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

**Wednesday 13 March 2013**

**Journal  
des débats  
(Hansard)**

**Mercredi 13 mars 2013**

**Standing Committee on  
Finance and Economic Affairs**

Pre-budget consultations

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

Consultations prébudgétaires

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Hansard Reporting and Interpretation Services  
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Service du Journal des débats et d'interprétation  
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111, rue Wellesley ouest, Queen's Park  
Toronto ON M7A 1A2  
Téléphone, 416-325-7400; télécopieur, 416-325-7430  
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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUES

Wednesday 13 March 2013

Mercredi 13 mars 2013

*The committee met at 0830 in the Ottawa Marriott Hotel, Ottawa.*

## PRE-BUDGET CONSULTATIONS

**The Chair (Mr. Kevin Daniel Flynn):** Let's call to order, then. Thank you all who are here this morning to speak to the committee.

## MR. ROBERT ARMSTRONG

**The Chair (Mr. Kevin Daniel Flynn):** Our first delegation this morning is Robert Armstrong. Would you like to come forward, Mr. Armstrong? Make yourself comfortable.

**Mr. Robert Armstrong:** I was hoping for a chair with arms—

**The Chair (Mr. Kevin Daniel Flynn):** Do you need a chair with arms?

**Mr. Robert Armstrong:** I'm fine. I'm fine, thank you very much. I just have to organize myself. It's a bit of a procedure, as you see.

**The Chair (Mr. Kevin Daniel Flynn):** Take your time.

**Mr. Robert Armstrong:** It's all a safety thing. They taught me that at Bruyère. You have to plan your movements.

**The Chair (Mr. Kevin Daniel Flynn):** You get comfortable, and while you're getting comfortable, how we're doing it is that everybody gets 15 minutes, Mr. Armstrong. You use that time any way you see fit.

**Mr. Robert Armstrong:** I hope I use it constructively.

**The Chair (Mr. Kevin Daniel Flynn):** Yes, use it constructively, but it's your choice there as well. Then, at the end of it all, if there is any time left over in the 15 minutes, we'll use that for a question and answer period. The first party to ask questions this morning will be the Conservative Party. I'm going to set my timer up as you get yourself prepared. When you're ready, you let me know.

**Mr. Robert Armstrong:** You can see where I'm headed. My driver has got me in knots. How do I put this on?

**The Chair (Mr. Kevin Daniel Flynn):** Oh, that turns itself on. We'll handle that for you.

**Ms. Cindy Forster:** Yes, your microphone is on.

**Mr. Michael Prue:** It's on right now.

**Mr. Peter Shurman:** We can hear you.

**Mr. Robert Armstrong:** You can hear me? That's the whole point, isn't it? When I have about five minutes left, will you let me know?

**The Chair (Mr. Kevin Daniel Flynn):** I certainly will.

**Mr. Robert Armstrong:** I learned that from Steve Paikin. You ever watched the Agenda? The last five minutes are the most interesting.

**The Chair (Mr. Kevin Daniel Flynn):** You've got to finish big.

**Mr. Robert Armstrong:** What's that, sir?

**The Chair (Mr. Kevin Daniel Flynn):** You've got to finish big.

**Mr. Robert Armstrong:** Are we ready?

**The Chair (Mr. Kevin Daniel Flynn):** Any time you're ready, we're ready.

**Mr. Robert Armstrong:** Okay. I have a paper but I'll send it on to the committee when it's complete. I will work from a few notes.

First of all, I want to let you know that I'm an independent person in the sense that I don't belong to any of the organizations to which I might nominally belong. Also, I'm nonpartisan. I appreciate the time you're taking to come to Ottawa. I was thinking this morning, looking at the Globe, as some of you were, that we live in a very complex, interdependent world. We have Mr. Baird in Hong Kong; we have at least two Canadians in the conclave in Rome; we have the visit of the Prime Minister of France today in Ottawa. He's also going on to Toronto to meet Ms. Wynne, then on to Quebec City to meet Ms. Marois. It's a very complex and interdependent world and we have to recognize that. I appreciate you taking the time to come to Ottawa.

I have great respect for the role you play as politicians. I'll give you a brief history: I came to Ottawa in 1960 as a very young administrative officer. I left the Department of Labour, where I was assistant deputy minister, in 1986, but I follow politics very, very closely.

As a way of introduction, I want to say that there are a lot of basic services that people of my age do appreciate, home care being one, and I'm going to trench onto that later. You're going to think I'm in the wrong committee, that I should be in front of the health committee. But there's a carry-over between the tax system and the health system, as you know, and I'll explain that later.

There are exercise classes provided by the city, and I go to that. The paramed service works extremely well in the city, as do the police and fire, when you need them. Occasionally I fall and need to be picked up and put back in shape, and the para people are always extremely pleasant. It happened once and I couldn't get out of my bath. The fire department was summoned, and four big guys managed to pull me out. My caregiver had a sheet put under my shoulders, under my arms, and that's how they pulled me out. Subsequently, I bought a walk-in bath, so I'm well equipped.

We often compare ourselves to our—can you hear me still?

**The Chair (Mr. Kevin Daniel Flynn):** Oh, yes, absolutely.

**Mr. Robert Armstrong:** I sound like I don't know who—the late Tom Connors.

Our system, compared to the American system, provides what we call universal coverage, but the principal shortcoming is that the basic legislative framework does not cover long-term care. It could, but it does not.

We could have a realigned system, which would be costly. But as the Fraser Institute has pointed out recently, we pay for the universal system through our tax system; it's kind of buried in there. Depending on your income, you pay significant amounts of money towards the health system, as we do for defence and foreign affairs and everything else.

By way of introduction, you're all familiar with Hurricane Sandy. It missed most of us. Roberta Smith, the art critic of the New York Times, toured a number of galleries in lower Manhattan, and she observed the work of new and older artists, some of whose work was damaged and others spared. She spoke of the span of life, if you will. She referred to the starting, the continuing, and the approaching end.

At a certain age—and I'm in that bracket for sure, when we all are potentially—when your next birthday is your 79th, you know the end is approaching. That doesn't disturb me at all. The issue is, how do we get there?

I'm not talking about end of life. I'm not talking about hospice care. I'm talking about that intermediate stage where we're not desperately ill but we do require assistance with everyday activities. This is home care, and it goes against the bias, I think, in Canada towards institutionalization. What is worse is it's anathema to people like Romanoff and Jeffrey Simpson. Everything they talk about seems to be public.

But the public system does not see home care as an integral part of the health care universe on the one hand, while not providing it on the other. That's a real problem. And it does not readily accept its provision by the private sector.

Now, this is where it gets rather crucial. With age there often comes loss of mobility, as you can see—I did not rehearse this. Some basic tasks can be performed. However, with the onset of some disability, problems of balance and the risk of falling require support and help in the home. This support is required for thousands of

people in Ontario; I'm not alone. Most people won't dare come and tell you all about it, but I've dealt with people before, for whom I have great respect, including Mr. Munro or Mr. Mackasey and Lincoln Alexander, among others—Mr. Trudeau.

The support required for thousands of us is not every day but perhaps two or three times a week, to assist with bathing, changing linen, doing a wash, helping with basic housekeeping, and then changing a dressing. In addition, accompaniment is required for shopping, medical appointments or exercise classes.

For those who have the means, these services are available privately. They are not readily available publicly, and where they are, they are subject to rapid change as their priorities change.

**0840**

Recently, I spoke with representatives of the CCAC. I called them, and I heard back three months and 20 days later. I wasn't annoyed about that. I said, "Well, it's a bit long." They said, "We're overloaded," and they are overloaded.

Anne Golden, who you know—I think she's heading to Ryerson at the moment—has spoken of the need for health care to be efficient and preventive. This is what private home care service does: It keeps people out of hospital and affords a cherished independence that is vital to well-being. Is there any wrong in this? Well, governments seem to think so. At the provincial and federal level, the response of government is punitive. That's a strong statement, isn't it? The harmonized sales tax, HST, is applied to home care and related services.

I spoke with Premier McGuinty's office before the election, and I was told, "Well, it's a service." But it's not like getting your car washed or your hair blow-dried. It's an integral part of the health system. Home care is health care, and governments are taxing it. In the case of the personal income tax, the maximum allowed, together with percentage deduction, yields a very meagre offset. There's almost a meanness here, but I don't think it's intended. In my case, expenses of almost \$20,000 yielded a refund of \$1,000. How can you explain that?

I really do believe that seniors who can afford private care are discouraged by the tax regime of governments. This is a crucial point: We are providing taxable income to the caregivers. So it's a form of double taxation. They tax my services. I pay, and I'm very happy to pay the people that help me. I'll give you an ad for them; they're called Libra Services, in Ottawa. It's very effective, very compassionate and it works. But why is it taxed? It's difficult to understand that.

On the federal side, they apply a cap, then a percentage deduction, so I don't know what people who are very ill do.

*Interjection.*

**Mr. Robert Armstrong:** Five. Okay, sir. I got you.

So, let us end HST on home care and do away with the exaggerated tax on health care at the federal level. I really think that there's a contradictory logic and lack of compassion in the way vulnerable seniors are treated. I'm

not the most vulnerable by a long shot. You know that. I'm fairly independent, I wish I was more so, but I find that the governments are treating us in a somewhat shabby way.

These repeated pronouncements by Carney and Flaherty about overspending and so on—household spending: A lot of our money goes, in my bracket, into private health care. If it wasn't for the openness of my bankers, I would be in serious difficulty. I have a home-equity line of credit; I'll be very honest with you. The overflow, my caregivers charge to a Visa, but I don't always meet it. I have to dip into the line of credit. Carney is wrong. I wrote him on that point. I said he has to be a bit more subtle, with a bit more nuance, when he talks about household debt. It's not all going to buy new Nissans and flat TVs. That has to be recognized.

You kind people have a leadership role, and I hope you'll take these issues up. It's a serious matter. I can tell you, I'm not going to let go of it because I think I'm on the right track. I think I'm not exaggerating, and I appreciate the opportunity of coming before you.

I know where you come from, in the sense that it requires enormous stamina to do what you're doing and a lot of dedication. I know that. I have considered myself approaching elected office. I have a very kind lawyer friend, who is my executor. He said, "Robert, you don't have the stamina."

I remember going to Vancouver for a meeting of the CLC and coming back with John Munro in the Challenger. There was a bench there. Munro fell asleep the whole trip. Whatever you think of John, he had enormous stamina. You have to have it, and you guys have it and you young women have it. So I respect your commitment and I thank you for hearing me, and I hope that I made some sense and stayed within the time limits.

**The Chair (Mr. Kevin Daniel Flynn):** You stayed within the time limits very well. You've got about two minutes left for questions and answers. Peter.

**Mr. Peter Shurman:** First of all, I just want to thank you, Robert, for coming forward and giving us your opinion. I don't know that I can purport to speak for everybody at the table, because we're three different parties, but I think we're generally agreed that home care is something that we have to ante up on going forward, increase, at the public level. Why? Because of exactly what you're talking about. You're more than leading-edge. I think you said you were 79. At that stage, you've got about 14 years on me, but the point is, our population is aging, and we need to be able to deliver services more efficiently, and we don't do so at this point.

The point that you raise, however, on HST being applied: There's a reason for that. That's because the folks that run things have spent everything. The cupboard is bare, so they applied HST, and they applied it across the board.

I can't make a commitment to you that that's going to change, but I can make a commitment to you that if my party gets into power—and I suspect the others as well, maintaining or getting into power—everybody knows

that home care has to go up at the public level. Home care has to go up at the public level because people like you cannot be expected to mortgage their houses. Maybe you're lucky that you can; others don't have that luxury and are kind of stuck.

Please go ahead and add comments to what I've said.

**Mr. Robert Armstrong:** Well, you're emphasizing the public side. It doesn't work.

**Mr. Peter Shurman:** The public side doesn't work now. It could.

**Mr. Robert Armstrong:** Well, it won't work because you never know who's coming, you never know when they're coming, and you never see the same person twice. I had a wound on my foot, and it was organized through a CCAC and it was very effective; the nurse came regularly. But on an ongoing basis, you won't get it. It's all disjointed. I have a driver through the same company, and I have home care two mornings a week. It's scheduled, and they come on time. I'm very good to them. Although I have a walk-in bath, I need to be supervised getting in and out of it. Your emphasis on public doesn't work—

**Mr. Peter Shurman:** No, it doesn't now. I'm saying that it needs a huge revamp.

**Mr. Robert Armstrong:** Well, why would I be penalized by having the services provided privately?

**Mr. Peter Shurman:** I have no argument with that. You're quite correct; you shouldn't be.

**The Chair (Mr. Kevin Daniel Flynn):** We're ending on an agreeable note.

**Mr. Robert Armstrong:** Well, maybe your party should back off the public approach. And when would it be? I won't be 79 by the time you do it; I'll be 89. You've been talking about it—everyone talks about health, beautiful rhetoric, but no one gets into the kind of detail in which I got today. That's why—

**Mr. Peter Shurman:** Well, the point is, Robert, that you're on the record. We've heard you and we'll take this back for consideration. We thank you; you make good points.

**Mr. Robert Armstrong:** Thank you, and I hope you're going to show the leadership that I hope you will and I know you will.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you for joining us.

**Mr. Robert Armstrong:** Thank you, sir, and thank you for your patience.

**The Chair (Mr. Kevin Daniel Flynn):** No problem at all. Do you need some help there?

**Mr. Robert Armstrong:** I'll be fine.

**Ms. Bonnie Basker:** Somebody better help him, or else it's going to run into my time.

**The Chair (Mr. Kevin Daniel Flynn):** No, your time doesn't start till you get here. Don't worry. Relax.

**Mr. Robert Armstrong:** We won't interfere with anyone else's time.

None of you identified yourselves.

**Mrs. Jane McKenna:** Our cards are there, but Jane McKenna, MPP, Burlington.

**Ms. Cindy Forster:** Cindy Forster, Welland.

**Mr. Peter Shurman:** Peter Shurman.

**Mr. Michael Prue:** Michael Prue, Beaches–East York.

**Ms. Soo Wong:** And I'm Soo Wong, from Scarborough–Agincourt.

**Mr. Robert Armstrong:** Okay. Well, thank you all for coming.

**Ms. Soo Wong:** Thank you for coming.

**Mr. Robert Armstrong:** We can't always give you skating opportunities, but there's other entertainment here in Ottawa, as you well know.

*Interjections.*

**Mr. Robert Armstrong:** This gentleman represents Libra. Why would his services be taxed? That's ridiculous. That's my parting shot before they throw me out. They'll call the Sergeant-at-Arms and say, "Robert Armstrong, you're expelled from this honourable meeting."

Thanks very much.

0850

**The Chair (Mr. Kevin Daniel Flynn):** Thank you.

**Mr. Robert Armstrong:** It's no disrespect to the committee that I'm leaving.

**The Chair (Mr. Kevin Daniel Flynn):** No. You go enjoy yourself.

**Ms. Cindy Forster:** You don't want to join us for the day?

*Interjections.*

MS. BONNIE BASKER

**The Chair (Mr. Kevin Daniel Flynn):** Okay, Bonnie, if you'd come forward, make yourself comfortable, get yourself settled in.

**Ms. Bonnie Basker:** Good morning, everybody.

**The Chair (Mr. Kevin Daniel Flynn):** Good morning, Bonnie.

**Ms. Bonnie Basker:** I didn't realize there were going to be three parties here. I assume that you're all in little groups.

**The Chair (Mr. Kevin Daniel Flynn):** Kind of.

**Ms. Bonnie Basker:** Now, this side, you are—

**Mr. Peter Shurman:** Conservatives.

**Ms. Bonnie Basker:** You're the New Democrats.

**Mr. Monte McNaughton:** We're the PCs, the three of us.

**Ms. Bonnie Basker:** Oh. Those are two New Democrats.

**Interjection:** Yes.

**Ms. Bonnie Basker:** You're PCs—

**Mr. Peter Shurman:** And those are Liberals.

**Ms. Bonnie Basker:** And those are—

**Ms. Dipika Damerla:** We're the government.

**Mrs. Jane McKenna:** They're the government.

**Ms. Bonnie Basker:** You're all the government. I see. Okay.

**The Chair (Mr. Kevin Daniel Flynn):** Sometimes we change seats just to mix people up.

Anyway, Bonnie, thank you for coming this morning. You've got 15 minutes to make your presentation. You use that time any way you see fit. Then, if you leave a little bit of time at the end, what we'll do is we'll have some questions, and they will come from the NDP. But it's entirely up to you as to how you use that time.

**Ms. Bonnie Basker:** Yes. I heard that when you spoke to the last gentleman.

I'm a senior citizen and mother of two seriously disabled children, and I've spent most of my life either caring for or advocating on behalf of these children in an effort to have their needs met. I am now a resident in a seniors' building, which is owned and operated by Ottawa community public housing, where I and many disabled, frail, elderly seniors have been plagued by bedbugs.

Recently, when speaking with the operations manager of my building, I was shocked to learn that this housing provider is forbidden by law, by the government of Ontario, to treat an entire building for these pests that have been eating me alive. Furthermore, you need to know that seniors are expected to either prepare their units for spraying or pay people to do that job for them.

I was always of the understanding that housing providers were obliged by law to provide housing that was fit for human habitation. Am I in for another shock? Has that law now changed to where, in addition to paying one's rent, one is now responsible for this task?

Home support for seniors and the disabled is grossly inadequate and staff are poorly trained. Contrary to what some might think, not every person knows how to properly clean an apartment. Now, I have nothing against immigrants per se; however, I do believe that charity begins at home. If a country can't provide proper care and treatment for its own frail, elderly citizens and the disabled, then it ought not to be doling out the citizenry's tax dollars to support strangers from other countries with financial assistance, public housing, health care, medications etc., while seniors such as myself are neglected and abused, and that's what I feel I have been.

This is exactly what has been, and is now, happening because of decisions which have been made, both by the government of Ontario and our federal government.

This needs to change. I have no grandchildren and never will because both my children are disabled. I'll not be around that much longer, so let me have a little peace in my senior years. I'd appreciate that. Stop abusing and neglecting low-income seniors now.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you. You've left a lot of time there for some questions, Bonnie. Michael or Cindy?

**Mr. Michael Prue:** Well, I have a question right off the bat, because you said you found out it's against the law for them to spray an entire building.

**Ms. Bonnie Basker:** Yes.

**Mr. Michael Prue:** I have been a mayor, a councillor, an MPP for the last 25 years, and I have never, ever heard of such a law.

**Ms. Bonnie Basker:** Well, I was told this by the director of operations of Ottawa housing. Their office is on Chapel Street.

**Mr. Michael Prue:** And why can't they spray a whole building?

**Ms. Bonnie Basker:** She said the government of Ontario prohibits it, and you need to look into that.

**Mr. Michael Prue:** I'm just looking at all my colleagues.

**The Chair (Mr. Kevin Daniel Flynn):** That's a new one on me.

**Mr. Michael Prue:** We have never heard of this.

**Ms. Bonnie Basker:** I know.

**Mr. Michael Prue:** And I don't believe it to be true.

**Ms. Bonnie Basker:** You can say that if you want, but I have no reason to believe that this lady, this very responsible lady in a position of authority over a large housing area, is lying.

**Mr. Michael Prue:** Where exactly is this building? Because I'd like to talk to your local MPP.

**Ms. Bonnie Basker:** I've talked to the local MPP, Yasir Naqvi, and I have gone to the mayor's office. I called the health department and I spoke to a health inspector, and he told me there was nothing he could do.

Now, I even find them running around in my bathroom sink. I had them for 20 months, all my things packed up.

"Oh no, old lady. You can't even do your knitting. We're packing away your yarn."

Twenty months is a heck of a long time to be without all your things, and when you're older—I'm an avid craftsperson; I was. I knit. I crochet. I do every kind of stitchery you can imagine. I'm a seamstress. I've done macramé. There isn't a type of craft I haven't done. And to have all my things taken away for almost two years—it's very difficult to get back on your feet again when you're older.

The home care is not what it needs to be. As I said, contrary to what some may think, home care personnel are not all good housekeepers and know how to do things. I had one come to my place at a time, when needed, and she put a thimble full of soap in a bucket and about four inches of water and she started on the floor. Well, I'm from Cape Breton. I was scrubbing floors and into it with elbow grease when I was a young girl, 13 years of age.

"Oh, I have a bad back. If I put too much soap it'll make the floor slippery."

"Have you ever heard of rinsing a floor?"

"No."

I mean, these people need to be properly trained. I had three bins set up for recycling: one for garbage, one for bottles and cans and whatever, and another one for paper products. She never moved them, so before she left, I pulled them out. There was dirt behind there.

I said, "You didn't sweep or wash behind there."

I go in the bathroom. The what do you call it, for cleaning the toilet and stuff like that, hadn't been moved. There was some dirt in there.

"Oh, I'm sorry. You're going to have to"—why does a senior citizen have to take these people and train them and tell them how to do work? Because they're not properly trained.

**The Chair (Mr. Kevin Daniel Flynn):** Well, I think what we can do, Mrs.—

**Ms. Bonnie Basker:** Basker.

**The Chair (Mr. Kevin Daniel Flynn):** Certainly we can make some inquiries on your behalf. There's not a lot in your presentation that would be solved by any change in the budget this year, or any suggestions that might inform us from a financial point of view, but certainly the issue you raised on the bedbugs and the quality of the service they're providing is something that some members of this committee can certainly look into a little further, I think. Michael, is that where you were going with this?

**Ms. Bonnie Basker:** Please do. I would appreciate it.  
0900

**Mr. Michael Prue:** The only thing I would ask: I would ask the researcher—because I know that the money for bedbugs was cut in the last budget—how much was cut, how much is still there, and how much would it take to resolve the problems not only in Ottawa, but in Toronto and other places where they're found?

**Ms. Bonnie Basker:** Now, if I may continue, there's an elderly lady on the seventh floor in my building; I got to speaking to her outside. She's much older than I am. She had a major heart attack; she was in a wheelchair. Well, when I had my apartment done first, let me say over \$2,500 worth of my belongings were destroyed. I'm a Cape Bretoner; my mother was a kilt maker. They took my kilts—three of them and the sash. They threw everything—fancy dresses, it didn't matter what—into the laundry all together and brought everything back. Not a stitch was folded. It was a heck of a mess.

Now this elderly lady who's quite a bit older than I am, and in a wheelchair, said that now they wanted \$385 to do her apartment. So they came and she says, "Well, I only have \$185 for now. I'll have to give you the \$200 later." Well, they brought her things all back in a hell of a mess, and on top of that, they ruined some of her belongings—her coat. I had things of mine that were lost; I had things delivered to me that belonged to other people. It was awful. She says, "I'm not giving them the other \$200 because of what they've done."

The money that was given to the health department in order to pay these people, who were not properly trained to do the job, obviously—that ran out. That's why this poor old lady was asked to pay.

**The Chair (Mr. Kevin Daniel Flynn):** Well, we will look into this for you. I think everybody agrees that this is something that we could ask some questions about for you and see exactly what's happening in your building, specifically, and see if we can't make it right.

**Ms. Bonnie Basker:** Well, I'll have to tell you my building. It's 395 Somerset Street West. I'm apartment 1815, and I will give you my number privately.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Bonnie. I appreciate your time here this morning. We'll see if we can't make something positive.

**Ms. Bonnie Basker:** You're welcome, and I'm speaking not just for myself; there are many who cannot speak as well as I, because I am a university graduate, and prior to that I was a registered nursing assistant.

**The Chair (Mr. Kevin Daniel Flynn):** Well, thank you for coming forward. You did a very good job and your message was heard.

**Ms. Bonnie Basker:** You're most welcome. I thank you for listening. Anything you can do on my behalf and on our behalf will be appreciated.

**The Chair (Mr. Kevin Daniel Flynn):** We will. Thank you for coming, Bonnie.

#### CEMENT ASSOCIATION OF CANADA

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from the Cement Association of Canada, and that is—oh, you're not Martha.

**Mr. Steve Morrissey:** No, I'm not.

*Laughter.*

**Mr. Steve Morrissey:** Only on the weekends.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you for coming to represent the association. If you'd make yourself comfortable, and you've got 15 minutes. Use that any way you see fit. The questioning, if there is any time for that, goes to the Liberals this time. Maybe you want to introduce yourself.

**Mr. Steve Morrissey:** Thank you for the opportunity, Mr. Chair and members of the committee. I'm going to be charitable today and be certainly less than 15 minutes. And thank you for being here over the March break. I'm sure there are other commitments more enticing, with children and whatnot, that would be more palatable than being here today, but I appreciate you being here and the opportunity.

My name is Steve Morrissey. I'm the vice-president of the Cement Association of Canada. The CAC represents all the cement manufacturers in Ontario and all of the manufacturers in Canada. You're probably familiar with some of our members in Ontario: Lafarge North America; Holcim Canada; St Marys Cement; Essroc Italcementi; and Federal White Cement.

The cement and concrete industries employ over 16,000 people in this province and generate directly over \$6 billion in economic activity in contribution to the province. Cement, concrete and aggregates are located all across the province in every region and likely every riding, and are important industries supporting a \$37-billion construction industry.

Given the critical importance of our province's infrastructure in maintaining jobs and promoting economic growth and given the growing importance of sustainable construction in our society today, cement and concrete are arguably one of Canada's most important and strategic commodities. In fact, concrete is the second-most-used material on earth, after water, and there are over

3,000 tonnes per year being manufactured for every woman, man and child on the planet today. I don't think I have to remind this group that governments at all levels are the largest purchasers of cement and concrete.

Today, I'd like to talk about sustainable infrastructure and how we are seeking to meet society's and government's sustainability objectives. Concrete is literally the foundation upon which modern economies are built. We believe this is going to be the case in the future as well.

As an industry, we have come a long way when it comes to sustainability and reducing our environmental footprint. We have invested significantly to become more efficient, cleaner, more transparent, and increasingly focused on product-based solutions to sustainability challenges. For example, we have invested heavily in research, and we're proud of our innovations, most recently Contempra—a new brand of cement that reduces CO<sub>2</sub> by 10% and is being used in the province today—and products like pervious concrete pavement, ultra-high-performance concrete and air purifying concrete panels, which are now being tested by MOT here in the province. The cement industry is partnering with a wide range of stakeholders, including governments and environmental groups, in finding ways to reduce our footprint and find solutions to our sustainability challenges.

I'd like to speak to how cement and concrete contribute to sustainable infrastructure and how these benefits can be increased in Ontario through the use of alternative fuels in the cement manufacturing process. We applaud the government of Ontario for the levels of infrastructure we have made over the past several years. We need to encourage governments at all levels to continue to maintain and grow these investments. As noted in the recent speech from the throne, "... infrastructure is the underpinning of our economy, and that if we continue to lag behind we will never leap forward." We also agree that Ontarians are ready to talk about how to get better value and quality for local infrastructure in their communities, whether it's roads, bridges, transit or otherwise.

To accomplish this, we ask the governments to use a full-life-cycle approach to inform your decision-making for infrastructure projects. A full cradle-to-grave life cycle approach considers all phases of an infrastructure project to provide a true perspective of its cumulative environmental and economic impacts. It allows you to measure the long-term value of infrastructure investments as it quantifies and assesses these impacts over the infrastructure's total service life. You may have heard us say this before: Our motto is "Build it once, build it right, and build it to last."

I want to give you a very specific example here in Ontario. All of the last 10 MTO alternative bid tenders were awarded to concrete road designs, and by implementing life cycle tools, it has shown that this decision will save MTO over \$45 million for these projects. We believe that by choosing concrete roads where appropriate, Ontario municipalities could save up to 26% on a pavement's total cost of ownership when considering its full life cycle. I think this is an extremely significant number,



given how much every municipality's citizens demand roads being repaved, the amount of potholes that we have that we could avoid and the amount of money that's required to maintain our roads and highway infrastructure. I think we need to be thinking about how we do these more sustainably, which will save money and have greater environmental impacts.

On alternative fuels: We also believe that construction materials should contribute to achieving Ontario's sustainable development objectives, which include reducing GHGs. The cement and concrete industries are committed to finding solutions to reduce these emissions. This includes the use of alternative fuels in our industry. Using a low-carbon alternative and fully renewable energy sources will have the largest impact with respect to reducing dependence on imported fossil fuels, reducing GHGs, redirecting waste from landfills and staying competitive.

Ontario is behind the rest of the world, other Canadian provinces and US jurisdictions when it comes to permitting alternative fuel use. We live in a progressive province, and this is a situation which we shouldn't be facing. The use of these fuels would be a win for government, the environment and the health of the province, and certainly a win for our industry.

Alternative fuels would enhance the industry's sustainability both environmentally, where we can reduce GHGs and other air pollutants, and economically, where fuels account for a substantial portion of our manufacturing costs. Using a specific example, based on Ontario's 2010 kiln energy consumption data by weight, a 45% substitution of coal and petrol coke with carbon-neutral fuels would allow us to eliminate up to 640,000 tonnes of CO<sub>2</sub> per year, which is the equivalent of removing over 120,000 passenger cars off the roads each year.

**0910**

Alternative fuels would reduce waste to landfills, reduce GHGs and fossil fuel consumption, and increase competitiveness. That is a win-win for everyone. GHGs collectively comprise the single largest environmental issue currently facing our industry. Our members are actively researching new opportunities to reduce our GHG emissions, and we are proactively working with MOE to allow the use of alternative and renewable fuels.

On climate policy, as an energy-intensive and trade-exposed industry, Ontario's cement manufacturers risk being placed at a competitive disadvantage both in our domestic market here in Ontario, but also in our primary export market in the northern US, if climate policy does not adequately take into consideration regulatory imbalances between regions.

For business to remain competitive, it needs some sort of certainty. We recommend that the government continue a sector-by-sector consultative, regulatory approach in designing GHG regulations.

Finally, and very briefly, I want to raise the issue of electricity costs in the province. Cement manufacturing is a highly energy-intensive process. Cement producers are

large purchasers of electricity, and this cost has been rising sharply in Ontario, with no end in sight. The increasing uncertainty over medium- and long-term electricity costs is diminishing the desire of businesses to invest in this province.

While the government has made changes to the allocation of the global adjustment which are beneficial to manufacturers, and I applaud this initiative, our members are still facing massive increases in electricity costs, as much as 7% to 12% year over year. This is coming at a time when we have already implemented significant energy-efficiency programs.

The electricity cost crisis in Ontario is not just a residential customer political issue; it is a crisis that will play a significant part in the business decision to expand and create jobs in more competitive jurisdictions.

In closing, we believe that focusing on sustainable infrastructure and taking a long-term view for infrastructure investments will help the province of Ontario and the industry achieve our common sustainability objectives in terms of the environment and the economy and, of course, from a social perspective. The government must take action to ensure that the overall business environment is favourable and sufficiently competitive to retain and grow manufacturing investment here in Ontario.

Once again, thank you very much for the opportunity. I'd be very pleased to answer any of your questions.

**The Chair (Mr. Kevin Daniel Flynn):** Great. Thank you, Steve. You left about six minutes for questions, starting with Dipika.

**Ms. Dipika Damerla:** Thank you, Steve, for coming today, and please convey my regards to Martha, as well.

**Mr. Steve Morrissey:** I will. Thank you.

**Ms. Dipika Damerla:** It was a very interesting presentation. I just had a couple of questions. One is, you spent some time on how GHGs can be reduced for your industry by using alternative fuels, and I just wanted to know, what does that mean in terms of the cost of producing cement when you use alternative fuels?

**Mr. Steve Morrissey:** Thank you for the question. It's very central. It's one of our priority issues across the country, but here in Ontario in particular.

In the kiln process that manufactures cement, the temperature must reach 1,400 degrees centigrade, which is much, much higher than any incinerator temperature that you can imagine. And it must sustain this over a very long period of time. To do this, we must burn an extraordinary amount of fuel.

The primary fuels are coal and petroleum coke, which, of course, do have emissions profiles associated with them. Around the world, our manufacturers have been trying to find renewable sources, and these can include anything like used plastics, wood fibre, all sorts of—municipal solid waste is one that we really would like to encourage. But if we substitute that coal and pet coke with these fuels, then we can actually reduce the amount of GHGs—

**Ms. Dipika Damerla:** But what does it mean for cost of production?

**Mr. Steve Morrissey:** It depends on the availability of the alternative fuels. But here in Ontario, there are so many sources available. We believe, on average, it will bring the cost down.

**Ms. Dipika Damerla:** So your issue is you're not allowed to burn alternative fuels right now in your kilns?

**Mr. Steve Morrissey:** That's right. In order to burn something new in a kiln, we have to go through a permitting process, and it takes several years to do this. Pilot projects have been successful in Ontario, but obtaining full permits can be very time-consuming and costly, of course. We have to go through stakeholder engagement, rigorous testing and publication of the testing for the community so everyone is aware of what happens.

We have established a working group with MOE, established over two years ago, to work on these issues collectively. We've done some very good work with MOE, but we're now at a standstill where we need some political motivation to move not only the alternative fuel file but also the waste policy in Ontario to how we are going to move this towards a more sustainable waste policy in Ontario.

**Ms. Dipika Damerla:** My second question is, you referred to the fact that in Ontario "and in our primary export market in the northern US ... climate policy does not adequately take into consideration regulatory imbalances between regions." Can you speak to what those regulatory imbalances are that you say are negatively affecting you?

**Mr. Steve Morrissey:** I'll give you a perfect example. In British Columbia, they have a carbon tax. That carbon tax is applied on the fuels used by industry and by consumers. Before the carbon tax was implemented in BC, imported cement into BC was about 4% to 7% on average in a year. Since the carbon tax has been put in place, imports are now 40% of the market. Imported cement does not have to pay carbon tax on the fuel it uses to manufacture. Because Washington state or because Pacific nations that are exporting into BC don't face this cost, they have a competitive advantage. So because we have this jurisdictional difference, we have an unlevel playing field.

This is the same concern we have for climate policy in Canada. We have a cap-and-trade system that's being implemented in Quebec. We don't have a system here in Ontario at the moment, but MOE is working towards something, and the federal government is working on a different track. Especially for energy-intensive or trade-exposed industries, it's very important that all these jurisdictions consider how they're impacting their own domestic marketplace. We accept and we want to work on a climate policy that's appropriate for Canada, but we want to make sure that it doesn't disadvantage Canadian market players.

**Ms. Dipika Damerla:** But there's nothing right now in Ontario in the regulatory climate that is disadvantaging you. You just used a BC example, so I'm assuming that Ontario is fine for now.

**Mr. Steve Morrissey:** Well, yes, and the MOE is in the consultation stage with the industrial stakeholders on moving forward with the next phase of its climate action plan.

**Ms. Dipika Damerla:** Do I have time for another question?

**The Chair (Mr. Kevin Daniel Flynn):** Yep, you've got just over a minute.

**Ms. Dipika Damerla:** My final question is on global adjustment. Does the cement industry benefit from the changes in the global adjustment?

**Mr. Steve Morrissey:** Yes.

**Ms. Dipika Damerla:** You do.

**Mr. Steve Morrissey:** Yes.

**Ms. Dipika Damerla:** Okay. But you still find electricity is—

**Mr. Steve Morrissey:** Our costs are still going up.

**Ms. Dipika Damerla:** Can you give me some idea of the price difference in the electricity used here in Ontario versus Quebec or the US?

**Mr. Steve Morrissey:** I can, actually. I can undertake to give you—we're part of a coalition of industrial users of electricity and we've met recently with the new minister about this. We have a position paper which outlines a jurisdictional comparison of the industrial rates. I'd be happy to send that to you.

**Ms. Dipika Damerla:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** That's great. Well, thank you very much for coming today, Steve. We appreciate it.

**Mr. Steve Morrissey:** Thank you very much.

#### CHEMISTRY INDUSTRY ASSOCIATION OF CANADA

**The Chair (Mr. Kevin Daniel Flynn):** Okay. Our next delegation this morning is from the Chemistry Industry Association of Canada. If you gentlemen would like to come forward and perhaps introduce yourselves.

**Mr. Richard Paton:** Good morning.

**The Chair (Mr. Kevin Daniel Flynn):** Good morning. There's 15 minutes. Use it any way you see fit. If there's any time at the end for questions, it will go to the Progressive Conservative Party this time. If you would both introduce yourselves for Hansard, that would be great.

**Mr. Richard Paton:** Great. I'm Robert Paton and I'm president of the Chemistry Industry Association of Canada. This is David Podruzny, who is our vice-president of business and economics. Thank you very much for the opportunity to speak with you today, as Steve mentioned, even on your winter break. I don't know when your breaks are, but most people in Ottawa are down in Florida right now.

*Laughter.*

**The Chair (Mr. Kevin Daniel Flynn):** It's empty out there.

**Mr. Richard Paton:** I believe that our next budget is critical to Ontario's future and will either contribute or

not contribute to establishing confidence for the business community, like ours, to invest in Ontario.

Our message today is very straightforward and simple: The growth of our industry can contribute significantly to the growth of the economy, the creation of jobs and revenues for the province. But a key factor for that sustained investment in the province is a stable fiscal environment and a clear plan to deal with the debt and deficit. Otherwise, companies will expect the erosion of the policy environment; as we've seen in some of the proposals by various parties, increased corporate taxes; or, even more extreme, electricity costs which will affect our competitiveness.

**0920**

So I'll provide a little insight into our industry, the challenges we face and, more importantly, the opportunities that we think lie ahead for our industry to contribute to the growth and development of Ontario and the revenues of Ontario. We represent the leading manufacturers of chemicals in Canada. This includes companies that you would be familiar with: Dow, DuPont, BASF, Nova Chemicals.

It's sometimes surprising for people in Ontario to realize that we're a \$21-billion industry in Ontario. The largest part of our industry in Canada is located in Ontario. Of that \$21 billion in sales, \$16 billion is exported to the United States.

We're a transformation industry. We take natural resources—it could be oil; it could be gas; it could be minerals; it could be biomass, increasingly. We transform them through a process of manufacturing, and we produce products which are key inputs, chemical products, that go into a range of other sectors in the province that are critical to our growth and diversification as an economy—autos: 3,000 to 5,000 pieces of every automobile include chemical products like plastics, rubber; construction: steel processes. Forestry products use huge amounts of chemicals to break down pulp or to add coatings to paper.

By transforming these resources, we create value for the Ontario economy, anywhere from five times to 40 times the value of the original natural resource. We create that value for the economy, for the communities of Ontario, and for employment in Ontario. So we're a critical part of achieving a diverse and strong Ontario economy, and that is critical to producing a balanced budget and a fiscally strong province.

Our association is committed to attracting more and more investment to Ontario. In the last few years, we've seen an uptick in that investment. We think that in the next 10 years, we could attract easily another \$2.5 billion of investment if the right conditions are there. Just to give you an example of what is already happening, there is about \$500 million in investments going on right now: Cytec in the Niagara region, Nova in the Sarnia region, and BioAmber in the Sarnia region.

These are the first major investments in Ontario that we've seen probably in about 10 years, so something is happening with investment and the overall North Amer-

ican economy. There's a few reasons for that. First of all, the policy environment has improved. Corporate tax rates have gone down. The HST was introduced, which we supported. Some of the investments I mentioned have been the direct result of a favourable corporate tax rate versus, say, Louisiana or Tennessee.

Second, the inputs to our industry have become more available. Biomass is plentiful in Ontario, but also we've been able to take advantage of shale gas from Pennsylvania. Imagine that. We're changing the geographical dynamics here: We're actually shipping, or plan to ship, shale gas from Pennsylvania to Canada so that we can grow our industry. I like that. That's a bit different than building a pipeline and sending it to Texas.

Third, our products are key inputs to a lot of other industries in the province. It could be autos or it could be plastics.

Also, chemistry provides a basis for solutions to environmental remediation and increased energy efficiency. If you drive by a housing development, what do you see? You see the insulation that's being put on the walls. That is basically chemistry.

What do we recommend? We have a very short brief, which fits our theme that we think there are opportunities in Ontario to invest and to grow. We think those opportunities will benefit Ontarians but also will benefit the Ontario government.

Some of the things that we think would help improve our policy environment are regarding taxation, electricity costs, regulation and areas like apprenticeship and skills—all of these things available—a skilled workforce at a reasonable price. Electricity costs, as Steve mentioned, are extremely important to us. The regulatory environment is also extremely important, and maintaining that tax structure that we currently have, that does give us the advantage to grow, is also very important.

Our brief is consistent with the findings of the Advantage Ontario report that was produced by the Jobs and Prosperity Council. It was a largely private sector executive group, and they clearly argued that the status quo with our economy is not an option. We need to focus on producing an innovative, productive and globally oriented economy. They argued that the time is now to seize that opportunity. We generally support the recommendations of that committee, and we've written the government saying that.

Our specific recommendations for our sector are:

—maintain the current provincial tax rate for manufacturing;

—match any move by the federal government to extend the accelerated capital cost allowance; the government has indicated that in previous budgets, and we're hopeful that the new federal budget that will come out will extend the accelerated capital cost allowance. That will stimulate big capital-investment projects; and

—lower industrial electricity rates, which are extremely uncompetitive now on a North American basis.

But our recommendations go far beyond the needs of our particular sector. It's our very strong view that the

Ontario government must develop a clear plan to reduce its deficit and debt so that it consumes a much smaller proportion of the total economy. We believe the Drummond report provides sufficient analysis to illustrate the dangers we face as a province. We think the province is running a huge risk of interest rate increases on borrowing and erratic changes to taxes or services, which will undermine the branding of this province as a place to invest.

We are seriously concerned that Ontario will be faced with the worst kind of vicious circle: The vicious circle that the province faces will be continued deficits and a growing debt. That undermines industry confidence that this is a good place to invest or that fiscal policy is sound enough for business. That, in turn, undermines investment, which in turn undermines job creation and revenues for the government, so we end up going through kind of a death spiral. I would call this a lose-lose-lose scenario for Ontario, Ontarians, our sector and the economy.

On the other hand, if we were able to develop a sound fiscal plan to deal with the deficit and debt, I think we could build on the successes we've already had and the opportunities we have as an industry to attract that \$2.5 billion, grow the economy, grow the revenue base of Ontario, grow the jobs and produce a much better Ontario for all concerned. Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** That's great. Thank you, Richard. You've got just over five minutes for questions, going to Monte.

**Mr. Monte McNaughton:** First of all, thank you very much for presenting here today. I represent the riding of Lambton-Kent-Middlesex, which is, as you know, close to Sarnia. Your industry provides a lot of jobs in southwestern Ontario and right across the province. It's interesting—you speak to four priority areas that our caucus has been talking a lot about over the last number of months: obviously, balanced budgets being number one; apprenticeship reform; you mentioned affordable energy; and reducing the red-tape burden on industry.

Getting back to the balanced budgets, we know by the government forecast that—I think the interest payment this year on the debt is something like \$10.5 billion dollars; in a few years it's going to be upwards of \$15 billion or \$16 billion, just the interest on the debt alone. Can you explain the relationship between deficits and job losses? I know you kind of alluded to that; you say having balanced budgets would encourage investment. Can you talk a bit about that from your perspective?

**Mr. Richard Paton:** Sure—does this kick on, or do I have to press it?

**Mr. Monte McNaughton:** It's on.

**Mr. Richard Paton:** Well, I think the important part is, when there are opportunities—you could see that in your region; it's fair to say that there wasn't much investment going on in the Sarnia region for, what, 25 years?

**Mr. Monte McNaughton:** Yes.

**Mr. Richard Paton:** And all of a sudden, we've seen it with shale gas, with biomass. So we can see that the opportunities are there.

**0930**

The relationship is that if you are going to locate—we're building plants for 25 or 30 years. That's why electricity costs become so important, because you have to project out that the situation will get better. Well, pretty well nobody would project that at the moment. So what is really important is that you know that you're going to be located in a province that can manage its finances. Provinces that don't, or governments that don't—I used to work for the federal government; I used to be head of the budget office in the federal government—make erratic decisions: “Well, let's just decrease that corporate tax.” “Let's just add some user fees.” “The electricity rates will have to go up.” “We can't afford an industrial rate for electricity.” All of those things will add a regulation here, a regulation there. So very quickly the policy environment is not friendly to investment, and unfortunately, in our world—the chemistry industry is the most globally traded industry in the world—people move. People move to Louisiana, they move to Texas, they move to the Middle East, they move to China, and very quickly can make a decision that there are better places to invest than Ontario. Now, I think Ontario has tremendous assets and lots of opportunities, but we could squander it if we can't manage our finances.

**Mr. Monte McNaughton:** Okay. Excellent. Thank you for that.

Just finally, on the corporate tax side, we saw in the budget last year the government not follow through on its commitment to further reduce corporate taxes, and I know that was a deal to get their budget passed. But we had a presentation at this committee by a union saying that higher corporate taxes wouldn't affect jobs, and I just want to get your comment on that.

**Mr. Richard Paton:** Well, I'll give you just one example. Maybe Dave can add to this.

We had one investment in sci-tech recently in the Niagara area, and I think MPPs will be familiar that the Niagara area is kind of a wasteland for manufacturing. A lot of companies have left the Niagara area. It used to be a centre for manufacturing, and that investment was one. The leader of the company there is a real strong guy who argues for investing in Canada. He won that investment because of the corporate tax difference.

Now, if he thought that that was going to erode—he's making a 25-year investment. If he thought the signals from the government were, “Man, we got that down too low. It doesn't really matter; it's a giveaway,” whatever, he would not have been able to convince his company to invest in that location in Niagara, as opposed to Tennessee.

So, absolutely. You can't draw a direct line; you can't say that every point makes this difference in jobs. What's really important is your branding—are you a province that believes in a competitive corporate tax rate?—and giving that signal to businesses that this matters and that

you will continue on that course. As soon as you're off that course, people start saying, "We can't trust that they'll have a tax structure that we can use for the next 25 years."

**Mr. Monte McNaughton:** Great. I agree with that 100%. Thank you.

I think Jane has—

**Mrs. Jane McKenna:** Is there any time?

**The Chair (Mr. Kevin Daniel Flynn):** There isn't, unfortunately. Sorry. But thank you, David, and thank you, Richard, for coming. We appreciate your attendance here this morning.

#### DIEFENBUNKER: CANADA'S COLD WAR MUSEUM

**The Chair (Mr. Kevin Daniel Flynn):** Our next speaker this morning is from Diefenbunker: Canada's Cold War Museum. I always wanted to say that word, "Diefenbunker."

Christine?

**Ms. Christine McGuire:** Yes.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming this morning. You have 15 minutes, like everybody else. Use that any way you see fit, and if there's any time left over at the end, the questions will come from the NDP.

It's all yours.

**Ms. Christine McGuire:** Fantastic. Thank you so much for having me this morning.

My name is Christine McGuire. I'm from the Diefenbunker: Canada's Cold War Museum. It's just about 25 minutes west of Centretown, Ottawa, in the rural town of Carp, but we are a local, regional, provincial and national museum. We are a member of the Ottawa Museum Network—who will be speaking to you later on this afternoon—that represents the 10 community museums, non-profit museums, here in Ottawa, and the Council of Heritage Organizations in Ottawa.

I've been at the bunker for almost four years now, and I've really seen the museum go through tremendous changes. We are now considered one of the top premier locations and attractions in the region. Keep in mind that this is a 100,000-square-foot nuclear bunker underground. We're about war and complete annihilation and emergency preparedness wrapped in a military site.

Yet I've seen over the past three years that it has very much become an experiential learning environment for the current generation and young generations learning about the Cold War. We really try to be accessible for all visitors and audience types, and relate to people in their current situation today that the Cold War is very much still a living history and that it's currently reflecting our decisions and political and economic situations today.

Just to give you a little bit of history about the Diefenbunker, if you've never been, it did not begin its life as a museum. It was owned and operated by National Defence from 1959 and was decommissioned in 1994. It was mostly an emergency preparedness centre and central

communication centre during the Cold War. If there was going to be a nuclear attack, the Prime Minister and his cabinet and up to 500 military and civilians would be able to run the government essentially from underground.

As I was saying, it was decommissioned in 1994. The community rallied to actually save the site. It was designated as a national historic site of Canada in 1997 as the most important surviving Cold War site in all of Canada, so we do have that national scope as well.

It became a museum in 1998 and was originally volunteer-run, but we've been going strong for quite a long time now. And again, just to give you a visual: We're a 100,000-square-foot, four-level underground museum. It's quite a significant site to maintain, as you can imagine. It's a big concrete block. We've undergone a \$1.6-million fire retrofit in 2010 to increase our capacity from 60 to the original 500, so that's really increased our accessibilities to all types of audiences, group tours, services and programs to the public.

Now that we've increased our capacity, we're really moving forward for more community engagement and audience development. We've done extensive community outreach to increase our audiences of new Canadians, youth, families and school visits.

With our new strategic plan in place, we've actually increased our attendance last year, a 27% increase of over 45,000 visitors to the site. That was a very positive year for us, and we're going to be moving forward with our new strategic plan based on those efforts.

We employ five full-time museum employees with about 18 part-time during our peak seasons, which are the spring and summer. We are open all year round, so we do have to come up with special events and programs on our shoulder seasons as well.

We've gained over 400 new members based on our new membership campaign, mostly families and couples. By engaging new visitors, we're really creating lifelong museum-goers, but also people who appreciate culture and heritage in the province of Ontario.

The Diefenbunker has been able to engage through many practices of social media as well. We're actually the number one museum in all of Canada followed on Pinterest. We're really becoming a top family destination as well, so we offer all sorts of school programming and youth programming and year-round calendar events.

With our new vision and strategic plan in place, education is very much at the forefront of our planning. We strive to create teachable lessons from the Cold War for current and future generations. We're doing new programming, with grants, on conflict resolution, anti-bullying and science-based programming. We feel that by working with partners, community members and visitors, we not only create, again, these teachable moments, but overall an experiential learning environment.

We did receive two grants from the province: the Museums and Technology Fund and the Cultural Strategic Investment Fund. The first allowed us—is allowing us, I should say—to create a brand new accessible website that's fully bilingual and is actually somewhat user-

generated as well to create that participatory experience of people on a national, regional, provincial and local level. The second is actually enabling us to develop science-based programming, especially for young girls, to really become interested in the math and the engineering side of learning while they're in elementary and high school.

**0940**

Even though these grants are extremely helpful, 80% of our revenue is actually self-generated through our tours, admissions, programs and services. We very much felt the impact of the cuts of those two grants, because we just received the last of the funding. The Museums and Technology Fund and the Cultural Strategic Investment Fund were cut from the province's funding.

With our new strategic plan in place, we're very much trying to find new and unique ways of raising funds, as well as partnering with provincial, federal, local and regional representatives. We're very, very grateful for the grants, and we welcome the opportunity to work with the province, partnering with new educational initiatives, job creation and economic growth—because, especially with the project funding, that's where we create these very unique job opportunities, especially for youth. That's very much project-based, rather than the operational part, which is usually self-funded as well.

I thank you very much for your time, and if you have any questions, please feel free to ask me.

**The Vice-Chair (Ms. Soo Wong):** Okay. All right, I think the questions are coming from the NDP. Mr. Prue?

**Mr. Michael Prue:** This is a finance committee, and our job is to crunch some numbers. Can you tell me what kind of money you're looking for, because I think we need to hear that. We haven't heard it yet.

**Ms. Christine McGuire:** Absolutely. Laura Gibbs, who is a representative of the Ottawa Museum Network, will be talking very much more about numbers today. Again, with the \$11 million to \$3 million cut, it's very much affecting our project funding. To increase the amount of grants, especially for project funding for small, non-profit, local museums, is so crucial to us not only staying sustainable but being able to move forward in our new plans as well.

**Mr. Michael Prue:** What I just heard is, you used to get \$11 million and now you're getting \$3 million?

**Ms. Christine McGuire:** Yes.

**Mr. Michael Prue:** So, what you're looking for—are you looking for the \$8 million to be added back?

**Ms. Christine McGuire:** We are looking for, definitely, increased project and grant funding so we are able to offer these projects and thus create more job creation and economic growth through tourism to Ottawa and the rural town of Carp.

**Mr. Michael Prue:** There are literally hundreds of museums in Ontario.

**Ms. Christine McGuire:** Yes.

**Mr. Michael Prue:** Every town, every city, every place has a museum.

**Ms. Christine McGuire:** Absolutely.

**Mr. Michael Prue:** Is this general across the province, that the museums have been cut back, or is this specific to you?

**Ms. Christine McGuire:** No, this is general. This is the province—that it's been cut. By adding that money back into your budget, you're creating these opportunities for all museums in Ontario. I'm speaking specifically about the bunker just because we did receive those two grants from the province, which have created so much of an elevated profile for us—and able to be accessible to our audiences. The fact that they were cut—I thought it was important that we were represented today, that we will feel that impact, because we are a self-generated non-profit.

**Ms. Cindy Forster:** Just for clarity—and thank you for your presentation—the cut from \$11 million to \$3 million was for Ottawa museums, or was that provincially?

**Ms. Christine McGuire:** That's provincially.

**Ms. Cindy Forster:** Provincially, that was the cut?

**Ms. Christine McGuire:** Yes.

**Ms. Cindy Forster:** Do you get any federal funding?

**Ms. Christine McGuire:** We do, mostly from Young Canada Works, for employment for youth.

**Ms. Cindy Forster:** Okay. Your particular museum operates with just five full-time staff?

**Ms. Christine McGuire:** Yes.

**Ms. Cindy Forster:** Even though you saw—was it an increase of 45,000?

**Ms. Christine McGuire:** An increase of 27%, and it went from 37,000 in 2011 to 45,000.

**Ms. Cindy Forster:** Visitors?

**Ms. Christine McGuire:** Yes, which was a significant increase, so we have to have those job creations to be able to handle the influx of visitors as well.

**Ms. Cindy Forster:** How much grant money did you actually get in those two grants, and were they multi-year?

**Ms. Christine McGuire:** They were multi-year. The Museums and Technology Fund is over two years, and that's \$50,000, but it's matching funds. For the Cultural Strategic Investment Fund, it's \$43,000 over three years, I believe, and it's 100%.

**Ms. Cindy Forster:** Thank you.

**The Vice-Chair (Ms. Soo Wong):** That's great. Thank you very much for your presentation.

**Ms. Christine McGuire:** Thank you so much for your time today.

## HOUSING HELP

**The Vice-Chair (Ms. Soo Wong):** The next speakers are Trudy Sutton, from Housing Help, and Rob MacDonald.

Can you identify yourselves to Hansard? I think the questions are coming from the government side. Thank you.

**Mr. Rob MacDonald:** My name is Rob MacDonald, and I am with Housing Help. Housing Help is a small non-profit agency here in Ottawa, and our goal is to help people who are homeless or who are at risk of becoming homeless. It was the first of its kind in the province of Ontario; it's the template which other Housing Help centres have based themselves on. There are now 18 Housing Help Centres across Ontario, and I like to think that we're still the best. The work that I do at Housing Help is work that I love doing. It's representing individuals and families who are facing eviction at the Landlord and Tenant Board.

Unfortunately, there's no shortage of work in our office. If you look at the statistics, landlords filed more than 80,000 applications against tenants in Ontario, and about 85% of those applications were for rent arrears. These were mostly families and individuals who are just struggling to get by, working whatever jobs they can and trying to keep paying the rent. But they often just don't have a choice between paying the rent and buying food, and they wind up getting evicted. We feel that's a reflection of the current economy and the ongoing lack of affordable housing in Ottawa. When people lose their employment, it often happens in our office that they lose their housing. A number of studies have also shown the reverse: that when people lose their housing, they lose their employment afterwards.

According to the latest census, 33% of Ottawa's households are tenant occupied, and 18% of them are paying more than 50% of their income on rent. Nearly 10,000 households in Ottawa are currently on the waiting list for social housing. It is estimated that about 7,300 individuals or 5,600 households resided in shelters for an average of 68 days, in Ottawa. Those stats don't capture the real picture because we're only capturing the ones who are actually staying in shelters. We have a lot of people in our office who are couch surfing, going place to place and just one night away from winding up out on the street.

In Ontario, tenants account for about one third of the province's population, and 36% of them are living at the poverty line. The average income for tenants is way less than homeowners; they're at about 42% of the household income that homeowners have. Across the province, there's 156,000 households on waiting lists for social housing. The average wait time can be up to 10 to 15 years, depending on a person's situation. Again, the stats aren't always accurate because a lot of people in our office, when we tell them how long they'll have to wait for social housing, don't even bother applying. What we hear all the time in our office is that people have paid taxes for years and years and can't get help from the system when they need it. How can you argue with that?

I'm not a stats person; that's why I wrote this stuff down.

One of the things I was looking at recently was just the amount that has been spent in Ontario. We're really disappointed because we've seen that in 2009, Ontario spent less than most of the other provinces on affordable

housing. In 2009, Ontario spent \$64 per person on affordable housing, compared to the average of other provinces, which was \$115 per person. In that time as well, we've seen the Ministry of Housing's budget being reduced annually by 12% just between the years 2009 and 2012. We're not going to make any progress if we keep seeing these crucial departments being reduced.

We saw the poverty reduction strategy in Ontario, and we saw a budget in 2012. None of that really addressed what we really need to see, which is the needs of low-income people to move forward. They're not going to be able to do that if we're not building any new affordable housing.

The private market in Ottawa is just as bad with the rental housing situation. We're seeing a lot of demolitions happening, a lot of conversions to other use. The rental stock is getting older, and we're losing what we have. Ottawa hasn't built any purpose-built rental housing in the last several years. As we're losing more and more housing, where are those people going to go? We have a lot of rooming houses that have just been put up for grabs, converted into other uses. If a person can't afford a room, they're going to wind up in the shelters. There's nothing in between.

In our view, there needs to be an increase in the Ontario Works rates and the disability rates. The report *Brighter Prospects: Transforming Social Assistance* recommended an immediate \$100 increase at the lowest-rate category, and we completely support that. That comes from me having worked at a time when tenants received a 22% cutback in welfare and disability, and we've never made up for that.

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Back in 1993, a single parent with a child received—a better example would be a single person. They received \$414 for their shelter allowance back in 1993; today they receive \$376. The average cost for a room in Ottawa is \$450. People are having nothing, and our shelters are winding up full as a result.

We saw the community start-up benefit cancelled. In my work at the Landlord and Tenant Board, that's something we rely on heavily to prevent tenants from being evicted, whether it's through rent arrears, whether it's helping a family with disabilities get some support.

Hoarding is a big issue in Ottawa, where people bring in clutter, and it's a mental health issue. We need the community start-up benefit to help them reduce the clutter and get a proper cleanup done, to get them the support services they need. We've been very successful in doing that in the past. The community start-up benefit is really critical in order to prevent eviction in Ottawa. The money, we feel strongly, should be put back into the budget.

I think the other thing is, in our view, the cost of building housing. It's not a cost; it's an investment. What we see in Ottawa, in terms of the cases that I've worked on, is you're spending money on housing, but if you don't, you're just spending more on other services. You're spending more on hospitalization, you're spending more

on shelters, you're spending more on food banks, mental health services and everything else, not to mention the priority that if people don't have good, stable housing, they're not going to be able to maintain a job, not for any great length of time. It's too much stress in their lives. We see that all the time.

Just in closing, one of the things that I wanted to talk about was that there's a lot of discussion and a lot of debate we've been having with a lot of corporation landlords who support the use of rent supplements and shelter allowances, as opposed to building affordable housing, saying it's a quick-fix solution that can solve the housing problem now.

Rent supplements are where the tenant pays 30% of their income towards rent, and there are contracts signed between the government or the city—whoever is administering it—and they pay the balance of it.

They're also promoting shelter allowances as well, where they give a moderate amount of money to a family or individual. It's called a housing allowance, but they may have to use it either for paying for food or to keep hydro from being shut off, or whatever.

I think that studies have consistently shown that it's cheaper to build non-profit housing. It's expensive in the onset, but it pays for itself over time. It's something that stays in the community. It's owned by the community and it continues to house people, as opposed to rent supplements, which continue to go up every year with the annual rent increases and don't provide a stick of affordable housing at the end of the day.

I think that's about it. That's all I have to say.

**The Chair (Mr. Kevin Daniel Flynn):** Wonderful. Thank you, Rob. You've left about six minutes for questions. The questions this time come from the Liberals. Dipika or Soo?

**Ms. Soo Wong:** Can we get a copy of your presentation? That's my first question.

**Mr. Rob MacDonald:** I just scribbled some notes. I can leave those behind, though.

**Ms. Soo Wong:** Yes, that would be great. That would be good for us, for when we prepare our report.

**Mr. Rob MacDonald:** Sure.

**Ms. Soo Wong:** You made a comment, several references in your presentation, that in terms of poverty strategy, you're advocating that the government should focus on housing as the key piece when it comes to vulnerable populations and what have you.

Can you elaborate a little bit more? Because you see that as an investment, and if it is an investment, what number are we looking at of this investment?

**Mr. Rob MacDonald:** I don't have a financial number. I think what the Alliance to End Homelessness, which is a coalition of all the housing groups here in Ottawa—the shelters, the non-profit leaders in our community—is advocating for Ottawa is 1,000 units per year over the next 10 years. That's a number I certainly wouldn't dispute. We do have 10,000 people on the waiting list. Whether any of them get housed or not, that number always remains—it continues to grow every

single year. So that's a number that I would put out there, at least for our community.

I think in terms of the poverty reduction strategy and the budget as well, we're always disappointed if you're looking at, say, helping a person with their income and giving them a 1%—you know, like what we saw on the budget this year for the increase in social assistance: It was 1%. The rent increase just at the same time was 3.1%. Just these little drabs and little bits and pieces here and there that come through compromise—they might help keep them out of a shelter for a night or a week or a month, but they're consistently at risk. We need a strategy. We need something that's actually going to provide housing to them at the end of the day and something that's going to be more long-term than what we've been seeing.

It was disappointing. I'm not saying that housing was the only thing that should have been in there; what I'm saying is that we keep seeing everything but the bricks and mortar every time they're talking about housing. It's sort of like, "If a person is homeless, they need support services. If a person is homeless, they need mental health services. They need to know where the shelters are." They need housing. If they were to get that, you'd find there would be such a decrease in the support services afterwards.

**Ms. Soo Wong:** Mr. Chair, do I have time for one more question?

**The Chair (Mr. Kevin Daniel Flynn):** Yes, you do.

**Ms. Soo Wong:** I want a simple yes or no answer. The Premier has indicated that we should have a national housing strategy. Do you support that comment?

**Mr. Rob MacDonald:** Absolutely, absolutely. We're the only western industrialized civilization in the world that just doesn't have a national housing strategy.

**Ms. Soo Wong:** And given your comment about supporting a national housing strategy, has your group and your colleagues across Ottawa and beyond written to the federal government with respect to that?

**Mr. Rob MacDonald:** Absolutely, absolutely.

**Ms. Soo Wong:** That's all I wanted to know. Thank you very much. Thank you for your presentation.

**Mr. Rob MacDonald:** Great. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Rob. Thanks for coming today.

CARLETON UNIVERSITY GRADUATE  
STUDENTS' ASSOCIATION

GRADUATE STUDENTS' ASSOCIATION  
OF THE UNIVERSITY OF OTTAWA

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenter this morning is from the Carleton University GSA and the GSA of the University of Ottawa. Kelly and Seamus, if you'd like to come forward. Perhaps you can introduce yourselves for Hansard. You get 15 minutes for your presentation. Use that any way you see fit. The



questioning, if there's any time for questions at the end, will come from the PCs. The floor is yours.

**Mr. Seamus Wolfe:** Great, thank you. My name is Seamus Wolfe. I'm with the Graduate Students' Association of the University of Ottawa. I'm also the incoming deputy chair of the Canadian Federation of Students' National Graduate Caucus. I'm here with Kelly Black, the president of the graduate students' association of the University of Carleton.

We're also splitting up some of our comments today with the undergrads of the Student Federation of the University of Ottawa, who will be presenting this afternoon. So in the summary of our recommendations that's being presented to you right now, we will be briefly commenting on numbers 1, 4, 5 and 6. Then to give us all enough time to look at all of these, our colleagues from the Student Federation of the University of Ottawa will also touch on how tuition fees really hurt them at the undergrad level—so, number 1—and then they will expand on numbers 2 and 3. If you can leave the questions to 2 and 3 to the folks in the afternoon, and then all the other questions you have for us, that would be great.

Kelly is going to go ahead and start with our recommendations.

**Mr. Kelly Black:** Thank you. Thanks, everyone, for your time.

Recommendation number 1: Reduce tuition fees for all students, including international, graduate and students in professional programs, by 30% over three years.

I think everybody in this room is quite aware of the 30% grant that was brought in in the fall of 2011, an election promise made by the Liberal Party. While this grant seemed promising, it actually excluded a majority of students, including ourselves here as graduate students—we're not eligible for that grant—as well as part-time students, international students and students who have been out of school for four years. If anyone here is a public policy grad, you'll know that, unfortunately, that's not great public policy.

The grant isn't actually a tuition fee reduction. Tuition fees continue to rise—we'll see with the new tuition fee framework, but in the past, up to 5% or 8%, depending on your program, per year. So tuition fees continue to go up, some students getting a grant to pay some of that.

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I think you're also aware that students in Ontario pay the highest tuition fees in the nation. We also have the lowest per-student funding in the nation. Ontario undergraduate students pay 29% more compared to the Canadian average, while grads pay 41% more. Tuition fees are the most significant barrier that students face to accessing post-secondary education in this province. It prevents many middle-income and lower-income people from getting a college or university education, but it also restricts the educational choices made by students who are fortunate enough to be able to attend.

High tuition fees also have a discriminatory impact on racialized students because of systemic racism and economic marginalization. We see a push in this province to

recruit international students—and this is not just a provincial thing; it's national, it's global—which is fine, but the costs are increasingly high for international students.

At our local, we see our emergency grants going to international students at disproportional rates, and this is just a \$500 grant that we give them. Constantly, every year, our budget is blown on emergency grants to international students. That's fine, that's what we're there for, but we'd like to see a reduced strain on that for students.

All that is to say financial barriers have become the excuse for the creation of a costly and ineffective bureaucracy to administer a loans system that has transferred the cost of post-secondary education from the government to the students themselves. Tuition fees at Carleton University make up over 51% of the operating budget, so that's more of a private than a public institution at this point.

What we'd like to see is an immediate 17% reduction to all students across the board this year. That would be done by taking the money from the 30% grant and applying it to all students for a tuition fee reduction for everyone. That's good public policy. That means every student sees an immediate reduction in their tuition fees, rather than a select few students across the board.

I'm going to move down to recommendation 4, which we'll be speaking to, which is to eliminate the Higher Education Quality Council of Ontario, or HEQCO, and redirect funding for additional Ontario graduate scholarships. This recommendation actually requires no new money.

I'm not sure how many people here are familiar with HEQCO, but it is a supposedly arm's-length provincial body that undertakes research on the higher education system in the province, and it publishes many of its findings in various reports. Unfortunately, this arm's-length body has consistently made policy recommendations that undermine the actual concerns coming from university communities, primarily students, staff and faculty.

We saw recently at Queen's University that two PhD students were contracted to do research for HEQCO, and their research was actually changed by HEQCO, without their understanding, in order to suit the needs of HEQCO. As an arm's-length provincial body, we really have seen a lot of problems coming from them and it's actually, frankly, become an avenue for ministers' whims. We saw recently a huge mandate working group task put on by the previous minister, which basically went nowhere, unfortunately.

What we'd like to see is the approximately \$5 million for HEQCO put into Ontario graduate scholarships. Right now, 95% of graduate students in Ontario are not eligible for an OGS. They can't get it because there's not enough funding. Five million dollars to the OGS program would create 500 new Ontario graduate scholarships. And that's where innovation comes from. It comes from graduate research and the work that students do with their professors. If we want to see innovation in the Ontario economy, then we need to be funding Ontario graduate research. Thank you.

**Mr. Seamus Wolfe:** Let me move on to recommendation 5. Recommendation 5 is to double the daycare fee assistance program allocation and mandate that cities and municipalities cannot discriminate against post-secondary students applying for assistance. The lack of affordable child care affects all Ontarians who are parents and have difficulty accessing child care for their children. Students with children struggle to pay the highest tuition fees in the country, while at the same time having to pay exorbitant child care fees.

Despite some recent investments in early learning and child care by the provincial government, child care centres on college and university campuses continue to face cutbacks, funding threats and threats of closure. Moreover, the new provincial money is limited to a one-time stabilization funding that was announced last year. It is not enough money to provide base funding with affordable parent fees and reasonable staff wages that would allow the province to stabilize and grow child care services for families and student parents.

Additionally, the provincial child care subsidy currently in place is denied to students who study part time or are part-time workers. This disqualifies students who may not be able to afford to study full time from accessing subsidies that may be vital to their ability to afford child care or continue to pay their tuition fees. Many of the students who are most in need of this subsidy are not eligible to receive it.

Recently, the city of Ottawa barred graduate students access to subsidized child care. Forced to choose between crushingly expensive child care, coupled with soaring tuition fees, and completing their program, many students are forced to drop their studies and research. This is exactly backward policy. We need to be encouraging parents to further their education in order to get better jobs and provide for their families and for the province.

What the city staff are telling us is that one out of two applicants who are eligible according to your guidelines—according to the provincial guidelines and standards—are not able to receive assistance from the cities that administer these funds. In essence, the cities are forced to haphazardly decide who is more worthy amongst those who are worthy for these subsidizations. That's what their excuse was saying. It was saying, "We don't want to bar graduate students from this program, but we are forced to pick between who is most needy within those who are needy."

I think that if we can really face this head on and double the amount of assistance, cities will be able to fulfill the mandate that you are actually giving to them.

Recommendation number 6: Allocate funding for the creation of a provincial task force that will investigate the creation of a universal child care system in Ontario. There is strong evidence that shows that universal community-based systems are of high quality. Early childhood education and care are part of a backbone of strong economies. Early childhood education and care have short-term, medium-term and long-term economic and

social impacts on children, their parents, the labour force, local economies and the larger economy.

That said, we're not going to have time to go on about the benefits of a universal child care system, nor are we naïve to think that it'll be in the next budget. Therefore, all we are simply asking the province to do is to commit to studying the issue and creating space to further the conversation in this province. Create a provincial task force that would include researchers and community contributors, and bring in ideas from the province in town-hall-style meetings as well as online suggestions.

I think we still have a few minutes for questions. Perfect. So we're just going to end it there and have a few questions from the floor. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Seamus. Questions from the PC Party. Peter.

**Mr. Peter Shurman:** Thank you very much, gentlemen. It's good to know that we're graduating people from our universities who know how to list the asks and come out and essentially over ask, because I think you were very realistic in your last comment. You can ask for a lot of things, but you don't get everything at once. I think you are obviously pretty intelligent, well read, and you know that we've got an economic crisis in the province of Ontario.

I want to talk to you a little bit, primarily about recommendation number 1. You talk about taking the current 30% situation and changing it to 17% and going across the board. My party, you may be aware, because you're kind of into the political sphere, has a white paper out that was written primarily by my colleague Rob Leone, the MPP for Cambridge, who happens to be a PhD in political science and a former professor at McMaster—so well versed in the educational system—and with a lot of input from groups like yours and from people in the professorial range of colleges and universities.

The big problem—and I want your comment on this because I don't see going to international students, graduate students and doing this funding across the board—he was able to isolate is that young people go into university for an undergraduate degree, and they come out with a BA, BSc, that type of thing, with perhaps some major. They can't find a job, so they go to an applied institution—now they are seven years, approximately, in the educational system—and they come out with some kind of a trade or opportunity that meshes with the degree that they've got in the first place. All of this has been done, as you point out, at an exorbitant cost in the province of Ontario, not just to the students but also to the government. So we've talked about ways to alleviate that; for example, degree granting on a three-year program at the collegial level with transferability of credits so that people can get an opportunity to work and go forward. How do you feel about that? Because I don't see—with all of the asks that you've got and the kind of money that it costs—us being able to do it, and we're looking to alleviate the situation for students as much as you are.

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**Mr. Kelly Black:** Just very quickly on your last point about transfer credits, this kind of thing: That item is a good idea. That happens in other provinces. My home province of British Columbia—I live here now, but that's what happens there. So that's a good idea.

Yes, students are often graduating and can't find a job. That's not the problem of the post-secondary education system. That's your guys' jobs, and our job is to help, too. But it comes to a question of, what do we want under the post-secondary education system? Is it that everyone graduates and immediately gets a job in the field that they had, or is it that people are better citizens, people can go out—and, yes, maybe they'll go to college. I mean, there's nothing wrong with having that education to support your college degree—

**Mr. Peter Shurman:** No, but what is wrong is that there's an expectation—and maybe we've created the expectation as much as anybody else, in government—that you can go on forever in the educational institutions of our province if you need to or if you feel you want to and that there's always going to be funding there.

We're in a crisis. You can argue, if you want, that our generation created it. You may be right. That's why we need—and I'm not being patronizing here—smart guys like you to come along and take over from us. But we have so much money; it's the size of the pie, and we can slice it so many ways. What we're looking for is to create as much post-secondary or secondary education, if you want to put it that way—collegial and university education—for as many people as possible so that we can address the job needs of the future. What you're asking us to do, when we deal with international students, graduate students, students from professional programs etc., is spread the wealth and, really, in a way, deny many people.

**Mr. Seamus Wolfe:** No. We actually think that it's a better—first of all, to address your preamble, I think that it's very important, and I think we've created a kind of culture where we devalue college degrees off the bat. We should actually be putting more emphasis into encouraging folks to be first-stream college students.

**Mr. Peter Shurman:** We agree.

**Mr. Seamus Wolfe:** That we have no disagreements with. But we need to work to fund the college system to be able to let high school students know that is an option and that it's there for them and that it's very beneficial, both to society and their future. I have no qualms with that.

That being said, we think that the 30% tuition grant is a bad public policy. It would be much better spent—instead of the high administrative costs to go and pinpoint who it's going to, it would be better if it was across the board and more equitable that way. And it would be better for the costs of administrating the program as well.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you both for coming today. Good discussion and good presentation.

**Mr. Kelly Black:** Thanks very much.

## MUNICIPAL TAXPAYER ADVOCACY GROUP

**The Chair (Mr. Kevin Daniel Flynn):** Okay. Our next presenter is the Municipal Taxpayer Advocacy Group, Ade Olumide. Am I getting it close?

**Mr. Ade Olumide:** Close enough.

**The Chair (Mr. Kevin Daniel Flynn):** Good. Make yourself comfortable. You've got 15 minutes, like everybody else. Use that any way you see fit. If there's any time left over at the end for questions, it will come from the NDP this time. Welcome.

**Mr. Ade Olumide:** Thank you. Members of the committee, we have five central recommendations. Our focus has been on the Ontario government's fiduciary responsibilities to the municipalities because issues like binding arbitration and wage freezes already have visibility at the provincial and AMO level.

Our first recommendation is to implement changes to high-value sole-sourcing and/or contract cancellation laws. In the US, their threshold is \$20 million. This can be done by amending the AIT, the Ontario Broader Public Sector Procurement Directive and the Municipal Act. We estimate this to be a \$15-billion issue in direct and indirect costs. The province of British Columbia also agrees that the AIT agreement needs to be strengthened.

Specifically, some of the changes that we are requesting are that before you sole-source or cancel any contract over \$20 million, there be a third party, independent report—similar to what was done with the KPMG report for the F-35—that that report go to Parliament or committee, and that there be a public vote. That's one recommendation. We have a submission in writing so a lot of this is covered in detail in the seven-page submission.

As well, we need to expand or create a similar position, at the provincial level, to the Office of the Director of Public Prosecutions. We believe that when laws have been broken, it could be, if it involves the government, that the Attorney General's office would be in conflict of interest, so the federal government had moved to create the federal Director of Public Prosecutions who could then independently investigate this.

We also don't have a Canada trade tribunal, which we have on the federal level. We believe that's needed at the provincial level, and sort of a competition tribunal as well. There are some detailed recommendations there on what can be done.

The second recommendation is to freeze the ratio between compensation and property taxes. A lot of municipalities have steadily seen this ratio getting worse over the years. Pensions already have visibility, with OMERS's unfunded liabilities, but again, we have a two-page submission on the issue of pensions and compensation costs.

The third recommendation is regarding provincial up-loaded money. We believe that what that does is it induces new spending. While we note that the Drummond recommendation said that it should go to infrastructure—

in Ottawa's case, we received \$32 million, but there was no documented prioritization process on how that money was spent. It did go to interest groups. From our point of view, a credit note to taxpayers or a payment of the principal of the debt would be an acceptable use of uploading funds. If that's not the case, then we question whether uploading is necessary because it just doubles up the spending and creates more room for municipalities to increase spending.

The fourth recommendation is that Ontario should implement no new money, which simply means that any politician or bureaucrat who comes up with a new program or a new idea of how to spend money should always accompany that recommendation with an equivalent cut under existing programs or spending—like, exactly where they're going to find the money to fund that new program they're proposing.

The last recommendation is to follow the lead of BC and have an auditor general expand his mandate to be able to look at municipalities and make recommendations on systemic changes. Some of those changes could be an outsourcing award or a P3 award. We have a two-page submission. We don't believe that enough of our municipalities are taking advantage of PPP Canada, which was created by the federal government. We believe that any new capital project should have to include a P3 cost-benefit analysis. There are lots of innovative things happening and municipalities could be recognized through an award.

We note that Halifax is looking at outsourcing their financial functions—IT, SAP—to their province. While this could achieve economies of scale, we much prefer outsourcing to the private sector because then you don't have the post-employment liabilities.

So this is a summary of the five broad recommendations. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** That's wonderful. Thank you very much for your brevity. The questions this time will come from the NDP. Cindy?

**Ms. Cindy Forster:** Thank you very much. Can you just explain a little bit further about the recommendation that would actually freeze compensation as it relates to property tax increases?

**Mr. Ade Olumide:** Well, the challenge we've found at the municipal level is that when we talk about freezing compensation, the challenge has always been union agreements. What we then said was that you can freeze it at a departmental level, which means that you could conceivably replace attrition by outsourcing to the private sector and still maintain that compensation bucket.

But then what we also further looked at is that the ratio of how much property tax revenue is being used to fund compensation has steadily increased. For example, in Ottawa, we're spending more on compensation than we have for property tax revenue. So if you freeze the ratio—you may not be able to improve immediately, but if you at least say you can't make it any worse, what it does is it forces city managers to think outside the box.

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**Ms. Cindy Forster:** All right. Then you talked a bit about the provincial uploading of dollars and that in the city of Ottawa, that was about a \$32-million upload.

**Mr. Ade Olumide:** Yes.

**Ms. Cindy Forster:** I guess the point you were trying to make is that that money actually wasn't, in effect, applied to reduce municipal taxes and that it was actually used to either provide more services or applied to some capital projects, and you believe that that \$32 million should have directly reduced taxes to the taxpayer. Is that the point you were trying to make there?

**Mr. Ade Olumide:** That is the point. In the case of Ottawa, we could say that the money was used to reward interest groups that had supported the mayor during his campaign for the mayorship. That was money that need not have been spent; it was stimulated by the receipt of new money. So then it's up to the mayor to say, "Well, what do we do with it?" type of thing.

**Ms. Cindy Forster:** And my last question is with regard to your recommendation to have an auditor general overseeing municipal spending. I assume you mean regional and municipal, local municipal spending? Would that be somebody appointed at a provincial level to do that, or are you suggesting that each regional municipality or local municipality would have their own outside auditor?

**Mr. Ade Olumide:** In the case of BC, we believe that they appointed a specific different person, who was formerly the head of Environment Canada, to be an auditor general for municipalities. We're always hesitant to create new positions, so our recommendation would probably be to expand the role of the current Ontario Auditor General to include municipalities so that systemic changes—there are changes that could come as a result of a case in one municipality that all municipalities would benefit from.

**Ms. Cindy Forster:** Okay.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very—

**Mr. Ade Olumide:** Do I still have some time?

**The Chair (Mr. Kevin Daniel Flynn):** Yes, you've got a little bit of time left. Do you have something else to add?

**Mr. Ade Olumide:** Well, I just want to expand a bit more on the changes we're requesting on sole-sourcing laws and why we feel that that's very important. We have written to all the Premiers and the Prime Minister of Canada. We believe that, when you look at the files regarding the F-35, when you look at the files regarding Presto, the files regarding the gas plant, the files regarding Samsung, this is upwards of—we're approaching, at least, over \$50 billion in the Canadian economy. What we feel is that even though there are all these agreements that already exist that require contracts to go to tender, what we need is some teeth to enforce those penalties that are independent of the political office.

What we would like to see specifically is that, if you had a Director of Public Prosecutions—right now the

Director of Public Prosecutions federally can only look at criminal law. What we would like the Director of Public Prosecutions to also be able to look at is civil law, so that if an agency has acted in a way to cause harm to taxpayers, they would have the legal authority to go after whoever was responsible and recover damages. We feel that that is sorely missing.

When we talk about a vote in Parliament, we find it frustrating that a lot of these files or misuse of taxpayer funds were discovered after the fact. We believe that it's very important that the government focus on systemic changes that would prevent that, because Parliament always has the right to sole-source if they choose to, but if there is a public discussion in Parliament—if there is a third party independent report on the financial risks of sole-sourcing at, for example, 13 times the going rate of hydro—then the public would obviously be aware, and that would induce a vote that would reflect the will of the public. Right now, we find out after the fact.

I'm not aware that any jurisdiction has extended these laws to include cancellation, but certainly, when you're going to cancel a contract, the financial risk to the taxpayer should be discussed publicly so that that would then inform the votes of the parliamentarians.

We also highlight that in the US—and we believe this is an insufficient requirement, but it's a requirement nonetheless—if you're going to sole-source any amount over \$20 million, you have to have a written justification, and I guess the purpose of that is that if you have to justify it in writing, it exposes you to litigation, should your reasons prove to be against the public good. Our feeling is that even in that case, you still need an independent enforcement officer, and we again repeat that the federal government has taken huge steps with the Canadian trade tribunal, with the Director of Public Prosecutions and with the Competition Bureau to ensure that citizens and corporations are protected, independent of the assessment of the Attorney General's office, which has broad discretion.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you. We appreciate your attendance here this morning.

ISOLARA SOLAR POWER

JAZZ SOLAR SOLUTIONS

OTTAWA SOLAR POWER

CLEARLY SOLAR

SOLPOWERED ENERGY CORP.

**The Chair (Mr. Kevin Daniel Flynn):** Okay, ladies and gentlemen, our next delegation is iSolara Solar Power. David Cork and Suzanne Cyr, if you'd like to come forward. Make yourselves comfortable. You've been here for a while, so you know what the rules are.

**Mr. David Cork:** I think we do, thank you.

**The Chair (Mr. Kevin Daniel Flynn):** That's great. Questions this time around, if there is any time left for questions, will go to the government side. It's all yours.

**Mr. David Cork:** Honourable members, thank you for the opportunity to speak with you today. My name is David Cork. I'm the vice-president of sales for iSolara Solar Power. We're a local solar system integrator serving eastern Ontario customers since 2003. My colleague here is Suzanne Cyr. She's vice-president of sales for SolPowered Energy, also based here in Ottawa.

We're here today to represent the views and ideas of the five local solar companies as named on the agenda. Our intent is to provide a clear, factual assessment of the very positive impact of the Green Energy and Green Economy Act here on the local economy in Ottawa.

We thought it might be helpful to begin by sharing our perspectives on the status of the solar industry today. We will then provide our thoughts on the upside growth potential for the next five years. In doing so, we hope we will present the best case for continuing and growing the microFIT and the small FIT programs.

Our objective today is not to ask for money, but rather to ask the committee to seek ways within the budget process to facilitate even greater job growth in the sector, to help us to leverage our skills and expertise into the export markets and to ensure that we keep both the benefits and the profits from our efforts here in our communities.

Based on the experience of our five companies, we can paint a pretty accurate picture of a typical Ontario solar installer, and I thought that might be of interest to the committee.

The typical solar installation company is now two to three years old. It grosses \$4 million to \$5 million a year in annual sales. It sells microFITs and small FIT projects up to 250 kilowatts in size. Larger FIT projects are typically out of reach for this size of a company.

The typical solar installation company has a staff of between 15 and 25 employees. It further uses five to eight subcontractors, including electrical contractors, structural engineers and roofing companies, on a particular job basis.

The typical solar installation company has a warehouse, a staging facility, one to two service depots and a main office.

The typical solar installation company services customers in a fairly tight geography, typically up to a two-hour drive from a local service depot, and they use mostly home-based sales reps.

The typical solar installation company runs three to five crews, owns four to five vehicles, two to three trailers, and has local rentals of various equipment, such as scissor lifts, boom trucks and mini excavators, as might be required on any job.

Perhaps there's nothing surprising in what we've listed so far. It all seems pretty obvious if you're running a small business. But here's what you find if you probe a little deeper: The typical solar installation company has developed a very broad set of competencies, including technical sales, design engineering, project management, skilled tradespeople, team leads, customer service technicians plus the usual management and administrative support.

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The typical solar installation company has invested heavily in sales force automation, online estimator tools, inventory management tools, supply chain management, and some form of AutoCAD is absolutely necessary. You simply cannot compete today without them. Today, information technology is clearly an essential element for each of us.

I chair the microFIT working group for CanSIA, which is the Canadian Solar Industries Association, and I can tell you there are over 120 similar companies across Ontario, some a little bigger and many more that are smaller. These are good local jobs. Province wide, we now estimate 3,200 direct hires and 1,200 indirect jobs from companies such as ours. This represents currently about \$140 million in wages, \$27 million in capital that had been invested by the business owners and about \$12 million in ancillary services.

HST collected on the solar installations and the capital equipment exceeds \$87 million.

Collectively, we have created an industry, but do we have a market? Well, after three years here in eastern Ontario, we've made a very good start. We've installed almost 1,000 microFIT systems; 90% of this, however, has been in rural and small towns. That comprises about 16 megawatts of installed capacity; it's currently generating 22 gigawatts per year and saving 3,600 tonnes of greenhouse gases annually, which is about 40,000 trees.

We have driven system prices down from over \$75,000 for a typical microFIT installation two years ago to under \$40,000; it's now affordable to most households. We've improved installation times from eight to 10 days on a job site two years ago to under four days now. The bottom line is that the Ontario-installed cost per watt is now closing in on global pricing; it's tracking very close to the 8% per year reductions that we've seen globally in the industry over the last 12 years.

Another point that's worth noting is that only now, after three years, have all the institutional supports been finally put into place. The big five banks are now willing to finance 90%—in some cases 100%—of the capital costs of a solar installation based on the fact that there's a secured revenue stream for 20 years.

Insurers are now willing to provide simple riders on home insurance. When we first started, if you put a solar panel on your house, your insurance company would tell you that you had now voided your house insurance and you had to take it off. They didn't understand, so they objected and rejected.

The local utilities and ESA inspectors are now familiar with not just the technology, but with the installers and the processes that are in place. I can't tell you the number of hurdles that we've gone through over the last three years trying to get people to actually allow us to connect when we have competent people making those connections.

Rules for building permits have either been clarified, simplified or, in some cases, as in the city of Ottawa, which took a bold move, eliminated entirely.

Another bright spot: St. Lawrence College moved very quickly to put in place a solar installer program, and they're now graduating 40 to 50 students annually. We hire from them every year from their graduating class. They come out after a six-month diploma program and then we teach them the actual practical hands-on that they need to be able to do this in a quality manner.

We see huge potential for growth in solar over the next five years. In fact, we see a tenfold increase in the level of business that we're doing currently. How did we come to this conclusion? Well, the urban markets remain almost untouched. As of February 15, Hydro Ottawa reported 428 homes inside the municipality of Ottawa—that's out of 200,000 single homes and semi-detached homes. That doesn't include condos; it doesn't include multi-unit dwellings. So you can see, we're just barely scratching the surface here. In fact, the potential, we believe, is to reach one in five of those homes, which would be 40,000 customers, not 400.

Small businesses cannot own a microFIT project. This is, in our opinion, a flaw in the program design. It's not the case in other jurisdictions, and that alone would add another 15,000 sites within the city of Ottawa.

The small FIT program has now restarted but there was a two-year hiatus. The potential for the small FIT, particularly within the urban cores, could triple the size of the microFIT market, so if you take the numbers that I've already provided and triple them, you can certainly see why we believe a tenfold increase is well within our grasp.

I think it's worthy to mention that distributed solar generation, particularly in the urban and suburban centres, carries huge benefits that other renewable technologies do not. Solar provides a reduction in peak demand that the Ontario Energy Board set as a top priority for the local distribution companies; as an example, the Hydro Ottawa reduction target is 85.6 megawatts by 2014. If you take a look at the 16 megawatts that we've produced just through the efforts of the microFIT program, that could go a long way towards that target. Their conservation efforts as of last year—they reported a 6% achievement of target, so there's clearly an opportunity here for solar to help with that peak-reduction objective.

Solar also provides zero contribution to the surplus base generation, the problem where we have to sell electricity, sometimes at a loss, to neighbouring jurisdictions when we have too much. This is not the case for solar. Solar, by reducing that peak demand, absolutely reduces the need to build or expand the transmission lines that bring remote power into our city centres.

Some 93% of Ontarians support solar in the communities, and they support community ownership of those assets. From our perspective, here's the bottom line: Globally, solar markets are expected to triple by the end of the decade. We want Ontario to win our share, so we'd like you to take away three messages.

Ontario has built a foundation for a new industry in record time; we want to leverage that. Our expertise is valued outside our borders. People from our individual

companies are currently looking at projects in new, emerging markets, both in Eastern Europe, the Caribbean and in the Philippines. These people outside recognize the expertise we've developed and they want to tap into that, but we need a vibrant home market in order to compete on the world stage.

I want to leave you with a few slides; I think you'll see some graphics there to demonstrate what remarkable successes the German market has achieved in the 22 years since they introduced their feed-in tariff back in 1991. As one of the founders of the Ottawa Renewable Energy Cooperative, I can tell you that our co-op members are absolutely inspired by this example, and we want to see this happen in Ontario.

The first slide provides absolute proof that you can grow GDP while reducing greenhouse gas emissions. The second slide shows the positive contribution solar makes to reduce peak demand; those are actual numbers taken in May 2012, on a particular day where 30% of their demand was produced by solar. The final two slides show how they have empowered individuals—you can see in the one slide that 51% of the ownership is owned by individuals, 11% by farmers and community groups. To own investments in renewables—you can see that Ontario now has 43 renewable-energy co-ops that are registered within the province. All of them are brand-spanking new. Germany had several hundred after their first four years, so you can see we've got a long way to go, but we have some inspiring examples around the world that we aspire to replicate. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** That's great, David. Thank you very much.

We've got a little bit of time left for questions, just under three minutes. Dipika?

**Ms. Dipika Damerla:** Thank you so much for your presentation. It's nice to get, once in a while, a full picture of the solar industry and how we're doing, so thank you so very much.

I did want to ask a question, because the opposition never misses a chance to say that the reason for Ontario's electricity prices going up is renewable energy. My understanding is that less than 2% of Ontario's electricity now is solar and wind, so I want to get your sense of how accurate this positioning is, that the reason Ontario's electricity has gone up is because of solar and wind.

**Mr. Peter Shurman:** You spent billions to get 2%.

**Mr. David Cork:** I'm sorry, did you want to add something?

*Interjection.*

**The Chair (Mr. Kevin Daniel Flynn):** No, no, no. We're still going through the Chair here.

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**Mr. David Cork:** I think it was a matter of both convenient timing and coincidence that hydro rates and hydro bills were raised considerably at the same time that the Green Energy Act was announced, so fortunate perhaps for some people and unfortunate for others.

**Ms. Dipika Damerla:** I'd like the facts. I'd like to get your perspective.

**Mr. David Cork:** The true facts are that solar, and even the microFIT, across the province—we have 130 megawatts compared to the 10.7 gigawatts of capacity that renewals are intended to produce. So I would say that if you can find the rounding error on the rounding error and attribute that to solar, you'd be probably in the right ballpark. It is absolutely not the key driver for rising hydro costs.

To put one more fact on the table, the current levelized cost here in the Ottawa area—what that does is it takes all of the costs of a project over 20 years, all of the maintenance and all of the revenues, and brings it back. It's about 29 cents per kilowatt hour for solar.

Now, there are jurisdictions where they are at 31 to 42 cents. Clearly solar is ahead of the market here in Ontario. Our peak pricing is at 16. Within four to five years, we will be in a position where solar will be able to produce on a net metering basis equivalent to costs for consumers, but we are three to five years from that.

**Ms. Dipika Damerla:** So the bottom line is none of this none of this green FIT has resulted in hydro prices going up.

**Mr. David Cork:** I can't say none of it, but I would have a hard time to tell you how small—

**Ms. Dipika Damerla:** Like 0.1%? Okay. Anyway, we get the point.

Do I have time for another question?

**The Chair (Mr. Kevin Daniel Flynn):** Unfortunately, you don't. Thank you, anyway, David. Thanks for coming today.

#### ONTARIO COUNCIL OF HOSPITAL UNIONS

**The Chair (Mr. Kevin Daniel Flynn):** Okay. We've got next the Ontario Council of Hospital Unions. Michael? Come forward. This wouldn't be an unusual venue for you, so you know the rules: 15 minutes. You can use that any way you like. If there's any time left at the end, the questioning will go to the PC Party this time.

**Mr. Michael Hurley:** Thank you very much, Mr. Flynn. My name is Michael Hurley, and I'm the president of CUPE's Ontario Council of Hospital Unions. We represent about 30,000 acute and long-term care workers at 65 hospital corporations across Ontario. We're really appreciative of the opportunity to talk with you today about the provincial budget and the unique opportunity that a minority government presents to perhaps cobble together a budget a bit more sensitive to the needs of Ontarians.

I was going to read to you some excerpts from a hotline which we have been running over the last year, asking members of the public to talk about their experiences in being discharged from hospital prematurely as a result of the funding constraints which exist. But I realize that probably each of you, as active members of provincial Parliament, receive those calls yourself and know the particular personal impacts that the constraints on hospital funding are having.

The Auditor General estimates that hospitals require about 5.8% increased funding a year in order to keep pace with their inflationary costs, which, as you know, are higher than the general rate of inflation because of the costs of medical technologies and doctors' salaries, increased utilization etc. In fact, hospitals are being held to zero this year and it was zero last year. In all of your constituencies, you are seeing it playing out: the downsizing in Sarnia, in Niagara, in Perth—just close to here in Ottawa—here at the Ottawa Hospital, now at Saint-Vincent Hospital and so on across Ontario. Bed reductions are occurring. Services are being moved ostensibly out of hospital into the community. In fact, increased funding for those community services is not materializing. So we have a large reduction in services—and I point to Perth and Smiths Falls, very close to here; 12 of their beds are closing out of 108 in one year of a budget cycle, and programs like palliative care are being cut back. The emergency room is being cut back. Domestic violence and women's sexual assault is being eliminated as a hospital program. You might look for these services to be rematerializing in the community but they're not. In fact, the reinvestment by the government in the Ontario home care system, where 10,000 people are on waiting lists for home care, is paltry in comparison to the amounts that are being reduced out of the acute care sector.

So as you approach budgeting for this year, I would ask that you reflect on the fact that Ontario already spends about \$498 less per citizen than any other province does on its acute care hospital system, and it has the shortest lengths of stays, the fewest number of beds and the fewest number of staff for those beds of any province in Canada. I would put it to you that a higher level of efficiency is simply not possible from this system. I would put it to you that you can see the results of the constraints on hospital funding, which are requiring heroic levels of productivity from both the workforce but, more sadly, from the general public.

In terms of, for example, our incidence of hospital-acquired infections, which are actually dramatically higher than in other comparable jurisdictions in the OECD, we have a much higher death rate here in Ontario. One of the reasons for that is because we have a system which is operating at an occupancy level which has been demonstrated scientifically to be a major vector for the transmission of hospital-acquired infections like *C. difficile*, MRSA, VRE etc.

Scientists would tell us that about half of the 5,000 people who will die this year in Ontario checking in to a hospital for a hip replacement or some other procedure could be saved if we had a more stringent attention to infection control and a lower occupancy rate. But a lower occupancy rate is not possible in an environment where all three political parties actively support the downsizing of the acute care sector, and where the acute care sector is so dramatically underfunded. The services that are moving out of the hospital are moving into a system, the home care system, that is largely being funded on the

backs of a predominantly female workforce, which, thanks to the competitive bidding system that was introduced by the previous Conservative government and perpetuated now by the Liberal government, has resulted in the active exploitation of those women who, to a large extent, have no guaranteed hours of work and, as a result, no pension or benefits. In many cases, they're no longer paid mileage driving clients. I've talked to home care workers in places like Peterborough where they can drive for an hour to see a rural client and not be paid for that travel time and not be paid for their mileage. Those people are making \$12.50 an hour and they can't count on any regular employment.

That's the workforce that is delivering home care. As a result of that exploitation, Elinor Caplan found in her study that there's a 55% turnover in caregivers, which may explain why so many of your constituents complain about the rapidity with which their caregivers are turning over in this environment.

The reinvestments are not being made in home care. In fact, the deinstitutionalization and downsizing of the acute care sector is happening without a balancing increase in the supports which would need to be there in the community. It's a bit of a hoax.

So as we approach this budget cycle, I would ask you to seriously consider whether the hospitals can continue to deliver services in this province at the level of funding which they have been allocated. I would put it to you that it's simply not possible.

Finally, I would like to touch on the issue of poverty and, in particular, the fact that social assistance rates, which were dramatically reduced under the previous Conservative government, have been essentially held to a flat line or below the rate of inflation by this government, with the result that they are now substantially—as in the order of something like 55%—below where they would have been had the cuts not been made in 1995. As a result, we've got a tragic number of, particularly, single mothers with children who are struggling to keep their families fed, clothed and housed with incomes which are reducing every year and were chopped dramatically in 1995. These are women who are penalized by the denial of access to drugs and child care support funding if they take up work.

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The policy of the government around housing and the policy of the government with respect to social assistance need to be considered to be an active part of health policy. We can't effectively starve people for so long without having a dramatic impact on their health outcomes and without resulting in the need for them to be institutionalized down the road as a result of amputations or whatever from diabetes which has come on because of diet, exposure to cold etc. These are all issues which we need to deal with.

The Ontario Health Coalition, I think, put a pretty cogent case to you that, with respect to tax measures and particularly the extension of the Employer Health Tax to businesses like lucrative law firms which are currently



exempt from paying for their contribution to Ontario's health care system, there are tax measures available to make some of these things happen, and we would strongly encourage you to look at them. Ontario, in addition to having the lowest level of spending on its hospital system, which explains the multitude of individual tragedies which I hear about and you hear about all the time, also has the lowest level of corporate tax in North America, and these two things are just not sustainable.

Thank you very much for the opportunity to present to you.

**The Chair (Mr. Kevin Daniel Flynn):** That's great, Michael. Thank you. You've left just under five minutes for questions. It goes to the PCs this time. Jane?

**Mrs. Jane McKenna:** Thank you so much, Michael, for coming in and a wonderful presentation.

I am the critic for children and youth, and I did my white paper, which is a discussion paper, on a fresh start for children and youth. The one thing that I noticed—my paper could have been encapsulated with everybody else's paper—is that there is no system at all, and we throw band-aids, 1% and 2%, at programs that we have no evidence-based outcomes for.

I'm not sure if you read Toby Barrett's Welfare to Work, about exactly what you're saying: for people that go out to get a job, let them at least keep some of their earnings so that they're not penalized and taken off, because you need to encourage people. We have 600,000 people unemployed; 400,000 on welfare and 200,000 people that have stopped looking. It's been 10 years of this government, and we spend \$1.8 million more an hour than we take in; 20% of what we spend is borrowed money, and it's our third-largest expenditure.

I have a question. You brought up that last year was 0% and this year was 0% again. While we've been sitting through these committees for the last three days, we've had universities come in and talk about their 30% tuition, we've had poverty come in and talk about bedbugs, we've had full-day kindergarten come in and say great that it's coming, but how are we implementing it? So my question to you is, without putting any words in your mouth, do you feel hospitals are suffering because of the other programs that have been implemented?

**Mr. Michael Hurley:** Well, I think that hospitals are suffering because they are being funded substantially below their real costs, and there is an expectation of the Ontario hospital system that it can deliver levels of bed occupancy and efficiency which are unrivalled in the Organisation for Economic Co-operation and Development. No other industrialized country has as few beds as we do to population. No other country has as few staff for those beds or a shorter length of stay.

The expectation of the government is that there can be an ongoing downsizing, using the funding lever to accomplish that, and that that will not have a deleterious effect on the public. I guess I'm here to say I wouldn't agree with that notion; that in fact hospitals cannot sustain themselves. With an aging population which is getting sicker just naturally and presenting itself at the door

for treatment every day, with funding which is held at zero, it's just not possible.

**Mrs. Jane McKenna:** So I guess my question is, where is it going to come from, then? Where are we going to get the monies for it from?

**Mr. Michael Hurley:** One suggestion that the health coalition had made was to extend the Employer Health Tax to those businesses which are currently exempt. There is an inequity in the fact that the Employer Health Tax is applied to some businesses and not to others. That was one suggestion. Another was a reconsideration of the level of corporate taxation and taxes on Ontarians who are better able to pay—the wealthy. Those are both areas that I would suggest might be open to you as you reflect on where you might find money to meet some of the social needs which are apparent in these hearings.

**The Chair (Mr. Kevin Daniel Flynn):** We've got a minute left, so it's got to be a very short one.

**Mr. Monte McNaughton:** Sorry, Mr. Chair.

I just wanted to add that I sometimes question, with some of your comments, if you are also paying attention to the fiscal crisis and the jobs crisis we have in Ontario. You talk about raising taxes on businesses. We had a presenter in two or three presenters before you saying that if we continually create an environment that businesses don't want to come to, then—

**Mr. Michael Hurley:** These guys aren't paying any tax. That's my point: They're not paying the tax at all.

**Mr. Monte McNaughton:** Sorry, can I just finish? Then you can have a chance to comment.

**Mr. Michael Hurley:** Sorry.

**Mr. Monte McNaughton:** If we create this environment for jobs not to come, then we're not going to have the taxpayers to pay the taxes. That's my concern.

A couple of proposals that our PC Party has put forward: As you're hopefully aware, we have a massive deficit, but we think that we need to freeze public sector wages for two years as a temporary measure; and secondly, eliminate some bureaucrats such as in the CCACs and the LHINs. I wondered if you had a comment on the LHINs and CCACs.

**The Chair (Mr. Kevin Daniel Flynn):** Unfortunately, we don't have time for the comment, but certainly you can talk outside and you can get Michael's opinion on it.

**Mr. Michael Hurley:** Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** I could guess what it might be, but perhaps you guys should talk.

**Mr. Michael Hurley:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Michael. Thank you for coming.

#### ONTARIO ECONOMIC DEVELOPMENT SOCIETY

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenter this morning is from the Ontario Economic Development Society. Are Jordan, Elizabeth and Kyle with us? I'm going to guess it's Jordan and Kyle.

**Mr. Kyle Stolys:** Yes.

**Mr. Jordan Dedier:** Yes. It's Jordan and Kyle today.

**The Chair (Mr. Kevin Daniel Flynn):** The floor is all yours. You've got 15 minutes to make your presentation in any way you see fit. If there's any time left at the end, as you just saw, we'll use that for questions. Questions this time will come from the NDP.

**Mr. Jordan Dedier:** Okay, great. We're just going to keep the presentation short and sweet. I'd like to introduce myself again. I'm not only CEO of OEDS, which is a not-for-profit that pools university students to do research on municipal economics, but I am the policy coordinator and have been the acting policy coordinator of the Ottawa Chamber of Commerce over the last year and am currently being sworn in on the executive team. I'm also a student at Carleton University studying business law and double majoring in economics, with a focus on international political economy. Kyle is my research assistant and he also goes to Carleton University.

The topic of interest today is crowd-funding, and Kyle will be introducing that.

**Mr. Kyle Stolys:** Crowd-funding is the innovative use of technology and social media to raise small amounts of money from large numbers of investors, usually online. It has already been effectively deployed in the not-for-profit sector and through donation and reward portal sites such as kickstarter.com. These portal sites list multiple offerings from various organizations and individuals.

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The issue here is access to capital. Access to capital is one of the biggest difficulties for entrepreneurs launching a small business. In the United States, President Barack Obama responded to this problem in April of last year, legislating crowd-funding, which provides investor protection to non-accredited investors willing to invest small amounts of money. Crowd-funding was the main feature of President Obama's new legislation: Jumpstart Our Business Startups Act, or better known as the JOBS Act.

If Ontario doesn't act, our businesses will be at an economic disadvantage with the other competitors south of the border.

**Mr. Jordan Dedier:** The Ottawa Chamber of Commerce has passed crowd-funding as a policy resolution through their board of directors. It is being submitted to the Ontario Chamber of Commerce in order to be advocated to the government to get legalized.

Four of the policy solutions that crowd-funding provides are: fostering a culture of innovation and smart risk-taking in order to become a productivity leader—these are all criteria, by the way, from the Ontario Chamber of Commerce Emerging Stronger report for 2013 that outline ways in which Ontario can have a prosperous economy. Three others are: taking advantage of new opportunities in the global economy, as crowd-funding is an idea from the global economy; identifying, championing and strategically investing in our competitive advantages in the global economy. As we well know, Ontario has a very highly skilled labour force and we are at risk of

losing our talent to the US, which has facilitated a better environment for access to capital for entrepreneurs.

We've basically come down in a policy resolution with recommendations, and this is how we do it when we submit a policy resolution to the Ontario Chamber of Commerce. Our recommendation would be to legalize equity crowd-funding with the following provisions: Create laws which allow crowd-funding intermediaries to register with the Ontario Securities Commission as either brokers or funding portals, and adopt equity crowd-funding legislation for the Ontario Securities Commission that resembles as closely as possible the US Securities and Exchange Commission, a crowd-funding model that is currently under development. Under this model, portals will be responsible for collecting a variety of information in order to ensure investor protection. And there are three criteria for institutions that are eligible to run crowd-funding portals, because not all institutions can. To meet this criteria, you basically cannot offer investment advice, cannot pay anyone to promote investments and cannot handle investor funds.

Any questions?

**The Chair (Mr. Kevin Daniel Flynn):** Very good. You've left a lot of time for an interesting discussion. Perhaps Michael or Cindy?

**Mr. Michael Prue:** Sure, a couple of questions. This, of course, is the finance committee and we recommend budget changes. Will any of this require money to be spent by the Ontario government?

**Mr. Jordan Dedier:** In the sense that this was a question—we work with a corporate lawyer whose name is Andrea Johnson, and she's actually put together this crowd-funding package from FMC. In terms of a budget expenditure, crowd-funding will be cost-neutral to government by nature of costs associated with crowd-funding being offset by participation fees charged to stakeholders. So money basically bounces back, in essence; there is no money that needs to be invested through budget.

**Mr. Michael Prue:** Okay. So this is just like the stock exchange: You invest in it, you take your risks and you either make money or you don't.

**Mr. Jordan Dedier:** Yes, pretty much. In fact, Andrea did describe it as that. It's something like a micro stock exchange, and it really helps facilitate access to capital. But I'll give you guys a personal story.

I founded a not-for-profit called the Ontario Economic Development Society. One of my first things that I had to do as young entrepreneur was get capital, and as we know, venture capitalists and angel investors don't like investing in start-up enterprises because they're very risk prone. In light of that, I needed a small amount of funding, just \$5,000, to kick a couple of things off—and usually that is the case for entrepreneurs—and I couldn't get it. Crowd-funding would allow me to use my Facebook, Twitter—practical things—to ask the public for investments in small amounts, and equity crowd-funding would allow me to give them back a percentage of my

business so that they're more incentivized to invest. It's pretty good.

**Mr. Michael Prue:** Okay. Well, but not too long ago, certainly in your lifetime, we did see the ABCs and all these innovative things in the United States implode a world economy. Is there any risk associated with crowd-funding? I mean, I've only read about it. I've seen what Obama has done about it, but I know that people are a little edgy around some of these new stock market techniques because they are so easily manipulated.

**Mr. Jordan Dedier:** Crowd-funding has got its own investor protections. If you look through the legislation, you can see that it's very secure. In fact, some have argued that it can be even more secure than not having it. It's in practice in Australia, the UK and the US. So I would say that these governments didn't make these decisions arbitrarily, and they know what they're doing.

**Mr. Michael Prue:** Well, we thought they knew what they were doing, too, five or six years ago, and it ended up that they didn't. Anyway, I'll let my colleague—

**Ms. Cindy Forster:** I think the only thing I have to ask is, has this legislation been passed in the States as well as in two other countries?

**Mr. Jordan Dedier:** Yes, it is in effect in Australia and the UK informally. The US has picked up on it as of April 5, 2012. After that point, the SEC was in a 278-day period in order to figure out logistics of investor protection and how exactly crowd-funding would run. In light of that, they're still doing that, and they're wrapping it up.

**Ms. Cindy Forster:** So in the countries where this is currently in practice, how many new businesses or how many jobs have been created?

**Mr. Jordan Dedier:** Great question. Kickstarter.com, after it started up, had funded \$159 million as the intermediary between entrepreneurs and the public as investors, for entrepreneurs. That \$159 million wouldn't have been available otherwise as start-up capital for all the start-ups that it funded. That's a lot of money, \$159 million, especially spread across a number of businesses. Since the success of kickstarter.com since its launch in April 2009—by the way, kickstarter.com is one of the first and a very popular crowd-funding site—over 20,000 projects have been successfully funded, \$200 million pledged to projects, and 1.8 million have backed projects. That was just in 2009.

I'm noting too, as well, that kickstarter.com is not equity-based; they're a donation-based platform. If anybody wants me to elaborate on that, basically, initially, before equity crowd-funding was legal, when you invested in a company, they would give you some kind of special product back. So let's say I started up a T-shirt company; I need money to start my manufacturing etc. If you invest in me, because the law doesn't allow me to give you equity in my firm, I can then give you a special-edition T-shirt or maybe 100, depending on your investment. They just do different donation services like that.

**Ms. Cindy Forster:** So how many jobs were created through this \$159 million? How many of those busi-

nesses are still operating from that \$159-million investment? We often see through our current grant and tax credit programs that the government will give a company \$1 million, and they're supposed to create 100 jobs. By the end of that year, the company has closed, they never got to 40 jobs, and it's kind of a lost investment. Do you have any details with respect to how many of these businesses that got kicked off by this program actually still exist three years later?

**Mr. Jordan Dedier:** Unfortunately, I do not have those numbers for you, how many businesses sustained after investment. But I would judge that, with \$159 million in start-up capital, a number of them did sustain. I would imagine that some of them failed as well, as start-ups do. However, without the \$159 million there in the first place, there would have been no extra jobs. It's an all beneficial kind of thing.

Yes, there are the investors who invest in a company and lose all of their money, but the beauty of crowd-funding is, for example, that they have caps. If you're making under \$100,000 a year, you can only invest up to 5% of your income. These are some policy logistics that are worked out. So you can't lose that much. You can only invest up to \$2,000 a year, let's say, if you're making under \$100,000. So how much money are you realistically going to lose investing in a number of projects throughout the whole year if one of them dies, or two, three?

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**Ms. Cindy Forster:** I don't have any more questions.

**The Chair (Mr. Kevin Daniel Flynn):** Great. Thank you very much, guys. Thanks for coming. We appreciate it. Good presentation, and good luck.

#### OTTAWA AND DISTRICT LABOUR COUNCIL

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenter today is from the Ottawa and District Labour Council, Sean McKenny. Sean, are you there?

**Mr. Sean McKenny:** Yes, I'm here.

**The Chair (Mr. Kevin Daniel Flynn):** Come on forward and make yourself comfortable. You have 15 minutes for your presentation. If you leave a little bit of time at the end, that would be great. Questions this time around will come from the government side. It's all yours.

**Mr. Sean McKenny:** I'm just waiting for these two to finish their little chat. It's unfortunate that committee members aren't listening to the presentation. In any case, good morning. I would first like to thank the committee for the opportunity to present here this morning.

The Ottawa and District Labour Council, chartered by the Canadian Labour Congress, is one of the largest of the 130 labour councils across the country. It's also one of the oldest, dating back to 1872. Currently the labour council represents 92 union locals with a combined membership of over 55,000 working men and women, and is

the largest democratic and popular organization in the Ottawa area.

It continues to frustrate that government, in its attempts to balance budgets, find savings and reduce its deficit, does so on the backs of working people. At the same time, input directed toward these measures provided by some, including organized labour, is mostly met with polite acknowledgement, then just as quickly discounted and tossed aside.

Our economy benefits when government, with input from labour, business, community and individuals, initiates policy and legislation. How easy it has been and continues to be for government to choose workers as a mark, and in communities across this province and across this country it becomes fodder for talk radio and other like arenas. Marginalized workers, organized workers are all told it's their fault. As a result, a government's mismanagement is mismanaged even more by picking on and blaming workers for all that ills.

I wasn't here earlier this morning, but I have seen the list of presenters and I do know that a few of those continue with that rhetoric, with not a clue how to move us forward. Their presentations built upon a disdain for organized labour and suggestions that government continue to lash and thrash others who are marginalized, others who rely on social assistance and still others.

The current government's approach to balancing its books has been no different. It went after the workers yet again and, in doing so, went after our families, went after our children. It caused havoc and turmoil in our schools still felt today. It was wrong and history will record it that way despite this government's and the provincial Conservative Party's attempts to blame it all, once again, on the worker.

We've heard, and continue to hear, out of Queen's Park the leader of the Conservative Party not letting up and talking about continuing to pound away at workers and bringing in Americanized labour legislation and policy with not a clue about what that really means nor how ineffective it has been in other jurisdictions. It's quite sad, really.

The billions of dollars in tax cuts to corporations and the writing off of yet a billion more hasn't moved us forward nor created an economic climate that has caused significant job creation, but has furthered the divide between corporations and working people. A budget must ensure a balancing of the two.

Over the last few months in the city, in Ottawa, we've been working closely with our health care unions, including the Ontario Nurses' Association, the Ontario Public Service Employees Union and the Canadian Union of Public Employees, as well as both the Ontario and Ottawa health coalitions. My God, the stories that I'm hearing: the cuts to our hospitals, the elimination of jobs, the reduction in patient care. It's not made up; it's a reality.

It has been three years since working people in Ontario have seen a raise in the minimum wage. It's time for that raise, and the budget must reflect and deal with this inequality that has been created.

Our public services provide a service to all of those who live, work or visit here. The stability of our communities through these services must be protected. To even consider the privatization of anything now public would be a costly move and one that, over time, will negatively impact upon those requiring the service. That's a fact.

Suggestions to change or to alter the arbitration process, as has been discussed over the last few years as it affects municipal governments, are ill attempts to further divide and greatly shift what is currently a balance to yet another inequality that will unquestionably put a municipal government in the driver's seat. It becomes not an arbitrated process, then, but rather, through the discussed design, gives an advantage to a municipal government.

A green paper put out by the Ontario Federation of Labour talks to the 600,000 Ontario families that are struggling with incomes that are stagnant or declining. It talks to Ontario poverty rates rising faster than almost every other province. It talks to the more than 152,000 Ontario families on waiting lists for assisted housing. It talks to Ontario having the worst record in all the provinces in affordable housing investment. It talks to the fact that Ontario now provides less funding for public programs and services—from health care to education, from justice to disability benefits—than any other province across this vast nation of ours. That needs to change, and the upcoming provincial budget needs to reflect attempts to cause that change.

In the past, we've often heard the word "austerity" used—mostly misused. To some, it seems it has almost become their *raison d'être*.

Our province has been one that has for generations, for the most part, been moving forward, and built upon a caring people, a kind and considerate people—one built upon passion and compassion and one where our children possess those same attributes and characteristics; one built upon equality, not inequality; one built upon freedoms gained, not opportunities lost.

We hear some suggest that it's time workers and some others shared in some of the financial difficulties purported to be before us. Working people and the middle class didn't create budget deficits. To suggest wages are the root cause is based solely on an ideal. It's not reality and it's certainly not fact.

When our nurses and those working in our hospitals make suggestions on how to cause our health care system to become better by ensuring a proper level of care is provided without necessarily increasing costs, governments and others need to listen and give those front-line workers an equal voice and equal weight when measuring it up with a hospital CEO's. When our education workers say, "Don't do that. Please don't do that," don't do that.

Like the majority of workers in this province and elsewhere, a sincerity and a passion for the work they do is utmost every day of their working lives. The upcoming budget must first and foremost address the many inequalities that have been created. It must focus on not

just job creation, but good job creation. It must address the many tax loopholes available to large corporations and to the wealthy. Above all else—above all else—it needs to stop picking on workers and using them and their families as scapegoats simply because they appear to be an easy target.

Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Sean. There's ample time for questions, going to the government side. Phil.

**Mr. Phil McNeely:** Sean, I remember working with you back in my city councillor days, and you've always been a very forceful voice for the workers in our area, in Ottawa.

Nonetheless, we're in a situation now where we have an \$11-billion deficit. Some 60% percent of our costs are wages. Just looking at that from a government's point of view—and I think there's unanimity—we have to get down to a balanced budget, zero deficit.

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The challenges for governments throughout the world are much the same. I'd have to agree with you on the corporate power and where the dollars end up: at the top. That's getting worse in North America. It's getting worse here and everywhere. But would you look at the challenges that the government has and respond to that? It's wages that are our big expense. What can we do?

**Mr. Sean McKenny:** You know, Phil, I acknowledge our working together over the past, especially when you were a councillor at the city of Ottawa, and a good councillor as well. In fact, you and I had a discussion just a couple of weeks ago when the elementary teachers and OSSTF had a picket line set up outside your office. We had a chance to chat then, and I said the same thing, that I thought you were a pretty good guy. It just is frustrating. It doesn't make sense to me why a government does not talk to folks more.

I know some discussions have taken place—Smokey Thomas with OPSEU, Fred Hahn with CUPE. All of the presidents of the unions within the province, because that's who the government is targeting in respect to some of those costs: You need to talk. Another constant point of frustration—and coming from the building trades, I know it really, really well—is there is no one who is going to price themselves out of the market. A lot of working people and those front-line workers have ideas, good ideas and good suggestions, that the government needs to start listening to. But if a government is wasting money and is not spending money wisely, once again, as I said in my presentation, it's not fair that workers are the ones who are left to pick up the slack for the mistakes made by a government.

I think that all of those unions are more than prepared to talk. I think that if a government wants to truly be representative of the people, all of the people here, then it needs to have those discussions—not just going through a motion, but some discussions where there's dialogue, both are listening to each other and government listens to

the ideas that might be coming forward from those representatives of working people.

**Mr. Phil McNeely:** Thank you for that. Anyone else have a question? We have time.

**The Chair (Mr. Kevin Daniel Flynn):** Dipika?

**Ms. Dipika Damerla:** Again, thank you so much for your passionate presentation. I just wanted to ask this, just building on what Phil has said about the fact that our biggest challenge is that the Ontario budget is around \$100 billion, give or take a little, and about \$50 billion of that is wages. So that's where the rubber meets the road, I guess.

I just wanted your thoughts on the fact that—I hear you about some of the difficulties we've had, but we've also successfully negotiated wage freezes with some unions like the Ontario public service employees, the doctors and the French and English teachers. I just wanted your feedback on what you thought of that process.

**Mr. Sean McKenny:** I don't think it would be right for me to comment on some of those discussions that happened. I wasn't in the room; I wasn't a part of those negotiations. I do know that all of those folks who would have brought those measures to the membership are good people, people who want to see this province move forward.

I just want to go back to your comment again, because it's wages and that's the easy mark in that the wages that are paid to workers—that's where the rubber sort of hits the road too as far as we're concerned, because where's the attempt to close some of those loopholes that will bring more money into government in order to pay for some of these services? Why are decisions being made to write off \$1.4 billion owed in taxes by some of those corporations? I think those are the things that need to be addressed and looked at in order for things to proceed.

It's wrong and it doesn't make any sense. If you don't have the money, you're not spending money. We need to spend money in this province in order to create jobs, in order to provide business and corporations with a business that is going to be prosperous, that is going to be successful. So to hold the wages down, to freeze wages, again, when the workers did nothing wrong here, and they shouldn't be constantly and continuously paying for the mistakes of government—whether they do it in other countries or they do it in the United States, it's irrelevant, it's insignificant. I'd like to think that Canada rises far above all of those places, and we rise above them because we're good people; we're kind, considerate people.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much, Sean, for being here today. I appreciate it.

**Mr. Sean McKenny:** You're welcome.

#### ALLIANCE TO END HOMELESSNESS OTTAWA

**The Chair (Mr. Kevin Daniel Flynn):** Our next speaker this morning is Lynne Browne from the Alliance

to End Homelessness in Ottawa. Lynne, if you'd like to come forward.

**Mr. Phil McNeely:** Chair, I'd like to participate longer, but I'm going to have a root canal this afternoon.

*Interjections.*

**The Chair (Mr. Kevin Daniel Flynn):** Lynne, welcome. I'm sure you're going to introduce your colleague. You've got 15 minutes; use that in any way you see fit. If there is any time for questions at the end, they will come from the PCs.

**Ms. Lynne Browne:** All right. Good morning. First of all, I just wanted to mention that I haven't been beat up by the struggle to end homelessness in this province; I tripped at the Edmonton airport on a chunk of ice left on the roadway, so I bring colours with me.

The Alliance to End Homelessness, as some of you may know, is a non-profit, non-partisan organization. We have 43 member organizations, and in our presentation you will see the list of who they are. We call them the big players in homelessness in this city. These members provide emergency shelter, day programs, service and supports for families and individuals who are homeless or living at risk of homelessness.

With me today I have Mary-Martha Hale. Mary-Martha is on the board of directors of the Alliance to End Homelessness. She's been a past chair, but she's also the executive director of Centre 454, which is a day program provided by the Anglican Diocese of Ottawa.

We recognize the challenge Ontario faces and we appreciate the essential role the province plays in the successes we achieve in our community, but we also know that the Ottawa community could effectively end homelessness for individuals and families by meeting four targets in each year of a 10-year period. But that's going to take more investments from the federal, provincial and municipal levels of government.

We also know that our four targets are interrelated. You can't just jump ahead in one of them and think homelessness is going to reduce, because it doesn't; we've seen that already. You'll see the four targets there on our presentation. We've worked it out based on what has happened in our city and we've plotted it out into the future, so we can see exactly what's happening, and nothing different has occurred.

We come today with very specific recommendations. Our first is around jobs and housing. We recommend that Ontario launch a new funding program in this budget to link the creation of new jobs with the building of affordable rental housing. We know—all of us know—that construction and manufacturing in the non-profit sector contribute significantly to Ontario's GDP. They're just three of the areas involved. But this presents an opportunity. It's an opportunity to create more jobs and stimulate Ontario's economy while increasing the affordable number of places for people on a low income.

1130

Spending upstream to prevent homelessness is the only answer. If you provide a sufficient amount of hous-

ing stock that people can afford, they don't slip into homelessness.

Unfortunately, Ontario has, in the last three years, cut \$24.5 million from its affordable-housing spending. That means fewer jobs because somebody in construction builds those houses. Our non-profit agencies are not builders. We work with the other sectors in our community to make housing happen.

So we've gone from \$620 million down to \$595 million, and that's just not enough from Ontario. What we want is for Ontario's budget to show an increase—a substantial increase—in its investment in affordable housing in addition to what it does in the Investment in Affordable Housing program.

We also recommend that Ontario take action to protect renters. These have little monetary implication. They're a win-win for the province. They would reduce pressure on Ontario's affordable housing stock, and people with low or moderate incomes would have more purchasing power left in their pockets. That can only help this economy and the deficit.

The first is regulations to limit market rent increases on vacant properties. We're not telling you how much that should be. It can be 1% or more—whatever you think is going to make the difference. But what we have now in this city is not sufficient. When an apartment is vacant, the rent shoots up, basically. That excludes people with low incomes, even moderate incomes.

We want to see programs that mandate, from the province, the preservation of existing affordable housing that's rental and the building of new non-profit and other good-quality affordable rental housing.

We also want policies to mandate inclusionary housing programs from municipalities. Then our city can work with the rest of the community to develop our own regulations and approval process. But without the province taking the lead on that, the new housing that goes up in our community is all going to be for people with hefty incomes, and every unit has been that the private sector has built.

The non-profit and the co-op sectors have already shown that they're willing to undertake rental housing projects if the province provides assistance. As they have in the past, they'll work with the construction industry to make it happen.

What we know in our community is that market rents in 2012 went up 3.7% for a bachelor, 1.9% for a one-bedroom, 2.7% for a two-bedroom and 4% for a three-bedroom unit. Benefits on OW and ODSP went up 1%. Do the math. What's going to happen? It's really very simple. There's no disposable income when you're on income supports. You take from one area to pay the other. At some point, homelessness becomes a real crisis in your life.

We have recommendations, too, around income. We recommend an immediate increase to benefit assistance rates that reflects the real cost of housing, utilities and food in communities in Ontario. Changes like that are so long overdue. The rates have been kept far below the

poverty level in Ontario for decades. We also recommend immediate changes to allow people who find part-time work while on assistance to keep more of their earnings. It can only be good for this economy if the provincial government makes that happen right away.

Four recent Ontario decisions added to our community's difficulties; the province is making it worse right now, and that's not something you should wear. You eliminated the Community Start-Up and Maintenance Benefit. You mandated municipalities to help more people, but we have less money to do it with, so now the benefits and the assistance that municipalities provide aren't just for people on assistance; they are for anyone struggling on a low income. That says to me you need larger global programs that are going to make a difference. As I pointed out, benefits went up 1%. Rents for landlords? They were given 2.5%.

I'm going to ask Mary-Martha to talk a bit about what the implications of the status quo are in our community.

**Ms. Mary-Martha Hale:** Good morning. The alliance has put together and produced a report card over the last eight or nine years, and we've been doing an analysis of the trends over that period. The analysis of market rent and food cost increases in Ottawa compared to ODSP and Ontario Works increases is quite dramatic. People on low income need to spend whatever income they have just to get by, and any increase in their purchasing power will help Ontario's economy. The average rent for a bachelor apartment is \$700-and-some, and if someone's making \$599 in Ontario Works, it's just not going to be possible.

By 2011, Ottawa had seen an eight-year trend of increasing shelter use and length of stay in a shelter. The alliance believes that this should be a wakeup call for all Ontarians, but especially for MPPs. This is increased use of shelters and staying in shelters longer, even when investments have gone in to increase rent subsidies and increase the creation of affordable housing. We have seen action on the housing part, but we haven't seen action on the income part. It really does block people from moving into housing.

In 2011, the data provided in our report card—we're just about to release our 2012 report card; that should be released in early April. That will be on our website, but we'll make sure that members of the committee get a copy of that. Last year there were 7,243 individuals in the city that had to stay in an emergency shelter. Of these, almost 1,500 were children. It's not hard to understand why the 843 homeless families with low incomes in 2011 were having trouble covering their rent.

Worse yet, the average length of stay for a family in a shelter was 82 days before they could find housing in 2011. Imagine those children navigating changing schools maybe twice within a school year because they became homeless, and the issues that arise when a family is living in a shelter, in a one-room apartment or in a hotel here in the city.

**1140**

For 4,699 individuals who were homeless in 2011, the income and rent challenges faced by anyone receiving Ontario benefits or working for minimum wage were daunting, and in 2012, the challenges worsened. There's a table here in the report; it shows that in 2011, it was 121% for someone on Ontario Works—that it would cost them to rent a bachelor apartment. In 2012, it's 124%. It's definitely going in the wrong direction. Even for someone earning minimum wage, 40 hours a week, they're paying 46% of their gross income on rent; that's an increase from 44%. The Canada Mortgage and Housing Corp. indicates that the standard is 30%, so all of these categories are well above. For people on ODSP, a fully funded provincial program, 70% is being paid on rent in 2012. Those are for single individuals.

There is a cost to doing nothing more than what the province currently is doing to promote the creation of affordable housing and to provide adequate incomes in Ontario. We have three asks—demands? Suggestions?

**Ms. Cindy Forster:** Demands.

**Ms. Mary-Martha Hale:** Demands. Okay, somebody says "demands" over here.

Significantly increase funding for affordable housing in the next provincial budget. Funding will help local and provincial economies and will help people. Immediately raise Ontario Works and ODSP rates that will put housing within reach for recipients so that they are not having to dip into that. And create incentives for individuals on assistance to go seek employment. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you. Good time management. Unfortunately, there's no time for any questions, but I'm pretty sure we all got what you were asking for very clearly. Thank you for coming today.

**Ms. Lynne Browne:** And we'll be happy to send our next report card. It will be out very shortly.

**The Chair (Mr. Kevin Daniel Flynn):** Let's hope it's a better one. Thank you.

#### OTTAWA-CARLETON LIFESKILLS INC.

**The Chair (Mr. Kevin Daniel Flynn):** Okay, we're moving along now to Ottawa-Carleton Lifeskills. Jocelyne Paul, are you with us? Jocelyne, come forward; maybe you can introduce your colleague?

**Ms. Jocelyne Paul:** Good morning, everybody.

**The Chair (Mr. Kevin Daniel Flynn):** Everyone's going to be in a good mood, because you're the only thing that stands between us and food.

**Ms. Jocelyne Paul:** I will make sure I'm on time. I even have my timer here.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much. You've got 15 minutes. You use that any way you see fit. If there is any time for questions, it will come from Michael or Cindy.

**Ms. Jocelyne Paul:** Okay, sounds good. Thank you.

Good morning again. My name is Jocelyne Paul. I'm the executive director with Ottawa-Carleton Lifeskills

and a board member with OASIS. With me today is Doug Anderson; he is also a board member with OCL and a former board member with OASIS. OASIS, which stands for Ontario Agencies Supporting Individuals with Special Needs, welcomes this opportunity, so thank you for that.

I do have a printout available; I think it's gone around. Perfect.

Highlights from that printout: OASIS is a province-wide association of transfer payment agencies that seeks to ensure cost-effective, high-quality supports and services for people who have developmental disabilities. OASIS is entirely voluntary; we have no staff and we have no offices. All the work is performed by individuals and committees on a volunteer basis. We represent 166 agencies across the province. We employ 25,000 individuals who support 35,000 individuals with developmental disabilities, and we receive approximately \$1 billion in operating funding, primarily from MCSS.

Transfer payment agencies provide supports and services in the forms of residential homes, supported independent-living programs, community participation and respite supports, and supported employment programs.

OASIS does understand the fiscal constraints that the government of Ontario is faced with in this economic period. We strongly support the vision of the developmental services sector, ensuring that the transformation of services results in a high-quality service system. We emphasize the importance of ensuring the maintenance of a strong, responsive and stable non-profit transfer payment agency system.

The following five points that I'll be talking about are the challenges that we are facing today, the first one being system capacity. Agencies are at a breaking point in terms of providing quality services. We're serving individuals with complex personal needs, an aging population, escalating demands for services, and we have not seen an increase in our base budgets over the past four years. These challenges have exacerbated the pressures on the sector and on service providers, who have reached their limits in terms of their ability to respond effectively to those pressures.

Our current challenges include: Residential supports are not available for those parents who have individuals that they're caring for. Individuals with high needs must wait several years for day programs and residential programs, placing ongoing stress on families and their caregivers. The changing needs of those within our service system require more sophisticated and varied supports beyond the current levels available; this requires significantly more staff training. There's increased costs of construction and real estate—for example, fire and building code regulations—and there's increased costs of staffing, especially in benefits and training, including the mandatory requirements under the new quality assurance measures regulation.

The second challenge is long wait-lists and few vacancies. The level of unmet need for community sup-

ports and services has never been as high as it is today, and the wait-lists are growing. We're mostly seeing the individuals—primarily the young people with developmental disabilities who are leaving schools, and older individuals who are living with aging parents.

We're requesting two things: that Ontario permit the supports and services to reach a broader range of people, encourage and allow new initiatives to be launched, and ensure the long-term financial and support stability of the sector. This must include the opportunity for long-term budgeting and financial planning, especially with the creation of reserves. We're asking that the government commit to ensuring that by 2020, every person who has a developmental disability—and their family—has access to the supports and services that they need to live in the community, free from poverty and in a manner of their choosing. We also need to ensure that agencies have the necessary funding to guarantee their sustainability and meet the legislative requirements to providing quality services and supports.

Our third concern is the impact of pay equity. I believe, Michael, you've had some individuals from our sector come and speak to you on this. Transfer payment agencies are governed by the pay equity legislation. Most agencies that were required to use the proxy comparison method for pay equity have not achieved pay equity and are still many years away from achieving this target. This is also creating in-sector inequities. Prior to the implementation of the proxy method for developmental services, we did not have a pay equity issue and we've always believed in equal pay for equal work. The developmental services sector is a leader in equity; more than 50% of the executive directors or CEOs are female. Many of our staff are also female.

Provincial funding has not been provided for the past four years for employers to make these adjustments. Each year, we're required to commit an amount equal to 1% minimum of the previous year's payroll. Without funds being committed to meet the legislated requirement, agencies are faced with millions of dollars in liability. This has put employers and their boards in a difficult position: They can either reduce staffing levels and support in order to meet their financial obligations or they can decide to be in violation of the pay equity legislation, not in compliance with the new quality assurance measures regulation, in order to maintain the support needs.

In a recent survey of agencies that provided pay equity, 44% reduced staffing or services, 31% used administrative efficiencies, 14% are carrying a deficit and 11% used other methods, including restructuring or mergers. Agencies are going to be faced with this dilemma for many years to come, and it's only going to add to the service pressures and to the wait-lists.

OASIS is asking for a change in the proxy regulations to allow for in-sector comparators, eliminating the in-sector inequities. This change does not require a new bill. A Lieutenant Governor in Council order can amend the proxy regulation 396/93 or repeal the existing regulation and introduce the new one.



**1150**

In the interim, OASIS is asking for a moratorium on proxy pay equity liabilities until the changes are put in place. Then once the changes have been made to the legislation or to the regulation, we ask the government of Ontario to fund the pay equity adjustments to completion.

Our fourth concern is changes to the Ontario Disability Support Plan. Similar to the Alliance to End Homelessness, many of our individuals are in similar positions that you have just heard about. OASIS supports the recommendations outlined in Brighter Prospects: Transforming Social Assistance in Ontario. Without the transformational changes, individuals on disability benefits are condemned to live a life of poverty. A simplified benefit structure must be created and include the recommendations as outlined in the Brighter Prospects report.

I'm taking a look at the time here. It's all outlined. The recommendations are in the document that you have in front of you, so I'm not going to go through all of those.

Our last concern is the creation of reserves. The budget process should be revised so agencies can effectively manage within their funding envelopes to provide greater flexibility in the planning and use of our resources. As I already mentioned, this must include the opportunity for longer-term budgeting and financial planning, especially in the creation of the reserves, and for transfer payment agencies to have four-year rolling budgets of their own with accountability measures in place for the purposes of establishing reserves to fund capital items and major repairs, as well as to develop innovative, cost-effective programs in a planned manner.

In summary, OASIS is respectfully requesting that the members of the standing committee support inclusion in the committee's final report of the following four recommendations—and this is found on your last page:

(1) That the Minister of Finance make a commitment to invest in the developmental services sector to ensure that by April 1, 2020, and thereafter, every person who has a developmental disability and their family have access to the supports they need to live in a community free from poverty and in the manner of their choosing; in the 2013-14 budget, to increase funding for the developmental services sector for the following purposes:

—assisting people currently without services, particularly where the need is urgent;

—stabilizing and rebuilding current service infrastructure and investing in a long-term human resources strategy for the sector;

—increasing the funding allocated to individuals through such programs as Passport; and

—supporting new opportunities for innovation by building on the ingenuity of families, friends and community as they collaborate in new ways with agencies.

(2) To make changes to the proxy pay equity legislation or to amend the proxy regulation to allow for in-sector comparators, placing a moratorium on proxy pay equity liabilities until the changes are put in place, and commit to funding pay equity adjustments to completion

once the changes are in place. That the Minister of Finance, at a minimum, makes an investment of an additional 2% on the current base budgets in transfer payment agencies for 2013-14 to enable agencies to meet their unfunded pay equity legislated obligations for 2012 and 2013.

(3) To commit funding to begin to address the recommendations of Brighter Prospects: Transforming Social Assistance in Ontario.

(4) That transfer payment agencies have a four-year rolling budget of their own, with accountability measures for the purposes of establishing reserves to fund capital items and major repairs and to develop innovative, cost-effective programs in a planned manner.

On behalf of our member agencies, OASIS appreciates the opportunity to present this submission, and we would be pleased to provide any additional information as you would like. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much. We've got questions from Cindy or Michael. We've got just under four minutes.

**Mr. Michael Prue:** This is the finance committee; we always like to know figures. How much is it going to cost for the minister to put the pay equity provisions that you're requesting into the budget?

**Ms. Jocelyne Paul:** What we're requesting for 2013-14 for the unfunded pay equity liabilities is \$34 million. That's what we're anticipating the approximate cost to be for that time frame.

**Mr. Michael Prue:** That's not unreasonable; that's not a huge amount of money on a \$115-billion budget. That's pretty small potatoes.

**Ms. Jocelyne Paul:** It's a \$1.6-billion budget, yes.

**Mr. Michael Prue:** Yes, okay, on yours. I'm talking the overall one.

**Ms. Jocelyne Paul:** Yes.

**Mr. Michael Prue:** So we've got that. You've recommended someplace in here that the recommendations of the Lankin-Sheikh report be implemented as well.

**Ms. Jocelyne Paul:** The Brighter Prospects report? Is that what you just said?

**Mr. Michael Prue:** Yes.

**Ms. Jocelyne Paul:** Okay. Yes.

**Mr. Michael Prue:** Any idea what that might cost?

**Ms. Jocelyne Paul:** That one I do not have a figure on. I'm sorry.

**Mr. Michael Prue:** No, I wouldn't expect you to, because there are so many recommendations—some of them don't have costs at all, and it depends how it's phased in.

**Ms. Jocelyne Paul:** That's correct.

**Mr. Michael Prue:** I want to leave some time here for my friend. I'll let her go, and then if there's time, I'll come back.

**Ms. Cindy Forster:** There were some changes, actually, to some of your funding programs this year. I've been meeting with parents of adults who have reached age 21. They can't go to school any longer, with the Passport funding, and the impact that that is having on

families—not only on the families, but on the individual. Parents have shared with me that they've seen a huge change in behaviour and personality once these adult children have actually left school. Now they're at home; they have no funding mechanism available to get them into any kind of social activities because of the wait-lists for day care programs and those kinds of things. What is the provincial impact of that? How many of these individuals are actually sitting out there in the same situation as I've heard about in my own riding?

**Ms. Jocelyne Paul:** What we approximate is that there are approximately 25,000 individuals waiting for supports on the wait-list, either residentially or through day support programs. If there is funding provided in any one of those areas, that reduces the need for crisis and that funding can be provided to families and/or agencies to support those who are on the wait-list.

**Ms. Cindy Forster:** And what would the total cost of that be in a year, if you were able to provide appropriate supports?

**Ms. Jocelyne Paul:** It would really depend on the needs of the individuals who are looking for services. We can have—

**Ms. Cindy Forster:** Average it.

**Mr. Doug Anderson:** We haven't done that kind of analysis that says, "There's this many, and this is what's going on." We haven't done it because the needs are so varied.

**Ms. Cindy Forster:** Back to the question that Michael asked on pay equity—the 2%, the pay equity piece. It's \$34 million for the 2013-14 year, but that still doesn't meet your pay equity requirements, just making that adjustment.

**Ms. Jocelyne Paul:** That does not.

**Ms. Cindy Forster:** So how many years of 2% are you going to need to actually get to pay equity?

**Ms. Jocelyne Paul:** We have done a survey, and some people would not be completed until 2090. It's a significant way out right now. To completely meet all the unfunded pay-equity obligations and have this be finished and resolved, \$180 million is what we've anticipated.

**Ms. Cindy Forster:** So \$180 million would actually achieve pay equity? For how many employees in the system?

**Ms. Jocelyne Paul:** We're 166 members here, and we're around 290 transfer payment agencies in Toronto. I would say it's going to be approximately 290.

**Ms. Cindy Forster:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming today.

**Ms. Jocelyne Paul:** You're welcome. Enjoy lunch.

**The Chair (Mr. Kevin Daniel Flynn):** We will. It will send us in a happy mood. Thank you.

**Ms. Jocelyne Paul:** You're welcome.

**The Chair (Mr. Kevin Daniel Flynn):** Okay. We're recessed until 1 o'clock.

**Ms. Soo Wong:** I just want to let the members know that Mr. Naqvi knows about the second deputant, about the bedbugs, the whole kitchen thing. He knows that

resident, he's aware of it and he's following up. Okay? People need to know that.

**Mrs. Jane McKenna:** I gave you information.

**Ms. Soo Wong:** Yes.

*The committee recessed from 1158 to 1300.*

## PROFESSIONAL FIRE FIGHTERS ASSOCIATION OF ONTARIO

**The Chair (Mr. Kevin Daniel Flynn):** Our first presentation for the afternoon is here, and it is Chris Francescone from—I've got your card here—the Professional Fire Fighters Association of Ontario, district 2 vice-president, from Belleville. Have a seat. Just like I explained a little earlier, you've got 15 minutes. You use that any way you like. If there's any time left at the end, one of the parties will ask you some questions. I think it's the Liberal Party's turn now, right? We finished with the NDP. It's all yours.

**Mr. Chris Francescone:** Thank you very much. Good afternoon. My name is Chris Francescone. I'm a firefighter in the city of Belleville and the district 2 vice-president for the Ontario Professional Fire Fighters.

The Ontario Professional Fire Fighters Association represents just over 11,000 professional full-time firefighters across the province of Ontario. Our members provide emergency response, training, prevention, inspection and public education, fire investigation, emergency communications, and maintenance for much of Ontario's fire services.

Our membership is represented through 80 associations; 77 of them are municipalities, and we have two airports, Pearson and Ottawa, and one industrial, which is Chalk River. Relying on the most recent Census of Canada data, 77 municipal locals respond to the needs of 81% of Ontario's total population.

I'd like to thank the committee for the opportunity to appear here this afternoon before the Standing Committee on Finance and Economic Affairs as you conduct pre-budget consultations.

This afternoon I'd like to spend a few minutes talking about two topics of interest and concern to Ontario professional firefighters, the first being a request that you recommend extending occupational disease coverage for firefighters by six more cancers. Those cancers are multiple myeloma, lung, skin, testicular, breast and primary site prostate cancers.

The second matter I'd like to discuss is interest arbitration as it relates to firefighters and resolving collective bargaining impasses. The reason that we raise the issue of interest arbitration here in pre-budget consultations is that last year the "strong measures for Ontario act" introduced a set of amendments to six statutes: the Hospital Labour Disputes Arbitration Act; the Police Services Act; the Toronto Transit Commission Labour Disputes Resolution Act; the Ontario Provincial Police Collective Bargaining Act; the Ambulance Services Collective Bargaining Act; and the one that I fall under, the Fire Protection and Prevention Act.

While the proposed amendments were removed from the budget bill in committee by the opposition parties, we understand that the intent of the government is to re-introduce similar amendments.

Let me start out by being clear in our association's position: The system is not broken. The interest arbitration system is set up to settle collective bargaining impasses with a goal of having an arbitration board replicate what is believed to be what the outcome would have been should the dispute have been settled through the collective bargaining process.

From our own internal review comparing the results of freely negotiated firefighter settlements with arbitrated decisions over an eight-year period, we believe the difference is only about 0.16%. By that, we mean that arbitrated awards have been, when averaged out, only 0.16% higher than a freely negotiated settlement. I would say that this indicates that arbitrators are performing as they should, and that the system is doing what the system was designed to do, and that is to replicate freely negotiated bargaining.

Speaking to and referencing interest arbitration in a broader context, attached appendix A is a chart that shows comparisons between interest arbitration awards in the private and broader public sector, and the broader public sector in right-to-strike or lockout sectors versus compulsory arbitration essential services sectors.

Those stats were prepared by the Ministry of Labour. When we review the statistics, you will see that from the period of 2001 to 2010, which is the most recent 10-year period, the increases in the broader public sector are 2.95%; the right to strike/lockout sector, 2.95%; and the compulsory arbitration system, 2.93%. So in the essential services sector, interest arbitration, and the threat thereof, is not resulting in higher wage increases than elsewhere in the broader public sector.

Recently, there has been much reference to the Drummond commission and their review of interest arbitration. We remind you that the Drummond commission came to the conclusion that the interest arbitration system is not broken. The commission said, and I quote from page 371 in chapter 15 in the commission report: "Our research leads us to make recommendations to improve the arbitration process. But we hasten to add that we do not find the system to be broken."

There has also been much attention to and focus on the ability to pay, or, as some phrase it, the inability to pay, and the economy. I think it's important that we also remind you that the language in our current act already indicates criteria related to the ability to pay and economic conditions.

Subsection 50.5(2) of the FPPA, which outlines the duty of the board and which lists five criteria the board shall take into consideration, says, "In making a decision, the board of arbitration shall take into consideration all factors the board considers relevant, including the following criteria:

"—the employer's ability to pay in light of its fiscal situation;

"—the extent to which services may have to be reduced, in light of the decision, if current funding and taxation levels are not increased;

"—the economic situation in Ontario and in the municipality."

The criteria go on to include comparisons between firefighters and other public and private sector workers, and "the employer's ability to attract and retain qualified firefighters."

Clearly the act already includes the ability to pay and the economic conditions as criteria that shall be taken into consideration. The irony is that municipalities, for the most part, do not produce hard economic data during the arbitration process to support the inability-to-pay argument and then, for political purposes, criticize the system.

Another aspect of the arbitration process that was amended in last year's provincial budget was with regard to timelines. It was proposed that an arbitrator be required to issue the award within 12 months, and later that changed to 16 months, of referral.

Should the arbitrator not issue a decision within the specified time frame, the matter would be referred to the Ontario Labour Relations Board for a quick resolution. Issues in dispute before arbitration boards can be very complex operational issues or very sector-specific. There may be expert witnesses or detailed evidence presented, as in the case of the Belleville arbitration hearing; expert witnesses have been called by both parties. The OLRB does not have the experience nor the expertise in interest arbitration.

#### 1310

Secondly, on the issue of unresolved issues being sent to the OLRB, we have serious concerns with regard to the independence and impartiality of OLRB members as they are permanent appointees and thus depend on the government for their economic livelihoods. It would be in their best interest to ensure those that appoint them are happy with the decisions, not necessarily the workers on the other side of the table. This is to be compared with the current process, under which interest arbitrators are either agreed to by the employer and associations, or they are appointed from a list of arbitrators that have already been mutually agreed to.

Society has made the determination that firefighters and other essential service workers should not have the right to strike, but if the right to strike is to be taken away, it is only fair and just that a system of independent, impartial and binding arbitration be put in its place. That requires that decisions imposing collective agreements not be made by government appointees. This has been recognized by the Supreme Court of Canada itself.

In the late 1990s, the Harris government wanted to replace independent, mutually agreed to and expert interest arbitrators with government appointees—and at the time it was the case of retired judges. The court held that this was illegal. The court ruled that without an independent, impartial, experienced, expert and mutually acceptable arbitrator—one who is not, or "perceived to

be, a surrogate of either party or of government, or appointed to serve the interests of either party or of government, the system loses the trust and confidence of the parties, elements essential to industrial relations peace and stability.... A lack of confidence in arbitration would invite labour unrest and the disruption of services, the very problem impartial interest arbitration was designed to prevent." If the government is intent on introducing a mechanism to ensure timelines are met, methods other than referral to the OLRB must be investigated.

So I wrap up my comments on the issue of interest arbitration by reaffirming that the system is not broken; it is doing what it is designed to do: replicating collective bargaining between the parties. The system can sometimes be lengthy and cumbersome, but sometimes there's a price to pay for that process—for a well-thought-out, fair and balanced dispute resolution system that respects both sides while remaining independent.

The second issue we raise today related to firefighters is occupational disease and presumptive legislation. Presumptive legislation is defined as legislation that links a specific occupation, such as firefighting, with a disease or condition that has been shown to be a hazard associated with that occupation. An example would be that colon cancer being included in presumptive legislation for firefighters would mean that if a firefighter contracts a disease such as colon cancer, it is presumed that the illness is the result of an occupational exposure to chemicals and toxins. There are qualifying conditions and criteria that need to be met, though, usually relating to years of service.

Even with the best respiratory practices and protective equipment, exposures will continue to occur due to absorption through the skin once a firefighter becomes soaked during fire suppression activities. The concentration of chemicals in today's materials is much higher than in the past, due to increased use of composite materials.

Epidemiological, medical and scientific studies conclusively demonstrate an increased rate of diseases such as cancers in the firefighting population versus the general population. The medical evidence shows that firefighters have anywhere from two to four times the risk of cancers compared to the general population. If you factor in the "healthy worker" effect, which means that firefighters are a generally healthier study group compared to the public, the rates are even higher.

The majority of provinces and territorial jurisdictions across Canada have recognized that firefighters are at an increased risk for certain cancers and heart injuries. The chart that I have included in the back here shows how Ontario compares to other jurisdictions across Canada. With the exception of Nova Scotia, Ontario lags behind all other provinces with respect to occupational diseases presumed to be the result of firefighting.

In 2007, with all-party support, Bill 221 passed through the Legislature, and amendments were made to the WSIB to include eight cancers and heart injury as presumptive occupational diseases for firefighters. We

certainly thank the government for introducing Bill 221 and we thank all MPPs for supporting that important piece of legislation. It was a very good start but fell short of recognizing all those occupational diseases that should have been recognized. We are now moving towards—and have received support from all three parties again—working to include the six more cancers necessary to cover those who have incurred an occupational disease as a result of their profession.

The six cancers that we have identified that need to be included within the regulations with respect to the legislation are lung cancer, multiple myeloma, breast cancer, testicular cancer, skin cancer and prostate cancer. I have attached a summary of each of the six cancers and their impact on firefighters.

We are here today to ask the committee to recommend in its report that the upcoming provincial budget include the provision of occupational diseases coverage for firefighters for these six new cancers. Further, we ask the committee to consider recommending that the government provide funds to assist WSIB with the financial impact on their unfunded liability as a result of coverage for the occupational disease relating to these six cancers.

I thank you all for your time and attention, and would be pleased to accept any questions that you may have.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you. Unfortunately, we are out of time; you cut it really close there. But thank you for coming. We've heard this presentation now three times and I think it's starting to sink in. You're starting to have the effect that you guys wanted to have. I think we've all understood it, and I want to thank you for being here today.

**Mr. Chris Francescone:** Thank you again, everyone.

#### OTTAWA MUSEUM NETWORK

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation today is from the Ottawa Museum Network—Laura Gibbs, executive director. If you'd like to come forward, Laura. Like everybody else, make yourself comfortable. Welcome to the committee. Like everybody else, you get 15 minutes. You can use that any way you like. If there is time left over for any questions at the end, it will go to the PCs.

**Ms. Laura Gibbs:** Okay, perfect. Good afternoon.

**Mrs. Jane McKenna:** Good afternoon.

**Ms. Laura Gibbs:** I'm Laura Gibbs. I'm the executive director of the Ottawa Museum Network. I know you met my colleague this morning from the Diefenbunker. She spoke specifically about a local community museum, and I'm going to bring some information to you today about the Ottawa Museum Network and how we work with the other museums in Ontario as well.

The Ottawa Museum Network is a group of 10 community museums in Ottawa. The Ottawa Museum Network specifically provides advertising and promotion for those museums, and we also work to do cost sharing and to realize efficiencies for the museums. We employ over

140 people in the network and we have almost 400 volunteers. We reach 180,000 visitors in Ottawa alone, and those visitors are primarily children and their families, new Canadians and seniors.

I wanted to tell you a little bit about the museums in Ontario. There are over 600 museums in Ontario. Those include art galleries, historic sites and museums, and they bring in 10 million tourists and visitors every year, so quite a substantial tourist group. We contribute \$562 million to the provincial economy every year, and together we employ 8,000 Ontarians, with 16,000 volunteers.

In a recent survey by the Ontario Museum Association, we found that over 90% of Canadians believe arts and culture are important and they feel like they're an essential part of a child's education. To that point, we have over one million school visits to the museums every year.

I'll just actually explain: In your packages I've included a presentation from the Ontario Museum Association, and while I'm not here on their behalf today, we work in close partnership with them, and as the Ontario government, I thought that it would be a relevant thing to include for you. So those are facts and figures from the Ontario Museum Association.

I wanted to talk a bit about the investment from the provincial government in museums and the impact that it's had in the sector. The Cultural Strategic Investment Fund has been a really successful program for us. The Ottawa Museum Network itself has had two grants through that program. One grant allowed us to partner with community health and resource centres to bring new Canadians to the museums, and for many of them it was their first visit to a museum ever. It was a very successful program. We've also been able to develop a membership card for all 10 of the museums, which makes it more affordable for people to visit the museums and it brings us in line with Nova Scotia and Montreal—

*Interruption.*

**Ms. Laura Gibbs:** Is that me?

**Mr. Peter Shurman:** Somebody who likes museums.

**Ms. Laura Gibbs:** Yes. Do you want me to continue?

**The Chair (Mr. Kevin Daniel Flynn):** If you can speak with that going, go ahead. If you want to wait, that's fine.

**Ms. Laura Gibbs:** Yes, is that okay? It's distracting.

**The Chair (Mr. Kevin Daniel Flynn):** Do you want to wait for five minutes?

**Ms. Laura Gibbs:** Sure, let's wait and just see what—

**Interjection:** If you need a motion, I move a five-minute recess until the alarm—

*Interjections.*

**The Chair (Mr. Kevin Daniel Flynn):** Okay. We'll recess for five minutes.

*The committee recessed from 1321 to 1328.*

**The Chair (Mr. Kevin Daniel Flynn):** Okay, let's call back to order. If members would take their seats.

We're joined by the Minister of Labour now, the MPP for Ottawa Centre, Yasir Naqvi. Welcome, Yasir.

Right now we're hearing from Laura Gibbs, who's the executive director of the Ottawa Museum Network, and I was just telling Laura she's got about 10 minutes left in the presentation. It's all yours again.

**Ms. Laura Gibbs:** Okay. I was just explaining how great the investment has been in the past couple of years from the province of Ontario, and what kind of impact it's had on the museums.

I spoke a bit about the Cultural Strategic Investment Fund, and we've also had really great success with the Museums and Technology Fund. A lot of our museums have been able to upgrade their websites or create new websites and keep up to date with technology. Even audio tours and apps and that kind of thing—we've been able to do those with that funding, which has been amazing.

We also receive the Community Museum Operating Grant. There's an envelope of \$5.3 million available for that fund, and 185 museums receive funding from that fund. It's really key funding—and it's operating funds, so they can use it for staff, they can use it for security, they can use it—it's quite discretionary. So that's really great for the museums.

These grants have really helped us put professional standards in place, and they've helped us professionalize the sector as a whole, across the province.

Our value: Just speaking from the Ottawa Museum Network, the city reported that for every dollar we receive, we actually create more than \$6 in leveraged funding from admissions or from other sources, which means we're really efficient and very lean organizations that are able to leverage that funding. We're also key partners with local businesses, universities and colleges. We work with BIAs, with community organizations, with schools, so we're really connected in the communities and we act as community hubs.

1330

We're really keen to work in partnership with the Ontario government to advance provincial priorities at a local level. I know you heard from Christine this morning that the project funding for the sector was cut from \$11 million to \$3 million, and we'll feel the impact of that next year. But that was project funding, so it really helped us advance priorities and develop new technologies and new business. Unfortunately, the competition for that \$3 million is going to be fairly fierce next year with more groups applying for less funding. I mentioned all those really great things we were able to develop. Moving into 2014, we won't be able to create as many jobs and we won't be able to create as much economic impact with less funding available.

We'd like to ask this committee to consider reinvesting the \$8 million back into the museum sector for the province. While we're not necessarily recommending that it goes back into the same project grants, we just recommend that it goes back into the museum sector for the sector to apply for it and to use it to advance museums across the province.

We are also really keen to work in partnership with the Ontario government, so we're keen to work with you on your tourism strategy and also to advise on how project grants would best serve the sector. I speak for the Ottawa Museum Network, but I know it's also an Ontario Museum Association sort of ask from this group, that we're keen to work in partnership with you.

That's it for me. Thank you so much for your time. I strongly encourage you to visit one of the museums while you're here in Ottawa. We've got a couple just around the corner, so hopefully we'll see you at one of the museums soon. Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Thanks, Laura. We appreciate it. We've got between five and six minutes left. Peter or Monte?

**Mr. Peter Shurman:** I just want to thank you very much for your presentation. We had a good presentation this morning on this. We understand the importance of this funding to you and we've made note of it, but there are no questions.

**Ms. Laura Gibbs:** Great. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** And you're good with that, Monte? Everything's good?

**Mr. Monte McNaughton:** Yes.

**The Chair (Mr. Kevin Daniel Flynn):** Perfect. Thank you very much for coming.

**Ms. Laura Gibbs:** Thank you very much.

#### OTTAWA REAL ESTATE BOARD

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this afternoon is from the Ottawa Real Estate Board. Duane Leon is the director of the board. Duane, if you'd like to come forward. Make yourself comfortable; get settled in there.

You've got 15 minutes to make your presentation. You can use that any way you like. If there's any time for questions this time around, they will come from the NDP.

**Mr. Duane Leon:** Good afternoon, ladies and gentlemen. My name is Duane Leon. I am an Ottawa-area realtor, chair of the 2013 government relations committee and director of the Ottawa Real Estate Board. I'd like to welcome you all to Ottawa and thank you for the opportunity to present today. Joining me are Tim Lee, president of the Ottawa Real Estate Board, and Valerie Powell, communications officer at the Ottawa Real Estate Board.

Ottawa realtors have three recommendations for the 2013 Ontario budget. I would like to begin with an issue many of you are familiar with.

Ottawa realtors are asking the province to amend the Electronic Commerce Act to remove the existing exemption for real estate agreements of purchase and sale. By removing the exemption from the act, electronic agreements of purchase and sale will benefit from the same legal protections afforded to other means of transmission. These protections will give both realtors and consumers the certainty that the electronic agreements they execute have the full force of the law.

What benefit would this amendment have for consumers? In short, consumers and realtors will be able to benefit from the use of modern technology, resulting in more efficient transactions.

To illustrate this point, I'd like to walk you through what an existing transaction looks like. At present, in order to complete a remote transaction, realtors must send an agreement as an email or fax. The consumer must print the document, sign it, scan it, then email or fax it back. If there are amendments to the agreement, this whole process must be repeated. The technology that supports electronic agreements of purchase and sale removes these steps.

Instead, it provides one central platform where buyers, sellers and realtors can initial, sign and amend an agreement online—no emailing, no scanning, no faxing and no travelling required. Transactions that used to take days or weeks to complete can now take minutes or hours. The same technology is widely used in the banking and insurance sectors, as well as the US real estate industry. In short, it has been tried and tested in other markets. In addition, both BC and Alberta permit the use of electronic agreements of purchase and sale.

Thanks to the efforts of our members and hardworking MPPs, this proposal has broad support amongst all three political parties at Queen's Park. Specifically, realtors would like to commend MPP Todd Smith and Ottawa-area MPP Yasir Naqvi for bringing forward a private members' bill on this issue. They have helped to raise awareness of a needless bit of red tape that has plagued our industry and the consumers we serve.

The Electronic Commerce Act was written when beepers, dial-up internet and fax machine were the latest and greatest tools for business owners. Today, smart phones, tablets and cloud computing have helped to make commerce much more consumer-friendly. We are asking the province to help realtors make our industry more consumer-friendly by modernizing the regulation of real estate e-commerce.

Next, we would like to discuss the issue of the municipal land transfer taxes. As you know, under the City of Toronto Act, Toronto is the only Ontario municipality with the power to levy a municipal land transfer tax. Unfortunately, for those who own a home or one day dream of owning, municipal politicians, led by the Large Urban Mayors' Caucus of Ontario, are investigating additional revenue-gathering powers, specifically the land transfer tax.

While it is attractive as a source of revenue for cash-strapped municipalities, the spread of the municipal land transfer tax will punish Ontario homebuyers and owners. The tax adds significantly to the closing costs for homebuyers, and therefore a small segment of taxpayers, to fund municipal services designated to benefit all citizens. For instance, in Toronto, average homebuyers pay close to \$12,000 in land transfer taxes, about half of which goes to the city. It's no wonder that people feel punished for just living in the city and might start looking to move outside of Toronto boundaries to avoid paying the unfair

tax. For example, a recent Ipsos Reid poll found that 75% of people in Toronto and the 905 region who are expecting to move are more likely to relocate outside of Toronto specifically because of the land transfer tax. It is not surprising then that nearly 70% of Torontonians support repealing the tax.

Mr. Chair, we know from a 2012 C.D. Howe study that the city land transfer tax reduced single-family home sales in Toronto by 16%. The study also found a similar reduction in household mobility. As a result, C.D. Howe concluded that reducing mobility might increase unemployment in places with MLTTs, starve firms elsewhere of employees, deter workers from switching to more productive jobs, and result in homeowners keeping homes they no longer desire. Simply put, the tax may force homeowners to tolerate living in ill-suited homes for longer than they would have otherwise. People who would prefer to move into a bigger house or closer to work often choose to stay to avoid the MLTT.

We also believe that homeowners deserve to be safe in their own homes. With that in mind, I would like to move to our final recommendation, that of a marijuana grow-op registry. You might have heard that unfortunately sometimes homebuyers fall victims to purchasing a home previously used as a marijuana grow operation—MGO—or clandestine laboratory. Often these homes receive cosmetic renovations to disguise their former use. As you can imagine, minor cover-ups won't eliminate considerable health threats due to mould and chemical contamination often present in such houses.

As realtors, we are obliged by law to disclose to potential homebuyers if a home has been used as a marijuana grow operation or a drug lab. However, our members' efforts to warn our clients are often hindered by owners who hide the fact that the home was an MGO.

**1340**

Realtors and homebuyers need a central, reliable and accessible registry of information about homes that were former marijuana grow operations. This registry should be non-public to protect property values, maintained by a reliable body and provide information that will give homebuyers piece of mind. Such a registry could be achieved by amending the Ontario Municipal Act to require municipal building officials to register remedial work orders on the title of former grow operations, creating a registry through the land titles system. The registry would come at no cost to the government and would allow realtors to inform their clients before they purchase a marijuana grow operation or drug lab.

We are happy to see that Ontario MPPs are becoming more open to the idea. For example, just this past week, the MPP from Ottawa–Nepean, Lisa MacLeod, introduced a private member's bill calling for the registry. Ottawa realtors applaud the introduction of this legislation.

Mr. Chair, the problem of marijuana grow operations is not going away, and research has demonstrated that Ontarians want to be fully informed about purchasing a home. In October 2012, the Ontario Real Estate Association commissioned a study by Ipsos Reid, which found

that 93% of Ontario residents want to know if a home they are planning to purchase was formerly used as an MGO or clandestine drug lab. The same research showed that 88% of Ontarians support the creation of a province-wide registry. Most alarmingly, though, one quarter of Ontarians reported seeing or knowing of homes in their neighbourhoods that have been used as a marijuana grow operation.

In conclusion, Ottawa realtors are recommending three courses of action in the 2013 Ontario budget:

First, that the province amend the Electronic Commerce Act to remove the exclusion for agreements of purchase and sale. This amendment would reduce red tape in the real estate industry, make transactions more efficient through the use of modern technology, and would be at no cost to the province.

Second, we urge the province to stop the spread of the municipal land transfer tax. This tax is bad public policy that hurts Ontario homebuyers and owners.

Finally, we encourage the province to create a former marijuana grow operation registry that protects homebuyers from the health and safety issues associated with former grow ops and clandestine drug labs.

Thank you. We are happy to take your questions.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Duane. We heard, from your colleagues in Windsor, a very similar presentation, and I think the questioning was done then by Michael. It's over to you again.

**Mr. Michael Prue:** It's over to me again, but I have the same—perhaps I've thought about it a little longer. Most of the evidence in Toronto is that there has been absolutely no effect on home sales. In fact, more people are living in Toronto and the growth rate is higher in Toronto than it is in the 905. I'm wondering: Other than the C.D. Howe Institute, do you have any evidence from the industry itself? Because houses are selling so rapidly. In the newspaper, two or three days, turnaround is average.

**Mr. Duane Leon:** There certainly is. We are certainly seeing in the Toronto area that homes still are moving fast, but the biggest sector that you're seeing that greatest movement in are the people who have been in existing homes and who would be reselling to make a move up, or maybe a move down. What you're going to see, what you'll find, is that the municipal land transfer tax will have the greatest impact on first-time homebuyers.

**Mr. Michael Prue:** But the homes appear to be selling. I don't know whether first-time homebuyers are buying condos instead, but there are more cranes on the Toronto skyline building condos and apartments than any other place in North America, and certainly all this has land transfer tax attached to it too.

**Mr. Duane Leon:** For certain. The only information that we have right now is just based on the C.D. Howe study.

**Mr. Michael Prue:** I sincerely doubt that that's correct. But you don't have any other?

**Mr. Duane Leon:** No, we're just going off of that information that was provided to us.

**Mr. Michael Prue:** Okay, I'll turn it to my colleague.

**Ms. Cindy Forster:** Just to follow up on Michael's question, in the city of Toronto, certainly, houses gain value at a much higher rate than they do across Ontario generally. I was actually just reading something this week that's predicting that housing values are going to increase somewhere around, but just below, 2% per year, except in Toronto or Vancouver—some of those major centres. By allowing municipalities to add a municipal land transfer tax, what would that impact be with respect to people realizing any new value in their homes when they exceed it, if they were required to pay this additional tax?

**Mr. Duane Leon:** For the person selling, it would not have as big an impact as somebody who would be buying. Right now, if we use the base sale of a home in Toronto being about \$500,000, they're looking at \$12,000 in land transfer tax in total on their closing cost. That is going to definitely have an effect on people looking to make a purchase.

**Ms. Cindy Forster:** Or to make any profit when they actually sell their home.

**Mr. Duane Leon:** Yes. Correct. I hate to use that article that people are referring to because the economists have not been able to predict the housing industry from one year to the next; how they are going to project the next 10 is beyond me. When I look at that, if we take that into consideration, and you take the land transfer tax and the costs associated with selling a home, if we are only going to anticipate a 2% increase in value year over year, there will be no increase in value by the time the homeowner does go to sell the property.

**The Chair (Mr. Kevin Daniel Flynn):** Michael, there's about a minute left.

**Mr. Michael Prue:** Rob Ford, the mayor of Toronto, ran on a platform of getting rid of the land transfer tax, yet now that he's in office he's finding that if he were to do that, he would have to increase general taxation to the whole taxpaying public by about 8% to match the same amount of money. Although he had a similar thought to the one that you're expressing here today, it has become impossible. Is that what you're afraid of, that once municipalities like Mississauga—because I know Hazel desperately wants this, and other municipalities—get it and don't have to raise general taxes, they will think that this is the best thing ever?

**Mr. Duane Leon:** Yes, that is our concern. We do not want to see other municipalities get this taxing power, because not only will it have a detriment on the home-buying industry—definitely one of the bellwether industries for the province of Ontario is housing. But if we start having certain municipalities that will have land transfer tax abilities, you're going to see people pushed further and further out of the city. All that's going to do is create a bigger demand on the smaller communities because people will be looking to move there, and then it will increase the demands on transportation and infrastructure.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Michael, and thank you, Duane, for being here today.

**Mr. Duane Leon:** Thank you.

## ECOLOGY OTTAWA

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this afternoon is from Ecology Ottawa. Graham Saul is the executive director. Graham, if you'd come forward; make yourself comfortable. Like everybody else, you get 15 minutes. Use that any way you see fit. If there's any time at the end, like you just witnessed, there'll be a little bit of a question-and-answer period. The questioning this time will go to the Liberal Party. It's all yours.

**Mr. Graham Saul:** Great. Thank you very much, and thanks to everybody on the committee for taking the time.

My name is Graham Saul. I'm the executive director of Ecology Ottawa. Ecology Ottawa is a grassroots environmental organization in the city of Ottawa that's focused on making Ottawa the green capital of Canada. We believe that there are hundreds of thousands of people across this city who share our basic objectives and values in terms of promoting clean air, clean water, clean energy, world-class park space, and compact town centres bustling with pedestrian and cycling infrastructure and connected by world-class public transportation.

We put a high emphasis on going out and finding those people and engaging them in a conversation about how we can work together to build the kinds of sustainable communities that we all want to live in. Last year, we knocked on about 40,000 doors to that effect, and we're hoping to knock on about 150,000 this year. We have about 20,000 supporters across the city, and our email blasts currently go out to about 8,000 people who support our work.

I am here to talk about three issues. It's primarily the first one that I wanted to highlight. The second and third are other issues that are important to Ecology Ottawa that I was feeling the need to mention.

Over the past 10 months, Ecology Ottawa has collected about 8,000 signatures on a petition calling on the federal and provincial governments to support the implementation of the Ottawa River Action Plan. In the two-pager that I've circulated, you can see the text of the petition.

**1350**

I myself have been spending a fair amount of time at the door, and when I get to the door and I say, "Hi, my name is Graham Saul. I'm here with Ecology Ottawa, and we're running a petition to stop the dumping of untreated sewage directly into the Ottawa River," I tend to get a pretty friendly reception from people at the door. When I go on to say, "Every year, over 400 million litres of untreated sewage gets dumped directly into the Ottawa River. The city of Ottawa has come up with a plan to stop that; it's called the Ottawa River Action Plan, and they've agreed to put up their fair share of the money. We're running a petition calling on the federal and provincial governments to come forward and put up their fair share of the money so we can stop dumping sewage into



our river. Would you care to support us?”, the answer is almost invariably yes.

I have bumped into a few people who didn't like the idea of stopping dumping untreated sewage directly into the Ottawa River, but the overwhelming majority of people have been very supportive of this petition when we've taken the time to ask them.

We've also taken the time to speak to leading representatives at the provincial and federal level here in Ottawa, including Minister Baird. There's a letter from Minister Baird that, I think, is being photocopied for you, and Minister Chiarelli. There's another letter from Minister Chiarelli on this matter to us, and our sense is that both are relatively supportive. In the letter from Minister Baird, he states that in the next infrastructure round of funding at a federal level, he will make this his number one priority in terms of engaging the city of Ottawa on infrastructure priorities. The letter from Minister Chiarelli—and the meeting with Minister Chiarelli—was very encouraging, but somewhat more equivocal in the sense that it states, “We will give this sincere consideration, but first the federal government must put up the money.”

Neither of those two levels of government have yet appropriated the money and agreed to move forward, and I'm here today to say that this is something the people of Ottawa want. The creation of the combined sewer-overflow tunnels has widespread support. It's a priority of the mayor. It's a stated priority of leading members of Parliament, and hopefully members of provincial Parliament. I would rather see the provincial government make an unequivocal statement that they intend to support this infrastructure project, rather than say, “We will consider it if the federal government comes forward and does so as well.” While this may or may not be a subject that you will be considering in the upcoming budget, I hope that you will, and I hope that you will show leadership on this issue and actively challenge the federal government to come forward with their share of the money rather than wait for the federal government to step forward first.

The second and third issues are ones that I have spent less time looking at from a budgetary perspective, and if you're interested in better understanding my sense of where the funding is at for the combined sewer-overflow tunnel at a federal level, I'm happy to talk to that if there's time, but two final quick things: First of all, in the speech from the throne, the government stated that, “Ontario will continue to be a leader in smart-grid technology and energy conservation, and see the creation of new-economy jobs through the deployment of leading energy efficiency technologies in our homes and in our businesses.

“It will also continue its work to end coal-fired energy generation, the single-largest climate change initiative currently under way in North America.”

Ecology Ottawa strongly supports this statement. There is no better way to replace dirty fuels than not needing energy. Reducing energy through energy conservation is a huge priority; we strongly support that, and

we hope it will be reflected in the budget. We also strongly support the phasing out of the coal-fired power plants and want to congratulate this government for moving forward on that commitment. We hope to see that happen soon.

We would also like to see the government continue with ongoing support—and, in fact, expand support—for the Feed-in Tariff Program, which we consider to be one of the best programs in North America when it comes to promoting the rapid expansion of renewable energy, and we have said so on numerous occasions. We hope that, rather than going forward with the refurbishment of nuclear power, the province will allow the feed-in tariff to do the work that we know it can do and rise to meet the challenges in terms of not requiring us to build more nuclear power, and instead expand our renewable energy production.

Finally, in terms of transit, the speech from the throne also said some positive things in terms of the emphasis on public transit, and we very much support that. We know this government has made investments in helping the city move forward with a major public transit infrastructure investment, and we very much appreciate that and acknowledge that.

In general, Ecology Ottawa's analysis is that you cannot solve the problem of traffic and congestion by building more roads and by widening existing roads. If building more roads solved the problem of congestion, we would have solved the problem 30 years ago. The only way we're ever going to meet the growing demand for people to get around is if we continue down the course of heavy and strong investments in accessible, affordable public transit—and if we begin to look at every street as a complete street where we analyze pedestrian and cycling infrastructure and investments in those infrastructure alongside the car. I would argue that no matter how many roads you build and no matter how wide you make them, you will just induce demand for more cars. If what we really want to do is get people around as fast as possible, we should be spending that money instead on public transit and pedestrian and cycling infrastructure. We very much support what we hope is an emphasis on public transit in the upcoming budget.

That's all. Thank you very much for your time; we really appreciate it.

**The Chair (Mr. Kevin Daniel Flynn):** Great. You have left quite a bit of time, Graham, about seven minutes for questions. We're going to Dipika, Soo—and did you have anything, Yasir? Let's start with Dipika.

**Ms. Dipika Damerla:** Thank you so much. It was a very interesting presentation. I just was curious because you did refer to it; can you give me some sense of what the numbers are going to look like? You said the municipality of Ottawa is willing to put up its fair share. I just wanted to know how that broke down and what the dollar value was for the sewage project.

**Mr. Graham Saul:** The original estimate for the combined sewer overflow tunnels—and just to back up a little, basically the problem is that in the downtown core

we don't have separate sewage and stormwater pipes. When you build a new development, you have one set of pipes for stormwater and one set of pipes for sewage. In some areas, it has been affordable to rip up the pipes and separate them. In the downtown core, it was built at a time when it was perfectly acceptable for people to dump their sewage directly into the Ottawa River. The amount of pipes underground that would have to be torn up is prohibitive from a financial perspective; it would take billions of dollars to tear them all up and separate the pipes.

When the system is functioning normally, all the sewage goes to the water treatment plant and all the stormwater goes into the river—which is a problem in and of itself but perhaps not as big a problem as the sewage. But when it rains, when there's even a very small amount of rain, what happens is, the water treatment plant's capacity to keep up with the stormwater and the sewage mixing—it doesn't have the capacity to keep up, so instead the system starts kicking the mixture of stormwater and sewage directly into the Ottawa River.

What the city is proposing to do is design what are called combined sewer overflow tunnels. These are basically large storage tanks underneath an area of the city so that when it does rain, instead of this stormwater and sewage getting kicked into the river, the stormwater will get kicked into these tunnels, and when it stops raining, the sewage system can then catch up and treat this. So it will not only help avoid sewage going into the river, but it will help avoid stormwater going in, which of course is also a cocktail of contaminants, because it picks up all of the heavy metals and oils and toxins that are lying around on pavement and sweeps it into the river.

The original estimate for the combined sewer overflow tunnels was \$150 million, and the city appropriated its \$50 million, or put it aside. The most recent estimates are \$170 million, as a result of an update that was put before the city just several months ago, a link to which is in the two-pager that I provided you today. The city reiterated its intention to move forward with the project and put up its fair share.

**Ms. Dipika Damerla:** Thank you. I think my colleagues have questions.

**Ms. Soo Wong:** Just to ask a quick question, on page 2 of your presentation to us you talked about clean energy and conservation. Can you share with us what would be a number—because I don't see any numbers here in terms of energy conservation—to address the issue of clean energy and conservation?

**Mr. Graham Saul:** That's a fascinating question, and I confess my knowledge of the details in relation to specific numbers for the second and third items is much less than the first, and I say as much in the third item.

**1400**

The question of what a reasonable number for energy conservation would be is a bit of a sliding scale. As long as you can demonstrate the negawatt, as long as you can demonstrate that you can actually spend less by saving energy than by investing in new energy infrastructure,

then you might as well spend as much as possible, and that's something that hasn't necessarily been mainstreamed in terms of our energy planning. I know that there have been experiments in terms of the wholesale retrofits of entire communities on aboriginal reservations and in many places in low-income communities; a huge amount of money can be spent in those areas. What it does is prevent you from having to spend an even greater amount of money on new nuclear power or other forms of energy.

While I don't have a specific number in terms of conservation, I think the more ambitious you can be, the better. As long as you can demonstrate that it costs less to save money than it does to produce more energy—which I think you can—then you might as well be making those investments rather than paying for new plants and power of any kind, including renewable. I'd much rather see you not need an extra 50 megawatts than 25 or 50 new megawatts of solar or wind.

In relation to renewable energy I think the real challenge is this: Are you going to spend a huge amount of money on nuclear power or are you going to, instead, spend money on conservation and allow the feed-in tariff to grow the renewable energy industry to the point where you don't need the nuclear power? I think right now, if you continue forward with the refurbishment and the new build at the nuclear level, what you'll be doing is basically sabotaging the growth of the renewable energy industry because you won't need the energy. The feed-in tariff has already demonstrated a capacity to generate the necessary amount of renewable energy.

In that, once again it's a matter of saving the money on nuclear power that you probably can't afford, and you don't build 10,000 years of storage management into the financial equation—so taking a life cycle analysis of that—and instead continuing with what's probably the best policy in North America when it comes to promoting the rapid expansion of renewable energy, and that just means making the resources available to allow the FIT to expand beyond the current glass ceiling that has been established by the energy forecasts.

**Ms. Soo Wong:** Okay. Thanks.

**The Chair (Mr. Kevin Daniel Flynn):** Okay, Soo. Final question: Yasir.

**Hon. Yasir Naqvi:** Thank you very much, Chair. I want to thank Graham for being here on behalf of Ecology Ottawa. Their very strong advocacy on the Ottawa River Action Plan—Graham is absolutely correct. This is a very important issue for the city of Ottawa. The city has already executed phase 1 of the Ottawa River Action Plan, which was funded in equal parts by all three levels of government. The total cost was about \$100 million. This is now talking about the second-phase cost, ranging anywhere from \$150 million to \$170 million, where all three levels of government need to come together and work together, as they did in the past with phase 1, and get this done.

Graham, thank you for your advocacy on this. Obviously, we need to continue to do our part on our end at

the provincial level to make sure that funding is available and reflected as soon as possible so that we can convince the federal government to come on board as well and get this plan in place so that we can stop dumping raw sewage in the Ottawa River.

**Mr. Graham Saul:** Thank you very much as well for your leadership on this issue. I am conscious of the fact that the government of Ontario spends, I think, 10 times more on infrastructure inside the province of Ontario than the federal government does. I hope that the federal government will be moving forward with its next round of infrastructure funding, because I'm confident that if they do, the provincial government will come forward and make sure this happens. I would just like to see the provincial government make a clear and unequivocal statement that they intend to finance it, rather than the more cautious one saying that they'll consider it in the future.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Graham, for being here today.

#### INVEST OTTAWA

**The Chair (Mr. Kevin Daniel Flynn):** Moving on, our next delegation is from Invest Ottawa. Margot Sunter? You're not Margot.

**Mr. Bruce Lazenby:** I'm the worst-looking Margot you've ever seen.

**The Chair (Mr. Kevin Daniel Flynn):** You can't fool me.

**Mr. Bruce Lazenby:** We can never fool parliamentarians here.

**The Chair (Mr. Kevin Daniel Flynn):** Well, if you would like to introduce yourself, sir, you've got 15 minutes, and you use that any way you see fit. If, at the end, there's any time for questions, we'll do that. The questions this time will come from the Conservative Party. It's all yours.

**Mr. Bruce Lazenby:** Great. Thank you very much. I am not Margot Sunter; I am Bruce Lazenby. I'm the president and CEO of Invest Ottawa.

Welcome, first of all, to Ottawa. As you know, Ottawa is the second-largest economy in Ontario outside of the GTA, so what happens in Ottawa matters to the province, and I think the fact that you're here is a good testament to your observations on that.

If you would indulge me, there are—from my Economics 101 classes—three ways to create wealth in the community, and I think we all understand why that's valuable. There are only three ways, interestingly. The first way is from people who live here selling to people who live here—auto dealerships, restaurants, for the most part. The chamber of commerce does a really good job of taking care of that group. In fact, the chairman of the chamber of commerce is on our board.

That's a hard group to grow. If you put in a new car dealership, you're not going to sell more cars; you're just going to take somebody else's car that would have been

sold at another dealership. So it's hard to really grow jobs in that environment.

The second is from the people who live here who sell to people who come here, so that's tourism. Again, we're all competing for pretty much the same tourists. We're not creating any more tourists in the world, so we're trying to get more than our fair share of those. In Ottawa, that's the Ottawa tourism commission. Noel Buckley is their executive director, and he also sits on our board.

The third way is from people who live here who sell to people who don't live here, and that's export. That is one place that we can grow dramatically in this province. Interestingly, in the case of Ottawa, we don't export a lot more than we do. If you talk to my counterparts in Kitchener-Waterloo, they'll talk about meat processing, call centres and technology. If we talk about Windsor, they'll talk about auto parts. In the north, they're going to talk about the Ring of Fire, minerals, resources, oil, gas, even timber in other areas. Not in Ottawa—no oil, no gas, no auto parts, no wind-processing plants, none of that.

There's very little manufacturing. But there is a good base of technology companies, and that is where we spend the predominance of our effort. We do that in three areas. We help create the spirit of entrepreneurship here in Ottawa. We take that spirit of entrepreneurship and turn it into young companies that can grow dramatically—one job this year, 10 jobs next year, 100 jobs a year after that. We also work hard to promote Ottawa as a location for foreign companies to come and locate. Ericsson, Avaya, Huawei and other companies that have come here have come here as a result of very aggressive efforts on my predecessor's part to bring them here.

What's the current status of that community in Ottawa? It's not bad; it can be better. I'm going to tell you some of the big things that are happening here that impact that whole area.

First of all, as you know, we are just recovering from the Nortel impact, and that had a very significant impact on the area, not only in terms of jobs but in terms of morale. There was some question about whether Ottawa could struggle back from that, and I'm pleased to tell you that the city has. A lot of the Nortel spinoffs are now hiring. When I talk to Ericsson and Avaya and Cisco and all those companies, they're all looking at hiring more people, but they're doing it slowly, one bit at a time.

Meanwhile, the federal government, of course, as you well know, has announced major layoffs. Thousands, we've already had; thousands more to come. We don't know how many. They haven't disclosed it and they're not likely to. But we do see the impact on our economy, and we do know that an impact is out there.

One of the things that's happening coincidentally that is not being well reported is the lack of federal spending locally. In the last quarter, the federal government spent \$200 million less locally than they had previously. That part of the downsizing, although it doesn't show up in terms of layoffs, actually shows up in terms of loss of impact on the economy.

Unlike 2008—the last time the feds went through a layoff—we’re not having a booming technology sector. So that puts us in a pretty difficult position: major layoffs from the feds; not as much capacity to absorb within the technology sector.

Similarly, we expect other government departments not to be doing hiring. We don’t expect the Ontario government, unless you’ve got some plans we’re not aware of, to start a massive hiring campaign. In fact, it’s likely going to at least maintain status quo, or some layoffs. The city is also under pressure from its taxpayers to reduce the size of its 15,000-person payroll every day. So we’re seeing more and more of that kind of pressure.

Meanwhile, we have a unique situation here in Ottawa, and that is that we have a competitor to the north that not every other city has. In fact, in Ontario, not any city is faced with what we have here, and that’s Gatineau. Across the river they have dramatically less expensive electricity for companies that do want to establish manufacturing and whatnot, where the cost of electricity is an important input to their product costs. That has a huge impact on us, and Gatineau has incentive programs that pale in comparison to some of the incentive programs that are available in Ontario.

This local copy of the Ottawa Business Journal, if you can’t read the headline, says, “Why the Ottawa Entrepreneur Crossed the River.” The answer, in a fairly extensive article, explains some of the reasons why it is. The reality is, we lose about a company a week to Quebec. If a company moves from Ottawa to Kingston, from your point of view, net-net, it’s still an Ontario job. When they move out of Ottawa to Gatineau, they move out of the city and all the tax revenues and employment opportunities go with it. That has been a problem that we’ve been facing as well.

#### 1410

So it’s not entirely surprising, although not very encouraging, when the Conference Board of Canada says that out of the 20 major cities in Canada that they reviewed, Ottawa is going to have the weakest growth for the next three to four years. That’s not a position we’re proud of and it’s not a position we’re prepared to accept, but it’s one that we currently find ourselves in.

So, what to do? Well, the first thing I’m happy to report is that we do have some very significant leadership at city hall. I think those of you who have been in government for a while will know that I think now what we’re seeing is things starting to happen here. The LRT is finally getting moving. The big Lansdowne project is finally getting moving. The creation of Invest Ottawa largely came out of the campaign platform of the current mayor, and that puts us in a pretty interesting position.

In fact, Invest Ottawa is unique in North America. We are the only city that has all of the economic development levers available to city government and to the province under one roof. So if you were to go to some other cities in Ontario and look for organizations that did what we did, you might find up to four or five different organizations. Having worked with them, the reality is they’re

different CEOs, different buildings, different mandates, often competing for the same funds, and so the level of collaboration is a little bit more difficult to achieve.

I’m pretty happy to say that we’re all in one building. The results of that have been, early on—because we just celebrated our first anniversary last week. Early on, the responses have been that we have been dramatically surpassing previous targets. The bottom line is that the Ontario government, which is an important funder of ours, has told us that we are the most efficient and effective with the funds that we’ve received under existing programs, like the SBEC program and the RIC program.

We have a good base to build on. We have about 2,000 technology companies here in Ottawa that employ about 75,000 workers. Let me put that into context for you: The city of Kitchener-Waterloo, very well known for its technology background, has less than half the number of companies and workers in this base than we do. I think, frankly, we haven’t done a good job promoting that recently; we’re going to try to fix that, but suffice to say that we’ve got a good base that we can build upon.

Our four colleges and universities—and I’m pleased to tell you that the presidents of those four colleges and universities personally sit on our board as well, so you’re starting to get the picture that the Invest Ottawa board is a pretty significant player, bringing all the right people together—represent 120,000 post-secondary students here in the Ottawa area. That is a dramatic number of students and another thing we can build upon.

You may also have heard that we recently helped create the Mistral venture fund. This is Canada’s newest VC fund, a targeted \$35-million fund that just made their first close. Interestingly, their first close was entirely private money, some of which was from China even. As part of that Chinese connection we had, we created the ZPark, a research park here in Ottawa. The Beijing ZPark is, believe it or not, 20,000 companies on 240 square kilometres, with 1.2 million workers and 100,000 PhDs. That’s the magnitude at which they work in China. We were able to convince them to open their second-ever research park outside of China in Ottawa. So you’ve got one in Silicon Valley and one here in Ottawa, and we think that’s going to be fantastic for companies that are eager to—and not just Ottawa companies. When word of this got out I was approached by several of my colleagues in other Ontario cities, asking if they could use that portal, if you’d like, to get Kingston, Toronto, Windsor and other companies through, into that connection in China, and we’ve agreed to do that. We’re looking forward to doing that.

The bottom line is that, faced with some challenges, we think that we’re well positioned, but we need a boost. That boost is part of what you see in the longer version of my notes, which you’ve got in front of you.

So three basic, broad asks or recommendations, if you’d like: The first is to use local organizations like ours—Communtech, FEDCO, KEDCO and others that exist I think have proven that they’ve got an ability to get things done. I know it’s often tempting to come up with

new programs, but I think what you're going to find is that some of the programs, like the regional innovation centre program and the SBEC program, are getting good bang for their dollars—not equally across all cities. Although it's hard to pick winners and losers, we think that you want to be able to put that money in places where you're going to get a good result, and we'd be happy to stack our numbers up against anybody else in that respect.

We think that they can be a good communication tool for you as well, reaching out to other businesses, and we're happy to play that role.

The second most important thing is capital. Access to capital is a real challenge, and if you look at the investment numbers in Canada and in Ontario, particularly over the last number of years, you're going to find that they're down across the board. At the same time, you'll hear every pundit talk about dead money. There's dead money sitting in the individual wealthy; there's dead money sitting in corporations. That money needs to get out and get active. It needs to get invested into start-up companies and invested into growth.

Tax policy and other incentives are important. I know there has been previous talk about investment tax credits, and that may be one way to go. I think there is, at the bureaucratic level in the Ontario government, some concern that that might not be the most effective use of it, but I strongly encourage you to think about that from an investment point of view. If, with a minor tweak on your part, you can free up hundreds of millions of dollars of private sector money to let private sector people do what private sector people do best, and that is invest in companies that are going to win, I think that's a smart way to go.

Number three, and arguably the most important, is talent. It is very clear to us that we're heading into a talent war, more likely in 2015 and 2016, where the availability of skilled labour is going to be a major issue. It already is, but it's going to get worse. And we're going to have places like Fort McMurray who are going to be coming down here offering unbelievable salaries to English-speaking workers who will move out to Fort McMurray and make a lot of money and leave their parents, like my son did. And I know a lot of others are going to be doing the same thing. It's pretty appealing to a 27-year-old to work 10 days on, 10 days off and make \$180,000 a year, as he told me from Costa Rica when he called last night. So that is a challenge that we all need to face, and I think there are some things that we can do.

I don't think the government needs to lead this entirely. One of the areas we can work on is in the area of co-ops. Co-ops have proven extraordinarily successful in finding a way to connect the best and the brightest. So many of our students are foreign-born, and we want them to grow deep roots here in Ottawa or in Ontario and to stay. Co-op has proven to be one of the best ways to do that. We think one of the best ways to do that is get businesses involved in that. The problem isn't finding co-op students; it's finding businesses. I think we can educate

businesses to do that. Talent is going to be a challenge we all need to face, and I think business can do it with you. And that ends my presentation.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. We've got two minutes left. Who's going to kick off? Monte?

**Mr. Monte McNaughton:** More just for interest's sake, what's the unemployment rate in Ottawa?

**Mr. Bruce Lazenby:** About 6.2%.

**Mr. Monte McNaughton:** And what percentage of the workforce in Ottawa is government?

**Mr. Bruce Lazenby:** Nineteen per cent of the workforce is in the community that I represent. So if you figure that 80% touches on the rest of local business, government and others, I will tell you that the largest employer is the federal government—

**Mr. Monte McNaughton:** Sorry. So what percentage of the people working in Ottawa work for a level of government?

**Mr. Bruce Lazenby:** Working backwards, I'm going to say close to 50%.

**Mr. Monte McNaughton:** It's half.

**Mr. Bruce Lazenby:** The largest employer is the federal government, the second-largest employer is the province, and the third, the city.

**Mr. Monte McNaughton:** I knew that. I just was curious. Okay. And then do you know off the top of your head what percentage work in high tech?

**Mr. Bruce Lazenby:** Twenty.

**Mr. Monte McNaughton:** Okay, that's what you're saying—the 19 or 20.

**Mr. Bruce Lazenby:** And that's a number we want to drive up, in whole numbers and in percentage. We're desperately trying to shed the image of a government town and get back to Silicon Valley north, which we were celebrated as a long time ago.

**Mr. Monte McNaughton:** How is Invest Ottawa funded?

**Mr. Bruce Lazenby:** Great question. We have about a \$7-million-a-year budget. More than half of that comes from the city. The city increased its participation by 30% a year ago and guaranteed that funding for three years.

**Mr. Monte McNaughton:** So the other three and a half?

**Mr. Bruce Lazenby:** About two point a little bit from the province, some from the feds and some from the private sector—about half a million a year from the private sector.

**Mr. Monte McNaughton:** But the majority is from different levels of government for Invest Ottawa?

**Mr. Bruce Lazenby:** Correct.

**Mr. Monte McNaughton:** No other questions for me.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you. We've only got a few seconds left anyway. Thank you, Bruce. Thank you very much for being here today.

**Mr. Bruce Lazenby:** Thank you.

STUDENT FEDERATION  
OF THE UNIVERSITY OF OTTAWA

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation is from the Student Federation of the University of Ottawa: Anne-Marie Roy, vice-president of communications. Welcome, Anne-Marie.

**Ms. Anne-Marie Roy:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** You've been there for a while, so you've seen what we're doing here. You have 15 minutes. You use that any way you like. If you do leave a little time at the end, the questions will come from the NDP.

**Ms. Anne-Marie Roy:** Okay, perfect. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** You get comfortable, and I'll start the timer when you start.

**Ms. Anne-Marie Roy:** Just so folks are aware, I will be doing part of my presentation in French also.

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Je commence par me présenter. Je m'appelle Anne-Marie Roy. Je suis la vice-présidente aux communications et la présidente élue pour la Fédération étudiante de l'Université d'Ottawa. Je suis aussi la présidente du caucus des étudiants francophones et bilingues de l'Ontario pour la Fédération canadienne des étudiantes et étudiants.

Hi, everyone. My name is Anne-Marie Roy. I'm the current vice-president of communications and incoming president at the Student Federation of the University of Ottawa, as well as the chairperson for the francophone and bilingual students' caucus for the Ontario component of the Canadian Federation of Students.

My presentation follows one that was held at 10 a.m. by two of my colleagues who are graduate students, so I will be going through recommendations 1 through 3.

I am here today because our post-secondary education system is in a difficult place at the moment, and as a consequence our students are facing a number of barriers on our campuses across the province. Ontario students pay the highest tuition fees in the country and have collectively accumulated \$9 billion in student debt.

Under the Reaching Higher framework, in place since 2006, tuition fees in Ontario have increased as much as 71%. Today, college students pay an average of \$2,526, while undergraduate and graduate students pay \$7,180 and \$8,041, respectively, for a year of full-time studies.

High tuition fees are the largest barriers to accessing post-secondary education and disproportionately affect those who cannot afford to pay up front. You may argue that the availability of student loans can offset the significant upfront financial barrier of high tuition fees. However, those who rely on loans end up paying more for their education because they have to pay back both the loan principal and accumulated interest after they leave school.

After the 2011 provincial election, the Liberal government introduced the 30%-off-Ontario-tuition grant. While additional funding for student grants is always welcome, the Ontario tuition grant is not truly 30% of tuition fees and was accessed by less than one quarter of

post-secondary students this past year due to its restrictive eligibility requirements. I'd also like to highlight the fact that, while the Ontario tuition grant was put in place, nine other grant and scholarship programs, including the Fellowship for Studying in French, were cut from the last budget, further removing financial support from students in need.

As a solution to alleviate the upfront costs of post-secondary education, students are calling for a new tuition-fee framework that would truly reduce tuition fees by 30% over the next three years for all students, regardless of their age, level of study, status as domestic or international student, course load or program. Additionally, we recommend that the Ontario government develop a long-term vision to further reduce tuition fees.

This is our first recommendation: We suggest, for year one, to reduce tuition fees by 17% through the reallocation of the funds dedicated to the Ontario tuition grant and provincial education tax credits. This proposition is cost-neutral. For year two, we would like to see an additional 6.5% tuition-fee reduction by investing an additional \$225 million in the sector. Another 6.5% tuition-fee reduction in year three would cost the government \$550 million.

In a context where 70% of new employment on the market requires a form of post-secondary education, I encourage you all to view this recommendation as an investment for the future of our province and economic well-being by ensuring we have a strong, highly skilled workforce in Ontario.

My second recommendation today is regarding access to post-secondary education in French.

Comme je l'ai mentionné plus tôt, la bourse pour étudiant en français a été coupée l'année dernière. Dans une province où nous avons un demi-million de Franco-Ontariens, nous avons seulement environ 22 000 étudiants qui poursuivent leur éducation postsecondaire en français. Je pense que ça démontre bel et bien qu'il y a une barrière très importante à laquelle font face les étudiants francophones dans la province. En fait, environ 77 % des étudiants qui graduent d'une école secondaire francophone et qui vont poursuivre leur éducation à l'université ou au collège vont choisir une institution postsecondaire anglophone, pas nécessairement par choix. Mais des recherches démontrent que les étudiants francophones qui poursuivent leurs études en anglais le font très souvent à cause de la distance. Donc, ce qu'on a découvert, c'est que les étudiants doivent faire le choix entre voyager pour poursuivre leur éducation postsecondaire dans la langue de leur choix et aussi couvrir les coûts additionnels qui viennent avec le voyage et le déménagement, en plus des frais de scolarité, ou tout simplement rester proche de leur domicile et poursuivre leurs études postsecondaires en anglais.

I furthermore strongly encourage the Ontario government to not only reinstate the Fellowship for Studying in French in the next budget but to engage in a province-wide discussion with francophone communities to better

evaluate how our province can meet the demand for accessible post-secondary education in French.

A recent report released by the province highlighted the fact that with a growing francophone population in the greater Toronto area, there is a growing demand for French post-secondary education in southwestern Ontario. While I appreciate that this report put forward the needs of Franco-Ontarians in southern Ontario, what about students coming from northern, rural areas? It is more than time for the Ontario government to take a closer look at the needs of francophone students across the province and come up with a strategy that would ensure we have access to a high-quality French education no matter where we are in the province.

The last recommendation I will be presenting is regarding the Ontario Student Assistance Program, OSAP. First of all, we believe that this program should be made available to part-time students. Many students drop their status to part-time not by choice but because they simply cannot afford the upfront cost of a full-time education, amongst many other reasons. Furthermore, Newfoundland, a province we can use an example, decided recently to eliminate interest, which ensures that all students are paying the same amount of money for their post-secondary education.

With the current system that we have in place with OSAP, I just want to use the example of a student who could only afford to make the minimum payment on their loan while reimbursing their OSAP loan. With the interest that would accumulate over the years, this student would pay an additional 30% of the overall cost of their degree because of this accumulated interest. This is a matter of social equity.

Before I end on this recommendation, I just want to take a quick moment to remind everybody that last Friday it was International Women's Day. When we're talking about equity, women are taking longer to pay back their student loans because we are still facing today some disparities with salaries. Women still only, on average, make 68 cents for each dollar that a man will make. We are three times less likely to find full-time jobs and three times more likely to work part-time. So evidently, this proposition is something that we should keep in mind for all of the women in the province but for the other students who are also facing financial barriers to access post-secondary education.

This wraps up my three recommendations that I was supposed to discuss today. Thank you very much for taking the time to hear me out today. I'm ready to entertain questions.

**The Chair (Mr. Kevin Daniel Flynn):** Great. Thank you, Anne-Marie. We've still got quite a bit of time left for questions—almost seven minutes. Michael or Cindy?

**Mr. Michael Prue:** This morning there was some discussion about the 30% that the government likes to stand up and talk about. Almost every question you ever ask them, they'll come back to 30% for students. But you said that only 25% of the students are actually eligible.

**Ms. Anne-Marie Roy:** Yes. There are so many restrictions with who is eligible for this grant: Part-time students can't access it; graduate students—there are a growing number of graduate students in the province also. International students can't access it, and students who are studying in professional programs—so teachers' college, law, medicine, engineering on some campuses. These are all professional programs, and these are all students who are not eligible for this grant.

**Mr. Michael Prue:** It was also said this morning that if it was just made universal, all students would see a 17% drop.

**Ms. Anne-Marie Roy:** Yes, exactly. If we took all of the money that's invested in the grant, but also the administrative costs, and we invested it directly in tuition fee reduction, we can reduce tuition fees by 17%. For the grant specifically, it's 13% across the board, but with the additional tax credits, which is part of our recommendation, we can reduce tuition fees by 17% across the board.

**Ms. Cindy Forster:** So when you say, "Take that money that was allocated in this year's budget," are you talking about the actual dollars that were allocated or the actual uptake of the dollars that were accessed?

**Ms. Anne-Marie Roy:** So you mean the dollars that the province dedicated for this grant?

**Ms. Cindy Forster:** Yes.

**Ms. Anne-Marie Roy:** Yes.

**Ms. Cindy Forster:** Not necessarily the dollars that were used because people weren't eligible.

**Ms. Anne-Marie Roy:** Yes, exactly.

**Ms. Cindy Forster:** Okay.

**Mr. Michael Prue:** I'm intrigued by this. So it wouldn't cost the government any more money. We could go ahead with this budget and say, "You've already earmarked this 30% for some students last year. You can take that exact same money without putting in an additional dollar and literally help every single student in the province."

**Ms. Anne-Marie Roy:** Yes. That's what we're saying.

**Mr. Michael Prue:** With no cost?

**Ms. Anne-Marie Roy:** Yes, that recommendation—the first 17% is cost control. The following two years, there would be a cost, but it is our opinion that it's definitely a good investment in the province to be investing in post-secondary education. But yes, the first portion of the recommendation, for the first year, the first 17%, is cost-neutral.

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**Ms. Cindy Forster:** I don't think I have any other questions, but I thank you for your presentation and I thank you for raising awareness of the inequities that still face women in 2013 in workplaces.

**Ms. Anne-Marie Roy:** Thank you. Also a fellow Wellander; I'm from Welland as well.

**Ms. Cindy Forster:** Oh, you are?

**Ms. Anne-Marie Roy:** Yes.

**Mr. Michael Prue:** If there is still some time? Eliminating the interest on the Ontario portion of OSAP's loans:

Have you done any cost analysis of what that would cost the government? Because we have to look at budgets, and if that costs \$20 million, we need to know that. Any idea what that might cost?

**Ms. Anne-Marie Roy:** I don't have exact numbers at the moment. On the other hand, I can definitely get back to you. There has been some cost analysis done on that.

**Mr. Michael Prue:** What are you being charged now? Are you being charged prime plus 1%?

**Ms. Anne-Marie Roy:** Yes.

**Mr. Michael Prue:** Prime plus 1%—that's what I thought it was.

Perhaps if the researcher can tell us what that might cost, that might be of benefit as well. How much that would cost, to allow the government to pick up the cost portion of the interest.

**Ms. Susan Viets:** So the interest portion on the OSAP loans?

**Mr. Michael Prue:** Yes. If it was interest-free—the repayment—how much that would cost the government on a yearly basis.

**Ms. Cindy Forster:** I have one more question.

**The Chair (Mr. Kevin Daniel Flynn):** Go ahead; there's time.

**Ms. Cindy Forster:** Are there any colleges or universities where you can actually access your entire education in French at this point?

**Ms. Anne-Marie Roy:** The University of Ottawa, Collège Glendon and Laurentian University are bilingual institutions. Collège Glendon is part of York University. Universities are going to claim that their programs are entirely in French, but as a student, for example, at the University of Ottawa, I've had to take courses in English either because they weren't offered or because there were no more spaces in the classrooms. Only about 75% of courses offered in English are also offered in French at the University of Ottawa. Even in the current system, with our bilingual institutions, there are some gaps that need to be addressed for francophone communities.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Anne-Marie, for coming today.

Apparently, there's rumours of white smoke in the Vatican, and also rumours that we may have—

*Interjection.*

**The Chair (Mr. Kevin Daniel Flynn):** It could actually be a Canadian Pope that's been elected. Interesting stuff.

#### THECODEFACTORY INC.

**The Chair (Mr. Kevin Daniel Flynn):** Let's move on with what we've got to do; TheCodeFactory Inc., Ian Graham. If you'd come forward, Ian. I know it's going to be tough to upstage the new Pope, but do what you can.

**Mr. Ian Graham:** Just when I show up, too. And we've never been seen in the same place.

**The Chair (Mr. Kevin Daniel Flynn):** Make yourself comfortable. You've got 15 minutes; use that any way

you see fit. If there are any questions, this time they will come from the Liberal Party.

**Mr. Ian Graham:** Sure. I had a presentation that I'd forwarded around, too. I don't know if everyone has that or not.

**The Chair (Mr. Kevin Daniel Flynn):** Yes. Is this it right here?

**Mr. Ian Graham:** Yes. We can go through that together. I have it here on my iPad, so we can flip through it. This is zoomed out, kind of at 40,000 feet, looking at entrepreneurship and innovation policy. That's what I thought would be a good way to look at it.

Socrates was a pretty smart guy, and I like his five questions, so I thought that's a good way to frame the discussion. One, who am I? Where is the economy going from a macro level? Why is the economy changing? What are we doing for innovation policy in Ontario today? In terms of how, these are policy issues that are important to myself and my constituents.

First, who are you? This is a standing committee; I did a little research on that. You're looking for observations, opinions and recommendations, so I'm here to offer those from my perspective.

Who am I? Now I'm on the "Who is Ian Graham?" slide. I'm the president of TheCodeFactory, which is an ethical business, a principled entrepreneurial organization. We're results-oriented and what I call a bootstrap business incubator. Our companies are self-funded and growing. We've actually created 20 jobs in our facility, which is just across the street, by the way.

To Bruce's point about funding being a challenge, definitely getting funding is a challenge. I would say the biggest challenge that early-stage businesses face is getting sales. You can't survive without sales. That's the number one thing. I also consider myself a start-up advocate, which is why I'm here promoting those bootstrap start-ups.

Next: "Where is the economy going?" I think there's little doubt that we're moving from an industrial economy to a knowledge economy. What that means is a significant change in terms of the way things are structured.

The next slide is, "Why is the economy changing?" I like policy and macroeconomics, and read a lot about this. These are all blog posts that I've written at some point or another, too. The first big change that I saw was what's called—and this is at the end of the industrial era—the decline and fall of the TV industrial complex. The TV industrial complex is a terminology coined by Seth Godin, who's a marketing genius, and that talks about the change from TV as the main medium of communication to the Internet as the main medium of communication. That's significantly different in how people sell and do business.

The second change is what I call business model migration. You can think of the old economy as companies like Nortel and large, hierarchical organizations. The new model is really different than that. Companies are flatter and distributed. They partner. There's no hierarchy. So the days of the hierarchy are going. You're see-



ing changes like that in things like the media. Newspapers: Probably five years from now, we won't have newspapers. They'll be all online, or they'll have migrated online. There are a lot of other industries like that.

What is happening, though, is what I call the rise of the micro-multinational. I see these companies—we have many of them working at TheCodeFactory. These are companies that have their head office either in Ottawa or elsewhere in the world. They have 10 to 50 people, but they're in 10 different cities. They don't need a big office; they just need space for a few people kind of thing. Those are huge changes.

What's happening now: I'd say the industrial economy is changing even faster, and we're getting what I call change accelerants. Localization is a big change. One of the first changes from hierarchy to ecology was the software industry. The same changes are happening in manufacturing today. Where you used to have large manufacturing organizations like Ford and GM and companies like those big hierarchical companies, manufacturing is coming back, but it's not going to be the same. It's going to be a lot of little manufacturers, manufacturing all kinds of different things, like 3D printers and fabrication machines. All these things are making local manufacturing possible, and with the high cost of energy, that's only going to happen more and more often.

The other thing that I see that concerns me is Japan-style slow growth. If you look at the North American economy and the demographics, when the boomers were at the bottom of the period, it created a lot of growth as they moved through the demographic chain. But now they're near the top, and the demographics are basically—it's no growth without immigration. That's going to be consistent.

The final thing is that the euro financial crisis is very concerning—more so than the American one. I've seen a couple of events put on in Ottawa by Canada 2020 that had Martin Wolfe and Larry Summers come in and talk. That's a crisis that hasn't been dealt with. Anyway, that's a whole other story.

The next slide is on what needs to change in terms of the Ontario innovation and entrepreneurship policy. I think the way the model is funded right now is it's what I'd call a top-down funding model. Typically, what you'll have is an organization making requirements of entrepreneurs, justifying their programs, getting money from the government, developing a program and then giving it to entrepreneurs. That's my observation on how the system works.

Bottom-up is a little different. I'm on the next slide now. Rather than go through a service delivery organization, if there's a way—IRAP is a good example of this at the federal level. Fund the entrepreneurs and innovators—those are the people who are going to drive innovation in the economy—and have them vote with their wallets for the service delivery organizations that they want to work with. I think that does a lot of positive things.

If you switch to the next slide, the innovation value chain, it shows a comparison of that value chain in terms of the top-down funding model versus the bottom-up funding model. The key points are: (1) In bottom-up, the entrepreneurs are the centre of the model, which I think is really important; (2) it's democratic. The entrepreneurs are voting for the organizations that they want to work with. It's more free-market, and the bottom-up model is really a lot more innovation- and entrepreneur-focused. I think those are really important distinctions between the two models.

In terms of “how,” at a macro policy level, I think the most important thing is for innovation ecosystems and support systems to be bottom-up rather than top-down. From a micro-policy level, I think an important thing is to enable entrepreneurs to fund their businesses.

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Actually, Yasir Naqvi was at TheCodeFactory recently, and one of our entrepreneurs said to him, “I just cashed in RRSPs, and I lost 35% of my money to the government.” I've done this myself, and it's huge. It's a huge burden to bear when you're trying to fund a business and you have to give away a third of that money that you could use for your business.

Second, at a micro-policy level, I think a really good thing is greater access to working capital loans. I don't know if there's a way to do this in Ontario. BDC is making some positive strides in this direction now, but freeing up working capital for entrepreneurs is a good thing. Industry Canada has a program called the Canadian Small Business Financing Program, which is loans that are backed by the government for 75% to 85%, and the entrepreneur pays 15% of it themselves. The thing with the Canadian Small Business Financing Program loan is that it's only for stuff: You can buy furniture and fit-up, but you can't fund salaries. A real challenge when you're starting your business, until you start to get sales, is funding your salaries, so both those micro-policy initiatives are around helping entrepreneurs fund their salaries early on.

That's it. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much. You've left a lot of time—our side. Dipika?

**Ms. Dipika Damerla:** Thank you so much for this presentation, Ian.

**Mr. Ian Graham:** You're welcome.

**Ms. Dipika Damerla:** It's very interesting. I'm just going to zero in on the first one that really caught my attention—

**Mr. Ian Graham:** Sure.

**Ms. Dipika Damerla:** —which was your proposal of tax-free cashing of RRSPs.

**Mr. Ian Graham:** Yes.

**Ms. Dipika Damerla:** The challenge with that is that, in the first place, you got a tax refund, right? That's the reason you pay the 35% back. Are you suggesting that that 35% is forgiven or—

**Mr. Ian Graham:** It's forgiven, yes.

**Ms. Dipika Damerla:** Oh. And only for entrepreneurs?

**Mr. Ian Graham:** The constituents that I consider myself to represent are early-stage businesses. So, yes. For people that are starting businesses, money is really hard to come by. That would be a good way to put money into the hands of people that are starting businesses. I think that's a difficult thing to—everything has challenges. Conceptually it's a good idea.

**Ms. Dipika Damerla:** It would be hard to administer, because how do I know whether X—who's coming and saying, "I put in RRSPs, I got tax back, and now I want to cash it in, but I want you to forgive the tax liability that I would have"—whether you're an employee or an entrepreneur? It would be very hard to administer.

**Mr. Ian Graham:** You couldn't be an employee and do that; it would have to be a founder of—

**Ms. Dipika Damerla:** But how does the government monitor?

**Mr. Ian Graham:** One, it's going to be a paid-in-capital loan to your business, so that's one way to check that the money goes into the business. Two, you could limit the number of withdrawals someone could make, dividends they could pay to themselves or something. I think there's a way to do it.

**Ms. Dipika Damerla:** And would you have an idea of how much that would cost the treasury?

**Mr. Ian Graham:** No idea at all; none.

**Ms. Dipika Damerla:** Okay. That was my main question.

**Mr. Ian Graham:** It would depend on how many people would do it and stuff, too.

**Ms. Dipika Damerla:** Yes, so that would be the other challenge, right?

**Mr. Ian Graham:** I don't think that much, but I think the thing is that it would make a really big difference for those little companies.

**Ms. Dipika Damerla:** All right. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Soo?

**Ms. Soo Wong:** Thank you very much for your presentation. I'm just curious: With regard to your micro-policy, you mentioned innovation tax credits. What number are we looking at?

**Mr. Ian Graham:** Sorry; everyone wants numbers. I don't know the numbers. I'm more pitching the concept rather than the math behind it.

**Ms. Soo Wong:** Okay. Do you know which provinces have this innovation tax credit?

**Mr. Ian Graham:** I don't think any do right now. These are new ideas, that I don't know that anyone is doing.

**Ms. Soo Wong:** Okay.

**Ms. Dipika Damerla:** Actually, Soo, if I can follow up on that: How would this be different from the SR&ED credits that we have?

**Mr. Ian Graham:** SR&ED credits are R&D tax credits, so SR&EDs pay back on salaries when you're doing R&D.

**Ms. Dipika Damerla:** So how is this different conceptually?

**Mr. Ian Graham:** A working capital loan wouldn't have to be used for just R&D.

**Ms. Dipika Damerla:** Sorry, I'm talking about the innovation tax credit.

**Mr. Ian Graham:** The innovation tax credit is just—the idea is how to fund from the bottom up. It would be more some kind of credit that's given directly to the entrepreneur that they can use to purchase programs in the innovation ecosystem.

**Ms. Soo Wong:** Okay. Thank you. Thanks very much.

**Mr. Ian Graham:** Okay. You're welcome.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you. Thank you very much for coming.

**Mr. Ian Graham:** Thanks very much for taking the time to listen.

**The Chair (Mr. Kevin Daniel Flynn):** Very interesting. Thank you.

#### SAINT PAUL UNIVERSITY STUDENTS' ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation is Sean Maguire from the Saint Paul University Students' Association. He's the VP external. Sean, have a seat; make yourself comfortable. You have 15 minutes. Any time for questions at the end will go to the PCs.

**Mr. Sean Maguire:** Okay. Thank you, Mr. Chair.

As you mentioned, my name is Sean Maguire. I am the vice-president external of the Saint Paul University Students' Association. The irony that there might be a new pope while the guy from Saint Paul University is—it's not lost on me.

**The Chair (Mr. Kevin Daniel Flynn):** We thought you'd have some insight.

**Mr. Sean Maguire:** I represent the approximately 600 students who attend Saint Paul University here in Ottawa. I want to welcome you to Ottawa and thank you for taking the time to engage citizens and groups in these pre-budget consultations.

I understand that you have heard from other student associations in the Ottawa region earlier today. We are all members of the Canadian Federation of Students. I can tell you that their issues are also our issues, but I think you will be hearing different issues as well from me as I go through my presentation.

First, I would like to note the concerns that we have with the government's 30%-off grant program, which I heard you talking about earlier. I think a brief outline of our membership profile will outline some of the issues we have with the program.

In the fall of 2011, there were 601 degree-seeking students registered at Saint Paul University. Of these, 261 were full-time graduate students, 69 were part-time graduate students and 85 were part-time undergraduate students. They are all, by definition, ineligible to receive the 30%-off grant. Of the remaining 186 full-time under-

graduates, 14 were international visa students who are also ineligible to receive the grant. Of the remaining 174 Canadian full-time undergraduates, we would need to exclude those with family incomes over \$160,000 and those who forget to apply for the grant, despite the efforts by the ministry, our university and our student association—we wallpapered the university, getting people to apply for the grant—and, of course, people from out of province—and we are in Ottawa, so there are a number of students who come across the river from Gatineau.

Most significantly in our case, however, would be the need to remove those who are more than four years removed from high school. In 2010, the university reported that the average age of all students at Saint Paul was 37 years old. While graduate students are part of that statistic, the reality is that there are relatively few students at Saint Paul who are between 18 and 22 years old, the target age of the grant. Given the low proportion of SPUSA's membership who are eligible for the grant, SPUSA recommends that the 30%-off grant program be transformed into a direct-funded tuition reduction across the board.

Second, I wanted to mention the need for increased funding for the Ontario Graduate Scholarship Program. This program is the definitive tool that the government has at its disposal to retain the best and brightest to stay in Ontario and pursue graduate studies. Given that tuition fees for graduate students are the highest in Canada, increased OGSs are needed more than ever to keep these students and their future economic potential here in Ontario. SPUSA recommends increased funding be allocated for Ontario graduate scholarships.

Third, I wanted to briefly mention that this year, SPUSA joined the other Ottawa student associations and signed on to the city of Ottawa's U-Pass, with an 86% majority vote with very high participation among full-time students. With increased participation in these U-Pass initiatives across Ontario, students are putting their money where their mouths are in supporting public transportation in our urban areas. SPUSA recommends that the provincial government continue to support our public transportation infrastructure needs.

Fourth, SPUSA would like to suggest that the finance committee consider the idea of part-time Ontario graduate scholarships. Currently, these scholarships are reserved only for full-time students at Ontario universities and are allocated on the basis of merit, as defined by current grades, the student's research proposal and letters of support from previous instructors. We would like to point out that good ideas can come from life experience as well as from previous academic training. Part-time graduate students who have excellent academic records and superior research proposals should not be excluded from merit-based financial support. Thus, SPUSA would recommend that the provincial government consider a pilot project where a small amount, say \$1 million, is provided to one or two universities to run an internal OGS competition exclusively for part-time students. The scholarships would be proportionately smaller, of course, but would

still support part-time graduate students as they pursue their valuable research.

Fifth, a number of our members have expressed concern about equity issues within the post-secondary education sector. For the purposes of this committee's considerations, these include a lack of equity-based financial assistance and of a designated equity office on our campus. SPUSA recommends that the provincial government ensure that equity services are available at all campuses in Ontario, and that consideration be given to targeted financial assistance for specific disadvantaged groups.

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I would like to conclude with two issues related to students living on campus in residences. It being tax time, of course, some of our members wanted to ask about the application of property tax credits to students living on campus. Subsection 8(8) of the Income Tax Act stipulates that the occupancy cost for students in residence be deemed to be \$25. This provision has been in place since at least 1996 as best we could determine, and possibly earlier. Whatever the basis for that credit was when it was inserted into the Income Tax Act, the value of it has clearly eroded over time. SPUSA recommends that the dollar value of that tax exemption be reviewed and that the Income Tax Act be amended to better reflect the real dollar value of that provision from the period when it was implemented.

However, this also raises a larger question about property taxes and rents. It is our understanding that universities are generally exempt from paying property taxes for buildings, including residence buildings. It is on this basis that subsection 8(8) exists, to provide only a nominal occupancy cost for the purposes of income tax credits. The government shouldn't give a tax credit for property taxes that it is not raising from on-campus buildings. At a certain level, that makes sense. The problem from a student perspective is this: Most universities charge market rates for rent. In so doing, universities charge rent that in the private sector implicitly includes property taxes. So students residing in residence buildings pay market rents but are unable to claim a portion of their rent as a tax credit by virtue of subsection 8(8) that I was talking about earlier.

SPUSA recommends that the committee study the application of 8(8) and the larger issue of the property taxation status of university residences that simultaneously charge market rate rents to students while benefitting from a property tax exemption.

My last point: The Ontario Residential Tenancies Act sets out the rights and responsibilities of landlords and tenants who rent residential properties in Ontario. However, many of the rules in the act about rent do not apply to college and university residences, with the exception of rules around maintenance and eviction. College and university administrations have typically been against having student residences covered under the act and have claimed that omitting residences from the act is for the protection of students. Administrations have also used the omission of residences from the act to justify imple-

menting intrusive instruments like non-academic codes of student conduct. Students who live in college or university residences do not have adequate legal protections because they are omitted from much of the act. For example, they do not have the option of bringing claims to the Landlord and Tenant Board if they encounter problems with the operation or safety of their residence. Students may also be requested to vacate their residences between semesters—for example, over Christmas—something which would be very difficult to impose on residents if student residences were covered by the act.

SPUSA recommends that the provincial government consider the feasibility of more fully applying the Ontario Residential Tenancies Act to university residences.

My thanks to the committee, and I wish it well in its ongoing pre-budget consultations. You are almost done your day. Congratulations. If I have time, I will be happy to take questions.

**The Chair (Mr. Kevin Daniel Flynn):** Well, you have quite a bit of time, just over six minutes. Peter?

**Mr. Peter Shurman:** Thank you, Chair, and thank you, Sean, for a good presentation—not the first we’ve heard of your type of presentation, you’re correct. You amplified on some points others made, but I’m going to have the same conversation with you—and that’s what this is, a conversation—about some of the points that you’ve raised.

I’m concerned because of the financially precarious situation that the province finds itself in—and you’re aware of that—with the recommendation that has come from you and other student-group representatives, which in effect looks at money as most groups do: It’s a panacea. “We’ll throw money at this problem. What we’ll do is, we won’t take this 30%,” which my party has addressed on a negative basis anyway. So I’ll dismiss that. But we take whatever money is available, and we give it to everybody. We give it to everybody on the basis of whatever they choose to do with it, i.e., if you are 37 years old and you’re a student, you’re entitled to it, and if you’re 18 years old and going into an undergraduate program, you’re entitled to it.

I understand your point, on the one hand. On the other hand, there are people—and I’ve had them in my family—who like to be perennial students: “Well, you know, I’ve got my BA. Now I’ll go and get a law degree. Gee, I think I’d like a PhD.” I have somebody in my family like that; at the end, he also decided to become an engineer. He has all those degrees and he works for government, so go figure, but that’s an aside.

My point in talking about this is, what I’d like to see provincial money go for is to maximize a person’s education in a field of endeavour that they’ve chosen that would be productive to them and productive to society in a short period of time. One of the things that we’ve done in studying the situation—and we have studied it, with professionals from your sector, from the teaching sector, from the student sector—is to discover that people are making choices, sometimes being pushed by parents, to go and get a university degree and then finding that that

university degree doesn’t have as much merit in going out into the job market as might a degree they could get from a community college, so then off they go to a community college. So now we’re six, seven, eight years into an education before somebody goes out and becomes gainfully employed.

I’m supposed to, as a representative sitting on the finance committee, support underwriting that. I have a hard time with that, given what we’re up against. I’d rather see somebody go and get an undergraduate degree in three years in a community college, and if they do want to make a professional choice, do that then. How do you react to that?

**Mr. Sean Maguire:** There are so many hats I could wear on this, because—

**Mr. Peter Shurman:** Well, I rambled for a bit; forgive me for that. You can ramble if you want.

**Mr. Sean Maguire:** That’s fine. It’s just that I may actually be one of those students you were talking about, because I have a couple of degrees as well, and I’m about to get another one. I’m also a parent, and I have three kids.

**Mr. Peter Shurman:** As am I.

**Mr. Sean Maguire:** I’m also looking at it from that perspective as well.

You’ll notice—and it’s maybe a little bit subtle—that our recommendation differs slightly from at least the one that I heard earlier, which was 30% off tuition for everyone. Ours is, take the 30%-off grant and only the 30%-off grant.

**Mr. Peter Shurman:** Sorry; I’m not hearing you well.

**Mr. Sean Maguire:** Sorry. Our recommendation is to take the 30%-off grant and transform it, and only it, into a direct-funded tuition reduction across the board, so it’s—

**Mr. Peter Shurman:** For everybody, no matter who or from where.

**Mr. Sean Maguire:** Absolutely, but the problem with the current—which was the point of me breaking down the numbers at our university—is that it’s almost too focused right now. From my perspective, as a student association, I got it down to 174 students as the theoretical maximum. But given out-of-province and the demographic of our student association, my guess is 50, and it’s only a guess. The ministry would know much better than I how many students at my university got the grant. So I’m in a situation of 600 members, and 50, maybe 100 on the far outside, in my opinion, are getting the grant and 500 or 550 are not getting it.

**Mr. Peter Shurman:** Maybe I can get you to focus a little bit. Why is it that you come before us, and other people speaking on behalf of student bodies come before us, and say, whether it’s a reduction in tuition or whether it’s extending the 30% to everybody—however you want to slice it—why would you say that the same thing should apply to an international student or an out-of-province student, or every student, where some come from wealthy families and some don’t? Why would you make it absolutely across the board instead of targeted?

**Mr. Sean Maguire:** I get the case for targeting; I'm just saying it's too targeted. To put it another way, I actually understood some of the restrictions, but in their totality, it was just too much for me to get—

**Mr. Peter Shurman:** So if I was to be able to push you a little bit against the wall and say, look, if we really were going to take a look at tuitions, however we do it—whether we retain the 30% grant that the government extended or whether we look at it another way; whether we decide to increase student funding in some other way—you could accept targeting if it were a broader form of targeting. But this kind of “across the board” that you talked about—you used that phrase, and two other groups used that phrase. Across the board: I don't see it.

**Mr. Sean Maguire:** In my opinion—and you have yours, of course—it's a better alternative than over-focusing. We're on two sides of, I won't say a fence—

**Mr. Peter Shurman:** I hear what you're saying, but I also hear from Ontario families a lot. I think if I said to Ontario families, “Do you want everybody to get a reduction in their tuition, or do you want us to focus on Ontario-based kids first?”, they'd say, “I want you to focus on Ontario-based kids first.”

**Mr. Sean Maguire:** Okay.

**Mr. Peter Shurman:** Thank you very much, sir.

**The Chair (Mr. Kevin Daniel Flynn):** Any other questions? There's about a minute left. Nothing?

Thank you, Sean, for coming today. Thanks for your presentation.

**Mr. Sean Maguire:** Thank you.

#### VHA HEALTH AND HOME SUPPORT

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenter today is Valerie Bishop de Young. She's the executive director from VHA Health and Home Support. Valerie, if you'd like to come forward. Make yourself comfortable. Like everybody else, you get 15 minutes of time to use any way you see fit. If there is any time at the end, it will go to the NDP this time.

1500

**Ms. Valerie Bishop de Young:** Good afternoon and welcome to Ottawa. Thank you for the opportunity to appear before the committee and provide you with the perspective of VHA Health and Home Support.

We're a not-for-profit home and community support provider. We were started in 1958 by a group of community-minded volunteers who were concerned about the care and the well-being of physically disabled and frail seniors in Ottawa. Fast-forward to today: VHA continues to strive to meet the needs of the vulnerable in our community. We provide personal support service, home support service and attendant care outreach service. That is targeted to the physical care needs of people with physical disabilities.

Additionally, VHA owns and operates a registered private career college that is approved by the Ontario Ministry of Training, Colleges and Universities. We train adults in the personal support worker certificate program.

PSW training is the standard for care in the community and in long-term-care facilities. VHA is a member of the Ontario Community Support Association, a network of agencies providing community care to over one million Ontarians every year.

What is our economic impact? VHA serves about 2,500 patients, or clients, as we refer to them, each year. Our clients are mostly frail seniors. All have at least one chronic condition; many have up to four. VHA contributes to the community's economy by employing over 300 people. We offer competitive compensation, including a pension plan. We believe home care is a career, and employees should be able to consider it as such.

The services provided by VHA, home and community support services, give the government the best value for the investment. Dollar for dollar, community support services are significantly less costly than a hospital or a long-term-care facility. And community support services keep people where they want to be as they age: in their own home within their community.

My aging parents suffered some significant health setbacks this past year. They would do well with nursing care, laundry and meals offered at a seniors' facility. So after my father's stroke and my mother's back surgery, they went into a seniors' facility to try it. Their only complaint was that they rarely saw a young face—lots of smiling seniors; lots of ambulances. People went out; some people came back. But there wasn't the activity and the exuberance of the street and the community that they had lived in for so long. So they opted to leave, and they're at home now on their own. They do enjoy one community support service that helps them with some home cleaning, but they're on a wait-list for transportation assistance. My father can't drive anymore; nor can my mother. So I'm pretty connected to that kind of service here in this community, and I can't get it for my folks because there are wait-lists. But they're happy in their community.

The fiscal conundrum: You people could probably tell me about this than I. An aging demographic—it's not a tsunami but it is upon us, and it will continue to grow over the next 20 years. Medical science has advanced such that people with disabilities are living longer, and they're part of our 65-plus population.

We're not aging as well as we could. The prevalence of obesity and chronic diseases suggests an increasing toll on our health care system in years to come. The aging demographic will be a challenge for any provincial government, regardless of party affiliation.

Community support services are a great investment. A progressive, modern health care system keeps people healthy and connected in their homes, not sick and isolated in institutions. Complex care supports can be achieved in the home. Home and community care is the efficient, effective answer. Community care is lower than hospital- or facility-based alternatives. Family caregivers are invaluable to the health care system, so caregivers need the relief and respite that can only be provided by community support services.

The response: We're very conscious of the government's health care objectives to deliver efficient, quality health care services to help prevent people from getting sick and requiring more acute care. And these are the objectives of the home and community sector. Care in the community is the optimal health solution. It's efficient and flexible. It allows people to remain in their own home for as long as possible, as independently as possible. The health system and the government recognize this and are relying on community care. But community support services remain underfunded in favour of the more expensive alternatives.

Our request—we have three of them: modest, targeted funding for community-based health services, and that is a justified long-term investment. We would like to see the government maintain a commitment to increase funding by 4% to community support services in this year and in the next two years. This was a recommendation of Dr. Samir Sinha in his report to the Ministry of Health and Long-Term Care, and we fully support it.

Cost-of-living funding to support the community support infrastructure: Just as our cities and their infrastructure is wilting, so does an organizational infrastructure. Utilities, equipment, insurance, information technology—these do not know any funding limits.

We suggest that the wage freeze that is impacting personal support workers and other workers in this sector is an unintended consequence of a larger mission. We'd like to see that lifted, please. Community support service workers are among the lowest paid, and we depend a lot on them and we're going to need them more and more in the future. With respect, the wage freeze is counter-productive to health policy goals.

The provincial government is counting on the community support sector to meet the needs of an aging demographic. We are here and we are ready and we want to be as capable as we need to be. We can do it with considered investment. As an Ontario taxpayer, I believe that this money would be well spent and wisely invested.

Thank you for the opportunity to share our views. You have my contact information on the last page of my submission. I welcome any questions you may have.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much. Great use of time. We're going to the NDP. You've got about eight minutes.

**Ms. Cindy Forster:** Thanks for your presentation. So what is the average wage of a personal support worker in the community sector?

**Ms. Valerie Bishop de Young:** The average wage is somewhere around \$14, and that is raw wage. Some organizations provide benefits—very few organizations. I believe there are maybe two or three that offer a pension plan. We actually pay higher than that.

**Ms. Cindy Forster:** What percentage of that workforce is part-time?

**Ms. Valerie Bishop de Young:** It's a very casualized workforce right now, very much so, and that is because they're working in two or three different places in order to make a living. Long-term-care facilities pay more.

**Ms. Cindy Forster:** And what percentage of the community agencies where these personal support workers work are non-profit versus for-profit?

**Ms. Valerie Bishop de Young:** All of the ones that are funded by the government as community support services are not-for-profit. Those that work through the CCACs—it's a combination.

**Ms. Cindy Forster:** Now, when you talk in your (b) ask here, cost-of-living funding to support the community support infrastructure, you're talking about supporting the agencies in modernizing their technology and—

**Ms. Valerie Bishop de Young:** Yes, for many years—the hospitals always get sort of base blanket funding.

**Ms. Cindy Forster:** Right.

**Ms. Valerie Bishop de Young:** For many years, community support services did not. Through the 1990s and up until the—sporadically through this generation, this decade, we've received some moderate cost-of-living increases, but certainly it's hardly enough to keep going.

We recognize the fiscal challenges. This year, there was no base funding—targeted funding only to specific services, to specific programs. It's fine now but it's going to erode, and we're not going to be there in the numbers that are needed over the next 10 to 20 years.

**Ms. Cindy Forster:** What's the turnover rate for personal support workers amongst the agencies?

**Ms. Valerie Bishop de Young:** In my organization—but we pay benefits, pension, and we pay higher—we have a very low turnover rate: less than 6%, I believe. For others, there's a constant churn.

**1510**

**Ms. Cindy Forster:** We certainly heard that when personal support workers, through their union, had their lobby day at Queen's Park. We had some personal support workers who told us that they actually could make more working at Tim Hortons than they could looking after the most fragile and vulnerable under their care. Although they hated to actually leave that job, they had to, because they actually couldn't support their families on casual wages and then have to put gas in their vehicle that they weren't compensated for and perhaps drive an hour to do a 30-minute or a one-hour visit—all of those kinds of things that truly impact the quality of their work life as well as their home life.

**Ms. Valerie Bishop de Young:** Absolutely. While they're at Tim Hortons, they're not caring for our loved ones.

**Mr. Michael Prue:** Your last argument here is intriguing, that the employees of community support services should not have their wages frozen. We hear a lot about this in the Legislature, particularly from my colleagues in the Conservative Party wanting to freeze everybody's wages for two years. Why is it counter-productive to freeze the wages of people who make \$12 an hour or \$14 an hour?

**Ms. Valerie Bishop de Young:** Because it's so low. The freeze has impacted everybody from the hospital CEO all the way down to the lowest-paid worker. That's

not productive. They are, in fact, going off to Tim Hortons. They're going off to Walmart. They'll go anywhere else they can. You end up with a fragmented workforce, if you have a workforce at all.

If there's a wage freeze, a salary freeze, target the salaries that you want to target. But a wage freeze that hits the lowest common denominator leaves us with no functionality.

**Mr. Michael Prue:** So what you're saying is that it may be all right to target those who earn a pretty fair buck, but not those who work at pretty much subsistence level.

**Ms. Valerie Bishop de Young:** I would say, do not target anyone who provides direct care. That means that your freeze would continue to stand for everybody in administration, for every CEO, for every executive director. But direct care is where you need it.

**Ms. Cindy Forster:** Is part of the issue of wait-lists—I know part of it is that the overall budget isn't large enough to actually hire the workers to provide the care that's needed. But is part of that also the low wage bracket and the inability to attract more people into this area?

**Ms. Valerie Bishop de Young:** Recruitment and retention are a definite challenge, yes. Base funding will allow for people to be more creative.

Community support services are among the most transparent organizations you'll find. We have to report line by line. There is little, little variability. Hospitals have global budgets. I realize there's some tightening up on that, but it's still very global. Long-term-care institutions are similarly run. Community supports are your best bang for your buck. You know exactly where every dollar is going.

**Ms. Cindy Forster:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Valerie, for being here today. We appreciate your presence here.

**Ms. Valerie Bishop de Young:** Thank you.

#### SPINAL CORD INJURY ONTARIO

**The Chair (Mr. Kevin Daniel Flynn):** We're down to the last two of the day. The next one is Nathan Hauch from the regional spinal cord injuries solutions alliance, who is the regional spinal cord injuries solutions alliance's coordinator. Nathan, if you'd like to make yourself comfortable. Like everybody else, you get 15 minutes. Questions this time will come from the Liberals.

**Mr. Nathan Hauch:** Thank you very much. First of all, I'm hard of hearing, so I'm wearing the headphones. That way, I'll be able to hear you better and so forth.

Just before I begin, I would just like to let you know that I have a verbal copy of my presentation that's being submitted to you as well as a submission jointly through the Ontario Community Support Association. We give more as an appendix and a more detailed breakdown of a portion of our ask here today.

First and foremost, my name is Nathan Hauch, and I'm here on behalf of Spinal Cord Injury Ontario, formerly the Canadian Paraplegic Association Ontario. I do coordinate our regional solutions alliances, and we partner with our provincial partner, which is also affiliated with the Ontario Neurotrauma Foundation. Broadly speaking, we are a network of consumers—people with spinal cord injuries—researchers, service providers and other stakeholders, and we have a mandate to identify and address, through evidence-based practice, systemic barriers to community participation and optimal health outcomes.

First and foremost, what my organization does is work with people with physical disabilities, and spinal cord injuries specifically as well, to facilitate community integration through service coordination, peer support and advocacy. In the Toronto region, we are proud to have provided a consumer-driven attendant services program for over 26 years. So we really are quite proud to help set a standard in that regard.

It's regarding the need for more community-based attendant services that I'm here today, so Valerie's presentation is very timely to the one that I'm making right now. I'm pleased to speak to the merit of community-based attendant services in terms of service outcomes or health benefits, as well as immediate cost savings to the system. I understand that you're going to be hearing a lot today from people who will say, "Well, you'll save so much money down the line," and it's apparent that the province faces some fiscal challenges and, some might argue, cash-flow challenges at any given time. These investments that I'll be speaking about today can very much provide an immediate bang for your buck, if you will.

Before I continue, I would like you all to just—you've been hearing all day; so I'd like to do a little interactivity here. I'd like you to imagine that you have sustained a spinal cord injury. It happens much more than we would like it to. The personal costs are devastating, the medical costs are substantial, but there's also the day-to-day challenges that people I work with often face. You wake up and you can't move your legs or your arms. When, even if, you get out of bed that day depends on the supports that you have available. You might be reliant on family and friends, but we did a community forum here in Champlain, and we found that many people were afraid to ask their family and friends for the support they needed because it was straining their own relationships in their families, and families were feeling maxed out. Valerie talked about the need for respite support etc., but many people don't have families. This is very true. I work with people who rely very much on attendants to come in and allow them to maintain their daily functions.

Over time, due to a lack of sufficient attendant services, you would develop secondary complications—pressure sores, urinary tract infections, something called autonomic dysreflexia: conditions that can seriously escalate and bring people into the emergency room and, in the worst-case scenario, escalate to the point of death. This might sound hyperbolic, and it's really not. The sec-

ondary complications really are the things that require the earliest intervention, and community-based attendant services are the most cost-effective means of doing so, as well as the most effective means of doing so.

Attendants make all the difference. They are at the heart of assisting people like you. Because of them, you are healthier and able to thrive at home, in the community where you belong. Attendants enable you to live your life. They now assist you and other Ontarians with physical limitations with activities of daily living, which we know include things like bathing, dressing, feeding and the like.

But there's one piece that people may not be aware of. Community-based attendant services provide a wider complement of service than some services that may be provided through CCACs, and I'm going to be specifically speaking about more intimate routines such as bowel care and bladder functions and so forth. The way that the CCAC here locally operates is that they will hire professional services, which are a higher cost, and they train family members etc. We are suggesting that there is a very substantive cost savings to be made for the community-based attendant services through community support agencies. They also may assist with regular maintenance routines, as directed by the consumer, so that could be a version of physiotherapy—stretching and the like—again very necessary to reduce your secondary complications and improve your quality of life.

Of course, one of the big pieces is, how are you going to pay for this? We were part of a study that was done in Australia that said, "What enables people with spinal cord injuries to maintain their activity in the workforce?" Your two main pieces: accessible transportation and access to attendant services. It is very difficult for people to acquire a job and then not be able to show up for work on time because the attendant was late or not available. So that's where it is. It's very useful.

Despite all of these tremendous benefits that attendants offer, many Ontarians are having to do without the crucial services that they provide. We have seen some positive changes, however. In 2012, as part of its provincial election commitment, the government committed \$1.7 million to the self-managed direct funding program—this is where consumers are paid directly to hire and administer the services that they receive—and 54 people through that \$1.7 million, people like me and you, are now supported in the community. They are not at hospitals, they are not in ALC, alternative level of care, and they are where they belong. This was wonderful news.

**1520**

In recent years, the government has recognized the value of the community-based health sector with initiatives such as Aging in Place as administered by CCACs and expanded supports to senior populations.

But this is why I'm here specifically today: A significant barrier remains in so far as non-senior populations with longer-term health needs face substantial challenges in getting attendant services. This is not in any way to

suggest that we do not support efforts toward seniors, but that we have a cohort that is not receiving the support that it needs.

In September 2012, a government-sponsored report on attendant services found that the average wait times for what are called outreach attendant services range from three months to seven years. For direct funding, this is two and a quarter years to seven years, and for assisted living services for supportive housing, the wait-list can be up to 10 years long.

The Champlain Attendant Services Network, which administers a centralized wait-list for attendant services in this region, indicates that locally, with supportive housing and community outreach wait-lists combined, there are 222 people on the wait-list for service. Of this, 186, or 84%, are under the age of 65. This is a substantial cohort, and their needs are significant. The status quo is too costly.

Many LHINs have recently made some investments to community support service agencies for senior populations—and these are welcome—but not for non-senior populations. As the report notes, "Respondents reported that the priority given to seniors in the health system creates competition for resources with adults with physical disabilities who use many of the same support services as seniors and also experience symptoms of aging earlier than people without physical disabilities." Myself, I just turned 31; I feel 45. So, you know, that's a little bit of a testament there.

They also go on to say in the report itself, "Policy restrictions are seen by some service providers to inhibit new ways to provide services to adults with disabilities; expanding eligibility criteria for aging at home funding so that it is based on functional capabilities rather than age might help mitigate this issue."

But this is where it really hits home. When we look at the survey data, we find that there are over 5,000 individuals in this province waiting for service. The report also found, not surprisingly, that with wait-lists like the ones I told you about, many people do not even bother to apply. The need is more significant than that. The report also found that some consumers never receive services, and it pains me greatly to have to tell you that some people pass away before they can receive them. It's clear, as I said before, that the status quo is not working.

So where do we go from here? Last December, the government rightly recognized the need to start addressing the challenges faced by the top 5% of health care users who, due to their health status, account for two thirds of health care expenditures, people with complex health conditions and—again, I reiterate as a point of policy focus for us to move forward as well—non-seniors with disabilities.

The Health Links initiative that was recently announced in December is an opportunity to ensure that community services are an equal partner in the delivery of health care services in this province. However, Health Links will take time to implement, and the need is now.



In the meantime, needs exist, and hospitals, as we know, are facing significant pressures to provide services with limited resources. We saw a lot of this talk in the Drummond report, about moving some hospital dollars into the community sector and so forth, but one of the big pieces is that there is an implementation challenge to make sure that the flow of those resources and that infrastructure is in place to allow for that smoother coordination.

The Ontario Attendant Services Advisory Committee—of which SCI Ontario is a member—is here to offer a solution. So we're not just coming with blanket asks today. We have a targeted solution to offer, and that is that the Ministry of Health and Long-Term Care allocate a percentage of the community services expansion dollars to attendant services in each LHIN and that these reallocated dollars go directly to the attendant service providers so that they in turn go directly to service.

How can we afford to make these investments? It is all very well to ask for them. I submit that we cannot afford not to make them. As the report notes, "The consequence of not factoring these population changes into health system planning will be premature or inappropriate placement of adults with physical disabilities in long-term care, loss of independence and increased health care costs."

I can tell you right now, we work with people in their late twenties and their early thirties and so forth who are very much at risk of losing their homes. Some people are indeed in long-term care. I would really like to stress that if we are serious about cost savings, not having that early intervention is very much a challenge, because once somebody is placed in long-term care, they often lose their accessible home, their comfortable environment. You might be able to do the service piece, but how can you bring them back into the community, with a comfortable environment—accessible, properly renovated and so forth? It's very much a need to move beyond the patchwork to the more seamless integration of services.

In financial terms, community-based attendant services make sense. Attendant outreach services, at an average of 2.5 hours a day, cost \$2,250 a month or only \$27,000 a year. Assisted-living services in supportive housing—this could be anything from a single comfortable environment to a hub model, where an attendant goes out and provides services in a contained geographic area—at an average of four hours a day costs \$5,000 a month or \$60,000 a year. A single hospital bed—and you've heard much of this, about the high cost of ALC and so forth—is extremely costly: \$42,000 a month or half a million dollars a year. The numbers speak for themselves. The status quo is expensive, and change for the better is cost-effective and possible.

In closing, it's very clear the province faces significant fiscal challenges, and health care costs are substantial. At the same time, many Ontarians with physical disabilities need the services they need and cannot get them in a timely manner. Many of them are also financially vulnerable and cannot afford to pay out of pocket. They are in

precarious situations that are detrimental to their health and costly to the system. The opportunities—and this is important to emphasize—both in terms of health care outcomes and financial benefits, of increased attendant services for non-seniors with disabilities, is evident.

I would just close with a little sense of what we're dealing with. I talked about people having to rely on their family and people who sometimes can't get the services they need, and what happens there. It's very difficult to live your life from a bed that you can't get out of. It is extremely difficult to live your life knowing that you might have service one day, but you're not entirely sure if you might be able to get services over the next few. I really believe that Ontarians deserve better than that, and I believe that there is an opportunity here to make financial sense and provide better outcomes. This is the way to do it.

Thank you, and I'm happy to take questions.

**The Chair (Mr. Kevin Daniel Flynn):** That's great. Thank you, Nathan. You've left a little bit of time for questions, anyway: just between one and two minutes. Dipika?

**Ms. Dipika Damerla:** Thank you so much, Nathan, for coming, for making that very passionate, very eloquent presentation. I applaud you for all your advocacy. I just had two questions—because I only have a minute, I want to ask both of them. Is an attendant similar to a personal support worker?

**Mr. Nathan Hauch:** In some scopes of services, yes; for what they call activities of daily living, that would be true, but community outreach attendant services have a wider complement. In Champlain, the CCACs will not perform the bowel routines and will not perform some of those more intimate care pieces. Attendants from community support agencies will do that. They have the function of doing that as delegated tasks under legislation. I thank you for your question, because that's one of the education pieces that we're really trying to put out there.

**Ms. Dipika Damerla:** My other question is: You sort of made a proposal that would cost \$60,000 a year per person.

**Mr. Nathan Hauch:** Well, \$27,000 a year for someone who lives in their own home; the \$60,000 is for the supportive housing option.

**Ms. Dipika Damerla:** Supportive housing. Okay. And you would suggest that there are 5,000 people who would use this service, yes?

**Mr. Nathan Hauch:** Or some variation of it, yes.

**Ms. Dipika Damerla:** So I did the quick math. I did it on the higher amount; that would be \$300 million, so somewhere between \$150 million to \$300 million is what your suggestion would cost us. Would that be correct?

**Mr. Nathan Hauch:** I couldn't fully tell you that right now. I'm more than happy to do a breakdown in terms of the scopes of services that would be required. It's fairly difficult for me to provide that right now, on the spot. But you have my contact information; send me an email and I can get those numbers for you.

**Ms. Dipika Damerla:** Thank you so much.

**Mr. Nathan Hauch:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, and thank you for coming, Nathan.

**Mr. Nathan Hauch:** Thank you very much, and enjoy your day.

*Interruption.*

**The Chair (Mr. Kevin Daniel Flynn):** Good timing. My friend Mr. Shurman tells me we have a new pope, Cardinal Jorge Mario Bergoglio from Argentina.

*Interjections.*

**The Chair (Mr. Kevin Daniel Flynn):** My Jewish friend.

Pope Francis I is his name.

### CONCEIVABLE DREAMS

**The Chair (Mr. Kevin Daniel Flynn):** Okay. Art, are you with us?

**Dr. Art Leader:** Yes.

**The Chair (Mr. Kevin Daniel Flynn):** Come on forward, Art. You're the final presentation of the day, from Conceivable Dreams. I will tell you, Art: We've heard from your folks at every stop so far, so people are getting familiar with the presentation.

**Dr. Art Leader:** Hopefully, it will be different.

1530

**The Chair (Mr. Kevin Daniel Flynn):** Okay, if it will be different, that would be great. I'm sure there will be some questions if you leave a little bit of time. The questions for the last presentation of the day go to the PCs. Art, you've got 15 minutes; use that any way you would like.

**Dr. Art Leader:** Thank you very much for listening to me at the end of what must be a very long day for everybody.

I have been involved with infertility medical care since 1981; I was there at the start of the IVF revolution. I understand, as you said, that you've heard from some of my colleagues at Conceivable Dreams. I'd like to add that infertility is a medical condition with a highly effective medical solution called IVF, or in vitro fertilization.

Over the years, advances in the technology have resulted in a tenfold increase in the effectiveness of IVF treatment. Today, IVF is the most effective treatment to help infertile couples realize their dream of having a child. Most developed countries and jurisdictions around the world have responded with policies to improve access to IVF therapy for their population. I say most because, unfortunately, Ontario has not followed the trend, even though it was one of the earliest jurisdictions to fully fund IVF, at the time of the Bill Davis government.

We have not really kept up with the times. Ontario only covers a small part of the cost of IVF treatment, but only for women with blocked tubes, even though infertility can have many causes. In the patients I see, about 80% of the causes are related to the male, not the female. This policy of restricting IVF care in 1993 followed the royal commission recommendation and has actually

reduced accessibility to IVF. The access hasn't been changed in the intervening two decades despite vast improvements in IVF technology.

To give you a parallel, we would never perpetuate an information technology policy from a time when there was only one person in 100 who could use the Internet—and they were in the military—and Google, Facebook, Twitter, LEDs, touch screens and tablets had yet to be invented. But that's the equivalent of what we are doing now with our policy of reproductive medicine in this province.

Pregnancy rates through IVF now very closely approximate those rates among the population that can conceive naturally. Based on my conversations with the Ontario government over the years, the Ministry of Health does accept that IVF is the best available treatment for infertile couples today, but continues not to fund it. The Ontario government seemed to recognize the need to update its policies and improve access to infertility services four years ago when it appointed the Ontario Expert Panel on Infertility and Adoption.

I was proud to serve alongside the now Governor General David Johnston as one of 11 members of the panel. We authored the 2009 report called Raising Expectations. Developing this report and its recommendations has been a highlight of my professional career. Working together, we developed a sound approach to public policy that was grounded in science and the province's economic realities.

Now, almost four years after the release of this report, I'm at a loss to understand why the recommendations have been ignored. Our realistic and achievable recommendations for assisted reproduction services and fertility education have seen no progress, while infertility rates continue to grow.

Let me present you with some stark numbers. Over the past 10 years, the rate of infertility in Ontario has increased from 11% to 16%. Without a change in government policy, I would not be surprised to see the rates climb as high as 20% within the next five years, since women are delaying having children well into their thirties.

Because IVF is currently not funded in Ontario, many women and families turn to using cheaper, more risky ways to conceive. These approaches often result in higher multiple birth rates, almost 20% to 30%. This is a major reason why Ontario now has the highest multiple pregnancy rate in this country.

Why is that a bad thing? Multiple pregnancies result in higher health costs for the government and society. Multiples are 17 times more likely to be born premature. Twins are seven times more likely to have cerebral palsy, which is a lifetime cost for not only the individual but society. Premature deliveries result in a higher Caesarean section rate and additional care at birth in neonatal intensive care units and throughout the lives of the children born. As such, Ontario is already paying the cost for not funding IVF services.

In discussing the fiscal implications of funding IVF, it's important to note that a child conceived through funded IVF will provide a fivefold to sevenfold return on the investment to the province over his or her lifetime. That's not even considering the critical social returns to individuals and society, or simply what is right and fair for those burdened by the impact of the medical condition we call infertility.

The desire to control provincial expenses should not prevent the province from providing access to IVF for all Ontarians. Jurisdictions which currently fund IVF have taken different approaches, with funding models ranging from full funding, which we see in Quebec; cost-sharing agreements, which we see in Australia and its states; or rebate programs and tax credits, which we see in Manitoba and which are coming in New Brunswick.

IVF is poised to be a platform issue in the BC election, and other provinces are actively studying options for funding to improve access to their populations.

Implementation of the expert panel's recommendation on fertility education would also be a step in the right direction, and one that would not cost a lot of money. The province can work with health care practitioners to provide information on how Ontarians can protect their fertility, and to ensure that they are aware of fertility risk factors and risk behaviour.

In conclusion, I ask that members of this committee take seriously the significant and rising infertility rates in Ontario, and support the recommendations of the Raising Expectations report. The costs of providing access to IVF are not excessive and, in fact, would repay the investment made many times over to the province.

Some in the ministry seem to dispute that, to which I say, then let's have an open debate. In other words, stop hiding behind numbers that you disagree with and put some numbers on the table. Bring them to this committee or a similar forum and let everyone discuss the real costs and the options, and then pick an alternative and move on it.

The costs of not taking action are already taking a toll on Ontario's finances and its health care resources. Supporting patients who need IVF will improve access, result in better health outcomes for mom and baby, and deliver real savings to the health care system.

Concrete commitments in the 2013 budget on funding IVF would be welcomed by not only potential parents, but also their parents, who are potential grandparents, across the province. I urge all three parties to come together in support of this issue. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** That's great, Dr. Leader, thank you. You've left quite a bit of time for questions, about seven minutes; this goes to the Conservatives. Jane?

**Mrs. Jane McKenna:** Thank you so much. Like we'd already heard—we have heard this twice. I have a couple of questions, though, that I jotted down from the last time that I'd like to ask you.

I am a multiple birth because I'm a twin, so I always look at people who have them nowadays; it wasn't so

easy 53 years ago when my mom had—she didn't even know she was having twins. Anyway, trivia.

What is the cost of IVF funding to Quebec? Do you know that?

**Dr. Art Leader:** It was \$7,500 a cycle, and they've reduced it now to about \$3,800 a cycle.

**Mrs. Jane McKenna:** And what is the expected cost savings for Quebec, Manitoba and British Columbia?

**Dr. Art Leader:** For Quebec, it's a quarter of a billion dollars over a five-year period, so about \$50 million a year, is what's been published. Manitoba has a 40% tax credit; I haven't seen their calculations. BC: There is interest particularly among the NDP in BC, and they're looking at a \$78-million saving per year—over five years; sorry.

**Mrs. Jane McKenna:** Okay, so saying that, when would these savings be realized? So you're saying anywhere from 10 to 15 years?

**Dr. Art Leader:** No, there are immediate savings. For example, the cost of a singleton pregnancy is, say, \$3,500; the cost of a twin pregnancy is threefold; and the cost of a triplet pregnancy—just the hospitalization, the delivery costs, because they all have to be delivered by Caesarean section, and then the neonatal—so, a quarter of all neonatal intensive care beds in Toronto are occupied by IVF pregnancies, which account for 4% of all the pregnancies in the city. So 4% of the pregnancies are taking up 25% of the neonatal intensive care resources.

1540

What they've seen in Quebec is, where they were at about 141% occupancy in the neonatal intensive care units prior to funding IVF, they now are operating below capacity. It's had a huge impact at that level. So there is a savings. I understand, because I've talked with ministry people, that they don't look at the 10 years because government mandates aren't 10 years; they're four or five years—but there is an immediate savings and then there's the long-term savings.

The immediate savings will balance off the cost, provided that you've set a limit as to how much you're going to reimburse for the treatment. For example, there's a privately funded facility here in Ottawa. For \$20,000, we offer three cycles of IVF, freezing any number of embryos and doing any number of frozen embryo transfers over a four-year period. You could fix the cost of everything at \$20,000 per couple, for example, and then mandate that they would have elective single-embryo transfer. There's a way to provide the service and to control the service—which is what government needs to do—and yet to reduce the burden as well as the cost.

**Mrs. Jane McKenna:** So there are studies in Ontario, if you're saying that that's right there for the \$20,000.

**Dr. Art Leader:** Yes.

**Mrs. Jane McKenna:** Okay. And what is the average cost per cycle?

**Dr. Art Leader:** Right now, the average cost is \$6,000 per cycle.

**Mrs. Jane McKenna:** Okay. And how many cycles of IVF, on average, would a woman have to undergo?

**Dr. Art Leader:** It really depends on the age of women.

The problem is twofold: Women are getting married later. In your parents' day and in my parents' day, people married much younger. Fertility is obviously higher when you're younger. If you're getting married at 35 and coming to IVF at 37, the pregnancy rate is about 47%. You'd need about three cycles. If you're coming to IVF at the age of 30, the pregnancy rate is 60%. You'd need one or two cycles to achieve a singleton live birth.

**Mrs. Jane McKenna:** Do you know the total number of IVF patients in Ontario right now?

**Dr. Art Leader:** From the Canada-wide registry, it's about 7,000.

**Mrs. Jane McKenna:** And what is the actual cost in health care for multiples needing NICU treatment?

**Dr. Art Leader:** It depends whether they're singleton, twins or triplets. I can refer to the panel, but the neonatal intensive care unit—these were the costs back in 2009. It would be \$65,000 per pre-term infant.

**Mrs. Jane McKenna:** Okay. Thank you very much. That's all the questions I have.

**The Chair (Mr. Kevin Daniel Flynn):** Great. Thank you, Dr. Leader. Thank you very much for being here today. Your presentation was a bit different than the others, in a good way.

**Mrs. Jane McKenna:** Yes.

**Dr. Art Leader:** Thank you for the opportunity.

**The Chair (Mr. Kevin Daniel Flynn):** They've all been good presentations.

#### COMMITTEE BUSINESS

**The Chair (Mr. Kevin Daniel Flynn):** Just to the members now, a little bit of committee business before we adjourn. Some of you have been giving instructions to the research staff as we've gone along. We're not going to meet now for at least a week, anyway, so it would be great for them to make maximum use of that time. Is there anything that the other members want to talk to research about? Let's go with Soo and then Michael.

**Ms. Susan Viets:** May I ask a question?

**The Chair (Mr. Kevin Daniel Flynn):** Sure.

**Ms. Susan Viets:** I just wanted to clarify. In the past, what we've done with the research report is—well, we're providing you with two things. We're providing you with an interim summary, which is a summary of what we've heard over these three days, and then we're providing you with a draft report. In the past, what we've done with the draft report is, it's just been an overview of the issues, and then you have dropped the recommendations in. I just wanted to confirm that we should continue with that practice.

**The Chair (Mr. Kevin Daniel Flynn):** Makes sense.

**Interjection:** That's fine.

**The Chair (Mr. Kevin Daniel Flynn):** Soo and then Michael.

**Ms. Soo Wong:** Just with regard to yesterday's presentation, I didn't get a chance to receive consensus from

the committee. First, yesterday we heard about this mining tax rate. I'd like to have more information about this because there was a suggestion made by the United Steelworkers on that particular tax rate. I want to know more about it in terms of different provinces, other states, as well as anything you can find—how do we compare, and some historical context. I think that would be very helpful. I don't know if we have consensus on that piece.

The presentation today about this crowd-funding, microlending exchange: I think it's pretty entrepreneurial for young people. I'd like to have more information on that. I see nodding from my colleagues here.

I also want to hear more about the Higher Education Quality Council of Ontario, because one group asked to eliminate that and that money be transferred over. I don't know what this council is, what their mandate is. I want to know more about that.

I'm also interested to know—there was one deputant who spoke about expanding the AG's role to include municipalities. He made reference to BC. Again, in terms of current legislation for the AG's role—if we do consider that, in other provinces beside BC—what does that mean?

We had two speakers today talking about museum funding. Can we have some comparison about what the feds are paying for museums versus the province? I didn't hear anything about what the feds are doing. We have this group called Diefenbunker: Canada's Cold War Museum. I thought it was a national museum. Why are they asking for provincial dollars? So I wanted to see some comparison there.

The last piece, Mr. Chair: After three hearings, we keep hearing about IVF. I think, Jane, you asked a very poignant question about the health care costs. So can we have a chart of the costs with respect to, like you said, the NICU piece, but I'm also looking at more than just the NICU. I'm looking at costs to the education system with students with special needs. I'm looking at long-term costs for the IVF program, because no one's talking about this. If we're going to fund this kind of initiative, we've got to think about education—elementary, secondary and post-secondary—because there are concerns with premature babies. Cindy and I both come from health care. These are not just one-time costs; these are lifelong costs for the system. Do we have any data? If not, let's hear them, because now we have three consecutive presentations from Conceivable Dreams requesting that the province will expand funding for IVF. I'm not saying no, but I want to look at the long-term costs for the system. Those are my suggestions.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Soo.

Michael, you had some comments?

**Mr. Michael Prue:** It wasn't to the researcher, but I did have comments. The last time the subcommittee met, we talked about the possibility of meeting on the 3rd and 4th of April to do the report. However, it was also said at that time—we felt constrained that we had to do it then if the budget was coming down on the 18th. I have not

heard a word, and we're hoping that some of the Liberal members might be able to tell us whether it's the 18th, because if it's delayed beyond that, I certainly do not want to meet on the 3rd and 4th because that takes our next constituency week off us as well.

And so, if the budget is coming down a week or two weeks later than the 18th, then we can push ours back or forward, and not meet then. I think we need to know that soon.

**The Chair (Mr. Kevin Daniel Flynn):** Okay. I can tell you honestly, Michael, that the Liberal members do not know when the budget is coming down yet.

**Mr. Michael Prue:** I know, but the Liberal members could, much more easily than I, go and ask the minister or somebody in the ministry.

**The Chair (Mr. Kevin Daniel Flynn):** Well, that's being done, and we will continue to do that, because nobody—

**Mr. Michael Prue:** Okay, please. That's what I'm trying to find out.

**The Chair (Mr. Kevin Daniel Flynn):** —wants to give up the constituency week.

**Mr. Michael Prue:** And I know my colleagues from the Conservative Party want to know this as well, and they probably are no more anxious than I am to go on the—

**Mr. Peter Shurman:** I'm away three days out of the constituency week; I don't need to take up two more days.

**Mr. Michael Prue:** Well, yes; exactly.

**Mr. Peter Shurman:** I'm there. We asked that last time for that reason. I know you guys are constrained, but tell them, "Look, there are some issues here."

**The Chair (Mr. Kevin Daniel Flynn):** Oh, we have. Yes, believe you me, we have.

Dipika, did you have something for research?

**Ms. Dipika Damerla:** Yes. I just had two. One is, where possible—you know, sometimes people have actually told us how much their programs or their suggestions are going to cost; at other times we might have, so I don't want you to reinvent the wheel, where you're actually sitting down—because most of them didn't give a dollar figure. But if you happen to have that information available, it would be handy to have that next to the summary.

The second one is, I would like to get—and I'm going to ask the Ministry of Energy as well, but if research can do it, even better—a comparison of industrial electricity rates in Ontario, Quebec, Manitoba, New York state and New Jersey, keeping in mind that Ontario has time of use, so that has to be factored in. So we can't be comparing our highest with theirs, because they may not have time of use. That would be very helpful.

**The Chair (Mr. Kevin Daniel Flynn):** Okay.

**Mr. Phil McNeely:** Mr. Chair, thank you very much for being in Ottawa. I joined you for part of the day, and I hope you've enjoyed Ottawa. To all of you, thank you.

**Ms. Dipika Damerla:** Yes, you did a great job. A big round for the Chair who kept us on time.

*Applause.*

**The Chair (Mr. Kevin Daniel Flynn):** A big round for Phil; he showed up with a root canal.

**Ms. Dipika Damerla:** I know; that's true.

**Mr. Phil McNeely:** It's a pain, just like this budget work.

**The Chair (Mr. Kevin Daniel Flynn):** Okay. We're adjourned until Thursday, March 21, 2013, in Toronto. Agendas will be sent to the members as soon as the scheduling has been done.

The bus leaves for the airport as soon as everybody gets downstairs.

*The committee adjourned at 1549.*



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## **STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS**

### **Chair / Président**

Mr. Kevin Daniel Flynn (Oakville L)

### **Vice-Chair / Vice-Présidente**

Ms. Soo Wong (Scarborough–Agincourt L)

Ms. Dipika Damerla (Mississauga East–Cooksville / Mississauga-Est–Cooksville L)

    Mr. Steven Del Duca (Vaughan L)

    Mr. Victor Fedeli (Nipissing PC)

    Ms. Catherine Fife (Kitchener–Waterloo ND)

    Mr. Kevin Daniel Flynn (Oakville L)

    Mr. Monte McNaughton (Lambton–Kent–Middlesex PC)

    Mr. Michael Prue (Beaches–East York ND)

    Mr. Peter Shurman (Thornhill PC)

    Ms. Soo Wong (Scarborough–Agincourt L)

### **Substitutions / Membres remplaçants**

    Ms. Cindy Forster (Welland ND)

    Ms. Jane McKenna (Burlington PC)

    Mr. Phil McNeely (Ottawa–Orléans L)

### **Also taking part / Autres participants et participantes**

    Mr. Yasir Naqvi (Ottawa Centre / Ottawa-Centre L)

### **Clerk / Greffier**

    Mr. Katch Koch

### **Staff / Personnel**

    Ms. Susan Viets, research officer,  
    Legislative Research Service