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Thursday 21 March 2013

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Jeudi 21 mars 2013

Standing Committee on Finance and Economic Affairs

Pre-budget consultations

Comité permanent des finances et des affaires économiques

Consultations prébudgétaires

Chair: Kevin Daniel Flynn
Clerk: Katch Koch

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Hansard Reporting and Interpretation Services
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ASSEMBLÉE LÉGISLATIVE DE L’ONTARIO

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

COMITÉ PERMANENT DES FINANCES ET DES AFFAIRES ÉCONOMIQUES

Thursday 21 March 2013

Jeudi 21 mars 2013

The committee met at 0904 in committee room 1.

PRE-BUDGET CONSULTATIONS

Failure of sound system.

The Chair (Mr. Kevin Daniel Flynn): —that open spot to that organization. Would that suffice?

Mr. Michael Prue: Well, if it’s not in order, then I guess I can’t do it So we’ll see whether there even is a cancellation.

The Chair (Mr. Kevin Daniel Flynn): I understand you’re trying to help a group here, and I think we all do. If that opens up, we will see if we can contact them and place them in any opening that appears during the next two days.

CANADIAN TAXPAYERS FEDERATION

The Chair (Mr. Kevin Daniel Flynn): Okay, with the committee business out of the way, we’ll ask Candice Malcolm if she would come to the desk here. Candice, make yourself comfortable. The mike will be controlled for you. If the red light’s on, that means that you’re on. You get 15 minutes to make your presentation; you use that any way you see fit, Candice. If you leave some time at the end, any time remaining in that 15 minutes will be used for questions. The questions this time around will be coming from the Conservative Party. It’s all yours.

Ms. Candice Malcolm: Good morning. Thank you to the committee and to the Chair for inviting me to speak today. My name is Candice Malcolm and I am the Ontario director of the Canadian Taxpayers Federation.

My presentation this morning will consist of four parts. I will begin by providing some information about my organization, followed with some facts and comments about the current fiscal and economic outlook of this province. I will then provide the Canadian Taxpayers Federation’s budget recommendations to the committee and conclude with a few remarks about the importance of this budget. I will happily answer any questions you should have following my presentation.

My aim today is to communicate one key message to you: Ontario is on a path to fiscal destruction. Spending desperately needs to be reined in. The top priority of this government must be to stop doing what you are doing. You, the elected representatives of Ontario, have gotten us into this mess and it is now your responsibility to get us back to a balanced budget.

By way of background, the Canadian Taxpayers Federation, also known as the CTF, was founded in 1990 and has grown to be the largest and most effective citizen advocacy group in Canada, dedicated to lower taxes, less waste and accountable government. We are a non-partisan, non-profit organization that does not receive any assistance from any level of government. We receive no financial or monetary funding from the government, nor do we seek special charity status to issue tax receipts. We are funded entirely by voluntary donations, not through forced union dues or involuntary taxes. We have over 84,000 supporters across Canada who donate entirely through free will because they support our cause of lower taxes, less waste, and accountable government. We have offices and media spokespeople in every region of Canada save Quebec, including a strong advocacy presence in Ottawa.

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My job as the Ontario director is to represent the interests of our supporters in Ontario and advocate that the provincial and municipal governments are held responsible for the way that tax dollars are spent. As you are fully aware, this government is in a very unstable fiscal position. I cannot stress this heavily enough.

Without using too much rhetoric about a looming debt crisis, let me simply communicate the facts. According to the current outlook from the most recent Ontario finances quarterly update, put out on December 31, 2012, by the Ministry of Finance, this government will run a deficit of $11.9 billion this year.

By the end of the fiscal year, Ontario will be buried under $255 billion of debt. That debt, when broken down per capita, equates to $18,889 for every man, woman and child in Ontario. That is a higher share than what we owe federally for debt.

In fact, servicing the debt was the third-largest expenditure in this province. Let me repeat that: Paying interest on the debt is the third-biggest thing that this government spends money on, less than only health care and education. We spend more money on loan interest than we do on public transit. More money is spent servicing the debt than is spent on all social services in Ontario. Instead of building schools or offering a tax cut or balancing the budget, this government spent $10.4 billion to finance the ghosts of governments past.

The situation is bad; there’s no way to sugar-coat it. Therefore, I have three recommendations for this committee that will slow down and, hopefully, reverse this march towards bankruptcy.

Last year, Ontario's government took a very important step towards addressing this province's fiscal situation. TD Bank's former chief economist Don Drummond was commissioned to issue a report on Ontario's debt and provide a road map to restore a balanced budget in Ontario. It seems that his proposal has fallen on deaf ears.

My first recommendation, therefore, for this committee is very simple. You hired Don Drummond. He issued a great report. You should stop ignoring it. You should listen to his advice and start implementing his major recommendations to stop the growth of spending and achieve a balanced budget. His plan consists of some tough but necessary medicine.

Of particular interest is the recommendation to eliminate the Ontario Clean Energy Benefit, a 10% discount on electricity bills for households, small businesses and farms. This subsidy cost taxpayers $1.07 billion this year and was nothing more than a handout to cover up the skyrocketing renewable energy prices caused by the Green Energy Act and its feed-in tariff.

The Drummond report also calls for an end to raises for civil servants unless they can find a way to do their job more efficiently and more cheaply. A bureaucrat working in the civil service should be compensated according to their performance. Finding ways to cut waste and eliminate redundancies should be rewarded. Any raise should only come as a result of finding savings in the department.

The final Drummond recommendation I would like to highlight is reforms to public pensions. While the vast majority of Ontario workers have no pension at all, government employees enjoy gold-plated defined-benefit plans being topped up by the taxpayers. Drummond recommends ending these lump-sum bonuses paid upon retirement and calls for reductions in future benefits.

This is a good start. The outdated government pension system needs to be updated to reflect the world we live in now. Life expectancy has risen to 85, and the share of the population over the age of 65 is shifting as baby boomers retire. The current system is simply not affordable, and without reforms, it will collapse. Remember, the Drummond report told us that if these reforms are not made and the status quo is upheld, the deficit will balloon to $30 billion by 2017-18.

This segues to my next recommendation. Premier Kathleen Wynne committed to the CTF, my organization, and then repeated in the throne speech that she will eliminate the deficit by 2017-18. Then, she will restrict spending increases to 1% below GDP growth until Ontario's debt-to-GDP ratio returns to 27%. It currently sits at 37.8%. I'm not sure why the government would wait until 2018 to implement a plan. Why not begin restricting spending increases to 1% below GDP growth starting now with this budget?

That is the second of my recommendations: Rein in spending and commit to restricting growth across the board in every department to 1% below GDP growth.

Premier Wynne has correctly diagnosed a problem and offered a great solution. Why delay giving a patient much-needed medicine? Every day that we continue down a path is another day wasted. Yes, cutting bureaucracy is hard. Premier Wynne used to be a school board trustee. She should follow the advice that parents give their children when it comes to doing homework: Delaying what you need to do won't make it easier; it just makes it more difficult.

My final recommendation to this committee is to implement a legislated debt-reduction plan and repayment schedule. Today's debt is tomorrow's taxes. Let me repeat: Our debt today will turn into taxes tomorrow. Everybody knows that when you run up your credit card bill, you eventually have to pay it back, and with interest. You wouldn't go on a spending spree and only make the minimum payment for years and years and then pass that debt on to your children, but that is exactly what this government is doing by not addressing the debt and not paying down the principal.

What you're doing with today's deficit is passing the buck on reckless spending. So I say, and not just on behalf of taxpayers but on behalf of all young Ontario citizens: Please stop. Stop destroying our economic future. It's time to legislate a plan. This government has shown that it is necessary to legislate because, without a law forcing fiscal responsibility, the government has shown it is not responsible with Ontario's finances.

Debt-reduction legislation has worked in provinces like Alberta, where total spending fell by almost 22% over three years. When Ralph Klein became Premier in 1993, Alberta had accumulated the largest per capita debt in the country. Yet, a decade later, Alberta was completely debt-free.

Saskatchewan had come close to defaulting on its debt. Program spending was cut by 10% from its peak. That province now enjoys balanced budgets and will likely become debt-free this year.

There are several other examples of tools like balanced budgets and debt-reduction legislation that have been used in places like Manitoba, New Brunswick and with the federal government in the 1990s that have successfully restored government finances.

Ontario is faced with a mountain of debt, thanks in large part to a 2008 financial crisis and resulting economic recession that was largely outside of our control. However, the way this government reacted in the wake of that recession is why we are now facing this looming debt crisis.

Faced with the problem, the government tried to spend its way out of a recession. The result was predictable, and it was predicted by economists and academics across the province and across the world. You cannot dig your way out of a ditch, you cannot eat your way into being thinner, and you cannot spend your way out of a recession.

Running billion-dollar deficits and using public debt to finance growth did not turn our economy around and did not ease the effects of a recession; it merely left our province with hundreds of billions of dollars in debt. Temporary jobs and massive debt did not lead to growth in the economy. It's time to recognize that that didn't work. It's time to change course and implement a new plan and a new strategy to balance the books in Ontario.

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Again, my three recommendations to this committee are as follows:

(1) Follow through with the Drummond report and implement his major recommendations to rein in spending and balance the budget;

(2) Follow through on Premier Wynne's commitment to cap the growth of spending to 1% below GDP growth, and do it now; and

(3) Bring in a legislated debt-reduction schedule to chip away at the $255-billion provincial debt.

I would like to close with a few remarks about the budget process. Throughout these consultations you will hear from dozens of witnesses, including many special interest groups and stakeholders. Over the next two days, groups reliant on government funding will come to you and they will ask you for more money. They will say that their group is the most in need. You'll hear about strained resources and understaffed offices.

When they do ask you for more money, I say on behalf of taxpayers in this province, please don't be too generous with our money. Say no to interest groups, no to discretionary funding, and no to new projects, to new offices, to new handouts. We just can't afford it.

I think the government can learn from the hard-working families and taxpayers of Ontario: families who struggle to pay their bills to stay out of debt; folks who balance their chequebooks every month, who say no to frivolous expenditures, who are careful with every dollar they spend and live within their means. Hard-working families in Ontario exercise fiscal prudence every day, and they expect the same from their government.

If you do nothing to fix the situation, as Mr. Drummond's report points out, Ontario will face a $30-billion deficit in 2017 and not the balanced budget that Premier Wynne has promised. In fact, with an $11.9-billion deficit, this government adds $32.5 million to the debt per day. That works out to about $1.35 million per hour or $22,625 per minute. The government adds a down payment to a starter home to the debt every minute, and $377 per second to the debt.

I may not have our debt clock with us today, but I've been speaking for about 13 minutes, so over the course of this presentation the government has added $294,125 to the debt. This needs to stop.

Thank you very much, and I'm happy to take your questions.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Candice. You've left about a minute, so it's going to have to be a very, very short question. Who's going first? Michael or Julia?

Mr. Michael Harris: Yeah, sure. Thank you for that presentation—well put together, of course. I'll encourage you to stick around this afternoon as one of our caucus members tables the Living Within Our Means Act, which addresses some of those very things you mentioned.

You talked about a legislative route on pensions. I wanted to get your thoughts or comments on wages here in Ontario. One of our members tabled a legislated wage freeze. I wonder if we can get your comments on wages and a legislated wage freeze, as wages represent a significant cost to the government annually.

The Chair (Mr. Kevin Daniel Flynn): It will have to be a very short answer, Candice.

Ms. Candice Malcolm: No, absolutely, I think that when a recession hits, the private sector and the free market react, and wages in that area go down. Government has to match that and follow that. It's not fair for taxpayers to be subsidizing government workers to make more money than they do, especially given the pensions and the job security that they receive. So there's a big imbalance. The gap we're seeing in this province isn't between rich and poor; it's between government workers and non-government workers.

Mr. Michael Harris: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Good time management. Thank you.

SPINAL CORD INJURY ONTARIO

The Chair (Mr. Kevin Daniel Flynn): Our next delegation is Peter Athanasopoulos. Peter, if you'd make—

Mr. Peter Athanasopoulos: I know it's tough to pronounce.

The Chair (Mr. Kevin Daniel Flynn): It is; it's a long one. I think I left something out in there.

Mr. Peter Athanasopoulos: Athanasopoulos.

The Chair (Mr. Kevin Daniel Flynn): Athanasopoulos. Thank you, Peter. Appreciate that. If you'd make yourself comfortable. You heard the rules when I explained them to Candice. Fifteen minutes—you use that any way you see fit. We've distributed your information to each of the members already. If you leave any time at the end for questions, it will go to the NDP this time.

Mr. Peter Athanasopoulos: Excellent.

The Chair (Mr. Kevin Daniel Flynn): It's all yours.

Mr. Peter Athanasopoulos: Thank you, everyone. My name is Peter Athanasopoulos, and I'm here representing Spinal Cord Injury Ontario.

Spinal Cord Injury Ontario is a not-for-profit organization that supports people with spinal cord injury and other mobility impairments to achieve independence, self-reliance and full community participation. I'm also here representing the provincial attendant services advisory committee, which is a committee comprised of the 10 largest attendant service agencies in Ontario committed to looking at reducing the wait-lists of attendant services in Ontario.

The purpose of my presentation today is to acknowledge the growing wait-lists of attendant services in Ontario. Presently, there are approximately 5,000 people in Ontario waiting in hospital ALC, long-term-care facilities, nursing homes and other inappropriate, costly settings because attendant services are not available.

I've had my spinal cord injury now for about 17 years, and I've been receiving attendant services at home, fortunately, for the last 17 years. Attendant services, for me, helps me get up out of bed in the morning, helps me get dressed, helps me go to the washroom and helps me get showered. Without the use of attendant services, or without that service available, I can't imagine what my life would be. Is it necessary for me to live in a nursing home at the age that I'm living, or live in a long-term-care facility, or even a hospital, for that matter?

All these settings that I'm describing to you are way more expensive than investing in attendant services. There are 5,000 people in Ontario currently in this predicament. We need to look at ways to stop this from happening and look at more cost-effective ways in making this happen. Attendant services is the answer in supporting people with disabilities in living at home successfully in the community.

In recent years, the government of Ontario has recognized the value of the community-based health sector with initiatives such as Aging in Place, as administered by the CCACs, and expanded supports to senior populations. But a significant barrier remains: Non-senior populations with long-term needs face substantial challenges in accessing attendant services. This is not to suggest that we do not support efforts targeted towards seniors, but there is another important cohort that is not receiving the support it needs. Why are people having to wait until they're 65 to get the services that they require to be independent?

In September 2012, a government report on attendant services found that the average wait-list of outreach attendant services ranges from three months to seven years. For direct funding, which is another model of attendant services, it ranges from 2.25 years to seven years, and for assisted living or supportive housing, the wait-list can be up to 10 years. We cannot afford to continue ignoring this population.

A recent study completed by the University of Toronto showed that the largest barrier to supporting people with disabilities to achieve and maintain gainful employment is attendant services. If people can't get up in the morning, they can't go to work, they can't go to school, they can't support their families and they cannot contribute to the economy and their communities.

My recommendation today is to strongly consider eliminating the wait-list. The Ontario government acknowledged a 5% redistribution of health dollars from hospitals to the community sector. Attendant services needs to be on that list of fund distribution. In your packages is a breakdown of costs to eliminate the wait-list.

Please contact me; let me know what needs to be done to make this happen. Let's do the right thing. Your packages will show you that investing in attendant services will save the health budget in the long run. Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Great. Thank you very much, Peter; you've left a lot of time for questions.

Michael? About 10 minutes.

Mr. Michael Prue: Efharisto poly. Thank you very much.

Mr. Peter Athanasopoulos: Efharisto.

Mr. Michael Prue: I just wanted to be clear on the record: You are seeking an additional, as it appears here, $45.6 million, but that money, you think, should come from the existing budget and transfer from hospital services to the needs that you have expressed.

Mr. Peter Athanasopoulos: In the community, absolutely.

Mr. Michael Prue: In the community.

Mr. Peter Athanasopoulos: And that has been already acknowledged, that the government has already made an investment to look at the hospital budget and invest more in the community. That has already happened; we just want to be on that list.

Mr. Michael Prue: Okay. I think this makes a lot of sense, what you're saying. Will this save the government money? You heard the previous deputant saying we shouldn't be spending more money, but sometimes people come here with ideas that are actually going to save money. If people can stay in their own homes, as an example, that will save a lot of money for care in institutions and hospitals and other places. Will the expenditure of $45.6 million actually save money?

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Mr. Peter Athanasopoulos: Absolutely it will, because at the current moment, because the services are not available, we are spending $3,000 a day to have a person in hospital. We're spending about $1,700 a day to have people living in long-term care or in nursing homes. If we redistribute that population to living in the places where they want to live, at a lower cost, that will save money to the government in the long run.

Mr. Michael Prue: Your own case, sir: You obviously are a very intelligent, capable man who relies on some attendant care in order to maintain your job.

Mr. Peter Athanasopoulos: That's right.

Mr. Michael Prue: If you didn't have that, would you be able to maintain your job?

Mr. Peter Athanasopoulos: No. I would probably be on social assistance, and taxpayers would be paying for me to not live but to just exist.

Ms. Catherine Fife: Thanks very much, Peter, for your presentation. I think that you make a strong case, actually, for investment from an early intervention/prevention piece.

The Independent Living Centre, actually, in Kitchener-Waterloo has talked to me about the attendants, and the workload and the caseload of attendants in the field. Can you comment at all about that? I know that there has been a reduction in hours, and I know wages have been frozen for a number of years, so there's turnover. Have you monitored that at all over the years? It's not in your presentation here.

Mr. Peter Athanasopoulos: No, and I'll get back to you with more information about that, because I don't have a lot of information about that. But, yes, there has been a challenge, mainly around wages. A lot of CCAC services, for example, contract nursing services for similar services that PSWs are doing, whereas in the independent living philosophy in attendant services, the wages of attendants are a lot lower, which has possibly created some of that challenge in maintaining PSWs in the sector.

Ms. Catherine Fife: Okay. In your presentation as well—I know that those who require assistance also have to have the appropriate accommodation, accessibility accommodation. There's nothing in here about affordable housing. In order to actually have attendants' service, they wait-list. To eliminate the wait-list, you would have to have an according investment in affordable housing as well, would you not say?

Mr. Peter Athanasopoulos: I absolutely agree with you, and supportive housing does support that. It is a more costly way of administering attendant services. However, we need, as a province, to really look at a fully inclusive environment for everyone, not only people with disabilities. We are beginning to create strong legislation with the AODA, and our government is committed to the AODA. I'm really hoping that they will look at those standards and move forward with a plan to create more affordable and accessible housing—

Ms. Catherine Fife: Well, thank you very much for your presentation this morning.

Mr. Peter Athanasopoulos: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Great. Thank you, Peter.

CO-OPERATIVE HOUSING FEDERATION OF CANADA, ONTARIO REGION

The Chair (Mr. Kevin Daniel Flynn): Coming up next is Harvey Cooper from the Ontario region of the Co-operative Housing Federation of Canada. Harvey, if you'd come forward and maybe introduce your colleague. Get yourselves comfortable.

Mr. Harvey Cooper: We have our vice-president of the Ontario region of the Co-operative Housing Federation of Canada here this morning: Nicole Waldron, from wonderful Atahualpa co-op in Scarborough.

The Chair (Mr. Kevin Daniel Flynn): Welcome, Nicole.

Mr. Harvey Cooper: Nicole will give our presentation, and I'll be pleased to answer any questions.

The Chair (Mr. Kevin Daniel Flynn): Okay. Let me tell you the rules a little bit. You've got 15 minutes. You use that any way you like. If there's any time left over at the end, it will go to the Liberal Party this time for questioning. I'll let you know when there's about two minutes left, if you reach that. Other than that, it's all yours. Welcome.

Ms. Nicole Waldron: Thank you. Good morning. As mentioned, I'm Nicole Waldron, vice-president of the Ontario council of the Co-operative Housing Federation of Canada. We represent 555 non-profit housing co-operatives, home to some 125,000 people.

I'm very pleased to speak to the committee this morning, giving you our suggestions for the 2013 budget. Our manager, as you know, Harvey Cooper, is with me this morning and will be happy to take your questions.

Ontario is facing a growing shortage of affordable housing, as attested by the some 156,000 households on municipal waiting lists. Investment in affordable housing would play a critical role in addressing this problem and would create valuable long-term public assets. What's more, construction of affordable housing would provide significant and immediate economic stimulus, creating jobs and producing a major economic multiplier effect.

Recognizing that we are in a period of economic uncertainty and that the government is committed to balancing the budget by 2017-18, we want to suggest six low-cost or even no-cost initiatives that the government should take and all parties should support to create new affordable housing and ensure that the existing stock operates efficiently and is preserved.

(1) Pass Bill 14, a cost-efficient tenure dispute resolution system for housing co-ops.

Bill 14, the Non-profit Housing Co-operatives Statute Law Amendment Act, tabled in February, is the third legislative attempt in the last three years to reform the tenure dispute system for Ontario non-profit housing co-ops.

Since 2004, it has been a top priority for co-ops to move tenure disputes out of expensive courts into a tribunal system. Co-ops are the only form of rental housing still using the courts for eviction applications. In 1997, all other rental housing evictions were moved from the courts to the tribunal system.

As co-op tenure disputes have become more and more of a legal anomaly in the court system, the costs associated with preparing and presenting cases have increased exponentially. Using the courts, the cost of even a simple co-op eviction for arrears is typically at least $5,000 more than for a comparable non-profit housing provider, and takes many months longer. Some cases have run up costs of tens of thousands of dollars; for instance, in my very own co-op. It has been estimated that Ontario housing co-ops would have saved $1 million annually by moving cases to the LTB.

This would result in significant and permanent year-over-year savings for the province as court time is freed up significantly. We know that all three parties at Queen's Park agree that this reform represents good public policy. We urge a quick passage of Bill 14 to deliver the social and financial benefits that will follow.

(2) Press Ottawa to recommit expiring federal assistance to the affordable housing program.

There is a critical issue looming regarding Ottawa's long-term financial support for federal-program housing providers. Today, nearly 200,000 vulnerable Canadian households, almost half living in Ontario, depend on federal rent-geared-to-income housing assistance to pay their rent. Of these households at risk, just over 4,000 represent Ontario co-op families.

Federal assistance is delivered through operating agreements with co-ops and other housing providers developed under federal housing programs in the 1970s and 1980s. When these agreements end, so does the RGI subsidy. Currently, there is no commitment from the federal government to extend RGI assistance, and these agreements are soon expiring over the coming years.

Seniors, single-parent households, people with disabilities, aboriginal people and other low-income families are affected.

The federal government has been largely silent on this issue. There are billions of federal dollars that will become available over the next quarter century as these operating agreements expire. Ontario has a clear interest in ensuring that existing affordable housing continues to be available. We encourage Ontario to negotiate with Ottawa for the reinvestment of expiring federal assistance in a long-term, cost-shared plan for affordable housing that includes extending rent supplement agreements.

(3) Enact inclusionary zoning legislation.

The province can mandate a municipal zoning approval process that requires developers to make a percentage of housing units in new developments available at below-market rents. In return, the developer would receive a density bonus, allowing more units than would ordinarily be permitted under zoning restrictions. The below-market housing created would be affordable to many low- and modest-income households who cannot afford the steep rents charged in many recent condominium developments.

While inclusionary housing policies are set by local governments, it is up to the province to ensure that these municipal measures can be enforced and are not subject to endless challenges at the Ontario Municipal Board. A straightforward provincial statute would give municipalities the authority to establish inclusionary zoning practices and would accomplish this goal. MPP Cheri DiNovo's previous private member's bill that we mentioned in our brief would achieve this result. The government should give serious consideration to enacting such legislation. Inclusionary zoning has proven an effective tool in the United States, where it has been used in a number of states and municipalities.

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(4) Make government lands available for affordable housing.

Ontario should follow through on earlier commitments to facilitate the development of affordable housing on surplus provincial lands. A major part of the capital cost for affordable housing would be removed if the land were available without charge. This would reduce the capital grant required from government and bring down the required economic rents. It would also lower the subsidy required to bridge the gap between economic rent and a rent-geared-to-income rent level.

The province should follow through on this long-delayed initiative that would help create many more affordable homes without incurring significant government expenditures.

(5) Preserve the existing affordable housing stock.

The long-term viability of much of Ontario's social housing stock is at risk, as economist Don Drummond noted in his 2012 report on reform of Ontario's public services. This is a serious concern.

Co-op and non-profit housing providers need access to new mortgage financing to pay for capital repairs to their aging buildings. One significant step Ontario could take, with little cost to the provincial treasury, would be to expedite a program through Infrastructure Ontario to allow providers to leverage the equity in their housing to borrow the money they need, at reduced IO rates, and extend their mortgages so that their debt servicing costs do not increase.

(6) Build more co-op housing. Sorry, you've got build more affordable housing.

For many years, CHF Canada has raised concerns with the province about the barriers to the development of co-ops and other community-based non-profits under the federal-provincial affordable housing program and its successor, the Investment in Affordable Housing program. Historically, almost a quarter of social housing developed in Ontario was co-op housing. Under the AHP and IAH that share has dropped to less than 4%. We don't believe that this is the policy intent of the Ontario government. In the recent debate on Bill 14, MPPs from all three parties spoke about the benefits of the co-op housing model, that it's cost-effective and builds healthy communities, and said that the government needs to find ways to facilitate development of more co-ops. MPP Steve Clark expressed the views shared by many MPPs when he mentioned the need "to expand co-ops, to make sure that this unique gem that we have in the province can be increased.…"

We urge the government to examine the barriers that have blocked the development of co-ops under recent programs and take steps to address them.

We also believe that the ministries of housing and infrastructure should work closely together to develop a strategy to use public-private partnerships to lever the development of more affordable housing. Infrastructure Minister Glen Murray pointed in this direction during the debate on Bill 14 when he noted that, "We have a lot of abilities to create ... incentives to harvest some affordable housing through this amazing condo boom going on."

The co-operative housing sector is anxious to work with MPPs of all parties to follow through on these practical suggestions and to partner with the government to find other creative ways to ensure that every Ontarian has a decent, affordable place to call home because, as you know, housing is a right and not a privilege.

I want to thank the committee members for the opportunity to address you this morning. As mentioned, Harvey Cooper will be willing to answer any questions you have.

Mr. Harvey Cooper: Thanks, Nicole.

The Chair (Mr. Kevin Daniel Flynn): You got the easy job, Harvey. Okay, we've got about five minutes. First Soo; then Dipika.

Ms. Soo Wong: Thank you very much. Good morning. Thank you for coming to speak today. I just have two quick questions on your handout here to us.

Under number 3, "Enact inclusionary zoning legislation," you make reference to a number of states and municipalities in the US that had this type of legislation. Can you share with us—

Mr. Harvey Cooper: Sure, and I can certainly provide the committee with backup information following the hearings.

A fairly sizable percentage of American states have this. California, in particular, is one of the leaders in the field. I believe 34 municipalities in that state have inclusionary zoning practices and have created literally thousands of units over the years, but I can certainly get you more details.

Ms. Soo Wong: Are there any Canadian cities or provinces with a similar type of legislation?

Mr. Harvey Cooper: I'm not aware of any Canadian ones. There are some European countries that use it as well.

Ms. Soo Wong: Okay. My last question through you, Mr. Chair: With regard to the number 4 recommendation, "Make government lands available for affordable housing," we know in the city of Toronto—coming from the Toronto District School Board—we have many properties. Have you begun that conversation with the Toronto District School Board about turning some of those X number of properties into affordable housing—

Mr. Harvey Cooper: I think that's an excellent suggestion. We've had some discussions with trustees and we think every level of government has a role to play. Ontario has surplus land, the city has surplus land, the federal government has surplus land. A number of the co-ops that are built in this city were as a result of partnerships, either on city land or provincial land, long-term leases. We think that issue should be revisited.

It was a promise made in the 2003 Liberal election platform and hasn't reached fruition. Certainly I think the school board has a role to play, as municipalities do, but I think it's one area the province should have a good, hard look at as well.

Ms. Soo Wong: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Dipika, you've got just over two minutes.

Ms. Dipika Damerla: Thank you, Nicole, and thank you, Harvey, for coming here today and for an excellent, well-organized presentation. You know that you've got the Liberal Party's support for Bill 14, obviously, because we've introduced it. I really look forward to getting it passed. I've already, as I was mentioning to Harvey earlier, gone to the co-ops in my riding and spoken to them about the change that is hopefully coming.

I did have a question on pressing Ottawa to recommit expiring federal assistance. I don't know what the federal process is, but I'm curious: Did you guys get a chance to present before the federal pre-budget hearings, and what was their response?

Mr. Harvey Cooper: Yes, we presented there. We've met with many federal MPs of all three—however many—parties, including quite a number of government members. Their response at the moment is they are studying the issue. Our sense is these agreements in Ontario, speaking for the co-op housing sector—about half our co-ops are funded under federal programs, half under provincial. Our sense is, as those agreements expire—and as Nicole mentioned, they're starting in 2014-15, right through 2020—the federal government is probably looking, as we mentioned in our brief, for those programs to be cost-shared. That's just the response we seem to be getting in the discussions—

Ms. Dipika Damerla: What does "cost-shared" mean?

Mr. Harvey Cooper: Cost-shared would mean I think they'll be looking for the province and other levels of government to also come to the table. What we're suggesting is that this is a very cost-efficient, long-term affordable housing program. You have existing buildings with residents in them. It would be similar to private rent supplement agreements, that every level of government should ensure those contracts don't expire. And I don't want to give the impression whatsoever that the federal government doesn't have the foremost responsibility here; those are their programs. But I think the province also has to make it absolutely clear this is a priority; they want to see those agreements continue.

Ms. Dipika Damerla: My last question—and Soo talked about it—is the zoning legislation. I know that in Mississauga I've been talking to my councillors, and there's a lot of appetite. The only thing I do want some clarification on or your feedback is this: I'm assuming that when a city sets zoning limits that you can only do 10 floors, it's for a reason, and to be able to say, "Well, if you build in some low-cost units, we can do 11," it seems arbitrary that it was 10. So my instinct would be to mandate more, in sort of giving that incentive, to just say, "You've got to have them." I just wanted your response to that.

The Chair (Mr. Kevin Daniel Flynn): It's going to have to be a very short response, Harvey.

Mr. Harvey Cooper: I think what we need then is political will between the municipal levels of government and the province. The province does have planning authority. The municipality has local zoning authority.

I'll just finish by saying that you see literally hundreds of cranes up across the city and the GTA, and that we are not accessing any forms of affordable housing through that development I think is something that needs to be seriously revisited.

The Chair (Mr. Kevin Daniel Flynn): Great. Thank you very much for coming today, Harvey and Nicole. Thanks for your presentation.

Ms. Soo Wong: Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Good delegation of authority there.

CANADIAN THOROUGHBRED HORSE SOCIETY, ONTARIO DIVISION

The Chair (Mr. Kevin Daniel Flynn): Our next speaker this morning is the Canadian Thoroughbred Horse Society, Ontario Division. We've had a substitution for Julie; we've got Glenn with us this morning. Glenn, if you'd take a seat. Make yourself as comfortable as you can.

Mr. Glenn Sikura: Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): You've got 15 minutes. You use that any way you see fit. If there is any time left over, this round of questioning will go to the Conservative Party. I'll let you know when you've got about two minutes left.

Mr. Glenn Sikura: I appreciate that. My name is Glenn Sikura. I'm the president of the Canadian Thoroughbred Horse Society. Our society has existed for over 100 years. Essentially our mandate is to look after the rights of the people that breed thoroughbred racehorses within the province of Ontario.

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There are any number of facts and figures that we can provide and will provide if you so desire. I think this file has been going on for a long time, and we're taking the approach that you do certainly know some of the facts and figures. I hope to keep on text here and be able to get a little bit more accomplished otherwise than regurgitating what I think you may already have been exposed to.

A brief history: Last March, Mr. Don Drummond produced a document known as the Drummond report. Among the many, many recommendations made by Mr. Drummond was the suggested review of the program we all know as SARP, or the Slots at Racetracks Program, a review—not an overhaul; a review—that would show whether the province was getting "value for money" from this 14-year-old partnership—and we take great umbrage at the word "subsidy"; it was a partnership—between government and the equine stakeholders of Ontario.

That is not what happened. Instead of a review, we had our previous finance minister cherry-pick from the report, and politicize and misrepresent the program and the role of the Ontario horse racing and breeding industry within the provincial economy. His misunderstanding of my industry—if you read the notes, it says "our industry" because we have two people that are stuck in traffic that aren't here—should not be a surprise, after all—

The Chair (Mr. Kevin Daniel Flynn): I think they've joined you. You guys can come forward if you like.

Mr. Glenn Sikura: Oh, I'm sorry. Peter Berringer, first vice-president, and Julie Coulter, our general manager.

The Chair (Mr. Kevin Daniel Flynn): Oh, good. Make yourselves comfortable.

Mr. Glenn Sikura: The point here is that a multi-billion-dollar decision was made without the benefit of a cost-benefit analysis. I want to repeat that because it's mind-boggling: Can you imagine making a decision of this magnitude without the benefit of an appropriate cost-benefit analysis?

What followed has been despicable. The industry and our participants were demonized to the general public, horse people divested and continue to divest, hard-working citizens—not people making six figures, mind you; that's the image many people have of the horse racing industry—people that are hard-working, taxpaying citizens making relatively smaller wages lost their jobs and lost incomes, and beloved animals that we're all involved with were put at risk. In short, a free-fall within our industry began.

By mid-summer, the government offered up a glimmer of hope with the formation of the OMAFRA panel. Make no mistake: This has not been a panacea for the hard-working taxpayers that are involved in the Ontario horse racing and breeding industry, but at the very least, the level of expertise on this file improved dramatically and the rhetoric slowed considerably. We continue to have conversations with the panel on a regular basis.

One of the members of the panel made the following comment: that "politicians and horses have something in common—neither one likes to go backwards." While humorous, it's quite accurate, but that's exactly what is needed. Government must take a stand immediately to reverse the current path of destruction that we're on. Making decisions or non-decisions to save face does not represent true leadership. Taking the appropriate and moral course of action in a difficult time, however, does.

Repeated efforts by our industry representatives have not yet led to a plan that will lead to the stated government goal of long-term sustainability. Our industry has considerable historic and cultural significance as well as massive economic benefits to the province. We deserve better.

Our new Premier is to be commended for inserting herself as the Minister of Agriculture and making the statement that the horse racing and breeding industry would be integrated into Ontario's gaming strategy. This is one of the prime asks of those involved in the horse racing industry. The question is: What does this mean and when can we expect to hear something concrete? Talk alone does nothing to provide any confidence or investment to an industry that's reeling.

I want everybody to understand the urgency here. We're not talking about a decision that needs to be made in the future, because we're losing people as we speak. Every morning, when we wake up, there are less people invested in the industry.

The results we do have currently are as follows:

—fewer race dates, therefore fewer racing opportunities;

—loss of one of the two thoroughbred racetracks within the province;

—a reduction of our foal crop;

—the loss of nine of our top 20 stallions in the province from 2012;

—diminished board revenue for those of us running horse farms;

—plummeting sales prices;

—decreased foreign investment; and

—people, again, who are losing their livelihoods.

Please, once again, let's remember we're not talking about six-figured people who wear suits; we're talking about hard-working Ontarians for whom this is a way of life, and there is not necessarily an alternate path that they can follow.

When we hear that we will be integrated into the gaming strategy, I have to reiterate: When and how? While we continue to travel into the abyss, the OLG recklessly marches forward, contributing to our demise. If we are truly going to be part of the gaming strategy, nobody seems to have informed the OLG.

According to the OLG, unlimited riches through massive casino recruitment will be the tonic that the province and the municipalities need to solve their financial woes. It should, however, be noted that SARP has already generated some $640 million to various communities. OLG tactics—which personally, I would suggest, are bullying tactics—suggest that if you don't get on board in your municipality, you'll suffer because your neighbouring municipalities certainly will.

It doesn't matter that the residents don't want these facilities—and we're recommending referendums be mandated. It doesn't matter that the proceeds will flow mostly to foreign corporations. It doesn't matter that the information that is being circulated is patently false. You'll note Monte McNaughton's release when he talked about the $50 million to $100 million that was being spewed around as being of benefit to the city of Toronto. That figure is clearly—it stated that every slot machine in Las Vegas couldn't generate that amount of money.

There are further examples. I was at a city hall meeting where people were all told in council that there would be as much as 20% or 25%, I believe, of people from foreign countries attending our casinos, gambling and gaming, and they used places such as Asia. Now we're to believe that people are going to fly in from Macau, Hong Kong and places like this so that they can play a Toronto casino in the middle of the wintertime. It doesn't seem very logical or honest to me. And local businesses will be crushed: That is the history of casinos.

Remarkably, it doesn't even matter that facilities such as Woodbine Racetrack are available and up and running—hence, a very quick start-up time in comparison to building a new casino—they have a significant customer base already and they are an accepted location for gaming, or that they help support 60,000 jobs in the province. The logic is to disassemble the SARP, which generates $1.2 billion per annum to government and helps sustain a multi-billion-dollar industry, and replace it with an unknown and mostly unwanted foreign conglomerate on the hopes that it may—I repeat, may—be able to outperform the unmitigated success that already exists.

MGM Grand had the audacity to hold a job fair in Toronto last week. That's not a very good message to send people in the horse racing and breeding industry.

By the way of comparison, the horse racing and breeding industry that is portrayed as receiving too large a share of slot revenues receives less than half of the amount that the OLG sees fit to give to their associates who run bingo halls: 47% versus 20%, which is the horse racing industry's cut. I would ask rhetorically, how does that make any sense whatsoever?

I would also like to note that of the 20% that stays within the horse racing and breeding industry, 10% goes to what we're calling the horse people, the stakeholders who own the animals. That 10% is completely transparent and completely accountable.

Here's the good news: Government does not have to choose between acting on behalf of the greater public good versus the horse racing and breeding sector. Any common decency would suggest that the two goals will both be met by a responsible approach that would involve cessation of the OLG modernization strategy while conducting meaningful negotiations within the equine industry towards long-term sustainability. We're not looking to be transported to another business; we're looking for long-term sustainability.

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My colleague to my right, Peter, has several—maybe in the question period, if there are some asks of him—suggestions going forward as to how we might do that. One of the things of note is that there are 11,800 or so outlets that sell all kinds of other gaming tickets; perhaps integration with the horse racing industry would be appropriate and would help us and government, of course, to that end.

There is a New Democratic bill that has been presented and will be supported by the Progressive Conservatives—that those in the horse racing industry, I believe, will also support—which suggests a similar course of action. Again, here's what I think people really need to understand: We're not talking about a potential disaster; we're in a disaster situation currently, and it's only getting worse. With every passing day, our industry is diminished. Soon, the damage will be completely irreversible. At this stage of the crisis, words mean nothing; only deeds speak.

We have backup information available upon request, and Julie or Peter may also have some points to make or some questions to answer. I thank you all very, very much for your time.

The Chair (Mr. Kevin Daniel Flynn): Great. Thank you, Glenn. You've left just over three minutes for questions. Julia?

Mrs. Julia Munro: Thank you very much for coming, and we appreciate the urgency of your message.

I just want to start by saying that people who obey the law, pay their taxes and earn their living don't expect to wake up one morning and find themselves the target of government, in such a stark intervention and ultimate demise.

There are three things that I just want to ask you to touch on briefly. One, of course, is the job loss. It's one of the things that we're very conscious of in this province—that we continue to have job loss. Obviously you can speak to that as well.

Mr. Glenn Sikura: Okay. Well, first of all, I run a horse farm. Peter's a horse trainer down at the track. My horse farm is virtually 50% of what it was this time last year; I have no foreign investment whatsoever. The boarders that I do have are from locals now; the farms they used to be at are either shutting down or operating at far less capacity, so board income is being devastated. Season income is being devastated, and this all trickles down. I have fewer people now working on my farm than ever before. We're talking about 60,000 jobs—that's the figure that's in the OLG's annual report; it's been debated whether it's 60,000, 55,000 etc. I think that's irrelevant at this point. Massive job loss is what we're talking about already.

I don't know if Peter has any comments to make within the training, but people aren't bringing horses back to Toronto to train. There's too much uncertainty. If they don't bring horses back to train—

Mr. Peter Berringer: Yes. I'm probably down 50% from last year, too. They won't invest, and they're getting rid of what they have because they're panicked.

Mrs. Julia Munro: And I guess that raises the issue of the shrinkage. Obviously, every business requires a critical mass. When the government has talked about making deals with certain racetracks, are you not afraid of passing that point of critical mass where, in fact, you can't return to a viable operation?

Mr. Glenn Sikura: The thing is, it takes a long time to regenerate, if at all. We're in the breeding industry, so when I breed a horse this year, it foals next year. The following year it's a yearling. The following year, if we're lucky, it gets to the racetrack as a two-year-old; more likely as a three-year-old. How on earth can we react to something that happened—

Mr. Peter Berringer: It's a five-year cycle.

Mr. Glenn Sikura: Yes. We're a five-year cycle, and to get an 11-month notice that our business would be devastated? It's not appropriate. I think one of the basic tenets of life is that you're supposed to clean up your own mess. This is a mess that was not created by industry; this was a mess that we were put into and there is no solution beyond looking for long-term sustainability.

Mr. Peter Berringer: Our business is driven by the gaming dollar. When you lose bettors, it's hard to regain them once they go to another gaming dollar, and our industry is driven by the gaming dollar.

Mrs. Julia Munro: I think you've added really important ideas here for us—that people should take notice very soon.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Julia. Thank you all for coming today.

Mr. Glenn Sikura: Thank you for having us.

ONTARIO COMMUNITY SUPPORT ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): Our next delegation this morning is from the Ontario Community Support Association. Deborah Simon, the chief executive officer, is with us this morning. If you'd like to take a seat, make yourself comfortable. I think there's some clean glasses there, if you need a glass of water. You get 15 minutes, like everybody else, Deborah. You use that any way you see fit, and if there's any time left over at the end for questions, it'll go to the New Democratic Party.

Ms. Deborah Simon: Fabulous. Great.

The Chair (Mr. Kevin Daniel Flynn): It's all yours.

Ms. Deborah Simon: It's a net delegation of one, so good morning, everyone. I want to thank you for the opportunity to appear before this committee and to provide the perspective of the not-for-profit and community health sector on the 2013 Ontario budget.

My name is Deborah Simon. I am the CEO of the Ontario Community Support Association. This association represents hundreds of non-profit agencies across the province who provide compassionate, quality home care and community support to over one million Ontarians in this province.

You are no doubt familiar with organizations in your ridings providing services to seniors and people with disabilities, services such as in-home nursing and personal support, Meals on Wheels, Alzheimer day programs, transportation to medical appointments or supportive housing.

While our dedicated staff are key to our agencies, we also efficiently leverage the services of more than 100,000 volunteers annually, services that have been valued at about $100 million a year.

I don't need to tell you how critical these services are to so many families. They keep people in their homes, where they want to be, in their own communities and closer to their families. These services are also important cost-effective measures that prevent unnecessary hospitalizations, emergency room visits and premature institutionalization.

Stats Canada reported in 2012 that one in four Canadian seniors received home care, most commonly help with housework and transportation. As we know, there's a burgeoning baby boomer growth that will only grow as the population ages.

Fortunately, there is broad consensus amongst public policy experts that home and community support services are key to improved health outcomes and the sustainability of our public health system. This is especially true of the 5% of health care users who rely on our health care system and account for as much as two thirds of the public expenditure.

So while many of our members have been around for decades, providing dedicated quality care, how do we transform the health system so that home and community support is able to provide the comprehensive services that will be required in the coming years?

We are pleased that many in government have already been thinking about this, as evidenced by the Ministry of Health's Seniors Strategy and Dr. Samir Sinha's report on Living Longer, Living Well, which was fully released last week. His report provides a road map to greater home and community support delivery, and we really support this direction.

Still, as all of you will know, it is the implementation of these big ideas that poses the challenges. They're not insurmountable, but for our sector, and for my members in particular, there are three aspects that I urge this committee to consider as part of its counsel on the 2013 Ontario budget.

(1) We need sufficient resources to enact the government's quality and accountability agenda.

Last year's budget allocated 4% in health spending to community. Dr. Sinha's report recommends at least maintaining that amount for the next two years. But, as you know, there are many layers to get that 4% through before it reaches agencies working on the ground.

Being new money, it was and is intended for new programs and services. Yet our members, including the most experienced and efficient of organizations, are struggling to maintain existing services, expand in new areas and meet the vigorous new reporting requirements. These are all things our members want to do, but cannot do under the current allocation framework. We are concerned that government will not see the desired results—the results that my members want to do and know they can deliver on—because of this.

Our recommendation, then, is that government continue with a 4% to 5% increase in spending for the community sector, but that from that amount 1.5% be dedicated to enhancing quality and accountability measures, a criterion which could be agreed upon between the ministry and OCSA. In essence, the government will be giving our hard-working members, their staff and volunteers a chance to catch up and position themselves to deliver the transformation we all want to see realized.

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(2) Excluding personal support workers from mandated wage freezes is critical in allowing agencies in the community sector to attract and retain workers.

Already, many organizations are facing a shortage of skilled workers because they can be paid more working in long-term-care homes or hospitals. If we're going to expand services in the community, we need the human resources to do so. PSWs are already the lowest-paid health workers in the system. I question whether as part of a discussion on public sector wage restraint, the home care worker who bathes a senior for $12 an hour is considered. Making it more difficult for non-profit agencies in the community sector to recruit and retain PSWs is counterproductive to broad health policy goals.

Our recommendation is to allow members sufficient flexibility to attract and retain qualified PSWs by ensuring there's no mandatory wage freeze on these workers.

(3) We want to encourage the government to adopt smart integration as part of its approach to the community sector.

The efficient delivery of home and community support services is a goal our members share with the government. For some, this means some consolidation of the small community sector agencies providing similar services into fewer larger organizations. While OCSA will take a pragmatic approach to this issue, we also want to respectfully remind the government that what appears on paper to be duplication can in fact be very efficiently operated. Consider in some cases that there may be smaller agencies working for free out of church basements, relying almost exclusively on volunteers but performing some overlap of services. When you combine these agencies, it may seem like a good idea on paper, but if you do so, you require a bigger office space, and that would likely have to be rented, professional staff to oversee a larger operation that will have to be paid, and more paperwork. It's never always efficient to integrate.

So our recommendation is for government to consider factors such as the neighbourhood and community benefits, access to volunteers and impact on community partners before making decisions on consolidation. In other words, let's pursue smart integration.

We trust that you will give thoughtful consideration to these recommendations. I sincerely thank you for your attention today and I would be pleased to answer any questions you might have.

The Chair (Mr. Kevin Daniel Flynn): You have about eight minutes left, and the questioning goes to the New Democratic Party.

Ms. Catherine Fife: Thank you very much, Deborah, for the presentation. Clearly, your association does amazing work. In fact, the safety net that used to exist is just not there anymore and your members are clearly picking up the slack. So I want to thank you for that.

Ms. Deborah Simon: Thank you.

Ms. Catherine Fife: On the personal support workers, this is an extremely relevant point because that association was here earlier this week talking about working conditions, talking about health and safety conditions, excessive workloads—I mean when you have 20 seniors to bathe in the course of a day. And yet a registry has been established without appropriate criteria. We have a registry with people putting forward their names as PSWs without the appropriate criteria. Could you comment on that a little bit, please?

Ms. Deborah Simon: Sure. OCSA actually has had a large role to play in the registry. I disagree that it is without appropriate qualifications. The registry actually does go through the qualifications of any individual who's applying for registration, so we do validate educational requirements and ensure that if those are equated to work experience, we validate that work experience with the employers. This is incrementally much better than what currently exists in the system right now, where if an individual is looking for a PSW, they don't in fact even know that the qualifications exist. So the registry does do that checking.

Ms. Catherine Fife: That's good. Thank you very much for that clarification.

Have you costed out your ask around having PSWs excluded from a potential wage freeze?

Ms. Deborah Simon: Actually, no, I haven't looked at it. As you know, the number of PSWs—one of the big pushes to having a registry is actually to quantify the number of PSWs in the system, and that is in fact needed because we have no sense of how many existing PSWs will be needed going forward to be able to support the strategies that are put in place. So we haven't done that level of costing, but it's a great suggestion and I'll take that on.

Ms. Catherine Fife: And just one final one: The Living Longer, Living Well report is excellent, and I would just encourage you to stay in touch with all parties as the implementation rolls out, because there are some solid strategies in that report that, as you point out, can go awry without the proper implementation strategy.

Ms. Deborah Simon: Right. And we're really pleased to say that we actually helped produce and provide information to Samir to help him with this strategy development. So we're intimately aware of the document and very supportive.

The Chair (Mr. Kevin Daniel Flynn): Great. Thank you very much for coming today, Deborah. It's appreciated.

Ms. Deborah Simon: Thank you very much.

COLLEGES ONTARIO

The Chair (Mr. Kevin Daniel Flynn): Linda, come on forward. You're next to the hot seat. Make yourself comfortable. You've been here before so you're no stranger to this room. There's 15 minutes. You use that any way you see fit. If you've got any time left, it will go to the Liberal Party this time for questions and answers. Welcome.

Ms. Linda Franklin: Terrific. Thank you very much, Mr. Chair.

Good morning. I am Linda Franklin. I am the president and CEO of Colleges Ontario, which is the association representing all of the colleges in Ontario. Thank you for this opportunity to talk to you about what we think should happen in the 2013 budget. We think it's a particularly opportune time. We've been talking about the skills shortage and skills mismatches for about six years now, and when we started, not very many people were listening; it didn't seem very current. The recession, I think, masked some of what was coming. But as you can see, even from the media in the last two weeks, this issue has taken off. It's clear; employers are recognizing it. Both the CME and the chamber of commerce have made it one of their critical missions to address the skills shortage and the skills mismatch, and we're expecting a federal budget today that addresses it. So clearly, the issue has taken off. We were very pleased to see the focus on job growth and the recognition about an educated and skilled workforce being essential to meaningful job creation in the recent speech from the throne.

There's no question the challenges our province faces are significant around this issue. Far too many young people throughout the province are struggling to find meaningful work, and far too many people who have lost their jobs after years at the same company are continuing to seek opportunities to train for new careers.

A lot's been done in the last few years. Second Career, I would say, is a really good example of a strong response to that, but there's much more that needs to be done because there is an increasing skills mismatch in Ontario and through the country as employers struggle to find qualified people.

When I talk to my counterparts, particularly in the Maritimes and BC now, they point to the new shipbuilding contracts they've just been awarded and talk about the fact that they will need far more skilled workers than they could ever have imagined. And they're coming to Ontario to look for them.

In his seminal report, Rick Miner, the president emeritus of Seneca College, talked about this problem as "People Without Jobs, Jobs Without People." As he noted, addressing the skills mismatch requires a much more comprehensive strategy than just stimulating job growth, although that's important. We need new jobs, but we also have to ensure that as these jobs become more difficult and challenging from a knowledge and skills perspective, we have people with the right qualifications and advanced skills to fill those jobs.

Too often, that just isn't the case. Even in this difficult economy today, we're finding all sorts of job openings that can't be filled because people don't have the right qualifications, and lots of folks who are looking for jobs. This challenge has caused all of us to take a look really seriously in the last few months at the skills shortage, and Ontario's 24 colleges are already helping to address the skills mismatch. But more than ever, the province needs to produce more college graduates who are creative, who have acquired advanced skills and who are job-ready for some of these openings and opportunities as they come up.

Right now, we offer over 600 programs that are educating and training students from a wide range of income groups, underrepresented populations, first-generation students, aboriginal learners and students with disabilities—all the folks we are going to need to reach out to if we are going to achieve a 70% post-secondary graduation rate and fill the high-skill jobs of the future. We're nimble enough and our governance structure allows us to quickly address the needs of the economy as they emerge. So we were able to produce, for example, all sorts of new programs in the green energy sector as that sector started to emerge and job requirements became clear.

The government has supported post-secondary education strongly in the past few years, and as a result, Ontario and the college system here are in a better position than most to ensure that we have the qualified workforce we need. But in order to capitalize on our shared priorities, we have a big challenge that arose in the last budget and is going to follow us for the next three years. We're asking the government in this budget to address the decisions that have disproportionately affected colleges.

We think it's critical that we have the financial certainty we need to address the skills mismatch going forward. We understand, no question, that there are tough budget decisions that are going to be needed to get Ontario back to balanced budgets, and this is a tough time for the province. We're prepared to do our share. We support efficiencies; we're an efficient system and we've proposed a lot of recommendations to help create savings in post-secondary education, including big improvements to the credit-transfer system.

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Our issue today is that the burden that was placed on colleges in the post-secondary reductions announced last year, which will take effect over the next three years, asked colleges to absorb 46.5% of the reductions in our sector. These reductions are coming directly out of our current operating budgets. Our colleagues in the university sector have also been asked to make cuts, but a significant portion of their cuts is coming from future revenues, from graduate spaces that will be deferred, and not current budgets. As you can imagine, it's a whole lot easier to balance your budget at home if you're cutting future potential revenues rather than money from the budget you have now.

As we've outlined, the college sector gets 28.7% of the operating funds that come from government to post-secondary. So, in a reasonable universe, we think our share of the cuts should have been about proportionate to our share of the grants. Instead, we find ourselves with an overrepresentation in terms of the cuts that will cause an additional $25 million lost in annual operating dollars. These cuts are planned for the next three years. So even though these were highlighted in last year's budget, in the next budget there is still the opportunity to address this challenge. We're really asking for colleges to be treated equitably.

We deliver quality programs at a lower cost to government than in any other Canadian province. Colleges operate on less per-student funding, believe it or not, than our high schools, not just our universities. So we're urging the government to work with us to get these issues addressed in the upcoming budget.

The other thing we think needs to be addressed in the budget is the need for fiscal certainty in relation to tuition. We think this must happen from a perspective informed about the differences between colleges and universities when it comes to tuition.

In a recent press release, the Canadian Federation of Students' chairperson said, "With tuition fees in Ontario the highest in the country and student debt hitting record levels, the new tuition framework must provide immediate relief from high tuition fees." This statement is absolutely untrue in relation to colleges. The failure to differentiate between college and university tuition levels we fear could lead policy-makers to make choices that would be wholly inappropriate for the colleges and their students.

There are real differences between the tuition fee levels at colleges and universities, as many of you who have colleges in your ridings know. The tuition for a typical college program is about $2,400 per year; the typical tuition for a university arts and science program is about $5,400. College students take about half as much time, usually, to complete their courses and often live at home while they do so. Thus, their costs are much lower than a typical university student's who lives away from home. College students who graduate with debt have much more manageable debt than those attending university, and there are many programs, bursaries and student aid programs to help with that debt.

Colleges are working with the government to raise the post-secondary graduation rate. We think it's a critical objective. In doing that, we are going to need to welcome more and more students with special needs, whose success often depends on a number of supports. This increases the cost to service our student needs. Rightly so, they're costs we should take on, but we have just found in a recent Deloitte study that colleges are now covering about $100 million in extra costs to support these students than we receive in grants from government. It's a big challenge, and as we welcome more of these students in to ensure equity across the system for all students, these costs are going to rise, not diminish.

Over the past three years alone, the gap between the average tuition fees for regular college programs and university arts and science programs has increased by $360.

That's why we're calling on the government to establish a tuition fee framework distinct for colleges as part of a long-term effort to ensure a fiscal sustainability for our entire college network.

In the interim, we think it's critical that decision-makers approach the current tuition discussion with an understanding of the differences between colleges and universities in this area. Too often, we find, tuition discussions in the media lump us both together, focus on university realities, bring colleges in as though they were the same, and ignore the real differences between colleges and universities. That's a huge challenge when we start to make really good, informed decisions about where we should go for tuition.

We absolutely agree with student groups that any new tuition framework has to maintain accessibility for our students. It's what the college system is all about—the access agenda. But limiting growth and tuition revenues at the same time that our operating grants are being severely constrained is going to severely limit the ability of colleges to provide the post-secondary education students need and to be sure that our province has the advantage of the vast range of students who should get a post-secondary education to be absolutely terrific contributors to the economy.

In light of the skills mismatch facing Ontario and the increasing need for more college graduates, we think it's critical that colleges be given a tuition framework that responds to the needs of our students, the economic realities of our province and our need to preserve high-quality programs so that our graduates hit the ground running and deliver fully on their potential to employers that hire them and need them job-ready.

In conclusion, let me just reiterate that colleges are ready to do their part, both in addressing the fiscal challenges and in training the next generation of highly skilled workers to enter the economy with the right skills for the jobs that are out there. But we need to be treated fairly in budget decisions and tuition decisions. Our share of these cuts should bear some relationship to our share of government funding.

Remember too that we are not all—the partners in the broader public sector—starting from the same base when it comes to looking for efficiencies and productivity improvements when cuts are made. The college system is already very lean. We are effective and efficient stewards of public resources. We already have a joint pension plan that is well funded with large employee contributions; it's not tied to inflation protection every year. Lots of decisions have been made over the years to make sure that plan is sustainable. We have shared services agreements across the college system. We bargain with our unions together as one entity. We have one centre for all students applying to colleges, and we are the largest per capita investors in OntarioBuys. So we have limited room to cut in our institutions without affecting quality.

With a grad employment rate of 83% even in this recession, Ontario's colleges are already producing the highly educated and skilled workforce that Ontario needs. We think we can do more to help make the province stronger and more prosperous. We hope that the Ontario budget will continue to support this critical work. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Linda. You've left a couple of minutes for questions, probably time for one. Soo.

Ms. Soo Wong: Thank you very much for your presentation and for the handout. This is very helpful. You spoke several times—as well, it's in your written submission—about the skills mismatch. Can you further elaborate about the skills mismatch? What is your role as a college in terms of dealing with this issue, and what can the government do? My last piece is dealing with the costs; there's always a cost. Can you elaborate about that, please?

Ms. Linda Franklin: I can. Let me elaborate by way of example. In Kitchener-Waterloo at the moment, we had a whole lot of folks laid off in manufacturing. At the same time, even with the challenges RIM has had, there were a whole lot of new high-technology jobs opening up. There were a lot of folks in that area who were unemployed, looking for work, and a whole lot of jobs available for which they were not qualified. We talked to the aerospace industry a little while ago, and they said to us, "Look, during the time when we were laying off jobs in the auto industry, we were looking for people to work in manufacturing in aerospace, but we had no way of understanding what the qualifications were of the auto folks who might well have come over to the aerospace industry." We needed some way to figure out what the skills gap was for those employees and what we would need to do to train up to a level where they could be in aerospace. Is it six months? Is it three weeks? Is it three years?

I think we have two problems. One is people who don't have the skills they need. The other is folks who are laid off from jobs, and companies looking for good employees have no way to evaluate those skills and understand whether there's a way forward. A skills passport would certainly help some way, and colleges are working on this sort of idea now, where there's a cataloguing of the skills that you've learned, the learning outcomes on your job, so that maybe those skills are translatable for employers looking for folks.

I think Second Career is a really good example—it should be continued—of finding ways to take people who are unemployed through no fault of their own and think about what the next career option for them is. St. Clair College in Windsor is a great idea, where they took a whole lot of folks in the auto sector who were unemployed and took them through Second Career. Many of them found new jobs and great jobs.

It's not cheap; you're right. But I think there are lots of ways that the government can continue to invest in training. Bring employers to the table and ask them to support training programs. If they work with colleges and can find and identify new areas where skilled workers are required, there should be a cost sharing in that because it works for the employers as well.

The Chair (Mr. Kevin Daniel Flynn): There's probably time for one more question from Dipika. It's got to be very, very short, though.

Ms. Dipika Damerla: Linda, thanks for coming. I just wanted confirmation of what I think might be. You mentioned that tuition is $2,400, but if you factor in the 30% tuition off, which 80% of Ontarians are eligible for, I figure it's closer to $1,700. Would that make Ontario one of the most affordable places to go to college?

Ms. Linda Franklin: Even without that, it's one of the most affordable places to go to college. About a third of our students are eligible for the OTG, because many of them come to college when they're older, but for that third, yes, it does make exactly the difference that your math suggests.

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

Ms. Linda Franklin: Thank you.

Interruption.

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

We're recessed till 2 o'clock this afternoon, right here.

The committee recessed from 1030 to 1359.

CENTRAL 1 CREDIT UNION

The Chair (Mr. Kevin Daniel Flynn): Okay. You've been called to order, members.

Our first delegation this afternoon is from Central 1 Credit Union. Kelly McGiffin and Kelly Harris are both here to talk to us. There's 15 minutes, gentlemen, to make your presentation. Use that any way you see fit. If there's any time left over at the end, that will go to the official opposition, the PCs, first. Outside of that, the floor is yours. You've got 15 minutes.

Mr. Kelly Harris: Thank you, Mr. Chair. As you said, my name is Kelly Harris and I'm the government relations director for Central 1 Credit Union. This is my colleague Kelly McGiffin. He's the president and CEO of FirstOntario Credit Union and a member of Central 1's board legislative committee. Joining us here also: our legal counsel, Alena Thouin; our media relations manager, Art Chamberlain; and government relations assistant, Katie Rochefort.

I'd like to start off by thanking the committee and the members of the subcommittee for inviting Central 1 Credit Union to make today's presentation on behalf of our 99 member credit unions and 1.3 million members in Ontario.

Those credit unions serve 531 communities. In 25 communities, we are the sole financial institution. Central 1 is the umbrella organization, providing trade services, liquidity and treasury services to almost all credit unions in Ontario. In addition, we handle payment processing for our members and for many other organizations across the country. We are also the central for British Columbia credit unions as well. This puts me in an enviable spot to see what works in Canada's credit union system and to make recommendations to committees such as yours on how to grow and strengthen credit unions in Ontario.

First off, credit unions are community-based financial organizations owned by ordinary Ontarians. For seven years in a row, credit unions have been ranked ahead of the chartered banks in customer service—excuse me, member service. Our members are your friends at Rotary, your child's soccer coach, the teacher at your child's school, and just like our members, credit unions are part of the community too. When a credit union's personnel donate time and money to charitable initiatives, or a credit union lends to a small or medium-sized enterprise or makes an agricultural loan, they do so in the community they are part of, because the goal of Ontario's credit unions is fairly simple: stronger communities, more jobs and a stronger Ontario.

To that end, Central 1's member credit unions have consistently increased investments in the form of commercial and agricultural loans and mortgages since 2008. In 2008, our member credit unions invested $21.1 billion in such loans; in 2012, they invested $32.3 billion. That is a more than 50% increase in investments in Ontario since the beginning of the so-called "great recession," a time when our province needed job creation investments most. When Ontario needed credit unions, credit unions were there.

I would like to tell you about one such job creation program. Alterna Savings, Ontario's first credit union, launched the Micro-Finance Program a decade ago, its goal to help those with low income, women and new Canadians start and expand small businesses. Its loans ranged from $1,000 to $15,000, amounts generally too small to be considered by the chartered banks.

There are several examples of success stories, but I'd just like to mention one. Freedom Support Services, a home health care provider with more than 40 employees, today does more than $1 million in business, all thanks to an Alterna microloan.

Just a couple of years ago, the Carleton Centre for Community Innovation in Ottawa published a report on Alterna's microloan program, and it contains some amazing findings. Participants reported a reduced reliance on government income assistance. The proportion of individuals reliant on some form of assistance fell from 42% to 21%, a 50% decrease after participating in the program. Some 95% of those businesses that received lending support from Alterna are still around today, and 62% hired two to four employees. Participants reported increased income, which improved their quality of life with increased financial stability, the purchase of new assets and better nutrition for their families. Before participation in the program, only 8% of borrowers owned a home; 27% owned a home at the time of the study. Alterna's Micro-Finance Program has meant reduced reliance on government social programs, job creation, small business success, healthier families and home ownership for participants.

These types of grassroots economic development programs can be found at credit unions Ontario-wide. Kelly's credit union has such programs as well.

But being good corporate citizens isn't just about loans and financial services. Last year, Ontario credit unions invested $3.1 million and their staff contributed 10,000 volunteer hours to support the communities in which we work and live. Those community investments include a $500,000 investment into the University of Windsor by Windsor Family Credit Union, a $1-million commitment by Italian Canadian Savings and Credit Union over the next 10 years to help build the new state-of-the-art Humber River Hospital, and $24,000 by Libro Financial in London to help youth learn employment skills and gain employment in London. Of course, youth employment is a major consideration for the upcoming budget, and credit unions are tackling that need, independent of government support or direction.

Let me tell you about a few ways we can work together so credit unions can build on their success, helping Ontario succeed in the process. Under legislation in all of Canada's western provinces, credit unions provide unlimited guarantee of repayment of deposits that they accept. Most credit unions in the Atlantic provinces offer a $250,000 deposit insurance guarantee. In the United States, credit union deposits up to $250,000 are insured by the National Credit Union Administration, and even Prince Edward Island guarantees credit union deposits up to $125,000.

In Ontario, that deposit guarantee is $100,000 for non-registered deposits. For chequing and savings accounts, that is the lowest level of deposit insurance in all of North America. And unlike Canada's schedule I banks, credit unions do not own subsidiary corporations such as mortgage investment corporations that also accept deposits, permitting depositors to double up on deposit insurance.

As a show of support for Ontario credit unions and to help level the playing field, we ask the provincial government to increase deposit insurance levels for credit unions to $250,000. This would not only show that you believe in our system, but you also believe in the important work we are doing to strengthen and grow Ontario.

Also, Ontario is the only province in Canada that does not require mandatory credit union or caisse populaire membership in a central credit union or federation. This means there are still a number of credit unions in Ontario that rely on banks to hold their statutory liquidity reserves, and more importantly, it means that credit unions are reliant on chartered banks for clearing and settlement line of credit. If you've ever seen the movie It's a Wonderful Life, everyone knows what can happen when a bank pulls your line of credit.

To protect Ontario investors, we ask the provincial government to require that all credit unions and caisses populaires in Ontario become members of a central organization by January 1, 2015.

Last, but not least, virtual credit unions from Manitoba offering unlimited deposit are advertising in Ontario newspapers through rate sheets. So significant have their forays into Ontario become that recently, they were featured in Maclean's magazine. Because of loopholes, these institutions not regulated by either the federal or Ontario governments are doing virtually what they would never be able to do in the way of bricks and mortar. This is very simply an investor protection issue, as these are not federally- or Ontario-regulated or insured institutions. We're asking the provincial government to issue a cease-and-desist order, as has been done by both the governments of Saskatchewan and Nova Scotia, to those Manitoba credit unions to require that they discontinue advertising through rate sheets in Ontario newspapers, and then to close the loophole in legislation that allows virtual credit unions from Manitoba to operate in Ontario.

These initiatives cost almost nothing. They are each grounded in the idea of a level playing field and investor protection. But by making these changes you will help grow and strengthen Ontario credit unions. With your support, Ontario credit unions promise to keep doing what we've been doing, just on a larger scale: helping to make Ontario communities even stronger and helping small and medium-sized businesses and family farms to create more and more jobs, building stronger communities and a stronger Ontario.

Thank you. Kelly and I would be happy to take any of your questions.

The Chair (Mr. Kevin Daniel Flynn): Great. Thank you, Kelly. You've left about five minutes. Who's asking first? Jeff? Go ahead.

Mr. Jeff Yurek: Thank you, guys, for coming out. It's a great presentation. I watch It's a Wonderful Life every year. The Legislature last session made a lot of angels' wings with the bell-ringing we did, but aside from that—

Mr. Kelly Harris: I made a few myself, there.

Mr. Jeff Yurek: What are the advantages of increasing the deposit insurance to $250,000?

Mr. Kelly Harris: Well, I'll just start with a couple of points and then I'll ask Kelly to follow up on this.

It's about levelling the playing field; it's about being fair. Right now, in credit unions in Ontario, one of the difficulties we face is people knowing that we're out there and that we can provide all the same services as the banks. In fact, we're consistently ranked way higher than the banks in terms of member service. But the first thing that increasing the level would do would be a statement from the government that you actually believe in credit unions.

These are the financial institutions of the government of Ontario. If you listen to the last three speeches from the throne, they've all talked about strengthening and growing the financial sector in Ontario. Well, that's not the banks; that's credit unions. That's the industries that you actually legislate and regulate. This would be, first off, a statement from the government that says, "Credit unions, we believe in you," and says to the people of Ontario, "Use the credit unions because they're good financial institutions."

Kelly was with the BC credit union system and can talk to you about what happened there when they needed to increase to unlimited to level the playing field, because we were losing deposits to Alberta the same as we're losing deposits to Manitoba right now when we shouldn't be. But I'll just let Kelly follow up on that.

Mr. Kelly McGiffin: Yes, I'll speak from the perspective of an operator in the system. There is a tremendous disadvantage to credit unions in terms of the playing field. Banks have a number of sources fuelling their lending capability to Ontarians, more than just deposit gathering. They have a number of external sources for funding. With credit unions, we're basically a deposit-and-loan institution, so when we look at the deposit-gathering opportunities within Ontario, we see that the chartered banks hold about 96% of deposits in Ontario.

When I came from British Columbia, the penetration of members to population in British Columbia was about 40%; 40% of the population has accounts with credit unions. In Ontario, the largest market is around 8%. Now, the stumbling block that I faced was credibility. People just do not know what credit unions are in Ontario. We're the only alternative to chartered banks, and many consumers want to make a choice, but if they don't believe that that choice is credible or legitimate, how do we convince them otherwise? Well, one of the ways we can convince them is to have a slightly higher deposit insurance that says from the government itself, "These are safe, comfortable places that you can put your money." We need to do the rest, which is to get out and promote our services, tell our story, which we think will reside very strongly with the Ontario consumer. But we need help in establishing that credibility, and from an operator's perspective, because that's our only fuel to be able to help communities and help members and help consumers, we need help in determining that deposit.

Mr. Jeff Yurek: Okay. Do I still have time?

The Chair (Mr. Kevin Daniel Flynn): Just about two minutes.

Mr. Jeff Yurek: Taking on that, say the government decided to increase your deposit insurance to $250,000 or more. Our economy in this province has been thrown into the ditch and is on a downward spiral from the last 10 years. Would this upgrade on your deposit insurance have an impact on our economic growth, trying to turn this province around? How would that play into it?

Mr. Kelly Harris: Let me start with this one. Eighty-three per cent of credit union operations in Ontario are outside the GTA. That is where you need jobs most. When we invest and we give out small and medium-sized business loans, we are creating jobs in the rest of Ontario. So, would that help the economy? Well, Jeff, in St. Thomas, yes, it would. If Libro Financial grew—that's the local credit union to that area—and they were able to give out more agricultural loans and more small and medium-sized business loans, well, your colleague Ms. Munro can tell you, as the former small business critic for the PCs, the more you invest in small business, the more jobs you create.

We do invest in small business. So yes, it would improve the Ontario economy; I'm confident of that.

The other side to that is, quite honestly, the places where Ontario needs to help most are outside the GTA. I think we can all agree on that, and that's where we operate.

Mr. Jeff Yurek: Okay.

The Chair (Mr. Kevin Daniel Flynn): Your time is up, unfortunately. Thank you very much for coming. It was really appreciated.

Mr. Kelly Harris: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Okay. The next delegation we have listed is FAIR, the Association of Victims for Accident Insurance Reform. Is anybody here from that group? If there isn't, I believe the home builders are here.

Mr. Prue, I'm going to give FAIR about an hour, and based on your request this morning, you may or may not want to put some people on notice that there may be an opening.

Mr. Michael Prue: I'm not going to do it this very minute, but I will within—at the end of this deputation, if they've not arrived yet.

The Chair (Mr. Kevin Daniel Flynn): Just something to keep in mind maybe.

Mr. Michael Prue: Okay.

The Chair (Mr. Kevin Daniel Flynn): Okay. So we'll go and find—

Interjection.

The Chair (Mr. Kevin Daniel Flynn): Let's take a little recess for five minutes, if somebody wants to grab a coffee or something.

The committee recessed from 1410 to 1416.

FAIR

The Chair (Mr. Kevin Daniel Flynn): Okay, let's call to order again. Our next delegation is Rhona DesRoches and somebody else who's going to be introduced from FAIR, the Association of Victims for Accident Insurance Reform. You get 15 minutes. You can use that any way you see fit. If there's any time left at the end of your presentation within the 15 minutes, we'll go to a question-and-answer session. This time, the questions will come from the NDP. Outside of that, the time is all yours to use as you see fit. Okay?

Ms. Marianne Reichert: Thank you, sir.

The Chair (Mr. Kevin Daniel Flynn): Thanks for coming.

Ms. Marianne Reichert: My name is Marianne Reichert. I'm with Rhona DesRoches, and I'm here as the board member of FAIR, but also as a victim. I did a presentation about nine months ago, and in my view, nothing really has been done to help us or others.

The NDP thinks that they're helping people by demanding a reduction in premiums, but they totally ignore the accident victims in the process. A premium reduction is fine, but they should be fighting against changes to the cat definition, and making insurers provide transparent information about their financial situation and accountable for their actions. Those issues are just as important as premium reductions. The fact is that insurers have a guaranteed return on their investment and that claimants receive only a fraction of it at the end of the day.

I would like to share our story with you, which I call "from well to hell."

My husband was involved in a car accident in 2007 and ever since has been going through countless medical assessments, in particular the ones for his cat declaration. We are now in our sixth year. Our 16-year-old twin daughters need counselling, and I need counselling, because we are all emotionally hurt.

My husband needs so much treatment and rehabilitation, recommended by experts, and yet we have to wait now for the arbitrator at FSCO to decide whether Jörg is catastrophic or not—and only because the four insurer doctors say he's not, questioning all other numerous experts who say that Jörg is catastrophic. Jörg has been disabled and absent from his business and all social life ever since the accident. The consequence is that his family—our daughters and myself—is too. We do not do anything, because Jörg cannot and we do not have the money.

By the way, Jörg and I were the founder and executive of Mövenpick Marché for 28 years. We enjoyed a wonderful and busy life. It was not his fault being T-boned by a young driver.

What the insurers do to the claimants is shameful. What is obvious is that the truth is, we are at the mercy of the insurance companies, their counsels and doctors, and they starve you. They starve us.

We have lost everything by now—all of our RRSPs; we just lost our house, any savings and more. Not only have we been totally isolated, but we are financially ruined.

Only with the support of family and friends are we making it; otherwise, we would have to live in a shelter. Not even our friends in prison have to go through this because someone—the government—is concerned about them to provide proper food, entertainment and shelter with heat.

No one can ever imagine what it means to live such a life. We have been hounded by creditors. They deserve to be paid. We can't pay because insurance doesn't pay. I have one court date after the other. I sit in court every two days. We are exposed to summary judgments. This is different from what we were before. It is absolutely horrible, and I cannot understand why we have to go through this. Who gives the insurers the right to deal with victims that way? There's no explanation and no excuse.

The insurer's self-serving delay tactics by questioning Jörg's integrity, by ignoring the numbers and specialist assessments, by declining treatments and payments, is insulting, wrong and harmful. They wait the victims out financially and morally until they give up and throw in the towel, pass away or depart any other way this life before any settlement or award was achieved, or just face the financial reality of being ruined.

The only solution, in my view, to ensure protection, is that the insurers must step up and pay the victims a monthly allowance to continue their financial lifestyle until all is settled.

Regarding the catastrophic declaration, there's only one way to approach this: to protect the victim as a whole and stop questioning highly qualified medical experts when they determine that the victim is catastrophically impaired. I urge you today—and I thank you for listening—to stop ignoring the victims and include them in your decision-making. They deserve your fullest attention.

Thank you for listening. I will pass it on to Rhona now.

The Chair (Mr. Kevin Daniel Flynn): Just so you know, Rhona, you've got about nine minutes, almost 10 minutes, left to go.

Ms. Rhona DesRoches: I can talk fast. I'm Rhona DesRoches and I'm the board chair of FAIR. What's wrong with auto insurance in Ontario? Well, ask any accident victim such as Marianne. It isn't just about premiums; it's about the quality of the coverage we get when we really need it.

It seems to be entirely lost on the government that a significant chunk of the increased auto insurer profits that it wants to claw back from insurers as a premium reduction is the result of the wrongful denial of policy benefits to some of Ontario's most seriously injured and sometimes catastrophically injured accident victims.

As of January, Ontario has just over 28,000 people waiting for mediation or arbitration. This is unacceptable. Consumers are being sold a product that we are legislated to purchase, one that holds the promise of security after a car accident, but only works for about half of the people when they need it.

In 2010, insurers limited claims for minor injury to $3,500, down from a previous level of $100,000, and now 85% of accident victims find their benefits capped at this level, even those with serious injuries. Adjusters are denying claims without a physician, and in effect are taking over the role of a medical practitioner, a role for which they haven't been trained.

There is concern with the proposed changes to the catastrophic impairment guidelines. The cat impairment panel's own reports reflect that their understanding of catastrophic injury was very limited. Some of the panel members did not agree on a very important question. When asked about paraplegia or quadriplegia, two of the eight-member panel did not agree that those injuries met the criteria of catastrophic.

For Ontario's seriously injured accident victims, this panel response to a simple question is just not acceptable, and it calls into question every recommendation that this panel has made. The superintendent himself noted that the panel had trouble understanding the issues, and yet he's made no move to strike another new or more qualified and balanced panel.

Our Liberal government seems intent on pushing through the anti-fraud task force recommendations. In the process, they too have quickly adopted the estimated fraud figures. In fact, Mr. Gorbet, who chaired the anti-fraud task force, testified last spring, I think to this committee, that the task force could not find any research they thought was credible to base the fraud amount on. So the unfair reduction of treatment and benefits continues without foundation and serves only the insurer's needs. What is Ontario getting in return? We're getting a significant download of expenses to the taxpayer through our social programs such as OHIP and welfare, and now people have nowhere to go. They have nowhere to go for assistance, they are without treatment and they are impoverished.

Underlying these problems is one that has existed since no-fault was first implemented, and one that would exist even if we were to turn to a public system today. The wrongful denial of policy benefits to injured claimants based on shoddy independent medical exams, or IMEs, is a big problem for us accident victims. Even the president of the Canadian Society of Medical Evaluators recently wrote that the Ontario auto insurance IME domain is at risk of public scandal due to the inferior quality of "amateurish, biased and fraudulent" medico-legal assessments. You don't have to take FAIR's word for this; IME reports are described by arbitrators at financial services as "inaccurate, failed, misleading, defective, incomplete, deficient, not correct and flawed." Could it be any clearer that there is an issue with these IME reports?

These are reports that insurers routinely rely on, knowingly or not, to disqualify many legitimate claimants. Highly vulnerable accident victims are captive consumers of these IMEs or independent medical assessors.

If injured auto accident victims fail to submit to these insurer examinations, their policy benefits are suspended and they are forced to pay a fine of $500.

Shouldn't these assessors come as advertised by the auto insurers: highly qualified, completely impartial and well-respected by their licensing body? Is it fair for auto insurers, financial services, the colleges and the assessors to hide secret college cautions related to previous flawed assessments from vulnerable accident victims?

The college and the Minister of Health have stated recently that in the interests of public safety, the college needs to disclose the names of the private clinics that have failed inspections. If willing consumers at clinics deserve this sort of transparency and disclosure, why, then, are auto accident victims being denied the same? Why can't Ontario auto insurers annually disclose the amount each assessor has been paid? This is done in British Columbia so the public will be alerted to the potential for bias when assessors become completely beholden to auto insurance. This is happening here: not the disclosure, but being beholden.

A "three strikes" method of purging the insurance system of biased or substandard IMEs was proposed and ignored. This would require that the colleges do their job of oversight in a more transparent way, and this would protect accident victims from dishonest practitioners.

Ontario's accident victims deserve better. Our regulators should be ashamed that vulnerable accident victims are so ill-protected. The question now is, what are we going to do about it? Insurers have pocketed a lot of money as a result of these changes in 2010—about $2 billion in savings last year alone and an estimated $4.14 billion in the P and C insurance industry this year. Think about what these savings will do to our public safety net. Accident victims don't just disappear; they just get kicked to the curb. But someone still has to pay. We'll pay through welfare, and we'll pay in other ways.

I hope this panel takes an interest in what's happening to auto accident victims. We matter, and we shouldn't be treated like this. It's shameful, absolutely shameful.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much. We've got about three minutes left, and the questions this time go to the NDP. Michael?

Mr. Michael Prue: I remember arguing about this bill a couple of years ago. I made a statement, and I never forgot what I said: Any fool can sell an inferior product for less money. We were talking about the insurance industry at that point. Liberals were so darned proud of what they were doing, reducing all the benefits, and I remember the finance minister standing in his place and talking about this as well. Well, this has come home to roost.

I heard the first deputant say they didn't like the NDP position on trying to give some of that $2 billion back. Obviously, you want that to be spent on the victims. But how do we spend that on the victims when the policies they've signed say they're not entitled anymore?

1430

Ms. Rhona DesRoches: It's a bit like throwing the baby out with the bathwater. At this point, it's a series of band-aid movements: "Let's fix this little area and let's fix that area." What we've done is left really vulnerable citizens open to an unfair situation.

I really think with $2 billion, you can still reduce the cost of premiums. No one so far has really looked closely. I know the Auditor General was already in to the auto insurance industry in 2011, and he has said recently that he's going back in June. Someone needs to dig into those numbers because when they had it reduced, what they were saying was that insurance claims in Toronto were costing $56,000. We don't know what those numbers actually mean. Is that the cost of the representation? Is that the actual cost of treatment? We don't know.

We need the Auditor General to get right in, get down, get dirty and find out. What we've got here now is not really worth saving. I made some suggestions here, but the bottom line is that we need to work on this.

Mr. Michael Prue: Okay. You don't have to convince the NDP about this; you don't. But when I asked the insurance guys the other day—they were here in the Legislature—what do you mean by "There's so much fraud," the examples they gave me of fraud were chiropractors and doctors and people recommending all kinds of treatments that were unnecessary. That was the fraud. It wasn't the fraud that I understand, people faking accidents and other things. The fraud they thought was in the system was the professionals recommending things that weren't necessary. Would you comment on that?

Ms. Rhona DesRoches: Well, I would agree. A lot of this comes through the IBC, the Insurance Bureau of Canada. They work for insurers, so it's in their interests to make us believe that fraud is everywhere, and there is a little bit of it everywhere. But a year ago, the fingers were being pointed directly at auto accident victims.

Anybody who has been in this system—and Marianne will attest to this: It's very difficult to get payment for treatment. It's very difficult to get income replacement benefits. In my own experience, and I have a husband who was seriously injured, it took nine years. The amount of time that it takes to get what you deserve is far too long, and when the insurers are continually pointed at fraud—and it's unsubstantiated. There's always going to be a little bit of it. We can't stop it all. But when you start doing the math with $2 billion, it just doesn't add up.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much for being here today. You were listened to. I think everybody who heard the presentation understood what you were talking about. Thank you for being here.

Ms. Rhona DesRoches: Thank you.

Ms. Marianne Reichert: You're welcome and thank you.

Mr. Michael Prue: And by the way, Mövenpick is a great restaurant.

ONTARIO HOME BUILDERS' ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): Our next delegation, then. We go on to the Ontario Home

Builders' Association and Joe Vaccaro and your colleague, who I'm sure you'll introduce for Hansard. There's 15 minutes, Joe. Use it any way you like. If there's any time for questions, it'll go to the Liberals.

Mr. Joe Vaccaro: Good afternoon, and thank you. My name is Joe Vaccaro and I serve as the chief operating officer of the Ontario Home Builders' Association. I'm joined today by my colleague Mike Collins-Williams, who is the director of policy at the OHBA. We submitted a formal document to the Ministry of Finance back in February.

OHBA is the voice of the new housing, development and professional renovation industry. Our association includes 4,000 members organized in a network of 30 local associations across the province.

The residential construction industry supports over 325,000 jobs, paying over $17 billion in wages and contributing over $40 billion to the provincial economy.

Ontario has become a tale of two markets. We have a strong high-rise sector, where robust condo sales in the GTA in the past couple of years are now translating into actual construction. All those cranes on the skyline represent jobs. In fact, in Ontario, we've hit the mark of over 50,000 multi-unit starts for the first time since the 1970s. Those aren't just Toronto condos. There is a growing shift towards intensification in communities across the province.

But many communities in Ontario, especially those with a manufacturing base, have not fully recovered from the recession. When consumers are not confident, when they don't have a job or lack job security, they don't buy a new home or renovate their existing home. This is why our deputation today is going to focus on the economy, job creation and ensuring a fair, transparent and evidence-based planning process.

Mr. Michael Collins-Williams: Thanks, Joe.

We believe that a broad-based, consumer-focused tax credit, similar to the expired federal government's home renovation tax credit, is the best method to deal with the problem of the cash economy in the renovation sector. Fundamentally, this is a problem that is best dealt with through a regulatory system that catches these underground operators, alongside a plan to address the consumer demand for cash renovations.

Related to this is the Healthy Homes Renovation Tax Credit, which OHBA strongly supported, that offers a rebate to seniors to age in place by making accessibility-related retrofits. We believe the Healthy Homes Renovation Tax Credit has the added benefit of fighting the underground economy.

Underground operators don't pay WSIB, they don't pay corporate taxes or personal taxes, and they often don't even receive building permits. This is a huge problem, and the government is literally losing out on billions in revenue, and the consumer is not protected. We believe that the receipts generated from tax credits provide the Canada Revenue Agency with a wealth of data that could be used to cross-reference those companies with WSIB information and building permit data, to catch underground operators.

We strongly encourage the provincial government to provide more broad-based incentives for consumers to help fight the underground economy.

Mr. Joe Vaccaro: OHBA responded favourably to last year's budget, as it made significant investments in core infrastructure with the announcement of a new three-year, $35-billion commitment. We expect that this year's budget will maintain that commitment, as it is absolutely critical that the province continue to support job creation to ensure a sustainable recovery. OHBA believes that the strategic infrastructure investment helped enhance quality of life, economic prosperity and productivity.

The provincial government should focus on core infrastructure investments. Roads, bridges, water, waste water, and transit leverage additional private sector jobs and investment while improving productivity. The government's award-winning Places to Grow plan is a road map that identifies where those core infrastructure investments need to be made and where the municipal, regional and provincial government have planned for future economic expansion to accommodate Ontario's growing population.

Places to Grow is more than a planning document. It really is an economic development strategy that serves to align local and provincial population and employment realities into land-use planning decisions, supported by the necessary core infrastructure.

The full potential of Places to Grow has not yet been achieved. Once achieved, it will create complete, sustainable and investment-ready communities.

Mr. Michael Collins-Williams: We'd like to briefly speak about why the OMB is an essential piece of the broader planning framework in Ontario. OHBA supports the principle of a strong role for the OMB to uphold the provincial interest in the planning review process in Ontario. The development industry—and for that matter, any applicant, including non-profit agencies and social housing providers—needs an OMB that is independent and impartial. It must be prepared to make decisions based on the provincial policy statement, provincially approved growth plans, the Planning Act and the merits of the development application itself. Without a strong and independent OMB, provincial policies and objectives outlined in the provincial policy statement and Places to Grow could be compromised.

The right of appeal of the municipal council decision—or, where no decision has been made—to the OMB is an important counterbalance to the political pressure created by local residents on their councils. It is also important that this venue is available to proponents, neighbours, community associations and other interest groups who have participated in a public planning process, to ensure that they have an opportunity to raise legitimate concerns with respect to planning issues.

The OMB provides a venue for sober second thought on planning decisions. The benefit of expert testimony, when relevant, will continue to ensure that provincial policy is adhered to within the planning process.

This government has been very active in reviewing and updating provincial planning regimes. The greenbelt, Places to Grow, an updated provincial policy statement, the creation of Metrolinx and many more planning reforms have changed the way development applications are prepared and the process by which they are approved.

What is important to understand is, once an application is submitted, it now goes from an extensively researched and prepared planning application, responding to all the various planning tests, requirements and studies that a municipality puts out, to a political document voted on by council. It is at this point in the process that the local political aspects and concerns potentially begin to undermine the planning and research that supports the application.

As a member from Waterloo once told me, every application, regardless of the level of research, consultation with municipal staff and elected representatives, the number of public meetings and the planning merits of the project—every single application comes down to a political vote. This is why the OMB is so critical to providing the necessary administrative justice function in the development approvals process. Ultimately, it serves to depoliticize the application, and bring it back to the provincial and municipal policies, required studies and research, and principles of good planning to be judged against. Proposals live or die at the board, depending on the strength of the planning rationale to support them.

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Hearings allow for debate and comprehensive review of the planning merits of that case which cannot occur at council meetings. This provides considerable value to the public good.

Mr. Joe Vaccaro: Now, you may ask why we are raising the role of the OMB at the finance committee. Just as growth planning through the province's award-winning Places to Grow plan is an economic development plan that serves to organize the efficient use of infrastructure, OMB decisions and its ongoing role in the approvals process can serve to unlock the economic potential of various locations.

There's more to say about the OMB, but we believe it is important that members of this committee understand and appreciate the economic impact of the OMB. The OMB serves to adjudicate planning decisions, but those evidence-based decisions can create places where businesses can grow, where people can live and that have a positive economic impact on the province.

The last item of our deputation is a policy that is already in place in BC that would improve housing affordability and support northern Ontario's forestry sector. Amending the Ontario building code to allow for six-storey wood structures would provide more affordable housing options for consumers by facilitating more mid-rise buildings. These mid-rise buildings provide for more intensive use within existing neighbourhoods at a scale that contributes to family housing within transit-oriented, mixed-use communities.

OHBA is working with the Ministry of Municipal Affairs and Housing with respect to all the necessary background research to ensure fire safety, and we look forward to discussing this concept further with all three parties in the future. We present this item as another economic opportunity the committee should be aware of, as Ontario can become a North American leader in wood structures.

In closing, I'd like to highlight that 2012 was a strong year for housing. Housing starts were, in fact, 10,000 units above the Ministry of Finance's forecast in last year's budget, meaning our industry delivered thousands more jobs and millions more in tax revenue than anticipated. Unfortunately, the positive trend is not expected to continue, with CMHC forecasting a 20% decline in housing starts to 60,000 units in 2013.

I'd like to thank all of you for your attention. OHBA looks forward to working with all parties to ensure and support a strong and prosperous Ontario economy, and we believe new housing and renovation are a key component to those outcomes.

Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Joe, and thank you, Michael. You've left about six minutes for questions. Steven?

Mr. Steven Del Duca: Sure. Thanks, Mr. Chair, and thanks to the folks from the OHBA for being here.

You did mention both in your deputation and in the report that your association is supportive of the Healthy Homes Renovation Tax Credit, which is great news. I'm just wondering, have you heard, either anecdotally or otherwise in terms of any analysis, what kind of uptake there has been on that? What are you hearing from your association members regarding that?

Mr. Joe Vaccaro: Well, I would share with you this: A number of our local associations run local home shows. Now, as a key feature of all their home show booths where they provide free renovation information, they are taking advantage of the ministry's pamphlets that promote this specific use. I know our members who specialize in this accessibility space, if I can put it that way, have come to say that consumers are walking in and asking about the actual tax credit, asking about the functionality of it, how it works and all those pieces. So we have been very active, working with the Ministry of Finance and others, to sort of help create I would guess a consumer-friendly piece that can help better inform them.

Anecdotally, what I would say is that traffic around that issue at local home shows has been very high. Of course, this is a new tax credit that has just come in, and we expect to have some better data to share with everyone next year.

Mr. Steven Del Duca: Thank you. You mentioned the building code revisions around allowing for wood construction for six storeys. I'm just wondering, what other jurisdictions in Canada—how does Ontario currently compare? Are there other jurisdictions where that's permissible at this time?

Mr. Joe Vaccaro: In Canada specifically, the leader on this is British Columbia. They moved that regulation I believe about three years ago. Since moving it, they have seen a strong growth of that construction type, if I can put it that way, in Vancouver, with well over 120 construction buildings approved, about 45 under construction at this time.

What they have learned in BC, which I think is of value here in Ontario, is that this sort of construction creates a much more affordable construction type, which means ultimately that when it comes to families looking for 1,000 square feet worth of living space in an urban centre, there's an opportunity to purchase that space now in a much smaller unit, which is much more family friendly, at a price point that makes sense.

The challenge I think we have as our Toronto local, engaging these conversations in Toronto, is this idea of how do we keep families in the downtown core? The challenge there is that when you move to concrete-based construction, the cost is not going to go down. Whether you're building that unit in Toronto or you're building it in Barrie or you're building it in Brampton, the core construction costs haven't changed, so there's an opportunity by providing the wood option within those safe confines of the building code and fire safety that does actually create an affordable price point for families who do want to live in 1,000 square feet in an urban setting with all the amenities and the opportunities that come with that.

So my answer to you is, BC's already way ahead of us on this. They're taking full advantage of their leadership position on this file. They've been at it for a while. It's also been approved in other jurisdictions, many across Europe, including the UK, and in many of the Scandinavian countries, if I can put it that way. This has been a long-standing practice. The last location I would identify is Seattle. Seattle's had six-storey-plus wood structures in place for over 20 years.

We understand there's an ongoing discussion around the fire safety aspect of it. We're engaged in that discussion. We're going to bring evidence and data forward so we can have a mature conversation about it and determine exactly what we have to do in Ontario to provide this opportunity moving forward.

Mr. Steven Del Duca: Thanks very much.

The Chair (Mr. Kevin Daniel Flynn): You've got about two minutes, Soo.

Ms. Soo Wong: A quick question: Did I hear you correctly to say that you do support the OMB? Maybe there's a need for some changes, but the structure of OMB—you believe that's important for development in Ontario?

Mr. Joe Vaccaro: We have always supported the concept of reforming the OMB, and we support it in the concept of, clearly every agency can improve the means by which they communicate and the process by which applications make their way there. But I think it's important to understand that when an application makes it to the OMB, it's because somewhere in the planning process there was a failure, and whether the failure was on the applicant's side—and when I say "failure," that's a bit of a subjective word, but a failure that has led you to this point.

What I would suggest is, there are opportunities to reform the OMB, but the principal purpose of the OMB—to be a non-political decision adjudicator on these issues—is essential in our mind, because we all recognize, I think quite openly, that the pressures of our local councillors to deal with an application really fall within the world of political re-election, really fall within the world of local activism. The challenge is always—and this is what I'm always struggling with—that when members or applicants bring forward their applications, there is a series of very clearly defined tests in place that have to be dealt with, and those tests are being dealt with through the public meetings that have to take place and the studies. And somewhere along the way, for whatever reason, the pushback, whether it's legitimate—in our mind, legitimate could be some planning rationale or not—does fall to a political vote.

I think Michael puts it best, but ultimately that application falls to council for a political vote, and in that context, you need an adjudicator to look at that and say, "All right. From a planning rationale, does this make sense?" So we'll always support the position of the OMB, but we recognize that for an application to get to the OMB, in our mind there was clearly a failure in the planning process. That's why it ended up at the OMB.

So, are there opportunities to reform the planning process? Are there opportunities to reform the OMB? There are always opportunities. If we can be honest about the conversation, if we can be honest about the evidence and if we can be honest about our intentions to get us there, then I think there is an opportunity, and it's always OHBA's position—

Ms. Soo Wong: Thank you.

The Chair (Mr. Kevin Daniel Flynn): That's wonderful. You've got five seconds left. You probably don't want that. But thanks for being here, Joe and Michael.

Mr. Michael Collins-Williams: Thank you.

Mr. Joe Vaccaro: Thank you very much.

CERTIFIED GENERAL ACCOUNTANTS OF ONTARIO

The Chair (Mr. Kevin Daniel Flynn): Our next delegation is from the Certified General Accountants of Ontario. Ted and Puneet, if you'd come front and centre.

Ted, Puneet, like everybody else, you get 15 minutes. Use that any way you see fit. If there's any time left over at the end, the questions this time will come from the Conservative Party.

Mr. Ted Wigdor: Good afternoon, Mr. Chair, and members of the committee. Thank you very much for allowing us to be here. My name is Ted Wigdor. I am the vice-president of government regulatory and corporate affairs with the Certified General Accountants of Ontario. With me is my colleague Puneet Luthra, the director of public policy and government relations. On behalf of our members and students, it is our pleasure to be giving you some of our recommendations as you deliberate on the upcoming budget.

For those of you who may not know, we are the self-governing provincial professional authority responsible for the accreditation, regulation and continuing professional development of certified general accountants in the province of Ontario.

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We operate under the provisions of the Certified General Accountants Act, 2010, the CGA Ontario bylaws and our code of ethical principles and rules of conduct. Our mission is to ensure our members merit the confidence and trust of those who rely upon their professional knowledge, skills, judgment and integrity, while advocating the use of their professional expertise in the public interest.

We currently have 22,000 members in Ontario and 9,000 students in our program of professional studies. Our members and students work in all sectors of the economy, including hundreds and hundreds working right here for the Ontario government.

As you all know about the current economic environment, we certainly note that the deficit for this year is projected to come in lower than was initially projected, so down to about $11.9 billion, which is both good news and bad news. The good news is that it has gone down from what was projected at the beginning of the fiscal year, but the reality is that it's still $12 billion more in added debt that needs to be paid off at some point in time.

The economic recovery is still ongoing. We're not on solid ground, but we're not in a recession either. GDP growth is expected to be below 2% this year, and there is still persistently high unemployment. So we recognize that these are still challenging economic times. With that in mind, we have four recommendations.

First of all, we want to focus on the deficit and the overall debt. As we've stated in previous years, we believe it's very important that the government continue to focus on returning to a balanced budget. While there is good news that the deficit is coming down more quickly than anticipated, we can't rest on our laurels and we must not veer from the target of returning to a balanced budget by 2017-18.

More importantly, that is just the first step in the process. We must focus afterwards on trying to reduce the overall debt, because once we return to a balanced budget we will still have overall debt of close to $300 billion. We don't need to count into a per capita amount what each Ontarian holds or is responsible for, but think about it in terms of your own individual mortgage. You don't just want to pay off the interest each year; you want to pay down the principal so you can have your asset free and clear.

While interest rates are relatively low, we want to ensure that we capitalize on that. Because if we don't pay down the debt, then we risk being in a situation where our credit rating could fall, thereby making the cost of borrowing that much more difficult and more expensive. That's why I say that a balanced budget is the first target, but it's not the only target. We must reduce the overall debt.

With that, there are ways in which this can be accomplished. We're not suggesting slashing and burning of programs, but we'd like to have the growth of expenditures at a moderate pace below the rate of GDP growth and below the rate of CPI. We'd like to keep it at 1%.

If you look at the provincial auditor's report, there are some examples by which savings can be found. For instance, the provincial auditor referred to unpaid taxes that haven't been remitted. We need to focus on delinquent taxpayers. There's $1.5 billion to $2.5 billion out there that can be collected. That's relatively low-hanging fruit, if you will. There are also recommendations within the report about value-for-money audits that can be used to identify if a program or a service can be delivered with less cost and greater efficiency.

With that, I'd like to segue into our second recommendation, which is about alternative service delivery; that is, a transfer of responsibility for the delivery of a service to non-government operators. This could be in the private sector or the not-for-profit sector. It allows for leveraging the expertise of those service providers while allowing the government to focus on what it does best, and that's public policy development and the direction that public policy should take.

This is not a recommendation to privatize government assets; this is not a recommendation to change the Canada Health Act. There is no intent to rip up collective agreements, bust unions—nothing along those lines. The reality is the exact opposite. Alternative service delivery works best when there's a strong partnership among government, the service provider and labour groups. Otherwise, there is a risk for failure. You can have bad alternative service delivery if you don't go in with that strong relationship, working together.

We are currently working on a research paper with the Ontario Chamber of Commerce on this topic. We expect to have this released within a few weeks. That paper will have some specific recommendations on how alternative service delivery can be delivered in Ontario that will improve efficiencies, not sacrificing the quality of services that are being delivered, but they can reduce costs at the same time.

The third recommendation is investment in public transit. This has been talked about in the news recently. We know the Toronto Board of Trade came out with a report earlier this week. We believe that it's critical that we have dedicated funding for public transit and we believe that this is both sound social and economic policy. Any new public transit projects should be part of an overall regional public transit strategy.

The focus in the media has been on the GTHA, and that's probably where the biggest need is, but I don't want this to sounds like this is a GTA-centric recommendation because other large municipalities in Ontario can probably benefit from increased public transit.

What we recommend is that the government do an analysis of the benefits of a variety of revenue tools that are available. The Toronto Board of Trade years ago had listed 16 potential revenue streams, and they highlighted four of those in their report. I think it's important that we do an analysis to ensure that the right rate of that revenue stream is put in place so that you'd get the maximum benefit and that you'd have the proper behaviour. As an example—and I'm saying this purely for illustrative purposes—if you put a 25-cent toll on the Gardiner Expressway, for instance, that won't divert people from taking the Gardiner. It will generate some revenue, probably not a lot, but there won't be a change in behaviour. You make that $25 and chances are you're going to have everybody move off the Gardiner and onto the 401, which is obviously not good behaviour either, because you won't generate the revenue and you're going to clog up the 401. So it's important that you strike the right balance, generating the revenue you need, trying to divert people to use transit and using the funding to improve public transit.

With that in mind, it's critical that if the government were to explore these revenue streams, you enshrine in legislation that that money is going directly to fund public transit and it doesn't go into consolidated revenue—because once it does you never know where it's going to end up being spent. So it's critical that it goes directly to public transit. Of course, to the extent possible, try to engage other levels of government in this public transit investment, because this is, like I said, both good social policy and, more importantly, good economic policy that we have a strong, regional, integrated public transit system.

Finally, I'd like to talk about support for innovation and growth-oriented small- and medium-sized enterprises. As we all know, SMEs are a fundamental component of the Ontario economy. Some of our recommendations really focus on those growth-oriented small and medium-sized enterprises. The Jobs and Prosperity Council recently came out with some recommendations that we think are of potential benefit, such as the global exporter forum and commercialization and innovation voucher. It's important that SMEs look beyond their borders as opportunities to help them grow, and it's important that we create this culture of innovation right in academia as well as in business. We have to foster that mindset of innovation and entrepreneurship so that people can think about growing a small company, incubating it, and helping it grow to become a large player. RIM is obviously one classic example, but it doesn't have to be a company of that size. Any company has the potential, by investing in R&D, to be innovative and thinking of ways in which they can turn their product into greater efficiencies that improve the economy, both for themselves as well as for the economy as a whole.

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We've done a couple of things in this matter. One is that we have invested in an endowed research chair at the Schulich School of Business at York University. The chair is currently held by Dr. Moren Lévesque, and she is the inaugural chair in international entrepreneurship at Schulich. We anticipate some very exciting research to come from this position.

The other thing we did is that we partnered with the Institute for Competitiveness and Prosperity, that focused on ways in which SMEs can be more entrepreneurial and innovative, and we've brought a whole bunch of copies of that. The paper was released last year; we brought copies for your review. In there, there are some other recommendations that Roger Martin and the authors have put forward, looking at ways in which companies can grow and some tax policy measures that we believe are worthy of debate. I won't go into those details now, because I know the time is limited, but I encourage you to review that paper, if you haven't already, and give those recommendations some serious consideration.

With that in mind, I will pass the floor back over to you.

The Chair (Mr. Kevin Daniel Flynn): Very good. Thank you very much, Ted. You left just under three minutes for questions. Julia?

Mrs. Julia Munro: Yes, thank you very much, and thank you for the presentation. I'd like to just focus for a moment—although all the parts are interesting—on the whole issue around the SMEs, because obviously, as you point out in your paper and I think everyone recognizes, they are the drivers of the economy in so many ways.

But there are a couple of things. I wondered, in what you have done and what you're suggesting, if you've looked at any work on the issue of the mismatch between the skills that people have and the jobs that they have. I think that Dr. Miner, from Seneca, referred to it as people without jobs and jobs without people. We see that with the CIBC material that came out, and so forth. So I just wondered if you have anything specific to say in that area as well.

Mr. Ted Wigdor: Absolutely. Thank you for the opportunity. Dr. Miner's report was very eye-opening in that he projected that within 20 years, there will be roughly a million jobs unfilled because we don't have the skilled people to fill those jobs. As well, we will have a million people who don't have the skills and will remain unemployed. So you're right: There has to be a match between the skills need and the availability.

With that, I think it's important that we look at job training opportunities, not for individual skills right now but thinking about, in the future, what those skill requirements will be. It's important that employers be talking to academia, because academia only knows what it knows, and it will train the best people based on the material it has. But working in partnership with the business community, they can identify the future, and can identify what the skills are going to be and then work with academia to develop the curriculum and content to produce those people. This can be done in university as well as in college; I'm not separating one group of institutions over another. We need to work in tandem, and government can play a role in that.

The Second Career plan to help unemployed individuals get back into the workforce was a good initiative, but it focused, I think, on opportunities that are short-term, like what are the quick skills you can learn to get back into the workforce. I think we need another program that has a longer-term focus, because it will take more than just eight months or 12 months to get some of those skills that Dr. Miner has indicated in that report—so, thinking about a longer-term training program to help those individuals to get the skills upgrade they need for the future economy.

Mrs. Julia Munro: Can I just throw in one other comment? That is, you don't make reference to red tape. That's one of the biggest problems that small and medium businesses have. Is that part of your—

Mr. Ted Wigdor: Well, you're right, because I don't think that's just necessarily an SME issue. I think all businesses face some red tape, although, given that we are regulators ourselves, we know that regulation is important in some respects.

Mrs. Julia Munro: So do I.

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

Mr. Ted Wigdor: Thank you so much.

ONTARIO ASSOCIATION OF COMMUNITY CARE ACCESS CENTRES

The Chair (Mr. Kevin Daniel Flynn): Our next delegation this afternoon comes from the Ontario Association of CCACs. Georgina, Dan and Melody, if you'd come forward and make yourselves comfortable. If you would each introduce yourselves for Hansard when you speak. Like everybody else, you've got 15 minutes. You use that any way you see fit. This time around, the questions will come from the New Democratic Party. Once you're comfortable, if you'd like to start, the floor is all yours.

Mr. Dan Burns: Thank you, Chair, and thank you for the opportunity to appear at the committee itself for discussion, in addition to filing a brief. You do have material in front of you that we have prepared, and we don't propose to walk through that. You can take a look at it at your leisure, although I would say that if you do have questions about it or comments about it past this particular discussion we're having, we'd be more than happy to talk to you about what's in our submission at another time and place.

I am, by the way, the chief executive officer of the provincial association. I'm joined here today by Melody Miles, who is the chief executive officer of the Hamilton Niagara Haldimand Brant CCAC—community care access centres—and by Georgina White, who is the director of policy at the provincial association. We propose to take a few minutes to speak to you about our notions and our proposals in three parts. We're going to talk a little bit about who we are and what we do. Then we're going to take the material we have submitted and give you the three principal highlights of our proposals for this year, and at the end, talk a little bit about—in the context of those things—where our sector and our place in the health system is going.

I'd like to begin by asking Melody Miles to talk to you a little bit about who we are and what we do.

Ms. Melody Miles: Thank you very much. I am pleased to provide some overview in terms of what CCACs are all about. We play an integral role in Ontario's health care system. We help people get the care where and when they need it throughout the province, and we help people of all ages understand their care options to access home and community-based health services and receive timely and coordinated care at home. Provincially, CCACs serve over 637,000 people each year.

CCACs are catalysts for compassionate and accountable patient care. We seek ongoing feedback from our patients and our health care partners. Nine out of 10 of our patients report they're satisfied with the care that they receive from CCACs.

Our staff are regulated health professionals. They're nurses, therapists and social workers, and we work in partnership with primary care hospitals and other health care providers.

It's because we know the communities that we serve and the resources that we're able to connect patients to the care that they need. We help them, then, remain at home. We help them to avoid hospital admission. We help them to access support upon discharge from hospital and explore long-term-care options, as well as find a primary care provider. And I'll just note on that point that since the Health Care Connect program out of CCACs came to be in 2009, over 134,000 patients have, in fact, been connected with primary care providers.

Today's home care is far more complex than ever before, as you well know. As a society, we're aging, we're benefiting from advancements in health care and technology, and we also have the right to choose to live at home. And as we know, Ontarians are exercising that right.

Each month, approximately 16,000 people are supported to go home from hospital with care from their CCAC. Provincially, last year, 8,700 of these patients each month were discharged from hospital instead of going to a long-term-care home. To do that, many received enhanced care at home with intensive care coordination and other interdisciplinary care such as pharmacist, nursing and physiotherapy. As a result of that, 22% fewer people are going to long-term care from hospital. Why is that important? Not only is it better for patients, not only do people want to be home, it is also better for the system, as it supports system flow and it supports hospital capacity so that, in fact, folks who really need acute beds can get them. It's cost-effective, and it provides value for every health care dollar spent.

It costs $384 per day less to care for a patient with high needs in the community as compared to an ALC bed in hospital, and it costs $50 less a day to care for a senior with moderate needs in the community as compared to a long-term-care home.

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CCACs are caring for more high-needs patients than ever before. On that point, our budgets, of course, have increased as CCACs, but you're not always going to see that there's a significantly greater number of folks being cared for. Why is that? Because it costs more to serve people who are medically complex. It costs about $1,100 per month to care for someone with complex needs at home.

CCACs receive 4.6% of health system funding and spend close to 92% of their budget on direct patient care. Supporting patient choice to be at home does require investment, but it's the right thing to do. By supporting people at home and in the community, CCACs, in partnership with community support service agencies, together have created economies totalling approximately $210 million over the last three years by shifting care from more expensive parts of the health care system to the community.

On that note, I'm going to turn things back to Dan.

Mr. Dan Burns: Thank you very much. With respect to your direct mandate to consider proposals that are relevant to the creation of the budget for the province this year, I would like to talk about three parts of that.

There are more details in the paper, but at a general level, the first one is funding for the activities that we're directly engaged in. For some time, and in general long-term budget planning terms, we've been part of a commitment to grow funding for health care services to individuals in the community setting at 4% a year. We're alert to the general fiscal framework issues that the province is facing and which you've just been discussing quite recently. We do think that that commitment of 4% growth to support the evolution of our activities is a commitment that should be continued.

We do want to also recommend another element to this year's budget activities. When the CCACs were organized in their present format of 14, five or six years ago, they didn't all start with quite the same budget starting place. There is still, some years later, a degree of inequity among our organizations when it comes to thinking about that question. Some parts of it have been addressed incrementally, but not all of them. We think, at this point in the evolution of the system, this is a good year to make an adjustment to cure that part of the problem, as a second piece of budget-making, as it affects our work and our responsibilities.

The third element of this year's budget for us that we want to touch on is this: Unlike our colleagues in the hospital sector, the way in which our budgets are managed by the ministry and by our LHIN partners is strictly on an annual basis. The hospitals have a three-year rolling framework. That means that the impact of the relationship between budget decisions and volumes, or demand for service, can be carefully managed and evolve in a simple and understandable way. Because ours are only on an annual basis, from time to time we get into crunches locally, which would be an awful lot simpler to manage and be much better for the people we serve if we could manage them in a multi-year framework.

Those are three thoughts directly about our own budget.

We want to spend a couple of seconds on resources for other people that we work with in the community, because we're not an island unto ourselves. As you heard earlier, we're intimately connected with the work of hospitals, long-term-care providers and home care providers. So it's important that the budget also contain support for the growth of funding in the community service sector that operates beside us.

We think it's also important that the budget contain a response to some of the immediate financially related issues that are faced by the long-term-care sector, and we name two in the report.

First, we still don't have, as a health care sector, a solution to the capital financing needs that would let us replace the C bed, so-called designated long-term-care beds. They are an occupancy problem. They have occupancy problems, and therefore we have a problem on our side with the placement process.

Secondly, they also, as we are, are experiencing significant growth in acuity in the people they're serving. We think there needs to be a more sophisticated financing model so that long-term-care facilities that serve a high volume of high-needs individuals are resourced to be able to do that effectively. That also affects our ability to work in our part of the system and place people effectively in the right place. It isn't just about us; it's about a health care system change process that affects the people who surround us and enables us to be effective.

The third recommendation we would like to make is to suggest that it's time to take a bit more of an organized and in-depth look at the role of caregiving in the family, in the home, and the supports that we might better organize for those individuals. We have some now; we've been trying some—you heard the home builders talk about the renovation tax credit; that's one—but as the number of people being supported at home grows and as more of them have more complex problems, we think it's time to take a more systemic approach to their place and role and to figure out how to best support them in the long term.

So three things: funding growth for us—help us with our in-year budget management problems; fund some important activities that are fundamentally important to serving the same communites that we're serving; and let's take a careful look at families and the situation of giving care at home.

Just one minute on where this whole thing is going, because, of course, a budget is just a very short snapshot in time; it's a single year. We're in the middle of a multi-year change in the health system which, at its broadest level, I know has been talked about by all political parties in this province. Keeping the acute care system focused where it's needed, growing the community-based and home care system in a quality and cost-effective manner and doing that step-by-step over a period of time—there may be differences in how you do that specifically, or in the timetables, but broadly in our province there's a consensus that that's what we have to do.

A few years from now, if we keep on this road that we're on, we will have a much larger community of people being supported at home. If we keep going with the resources, we're going to finish the evolution of our ability to deal quickly with everyone who needs our services. In 2010, the provincial auditor said that there were roughly 10,000 people who were going to get something from the support system but hadn't been quite connected to it. In our last survey, that's about 6,000; it will come down to a much lower number. Will it get to zero? No.

Let me just say a couple of things about the debate about wait times, and then we'll stop. First, just to remind you all, there is no wait time if what you need is nursing services. They happen. The wait time discussion has to do with other supports that can be needed by an individual in a home setting. Not all of those end up being provided quickly, or even as quickly as we'd want, but if the situation is urgent and if it's nursing, they are.

The other thing to say about wait times: It's not all about the same thing. Sometimes you hear people say "wait times for home care" as a single item; it's not, because we're talking about a dozen or more different activities in a home setting. As we all work together to make these services more effective and available in the time frame that we would all like them to be, we all have to remember that we're not actually talking about one thing, but about a suite of things.

Thank you for your time and attention. As I said at the beginning, if you have questions about our documents or material or, frankly, if you just have questions about what the heck is going on and we can help you with it, please call us.

The Chair (Mr. Kevin Daniel Flynn): Well, it's going to have to be in the form of a phone call, because our question time is gone; we've got about eight seconds left. But thank you very much for being here.

Mr. Dan Burns: Okay, wow. Sorry about that; I ran out.

The Chair (Mr. Kevin Daniel Flynn): It's your 15 minutes.

Mr. Michael Prue: And we had some good ones.

Mr. Dan Burns: Bonus.

The Chair (Mr. Kevin Daniel Flynn): That's right. Thank you very much for being here today.

PRIMERICA FINANCIAL SERVICES LTD.

The Chair (Mr. Kevin Daniel Flynn): Okay. Our next group is Primerica Financial Services Ltd.: John Adams, Steven Ellingson and Hande Bilhan. If you would like to make yourself comfortable, you can introduce your colleagues when the time comes, when they're about to speak.

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Like everybody else, you get 15 minutes. You use that any way you like. If there is any time left over—you just saw an incident when there was no time left—the questions will go to the Liberal Party. Having said that, the floor is all yours.

Mr. John Adams: Thank you, Mr. Chairman, and thank you, committee. We appreciate the opportunity of being here today. My name is John Adams. I'm the chief executive officer of Primerica Financial Services. With me is Hande Bilhan, our principal adviser on government relations and regulatory affairs.

I've been with Primerica for 13 years and in this role for 10. I'm also a chartered accountant. In prior roles, I've advised businesses and individuals on financial matters. I have some prepared comments and hopefully some time for questions at the end.

Primerica's main companies are a life insurer and a mutual fund dealer. We have been operating in Canada for 27 years. We distribute our products and services through a field force of financial advisers that is contracted exclusively with us. Our focus is on helping families in the middle-income market secure their financial futures. We recently announced that we have surpassed 10,000 life insurance agents in Canada, with over 6,300 in the province of Ontario. Our agents serve almost 180,000 clients in Ontario, most of them in your constituencies, I'm sure, as are our agents.

We're here today to raise awareness on a very important public policy issue: Ontarians, particularly in the middle-income market, are struggling with growing household debt and poor financial decisions, including the neglect of life insurance coverage. They are in need of more financial advice and more access to financial services, but growing regulatory barriers are hindering sufficient advisers from entering the industry and serving this financially vulnerable market segment.

It has been well documented that Canadians are carrying too much debt, are not saving enough for retirement and do not have adequate life insurance coverage. We believe that a financial adviser can play a significant role in helping families meet these challenges. For many families in the middle-income market, an adviser is their only source for basic financial knowledge and recommendations to meet their financial needs.

Statistics Canada figures recently released show that the Canadian household debt-to-income ratio hit 163.4%. At the peak of the US housing bubble in 2007, household debt to income in that country hit a high of 170%. So we're fast approaching that record.

According to a large financial institution, 65% of Canadians say they either don't have a retirement savings plan or did not make any contributions to their registered savings plan in 2012.

The Life Insurance Market Research Association's most recent Canadian life insurance study found that one third of the Canadian adult population, approximately eight million people, do not own any life insurance. When this fact is considered in the context of ballooning household debt, the public policy consequences can be significant.

Before a family gets further behind financially, we believe they need to meet with a financial adviser to assess their financial needs. There are many benefits for families working with a financial adviser, but three are of significance. First, an adviser can assist families in making an objective assessment of their financial situation and needs. Second, an adviser can educate families on financial principles that will help them have a more secure future. Third, an adviser can help families with the ongoing discipline to work toward their financial goals and help them avoid making poor choices on financial matters. We believe that financial advisers and the financial services industry have a critical role to play in the overall financial health of Ontario families.

Recently, two important studies have been published that draw a strong connection between a family's financial well-being and working with an adviser. The Center for Interuniversity Research and Analysis on Organizations conducted an academic study called Econometric Models on the Value of Advice of a Financial Advisor, which found that the presence of a financial adviser meant an increase in a household's financial assets. When "identical individuals" were compared, those who had a financial adviser for between four and six years were found to have 58% more financial assets than those who did not. Interestingly, the longer respondents worked with a financial adviser, the larger the benefit it had on their returns.

The Investment Funds Institute of Canada—the mutual fund industry association—prepared a report called The Value of Advice. It demonstrates that a financial adviser helps families navigate the numerous financial products, vehicles and plans in order to find solutions that fit their needs. This results in those families being better prepared for their retirement.

As many consumers do not normally reach out to advisers, the industry must reach out to them, especially those with moderate incomes, little or no savings, and too much debt. Many middle-income households are more likely to be without financial advice compared to high-income individuals. A recent PriceMetrix report pointed out that advisers are opening fewer new small household accounts, having less than $250,000 in investable assets, and instead are focusing on opening larger ones with $1 million or more. In addition, the current group of advisers is aging rapidly and not enough new advisers are being developed to meet anticipated demand.

As such, improving the financial health of Ontario families starts with more agents being available, particularly those willing to work in the less lucrative markets, such as moderate-income families, and typically work with products for smaller accounts and smaller face amounts of insurance. Properly servicing the market requires advisers and companies to work very efficiently and minimize costs.

It is our view that government and industry need to work together to increase access to financial advice. The federal Task Force on Financial Literacy recommends that governments, in partnership with stakeholders and industry, help Canadians become better informed about the role and benefits of financial advice, as well as about how to choose a financial adviser.

Financial services is a highly regulated industry, and rightly so. Regulation is important both for the protection of consumers and to maintain confidence in financial markets, companies and distribution channels. However, as we have noted, access to financial advice is also important, and that is why we believe that financial services regulation should maintain a balance between protecting consumers and not creating barriers to advisers with unnecessary regulatory requirements that have no proven consumer benefit. The government should implement strategies to increase the number of financial advisers in the market, which will help reach those middle-income families who need advice the most.

For Primerica, the availability of agents is particularly important. Our business model differs from that of many other financial institutions. We focus our efforts entirely on the middle market. We offer simple, low-cost term insurance and mutual funds. We have a dedicated sales force of agents who sell only our products. We have found that the middle market responds best to face-to-face contact with an agent whom they trust, and this can be especially true for new Canadians who often find more confidence to discuss financial matters with someone within their own culture. We are also focused on bringing new advisers into the industry, including young people, who are often in the best position to help other young people start off on a sound financial footing. We give people the opportunity to build their own business as entrepreneurs.

The financial security and independence of middle-income households is crucial, as they will become less reliant on government services in their retirement years and protected if they suffer the death of a wage earner. This ultimately helps the government to deal with the mounting fiscal pressures of an aging population. We believe the financial services industry, and financial advisers in particular, have a critical role in addressing these important issues.

We encourage the current budget process to recognize this critical public policy issue and the importance of a healthy and growing financial advice industry. We are not asking for new tax support or spending programs. There are two things we are asking you to consider: first, that regulations introduced are proven to provide consumer protection and are balanced with the need for financial services companies to carry out their important work; second, that additional attention to ensuring that training and licensing requirements reflect a commitment to increase the availability of financial advisers operating in the marketplace.

In the weeks ahead, we'd be pleased to provide you with specific recommendations pertaining to regulatory matters.

Thank you for this opportunity. We hope you agree that our concerns are worthy of your further attention and, with your assistance, we believe that well-designed regulatory improvements will lead to improved financial services for families that are depending on us and to less reliance on the public purse.

Chair, those are my formal comments. Either Hande or I would be happy to answer any questions.

The Chair (Mr. Kevin Daniel Flynn): Wonderful. Thank you very much, John and Hande. It goes to the government side. Who's going to kick it off? Steven?

Mr. Steven Del Duca: I will, sure.

The Chair (Mr. Kevin Daniel Flynn): You've got just over five minutes.

Mr. Steven Del Duca: Thanks, Mr. Chair.

Thanks for your deputation this afternoon. You talk about trying to encourage government, working with the industry, to try and encourage more individuals to be available to work in the industry. Just out of curiosity, what's the trend been in recent years in terms of people actually coming into the industry and wanting to work in the industry?

Mr. John Adams: It's a tough business, and it's tough to get them into it. The average age of an adviser is in the mid fifties. They're fairly well established and starting to head off into their retirement years. There are few companies encouraging new entrants into the business at a young age. There aren't that many, actually, bringing them in. So we're concerned that the actual number of advisers will start dropping off, as in the rest of society, as the boomers are aging, retiring and going off.

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Mr. Steven Del Duca: Is there something specific you think government can do in the short term to try to encourage more individuals to take on these roles?

Ms. Hande Bilhan: I think removing regulatory barriers is key, so we would encourage government to look at any over-burdensome regulations that prevent individuals from entering the industry, such as licence qualification programs on the life insurance side.

Mr. Steven Del Duca: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Soo?

Ms. Soo Wong: How much time do I have, Mr. Chair?

The Chair (Mr. Kevin Daniel Flynn): You have got four minutes.

Ms. Soo Wong: Four minutes? I could ask a lot. Okay. On page 7 of your report, Mr. Adams, you talked about working together with the government on the whole issue with the federal task force; you talked about financial literacy. You know our government introduced financial literacy in elementary school and secondary school. Do you see your industry working with different ministries within Ontario to talk about this financial literacy? Because you talk about it, and I want to know what your position is on this financial literacy in terms of educating the students in our schools.

Mr. John Adams: We believe it's extremely important. Unfortunately, until now, there hasn't been a lot of formal education on these issues, which, once you get out of school, become fundamental. So we've built a large part of our business on that. But we believe a well-informed consumer makes good choices and makes good financial decisions, so we are very supportive.

Ms. Soo Wong: Okay, that's what I wanted to hear. Second, you mentioned in your report here that you want to see an increased number of financial advisers. Currently, how many financial advisers are out there in Ontario? An estimate?

Ms. Hande Bilhan: I think there are roughly 80,000 life insurance agents in Ontario.

Mr. John Adams: And there are about 80,000 mutual fund advisers, and there's probably an 80% crossover or something like that.

Ms. Soo Wong: Okay. I read in your report also that you're asking for—I think on the last page of your report, you indicated that you want more training and licensing. Can you elaborate, because you're talking about regulations; you're talking about protecting the consumers, which is absolutely important.

Mr. John Adams: Of course, yes.

Ms. Soo Wong: So do I hear that you're looking for an independent body to regulate, to license? There's going to be a cost, so where is that going to come from?

Mr. John Adams: Well, there is, of course. It's already regulated, and licensing is regulated. We just want to make sure that there's a balance between allowing new people into the industry and protecting consumers. Absolutely, we need to protect consumers. It's our reputation, and that's all we have as a business—and, of course, protecting the public—but making sure that access is maintained so that we can bring new people in and get them trained and productive.

Ms. Hande Bilhan: Just to be clear, though, we certainly don't advocate a separate independent body.

Mr. John Adams: No.

Ms. Hande Bilhan: We do think that the system is structured appropriately, particularly in Ontario, where the regulator reports, in all essence, to the Minister of Finance. So we don't have an objection to that. We're not asking for an overhaul of that.

Mr. John Adams: No, it's maybe tweaking what's there now.

Ms. Soo Wong: Okay, just tweaking.

Mr. John Adams: Yes.

Ms. Soo Wong: Okay, that's great.

Mr. John Adams: We don't think that involves a lot of cost, frankly, which I know is important to all of you.

Ms. Soo Wong: That's great. Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Thank you for coming today and bringing your presentation.

Mr. John Adams: Okay. Thank you very much.

ONTARIO AUTOMOTIVE RECYCLERS ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): We're moving on now to the Ontario Automotive Recyclers Association. Is Steve or Usman here?

Mr. Usman Valiante: I'm here.

The Chair (Mr. Kevin Daniel Flynn): Very good. If you would sit down, sir, and introduce yourself. You've got 15 minutes, like anybody else. You use that any way you see fit. When we get to the question part, if there's any time left for questions, it will go to the PCs this time.

Mr. Usman Valiante: Okay, very good.

The Chair (Mr. Kevin Daniel Flynn): The floor is yours, all yours.

Mr. Usman Valiante: Thanks for inviting me to speak today. My name is Usman Valiante. I'm a senior policy adviser to the Ontario Automotive Recyclers Association.

Before I give an introduction of what OARA is—the acronym for the Ontario Automotive Recyclers Association—I'm here to talk to you today about the use of delegated administrative authorities for enhancing environmental protection and economic development. So I'm going to contextualize that discussion in a specific issue around automobile recycling in the province.

OARA is comprised of 130 businesses that recycle over 190,000 cars a year. They adhere to a code of practice called the Canadian auto recyclers' environmental code. That code has evolved from a national recycling code developed with Environment Canada, and that code was developed for the Retire Your Ride program, which was a national vehicle retirement program that was put out by Environment Canada and ran for several years.

In Ontario, about 640,000 cars reach their end of life every year. About 94% of those cars are recovered and 83% of those cars, by weight, are recycled. However, how those vehicles are recycled is a serious environmental issue and a serious economic issue. Currently, the materials in your blue box have higher environmental standards for recycling than automobiles do. Automobiles are completely unregulated in how they're recycled. So despite the fact that they contain mercury switches, oils and ozone-depleting substances, there's an exemption on end-of-life vehicle recycling under the Environmental Protection Act which effectively creates no standards for the recycling of these vehicles.

As a result, approximately two thirds of those 640,000 vehicles that are generated every year result in a significant amount of environmental pollution. About once every four months, there's a wrecker fire somewhere in Ontario, and the fire marshal's office is called out. The reason for this is that vehicles are a highly recyclable commodity. They're primarily metal, so you can go onto Kijiji, sell your vehicle; someone will pull it into a field, pull all the parts off it that have value, sell those parts, dump the pollutants on the ground and send the hulk for shredding. So it's a valuable commodity. There's a lot of economic activity around it. Unfortunately, without any standards, it's a race to the bottom. Who can process these cars most cheaply effectively makes the most margin.

Given that this is occurring, OARA approached the Canadian Vehicle Manufacturers' Association, which are the domestic auto manufacturers, and the Association of International Automobile Manufacturers of Canada, which are the "foreign" auto manufacturers, and has been working for the last two years to develop a policy proposal for the standardization of recycling vehicles in Ontario. It's a huge initiative. It will impact, again, 640,000 cars a year. It will deal with millions of litres of oil, thousands of mercury switches and ozone-depleting substances in a number of the materials that I discussed earlier.

The purpose of the approach is to professionalize auto recycling. Of course, properly recycling a vehicle and depolluting it, as we say, is more labour intensive. Hence, it will create jobs. It will result in more parts available for reuse. There's a huge refurbished parts market in Ontario, so when those cars are properly dismantled and marketed, they'll generate economic value. Obviously, it will reduce wrecker fires and also avoid VIN fraud, vehicle identification number fraud. As those vehicle identification plates are taken from stolen vehicles and recycled through the system, a regulated environmental management system would track all vehicle identification numbers reaching end of life in Ontario.

The auto manufacturers like the approach because it's going to result in no new cost to consumers. The value of the vehicles drives the system. From their perspective, they are more than happy to deal now with a regulated industry.

Here's where the problem arises: If we're talking about an environmental standard and no means to oversee that standard, that standard is ineffective. So despite the fact that there's broad consensus, there's also a recognition that the Ministry of the Environment, in adopting new standards regulations that will apply to thousands of entities across the province, doesn't have the resources for enforcement officers and doesn't have resources to oversee this sector adequately, especially as it's going to be newly regulated in the market.

So what we have been talking about is the development of a delegated administrative authority that would oversee the environmental standard applied to the auto recycling sector. That is a critical element to ensure a level playing field across recyclers and to ensure the environmental outcomes and the economic outcomes that we all want to achieve.

Delegated administrative authorities establish an accountability and governance framework between the ministry and a private, not-for-profit corporation that administers legislation on behalf of the government. In this particular case, it would be the environmental standard that I mentioned earlier. The ministry retains overall accountability and control of regulating, but the administrative authority administers the regulation and reports back to the ministry.

DAAs are not—and I can mention two failed organizations: Ornge and Waste Diversion Ontario. Those are not delegated administrative authorities, and their failure is largely due to the fact that they weren't properly convened as DAAs. Where they fail is poorly defined mandates, poorly defined accountability to the ministry and flawed governance structures. A proper approach to DAAs establishes DAAs with full accountabilities to the ministry by assigning objects that specifically circumscribe what that DAA is going to do—again, in this case, managing an environmental standard for auto recycling.

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There's a number of advantages to this approach. It's self-financing. It reduces costs to taxpayers. It has the ability to link expenditures to risk-based assessment of need and expertise. We'll have experts who are part of the DAA who will understand where to apply effort in improving practices with auto recyclers. It allows that expertise and institutional knowledge to be housed in an organization. It can direct investments to be made in better enforcement, better oversight and better outcomes.

Currently, creating a delegated administrative authority involves invoking the Safety and Consumer Statutes Administration Act. Through that act, cabinet can assign parts of or the whole of legislation to be delegated and the creation of delegated administrative authorities. In last year's budget bill, schedule 11 of that bill offered to create a regulatory process for creating DAAs. Amendments to schedule 11 effectively neutered the ability of that schedule to achieve that outcome.

I guess what we're here to ask today is for a reconsideration of the DAA provisions in last year's budget bill and to make those effective as they were originally drafted. This would allow the creation of DAAs through regulation, would allow the minister to assign objects to DAAs, would create accountabilities to the minister and would allow this particular proposal that is going to both protect the environment and drive good economic outcomes in both the automotive recycling and the automotive manufacturing sectors.

Effectively, that's the ask of this committee: to give that due consideration and put it back on the table and push it forward.

I'm happy to take some questions.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Usman. The questioning this time goes to the Progressive Conservative Party. You've got just about six minutes.

Mr. Michael Harris: Thank you, Usman, for the presentation. I don't know if you can talk about or mention other jurisdictions that are applying this methodology in auto recycling across Canada or even in US jurisdictions and if it's working.

Mr. Usman Valiante: Nowhere in North America. In Europe, they have standards-based approaches.

This initiative would be a first in North America. Why in Ontario it's important to do this is that it's the home of auto manufacturing in Canada, so we've got the entire auto sector behind this initiative.

Some of what's driving that is we've got new vehicle technologies coming out—hybrid electric vehicles, pure electric vehicles. The intrinsic value in those vehicles is quite high. You've got lithium ion batteries and things of that nature. The manufacturers want to deal with a regulated recycling sector to create closed-loop take-back systems for some of those components. So having a regulated recycling industry is critical to the competitiveness of the regulated manufacturing sector.

There's a convention this weekend with the Ontario automotive recyclers, and there are delegates coming from across North America to see what's happening in Ontario on this initiative. It's a first in North America. The best elements of it have been taken from Europe in terms of applying standards and how to administer standards. So there has been learning from that jurisdiction, but this is really a "first in North America" initiative.

Mrs. Julia Munro: I'd like you to talk a little bit about the delegated administrative authority. If we have the European model on the issue of the recycling itself, what has been the experience, or are you aware of any, on the delegated administrative authority? Does it pose problems, just the creation of that?

Mr. Usman Valiante: That's an excellent question in the sense that how they're created and what diligence is put into their creation in terms of creating accountabilities is critical. So the minister assigns objects and then creates accountabilities for the DAA.

I'll give you an example of a DAA that we don't think about that works very well. Every time you get on a plane and you take off and land, there's a control tower that controls that plane. That control tower and the people who are in it: Their activities are administered by Nav Canada. Nav Canada is a DAA. It's not run by the federal government; it's a delegated administrative authority. Similarly, the Ontario Motor Vehicle Industry Council, the Travel Industry Council of Ontario—there's a number of DAAs that are just ticking along, working well. They have to report annually to the minister, and in this particular initiative, they provide environmental reporting on what happened to these vehicles. They provide reports on vehicle identification numbers, which would be available to the chiefs of police, and, of course, there would be a new standard and accountabilities to the fire marshal's office.

These can all be delegated to this organization to say, "You need to report to me as the minister, but you also need to report to a number of other bodies that have a public policy interest in your activities."

Mrs. Julia Munro: Would you say that this, potentially, is a more complex DAA?

Mr. Usman Valiente: Actually, I think it's a simpler one because it's a very narrow sector—it's an auto recycling sector that you're administering—and a very narrow set of activities, which are environmental management, reporting on the disposition of vehicles and accounting for those VINs back to the Ministry of Transportation, for instance.

Mrs. Julia Munro: What are the challenges? Do we have a lot of rogue operators? Is that a problem?

Mr. Usman Valiente: Absolutely. I mean, as I said, we have a wrecker fire once every three or four months. We have a huge number of recyclers—"scrappers"—that are pulling these vehicles into fields and just pulling them apart and dumping everything.

We also have a fraud issue, where vehicle identification numbers are taken off of end-of-life vehicles and then put onto stolen vehicles. Because the entire vehicle would be tracked right to its final recycling end, the ability to do that anymore would be very limited. Certainly, when I've gone to meet with the chiefs of police, they're very interested in this initiative.

Mrs. Julia Munro: All right. Thank you.

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

Mr. Phil McNeely: Mr. Chair?

The Chair (Mr. Kevin Daniel Flynn): Yes?

Mr. Phil McNeely: Have you got any written part of your presentation today?

Mr. Usman Valiente: I only got told about this yesterday, so I will definitely get something to the committee. I have a précis of what I just delivered, probably in a less stream-of-consciousness way than I just delivered it.

The Chair (Mr. Kevin Daniel Flynn): Very good. Thank you very much for coming today. It was appreciated.

Mr. Usman Valiente: Thank you.

ASSOCIATION OF ONTARIO HEALTH CENTRES

The Chair (Mr. Kevin Daniel Flynn): Okay, we're going to move on to the Association of Ontario Health Centres, Jacquie Maund? Jacquie, if you'd like to make yourself comfortable there.

Ms. Jacquie Maund: I do have copies.

The Chair (Mr. Kevin Daniel Flynn): The Clerk will pick them up from you.

Like everybody else, you get 15 minutes. Use that any way you see fit. If there's any time left over at the end or during those 15 minutes, the questioning for you will come from the NDP.

The floor is all yours.

Ms. Jacquie Maund: Good afternoon, everyone. My name is Jacquie Maund, and I'm here representing the Association of Ontario Health Centres. We have 123 community-governed primary health care centres across the province that we represent, and we have a specific mandate to work with vulnerable people, people who have difficulties accessing health care. That might include low-income people, aboriginal people, francophones, people living in rural and remote communities, or disabled people. Some of you may indeed have community health centres or aboriginal health access centres in your riding, so you will be familiar with our model of care. We're the only primary health care model that is funded to provide both health care services and a range of other health promotion and community development services.

We've seen the Ontario health system improving in many ways over the past few years, but we still find from our experience on the ground that too many people have avoidable illnesses and that health disparities are on the rise. We also know from the Drummond commission last year that over 50% of health outcomes are determined by socio-economic factors—people's income and people's education—and those are factors that our current health system does not address well.

Right now, our health system focuses on the downstream approach to assisting people when they become sick. What we want to talk about in our submission for the budget this year is more of an upstream approach: what some strategic investments are that we would like you to consider in your advice to the government that could be made to improve health and well-being today, to avoid higher costs being made in sickness care in the future.

Our recommendations fall into two categories of upstream investments. First of all, we want to talk about ways to strengthen the primary health care system and leverage the effectiveness of the community health care system model of health and well-being. We also want to make some recommendations around improving the health and well-being of low-income people, who are the most vulnerable to poor health and hence tend to be higher users of the health care system.

Last year in the budget, an increase of 4% was committed to the community health sector for the following three years, which we were very pleased to hear. This year, we're asking that part of that 4% increase to the community health sector be made available to community-governed primary health care organizations to enhance quality improvement initiatives and also accountability measures so that we can better fulfill the initiatives that are set out in Ontario's Action Plan for Health Care.

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We're also, in this budget, asking for a one-time allocation of $107 million for capital requirements to the Ministry of Health's health capital investment branch to meet capital requirements of community health centres and aboriginal health access centres. Those funds are needed to meet the capital requirements of 15 new community health centres that were announced way back in 2005, but still haven't got the funding that they need in order to be able to move into permanent sites.

This one-time funding of $107 million would allow our members to serve over 50,000 more people across Ontario. Many of these are people with complex needs and who are high users of the health care system.

We also include in our submission a number of recommendations to streamline and invest in dental and oral health care for low-income people. Thirty-six of our member health centres provide oral health to low-income people without insurance, and many began doing so in 2011 as a result of the new Healthy Smiles Ontario program that was announced.

We commend the Ontario government for including a program that increases access to dental programs for low-income children. It was an important part of the government's Poverty Reduction Strategy. But our experience on the ground has identified a number of challenges that I want to briefly touch on here.

Most community health centres were not provided operational funding by their public health unit to deliver Healthy Smiles Ontario, and a number are encountering operating shortfalls. The income eligibility level for the Healthy Smiles Ontario program was set too low, so many CHCs and public health units report to us that they're having to turn away low-income families because they make just a little above the $20,000 net adjusted income that's been set. Yet at the same time, we know that dental programs for low-income kids last year were underspent by $5 million, and there are still no programs for low-income adults who are not on social assistance.

Our submission makes a number of recommendations around oral health care. Specifically, in terms of our member centres, what we're calling for is that $1 million of the unspent funding for children's oral health programs be allocated to community health centres that are offering Healthy Smiles Ontario so that they can fully meet their operating costs and serve more people.

We're also asking that $2 million of the unspent funds for children's oral health programs be allocated to other CHCs and aboriginal health access centres with dental suites so that they can, in turn, better serve low-income adults in particular.

I'd now like to just close up by talking about poverty reduction. Our health centres see first-hand the impact that poverty and low income have on people when they're unable to afford the transportation to get to medical appointments, when they're unable to afford nutritious food. We see the direct impact that that has on people. So we urge the government to continue its investment in Ontario's Poverty Reduction Strategy.

We support the asks of the 25 in 5 Network for Poverty Reduction, which are to allow people to earn more and keep more, and to restore benefits. More specifically, we're asking for the minimum wage to be increased to $11.50 an hour in 2013, and we support one of the recommendations of the social assistance review commission that says that people who have employment earnings while on assistance should be allowed to keep the first $200 before clawbacks kick in.

Under the keep-more recommendation, we're calling for the social assistance review report recommendation that suggested that asset limits be increased for people applying for social assistance, and we're supporting the recommendation that single parents on social assistance should be allowed to keep at least 50% of the child support that they receive.

In terms of restoring benefits, we support the social assistance review recommendation that the rates for people on Ontario Works who are single be raised by $100 a month, and we would like to see a cost-of-living adjustment for everyone else who is on social assistance—but not at the expense of cutting the special diet. We urge the government to keep its promise to increase the Ontario Child Benefit to reach a maximum of $1,310 per year this year and to permanently index it to inflation.

We recognize, in conclusion, that there are costs associated with these strategic investments. We know that last year, the Drummond commission developed a series of recommendations that advised the government on how to cut spending and on cost-cutting measures.

We urge this committee and the government to set up a similar commission that would look at ways to raise revenue for the Ontario government and to identify options to raise additional revenue to help both balance the budget and make these important health and social investments for our community and society. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much, Jacquie. The questioning this time comes from the NDP. You've got about six minutes. Don't be offended if some bells start ringing shortly and everybody runs out of the room; there will be some votes held. I assure you, we will be back.

Catherine.

Ms. Catherine Fife: Thank you very much, Jacquie, for the presentation; it's a comprehensive report. And thank you for giving us an update on Healthy Smiles as well. I know that our offices receive calls about this issue.

The $5 million that's been underspent on this program—I think you've made some strong recommendations of where that funding should go. I hope that it still goes towards oral care because, as you've pointed out, it's a preventive measure.

The income threshold being set too low: Do you have a number of families that actually have been turned away because of the $20,000 price point?

Ms. Jacquie Maund: I don't. The public health units keep those numbers because they are the initial screening category in terms of finding out whether you're eligible or not.

Our recommendation would be that any family in Ontario that currently receives the Ontario Child Benefit should be eligible for Healthy Smiles Ontario. I mean, that's currently the government's definition of a low-income family. So that would be our recommendation in terms of changing the eligibility criteria for Healthy Smiles Ontario.

Ms. Catherine Fife: Okay. Thank you also for detailing the need for operational funding, because that's an implementation strategy, I think, that needs to be rectified.

Mr. Michael Prue: A couple of questions: As a good member of 25 in 5 for all these years, last year, how did the government—we haven't heard whether or not they're on target still. I have my considerable doubts, but can you tell us, are they on target?

Ms. Jacquie Maund: Sure. Each year, the 25 in 5 Network releases our report to track where the government is going in terms of meeting that target. As you may know, the numbers from StatsCan are always two years out of date. My recollection is that between 2008 and 2010, the child poverty numbers in Ontario went down by about 7%. So we would say we're making progress. We're moving in the right direction. We would urge the government to stay on track, to keep making the investments that are needed to reach that target, to cut child and family poverty by 25% by 2013. So keep increasing the Ontario Child Benefit, keep increasing the minimum wage, keep following up on recommendations of the social assistance review commission in terms of ensuring that the poorest of the poor have enough income to live decently.

Mr. Michael Prue: The last two budgets haven't included this.

Ms. Jacquie Maund: That's right.

Mr. Michael Prue: That's really my question. I know where the government was in 2010, but where are they today? Have you just not done the analysis because you can't?

Ms. Jacquie Maund: What are the numbers for—

Mr. Michael Prue: I mean, here we are in 2013. I think that the whole 25 in 5 dream has stalled.

Ms. Jacquie Maund: The numbers are always two years out of date, right?

Mr. Michael Prue: Yes, I know.

Ms. Jacquie Maund: So we won't know for two years' time. But what we're saying is that we can tell that the investments that were initially made—such as the Ontario Child Benefit, such as increasing the minimum wage—did have an impact. The trend is there. The trend is that the numbers are going down. We're saying good policy works. Good policy makes the difference. Continue investing in poverty reduction. Increase the Ontario Child Benefit. Keep increasing the minimum wage. Those things are making a difference. Don't stop now.

Mr. Michael Prue: Okay. You've made a number of recommendations, some of which will cost the government money in the budget. Raising the minimum wage to $11.50, I would think, would be revenue-neutral. Would you agree with that?

Ms. Jacquie Maund: That's right.

Mr. Michael Prue: Keeping $200 before clawbacks, which was in the commission report: I take it that would be largely revenue-neutral as well.

Ms. Jacquie Maund: The estimated cost is about $60 million for that.

Mr. Michael Prue: Okay. But that's not a huge amount of money, though. It's not a big ask.

Ms. Jacquie Maund: Not in the scheme of the entire size of the budget.

Mr. Michael Prue: Raising the asset limits before somebody can apply for general welfare: It may delay the application in some cases, but how much would that cost?

Ms. Jacquie Maund: I can't estimate that, I'm afraid.

Mr. Michael Prue: I don't think it would cost much, either. And keeping 50% of the child benefits—I tried to write them all down as fast as you were speaking there.

Ms. Jacquie Maund: That would cost about $50 million.

Mr. Michael Prue: All right. So you're here asking for some considerable investment, some considerable money. The very first deputant today made a huge case, as you might imagine, that no taxes be raised at all, that everything was fine the way it was and that only programs be cut. Obviously you're diametrically opposed to that view.

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You did suggest that there should be a Drummond commission in reverse to look at revenue. Can you tell us where you think some of the revenue might come from?

Ms. Jacquie Maund: Sure. I'm speaking on behalf of the Association of Ontario Health Centres. Identifying tax revenue options is not our expertise, but we know that the Canadian Centre for Policy Alternatives does have expertise in this area. They recently produced a report. There is an op ed that they published yesterday in the Toronto Star that does identify some of those sources of revenue, so we would point you to that report.

Mr. Michael Prue: Okay. I thank you.

The Chair (Mr. Kevin Daniel Flynn): Great, Michael. Thank you.

Thank you very much for being here today. Thanks for your report.

COUNCIL OF ONTARIO UNIVERSITIES

The Chair (Mr. Kevin Daniel Flynn): We're going on to the Council of Ontario Universities now: Bonnie Patterson. Bonnie, if you'd like to come forward. If you'd like to have a seat, make yourself comfortable. We'll pick them up from you.

You probably heard my spiel. Everybody gets 15 minutes. You use that any way you see fit. If there's any time left over at the end, the questioning will go to the Liberal Party. If the bells start ringing in the middle and we all run out the door, it's got nothing to do with you; it's got everything to do with good government. We will be back to pick it up where we left off and you won't lose any time as a result of that. It's all yours.

Ms. Bonnie Patterson: Well, thank you very much, and I'm pleased to be here on behalf of Ontario's 20 publicly assisted universities as president and chief executive officer of the Council of Ontario Universities.

It is important to be here today. I'm happy to be able to present to the committee some information on the important role that universities are making in the province and our commitment to working with the government in a manner that does recognize the fiscal constraints that are in place.

The Ontario government does have a great deal to feel proud of in terms of its return on investments in our universities. The latest statistics show that 87.5% of our graduates are finding employment within six months of graduation, and 93.1% of them are employed within two years. Despite the economic uncertainty of our times, these are well-paying jobs. University graduates are earning, on average, $42,403 six months after graduation, more than that for other levels of education in Ontario.

We need this type of highly skilled workforce to successfully address the economic challenges and to be competitive.

Our universities are well positioned to do their part in making Ontario stronger. We are preparing students for the jobs of the 21st century and helping them create their own jobs as entrepreneurs. We are increasing university productivity to make the best use of public funds. We are conducting research that changes lives, advances society and enhances economic competitiveness. We are boosting strong regional economies and ensuring university education is accessible.

Our universities understand the government's fiscal constraints, and as a result we are finding further efficiencies to absorb $40 million in cuts in this next fiscal year and almost $80 million the next while protecting as best we can the quality of the learning experience for students.

We are working collaboratively with Minister Duguid to help achieve a balance that will keep tuition affordable for students while maintaining the high quality of education they have enjoyed.

We hear a lot of talk about the shortage of skilled workers, and the federal government is supposedly taking steps to change that perception in today's budget. But the Ontario government acknowledges that a full 70% of all new jobs will require post-secondary education. A recent report from CIBC listed 25 occupations showing signs of a skills shortage over the next several years. Engineers, doctors, dentists, accountants, managers in health and education, auditors and investment professionals were just a few. Only a handful of those occupations on the list would require apprenticeships while the vast majority would require a university degree.

We are working closely with our colleges and the new Ontario Council on Articulation and Transfer, which we call ONCAT, to build pathways between our institutions and help students meet the demands of the workplace. More than 500 agreements exist that allow students to move from college to university.

Last year, ONCAT initiated 62 bridging projects in the sector. Seven will bridge apprenticeships to diplomas, with 16 college diploma-to-diploma bridges, 25 college-diploma-to-university-degree projects and 14 college-diploma-to-college-degree projects. This is an amazing pipeline under development for our students.

Our people are mobile; our highly educated people are our greatest resource. We must continue to invest in them and keep them engaged in this great province.

Every year, students apply to university in increasing numbers, and this year is no exception. Two out of three post-secondary students choose university. They develop the problem-solving, critical thinking, quantitative reasoning, effective writing and communications skills, as well as the ethical and social reasoning capacity that prepare them for life, no matter which career they choose. They all recognize the benefits of a degree in terms of higher earnings and career potential. This year, the applicant data shows a 2.4% increase for universities.

Seventy-eight per cent of students report that their educational experience was good or excellent. Moreover, university grads have higher employment rates than those with other levels of education, due to the growing number of jobs for them at a time when jobs for others are declining. The unemployment rate for those with a university degree was only 4.8% in 2012, much lower than for those with other educational levels.

Universities are preparing students for their future with rigorous academic programs, greater attention to innovation and skill development, increased online and technology-enabled learning, and expanded workforce learning, with a robust range of career services.

Ontario universities are national leaders in productivity. This includes financial and operational efficiency, and sharing best practices. In 2011, we published a report called Innovative Ideas: Improving Efficiency at Ontario Universities. The innovative ideas it contained set an example for leadership for others in the broader public sector.

The annual Going Greener report we produce outlines cost-cutting environmental initiatives universities are taking, including, for example, reducing energy costs through upgrades to heating, air conditioning and lighting.

The productivity of Ontario universities is demonstrated by results. More students are educated at our universities with fewer dollars than at universities in all other provinces. The Auditor General has noted that enrolment in Ontario universities increased almost seven times faster than funding per student. By comparison, colleges received greater increases in operating dollars, while experiencing smaller enrolment increases.

University research plays an important role in the success of Ontario and of Canada. Nine Ontario universities are among the top 25 Canadian universities; 18 are among the top 50 universities. Ontario universities are advancing the frontiers of knowledge and creating new products and services that change our lives and open up economic potential. Ontario university research contributes to better health, a cleaner environment and sustainable communities. We work with local, regional, national and international communities.

Universities are making their communities stronger. They boost the economy through major purchases, and provide jobs and research. Some universities offer free courses for local at-risk youth to engage them in post-secondary education. Others emphasize programs to meet the needs of aboriginal students. Experiential learning connects students to local industries, supporting employers and providing students with hands-on experience. University incubators provide space for students to develop their own companies, creating jobs for themselves and others. Increasingly, universities are partnering on shared infrastructure projects such as libraries, bringing the university and the community together.

Ontario needs a well-educated population and therefore needs to ensure that financial issues are not a barrier to education. With that goal in mind, the Ontario government and universities have provided students with stronger financial aid systems. The Student Access Guarantee is maintained by all universities, in coordination with the government's Ontario Student Assistance Program. It ensures that no Ontario student is prevented from attending Ontario universities due to a lack of financial support. And in 2010-11, universities distributed $200 million of tuition revenue under a tuition set-aside program, and $700 million overall in scholarships and bursaries, which is more than 10% of their operating expenditures.

In recognizing the government's fiscal restraints, the recommendations that follow do not require immediate increases in provincial funding. That may sound odd to you, as the standing committee.

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If your funding is available at the end of the year, we do ask, though, that the government consult with universities to identify priorities for one-time funding, such as increasing our facilities renewal fund—earlier cut in half—to address the backlog of deferred maintenance projects on campus to transform our aging infrastructure.

Secondly, we would encourage the government to maintain its commitment to fully fund the growth in spaces for undergraduate and graduate students. The province has had an ambitious agenda for growth of post-secondary education in the last 10 years and has made commitments to continue fully funding it. However, universities are concerned about the trend towards discounting the support for growth through a number of different measures that will reduce our operating funding. These cuts will cause a challenging budgetary situation for universities when considered along with other government budget cuts.

Third, as I touched on earlier, we are in discussion with the minister on a tuition framework. We have asked that tuition be put in the context of the highest investments in student aid in the country that are made in Ontario by government and the universities themselves. When net tuition is considered, the actual price students pay once financial aid is factored in means many students pay less than the sticker price. On average, students on OSAP and first-entry university programs pay half the sticker price of tuition.

University enrolment has been growing faster than the increase in government grants. Indeed, Ontario now has the lowest per-student funding in Canada when government grants and tuition are combined. In an environment of declining government grants, tuition plays an important role in funding programs and services that students rely on for a quality learning experience.

Fourth, the Ontario universities are urging the government to extend temporary solvency funding relief measures to allow universities to satisfy their obligations over a more manageable time frame for pensions, and have made a more detailed proposal on this to the Ministry of Finance. The sector has made good progress at enhancing the long-term sustainability of our pension plans and is deliberating about the feasibility of a jointly sponsored pension plan for the sector. However, a prolonged period of low interest rates has caused pension deficits to worsen for the sector as well as for others. Without an extension of solvency relief, universities could be forced to divert resources from education and research missions.

Finally, it's our recommendation that the Ontario government plan for a provincial match to the federal Canada Foundation for Innovation investment, which supports research infrastructure, a year from now so Ontario universities can secure their fair share of federal funding. Maintaining Ontario's competitive edge in research requires technology, equipment and facilities capable of meeting the needs of state-of-the-art research and student training.

In closing, the Ontario government can feel proud of the return on the investment in higher education. We look forward to working with all our partners to build these successes for the future of our students, our economy and our collective well-being.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much, Bonnie. You've left about two minutes for questions. Soo?

Ms. Soo Wong: Thank you very much for your presentation. I listened attentively. I want to hear your position, because you represent the Ontario universities: What is your council's position on the PCs' white paper dealing with funding attached to academic performances and how we fund? Clearly, you talk about tuition fees and how we fund, so what is your position? Does the council have a position on that piece?

Ms. Bonnie Patterson: The universities are very supportive of the student aid model that exists that is both a combination of government investment and university investment for needs-based aid as well as merit-based aid. We believe the continued investment really does change the opportunity for students in the province.

Ms. Soo Wong: You say merit-based funding. Can you elaborate a little bit further?

Ms. Bonnie Patterson: Sure. Universities right now do have a number of scholarships that they offer out of their operating resources and from their philanthropic support that they have achieved and developed through their endowment funds. We believe that offering those competitive scholarships continues to be important to make Ontario universities competitive with the rest of the country.

Ms. Soo Wong: Does your organization believe that the funding should also be attached to performances of the students or the employment ability related to that piece?

Ms. Bonnie Patterson: We believe that student aid that is based predominantly on need is critically important, and that's why you would find the majority of our investments going towards need-based aid.

Ms. Soo Wong: Thank you very much, Mr. Chair.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much, Bonnie, for coming today. We appreciate it.

Ms. Bonnie Patterson: Thank you.

ONTARIO CONVENIENCE STORES ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): Dave, I'm going to call you forward. I can almost guarantee you're going to get interrupted, but you may as well get started.

Mr. Dave Bryans: I always get interrupted.

The Chair (Mr. Kevin Daniel Flynn): Dave is here from the Ontario Convenience Stores Association. David, you get 15 minutes like everybody else. Use it any way you see fit. If there is any time at the end, it will be questions from the Progressive Conservative Party.

Mr. Dave Bryans: Great. Thank you, Chair Flynn. Thank you for allowing me to address you today.

The Ontario Convenience Stores Association represents 7,500 small family-run industry stores in Ontario. I also do represent major chains and independents throughout the province.

The industry employs over 75,000 Ontarians in the province. We contribute about $5.5 billion to the economic footprint of Ontario, and over 2.7 million people visit a convenience store every day. Keep in mind we provide business ownership opportunities for many new Canadians, and first-time job experiences, and we represent a vital part of every community, being the fabric of both urban and rural regions of the province.

Ontario's C stores, however, operate on very small and declining margins. C stores are struggling today in Ontario mainly due to, first off, the lack of a new destination category for goods and services to offset our declining revenues; a lot of red tape—as an example, there's about 83 different federal and provincial laws today to run a convenience store, and if you were to print it all off and stack it up, it's about 5,500 sheets of paper for a small business operator; and, of course, many new different trade restraints that appear all the time from different groups.

In February 2013, the OCSA, ourselves, made a formal submission to the Ministry of Finance, and it is in your kit at the back. The submission makes four key recommendations under three main categories: beer and wine, contraband tobacco, and age verification programs. Each recommendation aligns with government fiscal and/or social interests.

Under the key recommendations:

Beverage alcohol: Review the LCBO agency store model with a view to enhancing the program and providing longer contracts.

Contraband: Act on the commitments made in the 2012 budget.

As well under contraband: Maintain the current tobacco tax rate until such time as we can find a correction to contraband tobacco.

Age verification: support for the industry today of the We Expect ID program.

Under beverage alcohol, the OCSA has long been advocating for the modernization of Ontario's 85-year-old alcohol system. It's a primary target to offset declining revenues for OCSA members. Allowing the sale of alcohol at C stores would lead to higher employment—we estimate about 150,000 private sector jobs—and dramatically increase our economic footprint in the province. Other jurisdictions throughout this country with this model have not experienced a negative impact either to their economy or to the health or safety of any of their citizens. People want their local C stores to be able to sell beverage alcohol. Angus Reid, in the last survey, found 67% of all people surveyed asked for more access. Field studies, both Ipsos and Statopex, conducted by the OCSA revealed that C stores did a better job and still do a better job at age testing than either the LCBO or Beer Stores. In July 2012, the OCSA released a petition with 112,500 signatures from people standing in line in our stores in support of us. This, by the way, was the largest petition ever introduced in Ontario. Public support, as we all know today, for change is now at an all-time high.

Modernizing the retail system was identified clearly by Don Drummond. His report suggested a more aggressive store expansion program. The agency program should be looked at as a vehicle for compliance with this recommendation. The agency store model requires that privately owned C stores make our own capital investments, hire and pay our own staff and manage the liquor retail experience with no cost to the Ontario taxpayer. In your kit, there's two pictures of the new Mac's store that was just opened in Thamesford, Ontario, where Mac's has spent $3 million of capital building this new site in Thamesford, outside of Stratford. Mac's pays all the labour costs and the recyclable costs for that store.

Some recommendations: Pilot the expansion of the agency store model in select urban and suburban regions in the province in 2013. This will allow you as a government to assess the economic and social impacts of expansion.

In the longer term, the government can roll out an expansion of the agency store model to the rest of the province. OCSA is confident that provincial revenues will increase. Small businesses and convenience store owners will be able to thrive, hire and remain an important part of every community.

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Switching to contraband tobacco, contraband tobacco is an increasing problem that threatens Ontario's youth, provincial tax revenues and Ontario's C store sector. The RCMP has now identified Ontario as almost exclusively having the biggest issue with contraband. It's a little bit high in Quebec, but Ontario is by far the worst area in the country. Federal and provincial governments have made commitments to address the issue. Ontario alone in 2012 made that commitment, and then there was the recent federal government announcement of more enforcement and additional jail time for repeat offenders.

OCSA members who offer legal tobacco products are suffering in every community. C stores are still too reliant on tobacco as a destination category. OCSA attributes that we're losing about two to three stores a day, mainly small family-run stores, due to the problem of contraband because our regular customers are actually buying it out of the trunks of cars. Some 60% to 80% of all of our store revenues in a smaller business model are directly or indirectly attributed to tobacco sales. And even though it is a sunset consumer category, our owners still rely heavily on the revenue from tobacco for now.

The Auditor General did talk about the effect on some of the provincial revenues. In 2007, he estimated that we were losing $500 million a year as Ontario. If you multiply that by the five years we've missed, it's a huge amount of money. We actually estimate it to be much higher.

In 2012, the Ontario budget estimated that over the next three years, implementation of illegal tobacco initiatives would raise revenues by $375 million. By next year, provincial revenues would have increased already by $175 million, with additional enforcement only costing $34 million.

The effects on public health: Don Drummond said it best. Tobacco consumption has "flatlined" after more than a decade of declines in smoking rates, partly because cheap, illegal cigarettes are now available.

In the Ontario budget: Contraband tobacco "removes an incentive for smokers to quit, undermining the government's policies to reduce smoking."

CAMH, in 2010, stated that just less than 50% of all cigarettes consumed by Ontario high school students were illegal products. Just recently, in 2012, under policy recommendations, the Canadian Cancer Society stated that 53% of students who reported smoking reported using contraband cigarettes, equalling about 60,000 students.

Some recommendations: Act on the commitments made in Ontario in the 2012 budget on contraband tobacco. Some highlights:

—enhance law enforcement resources;

—an increase in fines and penalties for criminals, similar to the federal law;

—strengthen the registration system for retailers;

—include us, the OCSA, in consultation—I think if we sell 95% of the cigarettes in this country, we have a pretty good idea of how to fix some of the problems; and

—introduce legislation in 2013.

The OCSA wants to help educate government on the complexities of contraband and to also be a partner in the solution.

Turning to age verification, age verification training programs for C store workers are very important to public health. These programs also help small business owners and their staff avoid punitive fines. I said it earlier: About 2.7 million people visit a convenience store every day in Ontario, and many of these are young, youthful people. C stores are the front lines for distributing age-restricted products, namely tobacco, the government's own lottery, at about $1.7 billion, and now alcohol, where available. With focus on contraband and diverting consumers to legal channels, the government should help us as retailers ensure that we are properly trained.

We have a program called We Expect ID. We've been very proud of it. We launched it in 2007. It is the most comprehensive age-training program in Canada. It allows people to be trained online and certified. It was fully administered by the OCSA, and it includes training materials in all formats and in three languages—English, French and Korean—for the small business operator. But due to the financial realities of today, the OCSA had to cancel the program for its members at the latter part of 2012. Store owners are worried that infractions and resulting prohibitions on their stores will go up, and the public should be worried that youth are increasingly going to be at risk.

The OCSA has tabled a funding proposal with the Ministry of Health, and Health Promotion, to continue the We Expect ID program. The cost to the treasury would be approximately $500,000 per year. The cost of this investment could be paid out of the smoke-free Ontario budget allocation for both smoking cessation programs and education programs of $39 million in 2012. The cost would be offset by revenue generated from contraband tobacco initiatives of $375 million over the next three years.

The expense is minimal when compared to the potential social cost, and keep this in mind: This is the first time in my 10 years running the OCSA that we've sat in this committee and asked anybody to give any funding to small business in this province. For a relatively small yearly funding allocation, Ontario can champion a program that will provide peace of mind for parents, reduce provincial tobacco usage rates, alleviate pressure on the health care system, and protect small business owners, their employees and small business operators.

In conclusion, Ontario's C store sector is at a critical junction for small business. Declining destination-category products with no offset in sight has the potential to eliminate many stores within the industry. Our submission makes achievable recommendations to all of you that can be implemented in 2013, and working with the Ontario Convenience Stores Association will not only help the industry, but the province in realizing its goals with respect to fiscal and social agendas. Thank you.

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

This is where the committee needs to make a decision: We've got just over three minutes left, and the bells are going to ring, I think, very shortly. We can keep Dave here and we can ask the questions, or we can just head down to the House now. It's up to you.

Mr. Michael Prue: I think we should let him answer. I mean, we can get up to the House. What is it, a five-minute bell or a 10-minute bell?

The Chair (Mr. Kevin Daniel Flynn): It should be a five-minute bell.

Mr. Michael Prue: A five-minute bell.

The Chair (Mr. Kevin Daniel Flynn): Okay. All yours, Jeff or Julia.

Mr. Jeff Yurek: I'll ask a question. Thanks very much for coming down. Good to see you again.

I find it interesting, with all of the media hype in the summer, that convenience stores already sell alcohol. That's an amazing fact, that they're actually able to do so, but when you read the media they are acting like it was some new-found idea out of the blue that was terrible for Ontario. Can you comment on that?

Mr. Dave Bryans: First off, on the agency model, we have about 217 LCBO agency stores; retailers have done a wonderful job at selling alcohol in small communities. As a matter of fact, the agency stores have longer hours, they stay open on statutory holidays, and they service mainly rural and cottage country. We have never had an issue; we're still the best at age testing. I guess because we're in Toronto and agency stores are in rural Ontario, many people in the GTA don't understand that business model.

Mrs. Julia Munro: I'll just jump in. One of the areas that has always concerned me is contraband tobacco and the use by those under age. I was wondering, when you were talking about We Expect ID, do you have any support from the Ministry of Health or anything in that regard to understand and examine the contraband issue amongst the youth?

Mr. Dave Bryans: No. You know, I wish I could. My answer to all of that is very simple: Let's ban youth possession, consumption and purchasing under 19, and then we'd have a new behaviour we could change, because we don't see young people drinking a bottle of beer next to a high school. However, that seems to have fallen on deaf ears. I believe the future is all of us banding together to protect the future of our young people.

The RCMP raided a locker in Cornwall in December that was full of baggies of cigarettes that were being sold for $10 per 200 to all the kids in the high school, so I think it's time that all of us figure it out. My passion is to get it right. I have children—I think we all have children, if not grandchildren. Let's start somewhere and fix this problem, both youth access and contraband.

Mrs. Julia Munro: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, David, for being here today. Good to see you.

Mr. Dave Bryans: Thank you. I appreciate it.

The Chair (Mr. Kevin Daniel Flynn): Great job.

Okay. For Service Employees International Union: We're going down for a vote. Is somebody here from SEIU? Anybody from SEIU yet? Okay. We're going to go down and vote, we're going to come back, and you're up next.

We're recessed.

The committee recessed from 1629 to 1649.

SEIU HEALTHCARE

The Chair (Mr. Kevin Daniel Flynn): Why don't we get started? Eoin, the floor is all yours. Use the time any way you see fit.

Mr. Eoin Callan: Thank you. My name is Eoin Callan. I'm a member of the Economic Advisory Panel of Ontario, which advises the Minister of Finance on ways to strengthen the economy and manage public finances prudently. I also sit on the investment committee of the Healthcare of Ontario Pension Plan, which manages $40 billion in assets. I'm the former economics and trade correspondent for the Financial Times and covered the global banking crisis for the Financial Post.

I'm here today in my capacity as an adviser on public policy to SEIU Healthcare, which is the fastest-growing labour organization in Ontario, in Canada and in North America, and represents more than 50,000 front-line health care workers across the province.

I'd like to start by thanking the committee for the opportunity to appear before you this afternoon.

I simply wanted to really underline that the committee faces twin fiscal challenges. You face a cyclical fiscal challenge in the form of a record deficit caused by the financial crisis and made persistently difficult to address by ongoing economic stagnation in the wake of that shock. But you also face a significant structural fiscal challenge arising from demographic pressures. These demographic pressures are pretty relentless. By 2017, the number of seniors is expected to outnumber children in Ontario. By 2031, the number of seniors is expected to have doubled. By 2036, it is forecast that 23.6% of our population will be seniors. Combined with elevated health cost inflation, which has been running in recent years at close to 7%—which is well above the rate of growth, well above the general rate of inflation and certainly well above increases in government revenues—we have an enduring fiscal challenge.

We're recommending an action plan to bend the cost curve in health care and to meet the needs of an aging population while sustaining Canada's public health care system for the next generation. As all parties have acknowledged, home and community care is an important part of the solution. It costs less than institutional care, and more than 81% of Ontarians have indicated in opinion surveys that they would prefer to receive care at home. Home care makes it possible to fulfill the promise of security as people age, and to pass on a strong, stable public health care system to our grandchildren.

Importantly, families in Ontario want reliable and consistent home care. They need a guarantee that home care will be there for them when they need it. They want to know that they can get the right care at the right time, no matter where in the province they live, no matter who they are. At present, too many families are overstretched. They're struggling to care for loved ones. They're left waiting for care, leading to unnecessary pressures being put on our health care system.

The action plan we're proposing is a six-point plan. It begins with cutting waiting lists for home care. We've got more than 6,000 people waiting for care, with delays of up to 260 days. Families need a guarantee that care will be there for them when they need it most.

The second piece of the action plan is providing relief to family caregivers. We need to take pressure off the families who are caring for an ailing relative while at the same time trying to juggle a full-time job and raising a family, and we can do that through supports like flexible respite care, to give families a break.

Importantly, family caregivers are estimated to contribute about $24 billion worth of care annually. Providing them with targeted relief and supports so they can continue to play that role is in the fiscal interests of the province.

We also think it's important to guarantee security and peace of mind for seniors and families. When a family needs care, they should be guaranteed that every health professional coming into their home is trained and qualified and has passed background checks.

It's also important to protect the heart of health care, the front-line staff who deliver hands-on care. Currently, this province has no health human resource strategy for the occupation of personal support workers. Addressing that gap and developing an effective HHR strategy is a fiscal imperative.

We'd also underline the need to ensure that investments go to the front line, not the bottom line, and to demand transparency and accountability in the way that health dollars are spent. Currently, our analysis suggests that for every $1 that you invest in home care in Ontario, about 28 to 30 cents are lost through the first two layers of administration: the local health integration networks and community care access centres. If you continue following that dollar after it leaves the government's hands and goes into the home care sector, more than 50%, so another 35 to 37 cents of that dollar, gets lost through the next layer of administration. So you're losing more than 70 cents out of every dollar invested in care, on average, leaving about 30 cents of every dollar invested in home care by this province going to actual hands-on care and increasing access for those on waiting lists.

We can't find another jurisdiction that performs so poorly in value for money when it comes to investment in the home care sector. In light of the demographic pressures and the fiscal challenges that we've just been discussing, we would urge attention to this file.

The seniors strategy penned by Dr. Samir Sinha points toward some interesting solutions to these challenges. Sinha talks about the importance of exploring models that give patients greater choice and control over direction of their own care, and he talks about models that would allow Ontario to deliver that kind of additional flexibility and responsiveness to families, to patients and to consumers in ways that would perform significantly better on the score of value for money.

He also alludes to the need for a province-wide, flexible, family-driven respite program. We would simply add that it's important, as Dr. Sinha has underlined, to pursue these strategies in the context of developing a health human resources strategy that will stabilize the existing personal support workforce and enhance existing skill sets in a way that promotes quality improvement over time.

Finally, just returning to these twin fiscal challenges, it's important to bear in mind that in order for finance to meet its goals of deficit reduction, the Ministry of Health has to meet its goals. If health fails, finance fails. So we'd encourage the committee to give due consideration to ensuring that health has the tools it needs to meet its fiscal targets, to begin to bend the cost curve while sustaining a public health care system that's accessible to all.

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

Michael, Catherine, you've got just under 10 minutes.

Mr. Michael Prue: I was intrigued by your statement that Ontario probably has the worst system when it comes to home services because of the money spent on the LHINs and the CCACs. Can you tell me how other provinces do it, if you're considering us the worst? How do they put more money on the front line and less money into bureaucracy?

Mr. Eoin Callan: I would make a couple of points. I think it's important to look across jurisdictions, across Canadian provinces and internationally as well. For example, the jurisdiction of Illinois introduced a regulation quite recently that capped the amount that can go on administration out of every dollar that leaves public hands at 28 cents. In Illinois, there are regulations limiting to 28 cents out of every dollar the amount that can go on administration. In Ontario, we're up around 68 or 70 cents. That suggests that there's a significant administrative overhead we're running in this system, and it underlines the fact that there are a number of opportunities to achieve greater efficiencies and better value for money for taxpayers.

I would come back to Samir Sinha's report, which looks to other Canadian provinces where you will find models of care that are more consumer-driven, that are designed to be more responsive to the needs of families, that allow them to schedule care when they need it and where they need it and that deliver better value for money. That's a key recommendation that's on the table presently for consideration by government in the wake of the release of the seniors strategy in the last 10 days that we would point to as providing potential to address the inefficiency and waste associated with our current system.

1700

Mr. Michael Prue: Do other provinces have waiting times as long as 260 days? I know that that's not everywhere in Ontario; it's mostly in northern Ontario isolated communities where it's 260 days. It may only be 10 or 12 days in Toronto, but do they have that kind of waiting list as well with this program, where they spend more on the front line?

Mr. Eoin Callan: No, we're running a home care system that's creating longer wait-lists and longer wait times than you're going to find in other jurisdictions. You're right that the challenges faced by families in accessing care vary from region to region across the province, but even outside of northern Ontario you'll find very significant challenges for families accessing care when they need it. Indeed, the trend over the last couple of years has seen that those seniors and families that are looking for that early-stage preventative intervention are having increasing challenges and wait times when they seek to access care. That's just not good, prudent public policy. It's that preventative care that helps us defer, delay or eliminate much more significant costs associated with institutional care and the more complex care needs that begin to develop when you don't have that early-stage intervention. So at precisely the moment that families and seniors need that intervention that's fiscally responsible, that's preventative, that defers and delays costs and that will help address our significant deficit, we're failing.

Ms. Catherine Fife: Thank you very much, Mr. Callan, for the presentation. One of your recommendations specifically deals with a human resources strategy for the health care sector, and you mention specifically personal support workers. We have been hearing from PSWs across the province around health and safety issues and around workload earlier today—the $12 salary. Can you be more specific around the human resources strategy as it specifically relates to personal support workers?

Mr. Eoin Callan: Sure. What you'll find is that the vast majority of personal support workers in Ontario are living at, or, in most cases, below the poverty line. So, where we have a health human resource strategy for other health occupations, whether that's registered nurses, nurse practitioners or physicians, we literally have no strategy at present for this occupation.

Specifically, there's an opportunity to develop medium- to long-term tools that will help recruit and retain personal support workers. At the moment, we're experiencing a higher turnover rate in that occupation, in this sector, than you will find anywhere else in health. Identifying incentives like retirement security options is likely going to be part of an effective strategy to recruit and retain the kind of workforce we're going to need to care for a seniors population expected to double by 2031 and expected to take up 23.6% of our population by 2036. That would be a specific example of a component that one would want to consider at least exploring in the course of developing an HHR strategy for this occupation.

Ms. Catherine Fife: Thank you.

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

Interjection.

The Chair (Mr. Kevin Daniel Flynn): No, there isn't, unfortunately. We're actually over time.

Mr. Michael Prue: I just wonder, will you have a handout to give us in the next little bit?

Mr. Eoin Callan: We do. You'll receive it—

Mr. Michael Prue: Okay, thank you.

The Chair (Mr. Kevin Daniel Flynn): Wonderful. Thank you for being here today, Eoin.

CHILDREN'S MENTAL HEALTH ONTARIO

The Chair (Mr. Kevin Daniel Flynn): Our next delegation this afternoon is Children's Mental Health Ontario. Gordon is here with some colleagues. Have a seat, Gordon. Make yourself comfortable. You're quite familiar with this, but you get 15 minutes. Use that any way you see fit. If there is any time left for questions, the questions will go to the Liberal Party. The floor is all yours.

Mr. Gordon Floyd: Thank you, Mr. Chair. I'm accompanied here today by Natricia Drummond, who is—well, I'll let Natricia introduce herself and she'll open for us.

The Chair (Mr. Kevin Daniel Flynn): Very good.

Ms. Natricia Drummond: Good evening, everybody. Thank you, Mr. Chair and members of the committee, for the opportunity to join you today. As Gordon said, my name is Natricia Drummond, and I'm here to talk to you about children's mental health.

My first encounter with mental health happened in my second year in university. My friend and I were driving home from our social psych exam. I answered my cellphone and found out that her brother had committed suicide.

While I was getting the news, her phone rang, and I knew what was coming. I was driving. I didn't know what to do. Was I supposed to pull over and comfort her or get her to her family as quickly as possible? I was worried about doing the right thing.

Her brother was considered the black sheep of the family. He hung out with the wrong crowd and was generally a misfit; in other words, he was a writeoff. He, of course, was none of these things. He was a young person with several mental health issues, in an environment where education about mental health was nonexistent. For the months that followed, I didn't know what to do or say to her, and she didn't know how to reach out.

Finally, tired of not being able to do anything, I went online and did some research and came across East Metro Youth Services, a children's mental health agency close to where we lived. I went into the centre and connected with one of the counsellors, where I learned about grief counselling and the fact that I needed to work through my own trauma from that situation. I also learned a few strategies to use when talking to her. The helplessness that had set in since that phone call started to ease.

I tell you this story so that you can see that when youth get access to mental health workers, it's effective and it works. It didn't work for her brother, but it definitely worked for my friend and me, and since then, we've been thriving.

I represent Children's Mental Health Ontario, both as a board member and a member of the youth action committee. As of this morning, I'm also a member of the Premier's Council on Youth Opportunities.

Children's Mental Health Ontario works to champion the right of every child and youth in Ontario to mental health and well-being. Our vision is a province where every child and youth has the opportunity to grow up healthy, with access to the services and supports they need when facing mental health challenges.

Our membership includes more than 80 accredited community-based mental health agencies who provide treatment to young people who face a range of social, emotional and behavioural challenges, including bullying, violence, defiance, ADHD, eating disorders, depression, self-harm, anxiety and addictions.

Many of these children and youth have trouble maintaining normal relationships with their peers and families. Many struggle in school and many are involved in the child welfare and youth justice system. In my own work, I have seen first-hand the valuable role that child and youth mental health services providers can play.

Recently, the initiative that I work for organized a mental health retreat for a bunch of youth leaders doing work in one of the disadvantaged communities in Toronto. After the retreat, one of the young ladies came up to me and said, "Before this retreat, I thought my life was messed up and that I'd have to find a way to deal with it. But now, I know better and I know where I can go to get help."

The reality is that one in five young people in Ontario will experience a mental health challenge. That's about 500,000 children too many. Of this group, only one in six will receive the treatment they need. It's no wonder that children and youth who experience mental health issues are at an increased risk of becoming an adult with mental illness.

I'm very pleased to see that children's mental health issues are receiving a lot of attention in Ontario today, but unfortunately we only seem to want to talk about the mental health of our kids when something bad happens.

The stories that we often see in the media are about bullying or teen suicide and are usually framed in the context of how the system has failed. Instead of just talking about children's mental health after the system has failed, we need to think proactively and make investments now to support the organizations that provide children and youth mental health treatment, services and supports.

My grandmother always said, "Prevention is better than cure," and I think when we look at the children's mental health system, that statement is definitely true.

I applaud the committee for providing us with the space and time to discuss this issue today. Now I'll turn it over to Gordon Floyd, the CEO of Children's Mental Health Ontario.

Mr. Gordon Floyd: Thanks, Natricia, and thanks to the committee for providing us with this time.

Many of you will know, as Natricia said a moment ago, that there has been a lot of attention given to children and youth mental health issues and mental health issues more broadly in Ontario in recent times. That's due to the efforts of a lot of people, including several people who are in this room and on this committee. The efforts of people in the community and here in the Legislature from all sides of the Legislature have begun to make a very significant difference in the lives of children and youth with mental health problems and their families. I think that we are on a very good track due to the work of the select committee that you chaired, Mr. Chair, and again, work that has happened on all sides of the House.

1710

That work led to the announcement in 2011 of a comprehensive 10-year mental health and addiction strategy that has begun with a focus on children and youth. We're about halfway through the implementation of 22 initiatives attached to that strategy. There are always implementation challenges, but overall, it really is going very, very well.

Certainly, the strategy itself and the funding that was attached to the implementation of the strategy, which was also announced in 2011, were very much welcomed by the community-based children's mental health sector. The bulk of the new funding was provided to enable agencies to hire more front-line workers, which really made a significant dent in the wait-lists that those agencies were facing. Prior to that funding, we were looking at wait-lists that were typically five to six months long. They were cut in half or better when the funding flowed and the new workers were hired.

Some of the other aspects of the mental health strategy were designed to enable educators, physicians and others to do a better job of identifying children and youth who need help. That part of the strategy is working well, too. The Catch-22 of course is that the number of referrals to agencies has increased sharply. The waiting lists have grown again, not all the way back to what they were in 2010, but significant new pressures have been created in the system as we chip away at that figure cited by Natricia, that only one in six kids who has a mental health problem gets seen by somebody with specialized expertise. We're bringing that number down, we hope, through these new referrals, but it is causing significant new pressures on the front lines.

Because the new funding was specifically allocated to new workers, there were a number of other aspects of agency infrastructure and operations that experienced increased pressure and that are now in dire need of some additional resources. For instance, we added new workers, but we didn't add any new clinical supervision. The funding was not allowed to be used for clinical supervision or increased information technology or the extra travel costs that go with a new worker in a rural or remote community. There was no new funding made available to expand evaluation efforts.

We're all trying very hard to ensure that the resources that go into the system are well used and that the outcomes are good outcomes, but we can't do that if the funding isn't there to actually do that kind of evaluation.

Somewhat like the last speaker alluded to, in this sector as well, we experience significant staff retention issues. The social worker who operates in a community children's mental health agency gets approximately 25% less than he or she would doing exactly the same job in a hospital or for a school board. That situation, not surprisingly, means that there is significant attrition, significant turnover in staff and lots of inefficiency introduced to the system as a result of that.

We've got these kinds of ongoing operational and infrastructure pressures that are not allowed to be addressed with the recent new funding. So our first request to the government through the committee is that some increased flexibility be allowed in the use of the funding that is made available to agencies so that they can manage their budgets in a way that is going to make sense on the ground and for the agency operations.

Our second ask springs out of something else wonderful that's happening and that has come out of the work of so many people over many years. Last November, it was announced that the entire system of child and youth mental health at the community level is going to be significantly transformed. That process is just getting under way, and it is one that we at Children's Mental Health Ontario and our member agencies strongly support. The goals, I believe, to be achieved through this process have cross-party support. This system transformation is going to focus funding more precisely on child and youth mental health prevention and treatment services and prevent some of the bleeding away that has been introduced over many years of ad hoc funding. It's going to increase local coordination of services by establishing a lead agency in each community that will have responsibility for coordinating service planning and delivery. It's going to lead to the development and the creation of a new and more equitable funding model that will play out in a way that makes sense in communities across the province—a funding model that's based on a combination of population and local need. It's going to lead to expanded accountability, better accountability, assuming that we can do the evaluation that will lead to that better accountability—all good things. I think everybody on all sides would agree that these goals and what we're trying to do with system transformation are admirable and need to be supported.

But we also know that major changes of this kind don't come for free, and we know that there are going to be new skills and responsibilities that will fall on agencies, particularly the new lead agencies. Those lead agencies are going to be expected to take on a significant system management role that they have not performed previously. They're going to be taking on a significant community leadership role that's going to require time and resources. There are going to be new governance challenges. There are going to be new management challenges. There are going to be costs involved in shifting programs from one agency to another, and dealing with the HR consequences of that.

Our second ask is that the Ministry of Children and Youth Services and whoever else needs to be involved engage with the community-based sector to do a proper accounting of what those additional costs are going to be and to resource them.

We have, through our collective efforts, been making some really wonderful progress in fixing a system that had been allowed to deteriorate for two or three decades. We are on a very good track. We are not going to get to where we all want to get to and where we believe we can get to without ensuring that the process of system transformation itself and the transformed system, once it's in place two years from now, is properly resourced so that we can meet the needs of all the children and youth in Ontario who are facing mental health or addiction challenges. Thank you, Mr. Chair.

The Chair (Mr. Kevin Daniel Flynn): That's great, Gordon. Unfortunately, we're pretty well out of time. We've got about 30 seconds left. There's probably not time for a question and answer, but I did want to thank you for coming.

Mr. Gordon Floyd: Maybe a question; I can't do an answer.

The Chair (Mr. Kevin Daniel Flynn): Yes, you'll probably get a question and a comment, and no time for the answer, so you'll just leave us all hanging. But thank you very much for being here today, and Natricia, thank you, too.

NORTH AMERICAN PLATFORM AGAINST WINDPOWER

The Chair (Mr. Kevin Daniel Flynn): Our next delegation today is from the North American Platform Against Windpower, Sherri and Michael. Sherri sans Michael?

Ms. Sherri Lange: Michael Spencley sends his regrets. He's in a manufacturing company in Mississauga and he was not able to make it today, so he sends his deep regrets.

The Chair (Mr. Kevin Daniel Flynn): No problem at all. Make yourself comfortable, Sherri. You've got 15 minutes like everybody else; use that any way you see fit. If there is any time left over, it will be for questions from the Progressive Conservative Party.

Ms. Sherri Lange: Thank you very much, Mr. Chair. I would like, first of all, to apologize for the mistake on the cover page, which is the Chair's name. Please forgive me.

The Chair (Mr. Kevin Daniel Flynn): That's okay. We can blame Katch for everything now.

Ms. Sherri Lange: Okay. It's a fairly complex title on this, but let's just read the last part of it: "A Chance to Correct a Deep Intellectual Error." I have the privilege of working with NA–PAW, North American Platform Against Windpower. We work with communities from Aruba to every part of Canada. Obviously, I'm deeply committed to Ontario—it's my home—and very concerned about the economic and social path we are on now with wind turbines.

1720

I'm not going to go through this copious amount of material. I did want you to have this material because it is rather cutting edge. A lot has happened since the green energy and economy act came in. A lot has happened around the world with wind turbine understanding, with the economics, and it's really been devastating communities, quite frankly, around the world.

There are a couple of brand new books. I have ordered Dr. John Etherington's book for each one of you. I'm going to be sending it to you. It did not arrive in time for this meeting. It's in its 14th printing. It's a little, tiny book from the UK. The UK has had 30 years of experience with wind turbine hell, if I may call it that. They are very acutely aware of the foibles, economic and social, of this problem. They have tremendous energy poverty in the UK.

This is a brand new book—just came out last week. This is from Scotland. He calls wind turbines the "rape of Scotland." He's a member of the European Parliament, this gentleman. He's also referenced in this binder that you have on, I believe, the last page before the blue divider. He has done a little YouTube clip. In about six minutes you can get a very short and fast overview of what is happening in Scotland, which is being mirrored around the world and in Ontario, so that you can quickly grasp the economic consequences of wind turbines.

Also, after the blue slip of paper there, you have a bunch of cutting-edge articles. If you flip through these, it's much easier than flipping on your computer. This will be available to you at your leisure to study up on very, very, as I say, cutting-edge current issues.

The world is not enchanted anymore. We've gone on this climate change fearmongering expedition. You could cover the planet with wind turbines and not really impact the climate, I'm afraid to say, because wind turbines just flatly don't work. There are approximately 140,000 wind turbines on the planet, producing less than half of 1% of the world's energy—net, zero. That is a fact that's borne out, quite frankly, by many, many researchers around the world.

The subsidies are huge. This is a big problem for Ontario, with the massive debt that we now have. There's a reference to that under the executive summary.

"Quick Facts": People keep saying that wind turbines create jobs. That is not true. Spain has lost 2.2 jobs per so-called green job. Italy has lost 5.4 jobs. The UK has lost four jobs per so-called green job. These are illusory numbers when the wind industry prompts us to believe in the dream, which we all did at one point—most of us—and we now realize that it causes unemployment due to high energy rates.

Carbon reduction, again, under the "Quick Facts" page: That is already seen as not true as well.

Global tourism, property values: We've just launched a new website, windturbinepropertyloss.org. You can look at that at your leisure. In Ontario alone, there are 60 lawsuits currently for loss of property values. There are families that I can tell you about who have left their homes, who cannot operate their farms. One family has moved to Saskatchewan; they've lost one third of their livestock. Those are all economic factors as well. It all trickles down to money—all of it.

Health care: Some of the fine people presenting today were talking about the costs of health care and how we can improve that in Ontario. I believe that if we cut the subsidies to this industry, we will have lots of money for health care. That's my personal belief.

Environmental impact: again, very astronomical. In Falmouth, Massachusetts, they are currently decommissioning two turbines that have caused ill health for their residents. The cost, they estimate, is approximately $15 million per turbine. They are not quite sure how and who is going to pay for that decommissioning. There's another consultant who has said that the decommissioning of a turbine is approximately $83,900, I believe the number is, per turbine. There are now municipalities across Ontario calling for bylaws to protect themselves.

This is an interesting situation that we are in in Ontario. We have got a bit of a crossroads here. We've moved a long way in three years. We have 92 moratoria votes across the province for various reasons: economic as well as social as well as environmental. These communities are telling the new Premier they do not want wind turbines. They would like to engage her in her conversation that she has offered to have with the province. However, we would like a meaningful conversation with the Premier and with this government, and we believe very much that that begins with the economics. Everything else will fall into place.

Questions we might ask—it's a little further down in your package:Is wind power green? It is actually not. You have probably heard of the wind turbine bird and bat kills in Wolfe Island. In the United States alone, there are between 37 million and 42 million birds and bats killed every year. Again, it's very devastating, because the bats are an economic indicator. Bats consume 600 to 800 insects per hour per animal. They produce very few pups per year. They are endangered already. When you lose those, you have a massive need for pesticides on your land. It is all interlinked—every single thing.

Is wind power helping to achieve long-range energy goals? No. You always need backup; the wind doesn't always blow. Germany right now, with all of its green desires, is now building 26 more coal-fired plants. That's a fact. Some of those articles are in this package for you.

I don't want to go on too much because I would prefer to have some time for questions, but there is an amazing article there from the Spectator. I want you to be aware, if you would be so kind, as to what is happening around the world. This is another book—brand new—from Denmark. This is a world-famous Danish journalist, an award-winning journalist. He has written a book against wind.

So those are three—the Etherington book has been out for about four years. This one is last week, and this one is about a month ago. This is now being translated into English. So there's a worldwide movement, and it's because it doesn't make sense.

I believe that if Ontario is to do one single thing for the economy, it would be to end the Feed-In Tariff program. That is my one dream that could possibly come out of this meeting. We're paying seven and a half cents per kilowatt hour. The developers are getting 13 and a half cents, preferred access to the grid. On offshore, if you put turbines in the Great Lakes around where I live, it's 18 and a half cents. That's a gravy train; I'm sorry, folks. It doesn't work economically. Please help us stop the madness. We would be so proud to have Ontario be the first in the world to end the subsidy program.

In the United States, they've already cut down the PTC. The developers and the industry wished for a three-year extension. They got a one-year, and that is very much in discussion with the tax department also: How are they going to work in? Which companies are going to be receiving the PTC and which not? So there's a lot of tugging and pulling within the industry, within government and certainly with the people who are represented by the government.

Thank you very much for allowing me to speak to you today. I'm very grateful for the opportunity.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Sherri. You've left just over five minutes for questions. Lisa, are you going to—

Ms. Lisa M. Thompson: Yes, go ahead.

The Chair (Mr. Kevin Daniel Flynn): Or Julia?

Mrs. Julia Munro: Yes. Thank you for coming. I just have one question, as obviously more than a casual observer of the problem, as an elected person. There's a great deal of information about an indirect effect. I just wondered—because you didn't happen to, and I realize time is of the essence—if you could take a moment to talk about indirect effects.

Ms. Sherri Lange: Absolutely. When a turbine comes into your vicinity—Ontario thinks that it has one of the most progressive setbacks in the world; it does not. In France, it's two miles. Australia is calling for 10 kilometres. It's rather close. There are many effects from the turbines. There's shadow flicker. There's the audible noise—the "thump, thump"—as the blade passes over the stem. Then you've got the most problematic thing of all, which is infrasound, which is inaudible noise. Inaudible noise changes frequencies in your body. It actually changes cells in animal studies. It is very dangerous. It was actually known to cause a lot of—it has been used in wartime; let's put it that way. You can just check that on your computers. Infrasound has been used in camps. There's also stray voltage from substations, which are placed too close to homes. That is very problematic.

The indirect part of it is that you might be sleepless, for example. Then you have a problem. Everybody in the world knows that if you don't get sleep for three days, you are in trouble. You start to lose your concentration. You become dizzy.

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Dr. Robert McMurtry has gone into this. He has the Order of Canada. He's very, very aware of this and he's put out a lot of papers on this. There are many peer-reviewed studies about loss of sleep leading to paths to disease. For example, I don't know if you know this, but there are abnormal cancer clusters happening around turbine installations. There are abnormal heart attacks happening—indirect. Some people say it's not provable; we have to go to the mortality studies, we have to go to the coroner's department and we have to study who died and how many more deaths are there from whichever reasons. I suggest that we should find the time and the money to study that; that would be useful.

However, in the meantime, last week, there were seven more projects approved. That doesn't look like a halt-and-wait kind of activity.

Mrs. Julia Munro: I guess I just have a follow-up question with regard to that, because Arlene King's studies did not include that. I just wondered if you know—

Ms. Sherri Lange: Absolutely. I'd like to comment about Dr. Arlene King. Dr. Arlene King has been summonsed to court by Julian Falconer. She has refused to testify at this time. That is still in a legal entanglement. It is very likely she will be forced to testify.

Her literature is not up to date, number one. There have been many, many peer-reviewed studies that have come out since her literature review, and she has just done a cursory literature review. It is not actually a hands-on study. I would respectfully leave it at that, but there are a lot of flaws.

Mrs. Julia Munro: Thank you very much.

Ms. Sherri Lange: Thank you, too.

Mrs. Julia Munro: Would you—

Ms. Lisa M. Thompson: Sure.

The Chair (Mr. Kevin Daniel Flynn): Lisa, you have about two minutes.

Ms. Lisa M. Thompson: Okay.

Do you believe the Green Energy Act is fiscally responsible in terms of a piece of legislation?

Ms. Sherri Lange: I absolutely do not. I would dismember that act if I had the choice. It seems to me to be a path to prosperity for the developers. It is a golden path with enrichment. We all know about the secret Samsung deal; we still don't really quite understand how that happened. Why are communities not allowed to speak for themselves? Why do they have to twiddle and find little bylaws that they can protect themselves with, or a fire ordinance, so that they don't have to have a turbine installation in their community?

Communities are being flattened economically because of this Green Energy Act. It's time for a complete overhaul. The Feed-In Tariff program, which is part and parcel of that act—it needs to go.

The Chair (Mr. Kevin Daniel Flynn): You've got about a minute left, Lisa.

Ms. Lisa M. Thompson: Do you believe municipalities should be given their planning power back in terms of siting of turbines or any other green projects?

Ms. Sherri Lange: I absolutely do. I talk to these people every day. I sometimes can't sleep. The agony that is going on in this province, my friends, is beyond imagining. I got a call three nights ago—if I may share this with you; I won't mention the gentleman's name. He's crying. He's 54 years old; he has worked all of his life to build up his farm. He's got two small children. He said, "Sherri, should I leave my farm? Should I leave? They're constructing it 700 metres from my home right now, as I speak." I did not give him the advice to leave. I certainly coached him in certain ways, but there is total agony out there.

If our government feels anything, and I know you do—you care; that's why you're in public service. Please, do the right thing for your constituents. Allow them to take control of their communities. There's one gentleman, Tom Melady; he hasn't spoken to his best friend who lives next door for six years—they'd been friends since they were kids—because his friend is hosting a turbine. It's very traumatic for these communities. They need to take back their charge of their land and their communities. They can't even go to church together.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Sherri. Thank you very much for coming today. It was appreciated.

Ms. Sherri Lange: Thank you very much, Mr. Chair.

CUPE ONTARIO

The Chair (Mr. Kevin Daniel Flynn): The next delegation today, waiting patiently, is CUPE Ontario. Fred, if you'd like to come forward, and maybe introduce your colleagues. You've probably heard the rules 10 times by now, so you know what they are. Once you get settled, I'll start the clock and the time's all yours.

Mr. Fred Hahn: Thanks very much. My name is Fred Hahn. I'm the president of CUPE Ontario. With me today is Jonah Gindin, our researcher, who actually authored our brief that's being handed out now.

CUPE is the largest union in the province. We have 240,000 members in every community of every size, all across Ontario. We provide care in our local hospitals and long-term-care homes. We collect recyclables and garbage. We plow streets when there's snow and cut grass in parks and playgrounds when it's warm. We produce and transmit the electricity that we use. We teach at universities. We keep our schools clean and safe. We take care of the youngest children and make lives better for those with developmental disabilities. We support the poorest and most vulnerable in our communities.

CUPE members are proud of the work they do every day. It helps to make Ontario a great place to live. It also equips us, on behalf of our members, to make a positive and informed contribution, we think, to the planning of the 2013 provincial budget.

On one hand, it has been very welcome news to hear a change in direction from the current Premier to declare the bold goal of making Ontario number one in economic growth. On the other hand, the government is also saying that it intends to continue down the dangerous and failed path of austerity budgets and strategy. Budgets are about people; they're about our communities, our collective future. As much as it might be politically expedient to say that we can both grow and cut at the same time, the evidence simply says that isn't true. The real challenge in planning this budget is that the government has to choose. We can make Ontario number one for economic growth, or we can continue to impose an agenda of cuts and downward pressure on real wages, but we cannot do both.

Consumer spending is maxed out. The housing market is cooling. Corporations are not investing the $600 billion in what Mark Carney has called dead money. Unemployment hovers around 8%. Inequality is growing at an alarming rate; in fact, faster here than in the US, some studies say. Misguided cuts to corporate taxes have led to fewer public resources and cuts to public programs instead of investing in promoting growth. It has resulted in deepening inequality and slowing of the economy.

A report released this week warned that continuing the previous government's austerity agenda would slow Ontario's gross domestic product growth by 3% over the next two years and could drag the province back into recession. Just look at how austerity measures in the US, in the UK and in the rest of Europe are now being credited with cutting economic growth in those countries while driving up debt. Even the International Monetary Fund, originally one of the main proponents of austerity, is saying now that the negative impacts of government cuts are three times greater than they originally estimated.

In addition to slowing the economy, austerity is also making inequality worse. Ontario is now the second-most unequal province in Canada, second only to Alberta. The richest 1% of Ontarians have doubled their income over the past 30 years, yet they are now taxed less than at any time since the Roaring Twenties. Meanwhile, incomes for the bottom 50% of working-age Ontarians have actually decreased in real terms over the same period.

Making Ontario number one for economic growth, as Premier Wynne has called for, requires government not to cut but to play a positive and constructive role. Public services are the great equalizer in Canada, and our brief demonstrates how these kinds of investments have enormous economic multipliers in our economy.

I'll briefly touch on the seven directions that our presentation suggests that the Ontario government should consider to change course and to spur lasting economic growth to reduce inequality and to bring all Ontarians out of recession.

The first would be to generate revenue through tax fairness. We recommend a series of tax measures which, taken together, could raise between $9 billion and $10 billion a year, with some estimates raising income by $13 billion by 2018-19. For example, by simply restoring corporate tax rates to their previous levels, we could generate $1.6 billion a year. Another $1.5 billion would be generated by taxing capital gains at the same rate as other income. And we could generate well over $1 billion simply by closing corporate tax loopholes. Raising new revenue is an essential part of our recommended plan to change direction for this budget, and it would mean real action on growing and sharing the financial prosperity for all Ontarians.

Sharing financial prosperity means that this budget should also be about fighting poverty. The monthly welfare rate for a single person is now $880 below the poverty line, and it is $330 below the level that those rates were at in 1995, before the Conservative government slashed rates. Disability rates, of course, are also hundreds of dollars behind as well. There is simply no acceptable excuse for failing to restore social assistance rates to at least the levels they were at in 1995 and to end the punishing clawbacks of resources from the poorest Ontarians. Given that approximately one in 10 Ontarian workers are paid at the minimum wage, an increased liveable minimum wage indexed to inflation would not only reduce inequality but would increase consumer spending, boosting local economies.

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Our third direction deals with health care and vital health services in our communities. By this budget, the health care sector will have lost 11.6% in funding, resulting in many devastating impacts in communities and in every hospital. Hospital budgets should be increased by at least what the Auditor General recommends in keeping with the health sector inflation rate of 5.8% annually. Some 32,000 Ontarians are waiting for long-term-care beds. Ontario provides fewer nursing hours per day—just over two hours. One result of this understaffing is, of course, the resident-on-resident violence that has been so tragically highlighted of late. Meanwhile, 10,000 Ontarians are waiting for home care. This budget must commit to investing in not-for-profit, public, long-term in-home care delivery and funding minimum care standards for residents in long-term-care facilities, and must address minimum hours of work and liveable wages for personal support workers in home care.

Our fourth area of focus is on child care and children's services. The budget needs $300 million in an increase to base funding for child care simply to avoid further closures of community-based child care centres. It's important to know that for every $1 million invested in high-quality public child care, we create 40 jobs in the economy and there's a benefit of $2.42 million in returns in short- and long-term benefits in Ontario.

There's much to be done by way of public infrastructure and investment. Among other things, we are recommending that the transfer of funds through the Ontario Municipal Partnership Fund should be enhanced to pre-reduction levels, not further reduced. The province must do more to support municipal public transit, important in every major centre, and include northern Ontario. To that end, we would recommend reversing the decision to sell the Ontario Northland Transportation Commission in last year's budget.

All of these items in infrastructure and in service delivery are best achieved through public financing, public delivery and under public control. Ontario should commit to publicly financing, operating and maintaining new infrastructure as it closes our now-approaching-$22-billion-and-growing infrastructure gap. Private financing through public-private partnerships and alternative financing measures is more costly, more risky and less transparent than public funding. There are many examples in the last year; for example, gas-fired power plant closures or Ornge air ambulance. They clearly demonstrate this reality.

Our final recommendation for a direction to help the economy continue to grow is to continue to restore labour peace in Ontario. Labour peace is good for the economy. After the chaos of Bill 115, Ontario needs and deserves labour peace, but achieving that requires the government to be clear that it will not bring forward legislation of this failed kind in the future, as the previous Liberal government had said it would do. It also requires scrapping any plans to impose unnecessary changes on Ontario's fair, independent and time-honoured system of contract arbitration.

This, because of time, is a very brief overview, but we have submitted a very detailed written brief outlining our suggestions for how to grow and have a growth budget that will help achieve the actual goal of making Ontario number one in economic growth while reducing income inequality. We'd ask you to focus on that goal, to choose growth over austerity as the best path for Ontario in the years to come.

I want to thank you for your time, and I'd be happy to take any questions.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Fred. It's the NDP's turn this time. You've got about five minutes. Catherine.

Ms. Catherine Fife: Thank you very much, Fred, for the presentation and for the report. It's an excellent report, very factual. On page 14 particularly, this is a long-standing issue around cuts to educational assistants and special education services. Where are you with having these conversations with school boards? It's a systemic issue of underfunding for special ed, especially around child and youth workers and educational assistants, growing levels of autism in our school boards. Can you please comment on that?

Mr. Fred Hahn: Certainly. One of the things that might not be clearly articulated here but which is one of our ongoing concerns has been the funding formula for school boards.

We understand the importance and the focus on kids. There are many ways in which our kids' education, collectively, in our schools needs to be enhanced, and that includes things like teaching assistants, early childhood educators, child and youth workers, all of which are vulnerable, particularly in—look, school boards have had their budgets not just frozen, but cut. So there will be attempts for budgets to be balanced, and there are jobs that are more vulnerable than others. Often, these kinds of jobs that are seen as support staff are the first to go—they are incredibly vulnerable. It is why we continue to try and work with school boards, with parents, with organizations in communities. Any parent who has kids in school understands the importance of education assistants, certainly early childhood educators, and child and youth workers. These are services that should be and ought to be available to every Ontarian in every school, in every community, no matter its size. That should be a priority. That would ultimately make the future generations of the province stronger.

Ms. Catherine Fife: Thank you very much. We're going to be watching the spec-ed file very carefully this budget.

Mr. Michael Prue: I have a couple of questions here. The very first deputant this morning was from the Canadian Taxpayers Federation, and you'd probably not be surprised, but she was diametrically opposed to what you said. She says that we should cut programs; we should balance the budget; we should not increase any taxes. What do you think would happen if the government bought into that?

Mr. Fred Hahn: Well, we don't have to look much further than in other jurisdictions. There are others who have been trying to do this—in fact, we're headed down this road in Ontario—and it's simply not working, so much so that when the International Monetary Fund, not known to be—I often am not found to be quoting the International Monetary Fund and agreeing with them on policy, but the economics of this simply outweigh the ideology. You cannot cut your way to prosperity. There must be a fair way of generating revenue for public services that help the economy and that ultimately help the economy to grow. That is our history.

In fact, all we have to do is look after the Second World War. There were huge deficits, and what did governments do? They taxed fairly; they spent, they built infrastructure and public services that ultimately helped economies and communities to grow. There was an ideology, and certainly it's been dominant over the last number of years, but increasingly, economists, groups like the IMF and others, are understanding that this isn't working in our economic system and that we need a different direction in order to grow the economy for everyone.

Mr. Michael Prue: Now, in terms of some of the recommendations you were making, I'll just pick one here: child welfare. You have a chart that shows if you do certain things, you get much more bang for your buck. I'm not familiar with this Informetrica group that's done it. I've not seen this kind of thing too often in the past. Who are they and why are you relying on this?

Mr. Fred Hahn: It's actually based on federal government and provincial government financial figures. What it does is it looks at the economic generators for various measures. You'll see, for example—we often hear that if we cut corporate taxes, it will generate growth in the economy, and it does generate growth, a very small amount of it. But an investment in a service like child care, for example, has demonstrated each and every time it has happened that the economic return for that investment is more than two and a half times what is invested. It creates more jobs and it actually helps to grow the economy. These are figures that economists who are much smarter about this stuff than I am have calculated, but these are acceptable figures based on government information, and they are used widely by economists.

Mr. Michael Prue: Do I have any time?

The Chair (Mr. Kevin Daniel Flynn): You've got six seconds.

Mr. Michael Prue: Thank you very much for coming.

The Chair (Mr. Kevin Daniel Flynn): I knew you'd use it for something. That's why I left it out there. There we go.

Thank you very much for coming, Fred; great presentation.

CANADIAN RENEWABLE FUELS ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): We're getting down to our last two presenters for the day. The next one is the Canadian Renewable Fuels Association, Scott Thurlow. Scott, have a seat, make yourself comfortable. Fifteen minutes—use it any way you like. If there's any time left, it's going to go to the Liberals this time.

Mr. Scott Thurlow: Thank you very much, Mr. Chairman. On behalf of the Canadian Renewable Fuels Association, I want to thank you for the opportunity to speak to you here today.

CRFA members provide Canadians with renewable, clean-burning ethanol and biodiesel, fuels that help fight climate change and combat pollution like smog. At the same time, our members provide the platform to develop the next generation of biofuels.

As an association, we want to ensure that Ontario's renewable fuels policy succeeds in creating quality jobs, especially in rural areas, and delivers the fullest, most significant environmental and economic benefits possible.

I want to begin by talking about the success of this government as it relates to the production of ethanol. As my friend from the Grain Farmers of Ontario said to this committee last week, the policies enacted by this government on corn ethanol have created jobs and rural income and encouraged private sector investment.

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An integral piece of that policy is the Ontario Ethanol Growth Fund, the OEGF. We estimate that as a result of the OEGF, Ontario stands to generate $9 billion in economic activity over the next 25 years; significant tax benefits to Ontario—over $52 million per year; rural employment in areas that are economically disadvantaged; and an industrial platform for the next generation of products, whether that's biofuels, nutriceuticals, green chemistry or value-added co-products like dried distillers' grains.

In Ontario today, as a result of the OEGF, we have research trials for the development of cellulosic ethanol from various energy crops and agricultural residues like corn cobs and stover. There is also the cultivation of new energy crops, which will provide agricultural opportunities for marginal lands like the old tobacco lands.

The OEGF is a textbook example of what a business support program should look like. It has clearly articulated objectives. It has structured eligibility criteria. It has a disciplined screening and approvals process, caps on incentives and a variable incentive rate like a safety net, and most importantly, a defined incentive period.

Finally, as a precondition to that program, we have reinvestment into the province to occur to ensure the innovation of our industry. This program deserves an A-plus from industry and farmers for delivering on its objectives.

We must ensure that the OEGF funding remains available under existing contribution agreements. This remains the best way to ensure that the enormous potential for biofuels and the broader bio-economy in Ontario can be realized.

Our association has also been advocating for the creation of a renewable-diesel mandate in the province of Ontario. I have provided the committee with copies of a handout which details our proposal. We have asked the government to implement a 2% renewable-diesel mandate from fuels derived from soybeans, recycled restaurant grease and rendered animal products. We want to have that mandate replace an existing tax credit and limit the potential tax exposure, which could be as great as half a billion dollars over the next decade.

When compared to traditional diesel, these fuels reduce greenhouse gas emissions by up to 99% and also reduce smog. Evidence shows that mandated levels of renewable content in fuel creates market demand that boosts rural income, creates jobs and encourages private sector investment.

As my friend from the Grain Farmers of Ontario said the other day in Windsor, 2% of the Ontario diesel market is approximately 160 million litres of renewable diesel annually. If that happens in Ontario, it could mean a market for 680,000 tonnes of soybeans in Ontario.

As some of you may already know, in 2011 the federal government introduced a mandate requiring renewable diesel at a minimum amount of 2% as part of its renewable fuels strategy. The federal regulations have created a market for 600 million litres of renewable diesel nationally, and as a result of this federal mandate Ontario can expect to see significant biodiesel blending in the province from the major oil companies due sheerly to its size. That blending is what I describe as functionally voluntary, meaning the size of the market requires that some blending happens, but nothing requires it. The primary suppliers, if they so chose, could do all of their blending in Alberta or Saskatchewan or Manitoba or British Columbia, where mandated markets for renewable diesel exist.

This is a significant matter for our companies, who want to expand in Ontario, but are told by lenders that the western provinces are a better place to invest because of those guaranteed mandated markets. The fluidity of the market in Ontario doesn't make it as reliable for investment as Alberta, British Columbia, Saskatchewan and Manitoba, all of whom have at least a 2% mandate; in the case of British Columbia it's 4%.

It's a difficult Catch-22 for our members. We know that the blending is occurring in Ontario, but we can't capitalize on the major investments that the blenders are making because we can't get that security from our lenders to build on. Complicating matters even further is the existence of the Ontario biodiesel tax exemption. Under the current regulations, Ontario exempts biodiesel from the provincial fuels tax of 14.3 cents per litre. The tax exemption is not attracting provincial biodiesel investment as intended. This is because the tax exemption goes to the obligated parties—the traditional oil and gas companies—as opposed to the biodiesel producers.

To be clear, my association sought this tax exemption in 2002. When it was created, it was instrumental in leading to the construction of the Biox facility in Hamilton. I admit it must seem odd to hear a stakeholder seeking to repeal the tax exemption that it sought once before. The exemption, however, was created in an environment where the federal mandate didn't exist. With that new federal mandate, the continued existence of the tax exemption has exposed the government to significant tax leakage with no antecedent benefit to industry in Ontario.

Based on a 2% blend—which is actually quite conservative—as a result of the federal mandate, this exemption represents exposure to potential tax leakage of at least $286 million over the next decade. Unfortunately, most of the lost revenue is attributable to biodiesel production outside of Ontario. So why is it conservative? Well, there's a very real chance for over-compliance in Ontario, like we've seen with ethanol, for example. We have a 5% mandate, but the majors are blending at closer to 8% or 9%, because they've made that investment here in Ontario, and they're going to take advantage of it.

If similar over-compliance for biodiesel happens under the current rules, the tax exposure grows concordantly. For every additional 0.25% of biodiesel that's blended in Ontario, taxpayers are exposed to an additional $4 million of lost potential revenue per year. If 4% is blended—most original equipment manufacturers will allow up to 5% in their trucks; actually, all of them do, and some of them admit as much as 20%—this is possible: We're looking at half a billion dollars of exposure over the next decade, and it's key that we're talking about exposure.

As opposed to encouraging investment in Ontario's biodiesel sector, the tax exemption is now serving to subsidize the federal regulatory compliance costs of the petroleum sector without promoting any corresponding investment in Ontario.

A provincial 2% biodiesel mandate to match the federal mandate is a better option for farmers and the province than the current tax exemption. Having an Ontario mandate will force the blending to take place in Ontario, a mandated market rather than a voluntary one.

To solve both problems, we propose to simultaneously repeal the biodiesel tax exemption and replace it with a 2% renewable diesel mandate. This will prevent the tax leakage I alluded to, resulting from compliance with a federal regulation, while providing the regulatory certainty needed for investment in biodiesel expansion here in Ontario.

As you are no doubt aware, Mr. Hardeman's white paper from last week endorsed the proposal in their agricultural white paper. We hope, as do Ontario farmers, that this is an opportunity for bipartisan, if not tripartisan, support for our industry.

I am also happy to answer any questions about the performance of this fuel, which has literally hundreds of millions of on-road demonstrated miles of effectiveness. Please know that any truck that is entering Ontario from the United States and any truck that leaves Ontario that goes to the United States will have biofuel in its fuel when it gets to Ohio, Michigan, Pennsylvania, New Hampshire, Vermont, New York. Any one of these US states is required to blend biodiesel into their fuel—all the more reason for us to have a mandate here in Ontario as well.

I sincerely appreciate the opportunity to speak to you on behalf of Canada's renewable fuels industry, and I am happy to answer questions that you have about this proposal and how it can benefit rural Ontarians, protect the air we breathe in our cities and build out an industry for the future.

The Chair (Mr. Kevin Daniel Flynn): Scott, thank you very much. The questions go to the Liberals, and we've got about five minutes. Steven?

Mr. Steven Del Duca: Thanks, Scott, for that presentation. Just a quick question: What kinds of emissions reductions would we be talking about with a 2% biodiesel mandate?

Mr. Scott Thurlow: Very significant. Depending on your feedstock, you can get as much as 99% reduction when compared to traditional diesel. If you've got 100 parts of fuel, and you add 2% biodiesel to that, across the province you can look to as much as a full megaton per year, which is approximately getting 250,000 cars and trucks off the roads.

The emissions profile for biodiesel is very, very positive when compared to the diesel that it's replacing. And it's not just GHGs; it's smog-causing chemicals that are emitted through the combustion of fossil fuels.

Mr. Steven Del Duca: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Any further questions? Well, thank you very much. Great presentation. I think we understood it very clearly. We appreciate you coming today.

Mr. Scott Thurlow: Thank you very much.

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ONTARIO FEDERATION OF AGRICULTURE

The Chair (Mr. Kevin Daniel Flynn): The final delegation of the day is Neil Currie from the Ontario Federation of Agriculture. Neil, if you'd come forward and perhaps introduce your colleague. All delegations have been getting 15 minutes, and you can use that any way you see fit. If there's any time left over at the end, the last questions of the day will go to the Conservative Party.

Mr. Neil Currie: Thank you very much, Mr. Chairman. My colleague is actually the president of the Ontario Federation of Agriculture, Mr. Mark Wales, who will be making the presentation this afternoon.

The Chair (Mr. Kevin Daniel Flynn): Perfect.

Mr. Mark Wales: Thank you, Mr. Chair, committee members. The Ontario Federation of Agriculture appreciates the opportunity to outline the priorities of the farm business community in advance of the next Ontario budget.

The OFA is Canada's largest voluntary farm organization, representing more than 36,000 farm family businesses across Ontario. These farm businesses form the backbone of a robust food system, having the potential to drive the Ontario economy forward.

Over 80,000 Ontarians make their living directly on farms and constitute the primary production component of the 718,000 Ontarians that work in the agri-food industry. A recent Ontario agricultural economic impact study found that the production from Ontario farms sustains 164,000 jobs, paying over $7 billion in wages to Ontario workers. These jobs contributed $3.4 billion in taxes to all three levels of government, including $1.2 billion to the government of Ontario. Ontario's farm outputs contributed $22 billion in gross economic stimulus to Ontario in 2009, with a net value of $10.7 billion.

Ontario's farming and food sector is an economic engine for the province, and, with sound public policy, is capable of sustainable growth to provide safe, nutritious food and jobs to Ontarians.

Ontario farmers work closely with the government to develop the Risk Management Program, RMP, for six commodities. The RMP helps manage farming risk. The farming community wants to ensure continuation of the Ontario Risk Management Program as a fully funded program, but without the $100-million program cap. Administratively, the cap delays claim payments by up to one year and shifts additional risk to farmers.

The productivity of farming has soared above almost all other industries until recently. These productivity improvements were the direct result of significant publicly funded research. To remain competitive, Ontario should move immediately to increase the funding for university-based agricultural research to $100 million annually.

The OFA has worked closely with our colleagues from across Canada and across the agri-food sector to develop a national food strategy. We are now working within Ontario's agri-food sector to translate this vision into an Ontario local food act, although our preferred title would be an Ontario food and farming act. We believe that an investment in local food procurement, food literacy and health education in our schools, along with programs and regulatory reform enabling improved food access, will be an investment that pays continued long-term dividends. These dividends will be an improved farm economy and better health for all Ontarians.

Modern infrastructure is a prerequisite for a successful rural economy. The OFA contends that sound investment in rural infrastructure—roads, bridges, culverts, electricity, natural gas—will not only enable but will also drive growth in our farming and food sector.

Reliable energy—reliable and affordable energy—is a critical success factor for farming today. Expanding access to natural gas into rural Ontario will make farms more competitive and enable new combined heat and power clusters. Combined heat and power is a simple model whereby gas generates electricity within a cluster, thereby also providing heat for industry. It will work exceptionally well in the greenhouse industry and would facilitate highly competitive food processing clusters across Ontario.

We strongly urge the Ontario government to invest in natural gas expansion and to adopt a combined heat and power strategy.

Ladies and gentlemen, these are some of the areas of importance to the farming and food sector in Ontario that are worthy of investment. We look forward to your questions. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Wonderful. You've left quite a bit of time for questions, just around the 10-minute mark. Julia?

Mrs. Julia Munro: Thank you very much for coming. I wanted to start with the connection here on the agricultural research and the transfer of that technology onto the farm. Have there been programs that you would identify as ones that are really good models of taking that information and transferring it to the farm side?

Mr. Mark Wales: I guess I'm not as well versed in, say, the university technology transfer, but certainly the FIT program, which has allowed a lot of commodity organizations to do direct on-farm research with the University of Guelph and their researchers. That's been a very good model over the years, because the farm community itself has been able to determine exactly what type of research they need. One of the challenges historically has been making sure that we got the right research, not just researchers getting together and deciding what they want to do or what's their pet project.

We have been able to get more consultation in the last couple of years with the universities. The challenge, of course, is cutbacks to research funding at both the provincial and the federal level in total. It has made it very, very difficult, and the problem is you don't see the direct result of that. You see it a few years out, when we start to become uncompetitive because we fall behind.

Mrs. Julia Munro: I represent the Holland Marsh area. One of the things that I'm aware of, in terms of the technology, is then the question of having the skilled employees. In the greenhouse, it's a computer expert, not somebody who waters the plants.

Mr. Mark Wales: I thank you. One of the other hats I wear is I'm the vice-chair of the Canadian Agricultural Human Resource Council. At a national level, we work on looking at the training gaps in agriculture across the country, and then work with HRSDC to develop programs to fill those gaps. That's one of my pet areas, so thanks.

Mrs. Julia Munro: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you. Lisa? We're down to about eight minutes.

Ms. Lisa M. Thompson: Okay. Thank you.

Our agriculture critic, Ernie Hardeman, did a survey, and 77% of the respondents said the number one issue in Ontario agriculture is overregulation. From your perspective in working with your members, how would you address the overregulation, and where would you go in terms of paring that down?

Mr. Mark Wales: Thanks, Lisa. That actually happens to be, I think, the number one item of our members. I can't remember the survey results. Survey said 83% or 85%, so we've made sure—we've had very good success, I feel, with the Open for Business process that we were asked to lead and then participate in.

A perfect example of a success there is, the greenhouse sector had a problem with regulation by the Ministry of the Environment. They're working now to bring that sector under the Nutrient Management Act. I just met with them this morning, in fact. It's great to be able to have, let's say, a relaxed atmosphere, where we can bring all of the different cross-ministries together and say, "Look, here's a problem." Although we're farmers, and typically we look at the Ministry of Ag and Food, the regulation that may be giving us trouble may fall under the Ministry of the Environment, the Ministry of Natural Resources, Ministry of Transportation, Ministry of Labour.

I've been fortunate to be part of the technical advisory committee with the Ministry of Labour, so we brought the whole industry under the Occupational Health and Safety Act, back in 2006. Within the ministry, we've been able to put the enforcement and policy sides of ministries together; they typically rarely speak. Putting them in the same room is the first step, and then putting them together with OMAF, ourselves, WSIB and Farm Safety has been a great way to solve problems. The Open for Business process, which I look forward to continuing to co-chair with the minister, is a great way to put cross-ministries in the room and solve problems.

Ms. Lisa M. Thompson: Okay, good. How did your membership react and respond to the separation of agriculture and food and rural affairs into separate ministries? You talk about the relaxed atmosphere and harmonization, and then all of a sudden, two traditional focuses were separated into individual ministries.

Mr. Mark Wales: I guess if we look at the RA part of OMAFRA—if we go back to when it was brought in, I believe Elmer Buchanan was the minister who brought rural affairs into OMAF, and over the years it has been in and been out. On a day-to-day basis, fundamentally, my members don't notice it. At the organizational level, certainly, we will. We look forward to working with Jeff Leal, who's the Minister of Rural Affairs.

What I see as a positive is that there's the same deputy minister and the same parliamentary assistant and a lot of the same staff on the political side, so that helps us, from the position of a lobby organization, to get things done. We're talking to a lot of the same people.

I look forward to seeing the mandate of the rural affairs ministry, and hopefully I'll see that roll out, but so far, it really hasn't been noticed at the farm gate level.

Ms. Lisa M. Thompson: Okay, very good. And one last question: We're in an environment of scarce dollars. As we prioritize, what should OMAF be focusing on in terms of their number one and number two services to your membership?

Mr. Mark Wales: Where do we begin?

Ms. Lisa M. Thompson: I could guess.

Mr. Mark Wales: A lot of the work we're currently doing, of course, on regulatory reform is not the type of thing that really costs a whole lot of dollars. Research, obviously, would require direct funding. We're just about to start the Growing Forward 2 programming cycle for the next five years. That, of course, is federal and provincial shared funding: 60% federal dollars, 40% provincial. In fact, I just came from a meeting with the minister on Growing Forward 2 and the rollout of the non-business risk management programs. That's a priority, but that's already budgeted, it would be my understanding.

I guess in terms of new money—there might be a little bit of new money required if they could expand their Risk Management Program beyond the $100-million cap, not that it may be needed every year. That's the one thing: The program's designed to be based on need. Some years it may need under $100 million; some years it may need more.

The Chair (Mr. Kevin Daniel Flynn): Thank you. Any further questions? Michael? You're good? Very good.

Thank you for coming—very good presentation and very well received.

That is our last delegation of the day. We're adjourning the committee now until 9 a.m. tomorrow—that's the 22nd of March—and notice it's in room 151.

The committee adjourned at 1812.

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Also taking part / Autres participants et participantes
Ms. Lisa Thompson (Huron–Bruce PC)

Clerk / Greffier
Mr. Katch Koch

Staff / Personnel
Ms. Anne Marzalik, research officer,
Legislative Research Service
Ms. Susan Viets, research officer,
Legislative Research Service

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