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Jeudi 8 décembre 2016

Standing Committee on Finance and Economic Affairs

Comité permanent des finances et des affaires économiques

Pre-budget consultations

Consultations prébudgétaires

Chair: Peter Z. Milczyn
Clerk: Eric Rennie

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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 8 December 2016

Jeudi 8 décembre 2016

The committee met at 0900 in room 151.

PRE-BUDGET CONSULTATIONS

The Chair (Mr. Peter Z. Milczyn): Good morning, committee members. I'm calling this meeting to order to resume our pre-budget consultations. Each witness will receive up to 10 minutes for their presentation, followed by five minutes of questioning from the committee. Are there any questions before we begin?

CANADIAN TAXPAYERS FEDERATION

The Chair (Mr. Peter Z. Milczyn): I'll call up our first witness, Ms. Van Geyn. If you could please come forward. As you start your presentation, if you could please state your name for Hansard.

Ms. Christine Van Geyn: My name's Christine Van Geyn. I'm the Ontario director of the Canadian Taxpayers Federation. It's my pleasure to be here this morning to give my 2017 pre-budget submissions.

The CTF is a non-profit, non-partisan citizens' organization, funded by over 23,000 grassroots individual donations from across the country. Our supporters and our organization are focused on lower taxes, less waste and government accountability. It's with this mission in mind that I'm going to be making this morning's submissions.

Ontario families are faced with a crisis that has been created by their government. Out-of-control electricity prices are forcing some families to choose between paying their grocery bill, paying their mortgage payment or turning on their lights. The threat of cap-and-trade is forcing business out of the province and taking jobs with them. There's a disconnect right now between the politicians who hold the levers of power and the ordinary lives of the citizens of this province.

This morning, I'm recommending that the government focus itself on creating a budget that will make life affordable for everyone in Ontario.

My submissions are broken into five sections. I'll be calling on the government to pursue changes to the electricity sector that are sensible and end political meddling, to immediately walk away from plans for cap-and-trade, to increase transparency and accountability, to reduce spending; and to focus on debt reduction.

For the bulk of my time today I'm going to be dealing with hydro rates and cap-and-trade. If you are interested in the other submissions, they're available in my written report.

The current hydro situation is unsustainable in Ontario. Media coverage over the past years has told the tragic stories of Ontarians who are faced with bills that they can't pay and which they can't control.

Consider, for example, the story of Kara Shaw of Constance Bay. She's a single mother on a fixed income. She can't afford to turn on the lights and relies on battery-powered candles to light her home. She relies on electric heat, which she can rarely afford to use, and to keep her two children warm, they sleep in one room under an electric blanket.

Or think of Bob Kincaid and his wife, Janine, of Sundridge. Bob is 80 years old, and despite having used wood to heat his home, he and his wife could not continue to pay their $500 hydro bills. It forced them out of the community that they had lived in their entire lives.

These bills are also hurting Ontario businesses. Shaukat Khan, who owns an Indian restaurant in Windsor, is considering shutting down his business because he can't afford the electricity. The restaurant has only been in business for two years and, so far, he has paid more for hydro than he earns in profits.

There are many businesses that have already left the province. Mucci Farms in Kingsville are building new greenhouses in Ohio because even though they've been in business in Ontario for 45 years, they cannot continue to do business in this province or expand in this province, even though that is their preference.

Higher hydro rates mean more costs not just to businesses and families but also to government. The cost of running a school or hospital has gone up because of hydro rates. Money that might otherwise be spent on students or patients is being spent just keeping the lights on.

Municipal governments are caught flat-footed by rising rates as well. In Oshawa, the city spent more than $150,000 to keep the streetlights on in the month of June 2015. Of that, only $3,600 was for the actual electricity.

When communities can't make ends meet, they turn around and increase property taxes or they turn to the provincial government to ask for new taxing powers. That's exactly what's happening in Mississauga, where a $1.3-million projected hydro bill has the city proposing a 5.9% property tax increase, and here in Toronto, where John Tory is asking for the new power to toll roads.

This cost of electricity is unsustainable and a direct result of this government's continual political meddling with the grid. Undoing over a decade of this mismanagement is an urgent challenge, and we have several recommendations that could be implemented immediately.

First: Cancel additional generation projects and procurement. We're exporting electricity at a multi-billion-dollar loss. If we're paying to get rid of electricity, common sense demands that we stop spending money building even more generation. Despite this common sense, in 2016 the government awarded five wind power contracts that will cost customers $65 million annually and $1.3 billion over the next 20 years. The government has also concluded another procurement through FIT 5.0. This is the same small-scale generation that has led to rates being driven up across the province.

We recommend that the government review these contracts and assess whether the cost of cancellation would be less than the cost of going ahead, and pursue the path that is going to save consumers in this province the most money.

Second: In the recent speech from the throne, the government recommitted to even more generation—1,000 megawatts of power—through LRP II. Faced with tremendous public pressure, two weeks later the government reversed course, suspending that new procurement. But it hasn't been cancelled, and, given this government's tendency to quickly change course depending on political winds, we remain concerned that LRP II could be reinstated. So we recommend cancelling, not just suspending, LRP II.

Third: The government should stop spending hundreds of millions of dollars each year on conservation programs. Over $400 million a year is being wasted. In large part because of the high cost of electricity, consumption for the average household has gone down 25% over the past decade. In fact, consumption has dropped so much that in April the OEB actually raised rates because of reduced consumption. So the $400 million spent being spent every year on conservation is actually driving rates up. Ending this practice could save $2 billion over five years.

We also recommend an end to the politicization of the electricity sector. The energy system in Ontario hasn't had a technical plan in place for over 10 years, even though the Electricity Act requires one. This has resulted in a lack of checks and balances in the legislative planning process and a complete politicization of the system, which has led to things like the Green Energy Act and the Green Economy Act, which have driven rates up. We recommend restoring and abiding by the checks and balances in the planning process.

The next major point I'd like to make is about cap-and-trade. The government has claimed that the cap-and-trade tax will not increase electricity rates. The truth is that it will. The Auditor General found that cap-and-trade is expected to bring higher electricity prices—14% higher for businesses and 25% for households, a price that Ontarians cannot bear.

We're also concerned with the other costs of cap-and-trade. The government's claim that it will cost $13 a month ignores many of the indirect costs. That number focuses solely on natural gas and gasoline. The reality is, cap-and-trade will cost a lot more. The government's own estimate is that the tax will squeeze $1.9 billion out of Ontario businesses and families in the first year. Since there are 4.9 million households in Ontario, by the government's own estimate, that cost in the first year is more likely to be $387 per household, not $156—a difference of 148%.

A report by Stikeman Elliott estimates that the cost of cap-and-trade on small manufacturers will be $136,000 in the first year. That's just the first year. By 2030, the cost for large participants will be $2 million. The plan for an $18-a-tonne carbon tax, of course, is just the thin edge of the wedge, with projections of up to $95 a tonne by 2030.

0910

Of course, this plan is going to send billions of dollars outside of Ontario—$2.2 billion to Quebec and California—and for what? So the government can claim that a reduction target was met. Most of that target won't even be achieved by emission reduction in Ontario. The Auditor General found that only 20% of that target will be achieved by Ontario reductions. The rest will happen in California and Quebec, but the government is going to take credit for it? And that's if those reductions even occur. The current system could allow reductions to be claimed in multiple jurisdictions, potentially tripling the reduction being claimed on paper. This creates a situation rife with opportunity for fraud.

It's not the only example of a lack of transparency in cap-and-trade. There will not be a separate line item on natural gas bills saying the cost of cap-and-trade. HST will be charged on top of that tax—a tax on tax.

This is a situation unique to Ontario. In British Columbia, there is no tax on tax for the carbon tax. It's rebated, and the carbon tax is listed as a separate line item on natural gas bills.

The Chair (Mr. Peter Z. Milczyn): Thank you. That is your 10 minutes. We'll now move to five minutes of questions from the official opposition.

Mr. Victor Fedeli: Good morning, Ms. Van Geyn. Thank you very much for your advocacy; I want to begin with that. I know you have five topics. You have been able to cover electricity and cap-and-trade. I want to give you some time to talk about your other three, if you're prepared for that.

In the transparency and accountability part, you talk about subsidies to political parties. That was passed this week. In your reduced spending part, you talk a little bit about the bonuses of $5.7 million to the Pan Am execs who came $342 million over budget, and you talk about the repercussions of debt and deficit. Would you expand on those three, if you're prepared for that?

Ms. Christine Van Geyn: Yes, of course. We are deeply concerned with plans to provide a taxpayer subsidy to political parties and constituency organizations.

We think it's a multi-party issue and that every party should be opposed to this. That's a tremendous amount of money when services are being cut in certain areas. The government is going to war with doctors over wages for doctors and OHIP rates. To say, "We're going to spend money subsidizing political parties"—millions of dollars subsidizing political parties. I don't think the priority of most people in this province is to give money to politicians to run for re-election, to flood our airwaves at election time with campaign ads and to stuff our mailboxes with literature.

We care about building roads and bridges. That's what the supporters of our organization care about.

To begin with, political parties already receive more generous tax treatment than charities. A donation to the PC Party, the NDP or the Ontario Liberal Party will get you a more generous tax credit than a donation to the Red Cross. To then, on top of that, say, "We're going to spend millions of dollars helping you advertise"—we think that's an immoral situation in this province. It's an abuse of taxpayer money.

The other thing I'm concerned about has to do with public sector wages. We learned last week of up to 35% raises for government managers. People working in the private sector are not seeing wage increases like that. People in the private sector are already undercompensated relative to public sector workers. A study by the Fraser Institute found that, on average, the public sector premium is about 12%. So the idea of giving someone who's already making six figures a 35% bump is clearly not an appropriate use of taxpayer money, and it reflects poor management by the government.

As for debt and deficit, we're coming up to our ninth consecutive deficit. The Financial Accountability Officer has projected that the government is going to be adding, I think, $50 billion in debt over the next five years. The government is claiming a balanced operating budget for 2018. The FAO has raised a lot of questions about whether that's feasible, but if does occur, it's based on the one-time sale of assets. That is not a way of achieving balance in the long term in a sustainable way. We want to see balance over the long term—spending growth that is controlled and doesn't rise above the rate of inflation.

Mr. Victor Fedeli: I think the FAO's number is now $64 billion, to increase, and he forecasts further deficits. He does not forecast a balance, as the government does. In fact, in the month of November alone, he came out with four consecutive papers—not just the first one, which was the prep for the fall economic statement—where he said that we're not going to balance. After the fall economic statement, he came out with three more papers saying, "I told you," then another one that said, "Look, I mean it," and then commentary that said, "You're not listening. This is not going to happen. We'll have 13 consecutive deficits."

Time, Chair?

The Chair (Mr. Peter Z. Milczyn): Thirty seconds.

Mr. Victor Fedeli: Do you have a little more you can add about the advertising powers that the Auditor General spoke about?

Ms. Christine Van Geyn: Yes, of course. We're really very concerned about the AG's powers being stripped. In her most recent report, she found that much, much more was spent on advertising after her powers to review partisan advertising were removed. We found many examples, especially related to the ORPP, of advertising that was clearly partisan and would not have been approved under the old rules. We feel very strongly, and our supporters feel strongly, that that power should be restored.

The Chair (Mr. Peter Z. Milczyn): Thank you very much. I know you provided a written submission. If you have further written submissions you'd like to provide, you have until 5 p.m. on January 20.

Ms. Christine Van Geyn: Okay. Thank you.

COUNCIL OF CANADIAN INNOVATORS

The Chair (Mr. Peter Z. Milczyn): Our next witness is with the Council of Canadian Innovators. Good morning, sir.

Mr. Ben Bergen: Good morning.

The Chair (Mr. Peter Z. Milczyn): As you begin your presentation, if you could please state your name for the official record. You will have up to 10 minutes for your presentation.

Mr. Ben Bergen: Thank you, members of the committee, for having me here today. Thank you, Chair Milczyn, for chairing the meeting. My name is Ben Bergen. I'm here on behalf of the Council of Canadian Innovators. We are a business council that represents high-growth Canadian technology firms. Our members are CEOs from 65 of Canada's fastest-growing—scaling—tech companies. Many of them reside right here in Ontario: Shopify, Wattpad, Igloo Software and D2L.

I am here today to speak about three important areas that high-growth Ontario technology companies need support in: access to customers, access to capital, and access to talent. Before I begin, I would like to clarify the difference between a scale-up and a start-up.

Start-ups are on a quest to find product-market fit, developing and iterating their product or service, experimenting with customer segmentation, and working towards a positive contribution margin.

Scale-ups, on the other hand, have already validated products in a market, own proprietary IP, and have proven that the unit economics are sustainable. A scale-up is on a quest to continue that upward climb. Our organization focuses solely on scale-ups.

To go back to the three points that I iterated that we have come here to seek help and assistance in, access to customers is the first. Smaller, fast-growing companies often have a difficult time accessing markets abroad for two reasons: (1) They are unable to secure government contracts domestically which validate their expansions internationally, and (2) Because the government procurement process is so cumbersome and complicated and currently not designed to advance the growth of smaller and medium-sized businesses, virtually all of our high-growth firms face challenges with procurement.

The bottom line here is that domestic scale-ups need to be strategically considered for doing business with the government. We cannot keep looking to major multinational branch plants as the only customers who can supply products and services to the government. If the government does business with domestic vendors, the local economy also thrives.

Point number two, on access to capital: The province recently unveiled a $4-million commitment to establish a new Ontario investment office. The council would like to see the government leverage this office to help support domestic scale-ups since they have great potential to add new revenue to Ontario. This could include a "go global" strategy whereby the office works through different Ontario trade offices abroad, relying on international networks to help grant Ontario firms the point of contact abroad and helping Ontario companies reach these markets.

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Dedicated funding and management of these funds through the central capacity of the Ontario investment office ensures that Ontario firms can rely on consistent funding distribution that are not selected by the RICs but by criteria set by the government to help companies when they reach certain growth points.

Growth-oriented tax incentives: The government needs to better ensure outcomes from both direct and non-direct incentives and funding programs. Indirect incentives require consideration from both a corporate and personal tax perspective to encourage risk and attract investment. Direct incentives need to be re-evaluated and given due consideration for their benefits.

Effective and attractive funding vehicles: In order for government funding programs to facilitate meaningful growth in Ontario's ecosystem, flexibility is the key principle that should be adopted in all related programming. This will also require understanding of distinct growth phases of a scaling company and how to support their specific growth strategies.

Finally, of the three items mentioned, access to talent: The council is advocating for a dedicated tech stream for high-skilled workers within the provincial nominee program. Many of you know that this program is on a first-come, first-served basis, and the province—through the Ministry of Advanced Education and Skills Development—could address the immediate lack of tech talent in the province to help support high-growth firms.

The Ministry of Advanced Education and Skills Development in Ontario should also consider developing a platform to measure and forecast labour shortages within a 10-year outlook to prepare for the changing workforce. A similar model has been developed in British Columbia, allowing for policy to adjust to the changing labour force in both public and private sectors.

In closing, decades long of investment into Ontario's tech ecosystem have helped spur the start-up community. However, as the global economy evolves, investments made by the government need to reflect the changing ecosystem, and we need to help few firms that are scaling up globally. They are the future of Ontario's prosperity.

We need business metrics that show the effectiveness of regional innovation centres and how their outcomes advance high-growth firms, and Ontario needs a strategy that focuses on maturing Ontario's innovation ecosystem to respond to today's needs of this sector. It can only develop that strategy by re-examining what supports are provided to domestic scaling companies. This can only be done by having a direct relationship with the CEOs of these companies.

I thank you for your time. I'm happy to take any questions that you have.

The Chair (Mr. Peter Z. Milczyn): Thank you. This round of questions is to the New Democrats for five minutes.

Mr. John Vanthof: Thank you, Mr. Bergen, for coming. I think we all appreciate your explanation of the differences between a start-up and a scale-up, in particular that a scale-up has already demonstrated its financial capacity to get projects done.

Regarding the government procurement process, what are the biggest obstacles? Is it that the government relies only on big companies as their fallback position?

Mr. Ben Bergen: I think that there are a number of challenges—and thank you for the question. Often, the process is quite lengthy and cumbersome in terms of actual submissions that need to be sent. Medium- and small-sized businesses often don't have that in-house expertise, whereas larger multinationals or larger businesses have that expertise built in-house. So their ability to actually go forward and advance is difficult, given their structure and size. Another challenge is often how they find out about that procurement process in terms of the set-up. They're often not having enough lag time in order to set up a proper bid for the procurement piece. So it's a number of factors.

Mr. John Vanthof: When you spoke about talent, I perceived that there are two problems: There's a lack of immediate talent and lack of a long-term plan, which I think has also been addressed by the Auditor General's report—that we didn't have a long-term plan of where the future jobs are going to be and where training should be emphasized.

Mr. Ben Bergen: Yes. There are probably two points to that. One would be with scaling Ontario technology companies. There are very few individuals in the province who have expertise who have taken, say, a company from $10 million in revenue to $100 million to $1 billion in the technology space in the province. That's just because we haven't had domestic companies that have scaled. Bringing in a CFO or someone who has particular business acuity in that space specifically around scaling—they often don't reside within the province or within the country. So being able to bring in those key individuals, whether it be from Europe or from Silicon Valley, to Toronto or Ottawa or Waterloo is really helpful in helping that company grow and actually expand here. Those people often come in almost as educators and help create more jobs around them because they act as the central piece of that. That's one of the immediate challenges that we're facing, and so obviously, as our companies scale and grow, those skills would be divided and learned throughout the ecosystem.

Then, the other one is sort of a projection piece. This is a StatsCan number: In the next 20 years, there's expected to be 187,000 positions in the ICT sector that will need to be filled, and which we won't fill, given our current rate. There is obviously a training piece that looks towards the future, but in terms of the current immediate needs, I think this ability to maybe use some of those provincial nominee spaces for this sector, which can really help add jet fuel to these companies, would be very beneficial, not only for the companies but also for the province in terms of revenue creation and also in terms of jobs that follow that.

Mr. John Vanthof: Okay. Finally, when you mentioned capital, I also saw a couple of things in there. In your experience, an overall tax structure that helps across the board, is that a better system than programs that help individual companies? What's the most effective use of government dollars?

Mr. Ben Bergen: If we're re-examining that piece, I guess there's sort of two pieces. One, obviously, is that a low tax rate for businesses is beneficial. How that slices across—there's maybe some more nuance there. But I think when we're looking at the direct investment piece, whether it's us giving money to multinationals in specific areas, could that money be better deployed to scaling technology companies that are based in Ontario? I think that's one of the real considerations that we'd like to put forward. If you're looking at specific funds or allocations that are going to X multinational, why aren't we considering that for our domestic scaling companies here rather than just reverting to that narrative?

Mr. John Vanthof: Do I have time for another question?

The Chair (Mr. Peter Z. Milczyn): That's five minutes.

Mr. John Vanthof: So—

The Chair (Mr. Peter Z. Milczyn): No, Mr. Vanthof, that was five minutes.

Mr. John Vanthof: Was it?

The Chair (Mr. Peter Z. Milczyn): Yes. Right on the dot.

Mr. John Vanthof: Sorry. Thank you.

The Chair (Mr. Peter Z. Milczyn): Thank you very much for your submission. Again, you've submitted something. If you want to provide additional materials, you have until 5 p.m. on January 20.

Mr. Ben Bergen: Great. Thank you.

The Chair (Mr. Peter Z. Milczyn): Thank you very much.

CUPE ONTARIO

The Chair (Mr. Peter Z. Milczyn): Our next witness is with the Canadian Union of Public Employees. Good morning, Mr. Hahn. As you begin your presentation, if you could please state your name for Hansard.

Mr. Fred Hahn: Good morning. My name's Fred Hahn. I'm the president of CUPE Ontario. CUPE is the largest union in the province. We have more than 250,000 members living and working in every community across Ontario. Our members look after Ontarians in hospitals, at home and in long-term care. We provide support and educate the next generation, from their very first day at child care, through primary and secondary school and all the way through university. We keep our lights on, our water clean, our neighbourhoods safe and clean, and provide emergency medical services when needed. We make life better for developmentally challenged adults and children, and we protect children at risk.

CUPE members are working hard every day to make Ontario a better place to live, and it's work that has been getting harder and harder each year because of choices made by this government. I'd like to open my comments with a blunt statement: The government's on the wrong track. It's been on the wrong track for many years. It's perpetuated an agenda based on a low corporate tax strategy and cutting program expenditures in real terms. The government has been priding itself on having low corporate tax rates, and on low per capita spending on public services. It prides itself on shrinking expenditures as a percentage of GDP. But the very things that the government has been priding itself on diminish the quality of public services and make public service workers and service recipients more vulnerable, while only serving to increase the profits of large corporations and banks on Bay Street. Austerity has failed to make people's lives better. It has failed to create the conditions for strong economic growth. It's time to put an end to this austerity in Ontario and pursue a fiscal and economic plan that invests in public services and helps to redistribute wealth.

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The Financial Accountability Officer reported that the government's projections on a balanced budget are based on overly optimistic projections. It's unlikely to meet its targets without spending cuts or increasing revenues. More cuts, in nominal or real terms, will have deep and profound damaging effects. So the only legitimate option is to increase revenue. The low corporate tax policy embraced by this government has deprived the public of tens of billions of dollars since 2010, preventing the province from balancing its budget, depriving us of investments in services and in infrastructure that would improve the quality of life for the majority of the people of the province.

Although damage has already been done by this low corporate tax policy, it's not too late to do the right thing. Now is the time for a progressive tax policy that actually brings shared prosperity to Ontarians. The government must also stop all forms of privatization, including the sale of public assets, reliance on inefficient and ineffective public-private partnerships, and the contracting out of services.

Selling off valuable assets like Hydro One for one-time cash infusions into public coffers is incredibly shortsighted. Moves like these deprive the government of the tools to meet public policy goals, like making hydro affordable for families and business. It also deprives the public of the common wealth that we've spent generations building together.

P3s, or public-private partnerships, are a form of privatization that increase cost, diminish quality and undermine public policy goals by giving the private sector a great influence in the building of infrastructure and the delivery of services. P3s are regularly revealed to be a boon for business at the expense of the rest of us, verified time and again by our Auditor General. Contracting out undermines the quality of services. It undermines the government's stated goal of improving the quality of jobs and protecting against precarity. There should be a general prohibition on any agency that receives provincial funds contracting out services. This would be a way that the government could start to meet its stated objectives in the Changing Workplace Review.

Our submission also identifies a broad array of investments in public services that will improve the lives of the people of Ontario. Public services form an essential part of the well-being for all of us in the province. Public services are provided to people based on need and improve people's quality of life; they reduce inequality and they help to build our economy. Public services are worth approximately $17,000 a year for most individuals in the province and $41,000 a year to the average household. Investments in improving these services will obviously improve those benefits and free up resources in households for other things, which will add stimulus to our economy.

There are some specific recommendations that we make in our submission. Some of these include a gender wage gap strategy that must be fully funded. The gender wage gap consultations make several concrete recommendations for action, including improving child care and improving pay equity. The government should immediately invest $500 million to create more affordable, public, not-for-profit child care spaces and invest an additional $300 million to address the underfunding in existing child care spaces.

It will be necessary to fully fund pay equity obligations as well. Without dedicated additional funding for pay equity, transfer agencies are faced with an unacceptable choice between meeting these goals or cutting services and jobs.

Increased spending on health care, including hospitals and long-term care and home care, must exceed the rate of inflation, at least at 6%. Inflation is higher in health care because of pharmaceutical and medical equipment cost increases, population growth and aging population. Anything less than 6% becomes an effective threat to the system as a cut.

Fixing the funding formula for schools is needed. The current model hasn't changed significantly since the Mike Harris years and is based on a very limited understanding of what should be funded, focusing only on things like reading and writing and math. Funding has to be based on the real needs of schools. Yes, dedicated funding for teaching, but also support and maintenance. We need an amended funding formula that understands we need whole schools to educate our children. Funding must also be sufficient to ensure that school boards are not forced to close schools, which puts a burden not just on children but on the communities in which they live.

There must be increases in funding to universities to improve teaching and the learning environment there and to drop students' fees, with the ultimate goal of eliminating tuition fees altogether. Funding to universities must also be tied to a directive to ensure that services are provided in-house, not outsourced or contracted out. Public money should not be used to cut jobs or diminish the quality of work.

Wait-lists for developmental service are unacceptably high. Shockingly, 12,000 people are still waiting for access to residential supports. It will take an investment of $1.2 billion to eliminate that wait-list, but that is something this special committee of the Legislature actually called for.

There needs to be a comprehensive anti-poverty strategy that includes resources for staff at Ontario Works offices to provide better employment services for people on social assistance. An essential piece of any poverty strategy must be an immediate increase to social assistance rates: 55% is needed to bring people up to the purchasing power they had more than 20 years ago, in 1994.

An anti-poverty strategy requires concerted government action on housing policy as well. Providing affordable housing to low-income Ontarians is essential, and it simply won't be built because there's no incentive to create that when there's only a profit motive that drives decisions about what gets built.

Anti-poverty action also requires increased funding for public transit, as well as for improved access to education and training. Public services are designed to meet a variety of needs for those living in poverty and are the most effective way to help people in need. Increasing cash transfers to individuals will help, but increases must be coupled with investments in services.

These are only some of the specific recommendations we make in our submission. We encourage you to read the entire document. Thank you for your time. I'd be happy to take any questions you might have.

The Chair (Mr. Peter Z. Milczyn): Thank you, Mr. Hahn. This round of questions goes to the government side: Ms. Hoggarth, for five minutes.

Ms. Ann Hoggarth: Good morning, Fred. Thank you very much for your presentation and representing your members so well.

I just want to make a statement in regards to unemployment. Very clearly, traditional areas where unemployment has been high, such as Niagara, Hamilton, Windsor—in those areas, the percentage of unemployment is quite low right now.

That being said, a report from the C.D. Howe Institute suggests that congestion in the greater Toronto and Hamilton area alone costs Ontario's economy at least $6 billion per year, with one estimate putting the cost at $11 billion a year. We hear all the time about how frustrated commuters are with sitting in traffic. They want to spend more time at home with their friends and their families, and they want transportation options that are both efficient and convenient. In fact, those living in my community of Barrie consistently tell me that our government needs to continue making improvements to our local transit system so that they are better able to travel around the community.

Do you believe that these investments will improve the everyday lives of Ontarians, including a lot of your members?

Mr. Fred Hahn: Thanks for the question. I will just start to talk a little bit about unemployment figures. One of the things that is startling is that, in the last number of reports from Stats Canada, in any job growth that has happened—not just, of course, in Ontario, but in other jurisdictions—there's an explosion in part-time and precarious jobs.

One of the things that the government has said it wants to do is improve the quality of work so that we can improve the overall economy and have shared prosperity in the province of Ontario. It's incredibly important to understand that while people are returning to work, they're returning to part-time jobs, precarious jobs, jobs where they are relying on being called into shifts, jobs that don't actually support families in the way that we all understand we need for our future.

There's no question that investments in infrastructure, particularly in transit, will help not just in the GTA but across the province, that not just low-income Ontarians but all Ontarians will rely on those kinds of investments. The way in which those investments are made, and the way in which we find the revenue for those investments, is incredibly important.

Large corporations in our province have the lowest taxes they've paid since the 1930s. Their profit margins continue to grow. Our banks are doing quite well in financial circles, not just here but around the world. They also benefit from a better transit system, from a good health care system, from an education system that ensures that we have a strong economy, with people who are well trained and well educated. Yet they're simply not paying their fair share in relation to the way that they have for generations in our province. When you and I and other people—my friends and neighbours, my family members—are paying 30% or more of their income and happily doing so understanding that, in contributing tax dollars, we are contributing to the services that make our communities better, it is completely understandable and reasonable that we would be here to ask you to consider ensuring that corporations and banks that have good profits are also paying their fair shares. Because they benefit from better roads, they benefit from better transit systems and they benefit from our health care system just the way that all of us do.

0940

Ms. Ann Hoggarth: Thank you. I think that the statistic shows that we have added more than 600,000 jobs in the last few years, which is important to your members as well; is that not so?

Mr. Fred Hahn: And many of those jobs are part-time and occasional jobs. In fact, as I said, Stats Canada reports in their most recent job figures that every job created was a part-time job. It's important not just to create jobs in general; it's important to talk about what kinds of jobs we're creating, what kind of future we're creating and ways in which government policy can help influence and ensure that we're actually creating full-time, permanent jobs for people, who can actually then contribute effectively to their communities and raise their families. That can't be done on part-time, contingent work.

Ms. Ann Hoggarth: How much time?

The Chair (Mr. Peter Z. Milczyn): One minute.

Ms. Ann Hoggarth: One minute? We are making the largest infrastructure investment in Ontario's history, and we're moving forward the plan to unlock the value of certain public assets and use the proceeds to help support investments in transit and transportation infrastructure. We have committed over $160 billion over the next 12 years in infrastructure. We know that investing in infrastructure spurs economic growth and creates jobs. Our plan will support the creation of 110,000 jobs annually. Do you believe that these investments will grow Ontario's economy and the business sector as well?

The Chair (Mr. Peter Z. Milczyn): Unfortunately, that is your five minutes.

Ms. Ann Hoggarth: Oh, sorry.

Mr. Fred Hahn: Darn, I don't get to respond. Thanks.

The Chair (Mr. Peter Z. Milczyn): Well, Mr. Hahn, you do have until January 20 at 5 p.m. for any further written submissions you'd like to provide.

ENBRIDGE GAS DISTRIBUTION

The Chair (Mr. Peter Z. Milczyn): Our next witnesses are from Enbridge Gas. Good morning, gentlemen. You have up to 10 minutes for your presentation and, as you begin your presentation, if you could please state your name for Hansard.

Mr. Ian Macpherson: Good morning. Ian Macpherson for Enbridge Gas.

Mr. David Donovan: David Donovan for Enbridge Gas as well. We have a presentation, if somebody could turn on the television. There we go.

The Chair (Mr. Peter Z. Milczyn): The floor is yours.

Mr. Ian Macpherson: Okay, thank you.

Good morning. I am Ian Macpherson, director of market solutions and energy efficiency at Enbridge Gas. Before I start, I'd like to thank you for inviting me to speak to this legislative committee; it's a pleasure to be here.

At Enbridge, we exist to help fuel Ontario's quality of life. Whether it's natural gas, renewable energy or conservation programs, we deliver the energy our customers need and we have a vision of how we can continue to evolve into low-carbon areas. In fact, we undertook research to determine the best ways to reduce emissions through natural gas initiatives, and it shows that with the right policy support and access to cap-and-trade proceeds, we can reduce emissions by 21 megatons by the year 2030, which is roughly one third of Ontario's target.

This chart you're seeing on the screen, created by ICF Consulting, shows the 21 megatons that I'm referring to. This is in the purple section.

Today I want to focus on two of the key priorities that could produce half of those results, and which we believe the government should move on quickly: removing regulatory barriers and directing cap-and-trade proceeds, as soon as they become available, to enable investments in renewable natural gas and natural gas for transportation.

With the release of Ontario's climate change action plan this spring and the implementation of Ontario's cap-and-trade system starting next month, decisions on the timing of these investments committed in the CCAP are imminent. Funding to subsidize natural gas vehicles, fueling and maintenance infrastructure is critical. Not only is natural gas up to 40% less expensive than both diesel and gasoline as a transportation fuel, but the carbon reduction and air quality improvements are significant. We estimate that about three megatons can be diverted by 2030.

The climate change action plan recognizes this potential, committing that a "green commercial vehicle program would be set up to provide incentives to eligible businesses that want to buy low-carbon commercial vehicles and technologies to reduce emissions, including ... natural gas-powered trucks." It also states that "the province intends to work with the Ontario Trucking Association, Union Gas, Enbridge and others to establish a network of natural gas ... fuelling stations."

Delaying the natural gas vehicle program by not allocating proceeds from the first tranche of cap-and-trade will have a long-lasting impact on emissions in the transportation sector. There was an article in the New York Times in August lamenting just such a lost opportunity in Manhattan:

"The administration of Mayor Bill de Blasio of New York has set clear, aggressive goals for reducing greenhouse gas emissions," including a pledge to cut emissions from the city's vehicle fleets by 50% by 2025. "But other decisions now in the works could prevent the city from meeting" this goal.

"The Department of Sanitation—the city agency with the highest vehicle fuel consumption and greenhouse gas emissions—plans to buy 340 new refuse trucks this year, with at least 300 powered by diesel engines. That would lock in high diesel emissions" and air quality impacts "for the seven-year service life of these trucks," and will make meeting the 50% target very difficult to achieve.

While this article is about New York City, the same thing is happening right now in Ontario. Cities like Vaughan and York region are considering renewing contracts for refuse with diesel, while at the same time commercial trucking fleets are purchasing new vehicles, locking themselves into a seven-to-10-year lifespan with these types of emissions.

These are not lost opportunities yet. They can be preserved, but the government needs to act now by allocating funding from cap-and-trade proceeds to refuelling infrastructure and conversion rebates to enable fleets to choose low-carbon natural gas and renewable natural gas. The longer the gap between the government announcement of funding for natural gas vehicles via the climate change action plan and the actual dollars being made available, the more the market stagnates and the opportunity for a generation of cleaner vehicles will be lost, like what may happen in New York.

So it is important that at least some money be directed towards this program next year, to send a strong signal to the market that natural gas is the way of the future for heavy vehicles and prevent this situation from happening in Ontario.

The second thing I'd like to talk about is renewable natural gas. We have a short video to start us off to introduce it.

Video presentation.

Mr. Ian Macpherson: Just like the electricity sector in Ontario, the natural gas grid can be decarbonized through the introduction of renewable natural gas into our grid—what we call RNG—and ramping up our conservation programs, which have diverted more than 18 megatons of carbon since 1995.

RNG comes from sources like landfills, waste water treatment plants, farms and residential organic waste. It has the same environmental benefits as renewable electricity and can be created at a fraction of the cost. RNG represents an innovative way for Ontarians to turn a waste product into clean energy for heavy vehicles and building heating while lowering greenhouse gas emissions.

RNG is perhaps one of the best examples of the circular economy, when using RNG to power the very refuse trucks involved in collecting waste. This is something that's actually happening right now—and planning to be happening—in the city of Toronto. Trucks running on this RNG achieve a recognized net neutral emissions designation.

Through partnerships across Ontario, a commitment to RNG could see a GHG reduction of eight megatons by 2030, but we need government action on RNG through regulatory support and the investment of proceeds starting next year to drive this market.

The climate change action plan recognized this potential, committing up to $100 million and stating that Ontario would introduce "a renewable content requirement for natural gas and provide support to encourage the use of cleaner, renewable natural gas in industrial, transportation and buildings sectors."

0950

That was a great starting point in June, but here we are in December, and Quebec, California and British Columbia have moved forward with RNG introduced into their natural gas system, and Ontario has made little progress and is starting to fall behind.

In fact, California companies are coming to Ontario as we speak and purchasing biogas and RNG from producers who currently don't have a mechanism to bring this valuable resource to the market locally.

We need the government to move quickly on this, first, by allowing gas utilities to start procuring RNG as part of our gas supply portfolios before Ontario's lowest-cost biogas is committed to California and other jurisdictions, and second, by committing cap-and-trade proceeds as soon as possible to improve the economics of these projects.

Ontario's own climate change action plan lists RNG as the lowest-cost carbon abatement initiative available, at $5 per tonne. Delaying this program further doesn't make sense, and we will lose more of this resource to California and others the longer we wait.

While we commend the government for recognizing the value of RNG, as well as natural gas vehicles, in the action plan, we now urge the government to recognize the economic and environmental benefits of enabling us to move quickly on these initiatives and the risks of delaying them.

In the least, we would request that you please consider grandfathering any future incentives to those projects and clients who are ready to advance their projects in 2017.

We appreciate the opportunity to be here today and believe that the implementation of our recommendations would help secure Ontario's position as both an economic and environmental leader. We look forward to working with the government to help meet its economic and environmental goals. Thank you for listening.

The Chair (Mr. Peter Z. Milczyn): Thank you very much. We now have up to five minutes of questions from the official opposition. Mr. Barrett.

Mr. Toby Barrett: Thank you for the presentation. Biomethane: How is that transferred from a landfill to a plant to clean it? Is it by truck or dedicated pipeline or—

Mr. Ian Macpherson: It depends. The best projects are ones where they're close to the natural gas system, and the biogas has to be cleaned up to pipeline specifications and then we inject it directly into the gas system. But it can be trucked.

Mr. Toby Barrett: So it would just be like these dewatering units that we see?

Mr. Ian Macpherson: We have to manage water content, but the quality of the gas—the gas coming out of a landfill or other devices, like sewage or a farm, isn't going to have the same quality as gas through the system, so we need to clean out things like sulphur and water and other particulates to meet that pipeline quality standard.

Mr. Toby Barrett: So, like at a farm? You put a little unit in there between the farm and the nearest pipeline?

Mr. Ian Macpherson: Absolutely. It's done today.

Mr. Toby Barrett: The Financial Accountability Officer did a paper on cap-and-trade costs in Ontario. I haven't read it yet. What did he have to say about the impact on our prices for natural gas down the road?

Mr. Ian Macpherson: It will certainly have an impact on natural gas prices, starting next month. I believe there's a price impact of about just above three cents per cubic metre. On an annual basis for end-use residential customers, the impact is approximately $70, and customers will certainly feel that. In the longer run, I don't know how to estimate what the impact will be, but it will increase.

Mr. Toby Barrett: As far as the natural gas expansion in parts of rural Ontario, I think it was in the 2014 budget that a considerable amount of money was announced. I understand it never was allocated.

Mr. Ian Macpherson: It has not been decided on. We understand the government is working on that program as to exactly how that will work. So we're waiting and considering the OEB's recent decision on community expansion, and I understand the government is valuating how that program will roll out alongside of it.

Mr. Toby Barrett: And then there was a statement a number of months ago from the Minister of the Environment about potentially phasing out natural gas for home heating, the argument being natural gas is a greenhouse gas. Any new information on that? A lot of homeowners are concerned about that. There are a lot of homeowners like myself who would love to actually finally get access to natural gas.

Mr. Ian Macpherson: I think the government has clarified its direction on that. It has clarified the fact that it's interested in creating innovation and opportunity in the market for increased building standards in Ontario that could provide the opportunity that homes would not require natural gas and could be powered through a combination of renewable energy and other sources of energy that are cleaner than today. I don't think the idea is about removing natural gas access, as it is one of the more economic, beneficial and cleanest fossil fuels available today.

Mr. Toby Barrett: Just another question, then: We hear from the propane industry, which is a very important industry in much of rural Ontario and eastern Ontario. Any change in the system would have changes in other parts of the system. I don't know how your industry is coordinated with propane distribution. Any comments on that?

Mr. Ian Macpherson: I'm not sure I understand the question. We compete with—

Mr. Toby Barrett: Say if there are government subsidies to expand the use of natural gas, where does that leave the propane industry?

Mr. Ian Macpherson: Oh, I see. It's a good question. I think we compete with propane today on the margins of our system. Propane is also a very clean fuel and very competitive. In some areas where it makes sense to economically distribute natural gas, I think we will compete in those areas and, as per the board decision, will be charging custom rates in those areas. Those won't be the same rates that we'll be charging in other areas, and propane will have a fair chance to compete with us.

Mr. Toby Barrett: Okay. Thank you.

The Chair (Mr. Peter Z. Milczyn): Thank you very much. If you do have anything further you'd like to submit in writing, you have until 5 p.m. on January 20.

Mr. Ian Macpherson: Okay. Thank you.

Mr. David Donovan: Thank you.

FIX OUR SCHOOLS

The Chair (Mr. Peter Z. Milczyn): Our next witness is Fix Our Schools. Good morning, Ms. Wylie. You have up to 10 minutes for your presentation. If you could please state your name for Hansard as you begin.

Ms. Krista Wylie: Thanks. My name is Krista Wylie. I'm here representing Fix Our Schools, which is a grassroots, non-partisan, parent-led campaign working to create a large network of citizens across the province who all expect the provincial government to ensure that every Ontario public school student attends a safe, well-maintained school that offers a conducive learning environment, and that the $15 billion of disrepair that impacts all 72 Ontario school boards is addressed quickly. We all expect that publicly funded education be a priority for all three parties in the next provincial election, and we would ask that all public schools be funded as critical public infrastructure, on par with transit.

We decided to take a little trip back in history in order to figure out where we need to go next with education funding. So we'll take us back to the late 1990s to begin. Mike Harris's PC government amalgamated school boards and implemented the new funding formula, seeing school boards rely exclusively on the province for all funding and shifting the power dynamic in education funding and policy-making.

Fast-forward five years: Elizabeth Witmer, PC education minister at that time, commissioned the Rozanski report to review how well that whole new structure and funding formula had been working. He identified a couple of issues of note for us relative to capital needs. At that time, in 2002, he identified that $5.6 billion of deferred maintenance had been allowed to accumulate in our schools. His recommendation to solve that issue was that school boards ought to be able to secure the capital financing needed to quickly address that deferred maintenance through debentures, and that the province support school boards with $200 million of additional funding for school boards to take care of interest and principal payments on those debentures. So even back in 2002, we recognized that a capital problem that accrued over many years could not realistically be solved with annual allocation of funding. Keep that in your mind for later, when we get to a recommended path forward.

Rozanski also identified that yearly funding at that time for school renewal from the province to school boards was only $266 million a year on assets valued at $28 billion. That was less than 1% of the replacement value of those assets, despite the fact that there were established guidelines back then that recommended that governments would provide annually a minimum of 1.5% to 4% of the current replacement facility value and allocate that for renewal needs. Again, that was almost 15 years ago, and—just keep this in mind—for 15 years, we've seen continual underfunding of school renewal. So Rozanski recommended, back in 2002, that we update the benchmark costs within the education funding formula, as well as increase the annual funding for school renewal.

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Fast-forward a few years and we see education minister Gerard Kennedy with the Liberals launch the Good Places to Learn initiative, stating, "Ultimately, a school's condition reflects the state of commitment of one generation to the advancement of the next." He confirmed that over $5 million—there's a typo in this. It was not $5 million. It had not gone down $4.5 billion. He confirmed, same as Rozanski, that there was over $5 billion of disrepair at that time in our schools. He also recommended an increase of annual renewal funding and an extraordinary one-time $2.1-billion amortization fund, again using some debt instruments to fund capital needs.

So we fast-forward over a decade, and that takes us to when I was last here with you folks, in February. We referenced the December 2015 report by the Ontario Auditor General a lot. She referenced industry standards again, as well as Ontario's asset base of schools, and recommended that $1.4 billion per year was realistically needed just to keep our schools in good shape. She also noted at that time that $14 billion of disrepair existed in schools, confirming that schools were not in good shape. So that $1.4 billion was keeping the ship afloat but would not do much to take care of the amount of deferred maintenance that had been allowed to accrue. We talked a lot about this last year when we were here.

We were actually thrilled in June 2016 when the provincial government announced an additional $1.1 billion of funding for school repairs over two years. What that money does is it brings annual funding for school renewal to what should have always been the case, to $1.4 billion. What it does not do is take care of the $15 billion that was allowed to accrue in deferred maintenance.

We were also thrilled in August of this year when the Ministry of Education released disrepair data on all schools in Ontario, increasing the transparency into the issue of school conditions and confirming that $15 billion of capital repair backlog exists in our publicly funded schools and it impacts every single one of our 72 school boards.

Education funding: What's needed going forward? Our expectation is that we would not dial back and that we would continue with the commitment of at least $1.4 billion a year for school repairs and school renewal. We would expect ongoing transparency about disrepair in our schools. We are hopeful that there will be an annual release of FCI data as well as an analysis on the overall capital repair backlog so that we, as citizens, can see what we hope is a stem in the tide of year-over-year increases in this amount and that instead we'll start to see a decrease in that $15 billion of disrepair.

We would recommend that debt instruments need to be explored and that those are the only tools available that will sufficiently and with the speed required take care of these buildings in which two million children spend their days.

We would recommend guidelines for the desired conditions at which schools should be maintained. High-level: What FCI are we looking for? What averages? Lower-level: We'd expect guidelines for the actual learning and working conditions of children and adults who spend their days in Ontario school buildings and a plan for how to reach those goals. We would like to see issues not limited to but including: What's the acceptable temperature range of classrooms for children to learn in and teachers to work in? What's an acceptable air quality for those classrooms? What's an acceptable amount of natural light? There are many, many children learning in classrooms with no windows. That might surprise those of you with no children in the public school system, and actually it would surprise many parents also, because we don't often hear about the problems that happen in schools because our children think that it's normal.

We would like to see a proportionate distribution of the capital costs of maintaining school assets amongst the municipalities, the various provincial ministries and the various federal ministries that all use these schools as assets. Yet we continue to burden school boards exclusively with the capital costs of maintaining those buildings.

We'd like to see an approach to selling schools that recognizes the importance of local schools as community hubs and focuses on the needs of students, families and communities, rather than on efficient use of assets at all costs.

We'd like the provincial government to stop promoting the notion that disrepair in schools happened mostly because of an inefficient use of assets by school boards when, in fact, many, many documents, including the ones I've cited, would suggest that there has been gross and chronic underfunding to school boards. So even if they had used every school as efficiently as humanly possible, with the funding given over the last 20 years, they would not have been able to keep those schools up to a standard to which Ontario children should have access.

We'd like to recommend a structure where power over education funding and policies and the accountability for actually delivering public education reside in the same place, making passing the buck, which has become quite a sport in delivering education—I would say most parents in this province are quite tired of that, so we'd like to see power and accountability reside in the same place.

We'd like to see a structure where accountability for the delivery of public education reflects the reality and experience of real students and teachers, that it's not a sanitized look at EQAO numbers and high school graduation rates. When you actually talk to real students and real parents, you might hear a very different story. Full-day kindergarten has not been the success that media would present to us.

We'd also like a review of the funding formula and the benchmark costs which inform most grants in the funding formula. Back in 2002, when Rozanski wrote his report, that is exactly what he recommended: that constant improvement and review of the funding formula is needed. The Liberals have promised this in almost every election and have yet to actually do a complete review and rejig of the funding formula. It's time. Leading up to the next provincial election, we're here not asking for a shell game of rejigging different pockets of money. We're asking for a complete look at how we're funding education in this province and how the power dynamic works.

The Chair (Mr. Peter Z. Milczyn): Thank you, Ms. Wylie. That's 10 minutes.

Ms. Krista Wylie: Thanks.

The Chair (Mr. Peter Z. Milczyn): Ms. Fife, you have up to five minutes for questions.

Ms. Catherine Fife: Thanks very much, Krista, for coming back in again and for presenting a contextual look at schools in the province of Ontario.

I was a trustee with the Waterloo Region District School Board for almost 10 years. Every time our maintenance budget came up—maintenance and capital—it always became a rush to address crisis. So instead of being proactive or even having some flexibility around designing buildings, as you point out, with natural light and energy efficiency to create holistic, healthy learning environments, we were always putting out fires. So I appreciate you making the case, and really, you're very accurate in your description of the issues that school boards face from a capital perspective.

I would like for you to expand a little bit on debt instruments to secure the capital investment required to quickly address the $15 billion, because this is a huge number. Any government that forms in this province is going to have to deal with this, as a priority, one would hope. Do you want to expand a little bit on where—

Ms. Krista Wylie: On our recommended debt instruments?

Ms. Catherine Fife: Yes.

Ms. Krista Wylie: Me and my panel of investment advisers?

Ms. Catherine Fife: For sure.

Ms. Krista Wylie: Do you know what? Honestly, Catherine, we don't have specific recommendations. We realize realistically a few things: We will always have a certain amount of disrepair in our schools. Just like homeowners, there is always going to be a little bit of backlog on our houses. There might be a roof that we know needs to be done this summer but we can't do it until the following year.

I think we would like to see the $15 billion of disrepair brought down to a reasonable number in short order. Are we expecting the government to issue $15 billion in bonds and take on $15 billion of debt? Realistically, no. However, back in 2002, the recommendation was made to take care of what was then only $5 billion of disrepair. Fourteen years later, we haven't done the trick. We haven't found the funding solution to stem the tide on this accumulation of disrepair.

Our working group is not filled with financial analysts, so we don't have an exact debt instrument that we would recommend, but we would suggest, based on our knowledge of reality and how you would fund capital problems that accrue over many years versus operational issues, that a $15-billion problem is not going to go away with a reallocation of an annual budget.

Ms. Catherine Fife: But you do make a strong economic argument. We have invested in these schools. They are public assets, and there is a responsibility to protect that investment, right? You're making the point around the $266 million for us. It's valued at $28 billion. This 1% investment to protect those investments is actually not appropriate.

Ms. Krista Wylie: It's not. It's not recognized in industry. In any industry, they would recommend a higher percentage of the value of your assets be allocated yearly to take care of them.

Ms. Catherine Fife: And I think one of the final points is that your recommendations—Fix Our Schools has done a very good job, I think, of addressing the physical infrastructure of our schools. That's one thing. The accessibility, though, of our schools has recently gained a lot of media attention, because we have students who are going to our schools who can't play on the playground equipment, who can't go into some classrooms, who can't access some bathrooms. Having the AODA standards doesn't guarantee accessibility, obviously. Do you want to comment on the accessibility of our schools, please?

Ms. Krista Wylie: I would love to. My daughter is actually going in for surgery next Wednesday that will have her on crutches for the rest of the school year. She's in grade 8, she's 13 years old, and her classrooms are predominantly—she switches between the third floor of a 100-year-old building where, as the temperature plummets, it will probably be 13 or 14 degrees, and then her other classrooms are on the main floor. There's no elevator and there's no accessibility to any child with any sort of physical special needs in that building, so she will be finishing her school year trying to figure out how to get up and down three flights of stairs.

Ms. Catherine Fife: Because your numbers, and I'm just trying to—

Ms. Krista Wylie: This $15 billion does not even—it just talks about engineers going into the buildings and assessing what is wrong with them. It does not bring them to a level that I would hope, as Ontarians, we would want for our children. If that's—

Ms. Catherine Fife: That is very good, and also your personal story. Thank you for sharing your personal story as well.

The Chair (Mr. Peter Z. Milczyn): Thank you very much. If you do have any further written submission you'd like to provide, you have until 5 p.m. on January 20.

Ms. Krista Wylie: And we send that to the Clerk? Thanks.

The Chair (Mr. Peter Z. Milczyn): We will recess until 2 p.m. this afternoon.

The committee recessed from 1013 to 1400.

The Chair (Mr. Peter Z. Milczyn): Good afternoon. I'm calling the meeting to order to resume our pre-budget consultations. Each witness will receive up to 10 minutes for their presentation, followed by five minutes of questioning from the committee. Are there any questions?

ONTARIO HOME BUILDERS' ASSOCIATION

The Chair (Mr. Peter Z. Milczyn): I will call our first witness: the Ontario Home Builders' Association. Good afternoon, gentlemen. As you know, as you start your presentation, if you could please state your name for Hansard.

Mr. Joe Vaccaro: Thank you very much, Mr. Chair. My name is Joe Vaccaro. I serve as the chief executive officer of the Ontario Home Builders' Association. Joining me is Michael Collins-Williams. He's the director of policy for the OHBA. OHBA represents 4,000 member companies and is organized into a network of 30 local associations across Ontario, from Windsor to Ottawa, and from Thunder Bay to Niagara.

Last week, I had the privilege of addressing this committee with respect to Bill 70, the budget measures act, so it is great to come full circle and have the opportunity to look forward and provide our recommendations for the upcoming budget in 2017.

Last week, I shared with you our concerns regarding challenges to delivering new housing supply, which is not keeping up with demand and thus contributing to increased housing prices. I also shared with you concerns with respect to the cumulative tax burden on new housing, which is also contributing to the ever-increasing cost of housing. I stated our support for the doubling of the maximum land transfer tax rebate for first-time homebuyers, which OHBA views as a positive indication that this government is interested in addressing the affordability of market housing, which represents about 95% of the new units delivered on an annual basis in Ontario.

Let me start by making it clear that bringing more housing supply to support Ontario's growing population and economy is not an attack on the greenbelt. OHBA supports the greenbelt, and we support growing the greenbelt through a science-based approach that protects significant environmental features. To this point, OHBA supported the creation of the greenbelt's urban river valley designation in 2013 and, through a press release with Environmental Defence, celebrated this new designation, which would give municipalities the opportunity to connect publicly owned and protected urban river valleys to the greenbelt.

OHBA's comments and concerns about new housing supply are focused on the where, what and when of the planning approvals process. Homebuilders across Ontario can only bring new housing supply to the market where, what and when they are granted approvals. It should be understood that new housing supply across Ontario, not just in the GTA, continues to face new barriers and challenges.

Whether it is ratepayer or council opposition to new condos or townhouses in Toronto, or a lack of water and waste water capacity in York and Halton region to support approved communities, or the process and cost to remediate brownfields in Brantford and Waterloo region, or delays in selecting new GO stations or increasing GO service across the GTA, all these examples, and many more, create delays in getting much-needed housing supply to Ontario's growing population.

That brings me to our first recommendation for the standing committee and this government to consider. In an environment of rapidly increasing housing prices, challenges in delivering housing supply, increasing development charges and other fees and the ever-changing planning approvals framework at the municipal and provincial level, OHBA believes it is time that the government take a complete assessment of the housing system and strike a panel to carefully consider all the data regarding housing supply and housing affordability.

In the last several months, the federal and provincial governments, along with the cities of Toronto and Vancouver, have discussed the issue of housing affordability but have yet to have impacted and informed stakeholders, such as the OHBA, directly present data and information that should help inform solutions for the government to consider in improving housing affordability.

OHBA believes that there is incredible value in reviewing and understanding the evidence and data into what is driving housing prices, as they are increasingly not aligned with what individuals and families can afford in many communities.

We are having real challenges in many communities across Ontario in delivering housing supply. There are public policy barriers that are stretching out the approvals process for both housing and for critical infrastructure. These issues aren't limited to the 905, 519, 705 or 613 developments. We are also challenged on the infill and intensification side of the equation. Over the last number of years, we've seen people camped out overnight in lineups for sales offices for new homes in a multitude of communities, from low-rise communities in Hamilton, Oakville, Thornhill and Oshawa to high-rise communities in Toronto, Markham and Burlington. This is not a sign of a healthy marketplace; this is a sign of a marketplace in which demand exceeds the ability for our industry to deliver the supply of housing needed to meet Ontario's growing population and employment.

In fact, new housing inventories in the GTA for low-rise are at an all-time low, and for high-rise, we are going to set a sales record this year at the same time as inventories have plummeted. This supply crunch is leading to rapidly increasing prices, and these prices are not just a Toronto problem. The 905 has had year-over-year price increases higher than in the 416, and the supply issues are also happening in the 519, 705 and 613.

As OHBA has stated in the past, new housing supply can only come to the market where the development approval permits, what the built form for approvals permits and when the government infrastructure is approved and provided. The where, what and when of housing supply is governed by government approvals.

Housing prices are influenced by a number of factors. It should be clearly understood that the government policy framework around the where, what and when of new housing supply is shaping the marketplace, and home prices reflect the ability to bring new housing supply and housing options to that market.

A government of Ontario panel demanding data, information and evidence to better understand the housing supply challenges and why housing prices are escalating can then identify solutions that could actually improve housing affordability. It is clear that in the current market environment the new home prices will continue to go up, and that bringing new communities online will continue to be delayed by new planning rules, changes to the OMB and new taxes being implemented through Bill 73. Those delays and policies can only lead to higher prices.

We need a government of Ontario panel if we want to improve the current market housing supply and respond to the current affordability challenges.

I'd like to turn it over to Mike to speak specifically about two other recommendations for the budget.

Mr. Michael Collins-Williams: Thanks, Joe.

Back in 2009, OHBA recognized that a shift to the harmonized sales tax would have benefits to the broader economy, and specifically manufacturing, but we were also very clear that harmonization would have significant taxation impacts impacting new homebuyers.

Essentially, the old PST at 8% only applied to materials. It did not apply to the labour, taxation or land component of a new home. This contrasted with the HST, which is applied to the full and final sales price. Materials typically account for about a quarter of the final price of a new home. Thus, an 8% PST on 25% of the new home represented a 2% tax on the final home price. That's why we worked so closely with the Ministry of Finance on the structure of the new home rebate for the HST to essentially be revenue-neutral for the government and the vast majority of new homes in Ontario.

The structure of the HST for new housing effectively meant that the HST is charged at a rate of 2% on the value of a new home up to a $400,000 threshold, which was established in 2009, and the full 8% on the value over $400,000. We supported this structure as being fair, since most new homes in Ontario in 2009 were valued under $400,000 when the HST was brought in, and the tax increase only really applied to new homes over $400,000.

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A lot has changed since 2009. Back then, about three quarters of new homes in Ontario were under $400,000. According to CMHC, the average price of a new home has increased by 55% since then, meaning that the HST has brought in billions in additional revenue from the new-housing sector since 2009.

With each passing year that new home prices increase and the HST new-housing threshold remains static at $400,000, it is essentially a tax increase, as fewer buyers fall under the threshold and more buyers face a higher tax burden.

We are not here today asking for drastic measures. We're simply requesting that the government review the $400,000 threshold to determine if it is still an appropriate number, given the changes that have occurred in the housing market since 2009.

Let me quickly change gears and draw your attention to the professional renovation sector.

You may be surprised to learn that the renovation sector actually exceeds the new housing sector in terms of jobs, wages generated and investment value. Renovations add up to a staggering $27 billion in investment value, generating over $10 billion in wages and supporting nearly 175,000 jobs last year. That's a lot of renovation work.

Unfortunately, there's a darker side to the renovation sector. A substantial amount of work is happening in the underground economy. Underground cash operators pose a risk to government, to legitimate businesses and, most importantly, to consumers. They don't pay WSIB premiums, EI, GST or HST, and they aren't likely filing income or corporate tax returns.

OHBA believes that it's time for serious action to combat underground economy cash renovations, which is why we recommend that the province take a very serious look at a consumer-focused home renovation tax credit. This type of program would incent good behaviour by offering a tax credit to those that collect receipts from legitimate businesses and submit those receipts to the CRA.

We also believe that a well-structured renovation tax credit could in fact bring in additional tax revenues that are currently leaking to the underground.

I think that through the climate change action plan, there's a real opportunity to link that tax credit directly to the province's objectives with respect to energy efficiency and greenhouse gas emission reductions.

Residential buildings across Ontario generate a lot of greenhouse gas emissions—in fact, 10.9% of the provincial total—and we have 4.8 million existing homes in Ontario, many of which are 50, 60 or 70 years old, from an era in which there were no building codes, meaning there are hundreds of thousands of homes in Ontario that literally don't have any insulation. This is where a huge opportunity lies that can be tied to our proposal for a home renovation tax credit.

I'd like to quote the David Crombie panel report: "The Ontario building code is another important factor. When the energy efficiency requirements in the 2012 building code come into effect on January 1, 2017, houses constructed after that point will consume only 40% of the energy they would have used in 2005."

The Chair (Mr. Peter Z. Milczyn): Thank you. I have to stop you there. It has been 10 minutes.

We will now have five minutes of questions from the government side: Mr. Rinaldi.

Mr. Lou Rinaldi: Thank you, Joe and Michael, for being here. You're a permanent fixture at Queen's Park. You probably have a parking spot as well. You should have, if you don't. Anyway, thank you for being here and sharing your thoughts.

A couple of questions, if we have the time.

You know the commitment that we made to build transit, roads and bridges and those kinds of things. You also know—and I know you were part of it—of the coordinated review. Some of the outcomes of the coordinated review—the government intends to push growth along public transit corridors, for obvious reasons. The investments are huge, and the more people who can use them, the better off we are.

Do you have any sense of how that direction affects your members when it comes to increasing productivity and building more homes? What kind of impact does that have within your organization?

Mr. Joe Vaccaro: Sure. We are very supportive of the infrastructure investments being made, and we're very supportive of a piece of legislation that has not been activated yet: the transportation provincial policy statement. This would provide the provincial government with the opportunity to help directldevelopment in those transit corridors.

Our view is that those are the right places to put density intensification, as they're supported by a transportation network. That enables the province to actually build ridership on the line, to make it more cost-efficient.

The challenge we have, as we've seen in numerous situations, is that even in cases where a development application comes forward that is connected to transportation, we still have the struggle, if I could put it that way, of getting that approval. Sometimes it can simply be a question of local councillors uncomfortable with the height and density of the project reflecting on what their constituents feel is inappropriate, even though it is supported by our transportation system.

From a housing supply perspective, it makes sense to put housing supply on those transit lines, absolutely, and it makes sense to put density and densification there, absolutely. But we are still struggling with barriers to get those approvals and still struggling to ultimately bring those opportunities to the marketplace.

Mr. Michael Collins-Williams: I'll just add to that that I live near Danforth and Pape, on the Bloor-Danforth line. That line opened up 50 years ago this summer, yet the Danforth is still lined with two- and three-storey buildings. We're certainly not advocating for towers to be built in existing neighbourhoods, but we do have a situation in which much of the zoning in Toronto and in other municipalities where transit is being built is not years but literally decades out of date.

The province is doing a very good job in investing significantly in higher-order transit, but we need to link the transportation planning with land use planning. Waterloo is a good example of that. The ION LRT is going in, and what Kitchener has done is that they are doing some pre-zoning along the ION LRT. Even in downtown Kitchener, they've eliminated development charges on a temporary basis to encourage development and encourage density exactly along the transit lines. We think that's something that has merit.

Mr. Lou Rinaldi: Hopefully more communities will take that example on.

Just to switch gears a little bit—and I know you touched on it. In the fall economic statement—actually, part of Bill 70, which just got royal assent today—one of the commitments we made is for first-time homebuyers, to double the tax rebate. What do you think that will do to your members in the move forward? What kind of impact do you think that will have?

Mr. Joe Vaccaro: We are openly supportive of it, obviously. We believe that it's helpful, obviously, in terms of helping people who are already in the market to access some additional money to help close their deals, and we are supportive of the fact that the government is indicating some interest in understanding the housing market and what it needs.

But we believe more needs to be done, obviously. Reviewing the rebates, reviewing the HST rebate level, is an important step, I think, in terms of where we are in today's marketplace, with new house prices going up by 50% plus. That's an important step.

I would also say, going back to our first recommendation, that understanding the housing supply challenges, understanding the ability to bring housing supply to the market in areas where we do want development to happen and how they have to be supported and brought forward—we live in an era where we really want to see things happen, where we think things need to happen. When a housing development is delayed, whether it's a townhouse development or a condominium development, by delaying that housing supply, whatever is available on the market gets priced accordingly.

The Chair (Mr. Peter Z. Milczyn): Thank you, Mr. Vaccaro. That's our five minutes. If you have any written submissions you'd like to provide us, you have until 5 p.m. on January 20.

Mr. Joe Vaccaro: Thank you very much.

The Chair (Mr. Peter Z. Milczyn): Merry Christmas. All the best to you.

Mr. Joe Vaccaro: Merry Christmas, and happy holidays.

Mr. Michael Collins-Williams: Thank you.

ONTARIO MEDICAL ASSOCIATION

The Chair (Mr. Peter Z. Milczyn): Our next witness is with the Ontario Medical Association. Good afternoon. You have up to 10 minutes for your presentation, following which there will be five minutes of questions from the official opposition. As you begin your presentation, if you could please state your name for Hansard.

Dr. Virginia Walley: Sure. On behalf of the Ontario Medical Association, thank you for this opportunity to provide input to your pre-budget consultation. I'm Virginia Walley. I'm a laboratory physician working in Toronto and I am the president of the OMA. I'm joined by my colleague Dr. Jasmin Kantarevic. He is a PhD economist who works with the OMA.

It's no secret that Ontario's doctors are concerned about the direction the government is taking in its redesign of our health care system. Each and every day, Ontario's almost 30,000 practising physicians go to work because the job of looking after patients and their health is our number one concern. But we worry that the health care system is not keeping pace. We know that high-performing health care systems are built in collaboration with physicians, and right now we do not have a government that's willing to partner with doctors. So on behalf of Ontario's doctors, I am here to call on the government of Ontario to properly support our health care system by fully funding the demand for health care in this province and according to the needs of our growing and aging population.

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Since our contract with the government expired in 2014, the government has unilaterally cut by nearly 7% payments to physicians for the care that patients require. Yet the Financial Accountability Officer of Ontario, in his 2016 spring fiscal and economic outlook report released data on health care system demand that shows it is projected to rise at 3.6% for each of the next four years. When you do the math, those two trends just fundamentally are inconsistent with quality care. Ontario is now home to almost 800,000 patients who are without a family doctor. That represents nearly 6% of the population of the province. We have to call that what it is: unacceptable.

The government has set funding for physician services at only 1.25%, less than half of what's required. This is below the already restrained pace of growth of the past five years. We believe that the government's actions in not fully funding the demand for medical care in Ontario have serious implications for our patients and their families. We also believe that these actions are going to have a lasting impact on the long-term sustainability of the system. This should not be news to this committee. Just last year, physicians appeared here before you to illustrate the problem.

Let me tell you how that manifests in my own work. I, for instance, examine biopsies of diseased tissue for cancer. I help my clinical colleagues decide whether patients do or do not have cancer and, if cancer is present, what it is and how severe it is. I also help my colleagues decide on how to treat that cancer.

In this work, I see the stresses on the health care system. When I diagnose cancer, the patient has to be treated. My clinical colleagues can't just say, "No, the unilateral health care cuts the government has made mean you can't have that treatment." My colleagues go ahead and provide the care and treatment needed, even if the government is no longer funding all of that care. But that trend is just not sustainable.

In the longer term, we need a health care system that recognizes that one of the building blocks of a healthy economy is a healthy population. The fact is, Ontario's population is growing and it's aging. In 2016, there are now more seniors than children 14 years and younger. Today, one in five adults is spending time caring for a parent or a grandparent. By 2026, there will be eight million seniors, who will represent more than 20% of our population. That's the current size of the population of Quebec. By 2036, we'll reach the highest demand level for care, with baby boomers closing in on an average age of 75 years. In 2052, almost 10 million Canadians 65 and older will represent about 25% of the population. That's equivalent to the current population of Portugal or Greece. This is not the time for the government to decide to fund less than half of the growing medical needs of patients. Now is the time to be investing in the system to help the patients of today and tomorrow.

By the Ministry of Health's own estimates, demand for medical care is growing by 3% per year due to population growth, an aging population and the need for new doctors to treat existing patients who currently can't access timely care, yet the government is only willing to fund a portion of this growth. This is necessary care that every patient in our aging and growing population requires and deserves.

Ontario has fewer hospital beds, we have fewer nurses and we have fewer physicians per population than other jurisdictions. Having fewer doctors means that the ones we do have are working harder and seeing more patients to meet the demands of our growing and aging population. Instead of recognizing that service, this government has penalized physicians.

We do understand and acknowledge the economic challenges facing the government. I'll remind the committee that in 2012, the government unilaterally cut physician fees and doctors accepted a 5% cut, resulting in $850 million of savings in the system. We accepted that cut because we knew we could partner and make changes in the system that would have minimal impact on patients.

Now the government is further cutting the necessary growth and funding for physician services, and it's doing this unilaterally and without regard for the impact on patients. That is just not sustainable. It's unrealistic if we want the best care for patients and if we want the best doctors in Ontario. This behaviour represents a race to the bottom.

Now the government says they offered physicians 2.5% in the last tabled agreement and it can't understand why physicians overwhelmingly rejected it. Our members thought it was irresponsible to do so. They knew that because of previous cuts—the cuts that I mentioned just a few moments ago—that offer would not restore the system to even where it was five years ago. The government's offer was a step in the wrong direction. It was insulting to patients and certainly to physicians.

The government keeps taking resources away and then presents 2.5% growth as a win, when this doesn't even match the government's own estimates of growth, let alone begin to address years of government underfunding.

At the same time, and of big concern to us, the government is spending money on new bureaucracy at the LHIN level and through the new sub-LHINs created by Bill 41, creating more red tape for doctors. Even in a world where we had unlimited funds, it's unclear to us why Ontario needs this ever-growing bureaucracy. When the government is cutting funding for front-line care, this bureaucratic growth is simply unacceptable.

More red tape for doctors simply adds to the burden of the health care system in Ontario. Doctors right now spend, on average, about 12 hours a week in non-clinical patient care filling out forms and trying to help patients navigate our overly complicated health care system. That's why we urged all legislators to defeat Bill 41.

While the government unilaterally imposes their cuts on physicians, doctors will continue to do whatever they can to limit the impacts of those cuts on patients. In the current situation, doctors really are serving as duct tape, holding the system together. They're working increasingly ever harder and longer on behalf of their patients, dealing with more red tape and trying to prevent patients from falling through cracks in the system. But we need to warn you, unilateral cuts by the government over the long term mean that there will eventually be negative impacts on patients.

Our message is clear, I hope: We want the government of Ontario to fully fund the increasing demand for medical care in Ontario so that the needs of our growing and aging population are properly funded. It's our sincere hope that the government will, in the upcoming budget, begin to reverse the trends that I've described today, and that the government will commit to restoring that important relationship with Ontario's doctors. It's time for the government of Ontario to truly put patients first and to adequately fund the growth in the health care system.

Of course, the decisions that Ontario makes today will impact patient care for many years to come. Thank you.

The Chair (Mr. Peter Z. Milczyn): Thank you, Dr. Walley—right on 10 minutes.

Mr. Barrett, you have up to five minutes.

Mr. Toby Barrett: The horse is out of the barn on Bill 41. We voted against that one. But we go into the stage now of yet another reorganization. We saw that film before in the 1980s with the district health council system. I was involved in that system, and it didn't really achieve the goals of coordination. One of the goals here is integration.

We're starting at a base, now, of 39% of expenditures goes to bureaucracy. You're suggesting the new sub-LHINs and LHINs would probably enhance that. We see in the Ministry of Health itself, they have 18 assistant deputy ministers. I'm not aware of any restructuring or reorganization at the ministry level itself, at the top.

This is going forward. What advice do you have to try to head off some of this at the pass? I feel the minister is trying to do his best with this most recent reorganization, but what can we do best to funnel the massive amount of resources in the ministry through people like you and our hospitals to patients?

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Dr. Virginia Walley: I think the long and the short of it is that we need to get back to the table. We need to negotiate an agreement. We need to return to partnering the way physicians have partnered with governments of the time in years past. We have a long history of working co-operatively with the government in power, making the changes that are appropriate for best patient care.

It does truly concern us, though, the weight of the bureaucracy in our system. As I understand it, we have, for instance, eight times as much administrative overhead, bureaucracy and bureaucrats administering the system as Germany does with a similar size system. That's got to worry all of us, that those resources are being dedicated not to front-line care of patients but to overly complicated and bureaucratic oversight.

Mr. Toby Barrett: My colleague has a question as well.

Mr. Victor Fedeli: Thank you very much for your presentation. May I, Chair?

The Chair (Mr. Peter Z. Milczyn): Yes, Mr. Fedeli.

Mr. Victor Fedeli: You were talking about some seniors demographics. Do you have any more information than you just gave us? And if so, can you share that with our committee?

Dr. Virginia Walley: Absolutely, all kinds of projections provided by third parties. We'd be pleased to do so.

Mr. Victor Fedeli: We'll look for that information sort of hived out for us, if you don't mind. We're working on a white paper, basically, on demographics and the coming changes that will result from that.

What can you tell us about the red tape campaign?

Dr. Virginia Walley: Of all of the things that might readily be improved about our system in Ontario that in many respects don't involve more capital funding, more operating funding—if we could clear away some of the red tape that troubles physicians every day, and all health care workers, for that matter, we would go a long way to making our system more efficient.

I was at an event about 10 days ago now, and one of the physicians came in late to the meeting. He apologized; he had spent the entire day trying to get patients in his practice placed in long-term care in various facilities. He had worked all day on the phone trying to get his patients situated in the right place around the system. He told us that there was not a single bill that he was going to submit for that, there was not a single fee that any of that work would be—he spent the entire day just trying to help patients navigate around the system. It just should not be that hard.

Mr. Victor Fedeli: Do you think the creation of 70-odd sub-LHINs will come at the expense of front-line health care?

Dr. Virginia Walley: We certainly worry about that, of course. Where exactly will those resources come from? I am sure there are administrators and bureaucrats of one type or another or support people—I can only imagine where the resources for those individuals are going to come from. They surely must have been front-line care prior to this.

The Chair (Mr. Peter Z. Milczyn): Thank you. That's the five minutes.

Thank you, Dr. Walley. If you do have written submissions you'd still like to provide us, you have until 5 p.m. on January 20.

Dr. Virginia Walley: Thank you very much.

ONTARIO HEALTH COALITION

The Chair (Mr. Peter Z. Milczyn): Our next witness is the Ontario Health Coalition. Good afternoon. You have up to 10 minutes for your presentation, following which there will be five minutes of questions from the NDP. As you begin, if you could please state your name for the official record.

Ms. Natalie Mehra: Sure. It's Natalie Mehra. I'm the executive director of the Ontario Health Coalition. Thank you for having us provide testimony today for the Ontario budget.

I'm going to focus my comments mainly—and we will provide a written submission that looks more broadly at the different sectors in the health system. But just because of the time limitation, I'm going to focus my comments particularly on Ontario hospitals, on hospital funding, and what's happening across the province.

This summer, my mother, whom I brought today for the first time to the Legislature, had the experience of going to the emergency department at the Smiths Falls hospital after a nasty run-in while swimming with some razor-sharp zebra mussels. We arrived at 3 p.m. We saw the triage nurse after two hours, and we saw the doctor after 8:30 p.m., five and a half hours after arriving.

According to Ontario's Auditor General in her most recent report, we were lucky. In fact, the minority of patients visiting emergency departments are getting admitted into hospital beds, even ICUs, according to the government's targets. In fact, up to 90% of patients are waiting up to 27 hours for admission into ICUs, or up to 35 hours for admission into acute care beds, according to the Auditor General's report.

This year, there has finally been some movement on public hospital funding. Global funding increases for hospitals announced in the Ontario budget were less than 1% for hospitals across the board. This is far below the consumer rate of inflation, which is reported at 2.1%, according to Statistics Canada, from October 2015 to October 2016. This follows four consecutive years of zero per cent funding increases, and it's the ninth year in a row of real-dollar hospital cuts, meaning that hospital global funding levels have not matched the rate of inflation—just even the rate of inflation—for almost a decade now in Ontario, the longest period of hospital cuts that we have seen in modern history in this province.

Despite all government claims that make it look like all hospitals were receiving a 2% increase this year, the fact is that only a minority of hospitals, usually the larger hospitals, those in high-growth areas and with the most highly specialized services, got the 2.1% funding increase in this year's budget. Even so, for those hospitals, that rate is not enough to meet their population growth and inflationary costs.

So at the same time as implementing a decade of real-dollar funding cuts, Ontario's government has changed the hospital funding formula, moving away from global budgets to particular envelopes of money that benefit particular populations, at the cost of the rest of the population. The funding formula changes have forced the dismantling of community hospitals as we know them, forcing specialization and centralization of care into fewer locations, with patients forced to travel further for services.

In the economic statement this fall, the government announced an additional $140 million for public hospitals. According to the government, this increases hospital funding to 3% this year; however, closer scrutiny reveals that only a minority of the hospitals will receive the 3% of funding. Most of the hospitals will get 2%, matching only the inflation rate for this year. The bottom line is that, after a decade of real-dollar funding cuts for Ontario hospitals, at the end of this year, including the fall financial statement announcement of new dollars, hospitals now will receive funding for this year only at the rate of inflation. That does not include population growth or aging.

So while we're extremely pleased—and I don't want to understate that—to see the government moving away from the real-dollar funding cuts for hospitals, we are concerned still that there remains no plan to fund Ontario's hospitals to meet population need for services. The actual levels that are needed are laid out by the Financial Accountability Office of Ontario, which calculated that to meet inflation, aging of population and growth, health spending requires a 5.2% inflator. That's from the spring 2016 report. Given the losses over the last decade and the deep hole that many local hospitals find themselves in, Ontario needs a real plan to restore financial stability and reasonable and safe levels of service in our public hospitals.

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We have come before this committee every year for almost a decade now to bring evidence of the consequences of the hospital cuts across the province. We have tracked those cuts. Interestingly, the Ministry of Health in Ontario does not track the cuts that are a result of the government's fiscal policy in this province. Interestingly, the government of Ontario does not require that hospitals reduce their levels of occupancy to safe levels of occupancy.

Even according to the Auditor General's report that was recently released, the majority of Ontario's large hospitals are running at levels of over-capacity, overcrowding, that are unsafe. In fact, what the Auditor General found was shocking. She described a situation in which their audit team found hospitals with patients waiting on stretchers or gurneys for beds. Bed occupancy rates higher than the safe level of 85% are contributing to the likelihood of infection. Sepsis rates in Ontario, which is a potentially deadly infection, in 2015 were the second-highest in Canada, following only the Yukon.

She found that in the 90th percentile of patients, the wait time was 23 hours, not eight hours, for transfer to ICU beds, and 37 hours for transfer to other acute care wards. This is because hospitals have cut so many beds that there are no beds available to admit patients into, and the emergency departments are backlogged. She found that the underfunding of hospitals was resulting in frequent "unplanned operating room closures." Forty-five per cent of large hospitals have one or more ORs closed due to funding constraints.

Wait-lists for elective surgeries have shown no improvement in the last five years, she found. Fifty-eight per cent of hospitals ran out of money for some types of surgeries and had to defer them to the next fiscal year last year. Patients with traumatic brain injury and acute appendicitis were waiting more than 20 hours—could you imagine the pain of acute appendicitis?—in emergency departments for emergency surgeries.

The surgeries that are not being done to meet the wait times for the very most urgent patients, according to Ontario's Auditor General: neurosurgery, oral and dental, thoracic, vascular, orthopedic, gynecologic, ophthalmic and cancer.

All of this is just to give the picture that Ontario's hospitals are in a crisis, that Ontario's government must plan—this requires a fiscal policy—to provide enough funding to meet population need for public hospital services in this province. It's not just a requirement for compassion; it's a requirement of the Canada Health Act that all provinces have an obligation to.

Moreover, our government must ensure that money actually goes to care. I echo the comments of our colleague Virginia Walley from the OMA earlier that there is a serious problem of money actually getting to care.

I wanted to highlight—but I think I'm going to run out of time—the extraordinary costs of restructuring in Ontario. The Ministry of Health does not measure or try to contain hospital overcrowding. It does not measure the cuts that are being incurred in hospitals all over the province. It does not measure restructuring costs that flow from its requirements that hospitals restructure services across the province. Basic planning functions to ensure that money actually makes it from the ministry into patient care are not happening today, and that has to be part of the plan to fund hospitals to meet population need.

The Chair (Mr. Peter Z. Milczyn): Thank you very much. Ms. Fife, you have up to five minutes.

Ms. Catherine Fife: Thank you, Natalie, for coming in. Sometimes I feel like it's Groundhog Day for you, except you do have new information today. You have new information from the Auditor General.

I don't know if you were watching question period this morning—specifically on the patients discharged from Ontario hospitals with high incidence of sepsis—but, quoting from the Auditor General's report, we raised the issue of bed occupancy rates of 85% or higher contributing to the likelihood of infection while in hospitals during 2015-16. Sixty per cent of all medicine wards in Ontario's large community hospitals had occupancy rates higher than 85%. You referenced that.

The Minister of Health, this morning, expressed no concern over this. In fact, he called us out on dressing down the hospital system and the health care system in the province of Ontario. He called us out on using the stat as, just as you pointed out, saying that there's a crisis in health care.

Do you think that the people of this province understand how poorly run the health care system is? Because as an MPP, I hear versions of this every single day.

Ms. Natalie Mehra: Absolutely. I was disturbed to read the Auditor General's report. The ministry's response to what are clearly systemic indicators of real funding problems and real problems in capacity took no ownership and provided not one concrete measure to actually improve the situation. That's a problem.

I do believe that Ontarians are furious about the cuts to their local hospitals, about the amount of money that isn't going to care. They're our hospitals. People in Ontario believe that the hospitals belong to them. They've been fundraising for them for 100 years. To see them cut—

Ms. Catherine Fife: Yes, and it's interesting that you raise the fundraising point, Natalie, because I got a fundraising letter from Grand River Hospital. This is a call-out to the members of the community, asking for "$30, $50 or whatever amount you can," so that they can bring more emergency physicians to Grand River Hospital. This is the first time that I've seen a hospital fundraising for staff; they fundraise for special medical equipment or wings or a children's library. Have you ever heard of a hospital in the province of Ontario fundraising for an emergency room resident?

Ms. Natalie Mehra: No. That is a really dangerous, slippery slope. The idea of paying taxes is that we pool our money, according to our income, and provide services based on need. If richer communities are able to out-fund smaller communities—this is already a problem for community doctors, but now for hospital doctors? I think (1) it would be hugely inflationary, and (2) it will just exacerbate inequities.

Ms. Catherine Fife: I did raise this with the minister. He said that Grand River is doing a great job. But you're addressing the very issues of equity and inclusivity, really, which will undermine a universal health care system.

Just to connect with the previous presentation, when you hear that 39% of funding that's going into health care is now going towards administration and bureaucracy—and now, even, they're doubling down on bureaucracy. With Bill 41, they've opened the door for privatization to the LHINs. That door had been closed—not open to CCACs. But now, for LHINs, they can privatize and they can outsource in a very aggressive way.

Do you have any concerns about where the money is going? Since 2004, it was $11.3 billion for hospitals. They will point to the fact that there's $17.4 billion, but it's where that money is going.

Ms. Natalie Mehra: But in fairness, Ontario's hospitals are funded at the lowest rate per capita of any province in the country. So just to give large numbers sounds large, but on a per person basis, we have the lowest funding per capita. We're in the bottom third of funding as a percentage of GDP. We have the fewest hospital beds, the fewest nurses. By every reasonable measure, we're at the bottom of the country. So the funding levels are not too high by any means.

That said, obviously, there is a real concern that within hospitals, the executive salaries are too high, that too much time is going into bean counting that means nothing, that despite all the targets that are being set, most of them aren't being met. If you go through report after report of the Auditor General, the LHIN accountability agreements, the LHIN dashboards—there are literally thousands of reports that are generated that come across my desk, and in almost all of them, the majority of the targets aren't being met.

It raises the question: What use are these targets? The bottom line is, the hospitals aren't funded enough to meet those targets and the money isn't going to care.

Ms. Catherine Fife: I agree. Thank you, Natalie. And welcome to your mom.

The Chair (Mr. Peter Z. Milczyn): Thank you. That's the five minutes for questions and answers. If you have a further written submission you'd like to provide to us, you have until 5 p.m. on January 20.

WATERLOO REGION SUICIDE PREVENTION COUNCIL

The Chair (Mr. Peter Z. Milczyn): Our next witness is the Waterloo Region Suicide Prevention Council. Good afternoon.

Ms. Tana Nash: Good afternoon.

The Chair (Mr. Peter Z. Milczyn): You have up to 10 minutes for your presentation, following which there will be five minutes of questions from the government side. As you begin, if you could please state your name for the official record.

Ms. Tana Nash: Good afternoon. Thank you for the opportunity to speak. My name is Tana Nash, and I have the honour of presenting here today on behalf of the Waterloo Region Suicide Prevention Council; our community; the developer of the group I'm going to speak about, Dr. Yvonne Bergmans; the many facilitators and folks passionate about this group, including the many suicide attempt survivors and individuals struggling with suicidal ideation who have benefited from this program.

1450

I'm going to share with you an important intervention for individuals with recurrent suicide attempts and suicidal ideation that is making a great impact both for individuals and the health care system. Although an adult version of this program exists, I'm going to speak specifically about the recent pilot program that Waterloo region offered youth ages 14 to 16 while offering a concurrent parent group.

The Skills for Safer Living group strongly matches goal number 3 of Open Minds, Healthy Minds, Ontario's Comprehensive Mental Health and Addictions Strategy: to "identify mental health and addictions problems early and intervene." It is through early prevention and intervention work that we can make the most impact.

Additionally, the recent Auditor General's report identified that since 2008, the number of families who must resort to bringing their children to emergency rooms to get help for mental health problems has increased more than 50%. We know that only approximately one third of those who present in the hospital will actually get admitted, so where will they go for help?

Let me introduce you to the Skills for Safer Living program. Initially, it was developed as a 20-week psychosocial and psychoeducational group for individuals with recurrent suicide attempts. We now also provide these groups for individuals who haven't attempted suicide but are struggling. This program was developed right here in Toronto at St. Michael's Hospital, under the guidance of Dr. Yvonne Bergmans, and has been running since 1999 with great success, yet it is currently only available in four regions across this province: in Toronto, Waterloo region and Barrie, and Hamilton just developed and began their first group this year.

Waterloo Region Suicide Prevention Council advocated and secured funding for this group, which began over five years ago, and now has sustainable funding from our local LHIN for the adult group, and also a group specifically for post-secondary students. An ideation group for adults who have not attempted also runs, but it is financially supported by a local independent furniture store—that's right: a furniture store. Although he is a leader in our region for mental health and it speaks to involving the business sector in our efforts to advance mental health and addictions support, it also demonstrates the lack of funding for necessary programs.

With some seed funding from the Ministry of Child and Youth Services, we were able to pilot this group for ages 14 to 16, which also included some mature 13-year-olds and also included an accompanying parent group. This group, however, does not have sustainable funding, and it is my goal to find this funding for Waterloo region so that youth have access to this important group.

The focus of the group is on living, and it has five key goals:

—provide education and emotional support;

—decrease duration, intensity and frequency of crisis episodes;

—offer the opportunity to develop skills to live life more safely through crisis de-escalation, emotional literacy, problem-solving and relationship management;

—provide an opportunity to generate a sense of hope for living; and

—develop a language to communicate distress.

When I think about that last one and how important that is—if a youth presents in the ED with physical health problems but is unable to express what they are feeling, we have many diagnostic tools to ascertain what that issue is; we don't need the emotional language. But we know that there is no x-ray for mental health, so we need to help to improve and increase this language so that we can communicate distress.

The group uses a multitude of tools that really teach individuals how to keep safer and increase their emotional literacy, problem-solving and interpersonal relationships. They will learn key phrases which become mantras like, "A thought is just a thought. A thought can't kill you." I'm very passionate about this intervention because it teaches new coping strategies. We are not born with these strategies; we must learn them.

It works. In Waterloo region, in the adult group, we've had over 160 individuals go through this group, with an average number of suicide attempts of seven per person—that's seven per individual. The research shows us that the number one indicator of a suicide death is a suicide attempt. To date, we have not lost one of those 160 individuals to suicide. We know that one day we will, because we're dealing with a high-risk population, but that doesn't mean we don't do something about it.

I often think about this and liken it to the cardiac care system that we have in this province. This week marked the sixth anniversary of my husband's open-heart surgery. To me, the intervention was that they went in and replaced his heart valve. We gave him a new heart valve. But what did he get after that? He received 20 weeks of care and he received nutrition counselling, depression screening and 60 visits to supervised cardio care. Imagine if we could do this with mental health care. The intervention is, "I need help," but what tools are we providing them? Imagine if this program was offered to the 3,391 youth who present in Ontario emergency rooms each year with intentional self-harm.

In our pilot group, our youth provided comments such as these: "A thought won't kill you, feelings won't kill you, but behaviour could. That really stuck with me. It stained my mind. I think about it every time I am distressed: Hold on for another hour or two and I will feel better. Feelings will pass. This has probably saved my life a few times."

Or another youth: "My thoughts of suicide and self-harm are less frequent, more rare. When I have thoughts, they are not as heavy and last a shorter time. I am using strategies to deal with them."

Parents had comments like this: "I am aware that it is about feelings and not about acting out or attention-seeking."

A father said: "Before, I was very uncomfortable with the concept of suicidality and self-injury and how our son was dealing with it. Now I have a more complete understanding of the self-harm continuum. We see that it is a process that will have to be worked on. This is not a quick solution. There is no pill."

In Ontario, 86% of intentional injury deaths in 2010 were due to suicide and self-harm. More than half of all direct health care costs for intentional injuries were focused on suicide or self-harm by poisoning such as drugs or alcohol, and it cost the province $895 million. The estimated cost of just one suicide attempt ranges from $33,000 to $308,000. The aggregate cost of a suicidal death can range from $433,000 to over $4 million.

I want you to think about those numbers and now think about this: With this incredible program that I just told you about, the approximate cost to run this for one individual is just $3,300—$3,300; that's it. We know that what we're seeing is a reduction in repeats to the hospital. We just heard about the hospital and how tapped it is. It is a group that is making an impact in people's lives but it also fiscally makes sense.

I wore my T-shirt today. It's youth in our community in Waterloo region who developed these T-shirts: "My Life Matters."

I'd like to end by saying that my life matters, your life matters, but our youth's lives matter. The quote on the back that the youth picked out says: "Courage does not always roar; sometimes courage is the quiet voice at the end of the night saying 'I will try again tomorrow.'"

Let us give our youth an opportunity to try again tomorrow.

The Chair (Mr. Peter Z. Milczyn): Thank you, Ms. Nash. We have five minutes of questions from the government side: Mr. Rinaldi.

Mr. Lou Rinaldi: Thank you, Ms. Nash, for being here, first of all. Thank you for your passionate submission. Your passion shows. Thank you for what you do.

Ms. Tana Nash: Thank you.

Mr. Lou Rinaldi: Mental health has so many different faces. I'm not an expert; it's just what I experience from doing what I do through our constituency.

You would know, obviously, being involved as you are, that since 2003 there was over $500 million invested—additional money—to deal with mental health, and it's not enough. I want to preface it by saying that. The primary focus, phase 1, of our strategy was to provide some 50,000 additional children and youth access to mental health services, like what you're trying to do.

Can you speak a little bit about some of the services available to you in your region that these additional funds—obviously you were successful in getting some funds to operate. Can you tell us what kind of impact that had in your community?

Ms. Tana Nash: Certainly we also have many organizations that offer youth mental health services, but what ends up happening is that the wait-lists are long to access services. With the Auditor General's report, unfortunately—because they can't access services, in crisis we see folks going to the emergency room.

1500

Yes, I know there is more money, but when we look at the percentages, only 7% of our health care dollars are allocated to mental health, and yet, if we look around the room, we can just do the numbers and know how many people in this room today are struggling with mental health issues, right? So the balance is out of whack still.

I love this program as well because we've built it into the community. Even though here in Toronto it was put in as a hospital group, in Waterloo region we took it out of the hospital and put it into the community so that we can get more people out of hospital and into community programs. Emotional care, when you think about it too—our hospital systems are set up for physical care. When you think about that physical care, it's fast-paced, it's loud and it's noisy. Emotional care is, "Can I get you a cup of tea and a blanket?" Our hospitals aren't set up that way. We need to get, I think, mental health out of the hospital and into community programs that can wrap you in care. Sometimes it's just about those caring community connections.

Unfortunately, I haven't seen as much of the impact as we would like to see from those dollars.

Mr. Lou Rinaldi: You would know better than I would, but from the little experience I have doing what I do each and every day, mental health has so many different faces. You would agree to that?

Ms. Tana Nash: For sure.

Mr. Lou Rinaldi: So how do we try to encapsulate that in trying to service more folks or how do we get that expertise out there? The other piece is that sometimes one of the things I find is that—I don't want to use the words, "It's too late," but how do we source folks with mental health?

I put my rural Ontario lens on, where folks are on a fifth concession, remotely located, and first of all, sometimes they're too proud to admit what they might have. How do we try to provide service to those folks, or how do we find these folks who are stuck somewhere? I think it's more prevalent in rural Ontario. That's just my thoughts, without any statistics behind it.

Ms. Tana Nash: You kind of asked me two questions in there. I'm going to go back to the earlier one because I think this was a really important question. I really think that this isn't just a health issue; this is a community issue. I can look to the whole province of Ontario and look at all the portfolios that the ministers have and the role that it can play, and I'm going to call it low-hanging fruit, low-cost solutions, to make impact.

For example, in the Ministry of Sport, in this country you need to have CPR and first aid if you want to be a level 1 coach. Well, why don't we have mental health first aid and suicide prevention as mandated? Those are things that individuals must pay for.

I think about the workplace. We look at the work that we've done with health and safety. It really was focused on safety to help reduce physical injuries, but imagine if we all had to do some kind of module on stress. What does stress look like? What does that look like? So many people in our workplaces must be, again, mandated in first aid and CPR, but do you know what? We're a brain-based economy now. Our work comes from here up, and we're not doing checkups from the neck up.

If you looked at every single ministerial portfolio and think about the role we could play, just even in training and increased education so we could help people have conversations—look what happened with first aid and CPR. We taught it in the workplace; the majority of folks use it at home with their loved ones. So if we actually taught people—

The Chair (Mr. Peter Z. Milczyn): Thank you, Ms. Nash. That's all of our time today. It's never enough.

Ms. Tana Nash: No, it's never enough. I could go on and on.

The Chair (Mr. Peter Z. Milczyn): If you have further written submissions, you have until 5 p.m. on January 20.

Ms. Tana Nash: You already have them.

The Chair (Mr. Peter Z. Milczyn): Thank you very much.

Ms. Tana Nash: Thank you.

ONTARIO ORAL HEALTH ALLIANCE

The Chair (Mr. Peter Z. Milczyn): Our next witness is the Ontario Oral Health Alliance. You have up to 10 minutes for your presentation, following which there will be five minutes of questions from the official opposition. Before you begin, if you could state your name for the official record.

Before you do that, I note for members that the House debate collapsed, and proceedings are suspended until 3:20. The Clerk will advise if and when any votes are coming up, and then we would recess briefly to allow people to participate in any votes.

Sorry about that. Please begin.

Ms. Jacquie Maund: Good afternoon. My name is Jacquie Maund. I work at the Association of Ontario Health Centres. I'm going to speak to you about a health issue as well: access to oral health.

Our members include 107 community health centres, aboriginal health access centres and others around the province that have a particular mandate to serve people who have barriers accessing health care. Many of these are low-income people. They can't necessarily afford to see a dentist.

As health providers, our members see first-hand the impact that that has on people. They know that when they cannot take care of their oral health, they're at greater risk of diabetes, pneumonia, cardiovascular disease or respiratory disease. Some 22 of our member health centres actually do have dental clinics, so they also see the benefits when people can access oral health care.

On the front of our presentation we've included a picture of a woman in Kingston who, through an inherited gum disease, was losing her teeth. She was having great difficulty supporting her family and was not able to get a job in the retail sector, but she became connected to the Kingston Community Health Centres, and, through an arrangement with a local dentist, she was able to get her teeth fixed. She is now working and able to support her family.

This woman, Chantal Robinson, is someone who fell through the gaps in Ontario's very fragmented patchwork of public dental programs. We have nothing in Ontario—no public dental programs—for low-income adults and seniors. We have some programs for people on social assistance which are not adequate—I won't go into that—and we also have a program called Healthy Smiles Ontario for children in very low-income families, but we have nothing for adults and seniors.

We looked at some research done by the College of Dental Hygienists of Ontario which showed that in fact there are an estimated two to three million people in Ontario—children and adults—who have not visited a dentist's office in the past year. The main barrier is cost.

We then looked at some further data to see where these people go when they're in dental pain or they have abscesses. Where do they go if they can't afford to see the dentist? We found that many of them are going to hospital emergency rooms. In fact, every year there are about 61,000 visits to hospital emergency rooms because of dental pain and abscess. That's the equivalent of every nine minutes. So in the time it takes me to give this presentation, one person around the province will have gone to a hospital emergency room for a dental emergency. They are also going to doctors' offices. There are about 218,000 visits per year to doctors' offices for oral health problems. In both of these cases, they cannot receive treatment; there are not dentists there to deal with dental issues.

We estimated the cost of these visits to our health care system. We estimate that at least $38 million is being spent every year in the health care system for physicians to tell their patients that they have an oral health problem that they cannot treat.

We were heartened in the 2014 budget—speaking now on behalf of the Ontario Oral Health Alliance, of which we are an active member. The 2014 budget promised that the Ontario government would extend public dental programs to low-income adults by 2025, but we have not seen any progress on that promise. People in pain cannot wait another nine years to have their teeth and gums addressed.

There have been some positive developments in the South East Local Health Integration Network, where the LHIN in that area—the Smiths Falls, Belleville and Kingston area—has provided some funding to five community health centres that do have dental suites, to allow them to see low-income adults and seniors.

I've included some information from one of those sites, where they have tracked the impact of that money. They're seeing a 234% return on the investment from the LHIN. For every $1 that the LHIN is investing in their program, they're seeing $2.34 of savings in the health care system through people not going to the ER and through the provision of a cost-efficient service from a salaried dental professional versus the private fee-per-service dental system. So there are some very positive impacts in that community of Tweed and southern Ontario.

What we're asking for in this budget is a $10-million investment in 2017 for the first phase of a broader provincial program that would provide access to oral health for low-income adults and seniors. We're asking that those funds flow through to community health centres, aboriginal health access centres and public health units that have dental infrastructure. The government has already invested in public dental infrastructure; it's not being fully used. We're asking for $10 million to begin a broader program that would ensure access for vulnerable adults and seniors who, in many other cases, are ending up in emergency rooms and in doctors' offices.

The Chair (Mr. Peter Z. Milczyn): Thank you very much. We now have five minutes of questions from the official opposition. Mr. Barrett?

Mr. Toby Barrett: Just very quickly: I represent rural, small-town Ontario. We have dentists—not so much separate clinics. I don't think our public health unit has dental chairs in it. Is that the model you're looking at—to build a whole other system and hire dentists and put in dental equipment, separate from the small-town dentist?

1510

Ms. Jacquie Maund: We're saying there should be a mixed model of care. The vast majority of dental infrastructure in the province is in the private sector. But we're saying, for low-income, vulnerable people, what the literature shows is that they are much more comfortable in public clinics, where they're valued, where they're respected. We know that many private dentists are frustrated dealing with people who are perhaps homeless, who have language barriers, who can't always make it to appointments because their lives are so complicated. They may not be able to afford transportation costs. So we're saying, for community health centres, aboriginal health access centres that are already serving many of these vulnerable people, providing health care, allow them to provide the dental care as part of the circle of care that they need. That's our expertise. Allow us to serve that population.

People who have access to dental insurance can use the private system, but for low-income people or people who have barriers accessing health care, the public dental clinics are set up to provide that wraparound care and supports that they need.

Mr. Toby Barrett: Are dentists refusing to treat these patients?

Ms. Jacquie Maund: In many cases, yes. There are communities where private dentists are refusing to participate in public programs. In the Niagara area, in Port Colborne, there are no dentists who will accept patients on social assistance. In some communities, there are no dentists who will accept patients on Healthy Smiles Ontario. So one cannot rely solely on private dentists to deliver public dental programs. That's the other piece of the picture.

Mr. Toby Barrett: My colleague has a question.

The Chair (Mr. Peter Z. Milczyn): Mr. Fedeli.

Mr. Victor Fedeli: It's interesting to hear Mr. Barrett's approach that he takes from where he lives. And then I'm going to tell you about what we do in Nipissing, where I live, which will just point out the fact that there's no consistency across the board. Maybe that's an area we should be looking at.

I recall when I sat on our health unit, we built a dental suite. We have a dentist. We have dental assistants who clean teeth. We have the full suite—it looks just like a dentist's facility—for the low-income and the vulnerable. That's the difference between your asking, "Are you wanting that?" and me saying, "We have that."

You talked about dentists refusing social assistance patients. I know that as I have travelled and talked to the dentists, they tell us their reason—I'm just repeating what they say—is that too many of them don't show up for their appointments, and they have a hole and their revenue doesn't pan out to be able to cover their expenses, which would be the further stretch of the story.

So maybe the one thing we should be looking at is some kind of consistency. I didn't know there was not that consistency. Are you aware that some have it and some don't?

Ms. Jacquie Maund: Yes. There are not public dental suites all around the province. But what we're saying is, where there are dental suites—I speak in particular on behalf of the 22 community health centres and the aboriginal health access centres—let's make full use of those dental suites, as well as in the public health units, so that they can extend their services and see low-income adults and seniors.

Mr. Victor Fedeli: Wouldn't a good start be to see that all of the public health units are at the same level with dentistry? Would that be a good start?

Ms. Jacquie Maund: Definitely.

Mr. Victor Fedeli: I honestly did not know that it wasn't like that.

Mr. Toby Barrett: Who pays for the service? I don't mean ODSP. Who pays the—

Ms. Jacquie Maund: This would be a public program, so Healthy Smiles Ontario—

Mr. Toby Barrett: Oh, government money pays for it.

Ms. Jacquie Maund: That's right. What I just indicated is, we're paying right now anyway. We're paying at least $38 million through the health care system when people turn up at doctors' offices and ERs and they get absolutely no treatment. It's a waste of public money. Let's redirect some of that money and start to extend services to low-income people so that they get the care that they need to be, just like Chantal, active members of society, able to interact, able to get work and able to be healthy.

Mr. Victor Fedeli: Where can we find a list of which public health units provide this level of service and which have yet to achieve that? Is there such a thing as a list out there, and could you provide that for us?

Ms. Jacquie Maund: We started to do that research this summer. It's not complete, but I'd be happy to connect back with you.

Mr. Victor Fedeli: We would need that, at the level that you're at, by January 20. Anything after that won't make the report. I would appreciate it.

Ms. Jacquie Maund: Okay. We'll talk to the public health association as well.

Mr. Victor Fedeli: Thank you.

The Chair (Mr. Peter Z. Milczyn): That's all of our time for today. Thank you.

As Mr. Fedeli did say, you have until 5 p.m. on January 20 to provide us with additional information.

CLASS 1 INC.

The Chair (Mr. Peter Z. Milczyn): Our next witness is Class 1 Inc.

Mr. Barry Hunt: Good afternoon, everyone. Barry Hunt from Class 1 Inc. It seems to be a Waterloo region day here. Two of your last three speakers are from Waterloo region. So am I and it's probably no surprise I'm here to talk to you about technology, a lot of it developed in Waterloo region, a lot of it here in Ontario, and technology applied to health care.

Hospital-acquired infections are the third leading cause of death in Canada and the number one preventable death in Canada, in Ontario and in much of the developed world. Canada has the worst record for hospital-acquired infections of all developed countries, and double the rate of the US. We also have, coincidentally, developed the most advanced technology to actually combat this problem. We could be world leaders in deploying new, innovative, Star Wars-type technology—developed here in Canada, much of it in Ontario, much of it in Waterloo region—to take us from dead last in developed countries to first place in the world, and to save both lives and valuable health care dollars in the process.

This year, 200,000 Canadians will develop an infection from the very hospital they go to for treatment; 8,000 to 10,000 will die. That's one preventable death in Canadian hospitals every single hour of every single day. Forty per cent of these patients are right here in Ontario. That's 76,000 infections and 3,800 preventable deaths every single year. We can't allow this to continue.

The estimated average cost for HAI treatment in Canada is $20,000 per case. Here in Toronto and here in Ontario, it's $38,000 to treat each case of C. diff. The total cost of treatment for hospital infections, from the hospital itself, here in Ontario, is roughly $1.5 billion out of our health care system every year. Prevention through technology deployment will cost a mere fraction and could return more than $1 billion annually to health care.

We're currently building new hospitals here in Ontario with single-patient rooms and private bathrooms, and when we do that, our infection rate is 45% lower. Unfortunately, most of the hospitals that we have here in the province have semis and wards and they have shared bathrooms. It would take 50 years and $50 billion to replace the remaining 25,000 hospital beds in Ontario with single-patient rooms. We can't wait 50 years or spend $50 billion, but we can deploy technology and we can get not just a 45% reduction but we can get an 80% or 85% reduction in our infections.

Today we're in a global race in technology, and infection prevention is no exception. In just three years, 1,000 US hospitals have already deployed 1,200 mobile UV disinfection units in their hospitals to disinfect rooms between patients. In Canada, we have 12. In Ontario, we have six. In Ontario, we need a minimum of 300 of these units across our 160 hospitals.

This year, the CDC and the American society of hospital engineers announced a three-year joint project across 200 US hospitals to engineer the elimination of air and water sources of disease transmission in hospitals. In Ontario, we already have this technology developed, but we don't have funding and we don't have a program to implement it. This same year, in June, the association of professionals in infection prevention called for the elimination of the environmental sources of disease transmission in hospitals—air, water and surfaces—within five years, using research, automation and technology. In Ontario, we have already developed the technology but we don't have the funding and the program to implement it.

This year, at the national college of health care leaders' annual conference in June, the Honourable Dr. Jane Philpott, federal Minister of Health, stated, "In Canada, innovation is strong but implementation is weak. Deploy innovation now." Again, in Ontario, we have the technology; we don't have the funding and the plan to implement it.

In April of this year, the Honourable Minister of Health, Dr. Eric Hoskins, reviewed engineered infection prevention technologies and indicated his support for this approach. The Ministry of Health and Long-Term Care capital equipment branch has received briefings. They are supportive of deploying this technology in new builds. Unfortunately, most of the hospitals in the province exist already and most have semis and wards and shared bathrooms. We have the technology. We need the funding and a plan to implement it.

Last year, I presented a budget proposal. Unfortunately, it didn't get reviewed in time for last year's budget. It's a competitive world; we've lost a year to other countries, now. We don't want them to catch up. We have a head start here with technology solutions. Other countries are struggling to find those solutions. The cat's now out of the bag. Engineered infection prevention that we started here in Ontario was just named a top 10 world patient safety innovation by the Patient Safety Movement. That's a California-based global initiative. We are already starting to ship engineered infection prevention solutions south of the border.

1520

There are about a dozen of these technologies; I'd just like to discuss three. Number one is the bathrooms in the hospitals. Infection rates are very high when you have shared bathrooms. We can eliminate that, essentially, by putting in technology that automatically disinfects bathrooms every time somebody goes in and out.

We have a hospital in BC, the Lions Gate Hospital, where they had 10 shared bathrooms supporting 120 patients. They took their C. diff cases from 13 to 15 a month down to one. Their annual savings is somewhere between $400,000 and $5 million, depending on who does the accounting for the system. Their total investment was only $25,000.

We have new CP-CRE pathogens coming from sink and shower drains. It's an exponential growth rate all across the world, and Ontario is no exception. We have six hospitals here in Ontario right now that are under outbreak of CP-CREs. Those are bathroom bugs that we can treat with technology.

We have mobile UV patient room disinfection. The 1,200 units that are deployed in the States take 45 minutes to an hour to disinfect a room. We have Canadian technology that would disinfect an entire patient room in five minutes, and we haven't deployed it at a very high level yet.

Our position is that every hospital needs to have at least one set of these machines, so that they can manage and control their own outbreaks and prevent outbreaks. They need to have at least one per 100 patients, so that they can disinfect patient rooms in between cases. Every person who comes into a hospital room deserves the opportunity to go into a disinfected room.

We have a new technology that's just being launched, and that's auto UV disinfection for a patient room, where a patient can push a button and literally disinfect her own room. That's a world first, a game-changing system. She can disinfect her own room five, 10 times a day if she would like. That's something we need to roll out. To maintain our global technology lead, we need to implement that in some key early adopter hospitals in Ontario.

I'm asking for six things of the budget committee:

—mobile UV disinfection for every single hospital, to manage their outbreaks;

—automatic UV bathroom disinfection for every single hospital in Ontario, every single bathroom;

—the early adopter rollout of patient-initiated room disinfection;

—support for CSA health care standards. Right now, you have to buy a CSA standard for $100. It costs $100 to process a purchase order. It makes no sense. CSA is limited in the number of standards they can produce. They want to produce two new infection prevention standards that would cover this category, but they need funding for it. We would like to make CSA standards universally accessible to all people in Ontario who work in health care, and we need funding for that;

—implementation trials for putting technologies together. We have Vancouver General Hospital participating in a large trial right now where they have essentially eliminated infections in the bone marrow transplant ward by combining all of these infection prevention technologies together—a 40% infection rate, down to zero, since August of last year;

—and finally, for new hospital builds, we would need to add about 1% to the capital cost of each hospital to build in all the technologies necessary to eliminate 80% of the routes of transmission of disease in the hospitals.

The Chair (Mr. Peter Z. Milczyn): Thank you very much. We have up to five minutes of questions from the NDP. Ms. Fife.

Ms. Catherine Fife: Thank you very much, Mr. Hunt, for coming in. I really do appreciate it. I know that the member from Cambridge also has toured your facility, has she not?

Mr. Barry Hunt: Yes, she has.

Ms. Catherine Fife: As have I, and I know that we're going to get our health care critic there as well.

Last year, you did put in a very well-informed, evidence-based submission, which you have done again this year, so I want to thank you for that. You did have a conversation with the Minister of Health. This is becoming a political barrier, because the economic and the financial case is there for infection prevention, both on the hospital budgets but on the overall health care budget, right?

When the federal member says that innovation is strong but implementation is weak, is this the same problem that we have right here in Ontario? Can you comment on that, please?

Mr. Barry Hunt: It's the same across the country. It's not just Ontario. I've seen this in the 35 years I've been in health care. I have tried to bring innovation and technology into health care, both when I worked for a hospital and when I've been developing systems and products for health care. It typically takes 17 years from innovation to implementation in Canada, and that's generally the rule. We're trying to shrink that down. I would like to see these programs rolled out over the course of three years rather than waiting 17 years.

But I've watched the US pick up MRI and CAT scans and PET scans and dialysis etc., and we're always lagging a decade behind. We have developed the technology right here. I would like us to be the leaders in the field.

Ms. Catherine Fife: Sure. I do want to say that I think this latest Auditor General's report does give you some more ammunition in that regard. Ontario has fairly high infections in our hospitals due to overcrowding. Technology can play a role in preventing that.

The issue of investing in innovation and ensuring that it comes into play in Ontario remains a challenge, I think, for this government. I know that Life Sciences Ontario and OBIO—all of these organizations are really trying to get the government to embrace our own research and our own innovation.

What recommendations can this committee make to the Minister of Health to ensure that we at least start to address hospital-based infections?

Mr. Barry Hunt: Funding is the number one thing. I've watched the UK over the last 10 years provide 2.5% of funding for their base hospital budgets for specific government initiatives. Separating that out so that you actually have funding available for certain things, I think, makes all the difference in the world.

I have watched the MRSA and VRE rates in the UK drop almost 80% over 10 years because of that funding that's available. To implement any new technology, you need the funds there to do it. It needs to be a specific program, I believe.

Ms. Catherine Fife: Absolutely. Last year, your application came a little bit late to the budget committee. Today, you're in the first day, really, of our full day.

I hope that with a $52-billion health care budget, which is not sustainable in the way that it's being implemented—I think that this is a smart investment. I want to thank you for coming all the way from Waterloo today and highlighting innovation and research in the province of Ontario, presenting it as a solution from a budgetary perspective but also from a quality-of-care perspective.

You mentioned that every infection costs $38,000; is that right?

Mr. Barry Hunt: It's $38,000 in Ontario for C. difficile infections, and that's the number one infection that we have to deal with.

Ms. Catherine Fife: What do you project as the overall savings if the province is proactive around implementing this technology in our hospitals? What do you foresee as possible savings?

Mr. Barry Hunt: The first two technologies that are listed there, mobile UV disinfection as well as automatic bathroom disinfection, should yield a return to health care of $1 billion.

Ms. Catherine Fife: Of $1 billion?

Mr. Barry Hunt: One billion dollars.

Ms. Catherine Fife: And your overall ask is?

Mr. Barry Hunt: It would be $30 million over a three-year period for one category and $40 million over a three-year period for the other.

Ms. Catherine Fife: Okay, so a total of $70 million over a three-year period of time, with a return of $1 billion.

Mr. Barry Hunt: Correct, $1 billion.

Ms. Catherine Fife: Thank you very much for coming in. We need all the help that we can get in the province of Ontario.

Mr. Barry Hunt: Thank you.

The Chair (Mr. Peter Z. Milczyn): Thank you, Mr. Hunt. If there is anything additional you want to provide to us, you have until 5 p.m. on January 20.

FIRSTONTARIO CREDIT UNION

The Chair (Mr. Peter Z. Milczyn): Our next witness is FirstOntario Credit Union. Good afternoon, sir. You have up to 10 minutes for your presentation, followed by five minutes of questions, this round from the government side.

As you begin, if you could please state your name for the official record.

Mr. Kelly Harris: My name is Kelly Harris. I'm vice-president, corporate and public affairs, with FirstOntario Credit Union.

Good afternoon, and merry Christmas. I would like to start by thanking the members of the committee and you, Mr. Chair, for inviting FirstOntario Credit Union to be here today. I'll be filing a copy of my submission once I have the opportunity to hear your questions and respond to them.

This is my fifth such appearance before this committee. Some faces have changed and some are the same—

Mr. Lou Rinaldi: Some just got older.

Mr. Kelly Harris: Myself included.

What has not changed is the desire of credit unions in Ontario to work with the government and our community partners to create a more prosperous province, one that respects the needs of Ontarians and provides the services necessary to meet those needs.

FirstOntario's roots are steel. Born from credit unions representing Hamilton steelworkers and St. Catharines autoworkers, we now cover the Golden Horseshoe, Niagara region and southwestern Ontario, and we are growing. Through the leadership of our CEO, Kelly McGiffin, FirstOntario has grown from a struggling institution eight years ago to the fastest-growing large credit union in Canada, with more than $4 billion in assets under administration. A big part of that growth is the direction of our senior leadership team and the hard work of staff at every level.

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Credit unions consistently perform as the top in customer service of all financial institutions in Canada, according to yearly Ipsos banking surveys. Of course, the people who use credit unions are not simply customers; they are members. They own the credit union. So we must act in ways that respect our members: We lend ethically, we invest ethically and we are ethical in how we treat our members and each other. That is why in 2016 the YWCA ranked FirstOntario the best place for women to work in Hamilton.

Another part of that growth is our work to establish, nurture and grow community partnerships. Those partnerships support the renaissance of the communities we serve. We are working to improve the economic lives in those communities—businesses and residents alike. People don't just want to live in a community; they want to live and experience all that the community has to offer. Whatever we can do to make the community stronger and a better place to live makes our credit union stronger.

We strive to be the catalyst to bring stronger community collaboration, whether through our partnerships in Hamilton with the FirstOntario Centre, the performing arts centre in St. Catharines or as partners in the Oakville Community Foundation's Vital Signs project, seeking ways to combat the root causes of poverty. FirstOntario is in the community, with every school breakfast our award-winning Blue Wave volunteer program serves, to every no-fee chequing account we sign up. FirstOntario understands that our success is directly tied to the community's success, not unlike the people in this room. So naturally, when communities we work and live in want to invest, they invest with us.

Sadly, barriers in legislation prevent that from happening. Many municipalities across Ontario require financial institutions they work with to have a bond rating. Having a bond rating would mean we invest in capital markets, meaning we send local money elsewhere, or overseas. Credit unions don't do that; we invest right here at home. In fact, a Canadian Credit Union Association survey found that for every $1 a credit union has to lend out of retained earnings, it's worth $10 in full lending locally. That means that if a credit union has $100 million in retained earnings to lend, they would have $1 billion to invest in the local economy: mortgages, car loans, school loans, and loans to start up and grow businesses.

Who do we invest in primarily on the business side? Well, according to the Canadian federation of small business, we have been the preferred lenders to small business in Canada for nine years running. How does that help? Well, Industry Canada statistics show that 77% of all private sector jobs in Canada are created by small and medium-sized business. So instead of local taxpayer dollars being invested locally to help create jobs locally and invest in community programs locally, because of legislative barriers, those dollars are sent overseas.

The same is true for Ontario students wanting to use their Ontario student loans to go to an Ontario post-secondary institution and administer them at an Ontario-regulated financial institution, but they can't. Only chartered federal banks can administer Ontario student loans. Do you know that federally chartered banks hold 96% of Ontarians' deposits? Surely they don't need the government's help getting the next generation's money too.

I could give you several examples of how credit unions do not have a level playing field when it comes to competing in the financial services sector to get you on my side, but the important thing to tell you is that I don't have to because you already agree with me. In February at the FirstOntario Business Centre in Hamilton, Minister of Finance Charles Sousa accepted a report by then-parliamentary assistant Laura Albanese that included a desire to open up municipalities, universities, schools and hospitals—or MUSH—sector access to credit unions. All three parties have expressed support for the work Ms. Albanese did in producing a credit union report, also supported by credit unions. The Ontario government, during the fall economic update, announced a number of changes supported in Ms. Albanese's report.

We are grateful that that work is done and we look forward to increased deposit insurance to equal the North American average for credit unions to become law. We are also excited at the prospect of owning insurance brokerages—something already allowed in progressive credit union jurisdictions in western Canada.

Today I am asking this committee to include direction to open up the MUSH sector for credit unions. Remove barriers for our system—your system—to work with all community organizations. We are not asking you to give us the business. Credit unions will earn the business; we just want to be free to compete for it. It will be good for credit unions, good for Ontario and good for our communities.

Here is what it will cost: nothing. Not a dollar, not a dime—only the commitment needed to truly level the playing field for financial institutions in Ontario.

Thank you. I think I have some time for questions.

The Chair (Mr. Peter Z. Milczyn): Thank you very much. This round of questions is the government side. Mr. Baker?

Mr. Yvan Baker: Thanks very much. It's good to see you again.

Mr. Kelly Harris: It's good to see you too.

Mr. Yvan Baker: You were referring to our colleague Laura Albanese. I remember Laura last year was one of those faces who was on this committee while she was working on that report. I used to sit right next to her, and she heard from me here and in other venues about credit unions quite a bit, because credit unions are something that my families have been members of over the years. Not yours, but in Etobicoke—

Mr. Kelly Harris: There's still time.

Mr. Yvan Baker: Yes. There's still time. What became very clear to my family and many in the community that I represent is how important credit unions are in providing an excellent level of service, which you referred to in your remarks, but also in giving back to the communities that they serve.

What I wanted to ask you about was, during the work that Ms. Albanese did, one of the recommendations was to increase the deposit insurance limit to $250,000. You referred to that briefly during your remarks, but could you share with those who may not fully understand this why that is so important?

Mr. Kelly Harris: It's important because, while Ontario has the second-largest credit union system in Canada, we don't have the same sort of legislative and regulatory tools that they do in other jurisdictions. Throughout western Canada, it's unlimited deposit insurance for all classes of deposits. In Quebec, with the Desjardins Group, there are different levels of protection that people see. Federally, nobody believes that they're going to lose money if they put it into a bank. We have never lost any of our members' money in the credit union system. We don't intend to, either. Deposit insurance in the United States is $250,000 across the states. In most Maritime jurisdictions, it's $250,000. Even in PEI, it's $135,000. In Ontario, it's $100,000.

Two reasons: On the one hand, it's important to understand that the deposit insurance is not there because it's necessary; it's there because it helps give people comfort in investing in credit unions. And it's a statement by the government that you trust your financial institutions and that your financial institutions are safe. How many years have we heard the federal government talk about their banks? This statement by the Ontario government and the finance minister, Minister Sousa, is a statement of trust in Ontario credit unions. That's why it's important.

Mr. Yvan Baker: Thank you for that. You talked about the insurance brokerage business. You talked about a few changes that were in Ms. Albanese's report. That was one of them. Can you just talk about that? Broadly, what I'm asking is, on that specific topic and on anything else—and I've heard you on the MUSH sector piece, so your message on that is loud and clear, but I'm just trying to go back to Ms. Albanese's report. Just identify what the impact of that will be on credit unions.

Mr. Kelly Harris: Well, once it's fully rolled out and her recommendations in that report that were accepted by the Minister of Finance are fully implemented, it will have a massive effect on credit unions in Ontario. It will be a modernization of the industry. It will give us avenues to explore to attract capital.

It's very simple: We run on capital that we attract. We have to bring that in through different ways. One of them is through deposits. That's the traditional way. There are other things that we do, whether it's securitization of mortgages through CMHC-backed securitization programs open to any financial institution in Canada.

Also, it's diversified business: the ability to own different types of businesses, like insurance brokerages, in order to attract more capital. Any money that we bring in, any money that we make off of those, equates to retained earnings. For every dollar of retained earnings we have to lend, it's worth $10 of actual lending in the communities. And there's a multiplier effect, again. Because we only lend in our communities, jobs are created in our communities. Taxes are paid in our communities. More jobs are created in our communities from that.

That is why the changes in the work that Ms. Albanese did—why we were so thankful for the work and commended her and the Minister of Finance numerous times on the work they did on the report. But the key thing is implementation. One of the things that we need to do is level the playing field and start the work that needs to be done. It's not going to be easy work, but it needs to be done sooner rather than later.

The Chair (Mr. Peter Z. Milczyn): Thank you, sir. That's the five minutes we have for questions.

Mr. Kelly Harris: Thank you, Mr. Chair.

The Chair (Mr. Peter Z. Milczyn): If you have any further written submissions, you have until 5 p.m. on January 20.

Mr. Kelly Harris: Thank you very much.

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NURSE PRACTITIONERS' ASSOCIATION OF ONTARIO

The Chair (Mr. Peter Z. Milczyn): Our next witnesses are from the Nurse Practitioners' Association of Ontario. Good afternoon. You have up to 10 minutes for your presentation, followed by up to five minutes of questions from the official opposition. As you begin, if you can please state your name for the official record.

Ms. Theresa Agnew: Yes, thank you very much. I'm Theresa Agnew, the CEO of the Nurse Practitioners' Association of Ontario. My colleague Jane Fahey-Walsh sends her regrets. Her father passed away suddenly.

I'm very privileged to be here today to speak to the Standing Committee on Finance and Economic Affairs. NPAO represents more than 3,000 nurse practitioners across the province who are now serving more than four million Ontarians.

I'm going to jump right into it. NPAO is asking that the 2017-18 provincial budget include a targeted investment in primary care in order to address the nurse practitioner recruitment and retention crisis.

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

On December 7, 2016, the Ontario Legislature passed Bill 41, the Patients First Act. This legislation will help patients and their families to better access the health care system and ensure that everyone who wants a primary care provider will be able to access a family doctor or nurse practitioner. Unfortunately, one of the major impediments to achieving this goal is the ministry's current compensation policy.

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

Not surprisingly, community positions for nurse practitioners are now experiencing high turnover and vacancy rates. This means that approximately 250,000 Ontarians are kept waiting for care. Organizations such as CHCs, family health teams and nurse-practitioner-led clinics must turn away patients who could otherwise be treated by an NP. The starting salary for a nurse practitioner in Ontario is now the lowest in Canada, second only to Quebec.

In the 2016 provincial budget, the government of Ontario announced an $85-million investment over the next three years to assist primary care organizations to recruit and retain skilled non-physician staff. This translates to a $31-million increase to base for close to 400 primary care organizations serving more than four million people.

Although NPAO recognizes the government's commitment to improve compensation, this investment only represents a first step toward closing the pay gap that was created by a wage freeze lasting over 10 years.

The compensation structure report based on the Hay Group recommendations sets the benchmark salary for nurse practitioners in Ontario at the level of a clinical psychologist, starting at $103,000 and going to a high of $135,000. According to the guidelines for implementation of the $85 million in funding, the new maximum funded salary for a nurse practitioner would be $94,000. This means that even with the new increase, nurse practitioners' salaries fall short of the minimum of the 2012 benchmark.

Of note, the $85 million over three years is to be used for all interdisciplinary team members—not just nurse practitioners, but also social workers, dietitians, pharmacists and RPNs.

Recently, the Liberal government announced an investment of $125 million to base in pay raises for managers in the Ontario civil service. The explanation provided for the increases is reflective of the long-standing wage freeze and the difficulty in recruiting and retaining managers in the OPS. This translates to an average salary increase of $6,905 to each of the 8,400 civil service managers. There is no doubt that this compensation increase is well deserved. However, nurse practitioners' salaries have been frozen—some since 2006 and many since 2008—and, even with the new funding allocation, the expected average salary increase for a nurse practitioner is about $5,000.

An equitable compensation policy would help to ensure a return on the investment in nurse-practitioner-led clinics and community-based health care that the province has already made and pledges to make. Low turnover also improves patient safety and continuity of care.

NPAO, along with AOHC and AFHTO, are proposing a multi-step solution to this crisis in the document Toward a Primary Care Recruitment and Retention Strategy for Ontario: Compensation Structure for Ontario's Interprofessional Primary Care Organizations. We are asking this government to make an additional investment of $130 million to base in order to bring primary care compensation up to the 2012 Hay Group recommendations.

Secondly, NPAO is asking that the 2017-18 provincial budget include further investment in nurse-practitioner-led clinics. Nurse-practitioner-led clinics are an innovative model for delivery of comprehensive primary health care in Ontario and Canada. The model is designed to improve access to care for the thousands of individuals and families in underserviced areas who do not currently have a primary health care provider. One of the unique aspects of this model is the incorporation of nursing leadership within an interprofessional team.

Nurse-practitioner-led clinics serve some of the most vulnerable, complex clients in the province. This is enabled by the NP focus on the social determinants of health. There are currently 25 nurse-practitioner-led clinics in Ontario serving more than 60,000 previously orphan patients. NPAO has received expressions of interest from 25 communities that meet all the criteria for underserviced areas and who would like to have a nurse-practitioner-led clinic in their community. This would require an additional investment of approximately $30 million per annum.

Thirdly, NPAO is asking that the 2017-18 provincial budget create a truly integrated funding structure for health care that follows the patient, not the provider. NPAO recommends that all funding for all health care flow through the LHINs, including physician funding. We strongly believe that funding should wrap around the patient and family, not the provider. Following on the recommendations of the Drummond report, the province should continue to move from a fee-for-service payment model for physicians to paying for performance.

With the implementation of Bill 41, the Patients First Act, the LHINs will have more responsibility for planning and more accountability for monitoring performance measures. However, the bill also states that the government would continue to centrally negotiate funding for primary care and physician compensation. This leaves the LHINs without the financial levers they need to accomplish their work.

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

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

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We know that this government is committed to transparency and openness. We know that you are committed to achieving the best value for taxpayer dollars. As such we recommend that health care funding be integrated at all levels.

The Chair (Mr. Peter Z. Milczyn): Thank you. That's the 10 minutes. We now have up to five minutes of questions from the official opposition. Mr. Fedeli.

Mr. Victor Fedeli: Thank you very much for your presentation. You talk about the 25 nurse-practitioner-led clinics in Ontario. Of course, we have one in North Bay. I have to tell you, I've toured there about every second year since I've been elected, first as mayor and then as an MPP, and that is a real treasure, especially for the area that it's located in, within the geographic locale. It has just been a real super service.

Now, the NPAO come into my office as an MPP frequently, and they keep me well briefed. I'm really appreciative. They do a remarkable job, by the way, of keeping us informed. I don't see anything here, but I'm almost remembering them talking to me about controlled substances. There's nothing in your asks here. Can you touch on that for a minute? Would you mind?

Ms. Theresa Agnew: Recently, perhaps a few weeks ago now, the Minister of Health, Dr. Eric Hoskins, sent a directive to the College of Nurses of Ontario, asking them to expedite regulatory changes that would be required so that nurse practitioners in Ontario can prescribe controlled drugs and substances. The minister has asked for those regulatory changes to go through by the end of March 2017. We're very pleased to see this, because in many situations, nurse practitioners provide palliative care, and they're providing for oncology patients, psychiatry etc.

Mr. Victor Fedeli: Thank you very much. I'll turn it over to Mr. Barrett.

The Chair (Mr. Peter Z. Milczyn): Mr. Barrett?

Mr. Toby Barrett: I thank the nurse practitioners for testifying. In general, you support what has happened with Bill 41 and support, ideally, what will occur going forward. It is reality now, and there is an opportunity as the system unfreezes. The fluidity will be there to make the necessary changes.

I don't know how confident we will be in integrating the system. We went through this in the 1980s with the district health council system, and the mandate was coordination. I was involved in that system for many years as a consultant, and we failed in many ways as far as coordination. I don't know how long it will take to achieve integration.

You suggest a few barriers—the compensation issue, for example. I just wonder if you could tell us a little bit more. In the real world, how successful will our minister be in truly integrating the system with the reorganization proposed?

Ms. Theresa Agnew: Well, NPAO did speak in favour of Bill 41, with proposed amendments, and we were pleased to see that some of those amendments did make it into the final piece of legislation. But having said that, I am concerned that the LHINs have a large mandate to integrate services and to ultimately provide accountability and oversee performance without, perhaps, the necessary levers that they need to accomplish that work. I think some of that has to do with being able to have some of the funding paid for performance, quite frankly, and for outcomes.

Mr. Toby Barrett: Superficially, you can envision, say, a very large global corporation doing a reorganization with everybody pretty well on the same paycheque, and if you don't go along, well, your job disappears. We have a different structure in our monolithic system of health care in the province of Ontario.

I don't know how long this is going to take. I certainly wish the minister well. I commend him for stepping out on this massive reorganization. I'm just concerned that maybe some parts will get reorganized and others won't.

Ms. Theresa Agnew: Well, NPAO believes in, and will continue to advocate for, truly integrated funding across all areas of the health care system, including physician services. We can't be paying for most services out of one pot and some services out of a separate pot; it doesn't make sense.

The Chair (Mr. Peter Z. Milczyn): Thank you very much. That's all the time we have. If you have anything further you would like to provide, you have until 5 p.m. on January 20.

Ms. Theresa Agnew: Thank you very much.

ONTARIO PHARMACISTS ASSOCIATION

The Chair (Mr. Peter Z. Milczyn): Our next witness is the Ontario Pharmacists Association. Good afternoon, gentlemen. You have up to 10 minutes for your presentation, followed by up to five minutes of questions from the New Democratic Party. Before you begin, if you could please state your name for the official record.

Mr. Sean Simpson: My name is Sean Simpson. I'm chair of the board of the Ontario Pharmacists Association.

Mr. Dennis Darby: I'm Dennis Darby, the chief executive officer of the Ontario Pharmacists Association. I'll begin, if that's okay.

Thank you, Mr. Chair. Good afternoon to you and the members of the committee. It's a pleasure to appear before the standing committee once again. For new members, the OPA represents the profession of pharmacy, including pharmacists and pharmacy technicians. We are a professional, not an industry, association.

We've appeared before this committee to provide input to Ontario budgets over the last several years. In those submissions, we've highlighted the value of investing in broader health care provision by the province's over 20,000 pharmacists and pharmacy technicians through an expanded scope of practice and specific elements of care. At a time of scare resources in government, we've proposed cost-efficient ways for governments to make progress.

One example of progress is the introduction of the annual flu shot by pharmacists four years ago. The annual program has been an unqualified success. By enabling and funding pharmacists to take on this role, more people can more easily participate in this important public health initiative. Not only have pharmacists become the largest single provider of flu shots to the working adult general public, but because of the convenience of community pharmacies, their hours and locations, the flu shot has been taken by a larger and broader demographic of Ontarians for whom the other methods of distribution by doctors' offices or flu clinics were hard to access. We point this out only to underscore that patients are willing to receive more care from their pharmacists, who they trust and who are easily accessible to them in their community.

However, in Ontario, our progress has been limited as pharmacists still lag behind their counterparts in most other provinces in terms of what they're permitted to do or funded to do. Independent expert data as well as real-world programs in provinces like Quebec, Alberta, Saskatchewan and the Maritimes suggest that pharmacists here in Ontario are an underutilized asset in health care delivery and can be better leveraged by bringing scope of practice up to par with the leading provinces, with modest funding to cover the costs of delivery.

We understand that as government decision-makers consider policy changes to enhance services, they have to think about capital costs, operating budgets, staffing, where to locate and a range of other considerations. With pharmacy, none of that needs to be a barrier to progress. There are over 4,000 pharmacies in Ontario, in every corner of the province. They are privately funded and operated by a range of owners from the sole proprietor pharmacist up to national chains. Capital costs, operating budgets, location and staffing—all of those things are taken care of. Pharmacies are out there, and pharmacists working within them are ready to do their part. We need only the political will, the regulatory approval and, in some cases, a reimbursement for service rendered. Unlike annual operating funding that governments give to other providers in the health care system, pharmacies only charge when they deliver the services that you authorize.

Mr. Sean Simpson: Today, we want to focus on something else entirely, related to the obligations and objectives of pharmacists as health care providers in our province.

We are aware of the discussions underway in the government about a guaranteed annual income as a way to help lift families out of poverty, and we know that many scholarly studies have shown the link between poverty and poor health. Estimates in Canada suggest that at least one in 10 people do not fill needed prescriptions because of the cost of medications. As you know, the current Ontario public drug program provides one of the most heavily subsidized drug benefit programs in Canada, but only for seniors 65 and over, the disabled or people living on social assistance. There is a large and, regrettably, growing number of working-poor families and individuals who, through low wage and/or temporary jobs, have no drug benefits. While there is the Trillium fund, which is available for those without coverage for medications, it too has a limit and requires a co-payment that would be impossible for poor working families to contribute.

The importance of the proper use of medications to help manage chronic conditions, from diabetes to mental health, is well documented and researched. Medication care is a key component of health care—treating diseases, managing and monitoring chronic conditions, and maintaining or improving public health—that is not currently universally accessible for everyone in this province.

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In some other provinces in Canada, notably Quebec and British Columbia, there already exists drug coverage for all, on a graduated scale, depending upon income and whether or not you have employer coverage. These programs provide a safety net for the self-employed, the underemployed, those with seasonal or temporary casual work and their families, in addition to seniors and those on social assistance. It is based upon income, not age.

We believe that a key component of any investment that the government of Ontario wishes to make with respect to a guaranteed annual income must include expanded drug coverage based upon need, not just age or whether or not you are on social assistance.

Personally, I've had numerous patients—members of the working poor—who have gone without the necessary medications for heart disease or diabetes due to their inability to pay for them. Many of those have literacy levels that prevent them from filling out the Trillium application form, and many more are simply left with the decision to pay their deductible assigned by Trillium or feed their families.

We understand that to make such a change would require a change to the existing Ontario public drug program. In those provinces I previously mentioned, seniors do pay a higher proportion of the cost of the prescriptions, at least more than the token copayment Ontario seniors pay—and many pay nothing whatsoever. We believe that such a plan would be a step towards a fairer, more needs-based approach. Similarly, other health services that pharmacists provide unrelated to the dispensing of medications are available to all residents of those provinces, funded as part of the overall health care budget, and funded because all the evidence suggests that pharmacists, as trusted health care providers, provide direct value to the system when they take care of patients.

In our current system, as the number of seniors increases and with new life-saving medications costing orders of magnitude more than in the past, pressure grows to cut funding for pharmacists' services or restrict access to medications. In our view, that is the exact opposite of what is needed. In part, the stresses on the system are a result of the decision by the government to put practically no cost-sharing burden on patients who do have the ability to pay more than a small token amount towards the cost of their medications. Putting in place a more fair, universally accessible—based on need and income—program would require an investment, to be sure, but one that works successfully in other provinces and countries where universal health care operates successfully.

We suggest that the government undertake the work to reform its public drug program, where coverage is fair, needs-based and more equitable, by looking at other models and engaging with health care providers. Those who need it most will get the most support. Pharmacists in Ontario will support this work, and wish to be at the table when those plans are discussed. Like our counterparts across the country, we know our patients and their medication needs the best. Of course, not just pharmacists but other health care providers, including physicians and nurse practitioners, need to be part of this process of reform.

Pharmacists can do even more than they do today to help patients in Ontario to improve and maintain their health. Based on the experience of our colleagues in other provinces, we know we can improve the fairness of this element of our health care system, and as part of the discussion on guaranteed annual income, or even not, it bears a thorough public discussion.

We recognize that this is the finance committee, but in non-financial terms, we have to take care of people. Our members have to help people, and all people, regardless of their station in life, should have access to the medications and health care that they need. Our members will do their part. We need you to do yours.

Thank you. We'll be pleased to take questions.

The Chair (Mr. Peter Z. Milczyn): Thank you very much. This round of questions is to the NDP. Ms. Fife.

Ms. Catherine Fife: Thank you very much for coming in and for raising the issue of the inconsistencies around the Ontario public drug program. I know that you had a lobby day here. Was it this week?

Mr. Sean Simpson: Yes.

Ms. Catherine Fife: It was this week.

Mr. Sean Simpson: We slept over.

Ms. Catherine Fife: Your members are very committed, I have to tell you. I do want to commend your organization for really changing the culture of pharmacy in the province of Ontario. I know many people in Waterloo region go to their pharmacist first for medical advice. So I think there is obviously room for improvement around your scope of practice. I did want to reference that, because sometimes you don't know if these lobbying days are really effective, but they were for me this—if you say it was this week, I'm going to believe you. It was that kind of week.

I do want to raise your proposal or your call to action to the government around reforming the public drug program based on need and income, because this gets very complicated. For some seniors or for many people in the province of Ontario, need is a moving target and income is a moving target. You quite rightly identified the issues around precarious part-time work as well, and trying to hold the line on that.

Do you want to put the idea out there, in a really tangible way, of how this would look to the government?

Mr. Sean Simpson: We referenced the Trillium program in our remarks. I think there's a framework that is already established with that Trillium program, that when people do fill out the application, it's assessed based on their income. I think if that framework was shared across the full spectrum, including seniors, we might end up with a more fair approach.

I live in Niagara-on-the-Lake and practise in Niagara-on-the-Lake. We're very fortunate, where we live, to have an affluent population, some of whom giggle when they pick up their prescriptions, knowing that they could pay plenty more, and afford to.

We also have a practice in Niagara Falls, where many more people struggle. It's a completely different animal entirely.

I think it only would make sense if we took a framework that the government already has access to, and shared some level of that framework across the board. That would apply those deductibles on an income basis, as opposed to strictly at a cost level or at an age gap—once you turn 65, coverage starts.

Dennis, I think, maybe has a remark to add to that.

Mr. Dennis Darby: The only thing I'd add is that I would encourage the government to look at the program that has been in place for over a decade in Quebec, where the adjudication at the pharmacy is based upon the patient's need. You're right: There are cases where your station will have changed, and there's a way to override some of that. But the idea is that there is first-dollar coverage for those who need it. If you have a privately funded plan, like an employer plan, then you don't get that benefit, but if you don't, then you do get the maximum benefit of the program, so that people who need it get it. We're not inventing new ground. It's already there.

Ms. Catherine Fife: So there are models that we can apply to Ontario?

Mr. Dennis Darby: We could.

Ms. Catherine Fife: You're quite right, though: Literacy is an issue. My constituency staff fill out these applications for seniors. Also, it's having them know about the program as well. I think that there's a lot to be done on that front.

Around diabetes—hopefully, you have time to comment on this—the testing strips became an issue in the province of Ontario. Can you weigh in on that a little bit? Because that also can inform our committee.

Mr. Sean Simpson: I certainly can. There was a policy put in place with testing strips, to control the amount of utilization. I think it has impacted patients. I'd have to say there are mixed reviews. I think there's a certain benefit to the system and to the taxpayer of putting those regulations in place, as there were many people who were tempted to overuse those strips or test too frequently.

At the same point, there are many people who do require extra testing while they're going through certain changes, and their ability to test has been somewhat compromised by that. There have been some rules put in place to help and allow those, but it's a challenging scenario to follow through on. I'm not sure that we have a solution at the ready, to be able to share.

I think what would have been helpful is a more thoughtful consultation with the members of our profession prior to applying these rules. As with any hot-button issue, whether it's diabetes test strips or the opioid crisis, we'd ask that when decisions are made around legislation that affects the use of drugs and pharmaceuticals and in pharmacies, that members of our profession be consulted so that we can help come up with thoughtful solutions.

The Chair (Mr. Peter Z. Milczyn): That's our five minutes. Thank you very much for your presentation. If you have further written materials you'd like to provide, you have until 5 p.m. on January 20.

Mr. Sean Simpson: Thank you.

INCOME SECURITY ADVOCACY CENTRE

The Chair (Mr. Peter Z. Milczyn): Our next witnesses are from the Income Security Advocacy Centre.

Ms. Jennefer Laidley: Hi.

The Chair (Mr. Peter Z. Milczyn): Good afternoon. You have up to 10 minutes for your presentation, followed by five minutes of questions from the government side. When you do begin, if you could please provide us with your names for the official record.

Ms. Jennefer Laidley: Great. Thank you very much. Good afternoon. My name is Jennefer Laidley. I'm the research and policy analyst at the Income Security Advocacy Centre. We're a specialty legal clinic in Ontario's legal clinic system. You can learn more about us from our written submissions, which you have. Thanks for hearing from us today.

I've brought with me colleagues from the Interfaith Social Assistance Reform Coalition, or ISARC—we're ISAC and they're ISARC—and the ODSP Action Coalition. We're here today to ask the standing committee to support our call to make significant investments in this upcoming budget in the health and dignity of low-income people in Ontario, and particularly those on social assistance. We're working in concert to bring you this message on behalf of faith communities, advocates and people who live in poverty on these programs.

First, I'm going to ask the chair of ISARC, the Rev. Dr. Susan Eagle, to say a few words.

Rev. Dr. Susan Eagle: Thank you. Thanks for an opportunity to say a few words directly to the committee today. My thanks to colleagues for being willing to share the time that we have.

ISARC is an interfaith coalition that began as an advisory committee to George Thomson as he reviewed social assistance and created the Transitions document 30 years ago. We continue to represent faith communities across Ontario concerned with the inadequacy of the social safety net and the lack of dignity for people who are vulnerable.

Faith groups also reach out to provide help through food banks and Out of the Cold programs etc., and so know first-hand the stories of those who are left behind in our economy and our society. Every day, we see the visible evidence that political promises made have not been kept.

So we're asking you to use this next budget to do three things:

(1) to add another billion dollars immediately to social assistance programs, both for rate increases—$700 million—and for rule changes—$300 million; it sounds like a lot of money, but it's less than 1% of your budget;

(2) to add another billion dollars over three years to affordable housing programs; and

(3) to immediately raise the minimum wage to $15 per hour.

These would be bold steps that would confirm your intention to make good on election promises this government has repeatedly made to close the gap between the have and the have-not populations of our province.

We commend you for small steps taken to alleviate poverty, but we note that with the increasing price of housing, electricity, food and other costs of living, it has barely changed the state of poverty for those who struggle every day to care for themselves and their families. We commend you for the appointment of the Income Security Reform Working Group, facilitated by George Thomson. However, we note that that working group is urging the government now to address adequacy by raising social assistance rates by a meaningful amount that exceeds inflation. This would demonstrate, they say, a commitment to those in need and be an early signal of the government's positive response to their recommendations in the action plan.

There are economic arguments as to why raising the income of the most vulnerable in our economy is good. There are practical arguments about the lost productivity of those who are left to languish on the margins of our society. There are social and health implications, as we just heard from the last presenters, of leaving people behind and the way in which, ultimately, it reduces the quality of life for the whole community. ISARC believes that there are also moral and ethical perspectives that need to be considered—

Interruption.

The Chair (Mr. Peter Z. Milczyn): I apologize for interrupting you. We do have a five-minute bell upstairs. Members have to go to vote, so I'll stop your time. We'll recess now, and members are to come back immediately after the vote.

The committee recessed from 1614 to 1626.

The Chair (Mr. Peter Z. Milczyn): Thank you. We can reconvene. We were in the middle of the statement from the Income Security Advocacy Centre. You have about another five minutes left.

Ms. Jennefer Laidley: Really? Can't we get a couple of extra minutes?

The Chair (Mr. Peter Z. Milczyn): We have to try and stay on schedule so nobody gets bumped at the end of the day.

Ms. Jennefer Laidley: We'll try.

The Chair (Mr. Peter Z. Milczyn): Please proceed.

Rev. Dr. Susan Eagle: We did time our presentation.

The Chair (Mr. Peter Z. Milczyn): I appreciate that.

Rev. Dr. Susan Eagle: I'm Susan Eagle and I'm speaking on behalf of ISARC.

ISARC believes that there is also a moral and ethical perspective that needs to be considered. We believe that we are called to care for each other and to respect the dignity and value of every God-created being. We believe that we're called to be neighbours to each other, and that the way we care for one another becomes the final legacy we leave to future generations.

More than a decade ago, the Deputy Premier, the Honourable Deb Matthews, in a review of employment programs, recognized that low social assistance rates are a barrier to employment and contribute to "deep and sustained poverty."

We are dismayed by the inaction since then. The sympathetic refrain of "Yes, but not yet" is no longer an acceptable option—if it ever was—for those of us who have been waiting many years for action. That attitude would be a shameful dismissal of those who exist in a desperate struggle to survive.

We believe that this is the last active and implementable budget of this government and that the legacy for this term of government is being written now and will be enacted with the 2017 budget. Please heed the advice of the many who urge you to act now.

Ms. Jennefer Laidley: Thanks, Susan. I'm going to talk specifically about the investments in social assistance rates and rule changes that Susan has just mentioned.

While $1 billion won't completely resolve the poverty of people on OW or ODSP, or transform the system, we see this as an important interim step before the government's Income Security Reform Working Group makes its recommendations next year.

As we outline in our submission, which I hope you'll read, $700 million would be about a 10% increase in basic needs and shelter rates, with a bump-up for folks who are single, who are in the deepest poverty.

We've been advocating for many years for investments in other delivery mechanisms, but there hasn't been progress made on other tax-delivered benefits. For example, I just want to make the point that, with all regular benefits from provincial and federal tax-delivered benefits, the total income of a single person on Ontario Works right now in this province is $785 a month. A single person on ODSP gets about $1,200 a month. A single parent on OW with one child gets about $1,700 a month—and that's from all income sources. They're well below accepted and acceptable measures of poverty and low income.

We know the impacts of poverty: poor health, preventable disease, food insecurity, insecure housing and homelessness. The costs of not taking action on poverty are also well known. A recent estimate has pegged those costs, in the city of Toronto alone, at about $5 billion.

Making the investment that we're asking for in rates: It's an easily implementable delivery mechanism and it will help to address those impacts and costs. But it would also boost Ontario's economy. The Department of Finance federally pegs the multiplier effects of direct investments in incomes at 1.3, so this investment would add about $910 million to Ontario's economy. It would be local, because low-income people spend locally in their local communities on basic necessities.

We're also recommending that $300 million be spent on making nine rule changes within the programs. I'm not going to go into detail, but these changes would improve the social assistance system right away. For example, we're recommending changing the definition of "spouse" to align with family law and increasing allowable earned income and asset levels. This is about giving people the ability to maintain a financial cushion, improving access to medical and dental treatment, ensuring benefit fairness, removing punishments, and allowing people to form relationships without barriers standing in the way.

Our time is limited, so I'm going to ask Patricia Smiley to speak to these issues from her personal experience as a person who lives on ODSP.

Ms. Patricia Smiley: Good afternoon. My name is Patricia Smiley and I am the recipient co-chair of the ODSP Action Coalition's policy and research committee.

I'm here today to speak as a person who experiences the deep poverty that social assistance recipients live in. ODSP is a program that provides income supports to help cover basic needs—food, shelter, transportation, regular expenses. That current rates do not cover these needs can be seen in the attached paper that this committee of the ODSP Action Coalition did in 2014. Our very low incomes, coupled with the rising costs of everything, are not only putting our health at risk, but our ability to manage life on a daily basis. So how do we manage?

We use food banks on a regular basis—an obvious one—where they exist, and if recipients can afford to get there, recipients may go to community meals. Many recipients are in the habit of paying the hydro bill one month and the telephone bill the next, or paying these bills partially, hoping that such vital services aren't cut off.

While we are covered by Ontario drug benefits, those benefits do not cover the costs of over-the-counter medication or supplements, frequently as important to our health as prescription drugs. It might not seem like a lot of money to buy a month's worth of low-dose aspirin or iron supplements—less than $10 at most drugstores—but when we routinely have to choose between medication and food, and if there is more than one, this becomes a considerable cost. As with utility bills, it leaves a person wondering which ones they can do without—maybe all of them.

Our poverty often prevents us from taking part in other activities, including those recommended by our health care providers. For instance, taking part in a community mental health program could prevent a far more expensive visit to an emergency ward or, worse, a hospital stay. Could a regular exercise program at a community centre help a person with some form of arthritis cope with pain, or are we left with only prescription medications? If such a program is offered at no cost, does a recipient have the ability to pay for the transportation or the bathing suit required for a swimming program?

Cancelling medical appointments because one doesn't have the money to get there is probably not a well-advised tactic for a person living with one or more chronic conditions, but it happens.

The Chair (Mr. Peter Z. Milczyn): Sorry. I'll just stop you there. It's 10 minutes.

Ms. Patricia Smiley: Thank you.

The Chair (Mr. Peter Z. Milczyn): We now have questions from the government side. Mr. Baker.

Mr. Yvan Baker: I know that ISAC has long advocated for improvements to the income security system, and you've talked about that a little bit today, notably through rate increases in social assistance programs.

Before I ask my question, I guess I should say that I really applaud you for your advocacy and the work that you're doing. I know that over the past year or so—actually, social assistance rates have been increased in 12 of the past 13 years in Ontario. For example, in the last budget, there was $137 million more invested to increase social assistance rates, and that was in Ontario Works, ODSP etc.

Could you just talk a little bit about how those rate increases over the past 12 years have impacted people?

Ms. Jennefer Laidley: Sure, and I just want to be clear: We represent three different organizations. We're

ISAC, they're ISARC, and they are the ODSP Action Coalition.

In 2004, when the McGuinty government was first elected, their first budget committed to a 3% rate increase. Folks were pleased that there was that level of increase because there had been cuts of about 22% in 1997 and a freeze for folks on regular welfare, OW, and a freezing of rates for people on ODSP in that time. To start with an increase to social assistance rates was a good place to start.

But those increases have been in the range of 3%, 2%; since 2010—so we're talking six years—the rate increases have been at 1%. That hasn't in most years kept up with the rate of inflation. That's the main criticism.

We know that government is managing its budget, but in effect, what happens is that budget management happens at the expense of the people who are least able to respond and least able to keep up with the cost of living. When you've got annual rate increases that don't even keep up with cost of living and when you've got hydro costs, as I'm sure this committee knows, increasing at such a drastic rate, when you've got food costs set to increase next year by somewhere in the range of 3% to 5%, which a recent study just talked about in the last couple of days—these are folks who cannot keep up.

Did you want to say something, Susan?

Rev. Dr. Susan Eagle: Well, I just want to say that the housing costs alone are way out of whack with the amount of money that people get on social assistance to pay for shelter. So we commend you that you have made an increase each year, but it has not been, first of all, sufficient to deal with the gap, and then it is certainly not enough—barely—to keep up with the cost of living. There's a wide, wide range—and you'll see the chart that shows what the actual income levels are for people. Try and rent an apartment with the shelter allowance that's being provided. You can't do it.

Ms. Patricia Smiley: And just covering these basic costs, on average—the numbers may be a couple of years old, but when we did that 2014 paper, one of our members—by the way, Jennefer is a member of our committee. You've got a deficit just paying for those basic expenses. It doesn't allow people on ODSP in the long run to do things like—I don't know—get a new pair of winter boots so they can get out—

Ms. Jennefer Laidley: I should—sorry. I should say that government has made a lot of investment in the Ontario Child Benefit, and that has been a very positive move. But, primarily, and as you'll read in our submission, for people on social assistance, the Ontario Child Benefit has been about restructuring benefits for children out of social assistance and into the new benefit, rather than acting as a supplement on top of their already low incomes. We've gone through the variety of other benefit mechanisms that exist: There's the Ontario Trillium Benefit; there are GST credits; there are the child benefits. But these are not—you know, we've been talking, for the last many years, primarily about government increasing total incomes for people. Choose a delivery mechanism. We don't mind. Ensure that people get more money through whatever delivery mechanism you need to, but to this point, that hasn't happened.

That's why we're coming to you now to say that you've got a really easy mechanism through which to deliver benefits into the hands of people who are among the most low-income in this province. We encourage you to use it.

The Chair (Mr. Peter Z. Milczyn): Thank you. That's our five minutes. If you do have further written submissions, you have until 5 p.m. on January 20.

Ms. Jennefer Laidley: Thank you so much.

ONTARIO AGRICULTURE SUSTAINABILITY COALITION

The Chair (Mr. Peter Z. Milczyn): Our next witnesses are from the Ontario Agriculture Sustainability Coalition. Good afternoon.

Ms. Amy Cronin: Good afternoon.

The Chair (Mr. Peter Z. Milczyn): You have up to 10 minutes for your presentation, followed by five minutes of questions from the official opposition. Please state your names for the official record as you begin.

Mr. Eric Schwindt: Good afternoon, and thank you for the opportunity to speak here today. My name's Eric Schwindt, and I'm the chair of OASC, the Ontario Agriculture Sustainability Coalition, and a pork producer from Elmira. With me today is Amy Cronin, chair of Ontario Pork, and John Steele, a sheep producer from Peterborough. We're here to talk to you today about the RMP program and the important role it has in the businesses our Ontario farmers operate under. We're asking the government to continue to support the $100-million program going forward because RMP fills a gap in a national suite of programs.

John has been involved in the program development. He's going to discuss RMP 101, where it came from and how it was developed. Amy was also one of the farm leaders involved in the development of the program. She's going to talk about how it fits in the big picture of Ontario's agricultural industry and how it helps to meet the Premier's challenge. At the end, we'll update you on some of the things we're doing with the minister to enhance the program going forward and possibly bring in federal involvement.

John?

1640

Mr. John Steele: Thank you very much indeed, Eric.

My name is John Steele. I'd like to thank you very much for allowing us a few minutes of your time to update you on the Risk Management Program that has been in place with livestock since 2011. You've got a busy schedule, but I appreciate this time.

In today's fast-paced system, although the program has been in place since 2011, it's easy to forget why it was created. It's so important to Ontario's farmers. Back in 2009, this government, the Liberal government, charged the livestock and grains farmers to work together to develop a made-in-Ontario solution to their needs.

The Risk Management Program provided a critical measure of predictability and timeliness at a time when there were national problems. We had just come through the fallout of BSE and mad cow and also swine flu, and we were looking at a way of coping with the severe market volatility by factors outside of our direct control.

The Risk Management Program, also known as RMP, was developed by farmers for farmers to address these fundamental shortcomings. It acts as an insurance program to protect producers in rising input costs and also in market downturns. We have to remember that nowadays, we work in a global market, and often these are outside of producers' control. Market prices for many of our commodities are set in Chicago, directly outside of the local here in Ontario, where we have to work and provide the province's food. Like many other insurance programs, it's funded in part by premiums. The producers contribute to be eligible for the program.

The way the program works is, the Ministry of Agriculture tracks the input costs on a rolling average, and also the market prices, and the farmers receive support based on the difference between the two. At the moment, the province has been providing 40%. The model was originally conceived with a 60-40 federal-provincial split. We've never had the federal support, but with the opening up of the recent agriculture framework for the federal level, we'd hoped that this would be a good model for the federal government to be encouraged to participate in.

Each commodity can be faced with different challenges, and as a result, we have changes within the program for the different commodities affected in each year. That's why it's so important that we stick together and it works so well.

Each commodity has an allocation that at year-end is reconciled. If there is surplus in a commodity, this flows over to the other commodities to address any shortcomings in theirs. To put it more precisely, if the livestock farmers don't need the funding available to them in this year, it would go and roll across to the grains and oilseeds.

That's a little update on it.

Amy?

Ms. Amy Cronin: Thanks. As John mentioned, we know that RMP is a really important program for our farmers. In fact, my farmers say it is the most important program that they have available to them. It's important to the agricultural sector, but it goes a lot further than just farmers. I think we have to keep in mind that when there are RMP program payments that go out to farmers, that reaches far beyond the farm gate. It helps with veterinarians. It helps with seed and equipment providers. It helps with the local butcher and the processing sector in this province. So an RMP program really goes much further than just the farm gate.

We had a province-wide economic study that we did in the last year, by Harry Cummings and Associates. This study found that without RMP, even if you had just a modest resulting contraction in economic activity because we didn't have an RMP program, it would lead to a resulting 3,250 jobs from the Ontario economy—so quite significant with just a moderate reduction.

Over the past four years, this study shows that every dollar that goes into that RMP program contributes $2.24 in positive economic activity. So you can see that this program is good for not only farmers and the up- and downstream parts of the agricultural sector, but also for taxpayers in this province.

What I'd like to say—the Premier put out an agriculture challenge. She challenged the agriculture sector to double its rate of growth and to increase jobs by 120,000 by 2020. Farm leaders have most certainly stepped up to that challenge. I personally had the privilege to co-chair that growth steering committee with Deputy Stark at the time, and issued recommendations to the minister on how we were going to achieve that. We are well on our way.

We're excited about the opportunities that lie ahead in agriculture, both in our domestic market, where we've got the support of Minister Leal and his ministry's Foodland Ontario program, as well as international markets. I'd like to say that there are incredible markets all around the world. At Ontario Pork alone, we ship to 65 different countries around the world out of Ontario.

Farmers recognize the important role that RMP plays as an insurance foundation that gives producers peace of mind to make long-term investments in our food and in the food system's long-term economic sustainability. It's not to say that this program can't improve; it absolutely can. Right now, our leaders are working with Minister Leal and his ministry to develop a road map for how RMP can be better used to drive public policy outcomes in this province, and we're looking at attracting federal support for the provincial initiative. For example, on the provincial side, today, if you're involved in RMP, you need to have a premise identification number. That really helps the province in ensuring a strong foundation for food safety. We look forward to continuing this work with the minister, and we want to take our ideas forward to the federal government with a "team Ontario" approach, because the Ontario Agriculture Sustainability Coalition really is about farmers working together.

This program is absolutely essential in this province. It means so much to the farmers who all of us represent, and it's a program that addresses shortcomings in national farm programs. It plays a critical role in providing stability for Ontario's farms and the farm sector, and farmers across Ontario value the program and the stability that it brings to their farms.

As a leader of the pork industry, I can say that we're in a downturn right now. Our farmers are able to continue to focus on their business because they know that they've got support through this Risk Management Program that will definitely help them out in 2016, and we thank you for that.

As leaders of OASC, the Ontario Agriculture Sustainability Coalition, and the commodities that we represent on behalf of thousands of our members, we are just calling for the Ontario government to preserve the $100 million that we have in the RMP investment.

The Chair (Mr. Peter Z. Milczyn): Thank you very much. Now it's questions from the official opposition. Mr. Barrett?

Mr. Toby Barrett: Thank you for coming forward. It's heartening to see various commodity groups work together on this, and you have been working on this for several years.

I appreciate the economic report. I've got a few of them now. I'll hang on to them. It's actually a very good read. I scanned this, and it's very well written.

Talking about market price, I think of—well, you're export-driven. Did you mention 65 countries?

Ms. Amy Cronin: Sixty-five countries around the world. That's correct.

Mr. Toby Barrett: For Ontario Pork?

Ms. Amy Cronin: Yes.

Mr. Toby Barrett: And a very large amount of that, I'm assuming, goes just south of here into the United States.

Ms. Amy Cronin: Yes, 38% goes to the United States. That's right.

Mr. Toby Barrett: As we all know, we've had a change of administration in the United States. I'm going to a conference in January, partly for that reason. I think it's very important to talk to our friends at the state level of government. Certainly, in Ontario, many of us do attend conferences and talk to elected representatives at the state level.

But I am concerned about the impact. I know it's not maybe strictly on the RMP program, which you've explained very clearly—to me, anyway.

1650

What are we looking out for, in the next few months, as certain groups—I think of R-CALF maybe raising their heads again, and the COOL. We just wrapped up that COOL debate a year ago. Are we back into this again?

Mr. Eric Schwindt: I look at it as an opportunity as well. Where doors may close south of the border, we can't determine what they're going to do with their trade programs. But if our southern neighbours want to have less trade, we believe there's going to be an opportunity in the Far East. So maybe we can grow our internal packing capacity to supply that market with processed pork, lamb and beef—around the world, and value-add here in this country.

Ms. Amy Cronin: I would like to add that NAFTA is really important to a lot of the commodities in Ontario. Trade, ultimately, for the pork sector is absolutely important. We export over 66% of what we produce—a very high percentage—and that goes, like I said, to countries all over the world.

I agree with Eric in that there are opportunities that may be opened up in other countries that want to work with Canada now, with maybe a change in administration. But working with the US always has been important for our sector, and I think it will continue to be important for our sector.

I think that the Risk Management Program is something that provides stability and bankability to our producers so that we are prepared, as are all commodities, to be competitive in the agricultural sector.

Mr. Toby Barrett: I know this all gets recorded. As far as US trade, there isn't any clear and present danger looming? There aren't any associations down there that have become emboldened? I worry about R-CALF, and that's more beef. I've heard that somebody sent a memo. Cooler heads, hopefully, will prevail.

The abattoirs, the slaughter, south of the border: They need your product?

Ms. Amy Cronin: There's a lot of expansion that is happening in terms of processing south of the border in the pork industry. We feel that we absolutely can help to provide that for them. I haven't heard specifically of—they haven't come out officially and said that they're going to challenge anything specifically as of yet.

Is there anything you wanted to add?

Mr. Eric Schwindt: I think that covers it. The main thing is, with five new packing plants coming on stream in the US, there's going to be a demand for hogs. In the short and medium term, we believe we can help supply that.

Ms. Amy Cronin: In terms of Ontario's economy, though, I always think that there is a benefit in having local processing. I like the idea of having the entire value chain here at home so that we can add economic activity in as many places as possible and add jobs in as many places as possible. It helps to bridge that rural-urban piece.

Agriculture and agri-food is the number one driver in Ontario. I think we need to keep that in mind. If we can attract processing to Ontario, that's a fantastic opportunity for us. By having programs like the Risk Management Program that provide bankability and sustainability for farmers, it means that we're going to have the product here in Ontario that we're able to provide for that processing industry.

The Chair (Mr. Peter Z. Milczyn): Thank you. That's all of our time for today. If you have further written submissions, you have until 5 p.m. on January 20.

Ms. Amy Cronin: Thank you.

METRO TORONTO CHINESE AND SOUTHEAST ASIAN LEGAL CLINIC

The Chair (Mr. Peter Z. Milczyn): Our next witnesses are from the Metro Toronto Chinese and Southeast Asian Legal Clinic. Good afternoon. You have up to 10 minutes for your presentation, followed by five minutes of questions from the New Democratic Party. As you begin, if you could please state your name for the official record.

Mr. Vincent Wong: Absolutely. Thank you very much. My name is Vincent Wong. I am a staff lawyer at the Metro Toronto Chinese and Southeast Asian Legal Clinic.

First, thank you very much. I thank the standing committee for giving me the opportunity to have a discussion with you all today.

As an introduction, the Metro Toronto Chinese and Southeast Asian Legal Clinic is a not-for-profit community legal clinic that provides services to low-income, non-English-speaking Chinese and southeast Asian communities in the GTA.

Our clinic is also a founder and a steering committee member of the Colour of Poverty Campaign, which is a province-wide initiative made up of individuals and organizations working to build community-based capacity to address the growing racialization of poverty in Ontario. Most importantly, though, we provide a data- and evidence-based framework in which we can review racial disparities and assess outcomes.

Let me take you through some of the data. In 2017, it is estimated that one in three Ontarians will be racialized—meaning peoples of colour and aboriginal peoples. Yet the data shows an alarming trend of growing socio-economic disparity from a racial lens. Let me elaborate: In 2006, the last time we had federal long-form census data, earnings by male newcomers from visible minority communities were just 68.7 cents on the dollar to those that were Caucasian males. Such a colour code persisted even at the second generation of Canadians and can be compounded by intersectional barriers. For example, when controlling for similar age and education, second-generation visible minority men earned 75 cents on the dollar to non-visible-minority men, and second-generation visible minority women made 56 cents on the dollar to non-visible-minority men.

While generally Ontarians are of the belief that over time racial disparities are getting better, the data tells us a different story. For example, United Way of Greater Toronto's Poverty by Postal Code report found that from 1980 to 2000 in Toronto, the poverty rate for non-racialized persons fell by 28%. The poverty rate among racialized families rose by a staggering 361%. Racial discrimination in the workplace persists from recruitment and retention to advancement. A 2016 study by the Rotman School of Management found that job callback rates soared when racialized applicants anglicized their names, even among employers that were publicly pro-diversity. What I mean by this is that racism isn't about naming and shaming. It doesn't require that somebody be racist. We are concerned not about intention; we are only concerned about outcomes.

This brings me to my recommendations in tackling this problem of growing racialization of poverty and racial disparity. There are eight recommendations outlined in the written submissions for the 2017 budget, but I'll just highlight a few of them.

First: mandatory employment equity. Employment equity legislation exists at the federal level currently and around 12% of the Canadian workforce is governed by it. If you see, for example, some of the top employers in terms of diversity, in terms of outcomes—you take a look at the banks. They all have to grapple and collaborate with this employment equity framework, but that does not make them any less profitable; that does not make them any less competitive. We submit that mandatory employment equity has to come back in Ontario, to level the playing field for racialized communities, but also other historically disadvantaged groups such as women, people with disabilities and indigenous communities—an equity-in-employment secretariat, fully mandated and adequately resourced in order to ensure merit-based employment across the province.

Our second recommendation is the proper resourcing of the Ontario Anti-Racism Directorate. We commend this government's decision in February 2016 to create the Anti-Racism Directorate, which, among other functions, will provide for the collection and analysis of ethno-racially and otherwise appropriately disaggregated data across all provincial ministries and public institutions. It is important that the directorate stay grounded and get input from communities to ensure that all government policies, programs and services apply a racial lens. In order to properly achieve its mandated goals, the directorate must be properly resourced. The current directorate's annual budget of $5 million is less than a third of other similar equity offices in Ontario, such as the accessibility directorate, the seniors' directorate and the women's directorate. Given the large number of racialized Ontarians, as well as the pervasiveness of systemic racial disparities, we believe that a $20-million to $25-million-a-year annual budget is a more reasonable number to properly resource the Anti-Racism Directorate, so that it can do its job.

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The third is with respect to strengthening employment standards and reinstating provincial wage protection plans: 2016 was the year that our clinic published the Chinese restaurant-workers report, which was the second report following up on one that was done 30 years earlier on the same topic. It found that very little had changed. There were widespread systemic violations of even the most minimum of employment standards.

In order to counteract the deleterious effect of systemic wage theft and collection issues among workers who are owed wages under the Employment Standards Act, the province should re-establish the provincial wage protection plan, which had existed until the mid-1990s, to compensate workers up to a cap for unpaid wages that they have already gotten a positive decision on from the Ministry of Labour.

The final one is investment in equity. Each year, the province is engaged in millions and millions of dollars' worth of contract negotiations and infrastructure developments. Provincial investments, allocations and commitments can be used as leverage to make businesses across Ontario implement equity-based hiring practices.

An encouraging example of this principle at work happened just a few days ago, as the Ontario government created a community benefits agreement for the Eglinton

Crosstown construction project, ensuring that 10% of the total work hours would go to disadvantaged local community members, such as women, people with disabilities, indigenous peoples, racialized workers and refugees.

I will end by saying that this government has indeed shown initiative in taking preliminary steps to alleviate growing race-based disparities. We applaud the moves, such as the creation of the Anti-Racism Directorate and the community benefits arrangement.

Ultimately, we need to be able to talk about race in Ontario in an adult manner, in a mature manner, but there is no way to have that conversation without statistics, without the mandatory collection of disaggregated data. If we don't know where we are now, there is no way to know where we're going, and that will end up ultimately in an increasingly poisonous racial environment here in Ontario, where, at the end of the day, we just end up talking over each other, sometimes yelling over each other.

Racial justice, I submit, is not a zero-sum game. At the end of the day, we all benefit when we root out the vestiges of discrimination—again, not in intention, but in measurable outcomes and policies.

Thank you for your time, and I look forward to your questions.

The Chair (Mr. Peter Z. Milczyn): Thank you very much. Questions will be from the New Democrats. Ms. Fife.

Ms. Catherine Fife: Thank you, Vincent, for coming in and speaking about this important issue and about the colour of poverty as well. Your recommendations, particularly around vulnerable workers in precarious employment and the recovery of their wages—as you mentioned in your presentation, there was an exposé about this issue. It was really very shocking that only $19 million of the total $47.5 million was recovered. It's a shocking amount of money.

Your proposal, though, to have the provincial wage protection plan, or to do that pitch—was this a successful program before it was terminated? Do you see it being modernized in today's work? Because we do know that precarious part-time contract work is on the rise in Ontario, and it's harder to oversee, right?

Mr. Vincent Wong: Thank you. That's a great question. From my understanding, it was quite a successful program—the original provincial wage protection program. It was also very, very well funded. It was $175 million. It ended in the mid-1990s. But it compensated workers up to a maximum of $5,000, if they already had a positive determination from an employment standards officer with respect to unpaid wages.

The problem, right now—and I've faced many of these clients—is that we win. We win at the Ministry of Labour level. If maybe it's appealed, we win at the Ontario Labour Relations Board. Great, we've got this thing. Then the employer doesn't pay, and then it goes to ministry revenue collections, and from there it's a black box. We have no idea what happens. But as you quoted, only $19 million of $47.5 million was collected. That means that the 20-something-million dollars there—the losses—have to be eaten by these workers, who are really among the most vulnerable. So I think it is something that obviously needs to be updated, as you said, for the new economy, but it's something that should be put on the policy priorities list for further research.

Ms. Catherine Fife: Thank you. On the Anti-Racism Directorate—I don't know if you're familiar with the history on this—the NDP had proposed a secretariat, so an independent body to advise government instead of a directorate, which is attached to a ministry. Sometimes these internal organizations have a difficult time criticizing their own government, for instance. Did you participate in any of the consultations that happened around the province?

Mr. Vincent Wong: Thank you for the question. I did participate—and Colour of Poverty has been extremely active in both lobbying for the formation and ongoing discussions with the Ontario Anti-Racism Directorate. I am aware that the provincial NDP had lobbied for an anti-racism secretariat. There's always a little bit of confusion about these two things. My understanding is that, actually, the Ontario anti-racism secretariat is legislatively mandated in the legislative authoritative body that created the Ontario Human Rights Commission, and it is actually in the legislation that that anti-racism secretariat has to be a part of the Human Rights Commission; it was just never funded and implemented.

Ms. Catherine Fife: Yes, exactly.

Mr. Vincent Wong: So it is a great question of whether, in terms of institutional independence, it's better for the anti-racism secretariat, which is a branch under the commission, to exist, or whether it is a directorate that should be accountable to a ministry, or whether these two things can coexist and fulfill complementary functions.

Ms. Catherine Fife: Thank you for that.

I just want to thank you for your seventh recommendation, which is to repeal the three-month OHIP waiting period for immigrants. This is an issue that we see in our individual MPP offices. It is discriminatory in its nature, and it seems fundamentally unfair that we accept some of the high needs—the health needs—of immigrants and we prioritize them, but then when they come here, we make them wait three months for that care, which got them into Ontario in the first place. So thank you. We'll be taking this one forward.

Mr. Vincent Wong: Thank you.

The Chair (Mr. Peter Z. Milczyn): Thank you. If you have any further written submissions, you have until 5 p.m. on January 20.

Mr. Vincent Wong: Thank you very much.

ONTARIO NURSES' ASSOCIATION

The Chair (Mr. Peter Z. Milczyn): Our next witnesses are from the Ontario Nurses' Association.

Ms. Linda Haslam-Stroud: Hi.

The Chair (Mr. Peter Z. Milczyn): Good afternoon. You have up to 10 minutes for your presentation, following which there will be questions from the government side. As you begin, if you could please state your name for the official record.

Ms. Linda Haslam-Stroud: Thank you very much. My name is Linda Haslam-Stroud. I am a registered nurse and president of the Ontario Nurses' Association, which represents 62,000 registered nurses and allied health professionals across Ontario in hospitals, long-term care, the community, industry and clinics. With me today is our government relations associate, Lawrence Walter, and I have with me two of my board members today, Anne Clark and Cathryn Hoy.

In a speech that Minister Hoskins made at our biennial convention in November, just a few weeks ago, he said the following: He said that for "patient care needs to be met, and for patients to feel that they are heard and confident in the care they are receiving, every nurse they come into contact with has to feel respected and empowered in their workplace. Every minute of every day." Unfortunately, I'm here to tell you today that at the present time, Ontario nurses, especially registered nurses, are not feeling empowered or respected in our workplaces. In our submission, which you have before you, on the first page, you will see a number of priorities that we've identified for your ease of reading.

But I wanted to talk to you mostly about funding and funding in the hospitals. Funding models have actually driven decisions to eliminate and erode registered nurses across the province. If you aren't aware, the ratio of RNs to population in Ontario is actually the worst in Canada. We used to have the second-worst; we now have the prize of the worst in Canada. That is very discouraging news.

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On a positive side, I have to say that I wanted to thank the government and the minister for improvements to the new grad guarantee program that have just been announced and that will be implemented in April, and also the modest increase in hospital funding. I say "modest" because it is a modest increase in hospital funding, and I'll talk a little bit more about that. That has been absolutely critical for us in the hospitals, as we really feel that we've been starved for over four years. We believe that the hospital budgets are actually being balanced on the backs of the nurses of Ontario—registered nurses, specifically, in Ontario—and, of course, of our patients. There's actually extensive compelling literature on the relationship between higher RN staffing levels in the hospitals and improved patient outcomes.

Yes, I wear my hat as representing registered nurses, but I'm a nurse, and I want to make sure that our patients are appropriately cared for. I don't want to see higher death rates, increased acquired pneumonias or unplanned extubations, which means, if you're in the intensive care unit, you pull out your breathing tube and you now are not breathing. I used to be 1 to 1 with you as a patient; I'm now 1 to 3. We are having additional extubations taking place, and the research is clear that having fewer registered nurses is increasing these kinds of situations.

Failure to rescue, for you that aren't in the hospital and health care field, means that we didn't save your life: You stroked, you had a pulmonary embolism, you had a cardiac arrest, and we unfortunately did not get there in time for you. When we look at infections in bloodstreams, when we look at shorter lengths of stay and decreasing readmission rates, the evidence is very clear that increasing RNs actually provides improvement to our patients. We also know that there are increased urinary tract infections; rates of pneumonia, as I mentioned; deep vein thrombosis—that means clots, in many cases, a pulmonary embolism will actually lead to your death; GI, or gastrointestinal, bleeding; shock and cardiac arrest. At the end of the day, or, as I might say "the overnight shift," patients' lives are saved with improved RN staffing.

We're asking the government and all of you to really look very closely at what you're doing with your funding in the hospitals as you're looking at the finances for the upcoming year. We have to be fiscally responsible, absolutely, but we want to ensure that our patients do not continue down this negative road. We're also asking the minister to define the role of what we expect RNs to be in health care—the vision for patient-centred care.

The Ontario Auditor General's report has been very clear. It actually provides some timely evidence for us in relation to what we maybe should be needing to do in the funding for 2017 in relation to RN staffing. He indicated that the RN workload is heavier in Ontario than internationally in best practices. He indicated that we do not have nurse-patient ratios like some other jurisdictions. The research, as you know, shows that a nurse-patient ratio of 1 to 4 is probably the best for patients in our hospitals, in medical units and/or surgical units. When we look at what his findings were in community hospitals, we were looking at highs of 1 to 6 during the day, 1 to 7 during the night and, in large hospitals, 1 to 9 overnight. He identified, actually, the comprehensive research that we've given you time and time again which shows that every extra patient added to my workload as an RN increases your or your family's or your friend's death rate by 7%. That sounds like a hard statistic, but we're living it each and every day as we're trying to provide quality care to our patients. The lack of funding was the reason that was identified for some of the cuts that we have actually been seeing in registered nurses across the hospital sector.

The Auditor General also recommended savings that could be found with appropriate RN staffing. He talked about agency nurses and the high costs—27% higher in one particular hospital that he looked at. He said there was an increase of 335% or $2.5 million—this is one hospital—in relation to agency nursing for the emergency department from 2011 to 2015, so in four years. This is the kind of money that we believe should be invested in front-line care providers so that our patients get the care that they deserve. Agency nurses—I could really go on forever. I think any of you who were here for the SARS crisis are very clearly aware of the impact of having that kind of precarious work and agency staffing and what that did with the transmission of SARS across Ontario, unfortunately.

At the end of the day, when you look at the auditor's report, you can also see the overtime and the sick day increases that are unfortunately happening. We're getting tired. We're being called in for overtime after overtime, but the base staffing that should be there in the operational budget has been frozen and/or reduced as a result of the cuts in funding.

Overtime: $6 million is one of the examples in just two units of one hospital that the auditor found. That could have actually hired 31 more full-time registered nurses or 51 part-time registered nurses. That impacted the quality of our care. The high patient ratios mean higher overtime costs and higher sick leaves because of the extensive wear and tear on the existing nursing complement. Unfortunately, the average age is around 47 in nursing. We're not getting any younger. We're hoping to encourage the young of today to come into the nursing profession, but we need to do a little bit of an improvement here, I think, before we're going to have that happen.

You will also see that the RN share of nursing employment in Ontario is reducing. It fell from 76.4% in 2003 to 69.8% in 2015.

In our submission that you have before you, you will see—I believe it's on page 9 and continuing—some of the examples of the cuts. Nearly 1,600 RNs have been cut out of the hospitals in the last 23 months. Some of them are familiar to you because they're in your ridings. I'll just go through a few of them for you.

Sarnia: 75 positions in the last two years in emergency, intensive care, geriatric medicine, and maternal infant/child—our labouring mothers and our newborn babies.

Windsor Regional Hospital: 183 registered nurse positions in the last two years in some of these very high-risk areas of intensive care, neonatal intensive care, ICU, emergency surgery.

Grand River in Kitchener: 62 positions, two nurse practitioners. Why? There's a funding issue here. The nurse practitioners are funded under the global funding of the hospital, and the doctors in emergency want to be able to bill. They bill per patient. They don't want the nurse practitioners seeing those patients and taking away their billing. I'm sorry to have to say that. We work very well with the physicians. But we also have physician assistants who are working with the physicians, who are not regulated under RHPA, the Regulated Health Professions Act, and they are also doing some of the work of the physician that the nurse practitioners, who are fully knowledgeable and credentialed and registered, could be doing and saving a heck of a lot of money to the system.

Hamilton area: Hamilton Health Sciences, Joseph Brant, St. Joe's, unfortunately—I'm from St. Joe's in Hamilton. These are the feeder hospitals for my area, which is also MPP Toby Barrett's area, the Haldimand area. These are our feeder hospitals, where we're getting cuts in dialysis, in neonatal intensive care, in kidney function areas.

In the Toronto area, it goes on: William Osler, Trillium, Mount Sinai, Runnymede—they cut half the RNs at Runnymede hospital a year ago—Sunnybrook, University Health Network, Humber.

In the greater Toronto area, we have Southlake, Scarborough General, Rouge, Lakeridge—494 RN positions in the last five years. That's nearly one million hours of care that we could have been providing our patients.

The Chair (Mr. Peter Z. Milczyn): I'll stop you there. That's 10 minutes.

We have questions from the government side. Ms. Hoggarth.

Ms. Linda Haslam-Stroud: Sir, would you mind if I just said one comment, just to finish?

The Chair (Mr. Peter Z. Milczyn): We have a pretty hard time to get out of here.

Ms. Linda Haslam-Stroud: Yes, I know you do.

Ms. Ann Hoggarth: Go ahead.

Ms. Linda Haslam-Stroud: I'd just like to point out that the first page of the priority sheet also identifies hospitals, long-term-care, community, and it also talks about violence. I know you've already seen this, but I just wanted to identify that that is there again. That tells you about the significant violence that we're facing.

Ms. Ann Hoggarth: Thank you, Linda, for your presentation. Nursing is very important to me because in my mother's family and my father's family we're all either nurses or teachers. I'm a teacher, but I also was a union leader. You advocate very strongly for your members, and I thank you for that. My mother did the graveyard shift always in the—

Ms. Linda Haslam-Stroud: The night shift?

Ms. Ann Hoggarth: Yes. She did the night shift with the babies in the nurseries, and she loved what she did. At 91—we didn't know she was dying—she would still try to stand up when a doctor came in the room. She was educated at St. Joseph's here. Both of my kids were born at St. Joseph's in Hamilton. I'm adopted and found out after that that I was born in Hamilton as well.

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Ms. Linda Haslam-Stroud: It's a great city.

Ms. Ann Hoggarth: Anyway, I thank you very much for your presentation. I know how you are advocating very strongly for your members.

Thanks to the successful implementation of Ontario's nursing strategy, our government has helped to increase the number of nurses working in Ontario. In fact, since 2003, more than 26,300 nurses have begun working in Ontario, including 11,000 registered nurses. Over the past year alone, there were 2,800 additional nursing positions reported across all of the nurses' categories and health care sectors. As a government, we are committed to supporting nurses in Ontario and hope to continue building on our successful partnership.

Can you speak to how Ontario's nurses and our government can continue to work together to deliver the best health care outcomes for Ontarians, please?

Ms. Linda Haslam-Stroud: Absolutely. I think the stats are showing a reduction in the RNs. The registered practical nurses are increasing now over the last couple of years.

What I think we need to look at is that, first of all, for hospitals we have higher acuity levels now that we're moving our patients out into the community. So our acuity levels are increasing, and we've been trying to get hospital funding under control. I've been around for 40 years and so I've been on all of the committees for that, so I can say to you that hospitals are working very hard at that, but we do need to have some funding that's going to be able to provide that continuity for the acute patient.

When we move that patient out into the community, I would suggest that, working with the government, with our local health integration networks and with our CCACs that are now moving into the LHINs, we're going to need to look at how we're going to be able to provide a full level of care for our patients in the community. Right now, I feel it's very chockablock. What you're seeing is many different layers where costs are arising out of what's not really front-line care.

When you look at the privatization of community care in home care, as an example, there are many different levels of for-profit that we believe could be better utilized and be reinvested. Why couldn't we have our local health integration networks/CCACs actually doing the provision of home care so that we don't have five people to tell the story to; we have one person? We intake our call from our patient or a hospital and we then provide the care to go out, instead of these different layers. That's one area that I think would be helpful.

Another area would be public health and looking at trying to work with our communities in public health, because if we can prevent illness, we can save the costs to the health care system, but we can also make it a healthier community, which is what our real goal is, along the way.

The last thing I would say is that our elderly—and I know it's on the front page of the paper more often than not recently—in long-term care are a huge challenge. Health care is a costly venture, but it's one that I know the public wants. For our elderly in our long-term care, we maybe need to step back and think about how we can provide excellent care for our elderly in the situations that we have, both in the community and in actual residences and facilities. Working with any committee on that would be helpful.

Lastly, I'll say: violence. If you look at the data, you can look at the cost that this is causing our health care system. I can suggest to you that there are many ways that, if we can stop the pummelling of our nurses in the health care system, that money can be reinvested into our patients, which is our priority.

The Chair (Mr. Peter Z. Milczyn): Thank you very much. That's all of our time for today. If you have any further submissions, you have until 5 p.m. on January 20.

Ms. Linda Haslam-Stroud: We do. And thank you, this late in the day.

TORONTO REGION BOARD OF TRADE

The Chair (Mr. Peter Z. Milczyn): Our next witnesses are from the Toronto Region Board of Trade. You have up to 10 minutes for your presentation, followed by five minutes of questions from the official opposition. If you could please state your name for the official record; you know how this works.

Mr. Jeff Parker: Good afternoon, Chairman Milczyn, honourable members and, of course, our friendly and helpful legislative staff. My name is Jeff Parker. I am the policy manager with the Toronto Region Board of Trade. Thank you for providing me the opportunity to appear before the committee today to present the board's position in your pre-budget consultations.

The board is the chamber of commerce for Canada's largest urban centre, connecting more than 12,000 members representing 250,000 professionals and policymakers in the Toronto region. The board seeks to make Toronto one of the most competitive and sought-after business regions in the world. We have developed a robust policy agenda focused around the priorities of trade, transportation, talent and energy. I will be concentrating on the first three areas today.

On trade: The board has long advocated for the free movement of people and goods, and we were encouraged by Ontario's support of the Comprehensive Economic and Trade Agreement with the European Union. The board's support for trade goes beyond simple advocacy, though, as we encourage Canadian companies to export globally though our Trade Accelerator Program—TAP GTA, for short.

With only 5% of export-viable companies in Canada exporting internationally, the board has worked with its partners, through the TAP GTA program, to assist small and medium-sized enterprises with accessing international markets, particularly in the emerging markets sector. Approximately 100 companies have already completed the program, and many are expanding rapidly to meet the opportunities provided by international trade.

While TAP GTA is already a success, the provincial government has an opportunity here to partner with the board of trade to assist companies in entering international markets. In addition to working with TAP GTA to encourage Ontario businesses to be export-oriented, the board requests that the government embed market sector consultants from the Ministry of International Trade within the program.

While encouraging international trade and investment is obviously an important focus for the board, interprovincial trade remains an underrated and underappreciated opportunity for Ontario. The government should put a greater focus on removing barriers to the free movement of goods and people across provinces. We would suggest that this includes examining membership in the New West Partnership, which has already reduced interprovincial barriers to trade and labour mobility between British Columbia, Alberta, Saskatchewan, and soon Manitoba, who will be joining shortly.

On transportation: The board has campaigned for many years for a serious investment in transit to get people and our economy moving. We are a strong supporter of government action on the Big Move and the plan to provide billions in new funding for transit lines in the Toronto region.

But while the government has taken the first and most important step to provide needed funding for transit, more must be done to ensure that these projects get built on time and on budget, as well as improve the functioning of our transportation system.

To achieve this, the board recommends the following measures:

(1) While the government should always exercise due diligence through environmental assessments and community consultations, these processes should not be used to delay funded shovel-ready transit and infrastructure projects. The streamlined environmental assessment process for transit sets a six-month deadline, and the board requests that the province report back on whether assessments and consultations are exceeding this deadline and how we can meet these deadlines in the future.

(2) Now that Presto is being rolled out across the TTC, Metrolinx should use the fare card to achieve better customer service and system integration using the data management and pricing features of Presto.

(3) While much of the focus in transportation has rightly been on the movement of people, the movement of goods is also a critical aspect of our transportation network and our economy. The board is about to embark on a study of the movement of goods in the Toronto region, and we would like to invite the province to work with us and develop policies that will reduce congestion and improve the economy.

On talent: To ensure that our infrastructure projects are remaining on track and to maintain the Toronto region's competitiveness, the board released a report on construction sector jobs in October entitled Building Infrastructure, Building Talent. Working with the industry stakeholders, the board prepared a 15-year forecast for our region's labour market needs in this sector. The board estimates that 147,000 new construction-related jobs will be created by 2031 in the Toronto region alone because of new investment and retiring workers. Moreover, the board projects that 70% of these positions will command an hourly wage that is more than double Ontario's minimum wage. This is a generation of jobs, and I urge all members to read the full report.

The province should ensure that these job opportunities are benefiting as many local residents as possible. Considering that youth and newcomer unemployment in the city of Toronto now exceeds 20%, helping as many of these individuals as possible find work in the construction industry should be job number one.

To achieve this, the following must happen:

Step 1: We need to provide improved pathways to employment for the highest-in-demand occupations. Five of the top 10 most in-demand occupations forecasted by the board require certification in a skilled trade. The Ministry of Advanced Education and Skills Development should work with the council of trades and the MaRS Solutions Lab to redesign the certification process for these trades and be prepared to lower apprenticeship ratios if needed.

Step 2: Educate Ontario students and parents about forthcoming job opportunities. This can be achieved through a regional advertising campaign informing residents of the opportunities available. In addition, the government can help empower students and parents with robust career information through their high school guidance counsellors.

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Step 3: Connect infrastructure companies with community organizations. The government should map out the existing community organizations working with residents to build skills or secure employment in each of the province's regions. This asset mapping should be part of any future community benefit agreements. This is a win-win to connect job creators with those helping people find new jobs.

Finally, the board remains concerned about the province's fiscal outlook. While the government may be able to achieve its promised goal of a balanced budget in 2017-18, analysis from the Financial Accountability Office suggests that this may be only a temporary achievement. In the most recent outlook, the FAO forecasts that the province will run ever-increasing deficits from 2017 through 2021. The Ministry of Finance's own estimates forecast surpluses of less than $1 billion in 2017-18 and again in 2018-19, which suggests a very small margin of error, even in this more optimistic projection.

Given the uncertain global and national economic environments, the board believes that fiscal prudence is the most sensible strategy for Ontario. Until recently, the government shared this commitment to prudent budgeting, with its position of net-zero bargaining with the public sector and a promise to find areas to eliminate waste. The board was concerned by Premier Wynne's statement in September that the net-zero provision on new public service sector contracts would be suspended. The need for this discipline has not ended, and we urge the government to return to net-zero bargaining for the near future.

If the FAO's forecast is correct, a continued emphasis on wage restraint will allow Ontario to achieve balanced budgets. If, however, growth exceeds projections and the province finds itself with a surplus, these funds can be reinvested towards needed infrastructure or improve the province's debt-to-GDP position.

The board will expand on all of these positions in a comprehensive written statement that we will submit in January. In the meantime, I am happy to answer any questions you have.

The Chair (Mr. Peter Z. Milczyn): Thank you very much. Mr. Fedeli?

Mr. Victor Fedeli: Jeff, I must say it's a delight to see you on that side of the table, instead of this very chair where you had been for years.

Mr. Jeff Parker: It's a different feeling. I don't have the Clerk or the Chair to bail me out if I'm in trouble.

Mr. Victor Fedeli: Congratulations to you and to your 12,000 members who you're here representing today.

I'm going to hit on a couple of quick points. Interprovincial trade: Where I live, in Nipissing, we have a real issue with being so close to the Quebec border, where Quebec contractors can come and work on the Ontario side and Ontario contractors can't cross the border and work on the Quebec side, for the most part. Where do you see interprovincial trade being an asset to the Toronto board of trade? In any specific area?

Mr. Jeff Parker: The board believes that when we have the free movement of people and goods, when contractors and skilled tradesmen can work across jurisdictions, you're going to get the best quality of product at the most efficient price, and that's good for the economy. That's good for building infrastructure. That's good for building houses. It's generally an improvement to every aspect of the economy. When we look at where this benefits Toronto, it means that if we need expertise in a new infrastructure project, we can bring that in from wherever it comes from in Canada, and we think that's a benefit to the economy.

Mr. Victor Fedeli: You spoke a lot about the skilled trades. I have to say, I commend you for that. You talked about an education program for not only the students but the parents. Again, I commend you for that.

Can you just repeat the number that you mentioned—I didn't get to write that down—on construction-related jobs? It was a big number.

Mr. Jeff Parker: The study that we did in October found that we're going to have 147,000 new job openings, and that's in the Toronto region alone; that's not across the province of Ontario. That's going to be about 118,000 new workers from new infrastructure projects that will be created, as well as 29,000 that will replace existing retirees—so in the next 15 years, a lot of jobs.

Mr. Victor Fedeli: While I really appreciate this emphasis on skilled trades—it is just so vastly important—I didn't hear you mentioning other sectors, like the film sector or the financial sector. Can you just describe why the focus was here?

Mr. Jeff Parker: Well, we wanted to do a detailed labour market analysis, and that takes a lot of time and a lot of resources. We wanted to focus first on a single sector where we thought the opportunities were there, but they weren't getting enough publicity. We feel that a lot of people—especially when you talk to other parents, as a parent myself—don't always know that there are really good jobs and really good opportunities in construction. Not only is it good for them, it's essential if we're going to complete our new transit projects and infrastructure projects. So it's bringing together both the needs of the province and the economy, as well as the needs of families and parents.

Mr. Victor Fedeli: We absolutely agree on that: matching the skills gap by teaching the kids what they need to learn for the jobs that are actually available in Ontario. I'm glad to hear that.

Obviously, the fiscal outlook—you've got the fall economic statement versus the Financial Accountability Officer. It was interesting that in the month of November alone, we had not one, not two, but three completely separate reports from the Financial Accountability Officer, all saying the same thing: You're not going to balance in 2017-18. In fact, you're going to see a deficit of $2.6 billion. And you're not going to have surpluses after 2017-18; you're going to see it growing, all the way to $3.7 billion.

You reiterated one of his comments, that the government is forecasting a very slim surplus at best. What are the threats of that, in your opinion, should the FAO, the independent Financial Accountability Officer, be the one who proves to be correct in this battle of words?

Mr. Jeff Parker: We know there's always uncertainty in future financial projections, which is why, like I said at the end of my statement, you can hedge this. If you're prudent now, you can avoid running bigger deficits in the future, avoid worsening our debt-to-GDP ratio and the interest payments that we're already paying.

In addition, though, if the FAO is a little too pessimistic, having a surplus right now is not a bad thing. We have massive infrastructure needs that need additional investment in the province of Ontario. We have a large debt that we could be paying down. There are a lot of things that that money can go to. So prudence, as we suggest, in terms of wage restraint, is the best way forward for Ontario's fiscal situation.

Mr. Victor Fedeli: You mentioned debt-to-GDP; you brought that topic up. Hitting 41% is a far cry from the 39.6% that was forecasted. I'm betting on the FAO being the person who brings the right numbers to the table.

The Chair (Mr. Peter Z. Milczyn): That's all of our time for this afternoon. Thank you, Mr. Parker. As you know, you have until 5 p.m. on January 20 for further written submissions.

Mr. Jeff Parker: Wonderful. Thank you, everyone, for letting me appear.

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

RESIDENTIAL AND CIVIL CONSTRUCTION ALLIANCE OF ONTARIO

The Chair (Mr. Peter Z. Milczyn): Our next witnesses are from the Residential and Civil Construction Alliance of Ontario. Good afternoon, gentlemen. You have up to 10 minutes for your presentation, followed by up to five minutes of questions from the New Democrats. Please state your name for the official record.

Mr. Andy Manahan: Thank you very much, Chair Milczyn and members of the committee. My name is Andy Manahan. I'm the executive director with the

Residential and Civil Construction Alliance of Ontario. We're a labour and management organization which represents contractor associations and major construction unions in and around the Toronto area.

I should say that we were scheduled to present here last Thursday, but we got bumped. That will be a subtheme of my first recommendation, concerning reform of the municipal class environmental assessment process. It's a very important issue, and it was flagged last week by the Auditor General in her value-for-money audit. It confirmed what our members know already, and what the municipal sector has known for many years: that unfortunately, rather than facilitating many vital and often basic municipal infrastructure projects, the process has become more of a regulatory burden to the approval of what are referred to in the Auditor General's report as "streamlined assessments."

Although a more streamlined process is the intended goal of the municipal class EA system, many of the following projects take more than two years to complete studies, with appeals or bump-up requests adding even more time. I've provided a list there, but just to sum, it's primarily roads, sewers—very localized projects. We're not talking about complex projects where you're looking at siting a transmission line or something of that nature. They're much more minimal in terms of overall environmental impacts.

We first released a report in February 2009, but that report was under way in late 2008. It looked at EA reform, and we've basically been banging the same drum ever since. We have, from time to time, met with staff from the Ministry of the Environment and Climate Change and others. We're working very closely with the Municipal Engineers Association and many other municipal organizations across the province, trying to get reform to this very cumbersome, expensive and time-consuming process.

The Auditor General referred to a research report we did in 2014 entitled Are Ontario's Municipal Class Environmental Assessments Worth the Added Time and Cost? If you go to the back of your second-last page, there are a couple of ads from ReNew Canada that actually break down how long it takes and how it's getting slower in various regions in the province. When we did a study in 2010, it found that it took about 19 months on average to go through the class EA process. In the 2014 report, it was closer to 27 months. So rather than becoming streamlined, we're actually getting worse.

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The Municipal Engineers Association has identified scope creep as a serious concern, particularly for what are called schedule B and schedule C reports. Schedule A is the low risk and schedule C is the higher risk, which would be something like a sewer extension or a sewage treatment plant.

In many instances, the costs have tripled over the last decade. The last study that we did showed that the average cost was well over $380,000 per study per project, compared to only $113,000 four years earlier. So costs are going up, as well as the time it takes to go through the process.

Duplication is another issue which plagues the system. A single project can be subject to two public consultation processes under the Planning Act and the class EA processes, as well as two appeal processes. For example, it could be appealed to the Ontario Municipal Board and what is called officially in the EA legislation a part II order, or a bump-up request. Despite the highlight that the Auditor General put on this, we have been working with the Municipal Engineers Association, and we hope to get a number of supporting letters from various organizations, to submit a section 61 Environmental Bill of Rights application, which will be submitted to the Environmental Commissioner of Ontario for consideration.

I'll just jump ahead. Two recommendations under this one: We would urge all members to support meaningful EA reform. I think the municipal sector and the industry have been waiting a long time for it. It really is bogging down the process to very little benefit, probably a negative benefit. Secondly, we call on the Minister of the Environment and Climate Change to follow through on his commitment to reform the EA system, which he committed to in early 2015; quite frankly, nothing has been done on it. It could be done in a staged fashion. Rather than the full EA reform, we could start with the class EA system first.

Our second issue is promoting municipal bridge bundling. This was an issue that was part of the guide for asset management that was released in 2012, where the ministry identified that municipalities could not benefit from the alternative financing and procurement process because you typically needed a threshold of $100 million for those projects to proceed. We've been monitoring what's been happening in a couple of US states, Missouri and Pennsylvania. Those states have bundled very large projects. Missouri was over 800 projects, and we're talking about 570 in Pennsylvania. That approach is working very well in terms of standardizing things in terms of bulk purchasing and that sort of a thing.

The Wellington bridge study that was commissioned and released in 2013 found that potential savings under the AFP or P3 approach could be in the order of 13% to 20%. However, what we're saying is that this was more of a theoretical exercise. We would really like to do a trial bridge bundling project, but we think it would require provincial support and possibly federal support to go ahead. The municipal sector, as you probably know, is quite risk-averse, and although there are probably willing candidates out there, they need a little bit of support to move forward on this.

The final one—because I know I'm running out of time—is to reactivate Metrolinx's investment strategy. I was on the transit panel in the fall of 2013. That was kind of a follow-through exercise after Metrolinx released its investment strategy in the spring of that year. Unfortunately, the Premier in 2014, looking at a provincial election, used the mantra of no new taxes. While those working in the construction sector are generally pleased by the number of projects which have been initiated over the past few years, the current model of funding projects from provincial revenues is not a robust way to deliver transit across the greater Toronto and Hamilton region, or across Ontario, for that matter.

Almost two years ago now, RCCAO submitted a letter to Chair Prichard and president and CEO McCuaig which suggested that despite certain election campaign promises, "This should not dissuade the Metrolinx board from providing objective advice about the best way to raise the necessary revenues ... it is the board's fiduciary responsibility to provide unfettered advice on how to proceed even if there is an awareness that it might not be well-received or even implemented."

Lo and behold, I was on a panel two weeks ago in Oakville. Bruce McCuaig spoke passionately about the number of projects that Metrolinx is delivering right now, but he added that while he was happy that the government had decided to fund the current projects from general revenues, he was not naive enough to think that new revenue streams were not needed to fund future projects across the GTHA and beyond. In 2008, we heard about $50 billion being required over 25 years to fund those projects. At present, we do not even know what the funding gap is. There was a report in August by a group that said that there's probably a hole of about $30 billion.

We realize that the regional electric plan and some other projects might skew the figure, but we would like more transparency from Metrolinx, and we would also like all parties to think boldly about where future revenues will come from. We really can't afford sound-bite tactics of "cut the waste" or "find more efficiencies" to generate the hundreds of billions of dollars that are needed over the next few decades for Ontario's critical infrastructure. In addition, we think that the Metrolinx board has been a bit lax on this, so they need to revisit the investment strategy and provide that advice to the province on where we need to move forward.

I'll just leave it there because I know I'm probably running out of time.

The Chair (Mr. Peter Z. Milczyn): Thank you very much. Ms. Fife.

Ms. Catherine Fife: Thank you, Andy, for coming in and for being consistent in some of your asks of the government.

You did reference around the environmental assessment and the approval process that the Auditor General indicated last Wednesday, I think it was. It was shocking, actually—even the fact that "over 200,000 approvals issued more than 15 years ago have not been updated to meet current environmental standards."

"A significant number of emitters may be operating without proper environmental approvals….

"The ministry's monitoring efforts are not sufficient to prevent and detect emitters that violate regulatory requirements and therefore pose a risk to the environment and human health." Even the "penalties levied by the ministry often did not deter repeat offenders."

This needs to be overhauled. You said—when did the minister promise to do a full review or a full reform?

Mr. Andy Manahan: I looked at QP Briefing, which was March 3, 2015. That quote was in there, that he was going to do a full consultation.

Ms. Catherine Fife: Well, hopefully this report does prompt him, because as you know, there is a ministry response in the report. The ministry, obviously, says that these things are ongoing, but they're outdated—for years now.

You mentioned that municipalities are risk-averse. It's interesting to me that, even after last week's Auditor General's report around some of the inconsistencies and very poor decision-making from Metrolinx, you would urge Metrolinx to have any greater power or any greater advice to this government about how to find investment. Do you really think that that is the best course of action, Andy? Because if you read last week's Auditor General's report—I just have more questions about Metrolinx, period, full stop.

Mr. Andy Manahan: I think Metrolinx is going through an evolution. I didn't get into other recommendations that we've put forward in past research, but we believe that a governance overhaul is required. In the early days, there used to be primarily a board that was representative of the municipal sector. We think a hybrid board, for example, with some private sector citizens with specific skill sets as well as municipal politicians that—in terms of revenue, you need that accountability. People vote democratically for politicians to make those sorts of funding decisions. So whether it's an offshoot of the board or some hybrid model, I think that needs to be seriously looked at.

Ms. Catherine Fife: And you think that should fall under their mandate. You mentioned that, that their mandate is to provide funding advice to the government.

Mr. Andy Manahan: Yes. The way it was described to me, by someone that really knows about governance, is that you cannot have a CEO that reports both to a board of directors and to Queen's Park. It's untenable.

Ms. Catherine Fife: Well, definitely something has gone off the rails, for sure.

Your final comment is that municipalities should combine the Environmental Assessment Act and the Planning Act requirements into joint public consultations instead of being done separately. What are the obstacles and barriers to this actually happening?

Mr. Andy Manahan: I should clarify that a little bit better. Municipalities are permitted to do that right now, but because of this double jeopardy of, for example, two appeal processes, they don't want to go through it. They could do a joint public consultation right now.

Ms. Catherine Fife: They could.

Mr. Andy Manahan: They could.

Ms. Catherine Fife: But they choose not to.

Mr. Andy Manahan: They choose not to.

Ms. Catherine Fife: So you want the government to ensure that they do. What is your ask? I need clarity—

Mr. Andy Manahan: Not necessarily an ask. Let me give you an example. Schedule A, the low-risk projects—and this is of very serious concern for the Municipal Engineers Association and across Ontario. MEA was loath to point it out because they were concerned that a member of the public could do a bump-up. With schedule A, one of the issues is winter maintenance, which includes snow clearing and salt removal. If you had a vexatious member of the public who decided to make a bump-up request, we've seen from the Auditor General that, on average—because it goes to the EA director, the ADM, the deputy minister and then finally the minister—it would take seven months to get approval.

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Now, any rational member of a municipal organization would say, "You know what? We're willing to take the chance. We're going to go ahead and do our snow maintenance because we're concerned about the liability of someone killing themselves on a slippery road." We raised that issue with staff in the spring of 2015 for MOECC and they said, "Well, it hasn't happened yet so it's not a concern." I was flabbergasted.

Ms. Catherine Fife: That's a risky statement, right there.

The Chair (Mr. Peter Z. Milczyn): That's all of our time. Thank you, Mr. Manahan.

Mr. Andy Manahan: Thank you very much.

The Chair (Mr. Peter Z. Milczyn): You have until 5 p.m. on January 20 for further submissions.

Mr. Andy Manahan: I appreciate it.

IMAGES 2000 INC./NORTHWOOD COLLECTION AND SUPERSTYLE FURNITURE

The Chair (Mr. Peter Z. Milczyn): Our next witness is from Images 2000. You have up to 10 minutes for your presentation, followed by questions from the government side. If you could please state your name for the official record as you begin.

Ms. Tara Oskooei: Yes. My name is Tara Oskooei. I am from a company called Northwood Collection and Images 2000. I'm here with our controller.

Mr. Ed Tamasauskas: My name is Ed Tamasauskas.

The Chair (Mr. Peter Z. Milczyn): Could you speak closer to the microphone, please?

Mr. Ed Tamasauskas: Sorry. My name is Ed Tamasauskas.

Ms. Tara Oskooei: Thank you very much for inviting us. We really appreciate your time. I know it's the end of the day and you really want to go home now.

Our company is Images 2000/Northwood Collection, as I mentioned. We're a design and manufacturing company that's been around for 35 years.

The Chair (Mr. Peter Z. Milczyn): We're just having trouble hearing you.

Ms. Tara Oskooei: Is this okay?

The Chair (Mr. Peter Z. Milczyn): Yes.

Ms. Tara Oskooei: We're a design and manufacturing company that's been around for 35 years, with our base in Etobicoke, Ontario. Over the years we've built a very strong brand presence, we believe, in Canada and the US. What we do is we develop unique and exclusive home products for furniture, department and home renovation centres across North America. We design customized products for the home, including artwork, decorative mirrors, shelving and furniture.

Our products reach very diverse markets, from small, owner-operated stores to thousand-store retailers. We make 99% of our products in our three factories in Etobicoke, which feature around 300,000 square feet of manufacturing space today. People are a very key part of our business and we wanted to just share a very short, one-minute clip of who the people are that we're talking about and the environment that we operate out of.

Audio-visual presentation.

Ms. Tara Oskooei: I generally don't like to use labels to describe things or people. I've learned that that's not good. But if I was to leave you with one label to kind of put together the picture of what we do and what we're about, it's that we're the makers in an economy. In an economy that has service providers—you have social causes that you have to attend to; you have health and things like that—we're the maker portion. We're the manufacturers.

I'm speaking on behalf of myself. It's a family-owned business, like I said, for 35 years. My father and my mother started it. They came as immigrants to this country in the 1970s. Now, today, myself and my two other sisters are what you'd call the successors.

Today, the reason I'm here is because we're forced to sort of step out of the shadows—we really never come into the light like this—because we really do need to seek help from your group for not just our company but the people that we represent, the 100 people or the 300 families, and also 200 other core manufacturers that are in our specific sector of home furnishings in Ontario.

But before I frame the problem for you—I'm going to do it really quickly. I can understand that the scope of what you're dealing with is quite intense, because I listened to everyone who presented to you. It's very complicated, because a lot of the people who are here are not exactly on the field. They're operating at high levels, but we're on the field. That's one main difference that I just want you to remember about us.

If I was to frame the problem for you, at the present time—and it's something that has happened for the past eight years in Ontario—there's a shortage of people to work. I say this in the most respectful way possible: I do not care what anyone says to you, but I'm just asking you to consider that there might be an imperfect understanding of what's happening out there. There's a shortage of people to work. It's an epidemic right now, because it's widespread, and it's very obvious.

We can't find anyone to work in our trade. We have a factory of 100 people, 300,000 square feet, and if you ask me how I'm staffing my factory, I will be completely not exaggerating if I tell you it's purely from people walking off the street into our building. We put yellow "help wanted" signs at the curb every day, and these people walk in, and we hire them. I don't care what their resumés are; I don't care what their background is or where they come from. I really don't even care that they don't speak English. We hire them, because we have no choice.

The conundrum is that there's no shortage of work in Ontario. There are people who want your products. They want products from Ontario. We have demand to fill. We just can't fill it, because we can't maintain a stable workforce.

I wasn't able to make 25 copies of this for you.

When I describe that we don't have a shortage of demand, we have work; we have orders. I can give you a very perfect example. This is a contract from Ikea of Sweden. It represents 240,000 units of annual production of the products that we make. Over a five-year period, that's worth $5 million. I had to turn it down, because you can't accept a 240,000-unit contract when you can't maintain a stable workforce. You can't. It's illegal, right? You'll be penalized if you take a contract with Ikea and you don't fill it.

You wonder, why does Ikea want to give me a 240,000-unit contract? Because someone in Sweden, sitting in their chair, has decided that they want to reduce the global footprint for Ikea, so they're hunting for manufacturers in Canada to fulfill demand for the home décor section of Ikea business for all of North America. But we can't take it. We turned it down.

If I were just to frame one more image for you, you wonder how we are producing for the people that we do have orders for, like Lowe's Canada, Home Depot, Rona, HomeSense. We have a workplace—I showed you the image of it. It's about 100 people. We have 30% turnover a year. Some 80% of our workforce are Tibetans. There's nothing wrong with Tibetans. I love Tibetans. I went to Tibet when I had a crisis in my twenties, and I found part of myself. The thing is, it's very hard to make things that require skill—not a lot of skill, but a little skill—when you can't communicate. It's not their fault. But they are the only ones who are willing to work right now. There's nobody else.

So you wonder how we're getting things done? Managers are performing routine factory work—managers. That has worked for us for the past eight years, but it's not working anymore because the managers are the boomers and they're retiring. Not only can I not find people to do routine work; I can't find three or four people to do the work of those managers.

So there's a mismatch of what you think is available in terms of labour and people not being employed to what manufacturers need—

The Chair (Mr. Peter Z. Milczyn): Sorry, that's your time.

Ms. Tara Oskooei: Really?

The Chair (Mr. Peter Z. Milczyn): Yes, but we do have questions now.

Mr. Baker.

Mr. Yvan Baker: Time flies when you're talking about something that you're passionate about.

Let me ask you a question, and then feel free to elaborate, if you like, to finish some of your thoughts. We've got five minutes. My question is, are you currently getting help from any kind of government program for your company at all?

Ms. Tara Oskooei: No, nothing at all. Never. We've been self-financed.

Mr. Yvan Baker: I know that there are programs that, for example, try to assist—you talked about the newcomers and the communication issue. I know there are government programs that offer English-as-a-second-language training and that sort of thing. Are any of your—

Ms. Tara Oskooei: Mr. Baker, I've read all the programs. None of them are designed to fit the manufacturing sector—none of them. I've explored all of them. I've been to the offices of two ministries: MEDG, MAESD. They're not designed for it. It's not their fault; they're not designed with the intention of the manufacturing of home furnishings in Ontario. If a program is not designed for you, you naturally don't fit into it. I've applied to four programs; we've been rejected from all four.

There's another handout that you have; it's blue. I did that graphically for everyone. That's what is supposed to illustrate where the funding is going: for high-tech and high-skill. I just want to tell you that 90% of the economy is never going to be high-tech and high-skill—never. You need to have a stable base of manufacturing that can employ people who are not high-tech and not high-skill. No one is looking at that problem. Not just Liberals—it's not just their problem. It's a global human capital crisis. We have to look at the problem and work the problem. I'm not asking for anyone to solve it, because I'm pretty sure that no one in this room can solve it. We couldn't solve it, and we're living it every day. We have to work this problem.

The one thing that I need and the people in this sector need is immigration. I'm sorry if that's a word that people might not like, but we need immigration from skilled regions. I apologize. I don't mean to discriminate against the Canadian workforce. We need immigration if you want manufacturing to exist in Ontario. You have to deal with that reality. If you want us to employ youth and look at other things, we will, but that can't be the primary source. That's not the solution; it's part of it, but the other big chunk of it is immigration for Ontario.

There's one more sheet—

Mr. Yvan Baker: Can I ask you a question? You're making great points, but I want to ask, because we only have—how much time do we have?

The Chair (Mr. Peter Z. Milczyn): Two minutes.

Mr. Yvan Baker: We have two minutes. I'm going to ask a question, and if you want to go on and talk about other things afterward, that's great. Let me ask this, because this is what this committee needs to hear—that's a helpful suggestion. If you were sitting in our shoes, what kinds of programs would you put in place to support small manufacturers?

Ms. Tara Oskooei: Number one is immigration. I talk to companies, and we don't want your money. Honest to God, we don't want your money. If you want to be smart and reallocate it—if you want to reallocate it, I'd say you're brilliant. We don't want your money.

I was speaking to the vice-president of Stylecraft Furniture in Vaughan. Vaughan is a manufacturing hub of furniture. One day you guys should walk around there. I said, "If you got $500,000 from the government, what would you do with it?" They were like, "We don't want it. We don't want the money. We just want people, because if you give us the money we have no one to spend it on." They need people.

The second thing that you could look at, if you were open to it, is temporary foreign worker permits. You guys opened it up for the tech sector for cyber security, but there's no provision, there's NAICS code, for our sector. But why? Cyber security, fine, but we need foreign worker permits. It can't just be a federal problem. I need to know that I can go to Mr. Baker and Mr. Baker will put his stamp on my permit and bring the family that I need to work here. I need that.

Mr. Yvan Baker: I wish I could do that.

Ms. Tara Oskooei: I just want to say one more thing. When I say "shortage of labour," I just want to reframe the picture for you. We can't get general help. I made a list. If you turn to the back of this page—it's double-sided; this page—there's no one to load trucks or unload trucks. There are no truck drivers, material handlers, lead hands, supervisors. When I say "skilled workers," I'm not talking about that gentleman who was from the Toronto board of trade, I'm not talking about construction, with all due respect. I'm talking about woodworkers, machine operators, foamers, upholsterers; there's no one to operate power tools. They don't know how to use a power tool. There are no finishers, and the sub-trades can't find workers. The lead times that should be four weeks for manufacturers are now 13 to 16, so customers are like, "It's faster from China." They're right. You're losing business to China, not because it's cost-competitive but because of time.

The Chair (Mr. Peter Z. Milczyn): I do have to stop you there. Thank you so much for coming in this afternoon and waiting so patiently.

Ms. Tara Oskooei: I just want to say one more thing—is this off?

The Chair (Mr. Peter Z. Milczyn): She's my constituent—

Ms. Tara Oskooei: I'm just saying that my parents—I asked them to make investments to help us with this new economy thing. Everything is shifting to the millennials; furniture sales are going up. They told me, "Don't bother, Tara. Shut it down." That's a lot for your parents who put 35 years of life into it. They put aside their pride and ego, and they're like, "Shut it down." So we're going to in less than a year.

The Chair (Mr. Peter Z. Milczyn): Thank you so much.

Twenty-five years ago, I helped her parents with some zoning issues to get their factory up and running, so I know their struggles.

Ms. Tara Oskooei: I'm not an economist, but I did study economics. The wealth of a country is directly linked to your manufacturing output. You cannot change that formula. So if you don't stabilize your manufacturers that exist—even if it's 200. Don't grow your manufacturing sector. Don't grow it; just stabilize it. Stop them from shutting down. You'll have a chance. You can't spend on Jennefer's $1-billion ask of welfare; you're never going to be able to. A $15 minimum wage—

The Chair (Mr. Peter Z. Milczyn): I do have to shut the committee down formally; you can speak informally.

So thank you very much, everybody. The meeting is recessed until 9 a.m. in Dryden.

The committee adjourned at 1800.

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