you for the opportunity to present to you today.

The beef industry is an important economic driver in Ontario's agri-food sector, contributing more than \$2.69 billion to Ontario's GDP annually. Gross sales from the sector exceed \$13 billion and sustain more than 61,000 jobs across Ontario. A recent OECD report estimates that global beef trade will increase by 25% by the year 2023.

Ontario's abundance of soil, clean water and productive land, as well as a strong demand for our quality products, puts us in an excellent position to take advantage of these new growth opportunities. However, growing competition from cheaper imported products and more frequent and volatile shifts in the global commodity markets has created a new level of risk and uncertainty in our sector that will continue to challenge our ability to sustain production and our ability take advantage of these new growth opportunities.

The best option to address these risks and to sustain Ontario's beef capacity and promote new economic output is to increase Ontario's investment in the risk management program, or RMP for short. RMP is a cost-shared insurance program designed to help stabilize the industry by providing partial financial protection to Ontario farmers against global downturns in commodity markets by providing assistance when markets fall below a participating producer's support level. RMP fills a critical gap for livestock commodities that are not protected by either supply management or having access to other farm programs like crop insurance. RMP is a made-in-Ontario solution that addresses shortcomings in national programs. It was designed and developed with direct input from Ontario farmers in partnership with provincial government.

We would like to thank Premier Ford for his campaign commitment to increase the cap on RMP by \$50 million annually. This commitment demonstrates the government's acknowledgment of the vital importance of this program. Adequate funding will allow farmers to better manage risk and to focus on greater innovation, sustainability, job creation and new market growth. Bringing forward this commitment to 2019 would represent an excellent investment by the province. A 2015 study by Cummings and Associates found that every dollar invested in RMP resulted in \$2.24 in positive economic activity. In addition, the study found that 62% of participating producers indicated that the program had a positive effect on their decision to hire or maintain employees.

Mr. Richard Horne: The second item we'd like to discuss today is about opening up crown lands in northern Ontario for agricultural production. Like you, we want Ontario to be open for business by creating and protecting jobs. Unfortunately, the current process for accessing crown land for ag production is anything but open. Limitations on the amount of land that can be accessed and what activities can be permitted and the overly burdensome and lengthy approvals process completely eliminate potential massive opportunities for growth in the north with farm development and expansion.

Land is the single largest cost in the establishment of a farm. Between 1951 and 2006, we lost 7.4 million acres of land from ag production in this province. Current estimates say we are losing 350 acres per day—that's a million acres a decade—of productive farmland. To address this concern, we are asking that a dedicated agricultural application stream be created for accessing crown land in northern Ontario. This stream needs to be transparent, defined, predictable and responsive, and allow for transfers of sufficiently sized parcels so that farms can quickly achieve economies of scale.

There are almost 200 million acres of land in northern Ontario and 16 million acres of land in the greater Clay Belt region alone. Having sustainable farming operations on a fraction of these acres will reduce the threat of processing plants in southern Ontario closing and may allow us to increase production at home and fill demand around the globe.

This plan can work. Our industry has brought together some of the best minds in the country to develop this economic model for sustainable grassland grazing farms that are perfect for northern Ontario. The pathway we created is specifically targeted to young, beginning and expanding farmers. It would allow them to quickly achieve economically viable farms if the province takes leadership on this land access issue. The brochure that we've included in your packages today explains the plan around northern Ontario.

I think, with your help, access to crown land, or improved access to crown land, will assist our industry in achieving a goal of adding 30 new economically viable farms each year to that region for the next 20 years. If we do that, revenues of \$600 million from the transfer of that crown land are expected to be returned to the province through productive farms. Over that time, those farms would contribute \$6 billion in value-added GDP to Ontario. In my opinion, this is the most exciting ag development project—

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

Mr. Richard Horne: —in North America. Developing farms in northern Ontario is the most significantly economical, sustainable plan for the region and will contribute to a substantial economic base for the province for decades. Committing to develop the north will also improve food security for the province and aid in the sustainability of the farming sector.

Some government will develop northern Ontario and will allow agricultural access. The question is, is it going to be this government? We hope it will.

Mr. Joe Hill: Just quickly, we think there's an opportunity for government to help farmers with an investment or with a cost-shared program to develop perimeter fencing. Many of the perimeter fences have deteriorated or are no longer in existence. Other governments do support fencing initiatives to help farmers expand. The Northern Ontario Heritage Fund Corp. does provide a program for northern Ontario. Extending that program or developing something similar for the rest of Ontario, we think, would be—

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

Mr. Ian Arthur: Thank you so much for your presentation and for coming here today.

I have a couple of questions. We just came from the north and we heard a lot about the challenges that they're facing. The forest industry has their own set of asks and stuff like that. I was a bit struck—I don't see the word "Indigenous" in any section of your plan to expand into the north. To me, that's just an enormous red flag. You're talking about crown land, you're talking about traditional territories, and nowhere in this presentation has that been mentioned at all. I just want to state that I think that's a glaring omission coming before this—we have just been in the north and heard from these remote communities that are facing incredible hardships. I think it would behoove your industry to have that as part of your economic development plan for the north.

There's also a section here that talks about the impacts of climate change. Canada has a brand new food guide; it has dramatically reduced the amount of meat it calls for in terms of what's required. The beef industry is famous for its contribution to global warming, and it's often attacked—and I'm not attacking you. I'm just wondering what your response to that is and how you would deal with talking about expanding something that has already been labeled as environmentally detrimental.

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Mr. Richard Horne: Thank you for your questions, Mr. Arthur. I think I'll take the first question, and maybe Joe can take the second one.

You make an excellent point with regard to involvement of Indigenous peoples in the north. That has absolutely been a part of our plan. We have consulted and connected both individually as Beef Farmers of Ontario and in coordination with the Ministry of Agriculture, Food and Rural Affairs under the previous government.

One of the initiatives that we spearheaded was a beef production and grasslands management course that was offered through Collège Boréal in the north. That was strictly offered to Indigenous peoples as a way to expose beef production and management of grazing operations in the north as an opportunity for them. That was offered last year, and we're looking at offering that again.

Mr. Ian Arthur: That should be part of your presentation, I think.

Mr. Richard Horne: Well, with due respect, I think the barrier to expansion that we've outlined today here is accessing crown lands to create farms of a scale that would allow Indigenous peoples or anyone else to be sustainable and profitable over a long period. That's kind of our focus point.

Mr. Joe Hill: Just to follow on that: The prior government did request that we allow them to take the lead on engaging with Indigenous peoples, and so we've sort of allowed that to happen.

Regarding the environmental impact of beef production, much of the science—

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

Mr. Joe Hill: —is very narrow in scope and tends to look at carbon specifically. I think if you look at the life cycle of beef production, 60% or greater of the feed we require for beef production is forage and grasslands, which provide a large number of environmental benefits such as habitat for species at risk, carbon sequestration, and soil health benefits. If you want to discuss the environmental impacts of the beef industry, then I think we do have to look at a broader scope than just the carbon.

Mr. Ian Arthur: Absolutely.

The Chair (Mr. Stephen Crawford): We'll move to the government side. Mr. Harris.

Mr. Mike Harris: Thank you, guys, for being here today. And thank you, Mr. Chair, for allowing me to ask a question.

I grew up in northeastern Ontario, in North Bay, and I've travelled that Highway 11 north corridor extensively over many years. When you look across the other side of the Ottawa River and across Lake Timiskaming into Quebec, all you see is farmland. When you look at that comparatively to the western side in Ontario, you do see a little bit of around the Tri-town areas up to Geraldton, Earlton, but that's about it.

You have a telling piece of information in your booklet. I was just wondering: When we're talking about red tape reduction and making it easier for farmers to get involved in northern Ontario, what are some steps that the government could take to help make that a smoother transition?

Mr. Joe Hill: That's an excellent question. There are a number of things. Firstly, recognizing livestock production as a permitted use on crown land would be the first step. Certainly, if you look at western Canada, a large percentage of their beef industry was developed by having access to crown land for grazing, and that's currently not permitted here in Ontario.

In addition to that, the current process only allows for 160 acres to be included in each application. To grow farms to an economically viable scale would require multiple applications to acquire enough land. It's a situation where it really is an all or nothing: You either can access enough land to build a farm or you can't—so figuring out a way to make a larger parcel of land accessible through one application process.

Then, the current application process can take up to two years to work through the system. It's very difficult to develop a business plan and secure financing to develop a business when you're waiting through a long process for

approvals to know whether you can go or not. That simply is just not the speed that business operates at, and we need government to think of that as they move forward.

Mr. Mike Harris: Outside of the Risk Management Program here in southwestern Ontario, what are some of the other challenges that your members are facing currently?

Mr. Joe Hill: Currently, we've hit a period which happens occasionally where our processing capacity is operating at maximum capacity, and as a result, sometimes cattle do back up on farms waiting to fit into the processing sector. An opportunity to look for expansion in the processing sector partnering with private industry would be excellent.

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

Mr. Joe Hill: In addition to that, a lot of our smaller processors around the province have been forced to close due to their own age or circumstances, the high costs of the regulations and fees to operate, and a lack of interest or training to bring that next generation into processing, so I think, not only with large-scale processors but with small-scale processors that can provide truly local food, there's a huge opportunity there.

The Chair (Mr. Stephen Crawford): Mr. Downey—just 30 seconds left.

Mr. Doug Downey: Very quickly: The Risk Management Program is not all government-funded. The farmer actually pays into the program.

Mr. Joe Hill: Yes.

Mr. Doug Downey: So that increase in the cap isn't a direct government ask for \$50 million. If I can just have your comment on that dynamic.

Mr. Joe Hill: Yes, the government's current contribution is approximately \$75 million, plus the SDRM program, so by increasing the government's portion—\$50 million is what the ask is, and then producer premiums would be adjusted comparably so that we are continuing to pay approximately 30% of the long-term costs of the program.

Mr. Doug Downey: Thank you.

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

CHILD WITNESS CENTRE

The Chair (Mr. Stephen Crawford): We'll call up our next organization, the Child Witness Centre. Good morning, and welcome to the finance committee.

Ms. Laura Muirhead: Good morning.

The Chair (Mr. Stephen Crawford): If you could please state your name for the record, and you can get right into your presentation.

Ms. Laura Muirhead: I'm Laura Muirhead and I'm the executive director of the Child Witness Centre. I want to thank each and every one of you for your efforts on behalf of the citizens of Ontario. Today I'm going to talk about an issue that is often hidden and affects our most vulnerable at the core of their very beings. More than twice a day in Waterloo region, a child or youth finds the courage tell someone about their experience of abuse. Almost 1,000 children and youth in Waterloo region and Guelph and Wellington county this

year will need support through the criminal court process as either victims or witnesses of crime.

One in three girls and one in five boys will experience an unwanted sexual act before they're 18. In Waterloo region, this could be 25,000 to 30,000 young people, and as many as 700,000 or 800,000 young people in our province. We know this is the tip of the iceberg, as sexual assault is reported less than 10% of the time.

One in three Canadians experience child abuse. When a child or youth who experiences abuse is not supported, they are 30% less likely to finish high school and four times as likely to report self-harm and suicidal ideation; 70% of homeless youth have suffered some form of physical, sexual or emotional abuse. Boys who are abused by a family member are 45 times more likely to perpetrate dating violence as an adolescent.

In a recent Globe and Mail article, Sara Austin, lead director of Children First Canada, called the current state of child abuse in Canada "a public health crisis."

Together, we have the opportunity to turn this tide and really move the needle on this issue. I'm here today to strongly urge you to invest in the long-term health of children and youth in our province who experience abuse by providing a commitment of provincial funding now to six child advocacy centres, and child and youth advocacy centres, in Ontario for a minimum of \$2.5 million.

Child and youth advocacy centres are an internationally recognized, best-practice model for investigating allegations of abuse and providing victim support through the process and beyond, regardless of whether charges are laid. They can be found in more than 40 countries, and there are more than 1,000 in the United States. In Canada, we are behind, and without ongoing provincial funding the sustainability of these cost-effective centres and the best-practice services they provide are at significant risk.

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Child abuse is not something one agency or one ministry can solve on its own. At the Child Witness Centre, we provide support, education and advocacy for children and youth who are or may become victims or witnesses of abuse or crime and their families in Waterloo region, Guelph and Wellington county, and have been the lead agency in establishing the Waterloo Region Child and Youth Advocacy Centre.

In our child- and youth-friendly CYAC, specialized and dedicated police and family and children's services investigators handle the forensic investigations. Our victim support advocates walk with young people and their families through the investigation, ensuring their voice is heard, helping them cope with their fears and connecting them to resources, regardless of whether charges are laid. Our holistic approach leverages medical, children's mental health counselling and adult supports in the community, ensuring that there's no duplication. If charges are laid, we support these young people through the criminal court process. Our overall approach is tailored to meet their unique needs, creating the best balance between outcomes and efficiencies.

To speak to Mr. Downey's question earlier, we are involved with those young people during the investigation. The investigators from the Child and Youth Advocacy Centre team with the investigators from the domestic violence unit to handle those investigations.

Since opening in May 2016, our regional CYAC alone has handled more than 1,400 investigations involving 2,200 children and youth, and 925 have received victim support. Across the province there have been more than 13,000 interviews done through the six CYACs—again, the tip of the iceberg.

Imagine for a moment what it would be like for you if your son or daughter had an experience of sexual assault by a family member. Imagine that they loved that family member and were really afraid about what would happen to themselves and to the family member if they told. Imagine that your son or daughter is a teenager and doesn't want you involved, but you know they're struggling. Imagine that charges were laid, and now you and your child have to wait a year or two before the case comes to court. This is the reality for many people in Ontario at this very moment. They may be your neighbours, colleagues or friends.

The authors of the Economic Costs and Consequences of Child Abuse in Canada report over \$15 billion in economic costs of abuse for Canadian society. A recent social-return-on-investment study completed by Deloitte for Boost, which is the Toronto CYAC—

Ms. Catherine Fife: Laura, can you move back from the mike?

Ms. Laura Muirhead: Sorry. Is that what the problem is?

Ms. Catherine Fife: Yes, it is.

Ms. Laura Muirhead: Sorry. I'm sorry. Okay. Thank you—demonstrated that for every dollar invested through the CYAC, there is a \$3 return on investment.

In addition to the clear economic reasons, this model is a clear win for the government and people of Ontario. It is evidence-based, efficient in closing gaps in services, effective in leveraging existing services, saves costs through the investigation, supports our adult workforce, encourages collaboration within and between communities, builds protective factors that reduce the impact of adverse childhood experiences and most importantly provides better outcomes for children, youth and their caregivers. Through the CYAC model, we work smarter, are more efficient and effective—

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

Ms. Laura Muirhead: —reduce duplication, and our young people have stronger futures. It's a win for everyone.

A funding commitment from the provincial government now is critical to the sustainability of this work. Our request of this government is that the established CYACs in Ontario have the opportunity to build an ongoing fiscal relationship with the government and that we can establish a funding formula.

Our most vulnerable need our government to stand up for them now, assuring them that if they are assaulted or abused that services are there to support them so that they can grow beyond their experience and become productive members of our province, supporting an Ontario that is open for business.

I look forward to continuing the conversation. Thank you so much for your time.

The Chair (Mr. Stephen Crawford): Thank you for your presentation. We're going to start questions from the government side. Ms. Fee.

Mrs. Amy Fee: Laura, thank you for taking the time to come in today and also for coming to my constituency office as well to talk to me about just how important this work is and the collaboration that goes into this project.

How I actually found out, though, about the work that you do was first-hand through something that happened to one of my children. I'm just wondering if you could walk us through what it's like for a family and a child when they go through your services and even what they experience at that level, when they walk in the door, and the helping hand that's there from staff, and going through the interview process and the follow-up that goes along with it, as well.

Ms. Laura Muirhead: Absolutely. We are located at a counselling agency. We have 1,500 square feet that has a couple of waiting rooms and a meeting room as well as two child-and-youth-friendly interview rooms. When a police officer or a family and children's services worker sets up an interview and asks a family to come into the centre, they will be greeted at the reception. But they will most often be met by the child and youth advocate, who is part of my staff, who will bring them into the centre, give them a little bit of a tour, explain to them what's going to happen, and then bring in the police officer and/or the family and children's services worker—whoever is going to be involved in the investigation—to explain what their role is and help them understand. Then, depending on how many people there are—maybe there's four; maybe it's a mom and three children, let's say—each will have their own concerns. The advocate will already know what the police or the family and children's services investigator's plan is in terms of interviewing—who they're going to interview first—and the advocate can help with that.

They also spend a considerable amount of time helping people cope with whatever they're feeling in the moment, and any anxieties.

What we've also found is, while you can talk with young people, some children, at this point, if they are not interviewed for another two hours, you need to come back half an hour before they are to be interviewed and talk to them again. The goal of that is to make sure they are in an emotional space that they will be able to share the information that they need to share.

In addition to that, once the family is done in the centre, the advocate will make sure that the caregiver—if they are there with a parent and the kids are equipped for how they might feel when they go home, they will check in with them within 72 hours to see how they are feeling and start to maybe talk, if that's what they want, about what other supports they need in the community.

Mrs. Amy Fee: Thank you.

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

Mr. Doug Downey: It's good to see you again.

Ms. Laura Muirhead: You too.

Mr. Doug Downey: My question is, in the initial stages, they were federally funded.

Ms. Laura Muirhead: Yes.

Mr. Doug Downey: We heard yesterday in Sarnia that the five-year commitment was just given for a centre in that space. I was quite surprised by that. Can you maybe speak to the federal funding and where that's at at this point?

Ms. Laura Muirhead: Sure.

Mr. Doug Downey: Because you're in tune with the system with all—

Ms. Laura Muirhead: I am. We've received seed funding. The structure of the Department of Justice, in terms of the funding of these—

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

Ms. Laura Muirhead: —is, there is seed funding to get a CYAC started. That, I believe, is a minimum of \$175,000 a year for a two- to three-year period.

Following that, agencies like ours that are already up and running—we've been able to secure a three-year commitment for \$80,000 a year. They've got it in a variety of parcels, depending on where you are in the development.

Mr. Doug Downey: Okay. Thank you.

The Chair (Mr. Stephen Crawford): We'll go to the opposition side. Mr. Mamakwa?

Mr. Sol Mamakwa: Thank you, Laura, for your presentation, and thank you very much for the work that you do.

I'm from northern Ontario, the Far North, probably the most northern—

Ms. Donna Skelly: The real north.

Mr. Sol Mamakwa: The real north.

But anyway, I know, as a First Nations person, as an Indigenous person—and also the people who live up in my riding—there's a lot of historical trauma and inter-generational trauma from residential schools.

Back in the 1980s, I guess, we had an Anglican minister, a Boy Scout leader, who had his own plane. He had a good Boy Scout program. What ended up happening is, we found out later that he abused 500-plus boys during that time. So we're seeing the impacts of it today.

Last year, within the NAN territory, the 49 First Nations that live in the area, we had 38 suicides. The youngest was 11 years old. I've heard stories from my communities in my riding, from my constituents, whereby eight- or nine-year-old kids are attempting.

I'm not sure, when we talk about the impacts of inter-generational trauma—and I can understand what you're going through. One of the things that has been cut is the Ontario child advocate. That program actually saved lives. I'm not sure if there are any impacts of the cut in your region or for your program.

Ms. Laura Muirhead: With respect to the reduction in the child advocate, I'm going to say that I'm not as familiar with that. What I would say is, in our day-to-day work, we haven't accessed, through the child and youth advocacy centre or through the Child Witness Centre, the work of the child advocate. So I'm not 100% sure we haven't felt an impact on our day-to-day work.

I just finished reading *Seven Fallen Feathers* as a bit of an insight into the world you come from. Child and youth

advocacy centres are being implemented in the Yukon, in Nunavut, in lots of different places. It is a start in providing some kind of response and some kind of intervention to help the young people who are struggling at this point in time.

I don't know if that really answers your question.

Mr. Sol Mamakwa: Yes, thank you.

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

Ms. Laura Mae Lindo: I just wanted to say thank you for presenting.

Bridging off of what MPP Mamakwa had asked: I, too, have a personal experience accessing the services through your centre. Part of what I have seen is that youth who have access to your centres don't have to go to the provincial advocate. In the certain areas where they don't have these kinds of wraparound services, the youth advocate is the thing that saves their lives.

If you could speak a little bit to the importance of funding the wraparound services that you do and the reason why the police would be in support of the work that you do—I note that they have their letter there—that would be fantastic.

Ms. Laura Muirhead: Absolutely. This does not work just with our agency. It's absolutely critical that the police have the funding they need in order to support the model. It's important for family and children's services to be able to have the specialized investigators to do this work.

I know that you're going to hear later on from Lutherwood—and talking about things like children's mental health. It's equally important that we remove all of the roadblocks in terms of funding in order to be able to fulfill that holistic, wraparound kind of support and—

The Chair (Mr. Stephen Crawford): Sorry; our time has expired. Thank you very much for your presentation. We appreciate it.

With that, we are now concluding the morning meeting. We'll recess, and we will reconvene at 1 p.m.

The committee recessed from 1201 to 1300.

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

ONTARIO GREENHOUSE VEGETABLE GROWERS

The Chair (Mr. Stephen Crawford): With that, I'll call the first witness, which is the Ontario Greenhouse Vegetable Growers. If you could please state your names for the record, and you can get right into your presentation. I will give you a one-minute warning.

Mr. George Gilvesy: My name is George Gilvesy. I'm chair of the Ontario Greenhouse Vegetable Growers. I have with me Dr. Justine Taylor. She's our manager of science and government relations.

Thank you, Mr. Chair. Good afternoon, honourable members, and thank you for the opportunity to contribute to the standing committee's 2019 pre-budget consultations.

The Ontario Greenhouse Vegetable Growers represent approximately 200 farmers responsible for nearly 3,000 acres of greenhouse tomatoes, peppers and cucumbers all across the province. With farmgate sales of \$850 million in 2017, support for 13,000 jobs, a contribution of \$1.5 billion to the economy and a consistent track record of growth, the sector is a valuable economic driver for the province. The sector has a well-earned reputation for excellence and has established a significant market in the United States, with over 70% of what our members currently produce being exported.

Our sector is poised for growth. Over the next five years, we estimate the sector could expand by another 900 acres, resulting in over \$1 billion in direct construction investment, an additional annual contribution of over \$500 million to the economy, and the creation of over 3,700 new jobs.

We would like to thank the current government for recognizing the importance of Ontario's agriculture sector and for initiating discussions through Minister Hardeman's agriculture round table to address the growing regulatory burden we have faced. Today we wish to address competitiveness challenges that fall outside of that process. I also want to mention that we do appreciate the acknowledgement we got from the government with regard to minimum wage and the cap-and-trade repeal.

Access to a reliable and appropriately skilled workforce is critical to the success of any business, and greenhouse production is no different. The needs of the sector are complex, and we require a coordinated approach to ensure that seasonal, temporary and full-time work channels are established. Access to an international workforce through the suite of temporary foreign worker programs is key to the continued success of greenhouse farming. This workforce fills a critical employment need when Canadian employees cannot be secured. To reduce redundancy and increase transparency, we would ask that the Ontario government work with the federal government to develop a trusted employer program to reduce red tape for employers with a history of positive compliance and to establish a sector ombudsman focused on creating consistency and transparency through the Temporary Foreign Worker Program audit process, and furthermore that the Ontario government work with the agricultural sector and municipalities to define a streamlined process for the inspection of temporary foreign worker housing that provides clear guidance on all requirements. This could be expanded to address a suite of red tape issues under a single-window system.

In addition to seasonal and temporary positions, it is critical that we establish a robust recruitment strategy that attracts and trains a workforce capable of meeting the challenges that increased innovation and automation will bring. Such a strategy should consider the potential in youth, newcomer, skilled international workers and underemployed populations to meet the increasing demand. We would ask that the Ontario government work with the sector, in partnership with workforce development boards, settlement

agencies and educational partners, to raise awareness of the potential career paths in agriculture and establish the appropriate education and skills development supports.

Access to natural gas, electricity and water infrastructure, and increasingly, sanitary sewer access is critical to ensure greenhouse sector growth and economic development. Of specific interest to the sector is the development of sanitary sewer infrastructure in the municipality of Leamington. Access to this service will allow for the reliable disposal of excess nutrients that can no longer be used in the greenhouse and the development of on-farm housing to support a growing workforce, both of which support continued regional economic development.

While the current suite of electricity programming offers greenhouse operators competitive electricity prices, there continues to be a shortage of electrical access in the Essex region, specifically in the Kingsville-Leamington areas. We urge the Ontario government to review the current regulatory approvals process as it relates to electricity infrastructure development to ensure it is timely, efficient and considers future economic development as a driver of expansion planning.

Ontario's greenhouse vegetable growers are committed to sector growth through strategic investment in both existing and emerging markets. Increasing the consumption of fresh, healthy, locally grown produce is a shared priority for both Canadian horticulture and all levels of government. We would ask that the Ontario government continue to support local food promotion by leveraging and modernizing the Foodland brand in consultation with the entire value chain to ensure a long-term strategy for building public trust and establishing consumer loyalty. In addition, we would ask that the province work with the sector and federal government to develop market diversification opportunities in both domestic and foreign markets.

Lastly, greenhouse farmers continue to feel absent from an artificially constrained business risk management review process that, to date, has been a theoretical exercise that doesn't reflect the actual risk management needs and expectations of producers. Any potential program modification must be considered through the lens of a producer's risk management needs, based on farm-level realities that vary from farm to farm and commodity to commodity.

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

Mr. George Gilvesy: We would ask that the Ontario government work with the sector to ensure access to robust business risk management tools that are responsive, comprehensive and reflective of modern farm size.

We thank you for this opportunity to comment, and look forward to doing business in Ontario. We are available for questions.

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

Mr. Ian Arthur: Thank you so much for your presentation. I think this is the second time I've seen you present in the last little while. I wondered if you would expand a little bit on the recruitment strategy to attract new farmers to the field. I know that's an area where we are struggling

to get a new generation of farmers on the land in any aspect, greenhouse or not. I wondered if you could just expand on that a little bit.

Dr. Justine Taylor: It's anticipated that our sector will see a workforce shortage over the upcoming years due to both the growth of our vegetable sector as well as the burgeoning cannabis sector, so it's really important that we start developing our recruitment tools to access all of those populations that we mentioned.

Specific to youth, I think there are a lot of misperceptions about what jobs in agriculture are or are not. That probably goes across the board—not just youth, but also even consumers of our products. I think it's really critical that we address that through partnering with our educational organizations to ensure that there are components of what a career in agriculture could look like. We have automation and technology that are really coming on strong in the greenhouse sector, so those jobs are really changing as to what they encompass, and we're looking for more of a skilled workforce to be able to manage those tools in the future.

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Mr. Ian Arthur: What can a government do to help support that?

Dr. Justine Taylor: I think the important partnership is building in both the curriculum components as well as a public campaign as to what modern agriculture looks like today, so that people think of those jobs in a more realistic lens, rather than having an idyllic vision of a small farmhouse and shovels and hoes and all the rest of it.

Mr. Ian Arthur: You talked a little bit about fresh, healthy, locally grown produce and a bigger share. Actually, Donna and I were just chatting at lunch about the importance of getting local food onto plates in restaurants and stuff. I think there's a real opportunity here with Foodland Ontario and also with the new Canada food guide that just came out that has a huge, increased emphasis on the amount of vegetables that should be consumed—a shift. What do you think that's going to mean for your sector?

Mr. George Gilvesy: That's one of the phenomena that continue to burgeon our growth. We're seeing that not just in Canada or local; it's North American. We've been growing at a rate of 6% compounded year after year.

We don't see the influences you're talking about with the food guide and that—that this is going to slow down. In fact, we're going to see increased demand. We're seeing increased demand from our retailers here in Ontario. We're moving to 12-month supply using new lighting regimes in the greenhouses so that we can grow for the full 12 months.

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

Mr. Ian Arthur: Last, I'd talk about business risk management. What are some of those risks that you need to mitigate against? And specifically to climate change, how does that affect greenhouse growers—looking at more extremes in weather patterns?

Mr. George Gilvesy: We've got a good example of that. Just three years ago, we had an issue with a thing called the pepper weevil, which infiltrated into pepper

greenhouses. It caused about \$90 million in damage. If you looked at what the business risk management programs did to help mitigate the farmers' losses on that, it was virtually nil. We don't have crop insurance or production insurance in the greenhouse, so when you looked at the things that kicked in—ag stability at 70% didn't do it because it affected the last part of the crop, not the early part. So you had your 70% for the most part, or you were close. We put an application in for ag recovery; we got denied. So there are a lot of problems with it.

We are in the middle of doing a major report that we're going to submit on the case study of the pepper weevil because it was an example that kind of hit the nail on the head.

The Chair (Mr. Stephen Crawford): We're now going to turn to the government side for questioning. Ms. Skelly.

Ms. Donna Skelly: Good afternoon, Justine. It's nice to see you again, George.

Mr. George Gilvesy: It's nice to see you.

Ms. Donna Skelly: You mentioned the pepper weevil. Are there other unique challenges in terms of growing vegetables in Ontario—any other problems that are unique to your particular industry?

Mr. George Gilvesy: One of the things that greenhouse growers just love is sunshine. So if we can find a way of creating more sunshine—

Ms. Donna Skelly: We can do that.

Mr. Doug Downey: Donna, that's federal.

Ms. Donna Skelly: Sunny ways.

Mr. George Gilvesy: Yes.

It is a major concern, certainly, for greenhouse production. It's one of the misnomers with regard to, again, creating a production insurance scheme that can help greenhouse growers—because we're controlling almost everything, but the tolerances are so tight on greenhouse production and the margin is low, so when you lose even a small amount of production, it can have a huge financial impact.

Ms. Donna Skelly: Cannabis was mentioned just minutes ago, and I'm just wondering: Is there going to be any sort of future collaboration with the cannabis industry?

Mr. George Gilvesy: Good question. We work through another organization called the Ontario Greenhouse Alliance, and we work with that group on the basis of—they represent flowers for the most part. We have been softly approached by the cannabis people to work on things that are common in nature. We'd like to see a little bit of the wheat separated from the chaff, as far as the cannabis sector, before we make that decision, because we don't want to inherit all the negative aspects of what might be interpreted in the cannabis sector, but there are certainly opportunities to work together on things that are similar.

Ms. Donna Skelly: Throughout these procedures, we've heard consistently from stakeholders who have shared with us the challenges of actually moving their product, moving goods across Ontario. Is that an issue with your industry as well?

Mr. George Gilvesy: Our industry is extremely well integrated. We pretty well control the whole logistics, and our members are really good at that. We're controlling the logistics right from Ontario down to Miami, anything east

of the Mississippi. In essence, the equivalent of 200 trucks a day go across the Ambassador Bridge carrying our products. The network of where our products are distributed is well entrenched. Are there islands of—

Ms. Donna Skelly: I'm talking about more congestion on the roads. Are you seeing that that's an issue with timelines?

Mr. George Gilvesy: I can't say that—you look at all the activities around the Ontario Food Terminal, for example. Most of that work takes place when most people are sleeping, so a lot of the distribution challenges are softened by that. It doesn't mean that—

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

Mr. George Gilvesy: If you're trying to move product in the middle of the day, then it's a little bit different.

Ms. Donna Skelly: Our final question is about red tape. Any thoughts on anything that we can address to help you improve and grow your industry?

Mr. George Gilvesy: Yes, and maybe Justine can touch on this one in particular, around ECAs and that.

Ms. Donna Skelly: You've got less than a minute.

Dr. Justine Taylor: These are issues that we've been addressing through the agricultural round table with Minister Hardeman. With regard to some of the environmental approvals, we're seeing a fair amount of overlap between the various regulatory agencies. Whether that's the Ministry of the Environment versus the conservation authority versus municipalities, we're seeing a lot of duplication in effort there. One of our asks of the round table is to consider a one-window system so that if you're looking at building or expansion or navigating this regulatory framework, you have a single point of contact within the municipality that can guide you through that process.

Ms. Donna Skelly: And it is something that we are certainly looking at. Thank you both.

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

KIDSABILITY CENTRE FOR CHILD DEVELOPMENT

The Chair (Mr. Stephen Crawford): I'd like to call up our next witness, the KidsAbility Centre for Child Development. Welcome to the finance committee. If you could please state your names for the record, and you can get right into your presentation.

Ms. Linda Kenny: Good afternoon. I'm Linda Kenny and I'm the CEO of KidsAbility Centre for Child Development. We serve about 8,000 children here in Waterloo region and Wellington county.

I'm going to share my time this afternoon with Mardi Witzel, who is chair of the KidsAbility Foundation, as well as Penny Smiley, to my left, the past chair of KidsAbility and current chair of Empowered Kids Ontario, the umbrella organization that represents all 21 children's treatment centres.

I know some are around this table, but if you are not one who is personally familiar with the work of a children's treatment centre, you are not alone. Most of us start

our journey into parenthood never thinking we might ever need the services of a CTC, until the unimaginable happens when we learn that our child is not developing in typical ways. Sometimes that happens at birth. More often, children are identified in their early years as having missed important developmental milestones. They require the support of a speech therapist, an occupational therapist, physio or an autism instructor to unlock their full potential.

Some children come to us for a short period of time; others we serve until age 21. KidsAbility and our partner CTCs exist to serve the physical, communication and neurodevelopmental needs of children in our communities.

In this community, about 10,000 families annually come to KidsAbility for help—families like Gavin's, who came when he was three. They accessed speech and occupational therapies and were supported through his diagnosis. We actually haven't seen Gavin for a number of years, but his mom recently shared with us that he is now 16, has his G1 licence, is rocking Grade 11 with an 85% average and has his eye on the University of Waterloo's engineering program. His mom said, "Without the support of KidsAbility to give him the foundational help he needed, our family would not have ever expected or imagined for this young man to come this far."

That is the necessary and important work that happens for ordinary families raising extraordinary children. Children's treatment centres work with families to demonstrate amazing outcomes for kids, and we have the evidence to prove it.

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Ms. Mardi Witzel: Linda talked about 10,000 families who look to KidsAbility for help every year. Regretfully, we only have resources to serve about 8,000 of them. The rest are forced to wait for the vital services that will make a difference for them and their children.

For over 60 years, this community has dug deep to support its friends, neighbours and relatives. I serve as the volunteer chair of the KidsAbility Foundation. Every year, we seek to raise more and more funds to close the gap between resources and needs. I work with a dedicated team of committed volunteers and staff to raise about \$2 million annually. On average, the foundation provides about 12% of KidsAbility's overall budget. We estimate that 10 staff are paid through the foundation gift and about 1,000 additional children are served—children who would otherwise be waiting.

Yet it's still not enough. Every year, the demand continues to grow about 15%, and the demand will only continue to increase. It has been over 10 years since the child development sector has received any significant investment, and "investment" is the right word to use here—investment in children and families. We know that the earlier the intervention, the more effective the outcome, the more we get for every taxpayer dollar spent. The evidence is clear: With early treatment, children experience significantly greater educational and health gains, we reduce the need for specialized services later in life, and, as a society, we experience lower life costs associated with disability.

We seek to extract more value out of every dollar invested than the system allows for today. Our proposal does this through realignment, not through additional costs. Ultimately, having achieved maximum efficiency, we will want to partner with the government to prioritize new investments in children and families in Ontario.

Ms. Penny Smiley: As a community member, I am passionate about the work of KidsAbility. I served on the board for nine years and now chair the board of the provincial association Empowered Kids Ontario.

The services and needs that Linda and Mardi have talked about exist across the entire province. Ontario children's treatment centres serve 80,000 children every year, in communities from Ottawa to Windsor, from Thunder Bay to Niagara. Tragically, however, 30,000 kids are waiting to be served.

The biggest challenge facing our sector is growing wait-lists for pediatric rehabilitation, having to turn away families in our own communities. We know the government is committed to modernizing service delivery in Ontario. We are excited to partner with the government to undertake this work. We know there are better, more efficient ways to deliver services to ensure vital resources are directed to front-line service.

In its report *Managing Transformation*, Ernst and Young recommends reducing the cost of administration and building a system that puts the needs of citizens first, noting that significant operating efficiencies would lead to significant improvements in outcomes. That's what our proposal does.

Ontario's CTCs deliver first-class child development services. We see an opportunity to consolidate programs that are currently dispersed in a patchwork of bureaucracy and administrative duplication that results in a complex system for families and greater costs for the public. CTCs have a proven record of providing seamless, integrated and efficient streams of service.

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

Ms. Penny Smiley: This was demonstrated most recently when Minister MacLeod had the foresight to transfer school-based rehabilitation services to children's treatment centres. It has laid the groundwork for greater efficiency, a reduction in red tape, and reduced wait times for families. We have a plan to continue that work, and we applaud the government's work to improve access for families and to ensure best return on investment for taxpayers.

Our proposal would consolidate services while reducing administrative costs and will put more money into direct services for kids. That's what families in our communities expect us to do.

Ms. Linda Kenny: What we are proposing is net neutral for the government. We have an unprecedented opportunity for change in how we support families by reducing wait times and wait-lists. We believe we can provide greater security for families, who can then achieve their own economic and social goals.

The Chair (Mr. Stephen Crawford): Thank you very much. We're going to start questioning from the government side. Ms. Fee.

Mrs. Amy Fee: First off, I want to thank the three of you for taking the time to come in today and putting this work into this proposal for us. I'm just wondering if we could go back to what Minister MacLeod has recently done in moving speech and language back to the CTCs from the school-based program. If you can walk me through what that means for you as an organization and how we're getting more money back to the children—I guess on the front lines would be the best way to describe it—but then also how that relationship is going. I know it's early, but how it's going with the school boards as well, bringing that back into the CTCs and that communication piece that needs to be there with the school boards and the therapy teams at KidsAbility.

Ms. Linda Kenny: The transfer happened for us in this area at the beginning of January, so it's still very early days. We are seeing this year as a year of transition. We need some runway and some time in order to put those full efficiencies in place. The intent would be that we will end up with a service that is more integrated and seamless for families, will reduce duplication for assessments and reassessments and will allow children to see the benefit of that service.

We've been very fortunate in this community to have worked very closely with our school board partners and our service provider partners as well as the LHIN. I believe we're on track for a really good transition. We'll be beginning the work very shortly to consult with families about improvements in the service.

Mrs. Amy Fee: Thank you.

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

Mr. Mike Harris: It's great to see you all today. I say this with everybody, but I know we've had many opportunities to speak about some of the great things that you're doing. I, for one, am someone who has a child on the wait-list currently for speech-language services, so I know what it's like for a lot of families in Waterloo region to have to deal with wait times when it comes to this.

I guess my big question is: With moving preschool speech and language back into the treatment centres, how will this help alleviate some of those wait-times? Other ways that you're able to streamline your operations: How will that help cut down on wait-times?

Ms. Linda Kenny: I think this speaks exactly, Mike, to the recommendations the government is looking for, for red tape. We currently operate a preschool speech and language program and a school-age speech and language program with very different rules, very different reporting, different data systems. We have to track our staff differently. I think the ability to have all of that under one transfer payment agreement would be very beneficial.

I will say the experience that families have in Waterloo region, where KidsAbility delivers the preschool speech and language program, is different than the experience families might have in Wellington county, where it's delivered by another party that we work in close partnership with. It's not the same integration of service.

The Chair (Mr. Stephen Crawford): Any further questions? No? Okay, we'll go to the opposition side. Ms. Shaw.

Ms. Sandy Shaw: Thank you, Chair. Thank you very much for your presentation. I'd like to let you know that we've been travelling across Ontario and we've heard from other child treatment centres in Ontario. Yesterday we were in—it was yesterday, wasn't it?

Mr. Doug Downey: Sarnia, yes.

Ms. Sandy Shaw: We heard from the treatment centre of Chatham-Kent, who also described the kind of need that you're talking about. In fact, I may have to correct my record, but I think they said they have a facility built to serve 250 people and they're now serving 2,000 children and their families, so the need is huge, and we all know about the wait-lists. MPP Harris has described his own experience with the wait-lists for treatment for children. You hear stories of anywhere from six months to 18 months to years for children to get mental health treatment in particular.

While I do think that there is room for efficiencies and I really do applaud you for coming up with this new model and that you're identifying costs savings for the system, my question is, given the current underfunded status, given the increasing need and, really, in many ways down-loading of the services to community-based organizations, do you think that just this is going to be able to address the need and the wait-lists, or are you really needing to have increased funding to provide those fundamental services?

Ms. Linda Kenny: There is no question there is a need for increased funding. We have not seen a significant investment in this sector in close to 10 years, but I think what we are trying to propose is the opportunity to find every efficiency we possibly can by removing some of the rules that we currently work under. Then I think we'll be back here next year to talk to you about what a serious investment in our sector will look like.

Ms. Sandy Shaw: Good. We'll be hearing it then. I'm going to pass it on to my colleague Mr. Mamakwa. I think maybe he's going to talk about when you have centralized systems, you have to still ensure that you understand local conditions. I think Mr. Mamakwa is going to talk about some of the local conditions in his communities.

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

Mr. Sol Mamakwa: Yes, thank you for the presentation. I know when we talk about developmental services for children and adolescents in my area, which is north-western Ontario, these types of services are very minimal at best and non-existent at worst. I wish my people, the youth and the children in northern Ontario had access to these types of services.

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One of the critical things is that I have community members, youth, that are in fly-in-only communities. Not only that; they're a federal responsibility. Sometimes what governments do is they play this Ping-Pong of services on our people: "That's a federal responsibility; that's a provincial responsibility."

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

Mr. Sol Mamakwa: I'm just wondering: Is there anything that you have—programming—with respect to ad-verse childhood experiences?

Interjections.

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

Ms. Sandy Shaw: Your centralized model—would it help to address some of the concerns that—

Ms. Linda Kenny: Yes. I think what we are addressing in our proposal is administrative efficiencies so that we can turn resources into front-line services for children.

Ms. Mardi Witzel: I think that's a first phase, because if you listen to what Linda said earlier, we may be back looking for incremental investment, having realized efficiencies from this streamlining proposal. We're sitting here in Waterloo. The way we think is in terms of technology, science and innovation. We're a city that punches above its weight in these areas.

We already have projects at KidsAbility where we're partnered with the University of Waterloo, and we will want to partner with universities and with the government to implement innovative strategies, perhaps using technology to be able to do deliver services differently, more efficiently to people in remote areas.

I certainly think that's a next phase after we've examined these types of opportunities for efficiency through realignment and cost efficiency.

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

Ms. Mardi Witzel: Thank you.

ONTARIO SECONDARY SCHOOL TEACHERS' FEDERATION

The Chair (Mr. Stephen Crawford): I'm going to call up our next presenter, the Ontario Secondary School Teachers' Federation. Good afternoon, and welcome to the committee. If you could please state your names for the record, and you can get right into your presentation. I will give you a warning when you have one minute left.

Mr. Paul Kossta: Hello. My name is Paul Kossta. I'm the legislative observer for the Ontario Secondary School Teachers' Federation.

Mr. Dave Barrowclough: My name is Dave Barrowclough. I'm on staff at the provincial office with OSSTF.

Mr. Joe Hirschegger: My name is Joe Hirschegger. I'm also on staff at the OSSTF provincial office.

Mr. Dave Barrowclough: The Ontario Secondary School Teachers' Federation welcomes the opportunity to make a submission to the Standing Committee on Finance and Economic Affairs. OSSTF is a trade union that represents 60,000 members in over 150 bargaining units across the province, ranging from junior kindergarten to university.

We'll direct you to our written presentation, which provides a more detailed reasoning of our submissions.

We have a clear message: Efficiencies found are funds available to reinvest into the system and should not become cuts to the system.

As a major stakeholder, OSSTF believes in an accountable, comprehensive, inclusive and equitable public education system. The current K to 12 funding model does not adequately meet the needs of all students due either to

outdated and nonsensical benchmarks or insufficient accountability to ensure that funds are spent for their intended purpose.

In the kindergarten to grade 12 sector, we're calling on the government to fully implement the recommendations of the 2002 Rozanski report. The report recommended an immediate \$1.7-billion funding increase and identified a then \$5.6-billion backlog in maintenance for schools. Since the report's release, there have only been band-aid fixes and not the fundamental changes recommended by Rozanski, while the maintenance backlog has expanded. This inadequacy has resulted in school boards using funding from other areas to address needs elsewhere, a fact the Auditor General made known in her 2018 spring report.

Next, we would like an immediate review and redesign of the funding model so that it meets the needs of students and education workers to ensure that Ontario remains one of the top jurisdictions in the world for education. Making cuts to an already flawed formula will necessitate the removal of front-line workers—the very people required to ensure students' success.

We would also like to ensure that communities get to keep their schools. Rework the School Foundation Grant to ensure that each school is funded for a minimum complement of custodians, teacher-librarians, guidance teachers, teachers and education support staff. Every school needs a minimum of education workers to provide supports to every student.

We'd also like to see a reintroduction of the local priorities amount as a percentage of the Pupil Foundation Grant funding to allow school boards to address local needs. The ability of a school board to use local funding to create innovative programs essentially stopped when the Harris government took control of education funding. In 2001, to correct this, a local priorities amount was introduced to allow school boards to innovate. But in 2006, the Liberal government eliminated the local priorities amount altogether. It was a cut of about \$400 million.

We would like to see funding ensured for both non-credit and credit-granting adult education and language programs, making sure that it is adequate to provide both preparation time and resources for the teachers and instructors, but also class-size protections and services for the students. This can be achieved through increasing benchmarks already in the model.

We would like to see the abandonment of the differentiated special education needs amount funding model in favour of a funding model that reflects the individual requirements of high-needs students to ensure better outcomes and a safe school environment. For years, a significant number of OSSTF members have reported incidents involving biting, punching, kicking, spitting and other forms of assault by students. These members—primarily educational assistants, but also teachers—work with high-needs students in special education classrooms that have very individualized needs. Instead of a model that attempts to predict the number of high-needs students, funding should be provided according to the enrolment of identified high-needs students. Many school boards are now

left with less special education funding than before, and this has exacerbated the incidence of violent assaults against teachers and educational assistants.

In the post-secondary sector, OSSTF is calling on the government to create and fund a mechanism that recognizes that non-academic staff form an integral part of the university, so that universities can employ and pay for appropriate support staff. There must be adequate funding directed to those who support students, to put an end to the disturbing trend of part-time or contract work in university employment. The current model for research grants fails to recognize the important role of non-academic staff.

We would like to see a reduction in the reliance on tuition fees for post-secondary education by providing appropriate funding, thus allowing all Ontarians to attend a college or a university regardless of economic status. OSSTF joins other like-minded organizations in the call to increase public funding to universities and relieve the crushing financial burden on students.

We would like to see universities compelled to report publicly to the provincial government their allocations from public and private funds, to promote transparency. Adopt a reporting system like the one used for public schools. The education funding information system reports are designed to provide both accountability and transparency to the public and stakeholders. The same system should be established and required for Ontario universities.

Lastly, the Ministry of Education provides yearly consultations by the stakeholder groups prior to releasing the Grants for Student Needs. The government of Ontario must adopt this practice in respect to university funding in Ontario, to empower local partners and to ensure that resources are appropriately directed to students on university campuses.

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

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

I've been saying we've been going all across Ontario and northern Ontario, and we're hearing from teachers and we're hearing about these kinds of conditions that no one really ever expected educators to have to deal with. One of the things, particularly, that we are hearing about are the conditions in the classrooms, like you've talked about. The number one issue is the conditions for teachers, but also the conditions for students and their ability to get the kind of education that we expect.

I wanted to ask you about the physical infrastructure and the conditions of the schools. We know there was \$100 million cut from the budget to address the infrastructure in schools across Ontario. I don't see any way, and school boards are struggling with any way, to address that. Do you want to make some further comments on those conditions that kids and teachers are working in?

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Mr. Joe Hirschegger: It was mentioned in Dave's presentation that Rozanski actually identified \$5.7 billion at that time. That was in 2003. That has since ballooned to

over \$15 billion of maintenance backlogs and so forth. With that amount of disrepair in schools, there is a safety issue in schools where there is maintenance not being done or is being pushed along to another year where funding is. So it does affect the health and safety of not just students but teachers and educational workers as well.

Ms. Sandy Shaw: Thank you. My colleague—

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

Ms. Laura Mae Lindo: Thank you again for your presentation. I want to tie in two different pieces, actually. One is at the very beginning, where you spoke of your value system, so your belief in accountability; in comprehensive, inclusive and equitable educational classrooms; and the fact that, because of the current funding model gaps and the fact that you've been dealing with cuts after cuts after cuts, some of the money that would typically go towards equity programming has to be used for other things that become more important or more urgent. If you could speak a little bit about that so that we can get a better sense of what the funding model should be, that would greatly appreciated.

Mr. Joe Hirschegger: Yes. In the written report—and actually, we've made presentations to the Planning for Prosperity consultations and the GSN consultations. We talked about their Learning Opportunities Grant, which was meant as an equalizer for at-risk students. We connected it with, as well, the ESL funding—and actually, the Auditor General did point out that there is an accountability gap between LOG and ESL, mostly because school boards are forced to use funding that is generated for students at risk—to redirect those funds to other programs that they must fund: things like the education programs, salaries and so forth. It does cause a strain.

We point out there is an accountability reporting issue.

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

Mr. Joe Hirschegger: There's a value for money—we're seeing money go to LOG and ESL, and we're not sure whether it's actually changing student outcomes.

Ms. Laura Mae Lindo: Thank you.

The Chair (Mr. Stephen Crawford): Okay. We'll go to the government side for questions. Ms. Fee.

Mrs. Amy Fee: Thank you for being here today. I just want to give you a bit of a background on myself just so you understand where my question is coming from. I'm the parliamentary assistant to Minister MacLeod in children, community and social services, specifically representing children and people with autism. I am also a parent of two children with autism and was a school board trustee for the previous term with a Catholic school board here locally.

I was doing round tables, and am still actually continuing to do round tables across the province, specifically looking at autism behavioural services. What I have found is that a lot of those round table discussions are actually turning into the struggles that these children are facing in our school system.

I've also met with numerous teachers in Waterloo region, and from different areas in the province as well,

talking about violence in the classroom. I watched it increase dramatically over my four years as a trustee, and hearing from teachers and the union as well.

One of the things that came out of the round tables on autism, though, is the need for more training for teachers and EAs in the school system to understand how best to support the children, and also, having emotion regulation as part of a curriculum piece. I'm wondering if you have any thoughts on either of those from your standpoint, if you think that would be beneficial for your staff, to hopefully bring down that violence piece in the classroom.

Mr. Joe Hirschegger: Thanks for the question. It's an issue that's very near and dear to OSSTF right now. We have several thousand education assistants who experience what you have described. They just need help. Specific training on students with highly individualized needs would go a long way to actually generate success for those students. So, absolutely, training in either ABA or other types of therapies—and more staff. What we're seeing now is that a lot of school boards are doubling up or tripling up students per EA, so that student is losing support from a particular EA. That's just a budgeting issue. Definitely, training is very important.

Mrs. Amy Fee: Have you heard anything from your members about emotion regulation and the need to support children with understanding their emotions and how that might assist them in the classroom?

Mr. Joe Hirschegger: Absolutely, yes. Not particularly in those words, but it's under the milieu of definite training to be able to handle those specific needs and to enable a better outcome for those students.

Mrs. Amy Fee: Thank you.

The Chair (Mr. Stephen Crawford): Any further questions? No? Okay. Thank you very much for your presentation.

OPSEU COMMUNITY HEALTH CARE PROFESSIONALS

The Chair (Mr. Stephen Crawford): I'd like to call up our next presenter, Lucy Morton. Welcome to the finance committee. If you could just state your name for the record, you can get right into your presentation.

Ms. Lucy Morton: Lucy Morton. Good afternoon, members of the committee. I'm a member of OPSEU's executive board for region 2, which covers Niagara, Guelph, Hamilton and Owen Sound. I'm a community nurse by profession, and have been for almost four decades. I am chair of the OPSEU Community Health Care Professionals division for the province. We represent 32 locals, which include five LHINs, with more than 3,500 members. It's on their behalf I'm here to tell you that there is a crisis in community care, and it's not one of those crises that will allow you to sit on your hands and whistle while you look the other way.

You already know and the Premier knows that our hospitals are vastly overcrowded. He calls it hallway health care. But moving them out of the hallways and back into their homes instead of into hospital rooms has created this

home care crisis because they're ushered out of the revolving hospital doors before they should be.

It's a double whammy for community health care professionals. First, there are far more patients to care for now in the home. Second, they're sicker than ever before and require more care and therefore more time. That is a massive problem for the families, for the nurses and specifically for the patients.

Most of our nurses are paid per visit, not per hour. If you see five patients one day, you make less than if you see six patients. As patients become sicker and require more care, nurses are able to care for fewer of them. To maintain their nursing salary, they are forced to make choices. They can reduce the number of patients they see daily and watch their salary disappear; they can see the same number of patients but they can cut corners with care; or they can work even longer hours and see their family and their children less. That's particularly problematic for the large segment of community care professionals who are single moms.

None of those three options is a solution. They only cause more problems. But even those community care nurses who are paid hourly are in crisis because the LHINs keep referring patients even though there simply are not enough nurses to see these patients. To give you an idea of how big this problem is and how quickly it has grown: In December 2017, the VON, which I work for, received 472 referrals. We accepted 98.52% of those referrals—virtually all of them. Just one year later, in December 2018, we got 685 referrals, or 45% more than the year before. We could accept only 49% of them, both because of the increased numbers and because of the increased complexity of the care. What happens if we can't accept them right away? The LHINs are asking for a delayed time frame when we can—up to six weeks.

Since you can't build more hospitals overnight, there's one short-term solution: immediately increase investment in community health care to cover the true cost of home care. Hire more community care professionals and keep them in the community by compensating them better. We have to compensate them better to keep them there.

When I entered VON, home care was considered the top rung of the nursing ladder. That's because community nurses' skill levels have to be second to none. There is simply no one you can consult with while you are out there seeing people in their homes. This is not true in virtually any other health care setting. Before the Conservatives privatized community nursing in the 1990s, the average seniority in the VON field was approximately 19 years. Now—and I'll embellish a little bit—it's about two to three years. We have now become a stepping stone for people to move on.

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There are too many undesirable sides to keep nurses in communities. The pay is terrible. The pressure to see more patients is very high. You enter strange people's homes with no security. You're using your own car to drive to new locations at your own expense. As gas prices go up,

so do your expenses. When you're talking up to 200 kilometres daily, as many rural nurses do, that's huge. There's no such thing as snow days or inclement weather days. When someone needs care, you've got to drive to their homes no matter what the weather conditions or the driving conditions are. In fact, sometimes you actually just have to walk there. Of course, in rural areas, where the lack of nurses is most keenly felt, driving conditions can be treacherous.

With those kinds of downsides, you've got to make community health care more attractive. The best way of doing that is through a predictable weekly income based on an hourly rate, a rate that's competitive with nursing salaries in other health care fields. There's more money to do that because we all know that home care is vastly less expensive than institutional care.

The Chair (Mr. Stephen Crawford): Just stand back a little bit from the mike so we don't have the echo.

Ms. Lucy Morton: Okay. I'm just very passionate about this, I have to say, in case you hadn't got that yet.

If you reallocate just some of those funds, some of those savings to home care, you solve two crises with one solution. And let me repeat, because you have to understand: The current scenario is not sustainable.

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

Ms. Lucy Morton: In fact, it's going to get much worse, and fast. Nurses are leaving, and nurses are not entering the field for the very same reason as others are leaving. I'm telling you that there will be no community professionals to care for patients at home. Those patients will have to take up more room and more taxpayer dollars in expensive hospitals, whether it's in the room or in the hallway.

First, get rid of duplication among the 160 agencies that provide home care and community services. Each agency has their own infrastructure and bureaucracy. There's the waste. To make matters worse, most of them are private agencies, each taking out of a cash-strapped system money to line their pockets. And unless you think lower care standards are something—because, get this: not-for-profit agencies like VON are held to a higher standard in accountability than the for-profits.

I'm going to have to skip, unfortunately. When there is a crisis, you talk to the people who are in the thick of things, who get their hands dirty, and find out what has to be done. That's why I'm imploring you: Talk to OPSEU; talk to me; talk to the people who see these patients every single day.

The Chair (Mr. Stephen Crawford): Okay; thank you very much for your presentation. We're going to start questions from the government side. Ms. Skelly?

Ms. Donna Skelly: Thank you, Ms. Morton, for your presentation. Are you familiar with St. Joseph's Healthcare system in Hamilton, their ICC, Integrated Comprehensive Care program?

Ms. Lucy Morton: Yes.

Ms. Donna Skelly: What are your comments? How do you feel about it? It was raised—actually, they were in my office recently, describing the service they provide, and it

was mentioned again in our proceedings over the course of the past week. I'm just curious as to your thoughts about the system itself.

Ms. Lucy Morton: Not to be specific on just that system, what I have found recently, particularly in the last few months as well, is that there are all these new, innovative pieces trying to fix this system that's broken, including that we actually have extended PSW assistants on computers, so we now have registered staff that watch the computers while the PSW goes in and does the care for both COPD patients and palliative patients. So here's our little fix.

I'm going to speak to it as a whole—the RPNs in most agencies are now getting referrals that were supposed to be PSW care, but there aren't enough PSWs, so it won't be long before we won't have enough RPNs or registered staff to provide the medical care. All of those are just crisis management.

Ms. Donna Skelly: The lack or the shortage, the current and future crisis, the shortage of PSWs and RPNs in just about every sector in Ontario has been raised countless times in these proceedings and actually by many members of many sectors across the province in some of the discussions I've had.

But I'm curious about specific to this program, because it's in essence a very integrated program where the care begins even before the patient enters the hospital. A team of health care providers coordinate the care. They actually bypass the CCAC. It's a one-stop shop where the service—it's a team assigned to the patient that begins before the patient enters the hospital and is follow-through, care in the hospital and afterwards.

Finish your thoughts—

Ms. Lucy Morton: And as soon as there's an anomaly, they come to community. So again, we become the fall-back—because that's in a perfect world.

Ms. Donna Skelly: It's a pilot project.

Ms. Lucy Morton: And it's in a perfect world, where you're going to have a patient—for anyone who's familiar with health care, nothing is stable; each person is an individual. So now what happens is—yes, you're coming in, for example, for hips or knees or whatever the case may be. Should you manage quite well and you are the perfect candidate and the perfect scenario, then you're fine; but when you're not, then extended help is required, and that's when we come in. So that's another feeding system into community.

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

Mrs. Amy Fee: One of the things I've been talking about a lot is the shortage of PSWs and trying to work through that and how we can encourage more PSWs into the system. I'm just wondering if you can elaborate more on what you're seeing from the nursing side, how PSWs and nurses need to work together—

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

Mrs. Amy Fee: —and what that shortage could mean for patient care.

Ms. Lucy Morton: The shortage is because of a system that's broken. I remember that, back in the 1990s, it was

an issue that the personal support workers were going to be on—they didn't deem it to be precarious, but an ability to work when they wanted to, and that this would fix our system. This was going forward. This hasn't happened. Most PSWs, why they're not interested in community is the fact that, when they come in, they don't get paid—they only get paid for the hours worked. A lot of them do not have cars, and a lot of them are doing two and three different jobs—because it's precarious, they have nothing to rely on. So what happens is, they only get paid for when they're in the home. Then they have to travel by bus. So they may work from 7 in the morning till 7 o'clock at night but only see five people, and that's what they get paid. We do nothing to entice all levels—nurses, PSWs etc.—to actually come in and do community because of that fact.

The Chair (Mr. Stephen Crawford): We're now going to go to questions from the opposition side. Ms. Shaw.

Ms. Sandy Shaw: Hello, Lucy. It's nice to see you again.

Ms. Lucy Morton: Hi, Sandy.

Ms. Sandy Shaw: Lucy and I served on the credit union board together, so I might—

Ms. Lucy Morton: In a different world.

Ms. Sandy Shaw: Yes.

I just have to tell you that we have been hearing from OPSEU members all across the province, who sit before us to talk about the concerns in their particular world. We've heard from health care workers. We have heard from people who have worked in corrections. We hear from people in the health care system. So I just want to say to you and your members, I understand, for one, and I'm sure the rest of the committee understands that you and your members are there making sure that our families and our children are safe in those areas. So I would like to thank you for that hard work—and that you're here simply because of your passion. You see, every single day, the breakdown in these systems that we expect to be there when we need them. It's a shock for many of us when we go there and the services are in this underfunded state.

My question—there are many ways I can go here.

People keep saying, "How can we get more PSWs in the system?" You've answered that quite well. You're saying that people aren't going to enter that system because it's such a difficult workplace.

Also, in my office, the vast majority of my calls are from families who have horror stories about home care, both from the side of the people who are trying to help them and the families themselves.

What I want to focus on, finally, is the idea that everyone is trying to land on a solution—but I think we need to understand the fact that the privatization element that has been brought into home care and into our long-term-care system has really, in many ways, contributed to the problem. It's not a fix. Can you comment on that?

Ms. Lucy Morton: Absolutely. You hit it bang on. Since the privatization—and I have been around way—

Ms. Sandy Shaw: Forty years, you said.

Ms. Lucy Morton: Yes. Like I said, it's a cash-strapped system. It's not rocket science. So in the event that we're all restricted in funding, why in God's name

would we allow people to generate revenue from this? It doesn't make sense, economically—anything.

1400

And then we bring in the LHINs. I believe that there is a role for the LHINs—certainly not at the capacity we did. But the LHINs that we have, or originally the CCAC, were brought in to fix our system by bringing in privatized companies to fix our health care system like the States. We talk about the States: Lawsuits are getting more and more prevalent, and there are lots of people who don't get care in the States. If we're looking at that model, which we have been, then you can expect that maybe it's going to be you, maybe it's going to be your father or maybe it's going to be your kid. Something may happen where you may have lost your job and you won't be able to afford care, because that's where we're heading.

In 1990, I stood—

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

Ms. Lucy Morton: I've got one more minute?

The Chair (Mr. Stephen Crawford): Yes.

Ms. Lucy Morton: Okay.

Ms. Sandy Shaw: Keep going. I'm not going to stop you.

Ms. Lucy Morton: In the 1990s, I stood up in Niagara Falls and I said that if the PCs were going to go forward with privatization, it would cause people to have to leave their communities for care—that this would happen and that precarious work would happen—and I was called a “fearmonger.” When you're around long enough, you see what we thought would come true. My response to that, to the person who said it, was, “I hope to God that at the end of the day you look back and realize what you've done to people.” We have a fundamental right to health care, and the same health care for everybody, regardless of your economics.

Ms. Sandy Shaw: I would say that, as you know, from our side, the New Democrats always advocate for a fully funded public health care system. That's something we talked about in the campaign and will continue to see as a basic right for individuals.

Again, we're here touring the province, as I said before. We're hearing these stories in every city that we're in, and my hope is that we will really make sure that we take this information and, as we all on both sides struggle to find a solution, we'll hear what you have to say.

The Chair (Mr. Stephen Crawford): Thank you, Ms. Shaw. We've exceeded our time, but thank you very much.

ONTARIO GOOD ROADS ASSOCIATION

The Chair (Mr. Stephen Crawford): We'll go to our next presenter, the Ontario Good Roads Association. If you could please state your name for the record, and you can proceed right into your presentation. I'll give you a warning at one minute.

Mr. Scott Butler: Great. Good afternoon. My name is Scott Butler. I'm the manager of policy and research for the Ontario Good Roads Association. In February we'll be celebrating our 125th anniversary, so we're a bit of a fly-by-night organization, but after a century and a quarter

we've almost got things figured out. That's really what I'm here to talk about today.

As I alluded to, we're a municipal association. We represent the infrastructure and transportation needs of approximately 435 of 444 municipalities in this province. We have a lot of good ideas, but I only really want to talk to you about one and touch on a second one.

In 2013, OGRA, along with the Residential and Civil Construction Alliance of Ontario and the Ministry of Transportation, undertook a study to determine the feasibility of bundling the design, construction, maintenance and rehabilitation of bridges and culverts into a single contract. This was looking at replicating examples that had been done in other jurisdictions, and it was predicated on the ability of municipalities to work horizontally with one another, as well as between upper- and lower-tier. The test case that we used was Wellington county, and the findings were pretty conclusive. They indicated that we would be looking at a savings of between 13% and 20% on bridge maintenance and design if we were actually able to do this.

There were some problems at the time, and those were largely based on the fact that municipalities, quite frankly, didn't have a good handle on what they owned, what condition it was in and what it was going to cost to repair. The decision by the previous government to mandate municipal asset management planning has actually filled a lot of those uncertainties and gaps in the last five years, so we're now in a spot where we can look at tendering a contract that uses a whole bunch of different assets into one individual bid, and the marketplace can have a lot more certainty that they know what they're actually bidding on.

Similar projects have been undertaken in jurisdictions elsewhere, notably in Missouri and Pennsylvania. The examples of those two particular jurisdictions actually validate the assumptions that we found in our study. This approach offers two basic advantages for municipalities. The first is that a whole bunch of the aspects of the project are delivered and contained in a single contract; instead of paying lawyers to look at 10 contracts, we're paying lawyers to look at one contract. At the same time, there are performance objectives that, if they aren't met, are actually pushed onto the private sector, and if they are unable to deliver, they don't get paid.

If we look at what happened specifically in the state of Pennsylvania, they applied this to a little more than 550 different bridges, and they replaced all of those bridges in a matter of three years at a cost of just over \$1.1 billion. They mass-produced bridges. Basically, this was the Henry Ford-ification of bridges and culverts. It was done through a private bond that was issued to the tune of about \$720 million. At the end of the day, what they found is that the project actually provided the anticipated 20% savings over the concession period. What happened was, the average cost per structure went from an anticipated \$2.1 million down to \$1.6 million.

As I alluded to earlier, municipalities are now at a point where they have become much more effective stewards of their infrastructure. They have a fairly comprehensive grasp on what it is they own and what the cost is of

replacement. That maturity is actually beginning to align with a lot of the objectives that we hear the provincial government identifying. We're at a point now where we can begin entertaining this sort of approach to municipal projects. What we're going to see is jobs that are going to be created, and those jobs are going to be realized in the communities where the benefits are going to be accrued. At the same time, it imposes a bit of financial rigour that will result in municipal budgets continuing to be balanced in a reasonable sort of way.

At the same time, the secondary aspect to this is the idea of asset management planning, which I alluded to already. It is really incumbent upon, I think, all levels of government to begin thinking about how they're going to partner on this. I know the government recently made an announcement of \$2.5 million that was going to help small municipalities develop these plans. It's important that that sort of collaboration continue into the future. It's really the foundation that any sort of further innovation on infrastructure delivery is going to be predicated on.

I'm happy to answer any questions that you may have. I'm really looking for a bit of leadership after six years of talking about this.

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

Ms. Catherine Fife: Thanks, Mr. Butler, for your presentation. Do you actually have a physical presentation for us to take away?

Mr. Scott Butler: I'm going to submit one.

Ms. Catherine Fife: You will be sending it to us?

Mr. Scott Butler: Yes. I'm just a small one-person shop.

Ms. Catherine Fife: That's okay.

Mr. Scott Butler: We don't have a big policy department.

Ms. Catherine Fife: It's just good for us to have it in writing because it is important to remember how long your association has been talking about this bundling of infrastructure to find efficiencies. It is true, though, that it took municipalities a long time to get that asset management piece in place, and they needed some assistance, I think, to get there. Is there an incentive component for municipalities to embrace this idea of bundling?

I like the idea of fewer lawyers making all of this money looking at these contracts. The lawyers are doing very well under this current government; they don't need any more work. Can you expand upon that concept?

Mr. Scott Butler: I think the incentive is twofold. Municipalities are obligated to balance their budgets as it is. Having done asset management planning, I'd say, in a more rigorous way for the last four or five years, what they realize is that the need for funding is actually exceeding what they expected.

To go to the Minister of Infrastructure's backyard, North Middlesex has one road that requires two bridges to be replaced, and a culvert, in the next 10 years. That is, as of this morning, going to cost them \$4.7 million. If they raise their property taxes 1%, it generates about \$68,000. The need is imperative. It's really that simple.

Ms. Catherine Fife: Where was Infrastructure Ontario when the Ontario Good Roads Association was coming up with this idea? What interplay did you have with that?

Mr. Scott Butler: They've been privy to the conversations. Really, we've gotten to a point where conversations aren't really replacing bridges anymore. We're looking to leverage the experience and expertise that resides within Infrastructure Ontario. I think it's understood that they have a very comprehensive grasp of this approach.

We're not looking for capital to flow through. Municipalities understand that these are their obligations. But what we're looking to leverage is that experience and that expertise so that we can craft this.

Municipalities tend to be fairly skittish by nature. I've worked for the provincial government, and I now work with municipalities. I think they out-risk you guys, quite frankly. If there isn't some sort of assurance, some sort of support in place, they'll default to the previous way of doing this. We're spending money, frankly, that we don't need to spend.

1410

Ms. Catherine Fife: Okay. I look forward to getting the hard copy of your presentation, but I do want to make the point that the original intention of Infrastructure Ontario was to do exactly what you're talking about: to modernize how infrastructure is funded—

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

Ms. Catherine Fife: —how it is planned for, and to make the entire process more transparent.

I applaud the Good Roads Association for being so resilient. We agree, though, that it must be very frustrating to be essentially a grassroots one-man show asking year after year for some common sense to be applied on the Infrastructure Ontario file.

I'll leave it at that.

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

We'll go to the government side. Ms. Skelly.

Ms. Donna Skelly: My previous role is a city councillor in the city of Hamilton—with a massive infrastructure deficit.

Can you please expand on what you're proposing? Are you suggesting that the province entertain a province-wide procurement process for all bridges? Where are the cost savings—

Mr. Scott Butler: Well, that would be at the extreme end of the scale. I don't think that's really practical, quite frankly. We're looking at, I think, in the province, where there are approximately 20,000 bridges owned by municipalities. So that would be a rather large contract.

I'll give you the background. We began this conversation six years ago; we're continuing to have it now. The province asked us to identify some municipalities that would work as pilot projects, if you will—participants for an approach like this. We went off and solicited endorsements from councils. We got about 27 or 28 different endorsements from various councils across the province.

The county of Middlesex actually had a very comprehensive proposal in place, where they had just done a needs

analysis on their bridges and culverts. It works well from a number of different perspectives. They have a really comprehensive grasp of what they have. They have some capacity in-house to be able to manage a project like this. They're the representative of small urban and rural communities, upper tier, lower tier. They check a whole bunch of boxes. When we began planning this six years ago, we knew that the Minister of Transportation and the Minister of Infrastructure would be representing that particular jurisdiction, so we had that much foresight—no, I'm just kidding—to be able to say that this may be a really good litmus test, that we can then use the findings to replicate across the province. So at this point, we're looking for the political will to get the pilot project off the ground.

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

Mr. Doug Downey: I also was on a municipal council. I was on the board of OSUM. The OGRA good roads conference was very helpful in my time. Having conversations about how other people did things saved my municipality several million dollars. On one particular project, it was very helpful.

It's hard to have a rational conversation all the time about how you do procurement. There are challenges in there. When you do it on a larger scale, those challenges are magnified. So I would like to have a larger conversation about the challenges in procurement—and as a lawyer, I can tell you that the input costs of the lawyers is minimal. That's really not the issue. The issue is everything from supply chains to—like I say, it's nice to think about having some consequences for people not performing as well. Governments aren't really good at making that happen.

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

Mr. Doug Downey: The bridge that was built upside down by the previous government magnified that kind of mistake on a global scale. So the risks become higher. We have to get it right.

I look forward to my colleague across—when we try to work with municipalities on a larger scale and we're doing the AMPs and we're doing that stuff—not moving to the language that we're “forcing” municipalities to do things, when we're trying to find a better way and a collaborative way. They're just bigger. That language in the opposition concerns me.

Mr. Scott Butler: I mentioned earlier that without the leadership of the province, municipalities will default to doing things the way they've always done them. When they see leadership coming from Queen's Park, and when Queen's Park uses the full extent of its authority and capacity to get them to collaborate in ways they're unwilling to do themselves, the results can be pretty significant. That's what has been missing, quite frankly, from this. Without that leadership, without the indications from MOI, from MTO, from Infrastructure Ontario, it hasn't happened, and—

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

REGIONAL MUNICIPALITY OF WATERLOO

The Chair (Mr. Stephen Crawford): I'd like to call up our next presenter. It's the regional municipality of Waterloo. Good afternoon, and welcome to the finance committee. You have up to seven minutes to present. I'll give you a one-minute warning. If you could just state your name for the record, and you can get right into your presentation.

Hon. Karen Redman: Karen Redman, regional chair. Thank you for the opportunity to speak to the finance and economic affairs committee. Thank you for the opportunity. I wanted to welcome you on behalf of Waterloo region, but I see so many familiar faces around here. I'm sure they've touted some of the wonderful things of the area that they represent. We are home of the high-tech industry, a thriving economy and some of the nicest people you'll ever meet.

The region of Waterloo recognizes the government's desire to effect change in Ontario. We are keenly aware of your priorities: job creation, a balanced budget, and streamlined services and programs. The priorities of the region of Waterloo emphasize the importance of ongoing strategic investments by the government of Ontario. The region believes that the priorities that I will identify are fundamental to the financial stability of this region, as well as Ontario's municipalities, without impacting the province's bottom line. There are several priorities, which include bilateral agreements with the federal government that are currently pending rollout and implementation.

Bill 66, schedule 9, which amends the Labour Relations Act on fair and open tendering, eliminates the category where municipalities are defined as construction employers. This will impact job creation, increase the number of workers who are eligible to compete and work on regional projects, and save a great deal of money for local residents. This allows us to put money into services and programs that are most needed, and we thank you for that.

On behalf of the Waterloo regional councillors, who unanimously sought the province's reconsideration of the proposed planning amendment of Bill 66, I would like to acknowledge that the government of Ontario has demonstrated that it was listening to the residents of our region, and indeed those across the province, by removing section 10, which is the Planning Act amendments of Bill 66. Your thoughtful reconsideration illustrates what the results of meaningful consultation can look like.

The regional municipality of Waterloo has been a leader in the public consultation process. Our successes are derived from inclusive discussion and consensus-building. This has resulted in benchmark decisions in water conservation; preventive health programs, including a regional smoking by-law; countryside line protection; and active transportation models.

The region of Waterloo is made up of approximately 600,000 residents living in a geographical space of 1,350 square kilometres. It includes seven area municipalities, Cambridge, Kitchener and Waterloo being the urban

centres, and the townships of North Dumfries, Wellesley, Wilmot and Woolwich.

We have an enviably strong economy. Our GDP per capita is \$51,300, and it surpasses the provincial and national numbers. Our forecasted GDP growth for the period of 2018 to 2021 is 2.3%. This is ahead of the 1.8% estimated for Ontario and Canada. The region of Waterloo has one of the lowest unemployment rates in the country, with an average in 2017 of 5.1%. We are very proud of our strong regional economy and our continued triple-A rating from Moody's. And we, both the elected officials and residents of our communities, work very hard to win our successes.

We are proud that we hold our place in the innovation corridor and to stand among—and indeed, outperform—other well-known innovation regions, including California and Massachusetts. Within our borders, we have been touted as outperforming the GTA in both job growth and education attainment.

Our continued success counts on attraction and retention of talent and hinges upon improved regional transportation, both physical and social infrastructure, to support continued economic development in the continued success of the Waterloo region, which cascades into continued success for the province of Ontario.

The region of Waterloo is not unlike other municipalities across Ontario. We have significantly more priorities and demands for services and programs than we have funding to address them. I have given you two printed submissions that outline these, but I'm just going to touch on four key ones today.

Transit infrastructure for public transit is critical for stimulating the Ontario economy and job creation. The province of Ontario urgently needs to formalize a bilateral agreement with the federal government and initiate the transit infrastructure funding program. This would avoid us missing the 2019 construction season.

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We have significant transit expansion over the next five years. We intend to increase transit service by 20% and ridership by 30%, but a key element of this transit expansion is the construction of a \$120-million bus storage and maintenance facility. We cannot proceed with these plans without that facility.

Improved GO train transit service: The province of Ontario needs to expedite the implementation plan for faster, more frequent two-way, all-day GO train service to Kitchener; extend GO train service to Cambridge; and steadily grow on the innovation corridor, attracting high-tech firms, providing attraction for incubation and an environment for business start-ups. We're pleased that the province announced in December 2018 one additional morning train, but they also announced at that time that they were cancelling the work on the freight bypass and pursuing negotiations with CN for the optimization of existing tracks and related infrastructure improvements. We're especially interested in in-bound trains, because the region of Waterloo has as many employees travelling into the region from outside as travelling from the region to outside.

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

Hon. Karen Redman: Development charges: The province of Ontario needs to maintain the current model. It has no impact on the bottom line of the province, and there are \$1 billion of development charge fees that are in our capital forecast for the next 10 years.

The last issue is funding for affordable housing. Again, we urgently need the bilateral agreement to be rolled out because we need to address that urgent concern.

I look forward to your questions.

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

Mr. Mike Harris: Madam Chair, it's great to see you here today. I was hoping that you would be able to highlight a little bit more about how having the region deemed as a non-construction employer will not only benefit the region itself, but also employers here in the region.

Hon. Karen Redman: It's something that the region, in partnership with a lot of local construction companies, were lobbying for for quite a while. We were deemed a construction employer, and we found that the bids for large projects dropped by 50% and we saw fewer and fewer local businesses competing for that. We're optimistic, when this is declared law, that we will then be able to open it up.

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

Mrs. Amy Fee: Thank you, Chair, for being here today. I'm just wondering if you can talk to us about—we've been talking about the need for more buses and what exactly that will look like for ridership and growing that ridership in our communities, and where you see the targeted need for the expanded buses and also that need for the hub in Waterloo.

Hon. Karen Redman: Thank you for the question. Part of our strategy is actually articulated buses, because we anticipate that there will be a 30% increase in ridership. Those are the buses—everybody from Toronto has probably seen them—that have the accordion connection in the middle. We have no facility currently to service them. We need that maintenance facility, which is the \$120-million project that I talked about, that is being held up. We've already been approved notionally by that bilateral agreement. If we miss the 2019 build season, we will not be able to make the 2021 completion date, and all of our plans are predicated on being able to. This year, we have 116 buses in our forecast to purchase.

Mrs. Amy Fee: I know we've talked about it briefly, but do you have a hard date on that deadline of when you need to know if that can go ahead, to hit that construction season for 2019?

Hon. Karen Redman: I would say that the spring is the absolute latest that we could go. That would really be pushing it.

Mrs. Amy Fee: Okay. Thank you.

The Chair (Mr. Stephen Crawford): Any further questions? No? Okay; thank you very much. We're now going to go to the opposition side. Ms. Fife.

Ms. Catherine Fife: Thank you, Chair Redman, for being here as well. I want to say that I was very proud of the region of Waterloo and the city of Waterloo, the city of Kitchener and the township of Wilmot when they took such a strong stand against Bill 66 and voted to notify the provincial government that it was not in the interest of the health and safety or well-being of the people of this province to pursue schedule 10. I credit the municipalities like the ones in this region for forcing the government to acknowledge that schedule 10 needed to be removed from Bill 66.

Our job, obviously, as opposition members, is to make sure that that schedule is indeed repealed from Bill 66. Of course, there are other issues in an omnibus piece of legislation. As a former parliamentarian, you will know there are lots of poison pills in there, so we're still going to continue to fight Bill 66. Hopefully, as you point out, this government will consult first and not after the fact, because that's how you actually create legislation that meets the needs of the people of this province.

Thank you also for raising the issue about the freight bypass. Communtech, the chamber of commerce and Connect the Corridor all gave excellent presentations this morning and talked about the economic value of ensuring that we have consistent rail travel, and that includes the freight bypass, which, as you know, the government has walked back. I'm hoping that the local members are hearing loud and clear how important it is to have a sustainable plan for transit.

On the housing piece, though, we haven't heard that much about housing. Your voice, as a municipal manager of affordable housing, is really important for us. Can you please let us know, as legislators, what needs to happen to ensure that affordable housing is raised up as a priority? The wait-lists, obviously, for the region of Waterloo continue to grow and have done so under the former government, and, unless there is a new infusion of funding, may continue.

Hon. Karen Redman: Thank you for the question. I would tell you that when I was knocking on doors in the past election, affordable housing, supportive housing, permeates so many of the social agencies' stress points within the community. People in every corner of the region were talking about affordable housing. There's money on the table from the feds. There was a bilateral agreement signed, but it has not rolled out. We have to be very cognizant of the fact that we're not going to invent this housing tomorrow. We're going to have to build, renovate, convert. The previous government did bring in inclusionary zoning and intensification, and those are great, but those are carrots. We need some money to grease the wheels.

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

Hon. Karen Redman: It's reported that you can wait on the list for affordable housing for seven years in Waterloo region.

Ms. Catherine Fife: Seven years?

Hon. Karen Redman: Yes.

Ms. Catherine Fife: The federal government has said to the provinces, "We want to partner with you." There's money on the table, and it's matching money. Is that how it works?

Hon. Karen Redman: Yes.

Ms. Catherine Fife: So it would make sense for the province not to turn their backs on that money if it's on the table. They just need to come to an agreement, sign the bilateral agreement, so that you, as a regional level of government, can plan to build. Is that right?

Hon. Karen Redman: Yes. I could just point out, too, that the region is the service manager for all social housing, so it wouldn't just be the region building it. We would partner with agencies and other entities and even for-profit builders, if they chose to build affordable housing. There are players out there willing to participate if we're able to partner with them.

Ms. Catherine Fife: Yes. We do have some amazing not-for-profit operators in this region who have come to the table. They have the expertise, they have the knowledge and they want to partner, but they need that money. That is also our job as opposition members: to make sure the provincial government doesn't leave that money on the table when it's so needed in our municipalities. Thank you very much.

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

Hon. Karen Redman: Thank you. I did time it. I was trying to read as fast as I could.

The Chair (Mr. Stephen Crawford): That's okay. I know we have limited time; we're meeting a lot of people. So thank you.

LIBRO CREDIT UNION

The Chair (Mr. Stephen Crawford): I'd like to move to our next presenter, Libro Credit Union. Good afternoon and welcome to the finance committee. If you could please state your name for the record, and you can get right into your presentation.

Mr. Fred Blaak: Absolutely. Thank you so much. My name is Fred Blaak and I'm the executive vice-president of risk and corporate services for Libro Credit Union, so just a small correction on the name. Thank you for making time for us today. Joining me in the audience is Kate Neff, the VP of external communication and community and government relations for Your Neighbourhood Credit Union. Certainly we're taking a team approach to this, speaking on behalf of all Ontario credit unions.

Our presentation today focuses on explaining why the Credit Unions and Caisses Populaires Act, or CUCPA for short, requires necessary modernization, and asks for your support to implement this in the 2019 spring budget consultation.

Ontario credit unions are very passionate about their members and the communities in which we serve. Libro and regional credit unions such as Your Neighbourhood, Kindred, Meridian, Education and others continue to invest

thousands locally into community projects, programs and initiatives within the Waterloo region.

We are proud to share that membership in credit unions continues to grow, both within this region and across Ontario. Ontario credit union members know that we provide them with the best advice and support in growing their prosperity. We're here today to ask for modernized legislation that supports our desire for sound business practices, strong capital position, protection of our members and the flexibility to innovate and grow as a sector within Ontario's economy.

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The modernization of the CUCPA will benefit the 1.5 million credit union members who believe that where they bank matters, while ensuring that those who seek a new way to bank are confident in our ability to deliver and meet their needs.

If I stood here today and told you that the review of the federal Bank Act had not occurred since the early 1990s, there would be significant questions from this panel. Credit unions face this reality every day. The CUCPA was enacted 25 years ago, in 1994. To put that in perspective, the Internet was in its infancy, Seinfeld was the most popular TV show and smartphones were just an idea. Times change fast, and unfortunately, legislation doesn't always keep pace.

The modernization we seek will cost the government almost nothing while ensuring that our sector remains viable, competitive, efficient and able to grow. It will remove burdensome red tape that inhibits our ability to better serve Ontarians and will have a positive impact on our community while increasing competition for consumers and ensuring financial benefits for homeowners, farmers, entrepreneurs, businesses and families alike. The time is now for modernization.

This panel needs to know that credit unions consistently rank as the preferred lender for small business and contribute, on average, 5% of pre-tax income back into the communities we serve. When compared with larger banks, we see, on average, 1% of their pre-tax income going directly back into communities. We are a strong alternative for consumers who desire more from their financial institution. For us to continue, an act rewrite is both necessary and achievable.

As you may know, in 2015, the previous government conducted a review of the credit union act. All parties supported this review and sought the implementation of the 15 recommendations. While we commend the report and the initial steps towards implementation, we still recognize gaps in both the content itself and required actions to move it forward. We have the opportunity with this budget to make significant progress.

Credit unions are prepared to work with the government and the Ministry of Finance to deliver a modernized act. To support the government, we authored a detailed white paper examining further opportunities beyond the 2015 review that ensure the necessary reforms, regulations and protection for members. We will submit this to the Legislature as part of the pre-budget consultation.

I would like to take some time to highlight the key interests and positive impacts this modernization will have on our members and business operations.

Credit unions recognize that appropriate prudent legislation is necessary. Credit unions are committed to the ongoing partnership with the regulator, the Deposit Insurance Corporation of Ontario, which is transitioning into the Financial Services Regulatory Authority, or FRSA—recognizing it's important that the burden of regulation continues to increase.

A recent MNP study estimated that Ontario credit unions pay nearly \$60 million annually in regulatory costs. The study shows that for smaller credit unions, this compliance burden can make up as much as 25% of their operating expenses. This takes away from our ability to better serve and innovate for our members.

Credit unions are aligned with the government in committing to red tape reduction where appropriate while ensuring greater transparency and accountability in our practices. Red tape reduction will positively improve the ability for credit unions to compete and deliver alternatives to the big banks and ensure that funds are invested directly back into Ontario's economy. We estimate that roughly \$150 million worth of direct stimulus as well as spinoff growth is lost due to red tape burdens within our current act.

Ontarians deserve choice within their financial services, advice and products. They also deserve strong consumer protection and a partner who will work with them to protect their hard-earned money. We take this commitment very seriously and are excited to share that we are working on a market conduct code that will better protect them, their money and our commitment to all Ontarians and their communities. This code adheres to industry, provincial and federal best practices, as well as federal codes and co-operative principles to ensure transparency for all Ontarians who interact with a credit union.

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

Mr. Fred Blaak: Areas within the code include business practices, disclosure requirements, advertising, sales practices, and effective complaint handling.

New changes are coming to credit unions in the form of a new regulator. This regulator will contend with regulating credit unions using old legislation.

We recognize there are significant asks of this government. We feel that the case for modernization of our act is compelling based on the evidence here and within the white paper. Now is the time.

In conclusion, we urge the minister to commit to modernizing the credit union act within the 2019 spring budget. We would like to thank the panel for their time, and at this time I'm able to answer any questions you may have regarding credit unions, our commitment, and the modernization.

The Chair (Mr. Stephen Crawford): Thank you very much. We start with the opposition. Ms. Shaw?

Ms. Sandy Shaw: Are you surprised that it's me, Mr. Chair?

We have been going around the province—and I'm a firm adherent of credit unions. As everyone has heard many times, I was the former chair of the board for FirstOntario Credit Union for many years.

Mr. Fred Blaak: Oh, fantastic.

Ms. Sandy Shaw: Yes, so I'm really a supporter. The co-operative principles of the credit union sector are something that I really do support. It's part of a value system that I think is important.

I'd also like to mention the credit union sector. In an era in the last 10 years when you have increasingly shrinking margins and some of the increased regulatory burden that you're talking about, credit unions have continued to grow in Ontario. We're not quite at a BC level but we're getting there, so I want to—

Mr. Fred Blaak: Give us time.

Ms. Sandy Shaw: Exactly. It is time.

I want to go right to the notion that when you look at changing the *Caisses Populaires Act*—and you said it in your paper. Can you just talk very quickly about how you can do this while ensuring that some of the oversights and regulatory requirements, like capital adequacy and so forth, will still be there to ensure people who want to invest, or members, that the credit union is still a very safe and well-funded system?

Mr. Fred Blaak: Certainly. Our view would be that we'd look to take a collaborative approach with the government and with the regulator to ensure that those modern aspects of the legislation you're referring to are embedded and able to be managed efficiently, things like: How does Basel III, in terms of capital requirements, affect credit unions, considering our structure and our capital nature, things of that nature? So it's certainly a consultative approach, and we would look to assist with the drafting of that.

Ms. Sandy Shaw: Okay. That's important to hear.

The other thing that I want to mention in terms of the regulations: Even if you're a small credit union, a local community credit union, you really have the same regulatory requirements as a bigger credit union. In fact, if you think about it, in some regard credit unions have the same kind of regulatory burden that the Big Six may face.

We have been touring northern Ontario and small communities like Dryden and Timmins. In some instances, credit unions are the only financial institution in their community. Can you talk very specifically about how what you're proposing will ensure that smaller credit unions can still maintain operations in small communities, where they're really critical?

Mr. Fred Blaak: Certainly it's important to remember that the way people bank has changed. While we acknowledge that credit unions are also closing in small communities, we're looking for ways to create better access to banking services in different ways as people's preferences change. That's one aspect, and certainly something that we're very mindful of.

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

Mr. Fred Blaak: Thank you. I think that the decision to change locations is done very thoughtfully in terms of

what the community needs, again, taking a consultative approach.

Ms. Sandy Shaw: That's the credit union way, right?

Mr. Fred Blaak: That's right, yes.

Ms. Sandy Shaw: Very quickly: I'm looking forward to seeing your white paper, but maybe you can give us a sneak preview around areas—if it's in your white paper—regarding alternative sources of income. Primarily, credit unions rely on interest and service charges, really. I know there are some instances of getting into other alternative products. Is there anything in the white paper that will be addressing that?

Mr. Fred Blaak: I can't speak to that today. I don't know the answer. I'm sorry.

Ms. Sandy Shaw: Oh, okay. I thought you were just being secretive.

Mr. Fred Blaak: No, no, not secretive. Certainly, I think credit unions take a holistic approach to how they can add value, and so it's less about the revenue opportunities as opposed to how we improve the lives and well-being of people in our communities.

Ms. Sandy Shaw: Thank you very much.

The Chair (Mr. Stephen Crawford): Thank you very much. We're going to go to the government side for questions. Mr. Downey.

Mr. Doug Downey: As Ms. Shaw mentioned, we've heard from credit unions. You're very organized this round in getting your message out.

Mr. Fred Blaak: Thank you.

Mr. Doug Downey: In addition to that, my parliamentary intern used to sit on the Creative Arts Savings and Credit Union in Toronto, which is a very—so we talk about areas where it's the only presence, but there are also very small credit unions, sometimes, that have a very niche presence, and Clara Pasioka has told me much about that.

1440

When I asked one of the previous presenters why 2019, I'll tell you what he answered—this was Mike Ras from Meridian. He said it's because the DICO and the FSCO/FSRA change is happening, so there's a window of opportunity there. He said that the competitive gap in lending is widening. He said, "It's time," which I've heard you say—it must be something you guys have talked about; that seems to be a slogan—and that we want to hit the legislative agenda early while there's time to work through the system. If there is anything else to add to that, I'd be happy to hear it.

Mr. Fred Blaak: Just to build on those comments: Certainly, I support what you just shared. When we say "It's time," we recognize that there has been a lot of good work done already—and trying to keep that momentum going. We're willing to roll up our sleeves and be part of the effort. From a cost perspective, it feels like a huge win for the volume of people in Ontario affected.

Mr. Doug Downey: I'm a member of a credit union as well, so there's a lot of experience at the table.

Mr. Fred Blaak: Thank you so much. I appreciate that.

The Chair (Mr. Stephen Crawford): Any further questions from the government side? Okay.

Thank you very much for your presentation.

ADVANTAGE ONTARIO

The Chair (Mr. Stephen Crawford): I'd like to call up our next witness: AdvantAge Ontario.

Welcome to the Standing Committee on Finance and Economic Affairs. It's great to have you here today. Please state your names for the record, and then you can get right into your presentation.

Ms. Jane Joris: Good afternoon. My name is Jane Joris. I'm the chair of AdvantAge Ontario. With me is Shilpi Majumder, our policy director. I'm also the general manager of the long-term-care division of the county of Lambton.

AdvantAge Ontario is a voluntary membership association that has been the trusted voice for providers of senior care for 100 years. We are the only provincial association that represents the full spectrum of seniors' care, so this gives us a unique and vital perspective on how the sector and government can work together to best meet the needs of Ontario's seniors. Our members include municipal, charitable and not-for-profit long-term-care homes, seniors' housing, and seniors' community service providers.

Today, I'd like to speak about our 2019 pre-budget document, *The Challenge of a Generation*. We called it that because, with our rapidly aging population, demand for seniors' care is growing and, quite simply, the system is failing to keep up. People are unable to access the supports they need at home, hospital overcrowding has reached a tipping point, and waits for long-term care can last from months to years.

We are also facing a critical health human resources crisis that is challenging in urban areas and desperate in rural and remote Ontario. The hard reality is that we do not have enough people to provide front-line care.

We've had 15 years of overly prescriptive legislation, regulation and policies. This deters health professionals from coming into the seniors' care sector, and the staff we do have are forced to spend precious time on documentation and ensuring compliance in areas that do not benefit resident care. If we're going to provide the best and safest care to meet future needs and expectations, we need to get back to basics: people to provide care and places to provide it.

This new government has already taken action; most notably, its commitment to build 30,000 new beds over 10 years and the announcement last fall of \$300 million for the first wave of 6,000 beds. This, along with investments to increase beds and spaces in hospitals and in the community, proposed regulatory changes to streamline the long-term-care licensing process, and the critical work of the Premier's Council, are important steps in the right direction.

In our 2019 pre-budget submission, we have put together a plan for how, working with the government, we can ensure better care for Ontario's seniors. I encourage you to read our full document, but today I'll focus on our three key recommendations.

First, the province should work with system partners to develop a health human resources strategy. The strategy should consider a range of measures to increase and improve the health workforce as quickly as possible. In our

submission, we have put forward a number of tactics to address the most critical issues being experienced right now. Examples include allowing on-the-job training for personal support workers, offering support for training and skills upgrading, and targeted incentives to attract workers to regions where they are most needed.

Second, the province should support new models of care and the development of seniors' campuses. This can be done by addressing barriers to continuity of care across campuses, changing regulations, and supporting innovation. Seniors' campuses bring different kinds of care, supports and housing together in one location. This creates vibrant communities where people can easily transition as their care needs change.

Campuses provide huge value for seniors and the health care system, including better use of resources, stronger communication between care professionals, and smoother transitions as needs change. They offer economies of scale that stand-alone facilities lack, maximizing efficiencies and stretching tax dollars.

Other unique care models, like Butterfly, Green House and Eden Alternative, are transforming the way we think about dementia care. These person-centred approaches provide people with a more caring, calming and compassionate environment in their final years. They also help retain staff and reduce turnover.

Our third recommendation is that the province reduce the regulatory overhead on long-term-care providers by moving toward a risk-based oversight system with coaching for compliance. Some regulations are unnecessary or duplicative and do not contribute to improved resident care. We believe the government needs to work with the sector to find ways to simplify the regulatory environment, move away from a culture driven by paperwork and box-ticking, and give care staff the tools and time to provide more direct care.

This government is already demonstrating its commitment to strengthening seniors' care. We want to build on this momentum in a way that balances needed changes with the efficient use of scarce tax dollars. While more investment is critical as demand continues to grow, we recognize the government's fiscal situation and have focused the three recommendations we are addressing today on areas that have the least financial impact.

This year marks our association's 100th anniversary. This is an incredible milestone for a sector organization. We bring valuable experience, expertise and a long history of working collaboratively with government to advance senior care.

The Acting Chair (Mr. Stan Cho): One minute.

Ms. Jane Joris: We urge the government to move forward on our recommendations. We strongly believe they will have an immediate impact on the quality of life of Ontario seniors.

Thank you, and thank you to the committee for taking the time to listen to our concerns today.

The Acting Chair (Mr. Stan Cho): Thank you. Now we'll begin four minutes of questioning starting with the government side. Ms. Fee.

Mrs. Amy Fee: Thank you for being here this afternoon. I'm just wondering if you could talk a little bit more about the PSW angle of things. Something that I've been very passionate about is that we need to see more PSWs in the system, and also ensure that we can keep the PSWs that we do have already there in the system. I'm just wondering if you have any other ideas on how we can encourage more people to enter that line of work and also actually keep them there.

Ms. Jane Joris: We do have a number of examples in our paper, but first and foremost, we need to make the job attractive, which means that there needs to be enough resources for the job to be attractive. We know that only about 50% of the PSWs that we train in the province actually end up working as a PSW.

We also need to make sure that we are providing opportunities for people to experience geriatric care, so school placements in long-term-care homes, job readiness in long-term-care homes, even on-the-job training. We'd also like to see the ability to employ more new Canadians and people who have training from other countries but might not meet the requirements in the act at this time, and more training on dementia care throughout the curriculum and opportunities for people to experience working with the elderly throughout their education.

Mrs. Amy Fee: When you're talking about the training piece, is that training piece also to deal with—our mother went through dementia before she passed away, and would have a lot of violent outbursts. That was the hardest part for us. We were lucky enough that she had five children and a bunch of grandchildren that could help ensure that she had a private PSW to support her, on top of the care that she was receiving in the home that she was in. But it was hard to ensure that someone would want to take the time to be with her because of those fears around the violence or the anger that could come out sometimes. I've heard that from other families as well, that they've had that struggle.

1450

So are you saying that more training around that and how to approach those behaviours is something that may be able to help PSWs stay in the field?

Ms. Jane Joris: Absolutely. We have Behavioural Supports Ontario, which is a program that helps to identify triggers for behaviours and support people who have challenging behaviours because of the disease process. This program has been rolled out differently across the province. What we know is, the most successful model is if there's a Behavioural Supports Ontario team in the home that can support those residents and the other staff on how their approach needs to change with people, depending on the responsive behaviours that they're experiencing. There are places where there are travelling BSO teams that only go to a home about once a month.

The Acting Chair (Mr. Stan Cho): One minute.

Ms. Jane Joris: We know that that embedded team can help educate other members of the team on how to support people with responsive behaviours.

Mrs. Amy Fee: Thank you.

The Acting Chair (Mr. Stan Cho): Mr. Downey.

Mr. Doug Downey: Just a really quick question: You referenced the Butterfly, Green House and Eden Alternative models. Can you just give us a really high-level overview?

Ms. Jane Joris: Absolutely. Those are models of dementia care that are relational and emotional as opposed to task-focused. It recognizes where people are emotionally, and it attempts to meet those needs. It usually means fewer people in the resident home area. Perhaps the staff don't wear uniforms. There are a number of different models—more than 20 throughout the world.

Mr. Doug Downey: Wow. Thank you.

The Acting Chair (Mr. Stan Cho): Thank you. To the opposition side: We'll begin with Ms. Fife.

Ms. Catherine Fife: Thank you for being here today, and thank you for the work that you're doing—and have done for 100 years. It's hard to imagine the sharp crisis point that we're at right now with regard to caring for elderly people and seniors in the province of Ontario—in particular, the report that just came out last week about violence in long-term-care homes.

I noticed that you are advocating for greater hands-on health care and a more holistic view of caring for seniors. I was touring a long-term-care facility, a for-profit one, in this region not that long ago, and 76%—all those regulations you're talking about; you have to post what has happened in the home. Some of them are needed; I agree with you that there is some streamlining that can be done. But 76% of the residents were on anti-depressants. I asked the executive director, and I said, "That seems pretty high to me." He said to me, "If you were in a long-term-care facility, wouldn't you want to be on an anti-depressant?" What a huge shift in culture—and a shift into, as you point out, more vibrant communities where seniors can actually have some quality of life. That requires human care.

I want to tell you that we do support those four hours of minimum care, but we also know that they need to be funded. You can't just say "four hours," because then those PSWs, who are moving through the system so quickly because of split shifts and because they don't actually get to do the quality human connection that they've entered the field for—that's why we lose them, because they become stressed as well.

I do want to get to the point around regulations. We hear a lot of "too much red tape; too much regulation," but there actually are good examples in this sector of writing reports about a hair on a chin, if you will. I think it would be beneficial for the committee to hear an example of where regulations are burdensome in long-term-care facilities.

Ms. Jane Joris: Some examples I can give are: documenting what you've cleaned. We hire staff that are well trained and know how to do cleaning, but they have to spend time documenting that. Also, care plans can be many pages long. One example might be a bedtime. In the person's care plan, it might say that they have to go to bed at 8 o'clock. Well, I don't know about you, but I don't always go to bed at the same time every night. So there are things that we're documenting. There's also duplication in

reporting. We often report the same information to more than one body. So those kinds of things, which don't really affect the safety of resident care, could be reduced to make it easier. Also, those relational and emotional models of care are difficult to do with the regulations that we have.

The Acting Chair (Mr. Stan Cho): One minute.

Ms. Catherine Fife: Okay. Specifically, though, you've given specific examples to the government of which regulations and practices are burdensome so that we can actually direct more of our attention to the seniors in care?

Ms. Jane Joris: Yes.

Ms. Catherine Fife: You have done that? Okay.

I want to thank you for the work that you're doing. I think that there's great room for improvement. I do want to say that I don't think the answer at the end of the day is privatization, because that pulls more money out of the system and away from the care of the seniors whom we're working with. I applaud the fact that, for the most part, it's a not-for-profit model that you're working in, because if you're trying to make money off of caring for seniors, it's the seniors who lose, at the end of the day. Thank you very much for being here.

Ms. Jane Joris: Thank you.

The Acting Chair (Mr. Stan Cho): Okay. Thank you very much.

WATERLOO REGION ECONOMIC DEVELOPMENT CORP.

The Acting Chair (Mr. Stan Cho): Our next presenter: We have the Waterloo Region Economic Development Corp. Welcome, sir. You'll have seven minutes for your presentation, and I will give you a one-minute warning. Please state your name for the record and begin whenever you're ready.

Mr. Tony LaMantia: Okay. Good afternoon. My name is Tony LaMantia. I want to thank the standing committee for this opportunity. I'm just going to dive in. I'm the inaugural president and CEO of the Waterloo Region Economic Development Corp. We operate as Waterloo EDC. I was appointed in January 2016 as the corporation's first CEO, after a career that spans about 30 years almost evenly spent between the private and public sectors.

Some of you will know that, before accepting the role, I was the assistant deputy minister of investment and industry for the province for about six years, directly engaged in leading a number of investment attraction efforts, including Ford, Toyota, Honda, Mitsubishi Heavy Industries, Dr. Oetker, Héroux-Devtek, Linamar, Magna, Highbury Canco, and Heinz in Leamington, just to name a notable few.

I also developed something I'm really proud of, the Ontario's Investment Ready: Certified Site Program, which is aimed at helping municipalities become investment-ready and helping them find shovel-ready sites for anchor employers. I'm really proud of the work we did at the province.

I tell folks that I'm a reluctant CEO because my heart is always in the sales cycle, but the role in Waterloo region

has been essentially like launching my own start-up. Now that it has found its legs, and after proving itself to funding partners and stakeholders over the last three years, we have a five-year mandate renewal beginning this year. It has now morphed into a more challenging scale-up. Apart from macroeconomic issues and some dark clouds on the horizon with trade and the Trump presidency, it's actually a wonderful region to be in in this kind of role. It's a rare thing indeed to be building an investment promotion agency from the ground up, and it has been a labour of love and continues to be.

We're an independent, not-for-profit organization that is 100% funded by the region of Waterloo and seven area municipalities: the cities of Kitchener, Cambridge, Waterloo, and the townships of Wellesley, Wilmot, Woolwich and North Dumfries.

Very simply, we are the first point of contact for companies looking to locate, relocate or expand in our community. We have a private sector board of directors and a governance model that is viewed as a best practice, both in Canada and internationally, with organizations like Toronto Global—which is about two years old now, having modelled their own governance after our own—and regions like Victoria, Edmonton, Halifax, Niagara, northern Ontario and eastern Ontario reaching out to better understand our city-region model and our collaboration blueprint. The same is true of jurisdictions in Europe and Australia that have reached out to us. They're interested in: How do you work effectively with your individual cities and townships? How do you qualify, manage and refer investment leads? How do you measure success? What are the key performance indicators on your dashboard?

I'm really not going to spend a lot of time on that today. I just want to use this time to share some thoughts on three interconnected recommendations for the provincial government. They're set out at a very high level, and I obviously welcome the committee's feedback and questions in the time allotted, or in the future, should anyone want to advance the dialogue.

The first recommendation and a key point is that you need to work closely with municipalities to bring "open for business" to life. The signs at the border are great, but we need to work together to ensure that "open for business" is less sizzle and more steak.

1500

I can tell you that, having been an ADM for seven years at the province, working with all the municipalities that have an active role in investment, the province's role in economic development is critically important. Competition from neighboring jurisdictions for capital investment, new product mandates, new engineering, corporate HQs and R&D dollars is fierce. Decision-makers don't worship flags or geography as much as they seek the best all-in ROI, regulatory/labour market stability, and a quality of life that is going to help them attract and retain talent. This competitive lens and keeping a keen eye on where Ontario stands vis-à-vis its peers needs to inform the government's approach to tax policy, regulatory reform and business supports.

I'm going to talk very briefly about regulatory reform with a couple of examples. There's a company called Viessmann, bordering the Woolwich border in Waterloo. They're a global leader in biomass boilers. They were not able to sell their products in Ontario without having to spend hundreds of thousands of dollars to prove that their biomass boilers did not emit any harmful emissions. Well, of course, there's a European certification that basically says "emission-free"—zero emissions. We were able to work with the Ministry of the Environment to essentially adopt and accept the European certification and got the problem solved for the company. The company is now looking to expand in the region. That's just one example. There are examples—today I was talking to Toyota. They had an issue transporting certain products across the border. The Open for Business team was able to basically solve their problem in 24 hours.

Organizations like my own and local government can help with red tape reduction. It seems to be working, I would say. It's faster and there's an enterprise-wide approach. So keep it up, because it's working.

The other thing I would say is that red tape reduction alone is not a magic bullet. Incentives still matter. In fact, I would say they are table stakes these days. For anyone who has an issue with that or doesn't believe it, I would challenge them to show me one large automotive, aerospace or other tech deal over the last 20 years that didn't involve a grant, a loan or a training subsidy. For every one that you show me, I'll show you 20 that did.

Tough conversation from the government, especially at a time when about 10 cents of every dollar—I don't know if it's changed, but it used to be that about nine or 10 cents was spent on provincial debt service.

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

Mr. Tony LaMantia: Sorry. Did you say one minute?

The Chair (Mr. Stephen Crawford): Yes.

Mr. Tony LaMantia: Okay. I'd better get going.

You really need to demonstrate ROI/payback for taxpayers, and program flexibility—very important. I think that if you can actually demonstrate payback, that's a very important thing.

The next key recommendation is, let's anchor our industrial base and focus on our existing companies. I like to talk about how you never walk past an old friend to greet a new one. There are lots of examples of this in our community, and I think that is something the province can help us with.

A third piece is, please continue to support city-region models for economic development. Michael Porter talks about the importance of this. Waterloo region-Toronto is a globally significant brain belt. There are notable examples like Montreal, Los Angeles and, even to the east of us, Toronto Global. We shouldn't be building walls or picket fences around our communities. It's not attractive for local companies; it's not attractive for business partners.

When a company is establishing here, they don't pick uptown Waterloo or downtown Kitchener or Elmira or St. Jacobs in isolation. They come to take full advantage of the—

The Chair (Mr. Stephen Crawford): Thank you very much. We're going to start questions now. We're going to start with the opposition side first. Ms. Fife.

Ms. Catherine Fife: Thank you very much. It's good to see you here, Tony. Thank you for the work that you've done already for Waterloo region through the EDC.

We've already heard from the chamber, from Communtech, from the Connect the Corridor Coalition, and they've made compelling cases for connectivity with Toronto. This is really the overarching theme, I think, because of the potential to drive the economic impact, but also productivity, quality of life and a sustainable long-term plan.

Can you build on that? You didn't get a chance to really delve into it a little bit, but I think it's important for the committee to hear.

Mr. Tony LaMantia: Toronto-Waterloo is what I call a globally significant brain belt, given the number of tech workers, the companies and the research institutions along the corridor. The need to unleash talent by improving mobility is really important. I think the biggest gap right now is that we don't have a convenient commuter option for folks in Toronto. We just don't have it. That's the reason why Google, BlackBerry and other companies bus people from Toronto to Waterloo every day.

Ms. Catherine Fife: I also appreciate the Viessmann example of the work that you were able to do is a tangible example of addressing a regulation that makes no sense, and kept a really good company here and allowed it to grow. You say that red tape reduction alone is not a magic bullet. I think that's important to hear, because we sometimes see regulation differently. Some regulations play a really important role around safety, for instance, and then there are some regulations that are burdensome.

You anchor this whole conversation with incentives. Can you talk about incentives a little bit, Tony?

Mr. Tony LaMantia: Just before incentives: The other thing that's happening is, the changes in advanced manufacturing are so transformative that even some of the safety regulations have to be reviewed by the Ministry of Labour, because there are now sensors that take away the need to build cages around assembly lines, because they're just now suddenly safe.

On incentives: It is very important, in my view, to be able to tell taxpayers, especially if you're choosing between pumping more money into education or health care, that the return on investment for, for instance, Toyota Cambridge and Woodstock is 25% IRR and the taxpayer will be paid back in two years and this is all the upside. I think that kind of transparency will allow people to better understand the fiercely competitive environment.

The last thing I would say is that there are people who walk around with multinational companies, who have business cards that read, "Tony LaMantia, senior vice-president, North American government incentives." That's the job. So we can't put our heads in the sand to pretend that they're not part of the decision-making.

Ms. Catherine Fife: That's right. We definitely feel that the EDC, especially here in Waterloo region—the

return on the investment for any funding actually is sound. You need to have that sort of ecosystem at play in order to draw investment into the region. Do you think that's an accurate thing to say?

Mr. Tony LaMantia: I would agree.

Ms. Catherine Fife: Thank you very much for being here today.

The Chair (Mr. Stephen Crawford): We'll go to the government side. Mr. Harris.

Mr. Mike Harris: It's a pleasure to see you here today.

Continuing along this sort of incentivization trend, I was hoping you might be able to tell us what Waterloo region and, of course, Ontario more broadly, face in the North American market, trying to attract some of these larger companies, when you're talking about other jurisdictions like Indiana, Ohio, Kentucky, Alabama, Tennessee—the list goes on and on—and how, as a government, we might be able to help eliminate some of that red tape and jurisdictional issues, to entice those companies to come here.

Mr. Tony LaMantia: These multinationals are facing right-to-work, they're facing lower wages, and they're also facing quicker approvals and sometimes ridiculous incentives, where a state will say, "We will build the facility for you and we will train all of your people." That's just the way it is.

Where we have had a lot of success is in the quality of the workforce, the overall cost structure—and what I'm seeing more of is companies moving up the value chain by investing in higher-margin, higher-value-added production. A good local example is Toyota's Corolla going down to the southeast US. It was originally going to Mexico. It's now in Alabama, and they're now doing more Lexus models, RAV4, hybrid electric RAV4. That's very important.

There's a local Kitchener company that manufactures cables for the chip industry and for the med tech industry. They're probably one of 80 subsidiaries and the only one that was able to do something outside of the mothership in Germany because of the quality of the talent and the investment. They got a Southwestern Ontario Development Fund grant. The kind of work that they're doing is high-margin.

Those are two examples of a large company and a small company thinking well beyond the Trump presidency, investing in higher-margin production. Their products, 90% of them, go outside of the country, mostly to the United States. So it's about moving up the value chain. It's not about the race to zero, on low wages and low margin. Profits matter. Profitable companies contribute to the ecosystem. At my AGM, I told folks that Toyota has contributed over \$11 million to the United Way. You need profitable companies to actually have R&D, to contribute to the community. It's all about high-margin, high-productivity assembly.

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

Mrs. Amy Fee: I just want to switch it over to talent for a moment instead of focusing on getting the business here. We've talked before about the struggle, and we've

talked today about the struggle of actually getting talent in to work at the businesses. I know better transit infrastructure is one of them, and getting the two-way, all-day GO is key as well. But I'm wondering if there are any other specific areas that you can think of or that you've heard of that you would like to see to bring talent in.

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

Mr. Tony LaMantia: I think greater connectivity between Toronto and Waterloo—and again, commuter options will be key. We benefit from net migration out of the GTA every year. There are about 5,000 individuals and families that move from the GTA to Waterloo region. The federal government's global skills program is helping.

I think it's really more about transit options. I think the LRT, once it is up and running, is going to help. But it really is about unleashing that talent by having a convenient commuter option from the GTA. We're talking about 6.2 million people across the entire Toronto-Waterloo corridor. That alone—if you take 1% of the workforce, it will be significant. You're talking about up to 30,000 people. If you take three million as the workforce, 1% of that is roughly 30,000. That's what we're talking about.

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

Mr. Tony LaMantia: You're welcome.

MR. DAVID EALES

The Chair (Mr. Stephen Crawford): I'd like to call up our next presenter, David Eales. Welcome to the finance committee. If you could please state your name for the record, and you can just start right into your presentation.

Mr. David Eales: Thanks. My name is Dave Eales. I wear a couple of hats here. I am currently the president of the Waterloo Regional Labour Council, which represents roughly 30,000 unionized workers in the Waterloo region. I'm an executive with Unifor Local 1106. We represent several thousand health care workers in the Waterloo region. My current full-time job is at Grand River Regional Cancer Centre as a direct care provider. I also work part-time in the community in mental health and addictions.

I've got a briefing thing that I didn't hand in, and I was sort of about to, thinking about what I'm going to talk about because I've got a limited amount of time here. One of the things I thought I would really start talking about was health care. I'd talk about either where we're at in this community in health care and where lack of funding for health care in this community is having an impact.

For those of you who live in this community, you've probably read recently that at Grand River Hospital there's a deficit situation. It's resulting in job losses and things like that. As a union guy, I wear the hat of saying, "We won't want any job losses." But as a care provider, I wear the hat of seeing what effect that has on people in the community.

I'm going to be honest with you: Right now in this community because of funding that is not going to a hospital that needs it, the talk at the workplace is all about job loss. That is what people talk about day in and day out. That is what every single person talks about. You have physicians who

come to work and ask nurses, “Are you losing your job? Are you going to be here next week?” You have nurses talking to pharmacists: “Are you still going to have a job?” There is no sense of optimistic future. There is no sense that things are going to be okay. I think that’s incredibly dangerous. I think that’s a really sad state of affairs.

When you go to a hospital, you want people’s primary focus to be on you, the sick person, or the family member, or whatever it may be. You don’t want their focus being, “Am I going to be able to pay my mortgage next month? Am I going to be able to feed my kids? What does my life look like going forward?”

Quite honestly, there has been zero comment from this government—zero. Nobody has heard anything and nobody has been given a sense of reassurance or an idea of what the future looks like. All that anybody at that workplace has been told is that there are three or four years of this coming. That’s what the future looks like. The future looks uncertain, it looks precarious and it looks dangerous. I don’t think it’s a good place, to have our health care workers feeling like that.

I’ll give you a little bit of a personal story. I get that dollars are limited, and I get that there is not an unlimited pot of money out there to spend on things. But it is not the front-line health care workers who are the issue. My son was born in 1996. I only know that because I took him to—I’m a union guy, so we picket a lot—a rally outside of St. Mary’s hospital when a previous government had planned to close St. Mary’s hospital as part of budgetary plans. We were outside of there, and it was January or February, so it was cold. It was much like this. That same day, there was a release that the CEO of Grand River Hospital had taken a salary increase and had gone from \$105,000 to \$112,000 a year. I don’t know if anybody who’s as old as I am and who was in the community remembers that. It was scandalous, and it was outrageous. The community was outraged and he ended up getting fired, or relieved of duties, over this sort of thing.

The only reason I remember those numbers is because my partner is a critical care nurse. She was a critical care nurse then too. She made \$42,000 that year as a full-time emergency room nurse, so the CEO was roughly making double what she was. Well, last year, she made \$96,000, and the CEO is making over half a million. She’s doing the same job; he’s doing the same job. Her salary in 20-odd years has doubled; his has gone up five times. That’s just one example of excessive, top-of-the-heap sort of salaries that never get looked at and don’t seem to ever get talked about. I get that the organization maybe is more complex than it used to be, but it has less beds, it has less staff and more stuff has been moved to the community. The nurse is now dealing with a more complex patient, a more demanding patient and a more acutely ill patient. There’s a real disconnect. There’s a real sense of, “What? This system is broken.” The system is broken, in that—why are we paying professional athlete’s salaries for people to administer things where that used to be senior civil servant type salaries? There seems to be a real problem there.

The other thing that I’ll talk about briefly is, it is hard in this community to get by when you don’t earn a decent living. Sometimes, a decent living isn’t even what minimum wage is, but there doesn’t seem to be any sense that there is a need for that.

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

Mr. David Eales: Yes.

People before me have talked about investment, attracting high-quality jobs and all this sort of thing, and that’s great. But they’ve got to remember that for every one of those jobs, there are 100 people out there trying to make it working in a grocery store or working at a Tim Horton’s. I don’t know where it is that most of you live, but finding rent here on a minimum wage salary: You’re going to have three or four roommates and it’s not going to be a nice place to live. I think we need some investment in that sort of stuff. Anyway, thanks.

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

Mr. Stan Cho: Thank you, Mr. Eales, for your passion. You put away your notes, so I’m going to put away mine. If you will indulge me for a minute or two, I’d like to speak to some of the points. There were a lot of topics there.

I want to start by saying, first of all, that I totally understand the issue of job security. As a former small business owner, I had the backs of 200 people’s rent payments and mortgages on my shoulders, and I took that very seriously.

Let me restate to you that our government has made it very, very clear that we are not cutting front-line jobs, period, full stop. I will also say to you that I totally agree with you that the system is broken. The system is broken, and that’s what we’re trying to fix here. I acknowledge that maybe there are times when you need to fill that fuel tank, but the fuel tank has some holes in it, right?

Since we were talking about health care, let me just give you one example of one of those holes. My colleagues heard me speak the other day about the syringe example in our health care system, but I will give you a different one today. As it stands today, if you’re a surgeon and you are operating and you put on your pair of gloves and the gloves are no good, well, you put on another pair and you actually put on three pairs because of the inferior quality of those surgical gloves. But the hospitals are stuck because they have to procure those gloves from a particular source, as they are told to do. There’s also no reporting mechanism for those surgeons to tell us that those gloves are terrible, so instead, we’re paying for triple the gloves, and that has been going on for many, many years. That’s just one example of waste in the health care system, and there are thousands, as I said, of those types of examples.

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The problem here is not just about looking at the funding. I understand and I can totally empathize with some of the issues that we have in our health care system in regard to that. It’s also looking at how we are procuring goods. Does this make sense? Are we listening to our front-line health care workers? Are we allocating these funds to the right places? It’s a big problem.

My point in saying all of this, sir, is that we need your help to fix these problems. It's not just about throwing money at the problem; it's also about looking at the other issues in the health care system. What I'm proposing to you, Mr. Eales, is to contact us, to work collaboratively with us to fix those issues and to find those issues, because this is a major problem. I can't tell you how much I've learned in the last six months, meeting with doctors, nurses, stakeholders, equipment providers in the health care system, and that is what we're talking about. The multi-year plans are ongoing.

I guess my question is: Can you communicate with us? Can you let me know what you see on a daily basis?

Mr. David Eales: I'd love to communicate with you. There are five MPPs in this region; two have met with me and three have refused. We've tried to communicate.

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

Mr. David Eales: I'll push back a little bit. You said this government is committed to not cutting front-line staff. Well, there are 50 front-line health care workers who have been told they do not have a job. I would love for you to come and I will introduce you to those 50, if we want to do that.

I'm just pushing back. You say you want to be communicated with. I have tried to meet with members of the government, MPPs, and they have not met with me. Members of the opposition have met with me. You're telling me that there are no front-line health care workers being cut, that the government is committed to that, yet I'm telling you that there are 50, and we can leave here right now and I can introduce you to all 50.

You're saying you want me to communicate. This is me communicating.

Mr. Stan Cho: Well, Mr. Eales, I have met with members of the health care industry, and I will continue to. The members here beside me have, as well. We will continue to do that, because we're in this together.

As you acknowledged, there are some financial challenges that we are all in together, and we need to fix—

Mr. David Eales: I'm a citizen of this community, and—

The Chair (Mr. Stephen Crawford): Okay, sorry. We're going to have to move on now. We'll have to move to the opposition side for questioning. Ms. Lindo.

Ms. Laura Mae Lindo: Thank you so much for providing us with your communications about what's happening on the ground. I just want to commend you for coming forward and talking about the mental health impact of the instability and lack of transparency that our health care system is seeing for our front-line workers.

As the MPP in Kitchener Centre, I've spoken to the media about news of the particular position our hospitals are in, where they have to now make decisions that will result in the loss of jobs for front-line staff. Whether the government has done something and they are the ones laying off the staff or they are leaving the hospitals and our health care system in such a bad position that they have to make those choices, the responsibility, in my opinion, still remains over there.

With that in mind, can you speak a little bit more, just to expand on your communications today, about what that

mental health impact is for our front-line workers? You had an opportunity to speak about it. I'd love to hear more.

Mr. David Eales: When you're a direct health care provider, you are seeing people at their most vulnerable. You're seeing people when they are really unable to do even the basic things for themselves, and they are in fear for their life. They're in fear of what their future looks like. Your patients are scared, and they are looking to us to be rocks. They are looking for us to help shoulder some of that burden. When we're worried about our own security, our own safety and what our own future looks like, that's scary. That really is scary. I don't want to get on an airplane where the pilot is afraid to fly. That's really what we're talking about.

You can downplay it and say I'm being an alarmist or whatever. The reality is that there are thousands of health care workers, particularly in the hospital sector right now in this community, who are scared. They don't know that their future is bright. They don't know that their future is secure. They don't feel safe, and, quite frankly, I think that speaks to the fabric of the community. We talk about wanting to attract business to this community. We talk about attracting the best and the brightest to this community. If this community can't offer some of the basic services in a consistent, predictable way, you are not going to attract those sorts of people. You are not going to attract the best and the brightest.

Ms. Laura Mae Lindo: We've also had some folks who have come and spoken to us about violence in classrooms, for instance. I would actually argue that the same kind of concern about the employees who are in these social services has to be taken seriously. When you speak about the nursing staff that are—

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

Ms. Laura Mae Lindo:—worried and you're speaking about the doctors who are worried, would it be fair to say that we have to provide them with the same kind of consideration and care as we would, let's say, our teachers and our teaching staff?

Mr. David Eales: I don't know whether everybody knows this or not, but the most dangerous job in Ontario is a nurse. You are most likely to be assaulted if you are a nurse at a much higher rate than if you're a peace officer or a corrections officer. It's an incredibly dangerous job.

Ms. Laura Mae Lindo: And especially now with the long wait times.

Mr. David Eales: That just adds to the frustration of the whole thing. Nurses have been speaking about this for a long time, about the dangers that go along with their work. Now it's not just the physical danger they're in; they are feeling like the emotional—I don't even get to feel like the trade-off for me working in this dangerous environment is that I earn a fairly decent salary, I've got a good pension, some of those niceties that go along with—they don't even get that now. Now they're feeling unsafe in their home life.

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

Ms. Laura Mae Lindo: Thank you.

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

KITCHENER-WATERLOO
ASSOCIATION OF REALTORS

The Chair (Mr. Stephen Crawford): We're going to move now to the next organization, the Kitchener-Waterloo Association of Realtors. Welcome to the finance committee.

Mr. Brian Santos: Hello.

The Chair (Mr. Stephen Crawford): If you could please state your names for the record, you can get right into your presentation.

Mr. Brian Santos: Cool. My name is Brian Santos.

Ms. Tania Benninger: Tania Benninger.

Mr. Brian Santos: Good afternoon, Chair and members of the committee. My name is Brian Santos, as I just mentioned. I'm a real estate broker and manager at Peak Realty in Kitchener. I am also the president of the Kitchener-Waterloo Association of Realtors. With me today is Tania Benninger, the communications and government relations manager at the K-W Association of Realtors.

The Kitchener-Waterloo Association of Realtors is a not-for-profit association that represents approximately 1,400 registered real estate brokers and salespeople in Kitchener, Waterloo and surrounding areas.

Our members are proud to represent our clients when they are purchasing and selling a home in our community. The dream of home ownership is something that is important to so many of us and, as realtors, there is nothing more rewarding than when we're able to help our clients achieve that dream.

Unfortunately, the downside of all the growth we've seen in the last few years has been that the demand for housing has outpaced the supply, both here in Kitchener-Waterloo and across Ontario. This has contributed to the cost of housing to escalate to the point that home ownership is becoming a difficult dream to achieve.

We are here today to urge the committee to consider incorporating forward-looking measures into the 2019 provincial budget that will increase the supply of housing here in Kitchener-Waterloo.

Today, in Waterloo region and across Ontario, hundreds of hopeful homebuyers will start their search for their first home. Like many communities across Ontario, the lack of supply has caused price increases to homes that is leaving many individuals and families looking to enter the housing market for the first time priced right out of the market. Affordability impacts buyers from all walks of life who are looking to purchase a home.

In Waterloo region, residential sales in 2018 were down 16%. That was after two record-breaking years. In 2016, prices were up almost 11% and in 2017 almost an incredible 20%. Given the lack of sales, it's no surprise that prices were on the rise 3.4% last year in Kitchener-Waterloo. The average price for a home in Kitchener, regardless of its type, was just over \$480,000. Looking at

these numbers, and in my own experience working with homebuyers, it's fair to say that there is a gap between the high demand for housing and what is actually available.

What does this all mean? People are now being forced into driving to housing affordability. I've seen personally with clients driving further west to places as far as Woodstock, into London, just so they can afford to buy a home. These are often people who grew up right here in Kitchener-Waterloo. They want to continue to live here and enjoy the quality of life this region has to offer, but the lack of available units on the market has left some priced right out.

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Moving forward, it will be important that the government act to balance the existing demand for housing with adequate supply. That is why we support the decision to launch a Housing Supply Action Plan and we look forward to participating in that consultation. We appreciate the government's willingness to hear from stakeholders with ideas on how we can better align supply and demand.

A focus on updated zoning around transit corridors would be one way the province can look to get new homes to market quickly and in locations where they're needed. In Kitchener-Waterloo, we have seen over \$3 billion in housing investments since Waterloo region's light rail transit project was announced, and largely it has been all along that transit line. Building housing along the transit line allows people to better use public transit and avoid traffic congestion. It also encourages development to occur along these transit corridors, thereby safeguarding our countryside and preventing urban sprawl.

The population of Waterloo region is expected to grow by as many as 250,000 people in the next 25 years, so obviously housing is going to be needed to support this type of growth. But in addition to the homes that are needed, we cannot forget that transportation infrastructure will also be needed to support this growth.

As more people are being drawn to KW from Toronto and the surrounding area, it will be essential that we are supported by two-way, all-day GO train service. We need to ensure that we can keep both products and people moving along the 401 and get them where they need to be. Seeing two-way, all-day GO service become a reality for our region will be critical for increasing transportation options for commuters and reducing gridlock across Waterloo region for our business community.

I realize that you have already heard this week about the importance of allowing realtors to form personal real estate corporations, so I will keep this part of my presentation brief. But I also would like to say how important this is both as an issue of fairness, but also as something that will cut red tape and create jobs. I know some of my realtor colleagues—some who are actually here today—look forward to having the same rights to incorporate as their fellow realtors in other provinces across the country.

The ability for realtors to incorporate has received all-party support in the past, and KW realtors were very pleased when our very own MPP for Kitchener-Waterloo, Catherine Fife, co-sponsored a bill in 2015 with MPP Todd Smith to allow this. We're encouraged to see that

Bill 38, the Tax Fairness for Real Estate Professionals Act, has been introduced this past fall by MPP Bob Bailey and, once again, enjoys all-party support.

We encourage the government to make the necessary legislative change, either through the budget bill or another piece of legislation, that will allow realtors to form personal real estate corporations.

In conclusion, purchasing a home is the biggest financial decision most of us will ever make, and KW realtors are always there to support our clients throughout this process. We encourage the government to continue to study and consult with experts on the question of housing supply and the affordability issues facing today's homebuyers.

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

Mr. Brian Santos: At the same time, governments need to be careful that any interventions in the housing market are evidence-based and don't cause unintended consequences. In doing so, we can keep the dream of home ownership alive in Kitchener-Waterloo and across Ontario.

Thank you for your time today. We would be happy to answer any questions that you might have.

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

Ms. Catherine Fife: Thanks for coming here today and putting a lens on the real estate world through Waterloo. You mentioned that you are very interested in and supportive of the province launching the Housing Supply Action Plan. We feel very strongly that that needs to be multi-faceted, because even when we were knocking on doors, I'm sure all of us heard that there are people who are in mature homes who would like to move to the next stage of housing, but that doesn't exactly exist for them. We need that housing stock to come onside as well.

What are some of the other ideas that the association will be putting forward? Is it around brownfield development or infill options, and around zoning changes that could happen so that we can actually build new housing within the current intensification of this model here in Waterloo?

Mr. Brian Santos: That's exactly it. You bring up some great points there. I think just by decreasing zoning restrictions along those corridors and allowing for more opportunities for people, that will increase the supply that's there. Because that's obviously the issue that we're having right now, where demand is outpacing supply. I know right now we're sitting at half of our typical inventory in Kitchener-Waterloo, and because of it, prices are on the rise.

I think you brought up a good point, though, where there's that missing middle, where there are sometimes smaller homes and bigger ones, but when people need to move out of their home and downsize, it's just not there. So I think we need to be a bit more creative in what's an opportunity there for people to create housing supply.

Ms. Catherine Fife: That's good. I'm sure that you'll be sharing your feedback when you participate through that review as well. It would be valuable, I think, for all

legislators to have those ideas so that we can bring them to the attention of Queen's Park.

Thanks also for mentioning the LRT. Imagine when we can actually get people on the LRT, right? The other day—this is just an aside. For those of you who don't know, we don't have enough trains. The LRT, while it's testing, doesn't have any people on it. Waterloo people are very polite people, but there was a little old lady the other day who made a gesture which was not very polite to that LRT train. That got me thinking about a swear jar. If we got a swear jar, we could actually figure out a way to pay for the LRT. Maybe that's a way to generate some revenue. Government, I gave you that idea; I want credit for it.

The two-way, all-day GO: absolutely. Toronto is so cost-prohibitive for homes, and I've met so many people in this region who work in Toronto but they've bought a home here or they are looking for a home. The two-way, all-day GO needs to actually work for them.

I see it all as very much connected, and I look forward to working with you to try to develop new options, more creative options, so that we can have new builds here in Waterloo and it can be around the transit hubs that already exist.

Thanks a lot for your presentation.

Mr. Brian Santos: Thank you for your feedback. That was great. It's such a perfect example of the positive effect the LRT and transportation will have on the community. It's not even running yet, and there's over \$3 billion worth of infrastructure and buildings just around the LRT and this idea, so with an extension of that—the possibilities that all-day, two-way GO would have for our community would be absolutely wonderful.

Ms. Catherine Fife: Yes. I imagine one day I'll get on the LRT, go to the GO train, get on the subway and be at Queen's Park in under two hours. That is the dream.

Ms. Laura Mae Lindo: One day. That is the dream.

Ms. Catherine Fife: It could happen. A girl can dream.

Also, I do want to say this: Bob Bailey, the MPP, brought forward the tax fairness for real estate bill. It builds on Todd Smith's and our private member's legislation. There's really no reason right now why this can't be enacted. We hope to see it in the budget, just as an FYI.

Mr. Brian Santos: Thank you for your support with that. It's much appreciated. Realtors, like many other people, are small business owners, and by allowing us to incorporate, we'll—

The Chair (Mr. Stephen Crawford): Thank you very much. Sorry. I apologize for cutting you off, but we have to keep to our schedule, so we're going to move to the government side. Ms. Fee?

Mrs. Amy Fee: Thank you for being here today to make sure that the realtor voice is heard from Waterloo region. I think this is about the fifth time or so that the committee has heard from realtors across the province.

I just want to talk a little bit about rent control and the fact that our government looked at making those changes to try and increase units. I'm just wondering if you have any other suggestions that you think we could look at,

specifically for Waterloo region but also across the province, to increase housing supply.

Mr. Brian Santos: I think rent control is another one of those things that could open up supply that way too. When there are certain restrictions like that, it's hard for people to then make investments and commitments when they are not sure if they can get their money back afterwards.

It's really hard to buy a place. It's really hard to rent a place in Kitchener-Waterloo right now, though, too. I know I've got a place coming up for rent, a unit—I was just telling you about this too. I've been in the business 10 years. When I first put that place for rent, it was \$750. It's now going to hit the market this coming month at \$1,200. That's a big increase. So we need even more supply in terms of places to buy but also places to rent.

Mrs. Amy Fee: Thank you.

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

Mr. Stan Cho: It's always nice to speak to realtors. Welcome, and thank you for your presentation.

You know, Waterloo seems to me like what Toronto was many, many years ago. It's bursting at the seams; you see expansion now outwards. It's funny that the last time I was in Waterloo, I was looking at property here, a long time ago, because clients were moving out this way because Toronto was too expensive. So there are some similarities there.

I'm curious: The last government's Fair Housing Plan that was introduced included all sorts of measures that wanted to help the housing market. Many of the people I've met with said it didn't; it actually did the opposite. And then you saw a shifting in the market where it spooked the detached homes but then condos started exploding, and the price accelerations on that are still in the double digits.

So my question is, I'm wondering if part of that Fair Housing Plan, the foreign buyers portion of that—the CMHC and the Toronto Real Estate Board said it was about 4% of the market. Did the introduction of the foreign buyers' tax help the housing market here in Waterloo at all?

Mr. Brian Santos: I don't think so. It didn't help whatsoever. I didn't even have any foreign buyers here, just speaking from my own personal business.

How the Fair Housing Plan did have an effect, though, is that it really increased the price at the bottom end. Last year, what we saw was the increase in condominiums. They were up 12%. So I talked about the market overall being up 3.5%, but condos, the lower end of the market, really shot up. It had to do with affordability. Fewer people can afford getting into a home.

1540

Mr. Stan Cho: Mr. Santos, would it be fair to say that it actually harmed the lower end of the market or the lower-income people the most?

Mr. Brian Santos: I would agree. It made it even harder for first-time buyers to attain the dream of buying a home.

Mr. Stan Cho: How much time do we have, Mr. Chair?

The Chair (Mr. Stephen Crawford): We have a minute and 10 seconds.

Mr. Stan Cho: I'm wondering, then, Mr. Santos, if there are suggestions for that sector of the market that you might be able to communicate to the government that we could introduce to help with.

Mr. Brian Santos: I always have a tough time when there are restrictions on ownership and when the government interferes with the open market that way. I felt that that's what happened there. It made it even harder for people to get into the market. It's already hard enough for the way prices are, and we had those increased challenges for first-time buyers. It made it a challenge. I've had personal experience where friends and family have had to go further southwest in order to be able to afford—they're still working here.

Mr. Stan Cho: I appreciate that.

Mr. Santos, I encourage you to stay in communication with us, and we will continue to help try to fix these problems.

Mr. Brian Santos: I much appreciate it.

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

LUTHERWOOD

The Chair (Mr. Stephen Crawford): I'd like to call up our next presenter: Lutherwood. Welcome to the finance committee. Please state your names for the record, and we'll give you seven minutes to present. I'll give you a one-minute warning.

Mr. John Colangeli: Good afternoon. My name is John Colangeli. I'm CEO of a local organization called Lutherwood and have been involved in the local children's mental health system for many years. I'm joined today by Angela Sider, who is representing the families we serve.

Next year, Lutherwood will be celebrating 50 years of providing mental health services. Over this time, we learned that providing holistic services to families is most effective, so today, in addition to children's mental health, we also provide youth and adult employment, housing programs and homelessness prevention.

I'd like to leave you with a few key messages before I hand it over to Angela.

First, Lutherwood is the lead agency for children's mental health in Waterloo region. As lead, we have formed strong partnerships with service partners such as Carizon Family and Community Services, the local hospitals, police and the education sector. This work has also integrated the voice of youth and families as we've made significant improvements to breaking down silos and ensuring that resources are used wisely in Waterloo region. I'll give you a few examples.

Front Door is a single point of access for children's mental health in Waterloo. It's operated jointly between Lutherwood and Carizon. While it began before the lead agency initiative, we've been able to make services such as walk-in mental health, crisis services and home-based mental health seem truly seamless so that families who are served at Front Door don't even notice that two agencies run the program jointly. Front Door served over 1,500 kids and families last year, which takes pressure off hospital

emergency rooms. We want to expand this model with other local agencies so it breaks down even more silos and creates even more efficiencies.

The other example is that of redirecting children and families from local hospital emergency rooms. Lutherwood recently implemented a pilot project with six hospitals across Waterloo and Wellington, where young people attending emergency with a mental health crisis receive immediate support from a mental health worker. Another part of this pilot is, once young people are stabilized in hospital, we have made beds available at our residential and day treatment centre in Waterloo, where they can receive ongoing care. I know that the standing committee has heard about the significant increase in emergency room visits for youth with mental health issues. This diversion program is preventing children and families from getting lost in the system. It takes pressure off emergency departments and allows for the most efficient use of resources so that people get the right service, at the right time and at the right place.

The third point I'd like to make is, the lead agency system developed over the past few years really has taken us further than ever before in the field. Youth, families, mental health providers, police and school boards are all at the same table. We have developed a joint vision and common goals. We're closing the gaps in service, and we have agreed on where the future resources will go. This kind of collaboration and working towards the same goals is the real hope for changing the mental health system.

Finally, for the first time in my long career in the field, children and youth mental health is finally front and centre. Never before have I witnessed such optimism, collaboration and momentum for building a better system. I would respectfully ask that the standing committee keep this in your minds as you finalize recommendations for the upcoming spring budget.

At this point, I would invite Angela to speak as well.

Ms. Angela Sider: Thanks, John. Thank you for giving me the chance to share with you today.

My husband and I have three children: two internationally adopted children, aged 15 and 12, and a 17-year-old who left home under some difficult circumstances and came to live in our home and needed some family support. All three of my children experience mental health challenges, including things like anxiety, depression, ADHD, oppositional defiance disorder and reactive attachment disorder, and also including episodes of psychosis at times.

Given that my daughter experienced abuse and neglect in the orphanage, attaching to us as her parents was very difficult and resulted in some significant behaviours and aggression. My husband and I are both very capable parents and we both have a background in social services, and yet we found ourselves unable to manage the situation that we were in. There were many months that went by over the years where our family functioned in complete chaos. As the primary caregiver, I ended up burning out and ended up off work, which ended up compromising, certainly, my health and our financial situation, and increased feelings of isolation as our support network got smaller and smaller.

One of the frustrations we experienced was knowing how and where to find services. About seven years ago, when we first accessed the children's mental health system, it wasn't very clear where to go to get the appropriate help. In our situation, we stumbled across CPRI in London before we found Front Door, which John talked about, as the local access mechanism for services. We were fortunate enough to have CPRI forward us on to Front Door, so we got where we needed to go.

Because of these experiences, I decided to get involved as an advocate within the children's mental health system and started volunteering with an organization called Parents for Children's Mental Health. This volunteer experience, and being involved as a parent voice within Lutherwood, has allowed me to share what my experiences have been like helping other families and agencies to enhance and improve the system.

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

Ms. Angela Sider: One of these improvements has been to work with Front Door around continually raising awareness of their services and helping families understand how to access the services that they need. Seven years later, more families and partner agencies within the community are more aware of Front Door being the place that they need to go for those services.

Again last fall, I had to visit Front Door to get help for one of my boys, and I cannot tell you how smooth it was to get those services. The staff were understanding, responsive and knowledgeable, identifying exactly what we needed to help ensure the safety of our teen and the supports for the rest of our family.

It is because of this investment in these local agencies that families can get access to the services and supports that they need in a timely and seamless fashion. Without an ongoing financial investment in these services, families will struggle to get what they need when they need it.

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

We're going to go to the government side first for questions. Ms. Fee.

Mrs. Amy Fee: Thank you both for coming here this afternoon, and thank you so much for sharing your story. I know that's not always an easy thing to do—to talk about what your family has gone through.

Our government has promised a \$1.9-billion investment into mental health. That wraparound approach that Lutherwood has is amazing, that's going on in our community. It's certainly about building the awareness and that wraparound approach, but I'm wondering what you see that we can do to ensure that the money that we are spending, and the money that we will put into the system, is spent in the best possible way to continue that wraparound approach, making sure families know about the services at Front Door and Lutherwood. Any suggestions that you have on that front would be appreciated.

Mr. John Colangeli: A few things, I suppose. This is really new money that's coming, and we really do appreciate that because we haven't had that happen too often in the past. I guess it's the wraparound continuum that's most

important to us. I think quick access to free counselling is one of the things—let me just go back for a minute.

I've been at Lutherwood a long time, and in the field. Kids come back after 10, 15 or 20 years, and I always ask them one question: "What really helped? What was the secret sauce?" They always say, "You got me when I was 12 or 13. You got me early."

1550

You think to yourself, what can you do to make sure they don't get lost in the system? Free counselling. If you have to pay for it and go through a system, that's hard.

Make sure you've got crisis support so that if you go to a place like Front Door or wherever you go in the province—instead of having to go to the hospital and getting lost, you go to an agency where you can get some help and they can do an assessment and figure out what you and your child need.

Then, as part of that continuum—not to forget the more intensive services like residential day treatment, where you can go to school and you also are receiving treatment. At Lutherwood, we've got a residential centre. We have to subsidize it at \$1 million a year through fundraising. It's not very sustainable long-term.

Angela, you probably have ideas too.

Ms. Angela Sider: Yes. My comment would be that the wraparound support can make all the difference for families. And certainly, for families to be able to go to Front Door and get that walk-in service, that walk-in counselling when they need it is absolutely critical. Often-times, families wait too long. Unfortunately, there's still a lot of stigma out there, so families are not necessarily going to Front Door as quickly as maybe they sometimes should to get that early intervention. When they do finally get there, to be able to go in and get the counselling that they need is so significant.

Certainly, my situation is a situation where—

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

Ms. Angela Sider: Yes—the attachment issues were difficult and so we needed some type of wraparound support. We were not the type of family to be able to put our child in a residential program. So that wraparound support is life-saving for families.

The Chair (Mr. Stephen Crawford): We'll go to the opposition side. Ms. Fife.

Ms. Catherine Fife: Thank you, both of you, for being here and for the work that you're doing. Obviously, sharing your story takes a lot of courage, and it actually has a great impact on us.

Front Door has been a game-changer in this region. The whole idea is that you walk through the front door and it addresses the stigma—but you're right; there's still a lot of work to be done around building understanding around that.

The money that did flow this year was from the 2018 budget, so we are asking specifically around the 2019 budget. The provincial government has tied their plan to the federal plan, which is back-end-loaded. It's a 10-year plan, so the majority of the money is in year 8, year 9, year 10, and the crisis is now. This is your chance to address that; otherwise, you're going to see a reduction in funding

on a go-forward basis. You understand that; right? This is your chance to say what you need in the 2019 budget.

Mr. John Colangeli: To front-end-load the system, where we need resources now for the free counselling, the psychotherapy, making sure that services in the home, if you go to a place like Front Door—and you don't have to be here in Waterloo; you can be elsewhere. You have to have the resources. You can't just make more and more people aware of mental health issues, and they come, and then it's a bottleneck. A place like Front Door just gets waiting lists that are longer and longer.

I think the time to invest is certainly now—and to not forget those intensive services, as well. A lot of centres can't afford to fundraise a million bucks a year, so what happens is, they get out of the residential business. The ones that are left—it's not easy.

Ms. Catherine Fife: That's good advice. Essentially, you're saying it's unethical to raise the awareness, address the stigma, and then have people come and wait on a list for those services.

Ms. Angela Sider: You used the word "unethical." I think it's always such a challenge—I think it's important that families know where it is, even if there's a bottleneck. When I work with families, I tell them, "Get there as soon as possible, because if you end up on a wait-list you never know where you're going to be in six months or in a year." So I think awareness is still important; it's not that we wouldn't want to stress that. But certainly getting people access to what they need is absolutely critical. If you know where it is but you can't access it, then you're really no further ahead.

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

Ms. Laura Mae Lindo: My question is quite quick. You've already spoken about the impact of not providing the funding that we need for young people and their mental health today.

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

Ms. Laura Mae Lindo: When it comes to adoptive parents, they need particular kinds of supports, and they also need those to be recognized. Would you be able to speak a little bit to the specific needs that you would have?

Ms. Angela Sider: Sure, yes. As an adoptive parent—I'm affiliated with Adopt4Life; I was on their board for a period of time. They're a provincial organization. We do a lot of advocacy around specifically trauma-informed services. Things like CBT and some of those strategies that tend to work for most people don't work for those children who have significant trauma.

I would say that Lutherwood and the services in this area have done a really good job at being really knowledgeable around trauma care and that kind of thing. I think it really is around trauma, attachment and the unique circumstances that adoptive families find themselves in. I think that if we can continue to raise that awareness and educate our clinicians around that trauma piece, which I know Front Door does do, it can make all the difference.

Ms. Laura Mae Lindo: So any specific changes to funding there—

The Chair (Mr. Stephen Crawford): Thank you. Sorry. I apologize, but our time is expired.

Ms. Angela Sider: Sorry.

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

TRI-MACH GROUP INC.

The Chair (Mr. Stephen Crawford): We'll move on to our next presenter. It's the Tri-Mach group of companies. Welcome to the finance committee.

Mr. Michael Hahn: Hello, and thank you for having me. My name is Michael Hahn, and I'm the chairman of the Tri-Mach Group. I'm here to discuss—I know that last October the PCs announced that there would be changes made to the college of trades, and I'm asking them in this next budget to completely eliminate it, once and for all.

When it was announced that the college was going to be formed, I immediately became a board member because I feared the direction that it was going to take the trades in, and I'm certainly glad I did. It's a colossal waste of money. I'm still on the board. I still have a boss at 655 Bay Street, and these people are not doing anything. The sooner it goes away for good—there will be far less tax burden on Ontario taxpayers.

The other thing that I'd like to be considered in this next budget is that there are four—I call them “diesel police”—in the province of Ontario. They each make \$88,000 a year, and their job is to drive around and find farmers who have put coloured diesel fuel into their vehicles. It is a colossal waste of money. It's an attack on the people who actually provide food for our families, for everybody here at this table.

I actually had the joy of speaking with one of these diesel police. They pulled me over. The lady said that there are four of them throughout the province, and they concentrate on blitzes. So all four will go, say, to the Thunder Bay region, and they may be there a week. There are hotel costs and there's a per diem, and again, all they're doing is looking for farmers who are trying to save a couple of bucks. I would like to see that eliminated as well.

Again, I know it's already in the EBR—the Endangered Species Act is currently on the EBR. I'll give you an example of what I personally experience. I own a cottage on the shores of Lake Huron. It was built 50 years ago. It's in a developed subdivision. I went to get a permit to demolish the cottage and put up a more efficient one, and I was told I have to wait one year while an environmental impact study is completed, at a cost of \$25,000. I can understand if I was asking to put up a petroleum refinery or something on the shores of Lake Huron. I get it. I hunt; I fish; I love nature. But in a developed community that has been there for 50 years, it just makes no sense, and the Endangered Species Act is the reason for it. Just get rid of the rainbows and unicorns and let's go back to common sense in that act.

1600

What else? Ontario colleges are given millions of dollars every year by the government. What's happened is that they've created programs where—I feel it's actually

fraudulent. I'll give an example. There's a three-year course to become a millwright at almost all the colleges in Ontario. One young man who works for me went to Cambrian College in Sudbury. He is \$60,000 in debt. He got through the three-year program, he got his diploma and he just recently started for me at 15 bucks an hour. He will have to spend the next four years getting practical hours in before he becomes a licensed millwright. His younger brother graduated from grade 12 and immediately came to work for me. He's now in his fourth-year apprenticeship making \$30 an hour.

Instead of giving the colleges funding for bogus diplomas, take that money instead—2% of all employers in Ontario take on apprentices. So 98 out of every 100 businesses in this province will not actually take on an apprentice. My suggestion is to remove that money from all the colleges, stop that funding altogether and get rid of those programs because they're fraudulent and they're stealing from the kids. Instead, take that money—and again, I don't know the numbers, but let's just say that the government said to all employers in Ontario, “Take on an apprentice and we will pay 50% of the wages for the first year,” the caveat being that the employer must keep that child for the full second year to recognize that tax credit.

I can assure you that after two years in any company teaching the young man or woman the culture of the company and hands-on skills, it's extremely unlikely that they wouldn't finish out their third- and fourth-year apprenticeship at that place. What I'm hoping can happen is that these bogus courses get removed from the colleges altogether—

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

Mr. Michael Hahn: —and that you redirect their money toward employers.

The other thing that I want to talk about is, I would ask that there be no tax breaks given for any company that has more than 10 employees. I think we have to focus all of our energy on the one-to-10-employee small businesses in this province. If you have to give them breaks, give them breaks; but medium and large employers make enough money in this competitive environment. They don't need any tax breaks.

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

Ms. Catherine Fife: Thank you, Michael, for coming in. I don't think that anyone around this table would have any doubt about your disdain for the college of trades. I think that has been made very clear.

The original goal of the college of trades—the current iteration of it is nothing like what it was supposed to be like, which is unfortunate, because it was supposed to promote the trades, participate in some training, and partner with the private sector. I think it's safe to say that that did not happen.

Mr. Michael Hahn: It did not.

Ms. Catherine Fife: No. My son is apprenticing as an electrician here in Ontario, so I'm watching his journey first-hand. I'm very proud of him. He's very happy. He has

finally landed an apprenticeship. But incentivizing those apprenticeship opportunities has proven to be very complicated. The Auditor General came out in 2015, and she had done a review of the tax credit. Do you remember the tax credit? If you take on an apprentice, you get a 25% tax credit. But there was huge turnover; some of the companies were taking the tax credit but then dropping the apprentice at a certain point.

I don't have the answer around incentivizing private operators. Perhaps the ratio change may help with that; I'm not sure. But we do need to make sure that that hands-on—because that's what apprentices and the trades do very well: They're experiential learners. They need to be on the job and we need those skilled trades to build up Ontario.

I hope that we get to that place where the stigma around trades is addressed and it's a viable, streamlined process where we actually are supporting apprentices across the province. So that's the end goal.

Mr. Michael Hahn: I think the high school teachers aren't helping the trades at all. They're pushing the kids to go to college. Again, a lot of these programs—my daughter went to the University of Waterloo for four years. She graduated with honours, and she makes minimum wage in a retirement/seniors' home. So it starts in the high schools, and I think it should be better communicated.

Ms. Catherine Fife: Yes, and that's a very important point, right? There's a gender issue here as well. We want young women to be plumbers and to be millwrights and to be electricians, because those are good jobs. My son, in about two years, is going to be making more money than me. I cannot wait for that to happen. Thank you. Thanks for being here.

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

Mr. Ian Arthur: Thank you so much for your testimony. I just wanted, basically, to compliment you on coming in and making the points that you do on the value of trades. I was a chef before I was elected, and I learned in kitchens. When we're hiring the kids out of college versus the ones that we bring up in the kitchen, the colleges do what they're supposed to do and there is a knowledge base there, but there isn't what I would call an operational base, often. So we would have a lot of work to do on the operational side of things bringing those kids along versus the ones who grew up in the kitchen. I know that's a different area than the trades you're talking about, but I very much appreciate the value of what you're saying.

Mr. Michael Hahn: Thank you.

The Chair (Mr. Stephen Crawford): We're now going to move to the government side. Ms. Skelly.

Ms. Donna Skelly: Thank you, Mr. Hahn, and I have to tell you that not only are you speaking my language, but it's the first time, I think, that "unicorn" has been used in these proceedings, so that's refreshing.

The college of trades—perhaps not quite as passionate as you, but I do believe that most people around this table recognize the problems that we've seen with the college of trades. But I wanted you to speak a little bit about the change in the ratio of apprentice to journeyman and how

that has played a role in perhaps even increasing the number of people we're seeing in the trades.

Mr. Michael Hahn: Yes, it's definitely extremely positive to take those restrictions away. I can tell you, with the shortage of trades that there was, the ratios were never aligned. All you folks did is make it more real. It's definitely a positive step.

Ms. Donna Skelly: Before I hand it over to MPP Downey, I will just mention that in my own riding, two small businesses collectively hired five and seven apprentices as soon as this went into play, because they realized that they were hungry to hire more people but couldn't do it under the previous restrictions.

Thank you for your presentation.

Mr. Michael Hahn: You're welcome. Thank you.

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

Mr. Doug Downey: I want to thank you for your frankness on the college of trades. It's not an accident that it's doing what it's doing. It was designed that way and it was executed that way. And good for you for getting on the board and having a voice, because those "diesel police"—they not only had to stay in a hotel and eat food and charge it back to the taxpayer, but they also had a vehicle, each of them, and they didn't drive together. It's very, very frustrating to have four of them in one location and hassling taxpayers, so I have to commend you for that.

If you have other ideas in terms of the pathways to the trades—college is a pathway; direct employment is a pathway. But if there are barriers in those direct pieces—I'll give you a concrete thing that I've come across. For young people, in terms of seeking employment, one of the big barriers is that they don't have their driver's licence. I live in a rural area, and that's a real barrier. There are some organizations who will help them, because some of them don't have the money to go through driver training. They'll actually help them get the money to get the driver training to get their licence to then be more mobile. Anything else like that, if you could push that in the door, I'd love it.

Mr. Michael Hahn: I'd have to think about that. I've not been in that situation. I just know that in my company alone, we have 44 vacant positions that we cannot fill, and I know the Conestoga College millwright program is filled. Rather than stealing money from these children, just don't have these things and move them right into an apprenticeship so that after three years, instead of starting at minimum wage, that third-year apprentice is making \$30 an hour. It's just the right thing to do.

Mr. Doug Downey: I just want to tell you, I grew up with a millwright next door. He was a neighbour, and probably the smartest man I knew. He was clever, creative—

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

Mr. Doug Downey:—and I don't think he had his high school education, to be honest.

1610

Mr. Michael Hahn: I quit in grade 9, and I'm a construction and industrial millwright.

If I only have a minute—I asked the Ministry of Natural Resources' Owen Sound office to meet with me in Kincardine, about 100 kilometres away, next week. Their response was:

“Hi Mike,

“In light of the new government's rules, Jody and I have to make a case to our supervisor that then goes up to the district manager who then sends it to the minister's office for approval for us to attend any partner or stakeholder meeting. This usually takes up to two weeks to either be approved or denied.”

I can assure you, folks, that this was not Premier Ford's intention when he froze—it was not his intention to park front-line workers that deal—I belong to a fish club in Lake Huron. We collaborate a lot with the MNR—

The Chair (Mr. Stephen Crawford): Okay. Thank you very much. We've exceeded our time.

Mr. Doug Downey: Thank you. I'm going to come over and talk to you. If you don't have a local MPP who will help you, I'll help you.

Mr. Michael Hahn: Oh, I have a local MP that will definitely help me—

Mr. Mike Harris: That's me.

Mr. Doug Downey: He's on it.

Mr. Michael Hahn: Yes. Thank you, folks.

ALLROADS DODGE CHRYSLER JEEP RAM

ALL ABOARD ST. MARYS

The Chair (Mr. Stephen Crawford): All right. We're going to move along here. We've got AllRoads Dodge Chrysler Jeep Ram.

Welcome to the finance committee. If you could please state your name for the record. You have up to seven minutes to present. I'll give you a one-minute warning.

Mr. Chris West: My name is Chris West, from sunny St. Marys, representing both an automobile dealership, AllRoads Dodge, and a rail advocacy group, All Aboard St. Marys. We'll talk about how the automobile business and the transportation business, we believe, merge.

We got a bit of chocolate cake a couple of weeks ago, after the first ministers' conference, when the federal government said they were serious about climate change. That was kind of the music we wanted to hear. It opened the door for doing the things that we think should be done in Ontario.

But I'd like to start with a news story first. Back on January 13, there was a fuel truck barreling down the 401 highway near Cambridge, Ontario. At the speed of 100 miles an hour, so roughly 60 feet per second, that's not very much time to react. Those of us who have driven the 401 have seen vehicles without taillights on. We've seen the cyclops effect—people with one headlight. There are a lot of vehicles on the road that are really unsafe, and there are a lot of drivers on the road who are unsafe. What you do know about the accident is that there was aviation fuel in a truck. It turned over, contaminated a waterway and closed the 401 for several days. What you don't know

is what happened to precipitate that. What happened to precipitate that was a woman driver who happened to hit the median. The car spun to the right and she abandoned the car on the road. Rather than moving the car off the road, she abandoned the car on the road, and they found her walking down the road about a mile afterwards.

So it really leads into a balanced transportation argument. The automobile business can only succeed if we have a balanced transportation system. There are 840,000 people working in the automobile industry in Canada. Most of those are in Ontario. We probably see some reports of people saying there are 150,000; there are 840,000. We see Unifor picketing the entrance to the General Motors headquarters with 25,000 jobs at stake—it might end up being 14,000—but we've got 840,000 jobs in the automobile business that we need to protect. We need to protect those with balanced transportation, because if we don't do it properly, what we'll end up with is what we don't want. It could be excessive road tolls, or whatever else it might be.

Back in 1977, the Canadian Transport Commission talked to Canadians, and, based on what they were told by Canadians, they decided not to cut any more rail service. Well, that hasn't happened. A tremendous number of trains have been cut, right across Canada and a lot in Ontario. In addition to that, when you look at the cost of congestion, in the report it shows the cost of congestion just in the GTHA as calculated between \$7.5 billion and \$11 billion per year. On top of that, the cost for road accidents in Canada is \$37 billion per year. So just on those two elements alone, we're looking at \$48 billion.

Boss Kettering, one of the top engineers at General Motors, said that a problem well stated is a problem half-solved. Do we really want to spend \$48 billion per year and kill a bunch of people and damage a bunch of property, or do we want to do things properly? I think if we wanted to do things properly, we would do two things.

There was a real estate fellow here that we were happy to hear earlier. He talked about the cost of living in Toronto and Kitchener. It seems logical to me that the way to mitigate those costs is to move the transit further along. You don't stop the transit at Kitchener, because all that does is drive up the price of Toronto and Kitchener real estate. You let the trains move on further down the line. As he stated, there are people who are moving west because they can't afford the housing.

Let water find its own level. Get those trains moving through the north main line. There are a couple of ways you can do it. You can do it using Budd cars. Budd cars are very effective. The advantage of Budd cars: They're comfortable and they've got propulsion at both ends, so rather than turning trains around like they're doing now, you don't have to do that with a Budd car, probably saving 20 minutes at each turn. The other alternative is to increase the number of Via trains going down that line or pooling with GO Transit. But we've got to move people around.

Why would you spend \$10 billion on HPR, high-performance rail? The advantage of high-performance rail is that it can be done in one year. Essentially what you're

doing is having continuous track and improving the grade crossing, so you can move trains faster. That would cost Ontario about \$6 billion to \$10 billion. It's a hell of a lot less than the \$48 billion.

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

Mr. Chris West: Twelve lanes of traffic replaced by two lanes of track—we've just got to build more track.

The other advantage of building transit is that for each \$10 you invest, the return is not \$10; it's not \$20; it's \$30. So why on earth would you not spend the money, when there's a return? Studies have shown there's a return of three times the investment in rail, so let's get some more trains on the tracks and let's save some of these excessive costs we're getting in Ontario. Thank you very much.

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

Mr. Doug Downey: You've covered a lot of ground and you obviously know how to sell a story, as it were. I guess my question is not directly on point with what you're talking about, but I know that you have an opinion because you understand the automotive world. In terms of where we're headed with technology and cars and autonomous vehicles and that kind of thing—which in my mind are a bit of a highway train, and in my mind it's where we're going. Do you have thoughts on that as the alternative to all these other forms of transportation we're talking about?

Mr. Chris West: I think we've got too many cars on the road and I think we really risk those 840,000 jobs. We can't risk those 840,000 jobs. We've got too many cars on the road. To have a long-term future in the automobile business, we have to have more trains, which kind of seems illogical. It might seem illogical when you're looking at a car dealer, but I see serious concerns if we don't get more trains on the tracks.

Alfred P. Sloan, who was the president of General Motors for about 25 or 30 years—a great president—went to visit dealers. How did he do it? He hopped on the train. That's how he visited dealers. When he worked in New York City, he rode the train to work and took the subway.

Mr. Doug Downey: My father drove trains for a living, so I grew up through the era where the federal government sold off a lot of their right-of-ways, and so I don't know logistically how we go back to—it has come full circle, where we need those access points and we don't have them anymore.

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Mr. Chris West: I think it's an excellent point. I think we can't spend our resources trying to put rail back down again. What we can do is work on the rail we've got—we've got existing now; let's improve it. Let's improve the rail crossings. Let's get more trains out there. To put more track down, I think it's \$1 million a mile. Let's concentrate on what we've got.

General Motors made that mistake, I believe, when they developed Saturn Corp. They said, in my perception, "We couldn't do it properly here, so we'll start this Saturn Corp."—rather than fixing what you've got.

Let's work on what we've got—existing rail. Let's do it properly and get more trains on the road, cut down the costs for housing for people, allow them to get to work, allow these apprentices to get jobs. It all comes together. It all makes sense.

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

Ms. Donna Skelly: This is very interesting. I, too, am the daughter of a railroader and spent a lot of time on the railroad.

My question to you is: How do you deal with the conflicting schedules for that one piece of track?

Mr. Chris West: It's a problem because the track is owned by CN and Metrolinx, and Via Rail, as an example, rents. As much as I'm not a big Metrolinx fan, I think the only solution is to have the federal and provincial governments work together—

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

Mr. Chris West:—and I think the way they have to do that is through Metrolinx.

Ms. Donna Skelly: But can you actually find a solution to allow—this conflict in schedule and access to the same piece of track when you've got freight and you've got passenger rail?

Mr. Chris West: The passenger rail has priority, under the Canada Transportation Act, and it has been enforced a couple of times. But we're looking for six Via trains a day on the North Bay line. That can certainly be increased by the number of GO trains, as well. We believe it's doable through the high-performance rail initiative.

The Chair (Mr. Stephen Crawford): We'll go to the opposition side. Ms. Fife.

Ms. Catherine Fife: Thank you very much for coming in. You've been very consistent over the years in your messaging, Chris.

You have here, as a suggestion, two pilot projects—a joint Via-GO pool agreement to blend services on the Toronto-Kitchener-London route to provide faster, more frequent service at lower passenger cost. I think if we're going to continue with the tension between commuters and freight on the existing line, then we're going to have to look at other options. Many people will take the GO train into Toronto from Kitchener, but they take the Via back because Via is actually more comfortable. Whoever designed the GO trains as they are right now was not thinking about comfort. There's no WiFi. The air quality in the second car behind the diesel train is poor, and they're trying to address that.

We are very behind on the whole concept of rail travel in the province of Ontario. High-performance rail, high-speed rail—that's totally off of the radar. The people in Waterloo region and in London and in your area just want a reliable train service that can get them from point A to point B and not have them cramped into one railcar like cattle, for instance.

I'm going to take some of these recommendations back to our researchers. Thanks for bringing the suitcase full of cash. If you can leave that here, that would be good. There's a deficit.

Mr. Chris West: The cash is only on top. It's all paper underneath, of course, but you probably figured that out.

Ms. Catherine Fife: I see. So it's fake money, like fake news.

Mr. Chris West: I did trick my wife one year at Christmastime when she opened it—

Ms. Catherine Fife: Chris, that's terrible.

Thank you very much for coming in, and thank you for bringing the research. It's valuable to us.

The Chair (Mr. Stephen Crawford): Mr. Arthur has a question.

Mr. Ian Arthur: We've been talking, and Catherine touched on it slightly—the issues with rail in Ontario for years and years and years, even when I was a kid. There needs to be a grand vision and a commitment that potentially outlasts a political regime of one stripe or another, if we're really going to be serious about rail in Ontario. We talked about ideas about high-speed rail that in the Windsor-Montreal corridor have come and gone, and they ebb and flow. Now there's talk of unproven technologies and the potential of a hyperloop or something like that in the future. It might be that we actually skip an entire generation of technology because we can't commit to that kind of vision as a province.

I appreciate you bringing it in, and your ideas. Absolutely, I'll look at the research that Catherine pulls on this.

Mr. Chris West: Thank you.

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

WATERLOO FEDERATION OF AGRICULTURE

The Chair (Mr. Stephen Crawford): I will call up our next witness. It's the Waterloo Federation of Agriculture. Good afternoon, and welcome to the finance committee. If you could state your name for the record, you can get right on with your presentation.

Mr. Mark Reusser: I'm Mark Reusser, vice-president of the Waterloo Federation of Agriculture.

Good afternoon, everyone. It's a pleasure to be here and to provide some comment with regard to the budget. As I said before, I'm vice-president of the Waterloo Federation of Agriculture, representing agriculture here in Waterloo. We have three suggestions for consideration in the upcoming budget. I'll list them off, one, two, three.

The first one is access to natural gas. We only have 20% coverage in rural Ontario with regard to natural gas. We estimate that savings would be about \$1,500 per household per year if we had access. We are suggesting to the government that they consider a little more than they've already done. Thank you for what you have proposed so far. We'd like to see something considerably more. We propose that the government consider putting about \$75 million a year into natural gas infrastructure for 20 years. Our calculations show that after 10 years, this will return about \$1 billion to the pockets of the people who live in rural Ontario. That is significant money. That has only to do with housing.

Also, significant savings are available if you use natural gas in your business. I'll use my own business as an example. I'm a turkey farmer. During the very cold winter of 2015—I actually have natural gas on my farm—I saved \$30,000 compared to my neighbours who were heating with propane: \$30,000 which, like all farmers, we immediately spend when we save it or get it and invest it in our local economy. That could be done all over Ontario. There are approximately 2,000 poultry farmers in Ontario, and they are only one example of businesses that would profit from having access to natural gas.

The second request is to work together with the federal government to increase broadband access in rural Ontario. I find it interesting that many urban people don't realize that not only do we not have access to natural gas; we also don't have access to high-speed. That puts us in an interesting position, and I hate to say it but it's almost Third World. We don't have access to the world through broadband. Broadband is our connection to the world to sell, to buy and to trade, and we don't have it to the extent that people in urban Canada do. How do we do business without it? It becomes extremely difficult.

I'll give one example. It doesn't have to do with business; it has to do with children and schooling. These days, a lot of schools, even in elementary, require access to broadband so that you can do your homework. If you go to small towns in rural Ontario, like Harriston, Arthur and Mount Forest and so on, you will find parents with their children at McDonald's and Tim Horton's and at the public library in the evenings because that's the only place where they can get access to broadband to do their homework, and that's just not right.

With regard to business in rural Ontario: Why would anyone invest, locate or expand in a place that has no high-speed and no access to natural gas? The answer is: They won't, and that's just not fair. There's huge potential in rural Ontario, and we need to liberate it.

The third thing is investment in rural roads and bridges—in other words, infrastructure. They are our physical connection to the world. Every road that closes and every bridge that closes causes problems in rural Ontario and increases our costs. If you're from the city and there is a road closure, you simply take a little detour around the block. When a bridge closes in the country, your detour is six, eight or 10 kilometres. As we all know, time is money. When your feed truck has to go an extra 10 to 15 minutes to get to your farm and spend that extra fuel, that's money that's lost. When your school bus has to take an extra 10, 15, 20 minutes to get to a student, that's not only money lost to the bus company and to the education system; it is a loss in the opportunities for our children. If you have ever had children out in the countryside, you know that there are bus trips of up to an hour and a half each direction, and that's just not right.

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In conclusion, it's difficult to cut our way to prosperity. I'm a business person. I borrow money and I spend money to make money. Borrow and invest in projects that show a return on investment. Natural gas, high-speed broadband

and investment in roads and bridges do those very things. That's all.

The Acting Chair (Mr. Stan Cho): Thank you, sir, for your presentation. We will first turn to questions—four minutes—to the opposition. Ms. Fife.

Ms. Catherine Fife: Thank you very much, Mark, for your presentation. I just realized that I'm the only one who has been around this table for the last seven years. Unfortunately—but it's important for them to hear—this is Groundhog Day, literally. The OFA has been asking for natural gas expansion, for broadband and for assistance for infrastructure investments like roads and bridges for at least the last seven years.

The upcoming 2019 budget, the first of this government—they have the opportunity to right that wrong. Because as you know, the previous government strung the OFA along for a significant amount of time, promising investments: that it was coming; that it was around the corner; that they were going to consult; that they were going to do some more round tables; and that they were going to have special meetings.

What do you specifically want to see in this 2019 budget that will address the broadband, the natural gas and the infrastructure needs?

Mr. Mark Reusser: Specifically, we would like to see a commitment of \$75 million a year towards natural gas infrastructure; we would like to see the provincial government partner with the feds, because it's a joint responsibility, for broadband; and we would like to see an increase in the amount of money available for infrastructure in rural Ontario.

Ms. Catherine Fife: Excellent. And because it's a federal election year as well, then this is also the opportunity for us to put pressure on the federal government and to embed it in any plans going forward around broadband. Because I totally agree with you: It's a shared responsibility. Thank you for being here today.

Mr. Mark Reusser: May I just make a further comment with regard to that?

The Chair (Mr. Stephen Crawford): Sure.

Mr. Mark Reusser: One hundred years ago, the government of the day decided that they would pay for the cost of the last mile for hydro and telephone, and they did that. Today's hydro and telephone are broadband and natural gas. The fair thing to do and the responsible thing to do, if you want prosperity in rural Ontario, is to extend natural gas and broadband to everyone so everyone has the same opportunity to prosper. When rural Ontario prospers, all of Ontario prospers.

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

Ms. Sandy Shaw: Thank you for your presentation. I just want to say that we were in Sarnia yesterday, and we heard a very similar message from Don McCabe of the OFA. The one other thing that was highlighted was the declining number of family farms and people who are staying on the farms. Also, they both highlighted the contributions of farms to Ontario's economy.

Maybe if you just want to take a chance to highlight—we understand your concerns and what you need to stay

there. But really very specifically, talk about the importance of farming communities to our economy.

Mr. Mark Reusser: I'll look at the farm and food economy in Ontario and say that it is the number one industry in Ontario. I think it's about—I'm sorry; I'm not totally prepared to answer that question.

Ms. Sandy Shaw: It's okay.

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

Mr. Mark Reusser: I think it's about \$80 billion a year in GDP from agriculture and food, and 870,000 employees.

Ms. Sandy Shaw: And the difficulty for families to stay on farms in rural Ontario?

Mr. Mark Reusser: It's very difficult to stay on farms when you don't have access to get natural gas and broadband. We're people like anybody else. We're business people. You need the tools to prosper, and those are two tools that are incredibly important today, in 2019.

Ms. Sandy Shaw: And we also heard a lot about the social infrastructure: hospitals, health care for people living on farms in rural Ontario.

Mr. Mark Reusser: Again, who wants to locate in rural Ontario when you don't have access to schools and you don't have access to health care? They're both incredibly important.

Ms. Sandy Shaw: Thank you.

The Chair (Mr. Stephen Crawford): We'll turn to the government side. Mr. Harris.

Mr. Mike Harris: Mark, it's great to see you. You're very passionate, as always, about what the OFA stands for.

I know that we've talked at length already about our first steps towards expanding natural gas here in the province. I think you'll agree that the first steps that we're taking at expanding this are great, and it's something we haven't seen in the province for quite some time. Sure, we do have a little bit more to go.

But I wanted to touch a bit more on the broadband aspect of things. Could you tell us a little bit more about what having high-speed Internet access in some parts of rural Ontario that still don't have it would actually mean, and whether you could quantify that in some economic development terms?

Mr. Mark Reusser: I've already mentioned the education aspect, which I guess is peripheral, but it's incredibly important if you have children.

With respect to running a business, how do you run a business today without high-speed access? That's how you communicate with the world. That's how you sell to the world. That's how you buy from the world. I don't know of many businesses that function well without it. When you have the option of locating in a place that has it or a place that does not have it, you are highly motivated to go to the place that has it.

In terms of the financial implications, I think they're self-evident. You don't locate where you don't have those tools. Those tools are incredibly important.

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

Mr. Doug Downey: I just wanted to further make your point. I have a partly rural, partly urban riding, so I have

communities in the country, as it were—and I grew up in the country—where there are home-based businesses that are not related to agriculture at all, but there are people who have set up in that space. They need that infrastructure and they don't have it. So it's not just agriculture that's in that position. It's a need that is much broader. I just want to recognize that.

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

Mrs. Amy Fee: Since you touched a little bit on education, I'm just wondering if we can also glean any ideas that you may have. When I was a school board trustee for Waterloo Catholic, unfortunately, St. Agatha Catholic elementary school was closed. You talked about broadband access being an issue for school work, and the long bus times. I'm just wondering if you have other suggestions that you're hearing from families or that you have yourself for ensuring that we have world-class education in our rural communities as well.

Mr. Mark Reusser: Well, I'm probably straying a little bit from my focus on agriculture, but I'm glad to do it anyway because what goes on in rural Ontario is important to farmers, because we're part of a community.

Mrs. Amy Fee: To me, I see it as the key to ensure that we have farmers who want to stay in rural Ontario, who want to have families in rural Ontario and ensure that rural Ontario is vibrant.

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

Mr. Mark Reusser: I will say this about schools, having had the experience of schooling children in two different counties: Small schools are great schools. As a matter of fact, I have not seen a large school that can beat a small school in terms of quality of education.

I would like to see the funding formula changed; I think many rural Ontario residents would like to see that. Rural schools can be run efficiently, cost-efficiently, and they can give a very good education. And they can cut down on the time that kids waste being stuck on a school bus, one of the most frustrating things, I think, for a little kid. I know when my second daughter first went to kindergarten, her bus ride was an hour and a half each way. That's three hours a day in a bus, which in my mind is totally wasted time. It was hard on the kid and we pulled her out and drove her somewhere else. That's just wrong.

Mrs. Amy Fee: Thank you.

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

Mr. Mark Reusser: Thank you very much. I look forward to working with the government and the opposition—both oppositions—in driving prosperity in Ontario.

Ms. Sandy Shaw: There's only one opposition.

Mr. Mark Reusser: That's right.

Mr. Mike Harris: I feel like that was kind of slid in there.

Mr. Mark Reusser: I just want to include everybody. Thank you very much.

The Chair (Mr. Stephen Crawford): Okay, thank you.

Sleepers ENGINEERED PRODUCTS INC.

The Chair (Mr. Stephen Crawford): I would like to call up our last witness: Sleepers Engineered Products. Good afternoon and welcome to the finance committee. If you would just state your name for the record, and you can start your presentation.

Mr. Taylor Granger: Sure. My name is Taylor Granger. I am the chief operating officer for Sleepers. We're a manufacturing and fabrication company based out of London, Ontario.

The topic of my discussion tonight is going to be on propane, but I'm going to offer a somewhat unique perspective for everyone. We're not going to focus on the home heat benefits. We're going to focus on a significant opportunity that exists today for Ontario on-road.

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To dive right in: For relatively easy effort, we can make a significant impact and immediate benefit in Ontario in a multitude of areas. The focus today of this discussion will be sparking a shift to propane as a low-carbon, clean-burning alternative for the medium-duty-fleet sector. I'm going to talk about generating demand for further manufacturing jobs in Ontario through Sleepers, the ability to increase tax revenues for the province—both income tax and HST—to stimulate export growth revenue through Ontario, and to cut school board transportation fuel expenses between 30% and 40%.

To start, the transportation sector needs GHG emission reductions. It's 2019. Regardless of what side of the climate change debate everyone is on, we as Ontarians need to reduce auto emissions, whether you're interested in the health benefits of reduced auto emissions or you're interested in the GHG reduction benefits. The transportation sector remains the largest source of greenhouse gas emissions in Ontario and Canada.

Propane fuel, consumed in an engine fuel application, provides significant emissions reductions versus conventional gasoline and diesel, and similar reductions to other gaseous fuels, such as natural gas. The reason I mention natural gas here is, natural gas technologies seem to get a lot of attention lately. I'm choosing to remain somewhat unbiased, but the evidence and the data is irrefutable: From a life cycle perspective, propane is the most environmentally friendly alternative fuel. I encourage you to consult, if you have any questions on those facts, the US Department of Energy and their GREET emissions model.

Propane engine technologies have existed for over 100 years. The reason I'm mentioning that is, this technology is not new. It's tried, it's tested, and it's proven. Propane elsewhere in the world is classified as the most popular alternative fuel. There are over 25 million propane-powered vehicles on-road today.

Propane supply is another big topic of discussion here. Propane has several sources; the most significant is actually through the extraction of natural gas. Some 85% of the propane we produce domestically each year comes as a by-product of natural gas extraction. The reason I'm mention-

ing that is, we can't produce natural gas without also producing propane. So as the natural gas lobby—to expand natural gas into rural Ontario, you're going to create further demand for natural gas, which is inherently going to create more propane.

Propane is a by-product that has to be dealt with. We have an abundant and excess supply of propane today. We currently consume one third of the propane that we produce annually. The remainder is either exported to the US or offshore markets, often at a cost to the Canadian economy. Anything that's left over is often consumed in less-value markets for plastics production. Encouraging propane demand in Ontario consumed in a vehicle will not only benefit the environment through emissions reduction, but will also save fleets in Ontario money.

I'd like to mention that the infrastructure for propane supply, as I mentioned, service, distribution already exists today. This isn't a futuristic plan. It's not something that needs to be developed. The standards, the compliance and the regulations around the use of propane—everything has been established in Ontario already.

There's not really a one-size-fits-all solution here. Propane is just one of the many transportation energy solutions that are available. We need a collective and smart energy approach. We need to target specific applications with the right fuel source to maximize the benefits. Electric vehicles have a niche: consumers, urban vehicles. Natural gas, in an engine application, has its niche, specifically—and UPS is a big adopter of natural gas for the long haul, but that's pretty much as far as they've ventured with the natural gas technology.

Focusing on propane, we have very strong credentials as a green alternative transportation solution in Ontario for the medium-duty-fleet sector. The strongest case we have is actually in the school bus application. Additionally, medium duty—UPS in Canada is one of our biggest accounts; 36% of their package delivery cars run on propane.

I'm just going to touch on the emissions. I don't want to get into too many of the details. I come from an engineering background—environmental engineering. I'm actually a graduate from the University of Waterloo. When you think of emissions benefits from the combustion of natural gas, you should also be thinking of propane. I'll more or less leave it there.

As far as particulate emission comparisons, especially in the school bus case, which we'll get into, you're talking about 98% less particulate matter emissions, about 26% less greenhouse gas, a 70% reduction in smog-producing hydrocarbons and a 96% reduction in toxins and carcinogens. The comment that gentleman made in the last session about a three-hour commute via school bus to and from school—those are the types of things that our children are breathing in.

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

Mr. Taylor Granger: One other thing I want to mention: Propane engine technology actually has the lowest certification on NO_x emissions, comparable to that of electric.

Because time is limited, I'm going to get right into our ask. There's funding available in the US for 48 out of the 50 states. There are over 17,500 propane-powered school buses on the road today. Each year, propane buses drive over 750 million miles to and from school. The benefit to the environment is an offset of 180,000 tonnes of CO₂-equivalent emissions.

How can we stimulate use in Ontario for propane? Remove the 4.3% road tax—parity with natural gas. Natural gas isn't taxed per litre in Ontario; propane shouldn't be either. There's stigma around propane adoption because of some old technology. Offer a \$5,000 tax credit for each vehicle to incentivize early adopters.

The Chair (Mr. Stephen Crawford): Okay. Thank you very much. We appreciate that. We're going to move to our questions. We're going to start with the government side. We have four minutes. Mr. Downey.

Mr. Doug Downey: My brother-in-law used to drive a propane car. It was a K-Car and it would have been in the early 1980s.

Ms. Catherine Fife: A K-Car!

Mr. Doug Downey: Seriously. To fuel it—they were on a farm, so they had propane accessible there. He would have to plan his trips, just like people when they first started buying Tesla cars would have to plan their trips for distance.

Mr. Taylor Granger: Right.

Mr. Doug Downey: That was a long time ago and I haven't followed the market. Can you speak to that dynamic?

Mr. Taylor Granger: Sure, yes. The technology you're referring to is old carbureted technology. It's kind of like the gasoline engine in your car. The technology has advanced significantly since those days. Carbureted technology morphed into vapour injection technology, similar to the concept of barbecuing. You have a propane tank that is under pressure; there's liquid on the bottom and there's vapour on the top. Your barbecue pulls the vapour off and burns it to heat your food. They used that same concept in the generation 2 version of propane engines and consumed the vapour to power the engine.

The technology that exists today is actually liquid injection technology—highly efficient, similar to direct-injection gasoline engines. It's super-efficient. You consume less propane and you can go farther. But also the fuel tank design, which Slegers is predominantly involved in—the range abilities for the offerings have increased significantly.

Mr. Doug Downey: In terms of the bus companies, they must fill them up at their depot. I'm just saying, again, like Tesla, you have to know where you can plug in, which is getting easier and easier.

Mr. Taylor Granger: Correct, yes. Specifically in the school bus fleet case, there's a lot of centralized refueling for most fleets in the US that are adopting it. Basically, a neighbouring propane company will install a dispenser right in the backyard of the fleet.

Mr. Doug Downey: Okay. Very interesting. Thank you.

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

Mr. Mike Harris: No.

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

Ms. Donna Skelly: Which leads me to: If you own a personal vehicle, where do you fill up?

Mr. Taylor Granger: Retail propane stations exist across Ontario today, just like a gasoline station. They're less common. They used to be more common in the past, but Ontario shifted focus away from propane in the last 20 to 30 years. Elsewhere in the world they're adopting it rather quickly. We're lagging behind. If you were a private commuter on a propane vehicle, you could just refuel it at a retail location in Ontario.

Ms. Donna Skelly: But if there are few of them around—

Mr. Taylor Granger: Yes, and that's one of my asks. The province has shifted away from adopting propane and, inherent to that, it's not cost-effective for propane suppliers to have refueling stations in commonly used areas. If you incentivize the adoption of propane, those will come back. Right now, the big market in Ontario is fleets, which consume a lot of propane and have a lot of vehicles running on it and can afford a centralized refueling location.

Ms. Donna Skelly: Thank you.

The Chair (Mr. Stephen Crawford): One minute. Any questions? No? Okay. We're going to go to the opposition side. Mr. Arthur.

Mr. Ian Arthur: Thank you very much for your presentation. I believe it was the propane producers who testified in committee for Bill 4, as well, and they made many of the same points as you. MPP Cho was just asking about—when you were talking about the fleets, UPS, I believe, uses it significantly.

Mr. Taylor Granger: Yes.

Mr. Ian Arthur: I know Utilities Kingston has several vehicles—my riding, Kingston and the Islands, has several vehicles that run on propane because of the cost savings associated with it.

I'm curious: Is there any way to convert existing fleets, or is it an entire new fleet of vehicles? How do these engines function, and what's the path to adoption there?

Mr. Taylor Granger: There are two different pathways. I ended up having too much content, so I never got to it, but what's really revolutionizing the propane industry in the US is OEM-grade technology: Ford, General Motors, Blue Bird and Navistar buses. You purchase a bus that is mono-fuel, meaning it only runs on propane, and you buy it direct from the dealership. Those, obviously, can't be converted.

What's more common in Ontario, because that OEM technology, because of the cost-prohibitiveness, hasn't really moved to Canada—the market in Ontario today is

that you take a gasoline engine, you remove the gasoline components and you install propane components, or you leave the gasoline components on and you add propane components, and that vehicle can run on either fuel source.

Mr. Ian Arthur: Well, that's interesting. And what's the ROI on that? You said 30% to 40% reduced costs, so for a converted truck, how long would it take to pay back that conversion?

Mr. Taylor Granger: It all depends on the mileage. For a UPS vehicle, to pay back, they're seeing nine months.

Mr. Ian Arthur: Nine months?

Mr. Taylor Granger: Yes, nine months' payback on the conversion technology, but they're always on the road. And those vehicles last between 12 to 15 years.

Mr. Ian Arthur: Wow.

Mr. Taylor Granger: Yes. The issue is that fleets such as paratransit are slowly adopting it. It's very big in the US, because there are a lot of anti-idling bylaws around diesel emissions at hospitals, for example, so a lot of US paratransit fleets are switching to propane because they can idle in an anti-idling zone because of how clean it is.

Mr. Ian Arthur: And do you know of groups in Ontario that are doing those conversions? I guess it would be a shop.

Mr. Taylor Granger: Yes. We actually have one. At Slegers, we manufacture the fuel tanks—that's our core business—but we're very propane-centric, so we also have some involvement in conversion. We're also partnered with a fuel company that supplies UPS. We design and build their tanks and do their service as well, which is why I know so much about them.

Mr. Ian Arthur: Okay. Very cool. Thank you so much. It was fascinating.

Mr. Taylor Granger: You're welcome.

The Chair (Mr. Stephen Crawford): Any further questions? We have a minute and a half. No? Okay.

Thank you very much for your presentation. We appreciate it.

Mr. Taylor Granger: Thank you.

The Chair (Mr. Stephen Crawford): Thank you, everyone, for being here today. That concludes today's presentations.

Before I close, I would like to thank all the legislative staff who worked so hard to ensure that this week's presentations ran so smoothly. Thank you all for your great work.

We will adjourn until Monday, January 28, at 9 a.m. in Peterborough, Ontario. This meeting is adjourned.

The committee adjourned at 1652.

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