

Legislative  
Assembly  
of Ontario



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

F-7

**Journal  
des débats  
(Hansard)**

F-7

**Standing Committee on  
Finance and Economic Affairs**

Pre-budget consultations

1<sup>st</sup> Session  
42<sup>nd</sup> Parliament  
Tuesday 15 January 2019

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

Consultations prébudgétaires

1<sup>re</sup> session  
42<sup>e</sup> législature  
Mardi 15 janvier 2019

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Chair: Stephen Crawford  
Clerk: Timothy Bryan

Président : Stephen Crawford  
Greffier : Timothy Bryan

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LEGISLATIVE ASSEMBLY OF ONTARIO

**STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRS**

Tuesday 15 January 2019

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

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

Mardi 15 janvier 2019

*The committee met at 0901 in room 151.*

**PRE-BUDGET CONSULTATIONS**

**The Chair (Mr. Stephen Crawford):** Good morning, everybody, and welcome to the Standing Committee on Finance and Economic Affairs. Happy new year to everyone. We're meeting today to hold pre-budget consultations. Each witness will receive up to seven minutes for his or her presentation, followed by eight minutes of questioning from the committee, divided equally amongst the two recognized parties here.

Are there any questions before we begin? Okay.

**INSURANCE BROKERS  
ASSOCIATION OF ONTARIO**

**The Chair (Mr. Stephen Crawford):** With that, I'd like to call the first witness, which is the Insurance Brokers Association of Ontario. Please, before you present, just state your name for the record and then you can get right into your presentation. I'll give you a one-minute warning as well.

**Mr. Jeff Gatcke:** Thank you. Good morning, Mr. Chair and honourable members of the committee. My name is Jeff Gatcke. I'm the president of the Insurance Brokers Association of Ontario, or, as we're known, the IBAO. Joining me this morning is Colin Simpson, IBAO's CEO.

I'd like to begin by expressing our appreciation for the opportunity to address you on the various issues that are of critical importance to our broker network. IBAO represents over 12,000 insurance brokers who serve approximately six million policyholders throughout the province. Insurance brokers are highly trained professionals with very strong community ties. Our brokers are also business people, mainly small and medium-sized businesses, located in all parts of the province. IBAO members represent over 500 businesses in over 1,200 locations throughout Ontario. These businesses are well integrated within their communities, not only as a key service provider but as a team of local volunteers, sponsors for teams and events, and members with civic pride. Our member businesses range in size from sole proprietorships to some of the largest brokers in North America.

As brokers, we always work with the best interests of the consumer in mind. Brokers provide choice and individualized guidance. Insurance brokers have access to a

wide variety of products that are able to suit our consumers' specific, unique needs, and will shop the needs to find the best available product. Insurance brokers act as trusted and objective advisers to the clients they serve. Ontarians build long-lasting relationships with insurance brokers, and look to their brokers to help make complicated decisions easy and provide stress relief and comfort when they are making important decisions. The IBAO not only represents our members, but we advocate on behalf of consumers, as we are not tied to any one specific insurance company.

I'd like to take a moment to recognize recent measures by the government towards supporting small and medium-sized businesses across this province. Taking action on labour law reform, addressing small business tax rates, and committing to listen to and work with small and medium-sized businesses on issues affecting them has been well received by our members.

IBAO is engaged with the provincial government in leading public policy development in a number of areas concerning the insurance industry. Today we'd like to speak to the four most pressing issues, which are auto reform, regulatory control, innovation and education.

The topic of auto reform is on the minds of many Ontarians. IBAO has been working hard to tackle the excessive costs and inefficiencies that hurt consumers across the province. This has included extensive ongoing consultations with the government and the Legislature, as well as relevant stakeholders and the public. To that end, we recommend that the government considers the broad richness of our auto product and the current framework within which it is administered. On the understanding that you've already confirmed the need to address the fraud in the system, we have four recommendations among several we have developed for your consideration.

First, keep geographical rating as a rating variable. This is an objective component in setting rates and allocates premiums in proportion to the accident and claims patterns appropriately across the province. The basic premise of insurance is that your premium is representative of the risk. Removing geographical rating would mean that individuals living in regions where claim costs are less than half of those of the GTA would see their insurance premiums increase by hundreds of dollars per year. We acknowledge that there may be a more transparent way to include geographical rating in the pricing of the auto product than the way it currently is today.

Two: Simplify the accident benefit and tort systems to ensure that it is accessible without the need for legal representation in all but the most complicated of cases. Where legal representation is involved, ensure that there is need for transparency and ensure the framework is weighted in the consumer's favour and not the legal representatives'. We want claimants to receive the maximum amount of benefit, while reducing the cost to administer those benefits.

Three: Review and amend the process for approving rates to improve competition and shorten the time frame to deliver meaningful change. Affordability and availability of product for consumers is always front of mind for us brokers. With increasing rates in our current market, there is an increase in demand for services our members provide. However, insurance companies are restricting access to insurance products because they cannot get what they believe are adequate rates. In short, we are experiencing an increase in consumer demand in our marketplace, and at the same time our supply is shrinking. As a result, there is deteriorating competition, and consumers are ultimately suffering the consequence.

Four: Consumer education and offering professional advice are two key roles of all insurance brokers. We believe that ensuring consumers are properly informed on the future changes to the automobile insurance product is—

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

**Mr. Jeff Gatcke:**—key to any government's objective. Ontario consumers expect value for their money from any change that you may ultimately implement, but also need to understand the benefits they may or may not be receiving in the future.

IBAO is supportive of the code of ethics that is enforced by RIBO, the self-regulatory body for insurance brokers in Ontario. We would recommend that this same degree of oversight is maintained across the industry, be it through insurance brokers, agents, direct writers or MGAs.

Finally, I'd like to speak on innovation in our sector. FSRA offers an opportunity for Ontario to create an environment that supports and encourages innovation through developments in fintech and insurtech. We ask that the government, the Ministry of Finance in particular, and the regulators continue exploring these options within the industry so that we can best promote innovation and encourage insurance companies to introduce new products and services.

**The Chair (Mr. Stephen Crawford):** Thank you very much. Your time has come up now. We'll start with the questioning; four minutes for each side. We'll start with the opposition side. If you'd like to start with the questioning, Ms. Shaw.

**Ms. Sandy Shaw:** Thank you, Mr. Chair.

Thank you for your presentation. Thanks for being here today. I wanted to just focus on one part of your presentation which was specifically around the auto reform. You're talking about maintaining geographical rating. I have a number of questions around that. There have been—I'm sure you are aware—two private member's

bills put forward to ensure that the geographic rating is not a discriminatory practice; specifically, it has been called postal code discrimination.

Can you just talk a little bit about how you see that, if you see that as discriminatory, and how we can ensure that neighbourhoods and areas do not face unfair or potentially extremely high rates compared to the balance of the province?

**0910**

**Mr. Colin Simpson:** The current practice is limited to a certain number of geographical areas, which is around 55. They're relatively large, so there are different risks within those regions that should be priced differently. That's where you see the discrimination. The two bills that have come out—one currently recommends that the GTA goes to one region. As you can imagine, if you increase those regions, you get more discriminatory practices because everybody then gets lumped into the one bucket.

I think the second bill from the current government is indicating or suggesting that we increase the number of regions so that you can really focus down on the specific pricing of individual risk to make sure that the risks are priced properly, which is what we would support.

**Ms. Sandy Shaw:** So essentially you're saying that you don't see that—the system that you have is, I guess, by aggregation of postal code—that it's not a discriminatory practice. You used the word "discrimination," but you—

**Mr. Colin Simpson:** It accurately reflects what we are given by way of regulation today. The insurance companies, if they get broader control over those geographical areas, can make it more fair for consumers, for sure. Discrimination is a bit of an extreme way to look at it, but certainly, if you pick on Brampton, for example, the rates are extremely high. But on the equal-sum game, if you push rates down somewhere and don't fix the actual auto reform, the actual auto products, then the rates have to go up somewhere else. That's what we're against.

**Ms. Sandy Shaw:** Okay. You talked about how if you keep the current geographic rating system you would ensure that there was more transparency. Can you talk about what those practices would look like?

**Mr. Colin Simpson:** That would be, really, up to the insurance companies. I would recommend that the government talk to the insurance companies as to what that could look like before they agree with them on where to move to. I think that would be essential in any change as far as the insurance product is concerned—that we understand what the outcome is likely to be before it's put to any vote.

**Ms. Sandy Shaw:** Okay. Thank you for that. Finally, have you had an opportunity to speak to either of the MPPs who have put forward the—

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

**Mr. Colin Simpson:** Yes, we've spoken to both of them. My understanding is that the current government is still working out what those potential implications are with the insurance companies. Once we get a better understanding of that, we can then talk to the government once more to find out what the outcome could potentially be.

**Ms. Sandy Shaw:** Okay. Thank you very much. Thank you, Mr. Chair.

**The Chair (Mr. Stephen Crawford):** Thank you. Any other questions? No? Okay, we'll go to the government side: Ms. Skelly.

**Ms. Donna Skelly:** I'm sorry. I didn't get your first name.

**Mr. Jeff Gatcke:** Sorry—Jeff.

**Mr. Colin Simpson:** Colin.

**Ms. Donna Skelly:** Jeff and Colin, thank you so much for your presentation.

As you're aware, our government is in the process of looking at creating and reforming the existing auto insurance industry to make it more modern and what we believe is more fair for the consumers across the province. Part of the process that we have undertaken is to review what currently exists in other jurisdictions around the world. Are you aware of any other examples of systems elsewhere, other than Ontario, that you believe provide a fair and perhaps even more efficient sector than the one that exists in Ontario today—one that you could look to or turn to that you could share with us this morning?

**Mr. Colin Simpson:** There's no specific one that I would put you in the direction of, saying, "This is the one that you should look at." I think they all have pluses and minuses, to be honest. Certainly, if you look into the UK—you could probably tell from my accent that that's where I originated from, but I'm Canadian. I've been here for 20 years. It's much more of a free market there. There's less regulation around the control of the auto pricing, per se. That's certainly something that we would recommend as very favourable to look towards. I think, because of the restrictions that we have on regulations here and the constraints that are on the insurance companies, we do end up with some of the issues around pricing that cause an issue.

We have a very rich product here because of the way that we provide the benefits, the way benefits are managed, the health service and how we all interact with each other. It's relatively unique in the world—certainly, heading towards the UK where the health service is the most comparable.

I'd just caution, if you're looking into the States, there are certainly some very good practices in the States, but they have the private health service, so it's very different. Certainly, the way that the regulators are controlled and they control the insurance companies does point to—I always get these two wrong. It's either New Jersey or New York.

**Mr. Jeff Gatcke:** New Jersey.

**Mr. Colin Simpson:** New Jersey, I think it is, is where they put caps and collars on the ability of insurance companies to change rates within a 12-month period so that you're not trying to fix a problem after it occurs, that they move slowly. You can see them moving more slowly in the marketplace to make sure that consumers don't see a hockey stick or rollercoaster effect on their rates. It's something to look at as well.

But, yes, it very much depends on the individual aspects of it. There are certain jurisdictions, for example, where the legal fraternity aren't allowed to advertise their services and things like that.

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

**Mr. Doug Downey:** Welcome. I just want to clarify on the geography piece, because what I heard you say was, "Keep the geographical rating." But what's being proposed in the bill to be changed is the mandatory nature of it.

**Mr. Colin Simpson:** Correct.

**Mr. Doug Downey:** So if you could comment on that.

**Mr. Jeff Gatcke:** We believe that geographical rating still is a rating variable that needs to be used, but it shouldn't be the primary determinant of what the rate is. We can see, depending on the insurance company, that some insurance companies could actually get more specific and ask for more geographical ratings, so larger differences, even within the same current postal code.

**Mr. Colin Simpson:** I think the easiest explanation is that I think everybody can understand that if you drive in the GTA, you're more likely to hit another car than you are, for example, in Guelph. That in itself should give you an appreciation that there is a difference. I think where we're constrained right now is the number of territories. If they are too broad, then you get good risks and bad risks lumped in the same, and that's where people get upset, when the consumers get upset. So if you increase the number of territories that you can actually rate in, or geographical postal codes, whatever way you're going to physically do it, then hopefully we can take some of that unfairness out of the system.

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

**Mr. Colin Simpson:** Perfect. Thank you.

#### CANADIAN CENTRE FOR POLICY ALTERNATIVES

**The Chair (Mr. Stephen Crawford):** I would like to now call on the Canadian Centre for Policy Alternatives. If you could just please state your name for the record and then you can begin.

**Ms. Sheila Block:** My name is Sheila Block, and I am a senior economist with the Canadian Centre for Policy Alternatives. I very much appreciate the opportunity to come and speak with you about the 2019 budget today.

I would like to focus my remarks on Ontario's debt. The government has expressed great concern about its debt and, in the fiscal update, noted the increase in debt per family over, I think, about a 20-year period. While I understand that it might be appealing to describe government debt as similar to personal debt, it is incorrect as they are very different.

Families manage debt over a single life cycle. Early in life, it make sense to take on debt to pay for education or to purchase a home. In the middle of our lifetimes, we want to start paying down that debt and, ideally, we move from borrowing to saving for retirement.

But governments don't face the same kind of life cycle constraints. In fact, they have a responsibility to continue borrowing and investing for future generations. If governments stopped investing, they would be harming our

children and our grandchildren. Each generation of taxpayers takes on some of the costs for providing services for previous generations, as well as for their own generation and to future generations. We are all both paying it forward and paying it back.

In that way, governments face a very different time horizon than families. Further, levels of borrowing that might be risky for individuals or families are actually prudent for governments since the risk is spread across the whole population. A family has to take into account the potential risks of illness or job losses when deciding how much to borrow. Pooling that risk across the whole population means you can safely borrow at higher levels.

Because this risk is spread across the whole population and because governments have the power to tax, financial markets find governments to be extremely reliable borrowers. As a result, governments can borrow at much lower interest rates than households. This is the second major reason why government debt is very different from household debt. It is both less expensive and less risky.

These are the general differences between government and household debt, but I want to turn now to Ontario's specific situation. We know that Ontario is not facing a debt crisis. Borrowing rates remain at historic lows, and interest costs as a share of revenue are very low as well. While there is potential for increased interest rates, Ontario has locked a lot of debt into longer-term maturities. What this does is insulate the province from the costs of increasing interest rates.

**0920**

Economists agree that the best measure of debt levels and their sustainability is the debt-to-GDP ratio. While debt-to-GDP levels have increased in Ontario, they're not at crisis levels. The best way to reduce them is slowly and by growing the economy. What we want to be doing is growing that denominator, rather than too quickly shrinking the numerator—to take you back to grade 6 math, just because it's Tuesday morning. Trying to reduce this ratio by dramatic spending cuts is not effective, because they also reduce economic growth.

Research that had suggested that there was a critical level of government debt that inhibits growth has been debunked. Both international experience and research since 2010 have shown that sharp cuts in government spending have a negative impact on growth. The International Monetary Fund is among those who have reversed their views on the impact of spending cuts on economic activity.

Perhaps even more important are the negative impacts on Ontarians that would result from sharp reductions in spending. Again, IMF research tells us that these cutbacks will increase inequality. Research in the UK has shown that death rates increased as a result of sharp spending cutbacks.

We know that Ontarians rely on public services to take care of us when we are young, when we are sick and when we are elderly. We rely on public services to get us to work and to get us back home safely, and we rely on public services to make sure that the water we drink and the food

we eat are safe. Finally, we rely on public services and the public sector to maintain the natural environment for our children and grandchildren.

Ontario is not facing a debt crisis, and sharp reductions in spending will have negative economic and human impacts. So I am urging you to take a slow and thoughtful approach to debt and deficit reduction. Thank you.

**The Chair (Mr. Stephen Crawford):** Thank you very much, Ms. Block.

We'll start with the government side for four minutes of questioning, Mr. Downey?

**Mr. Doug Downey:** Thank you, Ms. Block. We agree on one thing: The slow and thoughtful approach is the way to go in terms of taming the debt that we have. I do agree with that.

I guess I'm puzzled at your comment that governments have a responsibility to keep borrowing and investing. Do you not see a point at which governments can't borrow anymore?

**Ms. Sheila Block:** Over a time horizon, I don't see that period. Economists, in their charming way, like to say that governments are infinitely lived. Because a government exists long beyond an individual lifetime, what you need to do is keep on investing for future generations and borrowing for future generations. If you didn't spread those costs over a longer period of time, it would actually be unfair to current taxpayers, because they would be paying all the freight for services that they would be using in their lifetimes but that others would as well.

**Mr. Doug Downey:** What the Liberals did with the hydro file, with what I call the unfair hydro plan—you say we're actually doing our children a favour by putting costs on them for our benefit now?

**Ms. Sheila Block:** I think the assumption is that you spread those costs over a longer period of time, and you spread those investment costs over a longer period of time.

I think, in terms of the Fair Hydro Plan, that was about current costs and shifting them in a way that accountants found questionable. We could go down that road, but we don't necessarily have to. So, yes, I think the Fair Hydro Plan was about shifting costs from one government entity to another government entity, and that was a question.

But in terms of investments in health care, investments in growing healthy children, investments in roads and transit, because those are capital expenditures and those have positive impacts over longer periods of time, then absolutely, borrowing is appropriate for that.

**Mr. Doug Downey:** So if the premise is that governments are perpetual—because that seems to be the premise—can you speak to Greece or to some of the other examples around the world where they in fact hit a brick wall?

**Ms. Sheila Block:** I think the economic literature really has seen that Greece was a very different and unusual event. There was a great deal of concern, right after Greece's financial experience, that there could be a contagion and that that could happen in other governments. That hasn't in fact happened in other governments, and so the other countries that were considered close to Greece,



in terms of Spain, Portugal and Italy, actually maintained stability. I think, really, Greece is the exception that kind of proves the rule.

When you looked more closely at that, what you saw—

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

**Ms. Sheila Block:** What you saw in response to those concerns was a really hard pullback on government spending. The IMF literature and other research, which I'd be happy to share with you, showed that those sharp cutbacks in spending were actually the wrong response and worsened economic performance.

**Mr. Doug Downey:** So debt to GDP is the best measure, you indicated, and 40%—is that a marker for you, that we've now crested 40%?

**Ms. Sheila Block:** Forty per cent is not a marker in terms of anything above 40% and you're about to crash. I think the previous government had targeted on 40% to a large extent. Absolutely, bringing it down over the longer term makes sense, but I think it's really about how it's approached.

**The Chair (Mr. Stephen Crawford):** Okay. Thank you very much. We'll now turn to the opposition for four minutes of questioning. Ms. Shaw?

**Ms. Sandy Shaw:** Thank you for being here, Ms. Block. I want to turn to the fiscal problem that Ontario faces. You are not the first person or the first economist who has said that it's not necessarily a debt problem, that in fact it may be a revenue problem. My understanding is that the province of Ontario has the second lowest per capita spending on social programs, and is it not the lowest revenue in Canada, the lowest revenue generated? I wonder maybe if you could speak a little bit focusing on the side that is not just about debt but is about our revenue and maybe some of the recent decisions this government has taken to forgo revenue, the cap-and-trade and so forth. If you could talk about the revenue problem.

**Ms. Sheila Block:** I think with an emphasis and a concern about debt and deficits, obviously it's arithmetic and there are two ways to approach it. One is reducing spending, which has a bunch of negative, both human and economic, impacts, and the other is to increase revenues. There has been a sharp reduction in revenues that has resulted from the current government's decisions so far that actually worsen the debt and deficit position of government rather than improving it.

The Financial Accountability Office did some very concrete work on the costs associated with the measures in the economic update, which included the LIFT program, and the fact that the cancellation of the cap-and-trade system will have quite large costs for the government coffers because the programs that were cancelled, I believe, have savings of \$3 billion, I think it was, and the losses—sorry. It will leave the government coffers behind by \$3 billion because of a loss of \$7 billion in revenue and only \$4 billion of savings, as I recall.

Again, these other measures that were really aimed at increasing tax fairness—so higher taxes on high-income earners; some measures around using small businesses as shelters for high-earning individuals—were reversed. All

of these measures are actually going to make the government's stated objective of reducing debt and deficits more difficult.

**Ms. Sandy Shaw:** Thank you for that. Again, I just want to focus on the revenue as a problem that this government—as you have said, they forgo the cap-and-trade revenue. They've allowed capital cost depreciation that the federal government has got, which is about \$700 million a year. These are significant revenue losses for the government—

**Ms. Sheila Block:** Right.

**Ms. Sandy Shaw:** —in the decisions that they've made.

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

**Ms. Sandy Shaw:** Moody's themselves downgraded the province's credit rating because of this loss of revenue. Could you talk specifically about the debt rating agencies and Moody's concern with the revenue forecast?

**Ms. Sheila Block:** In its downgrade, Moody's stated a number of concerns, and one of the concerns that it clearly stated was the loss of revenues that was associated with the government's decisions in the financial and economic update. I think all of us are looking, Moody's and others—we really do not see yet a path to balance that this government has laid out. There's a great deal of concern that you're reducing revenues, which will have a negative impact on public services, at the same time that you're actually trying to reduce debt and deficits.

**The Chair (Mr. Stephen Crawford):** Thank you very much, Ms. Block. We appreciate it.

0930

## DESJARDINS

**The Chair (Mr. Stephen Crawford):** We'll now move on to Desjardins. Please state your names for the record, then you can begin your presentation.

**Ms. Stephanie Windsor:** Stephanie Windsor.

**Mr. Sam Palmerio:** Good morning. My name is Sam Palmerio. I'm the manager of government relations at Desjardins. It's my pleasure to deliver our 2019 pre-budget consultation comments to the standing committee.

Desjardins Group is the leading co-operative financial group in Canada, serving over seven million members and clients. We provide Canadians with a wide range of financial products and services, including banking through our credit unions, wealth management, life and health insurance, and home and auto insurance. Desjardins is a leading home and auto insurer in Ontario.

The importance of insurance to our economy should not be underestimated. The availability of affordable insurance coverage allows people and organizations to take risks and grow, which ultimately creates greater economic value.

We were pleased to see in the fall economic update the government's desire to improve the auto insurance system for drivers, and we'll primarily focus our comments today on that topic.

Making auto insurance more affordable is a means to put more money in people's pockets. Ontario drivers pay some of the highest premiums in the country. As context, while private sector insurance companies like Desjardins deliver the product to consumers, government creates its policy terms and requires all insurers to offer an identical product. Government also pre-approves the prices that insurers can charge for the auto insurance product.

Costs are unnecessarily inflated by inefficiencies in the auto insurance system. No-fault accident benefits coverage is intended to ensure that regardless of who is at fault for a collision, every person is eligible for compensation so they can access medical and rehabilitative services, along with other benefits such as income replacement. The intent is to provide necessary support to help everyone quickly recover their health and to continue to pay their bills while they get better. Recent studies for the Ontario government have found that our system is inefficient in delivering these benefits to claimants, with approximately \$1.4 billion, which is about a third of the total of accident benefit costs paid, going to injury assessments, disputes and legal fees. Those injured in collisions are faced with completing lengthy and confusing government-mandated claim application forms and uncertainty about the level of coverage to which they are entitled. This is concerning, given that the intent of this coverage is to ensure quick and easy access to necessary treatments to help those injured to recover.

Now let's move from talking about helping people to recover to repairing their vehicles. Recently, we and other places across the world have seen cost inflation to vehicle repairs due to an increasing presence of collision avoidance technology—cameras and sensors—throughout the vehicles that is more expensive to replace. Car manufacturers are moving to materials like aluminum, which is lighter and stronger and therefore safer and more fuel-efficient but more expensive to replace or repair.

In addition to increases in the average vehicle repair claim payment, as an industry we're seeing increases to the frequency of vehicle collisions. More and more evidence points to smart-phone technology and dashboard technology distracting drivers and causing more collisions on our roads.

Fraudulent activity in the auto insurance system includes benefit payment requests from staged claims that never actually occurred, as well as the embellishment of financial needs from collisions that have occurred. Independent studies for government suggest the cost of fraud as \$1.6 billion. The Financial Services Commission of Ontario has stated that 83% of auto insurance fraud in the province takes place in the greater Toronto area.

Ultimately, all of the costs produced by our auto insurance system are reflected in the premiums that we pay as drivers. While the provincial average annual premium is approximately \$1,400 per vehicle, since the claim costs differ substantially across the province due to the different driving environments, the premiums charged differ substantially across the province. In places like the greater Toronto area, average premiums of over \$2,000 per car

can make owning and operating a vehicle challenging. Particularly in areas that are not well served by public transit, the high costs of auto insurance can limit economic opportunities for citizens.

Aggravating the affordability challenge is a lack of insurance coverage choice available to drivers, as most policy coverages are mandatory and prescribed by government, removing the opportunity to save money by declining a feature that is not necessary or desired.

As we seek to make good auto insurance coverage more affordable for the 10 million drivers in the province and support our economic growth, government may wish to consider these areas of opportunity:

Redesign the system so that we simplify and modernize the forms and the process to submit an accident benefit claim to make things easier for people.

Reduce costly disputes around injury diagnosis and treatment through greater benefit entitlement clarity.

Eliminate the practice of claim cash settlements which assume future treatment participation. Instead, reimburse for treatments received.

Allow insurers to offer unique products to meet the needs of clients.

Introduce a serious fraud office. Establish a dedicated team that will prosecute organized insurance fraud rings.

Support distracted and impaired driving public education. We need to change public attitudes about these dangerous behaviours. With the legalization of cannabis, we support the Ontario government's efforts to strengthen existing road safety laws. More public education needs to take place to dispel myths about driving and using cannabis.

The province should support municipalities to implement Vision Zero road safety initiatives, which look to change driver behaviours and improve road design in order to eliminate collisions and deaths on the road.

We can cut red tape by reducing regulatory burden in auto insurance. We need a proactive and effective insurance regulator. The ambition of the soon-to-be-introduced Financial Services Regulatory Authority, FSRA, is to be innovative and capable of responding to the dynamic pace of change in marketplace, industry and consumer expectations. It will play a key role in setting regulatory direction and ensuring efficient, responsive regulation to protect consumers while encouraging innovation and competition. We believe that they're on the right path.

FSRA's creation this year offers immediate opportunities to refine current approaches to align with an improved future state. We support the government's intention to review how insurance rates are regulated. We believe that one of these opportunities will be to recognize the power of consumers in a competitive marketplace to regulate auto insurance rates. The current pre-approval rate review process is slow and costly, and its results offer insufficient value to consumers.

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

**Mr. Sam Palmerio:** We need to catch up with consumers' expectations by fostering auto insurance innovation. Consumer expectations are changing rapidly and insurers

are struggling to meet their expectations given the barriers in the current regulatory environment. For example, some digital forms of client communications are not recognized by law, including electronic proof of auto insurance and notifications of policy termination. As a result, a totally digital and paperless experience with auto insurers is presently impossible.

I'll briefly pivot to property insurance and focus on an opportunity to build more resilient communities.

We applaud the Ontario government's commitment to climate change adaptation in its environmental plan, and we'd like to highlight the public policy and education opportunities that include continuing to invest in municipal storm water infrastructure upgrades to mitigate residential and commercial property water damage and enhancing the building code to make buildings more resilient to increasingly severe weather.

It's also an opportunity to update and modernize the caisses populaires and credit union act of 1994 to better serve customers.

**The Chair (Mr. Stephen Crawford):** Okay. Thank you very much. We have to move on to questioning. I appreciate your testimony.

We'll start with the opposition side. You have four minutes of questioning. Ms. Shaw.

**Ms. Sandy Shaw:** Maybe I'll just pick up where you left off in terms of the impact of climate change on both commercial and residential people. Can you tell me the cost to maybe Desjardins, or in fact to Ontario—some cost number that can tell us what impact climate change has had on the province of Ontario.

**Mr. Sam Palmerio:** What I can say is that in terms of severe weather losses in general, we've been seeing about \$1 billion a year in Ontario—when I say “we,” I'm referring to the industry as a whole—and we've seen a significant increase over the last number of years of severe weather challenges.

**Ms. Sandy Shaw:** Is that \$1 billion in claims or \$1 billion in the cost of the damage? Because not all of the damage is covered.

**Mr. Sam Palmerio:** That's true. That was insured claim payments, but you're absolutely right. There is damage to municipal infrastructure and those sorts of things that would be a burden on government. I was referring to more personal property insurance.

**Ms. Sandy Shaw:** Okay. You said you commended the government for its climate change plan. Does that mean you thought the cap-and-trade system was ineffective?

**Mr. Sam Palmerio:** Our comments were in reference to some of the pragmatic steps it suggested that homeowners could take to mitigate severe weather, those items.

**Ms. Sandy Shaw:** So essentially rather than it being a role of the provincial government or municipalities, are you saying that homeowners should pick up the cost to mitigate against climate impacts?

**Mr. Sam Palmerio:** Well, there are small micro solutions that any of us can do: backwater valves, clearing our gutters, all kinds of minor things that we can do to help.

**Ms. Sandy Shaw:** Right. It's hard to protect against tornadoes, though, like the tornado in Ottawa.

**Mr. Sam Palmerio:** Oh, of course. I'm thinking more of water coverage.

**Ms. Sandy Shaw:** Okay. One of your recommendations is talking about continuing to invest in municipal storm water infrastructure, but those costs are supported by the municipalities, not the province, and basically municipalities' costs are covered by the taxpayer. I'm just wondering if you have any idea of how, if these are downloaded to municipalities, then downloaded to the residential tax base, that would impact individuals trying to pay both their residential taxes and also their insurance costs.

**0940**

**Mr. Sam Palmerio:** Our point is that we have an aging municipal structure. As a result of that—with more severe weather, of course we're seeing, unfortunately, more flooding of basements, those sorts of things. So we're simply saying as a general guide that, to the extent that we can upgrade those sewer systems, we will save money for citizens in terms of damage that will happen, and of course lower insurance costs.

**Ms. Sandy Shaw:** Sure. Some of the biggest emitters are large corporations. Does Desjardins, in terms of insurance, have any opinion on the contributions of large polluters and emitters to climate change?

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

**Mr. Sam Palmerio:** We're certainly in favour of sustainable economies in general, and organizations taking steps to ensure that their carbon footprint is reasonable. We recognize that there's a balance there with economic activity.

**Ms. Sandy Shaw:** Okay. Finally, you talked about the caisses populaires act. It was written in 1994, but it was updated recently, wasn't it, in the last six years or so?

**Mr. Sam Palmerio:** I think it was in 2017 that it was reviewed, but we still believe that there's substantial room for improvements and modernization there, and opportunities for credit unions to offer even more products to their members.

**Ms. Sandy Shaw:** So you're talking about credit unions moving into alternative financial products, like selling insurance, more broadly than just Desjardins?

**Mr. Sam Palmerio:** Well, it's really open for conversation in general. Of course, there are other aspects in terms of electronic commerce and other things that credit unions would like to do.

**Ms. Sandy Shaw:** Okay. So it's not products. Are there any specific products that you would like to see credit unions able to offer?

**Mr. Sam Palmerio:** I think we'd like to engage in that conversation, if there are opportunities to do that.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We'll now move on to questions from the government side. Ms. Skelly.

**Ms. Donna Skelly:** I apologize; is it Sam?

**Mr. Sam Palmerio:** Yes, it is.

**Ms. Donna Skelly:** Sam. Thank you for your presentation.

You ran out of time. Was there anything in particular that you wanted to add to your presentation?

**Mr. Sam Palmerio:** Simply that we are pleased that the government is looking at auto insurance reform in general, and regulation. In terms of investments—and I recognize that we're in a context where investments are challenging, but it goes back to the conversation we're having around infrastructure. Road safety education is critical.

We believe also, from an auto insurance perspective, that there are opportunities to leverage competition to a greater extent, for the benefit of consumers, to the extent that regulation is more principle-based versus rule-based, which is what we're finding in today's environment—that we can add value to consumers.

**Ms. Donna Skelly:** I wanted to expand a bit on Ms. Shaw's comments regarding climate change and perhaps outdated infrastructure in municipalities. I had the pleasure or the opportunity of serving on city council in Hamilton prior to being elected to this provincial Legislature. Like many municipalities across the province, the city of Hamilton has a huge infrastructure deficit, but one of the changes that our government has brought forward will help alleviate that. We have open tendering now, which will allow them a much more competitive process to address things such as outdated infrastructure. Could you expand a little bit more on outdated infrastructure and how that impacts home insurance, for example, in Ontario?

**Mr. Sam Palmerio:** Sure. I've lived in the greater Toronto area for a while, and there are unfortunately communities where their sewer systems were built literally hundreds of years ago. They're small pipes. Now, as we're seeing larger and more frequent rainfall, that water is coming flying through, often on cement and sidewalks and directly into the sewers, and very quickly backing that up. That then causes water and sewage to back up into people's basements. If you've ever experienced that, that is one of the most unpleasant experiences you can have in your home.

What we've also found over the last 10 to 20 years is that more and more people have been renovating their basements such that they're very nice. It's not the old days, where it's just a basement and you're throwing your bike down there. People have a lot of expensive—they're enjoying their lives, and their basements expand on that. So naturally, when those types of events occur, it's creating a tremendous amount of impact in terms of repairing and replacing those items; there are issues of mold and other challenges, health issues—and of course that drives up property insurance premiums—

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

**Mr. Sam Palmerio:** —making it less affordable.

For areas that have infrastructure that doesn't support the redirection of water, if they've had multiple claims, quite frankly, it can be challenging. You can appreciate that as an insurer, there's no premium we can charge if, every couple of years, there's a \$50,000 claim. There's no reasonable premium to charge to allow that. So that becomes really problematic as people take risks and we really have to take some other effort. It's an important piece for residents in enjoying their homes.

**Ms. Donna Skelly:** Okay, thank you. I don't know if anyone else has questions.

**The Chair (Mr. Stephen Crawford):** There's just 20 seconds left. Any comments or questions?

**Ms. Donna Skelly:** No.

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

**Mr. Sam Palmerio:** Thank you all, and thank you for the work that you're doing.

## ENVIRONMENTAL DEFENCE

**The Chair (Mr. Stephen Crawford):** We'll move on. Our next presenter is Environmental Defence. Good morning. If you could please just state your name for the record, and you can start with your presentation.

**Mr. Keith Brooks:** My name is Keith Brooks. I'm the programs director with Environmental Defence. I apologize, but I don't have a written copy of my submission. I had some technical difficulties this morning, so I'm going to be reading off my computer here. That's why I've got it in front of me.

I want to thank you for the opportunity to speak with you this morning. As I said, I'm the programs director with Environmental Defence Canada. I'm going to touch on two main concepts for Ontario's budget. One is funding the environmental priorities of today, and the second one is fighting climate change in a way that prepares this province to embrace the economy of the future.

On the first issue, funding the priorities of today, the province's new environmental plan contains a number of good measures, but we don't see a lot of commitments to funding behind those measures, with a couple of exceptions which I'll touch on in a minute.

The plan notes, though, that Ontario's environment is under a number of increasing pressures, a number of serious threats, some of which have been touched on in earlier presentations. It's important that there are resources put towards protecting against and mitigating those threats for the long-term protection of Ontario.

In particular, we'd like to see more resources set aside to protect fresh water, which is something that the Premier has said is a priority for this province. The environmental plan mentions that Ontario will continue with the Lake Simcoe Protection Plan, the Great Lakes strategy, the Canada-Ontario agreement and the Lake Erie domestic action plan. The environmental plan mentions that in past years, Ontario has put about \$15 million towards Great Lakes protection every year. That's good, and we'd like to see that funding continue, but it needs to be increased—quite significantly, in fact. It's woefully inadequate at \$15 million.

Ontario, as the plan mentions, is home to 20% of the world's supply of surface fresh water. The Great Lakes alone hold 20% of the supply of fresh water, so these are a globally significant resource. It's a very serious responsibility that Ontario has, to take care of that resource, to protect it for the long term and for its use today. We need to really put some investments behind that, to ensure that protection.

We'd like to see the Great Lakes budget and the fresh-water budget increased to at least \$50 million per year, as a bare minimum. Ideally, we'd like to see more than that, and we can provide you with some detailed recommendations specifically for what should be earmarked. But there are a number of threats, from climate change to invasive species, to overdrawing from aquifers, to the resurgence of algae in Lake Erie, which need some serious resources if we are to address the threats.

On the second theme, about fighting climate change, we would suggest a three-pronged approach. One is reducing emissions today; there are lots of opportunities for low-hanging fruit. The second one is building the infrastructure that we need to enable clean growth—things like investing in public transit and a low-carbon electricity grid. The third one is preparing our economy to attract the jobs of tomorrow.

On the first point: By reducing emissions today, there are tremendous opportunities in energy conservation, and in particular, I mean natural gas conservation. Energy efficiency measures are about upgrading facilities, modernizing facilities, improving buildings and improving processes. These investments are known to create jobs. They reduce energy costs; they reduce emissions. Every study that has looked at energy conservation and efficiency shows these things to be a win-win-win.

The government has included some conservation in the plan, although it's not clear how much. We would encourage the province to embrace the concept of all cost-effective conservation, which is, by definition, conservation that pays for itself. When somebody invests in a new piece of machinery or in retrofitting their home or their building, they're going to save energy, which saves them money and will pay for the initial capital cost of the upgrade. The previous government had embraced this in theory but not in practice. We would encourage this government to go that way, which will deliver on emissions reductions, will create jobs, will reduce emissions and will save Ontarians on energy costs as well. In fact, a study by ICF International found that deeper energy-efficiency efforts between now and 2030 could save Ontario's consumers \$85 billion in natural gas costs over the lifetime of the energy efficiency measures. We shouldn't leave those savings on the table.

**0950**

On the second point, about building infrastructure, we note that Ontario has committed to spend \$5 billion more on transit in the environmental plan, but that begs the question, more than what? We're not sure what the baseline is that we're starting from there. So we'd really like to see a clear investment plan from the province when it comes to transit, for the same reasons as we'd like to see investments in energy conservation and efficiency: These investments create jobs, they reduce emissions and they're really necessary to address gridlock, a growing issue in the province.

We note that the government recently announced funding from the gas tax to municipalities for transit infrastructure, which was definitely welcome. We would like to see

that amount of funding, though, increased. We have an infrastructure deficit when it comes to transit as well. We need a significant investment there.

We'd really like to see this government continue to move forward on projects that have already been approved by municipal councils and approved by the previous government. We don't want to see a complete rethinking of Ontario's transit plan. We think there are a lot of good projects that are already ready to go. Get shovels in the ground and get moving on those things. We'd really like to see that progress sustained. We don't want to go back to the drawing table. Things like the electrification of the GO rail network and approved LRT programs should continue to go forward.

On electricity, we know the government has made a promise to reduce electricity costs. The surest way to do that today is by investing in renewable energy. Renewable energy is the cheapest form of new electricity generation in Canada, as it is in many parts of the world today. We've seen recent auctions in Alberta come in at tremendously low prices, lower than what Ontario is paying for any source of electricity generation.

We know that we don't need a lot of new power today, but there are a number of older natural gas plants that will be coming off contract in the years ahead. These are high-polluting plants. We would recommend the government take those plants off-line and get them out of the grid. They're dirty energy. They're expensive. We can get cleaner sources of power at less cost.

We also would encourage the province to take another look at the plans to refurbish the nuclear power plants. Those plants are extremely expensive as currently planned, and there's a high probability that they will go over cost.

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

**Mr. Keith Brooks:** We have opportunities to bring in more power from Quebec and to build more renewable energy. We'd prefer that we look in that direction.

In terms of preparing the economy to attract the jobs of tomorrow, I really would encourage the province to embrace what could be called the clean economy, this emerging clean-tech sector. McKinsey and Co. have called this the biggest economic opportunity in a century. The World Bank estimates it's a \$6-trillion opportunity over the next decade. It's a major economic force in Canada. It's 3% of Canada's GDP right now, and 300,000 people are employed in that sector. That's the same amount of GDP as the oil sands and it's twice the number of people employed in the oil sands. It's bigger than the forestry sector. It's a big sector.

We would encourage you to invest in that sector so that facilities like GM's Oshawa plant will be building electric vehicles instead of going out of business as this economy changes.

One final point is that we notice the province has committed some resources to fight climate change. We're happy to see that. We'd like to see more, of course. In particular, the environmental plan allocates about \$500

million; we'd like to see that doubled at least. It's our understanding that this government—

**The Chair (Mr. Stephen Crawford):** Thank you, Mr. Brooks. We appreciate it.

We're going to move on now to questioning. We have four minutes from—we'll start with the government side. Mr. Roberts?

**Mr. Jeremy Roberts:** Perfect. Mr. Brooks, thank you so much for being here today and for putting together a very thoughtful presentation that presented some interesting ideas.

There's a couple of things I want to touch on here. You spoke a lot about clean water, which I think is something that our government is really prioritizing. My riding, Ottawa West–Nepean, sits right on the Ottawa River, and we've been working a lot over the past decade to stop the dumping of sewage into the Ottawa River. How important do you think that priority is, in terms of stopping the dumping of sewage into some of our fresh water, to making sure we have a steady, clean supply of water going forward?

**Mr. Keith Brooks:** It's important to stop the dumping of sewage into fresh water, for sure. That involves in most cases, though, significant investment in the waste water infrastructure—right?—storm and sewer overflows and things like that.

**Mr. Jeremy Roberts:** Fantastic. Good stuff.

Secondly, I was interested in your thoughts on renewable energy and places where we can find more cost-effective energy. How important do you think it is, moving forward, to look to Quebec for hydroelectric power as a carbon-free source of electricity that's right on our doorstep?

**Mr. Keith Brooks:** We think there's a good opportunity there, in Quebec. We understand that Quebec has power that they are keen to sell. Hydro power would pair very well with Ontario's grid, a good partnership between the provinces. We would encourage the province to look at that opportunity.

But I think what would be good on the electricity sector is to get all the costs on the table. There are certain costs that are not open to public scrutiny right now, and I think that putting those costs on the table, putting the different choices in front of Ontarians so we can make some informed decisions about our long-term energy plan, would be a good way for this government to proceed.

**Mr. Jeremy Roberts:** Sure. And then the last question for me: Obviously the plan to reduce emissions is an incredibly important cornerstone of our environmental plan. Ontario is now projected to meet its Paris accord targets. How important do you think it is for other provinces to make sure that they meet those targets as well?

**Mr. Keith Brooks:** Well, we would like to see all provinces do what they can. The Paris targets are a federal target, of course, and we don't think that every province should be doing the same thing. Each province is different in terms of its economic makeup, in terms of the resources, for example, that are part of that economy. We really were

in favour of Ontario's previous targets, which were much more ambitious than the Paris targets that the government has now promised they're going to meet. We would encourage this province to do as much as they can, because we think we have a real opportunity to reduce emissions at low cost while doing many good things like creating jobs and preparing Ontario to take advantage of the economy of tomorrow.

**The Chair (Mr. Stephen Crawford):** Any other questions? No? Okay. We'll go to the opposition side: Mr. Burch.

**Mr. Jeff Burch:** Thank you for your presentation, Mr. Brooks. I'm wondering if you could speak a little bit about the importance of environmental protection acts such as the Greenbelt Act, the Clean Water Act, and the government's approach to those in Bill 66, specifically schedule 10?

**Mr. Keith Brooks:** Yes. Those acts are vital to the protection of Ontario's natural heritage, farmland and clean water. A lot of those bills were in fact provoked by a desire to ensure clean water for Ontarians. The Oak Ridges moraine plan is about protecting water, as is the Niagara Escarpment Plan, as are the Clean Water Act and the source water protection plans. The Greenbelt Plan is fundamentally about protecting agriculture and what remains of natural heritage systems in Ontario.

We're very concerned about Bill 66, in fact. The environmental plan that the province put out speaks about the desire to move forward with all of those water protection plans, but then Bill 66 would seem to supersede all of that, or undermine all of that. We have been asking the province to stop moving that bill forward, or at the very least amend it so that it does not allow municipalities to pass an open-for-business bylaw that would trump all of those provincial planning measures that are meant to ensure clean water.

**Mr. Jeff Burch:** Thank you. Finally, it looked like you had something else to say at the end of your presentation. Is there anything you would like to add?

**Mr. Keith Brooks:** Nothing in particular, only that I think that the size of the prize is big if Ontario chooses to really pursue the clean economy: It's a \$3-trillion opportunity; it's hundreds of thousands of jobs. It's a very large and growing sector. It is where we think economic growth will come from in the future. I think that Ontario needs to look at that opportunity and understand how that's going to change our manufacturing facilities, and how it's going to change the services in all sorts of the economies for Ontario, and the source of jobs and growth in the future.

**Mr. Jeff Burch:** Thank you for all the work that you do. I appreciate it.

**The Chair (Mr. Stephen Crawford):** Any other questions? Ms. Stiles?

**Ms. Marit Stiles:** Hi. Thank you very much for your presentation. I wonder if you could expand a little bit more on how you see this government's initiatives so far in terms of maintaining clean water. It seems to me that actually we seem to be taking a bit of a backwards step in

protecting those waterways, in response to some of my colleague opposite's comments. I wonder if you could talk a little bit about where specifically you think the government is maybe headed in the wrong direction.

**Mr. Keith Brooks:** Well, in the environment plan what we see appears to be a continuation of the previous government's agenda around clean water, which is all good, although it was not adequately funded, as I was commenting, so we need to see additional resources set aside there; we'd like to see that commitment. The biggest threat to fresh water that we see right now is certainly in Bill 66, which would undermine all of those protection plans, and I think people have talked a lot about the spectre of another Walkerton. The Clean Water Act and the source water protection plans were put in place because of the Walkerton tragedy.

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

**Mr. Keith Brooks:** We're afraid that allowing industrial development to go into municipalities and supersede provincial planning protections is a very serious threat and could present us with Walkerton 2.0.

**Ms. Marit Stiles:** You also mentioned your concerns about the government perhaps not pursuing the electrification-of-rail agenda that we had previously and that so many Ontarians are looking forward to. I know in my own community it's an essential part of an expansion of the rail to Barrie. If electrification doesn't go forward, within our community it's going to mean really dirty air. Certainly the environmental assessment requires electrification within a certain number of years. Do you want to comment a little bit more on what the impact would be if we don't move to electrification on schedule?

1000

**Mr. Keith Brooks:** Well, it means more pollution in the communities, it means fewer jobs in the communities, and it means increasing gridlock in the communities. Really, we want to clean the air and break gridlock—

**The Chair (Mr. Stephen Crawford):** Thank you, Mr. Brooks. We appreciate your time.

## CANADIAN MANUFACTURERS AND EXPORTERS

**The Chair (Mr. Stephen Crawford):** We would like to move on to the Canadian Manufacturers and Exporters. If you could state your names, then you can get right on with your presentation.

**Mr. Mathew Wilson:** Good morning, and thank you. My name is Mathew Wilson. I'm the senior vice-president of policy and government relations. Joining me today is Alex Greco, our director of manufacturing policy.

Our comments today focus on the need to create wealth and prosperity for all Ontarians through a world-class advanced manufacturing sector by harnessing new technologies and leveraging our people, natural resources and innovation capacity.

Manufacturing drives Ontario's economic activity, wealth generation and overall prosperity. The sector directly accounts for over 12% of the province's GDP, with

nearly \$300 billion in annual shipments, \$200 billion in exports and three quarters of a million employees. Another 1.2 million jobs are directly related to manufacturing across a wide range of sectors, including natural resources, services, government and technology. Through their activities and employment, the sector contributes over \$27 billion annually to provincial government operations, helping to pay for hospitals, schools and roads in every community across the province.

While these numbers are significant, they also tell the story of a sector that has stagnated in recent years; along with it, so too has the province's economy. The result has been a steady decline in the strength and competitiveness of Ontario manufacturing and the province as a whole.

Consider the following: Ontario has the dubious distinction of being the only province to see manufactured goods exports fall in 2017. Manufacturing output in the province has not grown above inflation since climbing out of the great recession a decade ago, and in 2017, sales growth was less than 1%—the worst of any province. Capital expenditures in Ontario's manufacturing sector have fallen by nearly 20% over the past decade while investment levels were up over 8% in Quebec. Since 2013, foreign direct investment into Ontario has shrunk by over 2% while it has grown by nearly 30% across the United States.

This stagnation in manufacturing in the province is not a sign of a sector in decline, as is often reported; it is, however, the sign of a sector that's going through rapid changes brought on by intense globalization and continual technological progress, changes which are not often well understood and are not being capitalized on within Canada, or in Ontario more specifically.

To better understand these changes, the challenges they bring and the opportunities they provide, we conducted a detailed consultation with Ontario's manufacturing sector throughout 2018. Our goal was to develop a plan that would double manufacturing output in the province by 2030. Throughout our consultations, three core priorities emerged for growth. First, we must create a competitive business environment in Ontario that, through tax and regulatory reform and lower electricity prices, reduces business costs and encourages growth and production. Second, skills and labour shortages must be addressed through improving technical skills training of youth and increased support for industry-led training and skills development initiatives. Third, supportive investment programs and policies must be introduced to drive both foreign and domestic investment and assist companies with scale-up, technology adoption, and product commercialization.

Over the past several months, we have seen several important and encouraging steps taken by the government to address many of these elements. The red tape regulatory reduction challenge; changes to labour regulations, including to the key restrictive elements of Bill 148 and beginning to address apprenticeship ratios; curriculum reform to increase focus on STEM education; improvements to accelerated capital cost allowances; and

commitment to a full review on electricity pricing in the province with the goal to reduce costs: All of these have been welcomed and applauded by CME and the manufacturing community in general, and we look forward to continuing to work with the government on their implementation.

That said, more aggressive action is required to reverse current trends in the manufacturing sector. We believe the 2019 provincial budget is the right time to take those next steps towards a pro-growth manufacturing strategy. Based on the three themes identified during our consultations to reduce the cost of doing business, address skills shortages and support investment, we have three priority areas for action in Ontario's budget.

First, the province should commit to a full review of the provinces' tax system to modernize it for 21st-century realities. Ideally this would be done in partnership with the federal government, given the integration of the systems. A full review of Canada's tax system has not been done since the early 1960s. Much has changed since then, which impacts how businesses operate and how and why governments tax. An ideal outcome of the review would be to ensure that our tax system is rewarding growth and recognizing its value to society rather than simply the size of a company. While we understand that tax reviews can take a while and the outcomes are unknown, it is critical that the process be at least started.

In the interim, there is one area of growing importance we heard regularly about from our members, and that is property tax reform and the protection of industrial employment lands. The province recognized this issue in the fall when it proposed to eliminate the "highest and best use" provisions being used unfairly to increase property taxes on the province's manufacturers. This was an excellent first step, but more must be done. The province should introduce additional measures to protect industrial employment lands from regulatory creep that forces relocation or costly alterations to facilities due to residential expansion. Industrial property taxes must also be reduced, which can start by following through on a commitment of the last government to phase out the provincial business education tax, which is levied through provincial property taxes.

The second area of needed attention is new support programs to boost investment in machinery and equipment and to facilitate the commercialization of innovative products. Investment is critical for growth, innovation and job creation. However, as noted earlier, investment in these areas in Ontario, compared to other provinces, is lagging. Ontario has the worst investment record in the country, and Canada is ranked near the bottom in the OECD in capital investment and technology adoption.

Reducing the cost of doing business in the province will help with the investment challenge Ontario currently faces. However, that in and of itself will not reverse the trends we see. Ontario is fighting for investment from companies, both domestically grown and internationally headquartered, that can and will put their capital nearly anywhere in the world, and free trade allows them to service their customer base from nearly any location.

Over the past several months, the government has supported several manufacturing investments in Ontario, which has been positive.

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

**Mr. Mathew Wilson:** However, industry needs a stable, transparent and predictable program to support investments in their operations.

The final issue which we want to raise at the committee today is that of the ongoing skills and labour shortages in the province. Simply put, Ontario manufacturers struggle to find workers. In fact, about 77% of our members tell us today that they have labour shortages, and that number will go up to 80% in the near future. This is a long-term issue that will not be addressed overnight. However, like taxation, we must begin now.

There are two areas that we ask you to look at. First, continue to focus on the STEM education curriculum reform, and introduce new programs like Open Doors, which will introduce youth to manufacturing careers.

Second, we ask for increased support for industry-led training programs, such as the Canada-Ontario Job Grant, and expansion of apprenticeship training tax credits—and ensure that there is more re-engagement through things like work-integrated learning programs.

Thank you for your time today. I look forward to the discussion.

**The Chair (Mr. Stephen Crawford):** Thank you, Mr. Wilson. You're right on time.

We'll start with the opposition side for questioning. Mr. Burch.

**Mr. Jeff Burch:** Thank you for your presentation. Can you talk a little bit about the impact of the GM closures on the auto manufacturing and parts sector in Ontario?

**Mr. Mathew Wilson:** I don't think it's fair to talk about any one closure. Maybe I'll talk about the sector as a whole and the challenges that they face. There are three sectors that really drive Ontario manufacturing in a lot of ways: auto, chemistry and food production.

Anchor firms drive a lot of the activities. Anchor firms in automotive, like GM, like Toyota, are critically important to drive a lot of other investments in a lot of subsectors, such as, say, a Magna or a Linamar, some of the subcomponent manufacturers. The same thing goes in chemistry and food. If you start losing investment from those big players, it starts to deteriorate the overall economic competitiveness and the overall investment climate and the jobs that are created within that sector.

Not to look at any one company or any one decision that they make, but just generally speaking, we need to see those foreign firms investing, and we need to see the growth of those big firms.

We can talk all day, and we know all the stats that 95% of businesses are small and all that, but at the end of the day, those small businesses feed into larger businesses. If the larger businesses aren't investing and growing in the province, we've got a structural problem in the economy that's going to be hard to dig itself out of.

**Mr. Jeff Burch:** Great. Secondly, I didn't hear you mention low energy costs as a factor. Can you talk a little bit about that?



**Mr. Mathew Wilson:** Yes. I did mention it briefly off the top. When we did our consultations, two issues came up as probably the top two issues that companies told us about: (1) a lack of labour—they just couldn't get skilled workers—and (2) energy costs. Those two issues, more than anything else, were stopping them from investing in the province.

So we'll wait and see what the government does with their review that they promised in the fall economic statement. But it's absolutely critical that we see a reduction in energy costs in the province.

**Mr. Jeff Burch:** Thank you.

**Mr. Mathew Wilson:** Thanks.

**The Chair (Mr. Stephen Crawford):** Any other questions? Ms. Shaw.

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**Ms. Sandy Shaw:** I have a specific question. You talked about the labour reforms that you were supportive of. One of the things that we found most egregious was that this labour reform took away two paid sick days from employees who may be working part-time or in a precarious situation. What does your organization feel about that?

**Mr. Mathew Wilson:** That's a good point. I just want to be clear. Obviously, in the shortness of time, we don't get a lot of time to explain what we talk about.

In the manufacturing sector in general—one, it's the highest-unionized sector of any sector outside of the government in the province or in the country. The benefits that are provided to workers in the manufacturing sector go way beyond what industry norms are—

**Ms. Sandy Shaw:** Did your organization have any input or any commentary on the two paid sick days—

**Mr. Mathew Wilson:** No. We were more focused specifically on scheduling provisions and more flexibility around those types of things. We also had no commentary at all on the minimum wage. We did not have an issue. We want to see that freeze be brought back in. We thought it was too aggressive too quickly. But generally speaking, manufacturers' employees are already getting all those benefits.

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

**Ms. Sandy Shaw:** Also, you talked about how an outcome of the tax review would be not only recognizing growth, but it would recognize the value to society. Can you specifically tell me what you think that would look like—the measures and value to society?

**Mr. Mathew Wilson:** Looking at employment investment, R&D, training that they're bringing, we tend to look at things very simply: size of a company, how much revenue you create. But there's way more that a company brings to the equation, and not just in manufacturing, across the board, and almost always we ignore all those other things they bring in. For us, if a company is investing in training, for example, they shouldn't be paying as much tax as somebody who's not investing in training, because there is a broader—

**Ms. Sandy Shaw:** So that's what you would say that—

**Mr. Mathew Wilson:** Correct.

**Ms. Sandy Shaw:** Finally, if I have enough time, can you point me to some evidence or research that shows that some of the requests you were asking for from the government, in terms of reduced taxes and capital cost appreciation—how in fact that will grow the economy? I'm just looking for some direct evidence—

**The Chair (Mr. Stephen Crawford):** We'll have to move on, Ms. Shaw.

We've got four minutes now for questioning from the government side. We'll start with Ms. Skelly.

**Ms. Donna Skelly:** Thank you, gentlemen, for your presentation this morning.

In my role as parliamentary assistant to job creation, economic development and trade, I've had the opportunity of meeting with many, many business owners and operators right across Ontario. Certainly, the priorities that you shared with us this morning are priorities that were identified by the stakeholders I've had the opportunity to speak with.

I wanted to get your thoughts on our job so far in creating a more competitive business environment—some of the things that we've done so far, that you've heard from your stakeholders, from people within your sector, that they believe are helping create that environment.

**Mr. Mathew Wilson:** There would be a couple of things that I'd highlight. The Bill 148 changes is probably the biggest one, off the top; and what went with it, and what often gets ignored, is the changes to the apprenticeship ratios. Those two things, off the bat, were huge for our members.

Beyond that, people are really looking to see what happens next. The promise of a review of industrial electricity rates, for example, and the outcomes of that will be critical.

There are also a number of general regulatory—the broad-based regulatory reform packages that were brought in.

Generally speaking, across the board, those are very well supported, but every company has different priorities and different things.

Those two things, though, in terms of Bill 148 and electricity, were probably the most broad-based ones that were supported by our membership and commented on.

**Ms. Donna Skelly:** If I could expand on that, clearly, in my experience, the lack of skilled workers is at almost a crisis level in this province. The change to the journeymen-apprenticeship ratio was something that was raised by many, many people. In fact, in one particular discussion, two small business owners said that change alone would result in about 12 young people being brought into the workforce in good-paying jobs.

Before I hand this over to my colleagues, is there anything that you can share with us that you believe will help us address that critical shortage?

**Mr. Mathew Wilson:** It starts in the primary grades. I've got kids who are in primary grades now. The lack of information about what happens in modern economies is pretty staggering, frankly—and I don't mean how a car is built at General Motors in Oshawa; I mean about what the

career tree might look like and how you would get into a career and what the diversity of careers would look like. We're not talking about just being a welder or an electrician; we're talking about someone who could be an accountant, a lawyer, an economist—yes, a skilled trades worker. We're also talking about those not just in terms of manufacturing, but about being entrepreneurs and growing their own businesses. We don't talk to kids about that. So we really think that next step is providing better education for youth about what those careers look like.

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

**Mr. Jeremy Roberts:** I had the chance last week to go on a tour of the Algoma steel mill up in Sault Ste. Marie. One of the things that kept coming up over and over again was the importance and the support that the workers there had for our Premier fighting against the steel tariffs that have been imposed by the United States. How important do you think it is that we continue that fight in order to ensure that our manufacturing sector remains strong?

**Mr. Mathew Wilson:** The short answer is, it's absolutely critical. Steel is used in most manufactured products, regardless of what sector you're in—probably except for food, but even that, they use aluminum cans and things like that. So it's critically important. Look, we believe free trade should be free trade. I don't care whether it's with South Korea or whether it's with our neighbours in Michigan and New York; we should have fair, reciprocal trade between our countries.

We have a free trade agreement. They're not enforcing that the way we believe it should be to be reciprocal, and it's critically important that we eliminate all those tariffs going both ways—

**The Chair (Mr. Stephen Crawford):** Thank you, Mr. Wilson, for your testimony. We appreciate it.

**Mr. Mathew Wilson:** Thank you.

#### ONTARIO FEDERATION OF LABOUR

**The Chair (Mr. Stephen Crawford):** We'll move on to our next presenter, the Ontario Federation of Labour. If you could please state your names for the record, and you can get right into your presentation.

**Mr. Chris Buckley:** How is everyone? My name is Chris Buckley. I'm the president of the Ontario Federation of Labour. Thank you for the opportunity to be here today.

To my left is Thevaki. She's the director of research and education for the OFL.

The OFL represents one million workers, and we champion the rights of all workers, especially the most vulnerable. The Making Ontario Open for Business Act has hurt Ontario workers, who desperately need worker protection and an increase to the minimum wage that this government took away. A pro-business agenda does not change the facts, folks. Women do not have pay equality. Youth are burdened by student debt. Racialized workers face discrimination in the workplace. The current minimum wage is a poverty wage that leaves millions of families struggling to make ends meet. This government

must put people first to build a prosperous economy that is rooted in decency, equity and fairness.

Today I will highlight some of the OFL's recommendations for the 2019 budget. The rest can be found within our submission, which you all have right now.

**On decent working conditions:** The Ford government consistently prioritizes businesses over workers, making it harder for Ontarians to find stable, well-paid jobs. The government has an obligation to the workers of Ontario to act now and reinstate a legislative framework for decent work, including making it easier to join and keep a union.

**On strikes and fair collective bargaining:** The Ford government must not interfere in collective bargaining or undermine workers fighting for decent work and exercising their constitutional right to withdraw their labour. Our charter rights must not be removed with the stroke of a legislative pen.

**On women workers:** Currently, women in Ontario earn 71 cents for every dollar that men earn. The gap is larger for other equity-seeking individuals. Ontario needs an economic justice strategy that promotes women's meaningful participation in the workforce.

**On violence against women:** Last year, the government dismantled an expert panel to end violence against women and cancelled \$14.8 million in promised funding for sexual assault centres. The government must reinstate the expert panel to end violence against women and must properly fund sexual assault centres.

**For workers of colour:** Insecure work remains at the core of racial inequality in Ontario. Racialized women earn 58 cents for every dollar that non-racialized men earn. The government has a role to play in stopping discrimination. Carding is a systemic violation of Black people's, Indigenous people's, and peoples of colour's human rights. The government must, as recommended by the Independent Street Checks Review, eliminate carding entirely. They must also assign greater funding to the Anti-Racism Directorate to advance racial justice throughout Ontario.

**Towards peace and inclusion:** In 2017, hate crimes across Canada surged to an all-time high. Ontario has the highest number of incidents: a 207% increase in hate crimes against Muslims, an 84% increase against Black people, and a 41% increase against Jewish people. These are only the reported crimes; many more go unreported. Hate crimes are unacceptable. Unless they are challenged, hate will continue to grow. The government must collaborate with the labour movement and community groups to develop comprehensive approaches that address hate in all of its forms.

Ontario also has the highest income inequality among the provinces. Public services are the great equalizer of society. Everyone is better off with strong and well-funded public services. Ontario has the lowest program spending per capita of all provinces. Our public services are starved. Invest in rebuilding public services and reducing inequality.

#### 1020

**On health care:** Ontario funds its hospitals at the lowest rate in Canada. Increase hospital funding by 5.3% each

year to protect service levels, stop the cuts, and rebuild capacity in local public hospitals.

On pharma care and dental care: More than 80% of insecure jobs in Ontario do not receive any benefits, including vision, dental and prescription drug coverage. Everyone should have access to essential medications. This principle should also extend to dental care.

Ontario's standard of care in long-term-care homes places it last in Canada, and Canada places last among countries with equivalent economies. Legislate at least four hours of hands-on care per resident per day in long-term-care facilities.

For child care to be affordable, it must be accessible. Quality child care requires a well-supported workforce. Allocate public dollars to expand child care in the public and non-profit sectors and put an end to licensing new for-profit child care centres. Withdraw Bill 66. Protect child safety by cancelling the proposed changes to home-based daycare.

On post-secondary education: The Ford government is threatening budget cuts for already underfunded universities and colleges by requiring campus free speech policies. This jeopardizes students' education and research quality. Withdraw the government's free speech directive.

On affordable housing: Ontario has one of the largest social housing wait-lists in the country. Ontario needs a comprehensive provincial social housing strategy that treats housing as a public utility and delivers it according to need.

On social and community services: We must eradicate poverty in our lifetime, folks. Raise social assistance rates above the poverty line, support front-line workers, stop cuts to benefits and supports, and raise the minimum wage to \$15 an hour for all workers.

Stop the privatization of public services. This government has a responsibility to prioritize the interests of the collective and the vulnerable.

Stop the ongoing privatization of public assets—

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

**Mr. Chris Buckley:** —including Hydro One, the OLG and the LCBO, as well as Ontario's health care, education and infrastructure systems.

Greening the economy: Climate change must be addressed with fairness and equity. The government must deliver carbon reduction programs that address climate change and environmental inequalities while producing decent jobs for all.

In conclusion, the OFL expects that the 2019 budget will reflect a change in focus from big business to the people who power our economy. It's time to put people first. Thank you for your time.

**The Chair (Mr. Stephen Crawford):** Okay. Thank you very much. We'll start with questions from the government side. Mr. Roberts?

**Mr. Jeremy Roberts:** Thank you very much, Mr. Buckley. You spoke a little bit about—

**Mr. Chris Buckley:** You can call me Chris.

**Mr. Jeremy Roberts:** Chris; excellent. You can call me Jeremy.

**Mr. Chris Buckley:** All right, Jeremy.

**Mr. Jeremy Roberts:** There we go. You spoke a little bit about not supporting our government's decision to cap the minimum wage increase at \$14.

**Mr. Chris Buckley:** Absolutely.

**Mr. Jeremy Roberts:** What is the outcome that you think the government would achieve by raising the minimum wage to \$15? What's the outcome here?

**Mr. Chris Buckley:** Right off the hop, Jeremy, you would help 1.7 million Ontario workers out of poverty—right off the hop.

**Mr. Jeremy Roberts:** So the goal is poverty reduction?

**Mr. Chris Buckley:** Absolutely, and giving people extra income. I've said this every time I present here. It's not rocket science. Try to live on \$14 an hour. I know I couldn't; could you? Anyway, Bill 148 gave those most vulnerable workers in our province a raise in pay; 1.7 million Ontario workers were looking forward to an increase as of this January. Your government put the brakes on it. That puts a strain on our food banks. That puts a strain on other organizations that help those who are less fortunate.

Look around this room. We are very fortunate people. We've got good-paying jobs, but there are so many who don't. I've heard all the rhetoric. When the previous government first announced Bill 148, what was the first organization to come out and slam it? The Ontario Chamber of Commerce, which said that Bill 148 would be catastrophic to the province of Ontario. Well, listen, folks: The sky did not fall.

**Mr. Jeremy Roberts:** I appreciate your passion on that, Chris.

**Mr. Chris Buckley:** It is my passion.

**Mr. Jeremy Roberts:** Certainly I think the goal of reducing poverty is very admirable. I tend to be somebody who likes to look at the evidence. What has the evidence showed over the past couple of months since the increase to \$14 on income growth?

**Mr. Chris Buckley:** Over 80,000 jobs were created in the province of Ontario. In your riding, how many businesses packed up shop and left your riding?

**Mr. Jeremy Roberts:** Specifically, I'm talking about income growth—

**Mr. Chris Buckley:** Were there any businesses that left your riding?

**Mr. Jeremy Roberts:** Specifically, I'm talking about income growth, because that's the exact point that you were talking about: that we want to grow income to reduce poverty. What has been the impact on income growth since the \$14 minimum wage increase?

**Mr. Chris Buckley:** I didn't catch what you're saying because I was interrupting you. I apologize. Say that again.

**Mr. Jeremy Roberts:** No worries—

**Mr. Chris Buckley:** I don't see this as anything to laugh about, to tell you the truth, folks. We're in trouble in this province.

**Mr. Jeremy Roberts:** I'm looking specifically at the impact on income growth since the previous government increased the minimum wage to \$14.

**Mr. Chris Buckley:** Go ahead, Thevaki.

**Mr. Jeremy Roberts:** So—

**Mr. Chris Buckley:** Let Thevaki answer the question. She'll handle the technical questions. In all honesty, she's the brains of the operation.

Go ahead, Thevaki.

**Ms. Thevaki Thevaratnam:** That's a lot of pressure.

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

**Ms. Sandy Shaw:** Point of order.

**The Chair (Mr. Stephen Crawford):** Sorry. Ms. Shaw?

**Ms. Sandy Shaw:** Can I just get Mr. Roberts to clarify, because I want to understand the question. Are you talking about the provincial income? What income are you talking about?

**Mr. Jeremy Roberts:** Income growth over—

**Ms. Sandy Shaw:** On individuals, or the provincial income, or—

**Mr. Jeremy Roberts:** Individuals, yes.

**Ms. Thevaki Thevaratnam:** Okay. The minimum wage increased from \$11.40 to \$14 per hour. These folks now have more money to invest in the economy. They're more able to spend money in businesses. That's increasing the ability of businesses to produce goods, because there's more demand. So you're seeing that income growth, from \$11.40 to \$14.

To the point that Chris mentioned, \$14 still doesn't take you out of poverty; that's why we're asking for \$15 per hour. This tax credit that the government has provided instead of actually increasing the \$15 minimum wage—what that does is absolutely nothing, because these folks don't even pay enough to benefit from the income taxes.

**Mr. Chris Buckley:** It's not rocket science, Jeremy.

**Mr. Jeremy Roberts:** So—

**The Chair (Mr. Stephen Crawford):** Thank you. My apologies, but we do have to carry on.

We'll start with the opposition side for questions. Ms. Stiles.

**Ms. Marit Stiles:** Thank you very much for your presentation.

I just want to acknowledge that it is the labour movement that has again and again ensured that workers and many people around the world benefit from things like the weekend; parental leave; pay equity, in some cases; health and safety. So I want to thank you for your continued passion and advocacy.

I wanted to give you an opportunity to finish your response to that last question, because I think you were trying to make a point. I'd like to see if you have anything to add before I ask my questions.

**Ms. Thevaki Thevaratnam:** Sure. When you provide a tax credit, there are two points to it: You're looking at the collective benefit and then the individual benefit. Let's talk about the collective. We know that government revenues fund public services, which are super important not only for low-income individuals but for everybody. We're looking at health care. We're looking at education. We're looking at infrastructure. What tax credits do is

reduce the ability of government to fund those services, and that disadvantages the collective.

When we look at the individual front, these folks, like I mentioned before, don't pay enough in income taxes to receive a meaningful payback in terms of a tax credit. More important, your total income contributes the amount of money that you get from your Canada Pension Plan or from employment insurance, so in the long run, these folks are disadvantaged because they are going to get less pension income and are less able to qualify for employment insurance. You earn more when you have a dollar-per-hour raise. You get more money in your pocket. That not only benefits the individual, but it benefits the economy, because you can invest in the economy, you can invest in local goods and services. That's why we are advocating for a \$15 minimum wage, to raise 1.7 million people out of poverty.

**Mr. Chris Buckley:** It's not rocket science. I think everybody in this room will agree: If workers are earning a decent wage, at the end of the week, once the bills are paid and food is put on the table, any extra income they may have they're going to spend within the communities in which they live, which only helps our communities get stronger and in return creates a stronger province of Ontario. I just don't get what people don't understand about paying workers a decent, livable wage.

**Ms. Marit Stiles:** I had another question specifically about child care, an issue near and dear to my heart and many families'. You mentioned in the brief and you mentioned briefly here today your concerns about changes to the proposed home-based daycare facilities—the ratio increase. Would you speak a little bit more about that and what the impact would be?

**Mr. Chris Buckley:** In my opinion, that's a dangerous avenue to take—by putting those young children at risk and putting more strain on the providers. Listen, how many people do you hear from every day who can't afford child care as it is?

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

**Mr. Chris Buckley:** The government is going to put in place measures to allow private child care providers to take in more infants and more younger children who they have to take care of. I'm fearful that that's going to create harm to those children in those daycare centres.

**Ms. Thevaki Thevaratnam:** Can I just add that those provisions, those regulations, were initially put in because there were infant deaths in those places, because there were too many children who were being looked after. Now we're actually taking those regulations away? That doesn't make much sense.

**Ms. Sandy Shaw:** Yes. Thank you. In the time we have left, can you talk really quickly on your concerns about privatization in our public health care system? I know that's something you raised.

**Mr. Chris Buckley:** Listen, it's no secret that our health care system has been broken for a long, long time, and I'm not pointing the finger at anybody. Any one of us can go into a hospital in this province on any given day to

see the lineups, to see patients in the hallways, to see people suffering. My heart aches for health care workers—

**The Chair (Mr. Stephen Crawford):** Thank you, Mr. Buckley. We have to unfortunately move on. I appreciate your testimony.

**Mr. Chris Buckley:** You're positive?

**The Chair (Mr. Stephen Crawford):** I'm positive.

**Mr. Chris Buckley:** All right, Stephen.

**The Chair (Mr. Stephen Crawford):** Time is time.

**Mr. Chris Buckley:** Thank you for the opportunity. Listen, not that you're probably going to budge, but I'd ask you to take a serious look at our submission, please.

**The Chair (Mr. Stephen Crawford):** Let's move on, please.

**Mr. Chris Buckley:** Thank you for your time.

#### NATIONAL COALITION AGAINST CONTRABAND TOBACCO

**The Chair (Mr. Stephen Crawford):** I'd like to call up the National Coalition Against Contraband Tobacco. If you could please state your name for the record and you can get right into your presentation. Thank you.

**Mr. Gary Grant:** Thank you for inviting me to present today. My name is Gary Grant and I'm the national spokesperson for the National Coalition Against Contraband Tobacco. I came to the coalition after a 39-year career as a Toronto police officer and the founder of Toronto Crime Stoppers.

The coalition is made up of 16 members, some of which include the Ontario Chamber of Commerce, Toronto Crime Stoppers and the Canadian Tobacco Manufacturers' Council. All members of the coalition are in some way impacted by contraband tobacco in Ontario.

As you may well know, contraband tobacco continues to be a major issue in the province. Research shows that one in three cigarettes in Ontario is contraband, and in northern Ontario, that rate rises to over 60%. In the government of Ontario's report carried out by Ernst and Young in the fall of 2018, it was noted that the government loses over \$750 million annually in provincial tax revenue due to illegal cigarettes. Combined with federal tax revenue, this amounts to a combined loss of over \$1 billion that could instead be used on services that Ontarians rely on.

The issue is compounded when we take into account who is truly profiting from contraband sales. The Royal Canadian Mounted Police estimate that over 175 organized crime groups are involved in the contraband tobacco trade. These groups use revenue from illegal cigarettes to fund other criminal activities, such as the buying and selling of guns and drugs, namely fentanyl and cocaine. Numerous gangs are in close contact with the estimated 50 illegal factories in Canada, the majority being present in Ontario.

However, we were very encouraged to see that in the last fall economic statement, Minister Fedeli promised key actions to combat contraband tobacco after over a decade of less-than-stalwart action. The actions outlined in this

statement are informed by the work which has been done in our neighbouring province of Quebec with the ACCES Tabac program. To give some quick background, Quebec used to have the same contraband tobacco rate as Ontario. However, with precise actions, they have been able to reduce their rate from 33% to 12% and are now putting money back in their treasury. In the last budget, the Quebec government stated that in the 2015-16 fiscal year, their actions yielded a return of \$180 million.

The statement outlined that the government of Ontario would be looking to create new partnerships with law enforcement to combat contraband tobacco. Currently, local law enforcement and the OPP must work with either the RCMP or Ontario finance to see an investigation of contraband tobacco through. Similar to Quebec, we would encourage the government to empower all law enforcement agencies in Ontario with the ability to conduct full contraband investigations, from start to finish.

Ontario's Contraband Tobacco Enforcement Team, which is a mix of Ministry of Finance officials and OPP officers, must be adequately staffed. The statement outlined that the team has hired additional staff over the summer and will soon have doubled in size. However, this is not enough. The previous team was made up of nine members, and the new team will be made up of 18. This pales in comparison to the Quebec team, which has 54 members dedicated solely to contraband tobacco and another 54-member team dedicated solely to contraband cannabis. The government must ensure that the team is wholly focused on tobacco, as currently, members of the team can be taken out for other investigations.

Second, they must adequately resource the team to be more in line with the size of Quebec. Seeing that Quebec has a smaller population than Ontario, the coalition could see our team in Ontario having over 60 members.

Finally, the statement outlined the tobacco enforcement grants program. This program also exists in Quebec and allows local police forces to take on contraband tobacco investigations. Throughout my travels in Ontario, the most common message I get from police chiefs is that they know that the issue exists but they do not have the resources to properly deal with the problem. Through a grants program, local police services should be able to apply for funding that will be totally dedicated to contraband tobacco investigations. By utilizing the on-the-ground experts, the government would be able to address the issue more effectively.

In conclusion, we recommend that the government of Ontario look closely at the specific actions that have been taken in Quebec and how they have driven their contraband tobacco rate down, which has increased their tax revenue. Local police services and the OPP must be allowed to conduct full contraband tobacco investigations. Ontario's Contraband Tobacco Enforcement Team must be better resourced to account for the scale and the scope of the contraband problem in Ontario. Finally, the provincial police services must have the funding to commit resources to combat this issue. These three targeted actions, combined with the public awareness campaign

being initiated by the government, will allow Ontario to effectively address this issue and start making significant inroads against contraband tobacco in this province.

Thank you for your time, and I would be happy to take any questions you might have.

**The Chair (Mr. Stephen Crawford):** Thank you, Mr. Grant. We'll start with the opposition side. Ms. Shaw.

**Ms. Sandy Shaw:** Thank you for your presentation. Can you tell me a little bit more about your organization? Who are the founding members, or how does your organization fund itself?

**Mr. Gary Grant:** There are 16 members. They're on our website. We have a hand-out for you that will list all the members. The organization is funded by their members.

**Ms. Sandy Shaw:** Okay. An example of a member would be—

**Mr. Gary Grant:** Well, for instance, my organization, Toronto Crime Stoppers, is a member. The Canadian Chamber of Commerce is a member. The duty free association and the tobacco manufacturers' council are members. All people who are members have been impacted by the sale of contraband tobacco.

**Ms. Sandy Shaw:** I realize that your main focus is the contraband tobacco, but does your organization focus at all on efforts to have people have less reliance on tobacco products?

**Mr. Gary Grant:** Our efforts are focused on stopping contraband tobacco. In my view, contraband tobacco increases smoking rates. If people have access to cheap illegal cigarettes, they will continue to smoke, especially our young people who have easy access. Criminals don't ask them for any ID. They will sell a 12-year-old baggie of 200 cigarettes for the cost of a movie ticket.

Certainly, by trying to eliminate contraband tobacco, it would be helpful in trying to combat our smoking rate in the province, as well as combatting organized crime in the province and combatting the bleeding out of our provincial economy as a result of the sales of contraband tobacco.

**Ms. Sandy Shaw:** Does your organization work with organizations like Grand River Enterprises, or First Nations and Indigenous communities that have a significant role in—

**Mr. Gary Grant:** We would work with any organization that would assist us in eliminating contraband tobacco. But at this time, there have been no partnerships or working relationships with any of the manufacturers.

**Ms. Sandy Shaw:** Okay. Thank you very much.

**Mr. Gary Grant:** You're welcome.

**The Chair (Mr. Stephen Crawford):** Any other questions? No? Okay. We'll move to the government side. Mr. Downey.

**Mr. Doug Downey:** Traditionally, governments have used price increases on legal cigarettes to try and deter smoking. Can you comment on the effect of that?

**Mr. Gary Grant:** As a non-smoker, it's hard for me to comment. But I presume that raising prices is one of the strategies to discourage people from smoking. It might work; however, as long as there's a cheap and easy

alternative of a black market, that's not likely to work. If you can just go across the street to buy anything that's going up in price, and buy it from a market that's illegal but cheap, people will take that as an action. That's why it's so important to get rid of the contraband market, if we're ever going to tackle the issue of smoking.

**1040**

**Mr. Doug Downey:** Although it's not provincial jurisdiction, can I have you comment on what the federal government is doing in terms of the impact on the illegal cigarette market, the packaging and that kind of stuff?

**Mr. Gary Grant:** The federal government is promoting plain packaging for cigarettes. It's been used in other countries to mixed results, according to research. Our position on that would be that if they think plain packaging would discourage people from smoking—I have my own personal doubts as to that, but if it does, give it a try. However, if you're going to take a stab at that, why not include something in your legislation to tackle the illegal market as well? If something can be manufactured in plain packaging, it's going to be a lot easier for the people who manufacture contraband tobacco to just throw out a plain package. It will lead to confusion with the buyer, confusion with enforcement and more people going to the black market.

**The Chair (Mr. Stephen Crawford):** Mr. Cho.

**Mr. Stan Cho:** Thank you, Mr. Grant, for that presentation. You spoke of some of the fiscal impacts in other jurisdictions from tackling the problem of contraband tobacco. I'm wondering if you can maybe discuss some of the social impacts in those jurisdictions, or what you foresee as having an impact here in Ontario.

**Mr. Gary Grant:** The statistics from our friends in Quebec—we were out at a conference in the fall in the Maritimes talking to the various provincial partners in the enforcement arm of dealing with contraband tobacco. Obviously, a big reduction down to 12% in contraband tobacco from 33% in Quebec would indicate that more people are maybe getting the message and quitting smoking. But it's hard for me to say.

**Mr. Stan Cho:** One final question, if we have some time. Given your background in law enforcement, you might have some insight into this particular matter. Can you discuss some of the impact that contraband tobacco has had on law enforcement agencies throughout our province, and what you believe the impact would be with stricter—

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

**Mr. Stan Cho:** —contraband laws on law enforcement?

**Mr. Gary Grant:** As the RCMP has indicated to me, there are approaching 200 organized criminal gangs. Whenever organized crime comes into your community, it's not good for the community and it impacts law enforcement. The seizures that we've been seeing recently are seldom just contraband tobacco. There are quite often drugs; there are quite often weapons. There have even been some instances of human trafficking. So it certainly impacts a community, and when the community is

impacted, police services are impacted in dealing with that.

**Mr. Stan Cho:** Thank you very much, Mr. Grant.

**The Chair (Mr. Stephen Crawford):** We just have 30 seconds. Any further questions? No? Okay.

Well, thank you very much. We appreciate your testimony.

**Mr. Gary Grant:** Thank you. My pleasure.

#### ONTARIO HOSPITAL ASSOCIATION

**The Chair (Mr. Stephen Crawford):** Next, I'd like to call up the Ontario Hospital Association. Good morning.

**Mr. Altaf Stationwala:** Good morning.

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

**Mr. Altaf Stationwala:** My name is Altaf Stationwala. I am chair of the Ontario Hospital Association and president and CEO of Mackenzie Health.

**Mr. Anthony Dale:** I'm Anthony Dale. I'm president and CEO of the Ontario Hospital Association. Thanks for having us.

**Mr. Altaf Stationwala:** Thank you for having us. I will start with some introductory comments. We represent 141 public hospitals in the province of Ontario. We're happy to be here to present the pre-budget submission.

I would like to give you some context for what Ontario hospitals are facing today. Hallway medicine, as we know, is a real, significant challenge in our health care system today. As we sit here, probably 90% of the hospitals in this province are in bed meetings, trying to deal with the placement of patients who are waiting in emergency departments.

On any given day, we have 4,665 alternate-level-of-care patients in this province. This was just in the last month of November. What this does is ultimately backlog patients waiting in our emergency departments. These patients are waiting for placement in home, in community or in long-term-care facilities.

In my own hospital—just to give you context, we run a hospital in Richmond Hill and are in the midst of building a second hospital in Vaughan. On any given day, we are about 103% over census. As we've now started into the flu season and into the winter months, we are now running over 500 beds. We're actually funded for only 429 beds. So we're at 116% capacity just in the last few days. Our ED departments, which would typically see about 330 to 360 patients, have surged upwards to 430 or 440 patients per day—and this is before we even get into the peak of the flu season, so we are absolutely challenged. I know many of the other hospitals in the province are facing similar situations.

We know that there are solutions to fix this and we are very optimistic, with some of the things that are happening in the broader system, especially as we look to improving the relationship between hospitals and home and community services.

The alternate-level-of-care patients that are in our hospitals today can be more appropriately cared for in the community and in long-term-care facilities. The hospital sector as a whole is absolutely supportive of coming up with new solutions. I can tell you that just in my own region, we got together, as six hospitals, and opened up an existing hospital—the old York-Finch site—and created what is called the reactivation centre. This is a different model of care that enables frail, elderly patients who are waiting for other settings to be reactivated with rehabilitation services. We've been able to open over 112 beds for Mackenzie Health.

This has relieved some of the pressure, but even with those additional beds, I can tell you that we are still in significant surge. We are unsure of where these patients continue to come from. We know that broader system changes are needed, and we are, obviously, challenged by the day-to-day.

Again, we look for support as we look for bigger solutions in the transition, to ensure that hospitals in this province are adequately funded as we deal with some of the larger transitions that we are absolutely committed to and supportive of to help this government address.

With that, I'm going to leave it to Anthony Dale to talk about some of the recommendations from our association.

**Mr. Anthony Dale:** Thank you, Altaf, and thank you again to the committee for having us here today.

The evidence outlined in our full submission shows that Ontario has a financially responsible hospital sector—the most efficient, in fact, in the entire country. Ontario spends \$401 less per person on hospital care than the average of all the other provinces combined, saving some \$5.7 billion annually for other, equally important public policy priorities.

Despite growing patient volumes and rising costs, hospitals have worked extremely hard to make their operations more efficient without compromising quality of care. They have aggressively pursued these efficiencies to keep up with the province's changing demographics. Ontario's population is growing faster than any other province, and it is rapidly aging too. As the needs of patients and their families change, hospitals are facing new challenges.

The situation Altaf outlined at Mackenzie Health is not unique, sadly. Across the province, emergency department wait times are rising, and many hospitals regularly operate at over 100% occupancy. Simply put, hospitals have reached the outer limit of their ability to serve patients without compromising quality of care.

There are no more easy efficiencies to be found within our sector. In many cases, without increased funding, a reduction in staff might be an unavoidable last resort. That's why hospitals respectfully request a 3.45% increase in funding this year. From our perspective, it is the minimum required to maintain existing levels of care and staffing levels.

Hospitals also recognize that this discussion must be about more than money alone, as Altaf has alluded to. The investment would stabilize hospital care as a bridge

strategy while a long-overdue health system transformation finally takes place. In the long term, we absolutely know that the solutions to ending hallway health care lie outside of the hospital walls. The government has begun to address this problem with planned investments in long-term care and mental health, which hospitals strongly support.

Our full submission contains a set of straightforward policy changes that would help build the health care system of the future. At the heart of these changes is the need to better integrate the fragmented health system. With the government's support, and the opposition's, we can break down barriers—

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

**Mr. Anthony Dale:** —and cut through red tape preventing hospitals and home care and long-term-care providers from working together, and also make the most of our scarce health resources.

Ontario's hospitals are eager to work with other health providers and the government to end hallway medicine, improve care and responsibly manage health system spending, but system transformation will take time. In the meantime, hospital care must remain accessible to those who need it.

Hospitals are the safety net of our health care system. That's why the OHA recommends a balanced approach: immediate investment to protect front-line care today, coupled with policy changes to build a better health care system for the future. Thank you.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We'll now start with four minutes of questioning from the government side. I'll start with Mr. Cho.

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**Mr. Stan Cho:** Thank you, gentlemen, so much for joining us today. It's great to hear your submission, and really, I can tell you from our colleagues that the government is committed to ending hallway medicine and hallway health care in this province. You're bang on. We've got an aging population and a growing population, so this problem is going to worsen and we need to address it now.

Having said that, you've said new challenges maybe require new solutions. It's encouraging to hear that. You talked about the reactivation centres being an example. I'm wondering if you can give other examples that you would maybe either like to see introduced by the government or that your organizations are working on currently.

**Mr. Anthony Dale:** Certainly. Maybe I can kick things off and ask Altaf to provide his perspective as the CEO of a hospital. We think one of the areas that has the most promise in terms of reform and improving the way the health system operates is in overhauling Ontario's broken home care system. We think it's now time to allow hospitals and home care providers to work directly together without a third-party intermediary, like the CCAC function that's now been merged into local health integration networks. Together, hospitals and home care organizations can wrap services around the needs of patients. In doing so, of course, we'll have to overhaul the antiquated

contracts that currently govern home care today, that prevent them from modernizing services in an effective manner.

Altaf, would you mind sharing your perspective on the opportunity that reform would present itself?

**Mr. Altaf Stationwala:** Absolutely. Thank you, Anthony.

On any given day, the placement of patients into home and community services is very much governed by the structured way in which intake is done. It is not a flexible model at all. The resources that are required for certain patients sometimes are very rigid on the home care delivery side, which limits the ability to move those patients out. So a greater collaboration and a greater integration between home and hospital will ensure that we have that flexibility of putting resources where they're needed and being flexible in facilitating the discharge of patients. It's that coordination and that ability to integrate services with the patient at the centre that will ensure that fluid movement of patients from hospital to home.

**Mr. Stan Cho:** Thank you. I have another quick question, because I know my colleagues have other questions.

You talked about preventative care. I firmly believe that this is crucial to our success with ending hallway medicine. Our government is committed to investing \$3.8 billion into mental health care, as an example. I'm wondering if you could comment or suggest where we might be able to invest those funds most efficiently based on the information that your front-line workers have maybe given you.

**Mr. Anthony Dale:** The data shows that of the roughly 4,800 ALC patients in the province today, about 400 of those patients require access to long-term-care services with enhanced supports for behavioural, cognitive and mental health services.

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

**Mr. Anthony Dale:** Those patients, despite being just 400 of the 4,800, currently occupy 25% of the total number of ALC days in the province of Ontario. So they're a growing part of the alternate-level-of-care patient cohort. Customizing long-term-care supports for those patients with augmented services, behavioural, cognitive and mental health, and designing new models of care in that long-term-care setting is absolutely essential to ending hallway health care.

**Ms. Donna Skelly:** If I could just—

**The Chair (Mr. Stephen Crawford):** Ms. Skelly.

**Ms. Donna Skelly:** I know we're running out of time, but I'm encouraged to see a reference to St. Joe's in Hamilton and their integrated continuing care project. It's a pilot project. Coincidentally, I met with them just yesterday, and they were sharing this with me and saying that it is saving significant dollars to the health care system.

In your opinion, is this something that we should really be looking at?

**Mr. Altaf Stationwala:** I think it is a great model of care where there is actually a matching of need to the patient.



**Ms. Donna Skelly:** And it's in essence bypassing the CCAC, is it not?

**Mr. Altaf Stationwala:** It is a direct referral from the hospital to the home care provider, so that ability to match what the patient needs—

**The Chair (Mr. Stephen Crawford):** Thank you.

*Interjection.*

**The Chair (Mr. Stephen Crawford):** Thanks. We'll have to move on now to questions from the opposition. Ms. Stiles.

**Ms. Marit Stiles:** Thank you so much for your presentation. I know you mentioned the need for a funding increase. I just want to see if you could provide a little bit more information around that. Ontario, as I understand it, has the fewest beds and the lowest per capita funding for hospitals in this country. My understanding is that, compared to the average in other provinces, we're spending about \$401 less per person on hospital care each year. Would you care to expand on that a little bit?

**Mr. Anthony Dale:** Sure. In some ways, the hospital sector is very proud of how efficient it has become because, as I stated in my opening comments, a very efficient hospital sector allows resources to be freed up for other equally important health care and public policy priorities.

What we're saying now, though, with the evidence that you just described, is that we are definitely at the outer limit of our sector's ability to absorb much more in the way of inflationary pressure or to provide services to even more people each year without a bridge strategy, the kind of funding recommendation that we have made in our submission today. The recommendation is really two numbers combined: It's inflationary pressures plus population growth for the year ahead. There's no other recommendation. We feel, though, that this is the kind of bare minimum that is required in order to maintain stable access to services and, of course, keep our workforce whole, which is incredibly important. The people who work in Ontario's hospitals are at the moment working extremely hard, and we need every single one of them doing their best, caring for patients each and every day.

Altaf, I don't know if you would like to add some perspective to that.

**Mr. Altaf Stationwala:** At any given point, the reality of what we've done as a sector—we have really found every element of efficiency that we can. The pressures from the broader system are things that we cannot absorb any longer.

There have been investments in home and community. We need to continue to make those investments, but until they are done in a more structured way, we need some capacity to deal with the onslaught of patients who continue to come to our emergency departments. This is a bridge strategy, as Anthony points out. We do believe that there is capacity in the system as some of these greater reforms take effect, but that's some years away.

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

**Ms. Sandy Shaw:** I appreciate your testimony here. In Hamilton, we have significant problems with code zero,

which is when there are one or no ambulances available. Tragically, in fact, we had a grandmother die waiting in Hamilton because of the broken system, as you have described it.

You talked about some flu funding, some surge funding, which is again sort of a temporary measure. It's not core funding. You also talked a bit about how we're at the breaking point. In my experience in hospitals, this thing is being held together by doctors, nurses and front-line staff who just go beyond what they're required to do.

Can you talk to me a little bit about what other funding you have received beyond the surge funding—

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

**Ms. Sandy Shaw:** —and also what you need to do to prevent layoffs of front-line staff?

**Mr. Anthony Dale:** The surge funding, which the new government enhanced in the fall, has been an unbelievable safety net, because I can assure you, without that surge strategy, the conditions in hospitals today would have been even more serious.

**Ms. Sandy Shaw:** Is it less than what you received in the last flu season from the previous Liberal government? My understanding is that it's less than you received—

**Mr. Anthony Dale:** No. As a point of clarification—I concur that the communication wasn't entirely clear, but the government has maintained the \$187 million that the Liberal government announced in its spring budget, and then enhanced it with an additional \$90 million. It's an incredibly important \$250 million that is acting as a safety net during this surge.

**Ms. Sandy Shaw:** But it's a stopgap measure.

**Mr. Anthony Dale:** It's a stopgap measure, and the kinds of transitional care that are being required are absolutely necessary. Again, it's that safety net. But really, there are almost 5,000 alternate-level-of-care patients in Ontario who really should be either at home, in a long-term-care setting, in assisted living. They should be in another setting that's more appropriate to their health needs, and it's not a hospital.

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

**Mr. Anthony Dale:** Thank you.

**Mr. Altaf Stationwala:** Thank you.

#### FIRSTONTARIO CREDIT UNION

**The Chair (Mr. Stephen Crawford):** I'd like to call up now our next witness, the FirstOntario Credit Union. Good morning. If you could just state your name for the record and get on with your presentation.

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

Good morning and thank you, Mr. Chair, committee members and, of course, the Queen's Park staff who make these committee meetings available to us. I will be following up with a written submission prior to January 29.

FirstOntario is based in Hamilton, in Stoney Creek, with operation throughout the Golden Horseshoe, the

Niagara region and southwestern Ontario. FirstOntario is owned by more than 135,000 members, and we are the stewards of more than \$5 billion of their savings, investments, loans, mortgages and business loans. The operations of the credit union are directed by our members through our elected board of directors and through annual general meetings. All members are welcome to attend and vote. We actually have, I believe, two members of this committee who are FirstOntario members, so I'm pretty happy to see that. We'll get the rest of you later.

1100

I'd just like to say right off the start that the credit unions of Ontario have a simple ask for the 2019 budget, and that is a commitment to modernize the Credit Unions and Caisses Populaires Act, 1994, and we'd like you to do it this year—with the full support of the credit union system, that is.

You see, credit unions in Canada have the best-performing mortgages, with default rates one-third lower than the banks. For six years running, the Canadian Federation of Independent Business has ranked credit unions as the preferred lenders to small business in Canada. Small and medium-sized businesses account for 87.3% of jobs in Ontario according to Innovation, Science and Economic Development Canada, and we are the best at customer service for 13 years running, according to Ipsos' Best Banking survey.

At FirstOntario, we do even more, investing in our communities through our award-winning school breakfast program, which we not only fund but also supply the staff for from our ranks, to make sure that kids in Hamilton get to learn when class starts. That is just one of the many programs that our Blue Wave staff volunteer program benefits. Another significant investment is our St. Catharines Church Street affordable housing project, one of the first purpose-built projects to help deal with the more than 10,000 people on the Niagara region affordable housing wait-list. We support other community projects like the performing arts centres in St. Catharines and Milton and the FirstOntario Concert Hall in Hamilton because we know how important the performing arts are to the area's economic revival.

Of course, there are the crowning jewels: FirstOntario Centre is home of the OHL champion Hamilton Bulldogs, and—"holy mackinaw!"—FirstOntario is the official financial institution of the CFL Hamilton Tiger-Cats, because investing in the community takes many forms to keep Ontario communities great.

So why do we need full modernization of our legislation? Well, Ontario is Canada's financial services sector hub. Finance to our province is what oil is to Alberta and hydroelectric is to Quebec. In short, the financial services sector powers Ontario's economy. Credit unions are the financial services sector owned and run by the government of Ontario. We rely on you, and we want you to rely on us. A Canadian Credit Union Association study has found that for every dollar of retained earnings a credit union has, it is worth \$10 in lending power, and because our lending is local, there is a multiplier effect on that lending as well.

In 2017, MNP, one of Canada's largest accounting and business advisory firms, did a study of regulatory costs paid by Canada's two largest credit union systems, British Columbia, with 1.66 million members, and Ontario, with 1.2 million members. The report found that the combined regulatory costs in the two provinces were just over \$108 million a year. The report also found that BC credit unions pay \$48.6 million per year in regulatory costs and Ontario credit unions pay \$59.7 million in regulatory costs.

That's right: The BC credit union system is nearly 40% larger than Ontario's, yet Ontario pays nearly 25% more for regulation. Why is that? Antiquated legislation that predates changes in financial services like the Internet; confusing and often contradictory rules to prevent credit unions from taking advantage of recent regulatory changes; and inconsistencies that prohibit credit unions from using tools for growth—a great example is one the government just fixed, allowing credit unions to be part of syndicated loans, no matter what financial services lead the underwriting process.

So what are we asking for? Credit unions want the government of Ontario and Finance Minister Vic Fedeli to make a statement in the 2019 budget to modernize the Credit Unions and Caisses Populaires Act, 1994, and to do it this year, with the help of individual credit unions and the credit union system: legislation to be introduced by the fall economic statement and passed before 2020; modern legislation to help credit unions grow, to reduce regulatory burden and put more money back into the communities; and nimble legislation that is future-proofed to allow credit unions to access the markets and financial services of tomorrow, to provide for our members' needs and the needs of Ontario communities now and in the future. Then we can do more, invest more, lend more, and help small business owners create more jobs and young families find their first homes—like I always say, at zero cost to the government of Ontario. I know that sounds too good to be true, but we're the credit unions of Ontario; we get that a lot.

I'll take your questions now.

**The Chair (Mr. Stephen Crawford):** Okay. Thank you. We'll start with four minutes of questions. We'll start with the opposition: Ms. Shaw.

**Ms. Sandy Shaw:** Kelly, nice to see you.

**Mr. Kelly Harris:** Nice to see you again.

**Ms. Sandy Shaw:** In full disclosure I would like to tell the committee that I was the chair of the board for FirstOntario Credit Union for some years. In fact, I hired your boss, Kelly McGiffin, though I see he's not here today. It's nice to see you again. I'm a big supporter of the role that credit unions play in our community.

**Mr. Kelly Harris:** You probably know this, and I was remiss in not saying it at the start: We just celebrated our 80th anniversary at FirstOntario Credit Union, in 2019.

**Ms. Sandy Shaw:** Exactly.

I'm going to ask you some questions about the regulatory burden you're talking about and the changes to the caisses populaires act—but I did want to ask you a question. FirstOntario, like many unions in Ontario, have their

roots in unionized workplaces. FirstOntario was founded by the steelworkers and by the auto workers. Do you have any comments or any indication as to how some of the changes—for example, the closure of GM—will impact any of the membership for FirstOntario Credit Union?

**Mr. Kelly Harris:** As you will know from when you brought Mr. McGiffin in, we were having problems with the credit union back at that time as well. He started something called the Community Assistance Program at FirstOntario. This program is to work with our members to ensure that when they go through economic changes like layoffs or steel tariffs imposed by another country, the members will be able to stay members and hold on to their homes and their investments.

While I can't directly comment on what will happen to our members with what's going on with GM, what I can say is, FirstOntario will be there to do everything we can to support them, to make sure that they stay members of our credit union and can find new life in the community.

**Ms. Sandy Shaw:** Great. I'm happy to hear that.

You may have said this, but maybe if you wanted to just elaborate a little bit for everyone's education on the differences between how credit unions are regulated and how banks are regulated, and how in some ways it's an uneven playing field for credit unions.

**Mr. Kelly Harris:** Certainly. The easiest thing to say is that credit unions are regulated by the government of Ontario and the provincial governments, where banks are governed federally. Banks have different priorities. Banks are owned by their shareholders, and they work on quarterly profits and returns. We're owned by our members, and we work on doing what's best for the communities that our members live in. I'm not saying that banks don't do that for their communities as well. It's just that it's actually in our ethos; it's who we are.

One small thing I can mention about what some of the differences are and the unlevel playing field: If you own a home that you rent out and you have your mortgage through a bank, it's just considered a mortgage. If it's through a credit union, it's a commercial loan, and because of that, both the credit union and the homeowner have to jump through significant regulatory hoops. What we find is, they'll actually leave the credit union and go to the bank because of artificial regulations that don't appear in other jurisdictions.

With the Credit Unions and Caisses Populaires Act now 24 years old, there are a lot of things that were never contemplated that credit unions would be able to do when we were still young institutions.

**Ms. Sandy Shaw:** Exactly. But there was a renewal of the caisses populaires act a few years ago. Were there any proposals put forward that the government of the day rejected that you're going to be reintroducing in terms of modernization of the act?

**Mr. Kelly Harris:** A lot of the proposals that we wanted to do back then, yes, we've dealt with them in the last few years. But the full modernization of the act, which is needed, the future-proofing of the act, is still the one

thing that we're waiting for. We asked for that in 2007 as well, but that wasn't fully dealt with.

**The Chair (Mr. Stephen Crawford):** We'll now move on to questions from the government side. We'll start with Mr. Roberts.

**Mr. Jeremy Roberts:** Thank you so much, Mr. Harris. I really appreciate your coming here today.

I was involved last year in the federal fight around banking terminology and trying to make sure that credit unions had a level playing field and could use terminology like "online banking," "bank with us" etc. That seemed to me at the time like a good piece of low-hanging fruit to level the playing field. I'm wondering if you can provide any examples of similar things at the provincial level that we could do to make sure that you guys are competing on a level playing field and benefiting your customers, which would benefit all of us.

**Mr. Kelly Harris:** Certainly. I just mentioned one about the difference in commercial mortgages, federally versus provincially, which is an important one.

The most significant thing that can be done is the modernization of the legislation, because we're talking about legislation that is 24 years old, that has been tinkered with. When you tinker with legislation too much, you just make it onerous and unruly.

**1110**

There are proposals we will be making through the course of the submission, but simply put, it's about the full modernization. I do believe it's time for that as well.

**Mr. Jeremy Roberts:** Okay. Thank you.

**Mr. Kelly Harris:** When you talk about a regulatory burden that is—when you talk about the fact that BC has a 40% larger credit union system than we have in Ontario, yet we actually pay—pardon me. BC pays \$48.6 million in regulations per year; we pay \$59.7 million. Their credit union system is 40% larger and growing—not that Ontario's isn't, but it just makes you wonder: Do we really need 40% more regulation to do the same thing that British Columbia, the most successful credit union system in Canada, is doing?

**Mr. Jeremy Roberts:** For sure. We've certainly looked at that across the board, in terms of the amount of red tape. A great comparison is looking at BC versus Ontario.

Another question that I'd have for you, just while we have you here, is that we're currently undergoing our curriculum review. The consultations have wrapped up. But there has been a lot of talk about financial literacy. I know that that's something that credit unions have been a leader in for decades and decades. Do you have any thoughts that you might want to share on that?

**Mr. Kelly Harris:** Yes. We actually made a submission on financial literacy, in your curriculum review, through the Canadian Credit Union Association, with a number of programs that credit unions are now providing in the communities. My feeling is that there is a lot of availability of expertise in this area from various areas, including the credit union system. I would say that it's

necessary that kids have these skills, and that people throughout their lives actually have these skills as well.

One of the nice things about credit unions is, because we know our members, we not only provide this as programs through our credit unions, but we actually provide this one-on-one when you come into our branches or give us a call over the phone.

**Mr. Jeremy Roberts:** Right. Thank you so much.

**The Chair (Mr. Stephen Crawford):** Any other questions? There are about 40 seconds left. No? Okay.

Thank you very much, Mr. Harris. We appreciate your testimony.

**Mr. Kelly Harris:** Thank you very much, Mr. Crawford, and thank you all for having us here today.

#### CO-OPERATIVE HOUSING FEDERATION OF CANADA

**The Chair (Mr. Stephen Crawford):** I'd like to call up the next witness, which is the Co-operative Housing Federation of Canada. Welcome. If you could just state your names for the record, and you can get right into your presentation of seven minutes.

**Ms. Simone Swail:** Good morning. My name is Simone Swail.

**Mr. Scott Parry:** My name is Scott Parry.

**Ms. Simone Swail:** Good morning, everyone. Thank you so much, to the members of the committee, for taking the time to hear from us today.

I am Simone Swail. I'm the manager of government relations for the Co-operative Housing Federation of Canada. I'm joined here by Scott Parry, our government relations co-ordinator. Together, we represent 550 non-profit housing co-ops, home to some 125,000 people, spread across this entire province, located in 104 of the 124 ridings across this beautiful province.

I'm very pleased to be here this morning to present our suggestions for the 2019 provincial budget to this committee. We'll be submitting a formal written report, but I've also provided you with our notes for today's presentation.

More Ontarians than ever, whether they are seniors, single adults, new immigrants or young families, are feeling the squeeze in our housing market. Current estimates show that close to half of all Ontarian renters spend more than 30% of their income on rent. A recent report found that rents are expected to increase by another 11% in 2019 in the greater Toronto area. Meanwhile, over 185,000 households are on municipal waiting lists for subsidized housing. Ontario's families deserve better housing options that allow them to get ahead.

According to research from the International Monetary Fund, the lack of affordable housing has been directly linked to a rise in income inequality, which threatens our economic growth.

Poor housing options also make it difficult for businesses to attract new employees. In the past year, communities as diverse as the city of Owen Sound and the city of Toronto have both cited the shortage of affordable

housing as one of the most serious barriers to attracting new workers and new business.

It's time to look at housing as the solution, not the problem. Investing in housing is an opportunity to make life better for people all across this province. To fully implement housing as a solution, action needs to be taken across the entire spectrum of housing, from transitional housing through to home ownership.

A housing system that works for all Ontario families is important for an inclusive society. Studies have shown that affordable housing leads to better health outcomes, employment opportunities and social mobility.

Every dollar spent on the construction of affordable housing, either by building new or repairing aging stock, yields \$1.40 increase to the GDP through new local jobs and locally sourced construction materials.

We're going to make three recommendations today that the province can and should implement to make progress on affordable housing as it considers the 2019 budget.

First, we ask the government to take an affordable-housing-first approach to surplus government lands. We were very pleased to hear Minister Steve Clark, along with Minister Bill Walker, announce on December 4 that the initial 243 surplus government land sites would be evaluated for whether they are appropriate for developing affordable housing or long-term-care homes. CHF Canada has long advocated for the release of surplus public land to build affordable housing. This is a real opportunity for the province to make an impact on the supply of affordable housing for middle- and low-income Ontarians.

To make this program work, the details matter. The government should focus on getting the maximum long-term value out of these lands and use them as an asset to be developed for the public good. A report by the McKinsey Global Institute in a global study said, "Land cost often is the single biggest factor in improving the economics of affordable housing development." That is certainly true in many areas throughout Ontario.

To maximize the public good from the surplus government land, CHF Canada recommends that the government either sell the land to not-for-profit developers at below market value or make the provision of affordable housing a condition of their sale.

The province has recently initiated a housing supply consultation to look at the ways to increase the housing supply in this province through streamlining the planning and development process. We support this endeavour, but it will have the greatest impact for those at the higher end of the income spectrum, particularly in the short term.

To increase housing supply for all Ontarians, including those with low to middle incomes, the government should be strategic in the use of the initial 243 surplus land sites. For the sites that are appropriate for residential development, making affordable housing a priority will offer the best value for investment over the long term. It will also help the government start to address the housing supply shortage for those households without significant new expense or commitment to long-term government funding.

We recommend a similar approach be taken by Metro-linx and other government agencies to ensure valuable land assets are contributing to increasing the supply of housing across the entire spectrum of the housing system.

Second, we ask that you protect provincial co-ops by fixing the social housing funding formula for co-ops and non-profits. There's a looming issue for half of Ontario's housing co-ops that are regulated by the Housing Services Act, and they are coming to the end of their mortgage. There's a potential that they will be hit with negative operating subsidies that could threaten their very viability.

The Co-operative Housing Federation of Canada recommends that the province change the regulation and set the operating subsidy to zero for all co-ops in this position.

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

**Ms. Simone Swail:** The solution to the funding formula will cause co-ops to be less reliant on government and allow co-ops across Ontario to finance loans with the private sector, like our credit union brothers and sisters. We've already done this with our federal co-ops to the tune of \$70 million. Ontario cannot afford to lose the HSA co-ops.

Finally, we call on the government to partner with the affordable housing sector. CHF Canada has highlighted for a number of years that the province's affordable housing development programs have done a poor job engaging co-ops and other community-based non-profits. It has meant that over time fewer and fewer non-profits and co-ops were able to take part. This is a real loss. The 2017 Auditor General's report found that non-profits could provide affordable rentals in a more cost-effective manner than private developers, building much-needed larger units, at a lower cost per unit.

**The Chair (Mr. Stephen Crawford):** Okay. Thank you very much. We now have to move on to questions. We've got four minutes. We'll start with the government side: Ms. Skelly.

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**Ms. Donna Skelly:** Thank you, Simone, for your presentation. I'm going to get a little bit more granular in terms of the details of the model. Can you share with me the difference between the co-op model and other non-profit models, please?

**Ms. Simone Swail:** Yes, absolutely. What makes a co-op different is that every resident, every person who lives in a co-op housing building, has a say in their community. What that builds is kind of what we see as a halfway between rental and home ownership.

In a traditional non-profit, the board is still a landlord, if you will. But by engaging the residents who live in our community in the decision-making around the co-op, you build social inclusion. You also can help ensure that the issues faced by the people who live in the buildings are directly met.

What we see is that our buildings tend to have very good maintenance. There is an incredible pride in their communities. They also seem to operate, a CMHC study found, at 14% less than other forms of rental housing.

**Ms. Donna Skelly:** And perhaps, if you would, expand a little bit more on the advantages and disadvantages of the co-op model, because clearly affordable housing is a very, very difficult problem to solve, but this could be one of the models we should be looking at.

**Ms. Simone Swail:** Absolutely. We would really strongly encourage the government to look at this model. I think the real sense of bringing a community together, of decreasing social isolation—because when the people who live in the building have to make the tough decisions about whether to increase the maintenance budget, which will increase their housing charge every month, that really draws a community in and makes them focus on what's important for them. That's what we see as the real difference. You see that in the pride in your communities, if you go out to visit the co-ops in your areas. They have an incredible sense of pride, and they will tell you about everything that's going on in that community and what they've taken on, the different projects they are doing. It's like nothing else that you see.

**Ms. Donna Skelly:** And in terms of the affordability?

**Ms. Simone Swail:** As far as the affordability, it's that tension—because the households themselves are voting on what their rental increase will be, so there is a real tension between the quality and the long-term success of the building and what the rents will be, or what we call the housing charge. That's what leads to the affordability.

You see real community engagement. We are known for our cleanup days where everybody gets together and makes sure that the site looks beautiful. There's that kind of sense of ownership of the community that really also helps lead to affordability.

**Ms. Donna Skelly:** And that word “community” truly is a community.

**Ms. Simone Swail:** Absolutely.

**Ms. Donna Skelly:** And the benefits spill into—

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

**Ms. Donna Skelly:**—health benefits, protection, safety and all of the above.

**Ms. Simone Swail:** Absolutely. Everybody knows each other when you're a co-op. It's not the place for everybody. If you don't want to know your neighbours, don't live in a co-op. They are engaged, and they are passionate. But they also help each other out.

When I go around the province and I talk to different co-ops, the number of stories I hear of a young mother who needs to go to work and her babysitter falls through, and she could lose her job if she misses that shift—well, she can always turn to a neighbour in a co-op who is going to be more than happy to take care of those kids. You know, it's like a small town, even if it's located in a big city. It's that kind of environment that makes them truly different and makes them, I think, something that this province should invest in.

**Ms. Donna Skelly:** Okay, thank you.

**The Chair (Mr. Stephen Crawford):** Ten or 15 seconds?

**Mr. Stan Cho:** Okay, very quickly.

**The Chair (Mr. Stephen Crawford):** Mr. Cho.

**Mr. Stan Cho:** Mental health and affordable housing is a huge issue. What organizations have you been working with?

**Ms. Simone Swail:** On these things, we're working with a number of different players on the affordable housing side, and we also talk very frequently with developers. It's going to take all hands on deck to solve these issues. We work with Options for Homes. We work with Habitat. We're working with all sorts of different affordable housing sectors. We haven't done a formalized program together yet but—

**The Chair (Mr. Stephen Crawford):** Thank you very much. We have to move along now to questions from the opposition side. We'll start with Mr. Burch. You have four minutes.

**Mr. Jeff Burch:** You made a very important link between business and affordable housing, and you mentioned a couple of municipalities that have cited a shortage of affordable housing as a reason why they're not able to attract business. Can you expand on that a little bit?

**Ms. Simone Swail:** Yes. I just saw an article—I cite it in here—from the city of Owen Sound. They were saying that transportation and affordable housing were the key issues for why they couldn't get new workers and why they were having job posts sit there for over a year. What the issue is: If the housing costs are so high, a household can't make that jump, can't move in and actually apply there to work.

You see this often in places like here in the city of Toronto. Even if you have a good job, if you're going to be spending \$2,500 or more a month in rent, you're working really hard to not get ahead. It's similar to when Mayor Tory came out and said that the number one obstacle to Silicon Valley businesses moving to Toronto was affordable housing. It means it's something that we really need to take a serious look at.

**Mr. Jeff Burch:** Thank you.

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

**Ms. Sandy Shaw:** Hi, there. Could you follow up on that, the affordable housing supply? Do you have any opinion on the government's scrapping of the rent controls? Do you see that as having an impact on housing supply?

**Ms. Simone Swail:** For rent control, I would say because of the nature of our model, co-ops are actually not affected by rent control. You don't need rent control in a housing co-op.

**Ms. Sandy Shaw:** But the supply in general, right?

**Ms. Simone Swail:** Supply in general: We don't feel that rent control is the major barrier for why there hasn't been much purpose-built rental built in this province, but we are hoping that we can work with the government and find new ways to get actual new affordable housing built in the coming years. We can't delay this problem any longer.

I would say that there has been a shortage of purpose-built rentals for the last 20 years.

**Ms. Sandy Shaw:** Right, even when rent controls have not been in place.

Can you just help us understand? These people throw out the words a lot around affordable housing; there's subsidized housing, affordable housing and affordable home ownership. I think it's important for us to understand the distinction. I know that this government does talk periodically about affordable housing, but certain parameters are not affordable. If it's just 5% below market rent to purchase a home, that's not necessarily an affordable option.

**Ms. Simone Swail:** Yes. Affordable housing is a very complicated issue. You're right, there are a number of different definitions. The classic definition from CMHC is 30% of your rent geared to income. That's what I cited off the top: Almost 50% of renters are struggling.

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

**Ms. Simone Swail:** The current housing programs have been built around 80% of average market rent.

We would certainly support efforts to make deeper affordable housing in those programs. However, I don't feel it's the definition that's the problem.

**Ms. Sandy Shaw:** Okay. This government is looking at providing opportunities for, for example, Metrolinx or other organizations to develop on either publicly owned lands or lands that were previously owned by the public. What do you see as some of the provisions to ensure that there are actual affordable housing units made available in those developments?

**Ms. Simone Swail:** What I was alluding to in my speech—there are a number of different opportunities. You can either build it into the terms of sale with the private sector and say that 20% of the units on this property must, as part of the RFP—

**Ms. Sandy Shaw:** Like inclusionary zoning, for example?

**Ms. Simone Swail:** Yes. But when you're selling it, you don't even need inclusionary zoning. When you own the land, you can just write into the terms of sale that 20% of the sites will be affordable—

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

Thank you for your testimony. We really appreciate it.

#### JUNIOR ACHIEVEMENT CENTRAL ONTARIO

**The Chair (Mr. Stephen Crawford):** We'll move on to our second-last group. It's Junior Achievement Central Ontario. If you could just state your name for the record, and then you'll have seven minutes to present.

**Ms. Jane Eisbrenner:** Good morning. My name is Jane Eisbrenner and I am the president and CEO of JA Central Ontario. Committee Chairman Mr. Crawford, MPPs, parliamentary assistants and guests, thank you very much for this opportunity to present today on behalf of Junior Achievement, JA, Central Ontario.

JA welcomes and applauds this government's commitment and significant priority placed on improving math scores, strengthening STEM disciplines and, importantly, ensuring that financial literacy and other crucial life skills

are included in the education curriculum. Developing these skills will give Ontario students the tools required to succeed after graduation, obtain secure jobs and create opportunities for economic growth in our province.

Unfortunately, we know our students are lagging behind in financial literacy and math skills. Canadian competitiveness on the global stage is in decline, and jobs are being lost to other countries that can provide the skills needed.

For 50 years, JA has taught students financial literacy, work readiness and entrepreneurship skills. JA is a global brand. You may not be familiar with it. We work in 100 countries around the world, reaching 10 million students annually. This year, JA Worldwide will celebrate 100 years of educating youth. JA Canada is the largest youth business education program in the country, reaching more than four million students collectively.

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Motivated by our mission to inspire and prepare young people to succeed in our global economy, we encourage youth to make informed, educated and knowledgeable financial decisions, to start companies, to develop career plans and to express their innovative spirit. We are a not-for-profit that relies on funding and volunteers from the corporate community to deliver experiential learning in and out of the classroom to students in grades 4 to 12.

JA serves as a nexus between the business sector, the education sector and young people. We are a bridge for companies, organizations and individuals who wish to be involved in the youth economic development movement. Our corporate partners enable us to effectively execute our mission and, in turn, JA enables the corporations to deliver on their corporate social responsibility objectives by mitigating the impact of youth unemployment. In addition, they support the development of financial literacy skills and preparation for the workplace, and create economic gain for our communities.

We are proud of the private sector's recognition of our mandate and our continued commitment to work with them and local corporations to support implementation of our programs. I will add that we would be delighted to work with the Ontario credit union in that mandate.

Our key value proposition is that we don't simply provide curriculum to teachers and ask them to deliver it to their students; we recruit and train volunteers from the business community and the community at large to go into classrooms to teach our programs. This community engagement strategy allows significant positive outcomes on the part of those students and volunteers.

JA in Ontario adheres to the highest standards of operations related to not-for-profit governance, accountability and transparency, fundraising, staff management and volunteer involvement. We are an organization you can trust. We have a track record of delivering outcomes from the menu of programs we offer. Programming targets students grades 4 to 12 and covers topics from financial literacy to entrepreneurship, and ranges from one-day classes in schools to 18-week programs, all in collaboration with corporations.

Research undertaken by the Boston Consulting Group on its program menu confirms our impact. We know that JA alumni are three times more likely to hold senior and middle-management positions in their respective organizations later in life and that they will earn on average 50% more than their peers who have not been in the program. In summary, we know that our students will save more, borrow less and be less likely to be on social assistance later in life.

JA believes that our proven track record of delivering impactful and measurable financial literacy programming in a fiscally efficient model positions us as a key partner for this government. Through our 50 years of experience, JA in Ontario has built a solid infrastructure that, with more funding, would allow us to scale up and reach more students throughout the province.

Let me add that we applaud this government's focus on strong fiscal management. We recognize and support the emphasis on reducing the burden of debt. This is an important economic principle for individuals, households, businesses and governments. Ironically, that is what we teach. It is for that reason that we are not suggesting that new money be found to support our request—

**The Acting Chair (Mr. Jeremy Roberts):** One minute.

**Ms. Jane Eisbrenner:** It is our suggestion that funding be repurposed from existing budgets already in place to achieve similar outcomes.

I am here today to talk to you about scaling up our grade 4 More than Money program. We believe this grade 4 program can deliver on the government's goal to bolster financial literacy. For \$12 million over five years, with a total reach of about 600,000 students at approximately \$20 per student, this government can ensure that Ontario students are given a strong beginning to their required financial literacy foundation. This request includes funding for delivery of programs in all grade 4 classes in the province by year 3 of funding, material costs, volunteer recruitment, training, evaluation and project management. We will also allocate resources for a digital version of the program, allowing us to ensure that remote communities have access to our program.

In conclusion, we are confident that this funding proposal, which will allow us to scale up, will provide life-altering programming to students in grade 4 across this province. We will be submitting a more fulsome budget as part of our written submission prior to the upcoming deadline.

I'm most grateful for your attention and interest in this subject matter. Thank you for your question earlier related to financial literacy, and I'd be happy to respond to your questions and comments.

**The Acting Chair (Mr. Jeremy Roberts):** Perfect. Thank you so much. We'll move to questions now, and we'll start with four minutes for the opposition. Ms. Stiles?

**Ms. Marit Stiles:** Thank you very much for your presentation. I have to start by saying that my own daughter participated last year in Junior Achievement, so I am aware of some of the benefits of the program. She

found it quite useful, which was good. Having said that, she is a student—obviously, we have some means. She's not somebody who would probably have difficulty getting into university and everything. I was wondering, before we go on too much, about what your program does to identify and perhaps even assess—you talked about achievement. Do you look at income and other demographics in terms of—I have to say that the kids I'm aware of who were in the program were all children who already have a significant advantage in life.

**Ms. Jane Eisbrenner:** I would respond to that by saying, first of all, we believe that financial literacy is a core competency for all individuals regardless of your economic status and your household. Secondly, we work through the public school system and we have learned over the years that there is great integration within schools and classrooms. Individuals from low or marginalized communities are integrated into the public school system. Sadly, here in central Ontario we are unable to reach all of the teachers that have called us for programs. Last year we left a wait-list of 1,000 teachers to deliver programs in central Ontario.

**Ms. Marit Stiles:** So if I may, then, you mentioned that you were looking for an investment of \$12 million in your program to be able to expand. You're probably aware as well that the government is currently asking school boards to identify 4% in cuts. I was at a school in my riding just yesterday, a wonderful little school named Pauline Junior Public School, where I spoke to the students. They were wearing hats and mittens in class because their classroom is so cold. We have an almost \$16-billion capital repair backlog in this province. Would you care to comment? The difficulty I find is, how do our children learn math at all when they're freezing in their classrooms?

**Ms. Jane Eisbrenner:** Do you know what? I have the pleasure of going into classrooms to teach as well—I do that several times during the year—and I too am appalled by some of the environments in which our students work. I would just say that there is an investment to be made in enhancing the financial literacy of this generation so that that problem is not going to continue, so that we are actually able to be smarter and use our funding more diligently in the years to come. We do know, as I've suggested, that this is—we're not asking for new money. We are asking for money to be repurposed against a priority which the government has already identified, and that is to enhance the financial literacy foundation of students in our province.

**Ms. Marit Stiles:** Thank you. Do you want to go ahead?

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

**Ms. Sandy Shaw:** My colleague Ms. Stiles was identifying a universal, but really, when we look at equality of outcomes, I think that's what's important to us. We know that in the province of Ontario women who are working full-time, full-year, earn 71 cents for every dollar that men make working in the same, exact jobs—because I've done this research myself—and that women from racialized communities earn something like 58 cents for

every dollar. So I think what we're saying, or trying to say, is that financial literacy is important but it's also important that we ensure access of opportunity for all of our kids in Ontario, particularly women and particularly women from racialized communities. So can you comment on your programs—

**Ms. Jane Eisbrenner:** Again, I would underscore that we work with the public school system, which operates in all communities in the province, whether it happens to be in the north or whether it happens to be in downtown Toronto, so we have access to schools across the province that come from all different socio-economic backgrounds.

**Ms. Sandy Shaw:** Do you track any of those students?

**Ms. Jane Eisbrenner:** Absolutely, we do.

**Ms. Sandy Shaw:** And so do you see, in the research and the results of your outputs—

**Ms. Jane Eisbrenner:** Our impact data that we cited about the Boston Consulting Group is Canadian data. It has broad implication, most definitely, and part of this particular proposal would allow for funds to be allocated for evaluation, specifically on rural versus urban.

**The Chair (Mr. Stephen Crawford):** We'll have to move on.

**Ms. Sandy Shaw:** Thanks, Jane.

**The Chair (Mr. Stephen Crawford):** Sorry, we'll have to move on to the government side. We have four minutes of questioning. We'll start with Mr. Cho.

**Mr. Stan Cho:** Thank you very much, Mr. Chair, and thank you so much, Ms. Eisbrenner, for being here. Thank you twice, not just for being here but for the program itself, as an alumnus myself. I remember going through the program. I didn't grow up in an affluent household, and many of the lessons I learned in that program around financial responsibility have stuck with me.

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**Ms. Jane Eisbrenner:** Good to hear.

**Mr. Stan Cho:** I hope we can bring some of that responsibility to government as well.

My question, really, is—I've got a couple on the list here. My colleagues can interrupt me if I go on too long. You work a lot, very closely, with Ontario schools. I'm wondering if you could describe some of the gaps you see between your curriculum and the one that's being taught in our schools today.

**Ms. Jane Eisbrenner:** Several years ago it was mandated by a former government that financial literacy would be provided to all students from kindergarten to grade 12. That's where it ended. There was a mandate and there were some suggestions on curriculum lengths that teachers could go to. We were actually suggested as one of those resources that could assist teachers in teaching financial literacy. We are asking that there be a more formalized opportunity for us to actually deliver within schools.

You talk about, "What is the gap?" The gap is that teachers want to do this and they don't have the adequate resources on hand.

Previous governments have earmarked an opportunity to develop curriculum. We're saying please don't spend



that money on developing curriculum. Please use ours, which is tried, true, tested and delivered globally, as I have suggested.

**Mr. Stan Cho:** Thank you very much. What do you see as some of the consequences for our children not receiving that financial literacy lesson?

**Ms. Jane Eisbrenner:** I don't have to tell this team about what household debt is at right now. For every dollar that is spent, the average household has \$1.74 in debt. That is not a sustainable solution for a household or an individual. It's not a sustainable solution for the government, as you have identified.

If we don't do this, the generation that follows is going to continue with that difficulty and that burden of debt.

**Mr. Stan Cho:** Thank you. Final question here: What more could the government do, outside of some of the matters you discussed, to ensure that students are receiving these skills?

**Ms. Jane Eisbrenner:** Our barrier to reaching students is simple. It is twofold: It is funding and access to volunteers. If the government can assist us with those two opportunities, we will be able to expand our reach. It is for that reason that we are here making this submission, and we will echo this submission in other communities where this committee will be hearing from us.

**Mr. Stan Cho:** Time check, Mr. Chair?

**The Chair (Mr. Stephen Crawford):** You have a minute and 20 seconds.

**Mr. Stan Cho:** Okay, very quickly then: I remember some of the skills—

*Interjection.*

**Mr. Stan Cho:** Did you have a question? Sorry. My colleague.

**Mr. Doug Downey:** No.

**Mr. Stan Cho:** Very quickly, I remember some of the skills you taught revolved around our entrepreneurial spirit. Really, that sticks with me. I remember what I actually made in your program.

**Ms. Jane Eisbrenner:** Oh, you did? Good for you.

**Mr. Stan Cho:** I'll tell you about it later.

**Ms. Jane Eisbrenner:** Okay.

**Mr. Stan Cho:** But in the sake of time—

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

**Mr. Stan Cho:** How important do you believe that it is to foster that entrepreneurial spirit?

**Ms. Jane Eisbrenner:** Entrepreneurial spirit is terrific. That will drive economic gain for this province in the future. The program we're suggesting, More Than Money, actually has a very strong component of entrepreneurship in it, where these young people would learn to create a business plan and think about ideas to spark businesses. We have other programs as well: an 18-week company program, which is probably the one you were involved in.

But, yes, we definitely believe entrepreneurship, financial literacy and work readiness are the three pillars that JA globally stands upon.

**Mr. Stan Cho:** I hogged all the time; I'm sorry. My colleague Downey.

**The Chair (Mr. Stephen Crawford):** Twenty seconds. Go ahead.

**Mr. Doug Downey:** A very quick question: Do you have challenges in terms of getting vulnerable sector checks and timing for your volunteers?

**Ms. Jane Eisbrenner:** Yes. It's a major problem for us. Right now, it is isolated to the Toronto District School Board. They are the only school board in the province that requires us to have vulnerable sector checks. It's a burden. It is time-consuming, heavily administrative, and slows us down.

**Mr. Doug Downey:** Thank you.

**The Chair (Mr. Stephen Crawford):** Thank you very much for your testimony. I appreciate it.

**Ms. Jane Eisbrenner:** Thank you very much, ladies and gentlemen. All the best in your discernment.

#### CHILDREN'S MENTAL HEALTH ONTARIO

**The Chair (Mr. Stephen Crawford):** We have our final presenter before our lunch recess. It's Children's Mental Health Ontario. Welcome. If you could just state your name for the record, and you've got seven minutes to present.

**Ms. Kimberly Moran:** Thank you very much. My name is Kimberly Moran. I'm the CEO of Children's Mental Health Ontario. I'm a chartered professional accountant. As an aside, I also taught Junior Achievement, just to keep this all in the loop. I'm very honoured to contribute to the council on improved health care and ending hallway medicine.

I know that you're facing tough decisions with a budget and the province's finances, but I want to talk to you today about why child and youth mental illness can't be ignored. It's been ignored too long. We're losing too many kids to suicide. Parents are clamouring for help and missing too much work. It's way past time to act.

This government made a landmark commitment to mental health and we want them to live up to that commitment to end wait times for kids, to spend the federal funds that have been committed to reducing wait-lists, and fund community mental health in the upcoming budget.

I want to thank all of you around the table because I know that you support children's mental health treatment. I've spoken to many of you. It's a priority for all MPPs.

My goal today is to show the committee that the child and youth mental health system has been grossly neglected by government for decades. The chronic underinvestment of the system has made it focus just on crisis, not on early intervention and treatment.

Youth can't get treatment. There are enormously long wait times, and some services can't be even reached in communities. Kids too often end up in crisis and emergency departments. It's an inefficient and costly situation. Most importantly, youth and families are struggling. I know you all agree with me that Ontario families deserve to receive mental health treatment when and where they need it.

I do this work because my daughter became sad. We couldn't get the help that she needed, and that resulted in her becoming seriously depressed and attempting suicide. She was only 11. When my daughter had suicidal thoughts, she was told to wait until she had a suicidal plan. It's kind of like a kid having cancer and we're waiting until it spreads all over their body to treat them. It's unacceptable.

She needed counselling and therapy. In community mental health care, there was a two-year wait-list. Because she didn't get it, it resulted in a suicide attempt. As a mother, as a parent, I stood by and watched helplessly every single day as my daughter became more ill. Because the illness progressed so much, it took a long time to get her in a better state. She lost a lot of her childhood.

We know that community treatment works, but we allow kids to wait for treatment. We have reported long wait times throughout Ontario of sometimes 18 to 24 months. In Oakville, if you're 11 and you're highly depressed, like my daughter, and you're not going to school, you could wait six months. In Ottawa, if you're a highly anxious 13-year-old boy who destroys a classroom and assaults a teacher, you might get crisis treatment for a few days, but then you're going to be put on a long wait-list—almost two years—for long-term counselling.

Parents in Ontario call me every single week, desperate for treatment. Imagine if it was your kid. Imagine if it was your sister's kid. Imagine if it was your neighbour's kid. Kids shouldn't wait.

I know that when you guys were door-knocking in the spring, mental health was a huge priority. It's a huge issue for families. More than one in four parents take time off from work. That results in an enormous economic cost. Parents across the province—every single one of them I've talked to—have missed work. We're going to release some new research showing the enormous cost to employers and the economy in the coming weeks, so stay tuned.

When kids wait, they often—too often—end up in hospitals, which just stabilize them and discharge them back home to continue to wait in long lines for treatment. Hospitals play an important role in crisis stabilization, but treatment is delivered over time in communities. Community treatment prevents them from going back to hospitals.

An untreated mental illness is not just heartbreaking; it's expensive. A 72% increase in kids going to the emergency room over the last 11 years, a 79% increase in in-patient admissions, three times the rate of re-admission rates—that's expensive.

Okay, I'll go back to the accountant: That costs \$220 million every year in hospitals. That's unconscionable, that we're spending that money. It's all due to the fact that community treatment has been cut. The funding has been cut, over the last 25 years, by 50%. It doesn't make any sense. The consequences are dire. Youth continue to die by suicide. Imagine if it was your kid.

But the good news is, the government has heard the pleas of parents, and a commitment—a landmark commitment—of \$3.8 billion to help families, and a commitment

to finally fix this crisis. This government stood in the House just six months ago, saying that kids shouldn't wait for mental health treatment. They shouldn't wait for more than 30 days. But you have the power to fix it now, and you have the funding from the feds that specifically was tagged for reductions of kids' wait times. So it's time to act.

Together with 100 child and youth mental health centres across the province, we have a plan that the government can easily implement to make Ontario a global leader in mental health for kids, ensuring that youth get the treatment that they need by investing \$150 million in child and youth mental health centres across Ontario in every region, in every riding, of the province. We can save \$220 million in hospital costs, a net savings of \$70 million to the province—a win for kids and a win for government. We can't keep funding hospitals at rates that are higher than inflation because that's not sustainable. We have to address the root cause.

The investment will hire 1,400 new front-line professionals to ensure that no child or youth waits more than 30 days so kids can stay in school, so parents can keep working. Children and youth have been ignored for too long.

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

**Ms. Kimberly Moran:** We're losing too many kids to suicide each year. Parents are clamouring for help and missing far too much work. It's time for the government to act. Children and youth have been neglected for far too long. The government needs to live up to its commitment to end wait times for kids' mental health, spend the federal funds committed to reducing wait-lists and fund community mental health treatment in the 2019 budget. With this, we can have the mental health system for kids that our province desperately needs and make it world-class. Thank you.

**The Chair (Mr. Stephen Crawford):** Okay. Thank you. We'll start now with four minutes of questioning from the government side. We'll start with Mr. Roberts.

**Mr. Jeremy Roberts:** Thank you for your presentation, Ms. Moran. I think you hit the nail on the head. This is something that truly goes beyond partisan lines here at the Legislature. I think all of us are looking forward to making sure that that \$1.9 billion goes to achieving the best outcomes we can possibly get.

Since being elected last June, one of the things that's come up time and time again for me as I've spoken to residents in Ottawa and in my riding is the difficulty in navigating services. I've been working with the local children's hospital in Ottawa, CHEO. They're working on a #1door4care project right now. Is this something that's systemic across the province? Is navigation of services something that we want to make sure we're prioritizing when we're considering how to spend that \$1.9 billion?

**Ms. Kimberly Moran:** We absolutely have to make sure that kids and parents can get to where they need to get to, but the problem isn't navigation. They're navigating just fine because they're navigating two-year wait-lists. If

we improveD navigation, we'd have three-year wait-lists. We've got to address what the big problem is first, which is capacity, and then, at the same time, make it a whole lot easier. I'm not at all suggesting we don't have to work on navigation, but what's the biggest problem first? If we were today to put a whole advertising campaign up to say, "Here's your great government-funded child and youth mental health services," then they come to a two-year wait-list, we've accomplished nothing except for actually making things worse.

I think that we have to make sure what the biggest problem is, and the biggest problem is capacity.

**Mr. Jeremy Roberts:** For sure. I guess a second question: You spoke a little bit about the importance of a large investment in setting up some new treatment centres to increase that capacity. What are some other ideas that you might propose in terms of how we can allocate that \$1.9 billion? Are there some other investments that your organization is advocating?

**Ms. Kimberly Moran:** Absolutely. We look at it in three parts. One is about crisis stabilization. What we don't want is kids to have to go to an emergency room for crisis stabilization. It doesn't make sense. They don't want to be there. If you talk to kids, that's not going to help them. In fact, it makes them more anxious, right? We have to scale up our crisis stabilization teams across the province. Again, the ROI on that isn't obvious—to keep them out of an emergency room. That's one piece of it. But of course, I don't want to promote a crisis system any more than we have today.

The next is bread-and-butter counselling and therapy services. That's what works with kids. We know it works; we just don't do it at scale. Bread-and-butter counselling and therapy, psychological assessments to make sure we're getting them exactly the right treatment they need, and family support: We needed an awful lot of support as we were going through this. I would joke that in the *What to Expect When You're Expecting* books, it doesn't say when your kid has a mental illness what you do.

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

**Ms. Kimberly Moran:** Parents need a huge amount of support.

The third thing is where there's very intensive specialized services. I know, Kaleed, that you've spoken to Kinark Child and Family Services. I know, Jeremy, in your riding Roberts/Smart would provide these intensive services. For those kids who are very seriously ill, we have an enormous gap in our system and that is driving huge hospital costs. We look at it as three: crisis, counselling and therapy, and intensive treatment. Those are the three places where we would want investment to happen.

**Mr. Jeremy Roberts:** Fantastic. Time check?

**The Chair (Mr. Stephen Crawford):** We have about 20 seconds.

**Mr. Jeremy Roberts:** Twenty seconds. A quick question: We're coming up to Bell Let's Talk Day. How important is fighting the stigma?

**Ms. Kimberly Moran:** You know what? We have fought the stigma and won. Now what we have to do is we

have to make sure that once kids are turning for help, once parents are looking for help, we have the service system and the capacity to match that.

**Mr. Jeremy Roberts:** Okay. Thank you.

**The Chair (Mr. Stephen Crawford):** We now have four minutes of questioning from the opposition side, and Mr. Burch could start out.

**Mr. Jeff Burch:** Nice to see you again, Kimberly. My question is about the community-based approach. It's great if the government comes up with the money, but we want to make sure it's spent in the right places. I'm wondering if you could talk a little bit about spending the money on bricks and mortar as opposed to front-line services and front-line staff, because in some cases what we need is not really more drop-in centres; it's actual crisis counselling or it's those teams that are preventative. Could you talk about that?

**Ms. Kimberly Moran:** We have bricks and mortar all over the province just ready to go. They've been defunded. We have lots of capacity. We just need to hire front-line workers. It's not complicated. We need psychotherapists. We need social workers. We need psychologists. We have all the places where they can work.

We have lots of innovative new digital pieces that are helping; we're trying to work on that. But interestingly enough, 92% of kids we surveyed just six months ago said, "Do you know what? The digital stuff is cool, but we want face-to-face. We need somebody who gets us, and who can meet with us and do the counselling and therapy." Digital is important; it's going to be in the future. But, you know, face-to-face counselling and therapy is what kids want.

**Mr. Jeff Burch:** Okay. Thank you.

**The Chair (Mr. Stephen Crawford):** Ms. Stiles?

**Ms. Marit Stiles:** Thank you very much for your presentation. We actually have a private member's bill. Bhutla Karpoche, an NDP MPP, has a bill that she has put forward. It's called the Right to Timely Mental Health and Addiction Care for Children and Youth Act. I think it was introduced in late November. It seeks to simply cap wait times to 30 days. Would you care to comment on what the impact would be of passing that bill? Obviously I'm appealing to the members opposite in the hope that they will actually consider supporting that bill.

**The Chair (Mr. Stephen Crawford):** I would just remind members that we are here for the pre-budget consultations, so we should be more directed toward that.

**Ms. Marit Stiles:** Yes, but this would impact, obviously, the budget. So, please.

**Ms. Kimberly Moran:** Well, I think that a key part of our budget submission is about reducing wait times to 30 days, so certainly that's all in alignment. I don't think any one of you would say that you want kids to wait any more than that. In fact, for the most part, kids should get treatment immediately. When I talk to parents, they wouldn't want to wait. You wouldn't want to wait. If your kid had a mental health issue, you'd want immediate treatment for that.

I always say that you want to be able to speak to somebody very quickly to understand, is it a big deal or is

it a little deal? Because a little deal can probably wait a little bit, but if it's a serious issue, you need immediate treatment. Nobody, no parent, wants to go through what we did when we watched our daughter just spiral down into depression. We were completely helpless. You can imagine—I mean, we're fairly sophisticated parents who can find services, and we were waiting for two years. There was no other option for us. Imagine all those kids who don't even have parents who can get them onto those wait-lists. We need to do a whole lot better.

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

**Ms. Kimberly Moran:** I think the point I was trying to make today is, it not only makes sense—it just makes good sense, right?—but it's economically feasible. We have to take the pressure off our hospitals. We can't keep growing hospital budgets the way we are. We've got to deal with the root cause, and we can.

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

**Ms. Sandy Shaw:** Further to that, you mentioned that you're on the council for improved health care. Are your concerns about children's access to mental health and the wait-lists part of a review of an integrated health system?

**Ms. Kimberly Moran:** I would say that certainly my contributions would be very much focused on mental health and children's mental health and trying to make sure they're building a system that is going to work for kids and families. Of course that has to do with all of the components of the system working in an interconnected way and making sure the capacity is in the right places.

In this instance, what I'm trying to demonstrate is that capacity isn't in the right place. When you have too many kids going to hospitals because you don't have community treatment, it indicates that capacity is in the wrong place. And I would say that, yes, people are listening.

**Ms. Sandy Shaw:** Oh, good. Well, that's positive.

**The Chair (Mr. Stephen Crawford):** Thank you very much. Thank you, Ms. Moran, for your testimony. We appreciate it.

We're going to be now wrapping up this morning. We'll be recessing until 1 o'clock. Thank you very much.

*The committee recessed from 1159 to 1301.*

**The Chair (Mr. Stephen Crawford):** Good afternoon, everybody, and welcome back after our lunch recess.

We are meeting here today to hold pre-budget consultations. Each witness will receive up to seven minutes for his or her presentation, followed by eight minutes of questioning from the committee, divided equally amongst the two recognized parties. I'll give you a warning at one minute as well.

#### CANADIAN TAXPAYERS FEDERATION

**The Chair (Mr. Stephen Crawford):** I would like to call the first witness to come and present. If you could please state your name for the record, and then you can get right into your presentation. It's Fix Our Schools.

**Mrs. Gila Martow:** That's the second one.

**The Chair (Mr. Stephen Crawford):** Sorry; my apologies. The Canadian Taxpayers Federation.

**Ms. Christine Van Geyn:** Good afternoon. My name is Christine Van Geyn, and I'm the Ontario director of the Canadian Taxpayers Federation. We are a federally incorporated not-for-profit organization with over 141,000 supporters across Canada. Our mandate is to advocate for lower taxes, less government waste and improved government accountability.

In the past three years that I've presented to this committee as part of the pre-budget process, I've noticed that the requests of taxpayers in Ontario have fallen on deaf ears when it has come to budget day. We now have a Premier who has promised that the party with taxpayer money is over, and my hope is that this year is going to be different. In order to help the government keep this promise, I have several recommendations for this committee. The recommendations are broken down in my report into five sections:

- balance the budget and pay down debt;
- reduce spending and eliminate waste;
- increase revenue opportunities;
- move ahead with promised tax cuts; and
- improve transparency and accountability.

The first priority of the government must be to right the province's fiscal ship. The government must provide citizens with a timeline for a balanced budget. For practical reasons, the timeline should show a balance by 2020—before the next provincial election. The current government has no ability to control what happens after the next election, so planning to keep a promise then is akin to breaking it.

The speed of action needs to increase. In the first six months, the government made little headway on the deficit, which now stands at \$14.5 billion. While they did find \$3.2 billion in savings, which is wonderful, cutting the carbon tax—which was the right thing to do, obviously—did reduce revenue, so there has been little headway made on deficit reduction. To tackle the deficit, the government must control spending growth. Current spending growth is too fast: 4.8%. This is higher than the last three years of the Wynne government, which was a 4.4% average. This government can and must do better than the last government on spending. Implementing a total nominal spending freeze would eliminate the deficit by next year. We're not calling for that speed, but the speed does need to be increased.

Reduced spending can be achieved in large part by eliminating waste. For example, the government must put a stop to corporate welfare, something the Premier promised to do in his election platform. However, the government still provided \$14.5 million in taxpayer money to Maple Leaf Foods for a new factory in London, which resulted in a net 300-job loss. The government's new greenhouse gas reduction plan is an exercise in corporate welfare as the Ontario Carbon Trust will hand out \$400 million in taxpayer money to various companies. There has been progress made with the elimination of the Jobs and Prosperity Fund, but ending all forms of corporate welfare will help the government reduce spending and get on track for a balanced budget.

The government also needs to reduce the amount it spends on advertising. Last year, it spent \$63 million on advertising, and much of that was partisan, according to the Auditor General. Cutting advertising by 50% or more would bring us back to 2014 spending levels and save taxpayers tens of millions of dollars.

There are also a number of programs that need review to eliminate waste. For example, the Auditor General found major issues with the OSAP and Ontario Works programs. Both these programs need to be reviewed and reconsidered to ensure that only eligible recipients are receiving that money.

We also believe there should be changes to the cost and size of Ontario's bureaucracy, which has grown dramatically. The government's announced hiring freeze, executive pay freeze and expanded buyout packages are a good first step for reducing the size of the province's bureaucracy, but more is needed. We recommend expanding the wage freeze as part of future contract negotiations, and we recommend the government investigate the use of automation and artificial intelligence within the bureaucracy.

A report by Deloitte found that a quarter of bureaucratic jobs in the UK are employed in roles with a high potential for automation. The report found that £17 billion in savings could be achieved between now and 2030 in the UK by automating such jobs. The government must look seriously at how this technology can be used in the bureaucracy to save money and free labour for other, more useful, purposes.

The government must also look for ways to increase revenue without increasing taxes. We recommend allowing the private sale of liquor and selling surplus assets of the LCBO once competitive retail markets are established. We would also like to remind the government of their commitments to tax reductions made in their platform: the promise to cut the provincial excise tax on gas, the promise to reduce the small business tax rate by 8.7%, and the promise to cut middle-class taxes by 20%.

At CTF, we're optimistic that this government will keep these commitments, as they did with their promise to eliminate the cap-and-trade carbon tax and their promise to cut taxes for low-income workers. We do ask, though—

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

**Ms. Christine Van Geyn:** —that the government ensure that all tax cuts are introduced with corresponding spending reductions.

In my remaining time, I'd just like to summarize some of my proposals for improved accountability. We really would like the government to make the changes that they promised in their platform—to restore powers to the Auditor General to review advertising for partisan content. We'd also like to expand the Auditor General's authority to include digital advertising, which it currently excludes.

We'd also recommend that government introduce recall-and-referendum legislation. This exists in British Columbia, 19 US states and 25 countries. In the last government, the former Premier had approval ratings as low as 12%. Voters would have benefited from the ability to stop legislation from being implemented by a

government that many viewed as toxic. So we would really encourage the government to look at that kind of legislation.

My report contains more recommendations.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We appreciate that.

We're going to start our eight minutes of questioning, four minutes first from the opposition side. Ms. Shaw?

**Ms. Sandy Shaw:** Thank you for being here. You had a lot in that short seven minutes, so I'm not sure where I'm going to go with this first. Maybe at the top level, you really talked a lot about balanced budgets, and that's quite important. I know that one of the things you talked about was reducing spending, which I'm going to get to, but you did mention a little bit about lost revenue. Really, we've had economists who have been saying, "Is it a breath mint or is it a candy? What is it? Is it an issue of spending that's the problem or is it an issue where we need to increase the revenue of the province?" What we have seen is, while the government is cutting spending, they're also cutting revenue sources. Cap-and-trade was a significant source of revenue, even if you factor in the programs that were being supported by the cap-and-trade revenue. That was also a significant loss of revenue. As you know, in the budget, there were some other initiatives that were a revenue loss.

Can you talk to me specifically about opportunities—about how you see the current government's forgoing certain revenues impacting the deficit?

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**Ms. Christine Van Geyn:** I agree with you that any time the government reduces revenue, they are going to need to have corresponding reductions in spending if they're going to achieve a balanced budget. It's a pretty simple calculation about how to balance the budget that way.

Cap-and-trade is money that the government is not entitled to. They're not entitled to the money of hard-working Ontarians, who already pay enough to fill up their car with fuel and drive their kids to soccer practice. People who live in the north, who have a higher burden on them with driving, with heating their homes with fuels—

**Ms. Sandy Shaw:** Do you have any recommendations for how the government can fund that revenue loss at this point?

**Ms. Christine Van Geyn:** With things that the government is not entitled to, like cap-and-trade revenue—they shouldn't be pursuing that as a revenue source to begin with.

My report has a bunch of recommendations about how the government can increase revenues without increasing taxes; for example, the privatization of alcohol sales and the expansion of the market into a more competitive retail market that the C.D. Howe Institute found could increase government revenues by 7%, in a 2014 report that I cite in my submissions. We think that that would be a great source of tax revenue for the government if they have expanded businesses. Also, eliminating capital assets held

by the LCBO could provide a one-time cash infusion to the government to increase revenues in that period.

**Ms. Sandy Shaw:** You're talking about selling off publicly owned assets. You talked earlier about things that the government isn't entitled to. I would just like to state that I also believe that things that were paid for by taxpayer dollars aren't things that are one-time cash infusions that are the entitlement of the government as well. That's maybe where you and I differ. But we've seen the outcry from the people of Ontario when we privatized Ontario Hydro.

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

**Ms. Sandy Shaw:** We also see that that privatization, in fact, did not amount to a reduction in the deficit and the ongoing debt. Privatization of publicly owned assets, or the selling off of publicly owned assets, is something that is not universally understood to be something that reduces the debt and the deficit.

If we go to the spending side, we've had many delegates here talking about things that really are difficult to reduce spending in. For example, we had the Ontario Hospital Association here saying that the hospital system is running on empty, essentially, and that they need an almost 3.5% increase to their core funding. What does your organization feel about how we will be able to move forward and continue to maintain a health care system that most Ontarians expect to be there when they need it?

**Ms. Christine Van Geyn:** On the hydro issue, I don't think that hydro is comparable to retail sales. It's a much more complicated market. The hydro privatization was done in a way that wasn't handled properly. It was kind of the worst of both worlds.

**The Chair (Mr. Stephen Crawford):** I'm sorry. We're going to have to move along, but thank you.

We're going to move on to the government side for four minutes of questioning. We'll start with Mr. Cho.

**Mr. Stan Cho:** Thank you so much for coming in today. I know there are a lot of questions on our side. Do you want to continue the hydro thought, or should I move on to my next question?

**Ms. Christine Van Geyn:** No. You can move on.

**Mr. Stan Cho:** Thank you. For the sake of time, I'll get right to it. This morning, the Canadian Centre for Policy Alternatives suggested that government debt is different than individual debt, and was therefore not as important to monitor in terms of spending, and we can continue to add on to the debt, with maybe not as many consequences as our government is suggesting. Do you want to comment on that? Do you agree with that?

**Ms. Christine Van Geyn:** It's different in the sense that our children and our grandchildren are liable for government debt in the way that they're not liable for our personal debt that would be paid out of our estates. I guess if we don't care about the taxes and the services that our children and grandchildren are going to be receiving in the future, then they would be the same. But I, for one, want a future for the people of Ontario where they don't need to continue to see reductions in services and increases in taxes.

**Mr. Stan Cho:** Certainly. Ontario currently stands as the most indebted sub-sovereign nation on the planet, really. I couldn't agree more there.

I'm wondering, though, if you maybe can enlighten us a little bit. I'm wondering why you feel that lower taxes and responsible government are so important to the people of Ontario.

**Ms. Christine Van Geyn:** Lower taxes are important because we all pay enough. I think the priorities of most people in Ontario is they just want to go about their business. They just want to live their life. They want to keep more of the money that they work very hard to earn.

This has been a very overtaxed and overburdened population of this country for a long time, and we've seen a lot of damage done to the provincial economy, because people and businesses are leaving this community.

Last year, I toured the province of Ontario with a moving truck and we were talking about how government policies were moving businesses and families out of the province. It was a message that resonated with people across Ontario. People are sad. They like this province but they want it to be an affordable place to live. The government has made some good progress on eliminating cap-and-trade, but there's a lot more that can be done. There were promises that were made in the campaign that we would really love to see kept. The promise to reduce the excise tax on gasoline, which is something that we've advocated for a very long time with my organization, the promise to reduce taxes on middle-class families and the promise to reduce the small business rate would all be really great things that would make Ontario an easier place to live in—it's a very expensive place to live—and it would make it a more competitive business environment.

**Mr. Stan Cho:** Thank you. I think my colleagues have some questions.

**Ms. Donna Skelly:** No, go ahead.

**Mr. Stan Cho:** I'm just wondering if you can comment on how your organization feels about the interest payment on our debt being the fourth-largest expenditure here at Queen's Park.

**Ms. Christine Van Geyn:** Yes. It's \$12.5 billion. I guess it's good that it's now the fourth-largest instead of the third-largest, but that's just because the expenses of the other areas went up. The cost of the interest on that debt did go up. People would obviously rather see that \$12.5 billion—

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

**Ms. Christine Van Geyn:** —go towards services they value, towards improved health care, as your friend across the aisle was talking about. That money would be better served there than on interest on debt. Unless this government—and it's this government's responsibility—is able to balance the budget, that amount is going to continue to grow, the credit rating of the province will continue to be reduced and those interest rates will get higher. We ask the government to really present a plan in the budget that shows in this mandate, before the next election, that this is something your government can accomplish.

**Mr. Stan Cho:** Thank you. We'll continue to work on that.

**The Chair (Mr. Stephen Crawford):** There are 20 seconds left. Any further comments from the government side? No? We're good.

Thank you very much for coming here and testifying.

**Ms. Christine Van Geyn:** Thank you.

#### FIX OUR SCHOOLS

**The Chair (Mr. Stephen Crawford):** I'd like to now call up our next organization: Fix Our Schools. If you could please just state your name for the record, and you can get right into your presentation for seven minutes.

**Ms. Krista Wylie:** My name is Krista Wylie. I just want to start my clock so I know how to keep track here.

Good afternoon. My name is Krista Wylie and I'm one of the co-founders of Fix Our Schools, a non-partisan, parent-led, Ontario-wide campaign started in 2014. Our focus is on eliminating the \$15.9 billion of disrepair that currently plagues Ontario's publicly funded schools and on ensuring that every school in this province is safe and well maintained and provides an environment conducive to learning and to working.

I'll begin with a quick overview of our five asks of you today. They should be in the one-pager that you were given.

(1) Please ensure the guiding principles outlined in the Rozanski report—a little blast from the past—are followed in this government's approach to funding public education.

(2) Please develop a standard of good repair for all of Ontario's publicly funded schools, which first and foremost must ensure that schools are safe but must also include items such as classroom temperatures, water and air quality, and washroom and lunchroom conditions.

(3) Continue to collect and publicly release annual updates on school disrepair data, adding portables to this process.

(4) Commit an additional \$1.6-billion-a-year investment to eliminate the \$15.9-billion repair backlog in Ontario's schools within the coming seven years via increases in renewal funding, funding for new school builds, and funding for operational maintenance.

(5) Finally, please consider the two million children who spend their days in Ontario's school buildings in every decision and interaction that you have relative to publicly funded education.

Parents, teachers, school boards, public servants and elected officials from all levels of government and in particular from the provincial level, where all the power resides, must work together if we are to truly fix Ontario's schools.

To flesh out our asks a bit now, ask (1): The Rozanski report is from 2002 but remains highly relevant today. It outlines guiding principles that must be followed for any education funding model to be effective. We'll draw your attention first to the principle of adequacy. Simply put, given that the province is the sole funder of education,

funding to school boards must be adequate for them to meet objectives. When Fix Our Schools began almost five years ago, provincial funding for school repairs sat at only \$150 million a year when industry standards suggested that a minimum of \$1.4 billion a year was actually required. It's grossly inadequate to see a province providing only one tenth of the funding that was required. In our view, this is the root cause of poor school conditions in our province today. The last PC government bequeathed over \$5 billion of disrepair to the Liberals, who then tripled it over the last 15 years to the gobsmacking amount that resides in schools today.

#### 1320

**Stability:** To forward-plan to conduct school repairs and maintenance in both an effective and efficient manner, school boards must be able to count on a stable and predictable funding stream. However, the reality every year is that school boards wait with bated breath to find out annual provincial funding, and then sometimes contend with mid-year changes. This is absolutely unacceptable if school boards are to operate effectively and efficiently.

**Ask (2):** We desperately need a clearly defined and commonly understood metric for what school conditions are acceptable in this province. This standard must consider not only the disrepair data that's currently collected, but also other key aspects of schools which impact learning and working.

My son spent several weeks wearing his winter coat in a 12-degree classroom. We hear from parents of young children who refuse to use school washrooms because they're gross, they're disgusting, so they hold it, and it results in bladder infections and the like. We receive photos all the time of mould and vermin in portables. Issues like these are not even reflected in the \$15.9 billion of disrepair that we're tracking, and underscore why a standard of good repair is much needed.

**Ask (3):** The Ministry of Education currently hires third-party, independent engineers to visit and assess school buildings in this province. In 2016, after much lobbying from Fix Our Schools, this disrepair data was finally released so the general public can access it and begin to understand the magnitude of school disrepair in their local schools. In November 2017, this data was updated and also released publicly. We expect the Ministry of Education to continue to collect and to make this information publicly available. We would expect an update fairly soon, given that the last time it was updated was well over a year ago.

**Ask (4)—**this is where things get a little dicey: Despite a significant increase in provincial funding since Fix Our Schools began, the current \$1.4 billion per year for school renewal is simply not enough to make up for 20 years of grossly inadequate funding. We've continued to see disrepair in schools get worse, not better. If we work together to find funding solutions to provide an additional \$1.6 billion per year, then within seven years we estimate we could eliminate the \$15.9-billion repair backlog.

We know an additional \$1.6 billion a year is a huge investment, and we know this government is focused on

balancing the books, but it is financially irresponsible and unacceptable to allow public assets to fall further into a state of disrepair and to allow the vast majority of repairs to be done on a reactive, rather than a proactive basis, which can cost up to three times more.

**The Vive-Chair (Mr. Jeremy Roberts):** One minute.

**Ms. Krista Wylie:** It is also morally reprehensible to continue to allow the public assets we call schools to fall further into a state of disrepair when the safety of two million children is at stake. We know school boards prioritize safety and believe they do the best they can with the resources given. However, with the 20-year history of inadequate provincial funding, we have grave concerns about the safety of school buildings in this province. Just yesterday schoolchildren in a province one door over from us spent the day in hospital because of carbon monoxide. We're no better. We do not think we are overstating the issue when we say that many schools in this province are simply accidents waiting to happen.

We urge you to consider all funding solutions: debentures, taxes, EDCs, energy performance contracts, to name but a few. Most importantly, we ask you to put aside partisan politics; to engage parents, teachers, your staff, and work together, not only within the provincial government but with school board counterparts, to solve this issue.

**The Chair (Mr. Stephen Crawford):** Thank you for your presentation. We'll move on to four minutes of questioning. We'll start with the government side. Mr. Cho.

**Mr. Stan Cho:** Thank you, Ms. Wylie, for joining us today.

**Ms. Krista Wylie:** Thank you for signing the pledge to fix our schools and endorsing the standard that we're supporting.

**Mr. Stan Cho:** It was my pleasure. Of course, my better half is a teacher—

**Ms. Krista Wylie:** We love hearing that.

**Mr. Stan Cho:**—so I hear about the problems every day.

**Ms. Krista Wylie:** So it's real. It's not imagined.

**Mr. Stan Cho:** It is very real. I've visited her school myself and seen how bad the problem is first-hand.

I have a quick question, because I know my other colleagues want to comment on this issue as well. I love some of the material here in your presentation. Reducing government waste is a huge one for us. We inherited a big problem and we're not going to fix this sustainably unless we address that waste. So our commitment in government is to start there, and it has to be a sustainable change, of course.

I want to ask you this, though, on a personal level: The backlog problem—we spend \$12 billion a year on interest to service our debt. How does it make you feel that if we weren't in debt, we could really just fix the whole backlog problem in a year, essentially?

**Ms. Krista Wylie:** I feel like I would go back to point number (5) in my ask, which is to put partisan politics aside and look at all funding solutions. I heard the speaker

before us allude to the fact that it's a two-sided equation. We look at input; we look at output.

What I would be very upset to see continued is a narrative that was—I don't know when it was created. Certainly, I've been a parent of children attending publicly funded schools now for 12 years, and it started back when my daughter was in JK. The narrative created by the provincial government was one of blame of the school boards. It took us a year to figure out the level of gross underfunding that had happened from the provincial government. That makes my stomach turn.

I guess I have less emotion around the interest servicing than I do about a spirit of collaboration and non-partisanship in solving this issue.

**Mr. Stan Cho:** Fair enough.

I think we have a comment from Ms. Skelly or Mr. Downey.

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

*Interjections.*

**Mr. Doug Downey:** My question, because we're in the business of solutions—we really are trying to find solutions.

**Ms. Krista Wylie:** Good.

**Mr. Doug Downey:** I would like you to comment, if you can, on the “prohibitive to repair” measure, and if there's another model, because the statement in number (2) is relatively vague. If you can point me or us to another jurisdiction that is using a better measure.

**Ms. Krista Wylie:** Sorry; when you're citing number (2), are you doing the one-pager?

**Mr. Doug Downey:** The one-pager; I'm sorry. The standard of good repair.

**Ms. Krista Wylie:** Sure. To our knowledge, this is actually an issue across Canada and across North America. Lamentably, we would be leaders and forerunners to this. I don't think that there is another great jurisdiction that we can learn from. I wish I could give you different information than that.

**Mr. Doug Downey:** Okay. Thank you.

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

**Mrs. Gila Martow:** Thank you for coming. I just want to mention that when I first got elected a few years ago, the Liberal government spoke about making our schools into hubs. I thought that that would partly allow for maybe evenings, weekends, summers, March breaks—for the schools to be somehow utilized.

Do you have any suggestions in terms of getting some revenue and utilizing our schools and using them as community hubs?

**Ms. Krista Wylie:** We do. We recognize that the Liberal government spent a lot of time and energy trying to support that idea, and how difficult it has been to actually see community hubs manifest in reality. But we are huge supporters of community hubs and feel as though the first step towards really realizing those is perhaps to take the bold step of delineating the bricks and mortar that we happen to call schools today, and maybe we call them community centres tomorrow, and maybe we call them



elder care centres 15 years from now. So we delineate the school buildings from the education. If we start to see that as a notion, that might free up a little bit more wiggle room for seeing community hubs manifest.

**The Chair (Mr. Stephen Crawford):** We're now going to move to four minutes from the opposition side. I'll start with Ms. Stiles.

**Ms. Marit Stiles:** Thank you to Fix Our Schools. I know your organization well, of course, as a former trustee. I have to say that one of the things I like the most about Fix Our Schools is that you are really volunteer-driven and that you are a parent-run organization. I think there has been much need for the kind of advocacy you provide. So thank you.

I wanted to actually follow up. The member opposite, I think you mentioned, had signed the Fix Our Schools pledge, which included many of these suggestions. I know that myself and my colleagues here all signed that pledge proudly in the last election. I know the current Minister of Education signed the pledge as well. Have you had any indication from the Minister of Education of her intention to follow up on that pledge?

**Ms. Krista Wylie:** We've been regulars at Queen's Park since 2019 sprung. We met with the minister last week and had a great meeting. I would feel heartened that she appeared to be open to listening and, again, very solution-oriented. So we come to 2019 with an open mind, a clean slate and really truly willing to work across party lines to find solutions.

**Ms. Marit Stiles:** I'll be honest: One of my great fears, when we talk about things like the enormous, \$16-billion capital repair backlog in school repairs, is what governments will do to try to solve that kind of problem. I think your solutions are very smart solutions, which I would highly recommend to the government.

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However, with the last government, we saw them move toward pushing school boards to sell off a lot of what they considered excess property. I know in many parts of our city here in Toronto now, and in other parts of the province, we're looking at overcrowded schools as a result of those short-sighted decisions.

I wonder if you could talk a little more about things like education development charges and how that works so that we can understand some of the other ways that we could actually go about reducing this backlog.

**Ms. Krista Wylie:** That's a great question. There was a great Globe and Mail editorial last week relative to hospital utilization. This editorial suggested that 85% utilization in a public asset like a hospital—and, we would argue, a school—is actually a great goal. We would count that as full: 85%.

Right now, of course, many jurisdictions—in particular, the largest school board in our province and the one in which the most development is occurring, the TDSB, does not qualify to benefit from new development. The way Fix Our Schools looks at that, it's a 20-plus-year-old provincial regulation that is outdated and ridiculous. Even the local Toronto Catholic board is up in arms about it because

even though they qualify for it, they can't use it for things that they want to use it for.

The EDC policy, in our mind, must be one that at its root acknowledges—developers are smart. They are going to develop and build in locations that make them money. The way that they make money is in areas with good public transit and good public schools—so, by God, if they are going to benefit from the schools in the areas in which they are building, they must contribute more than a bit of public art to that space.

I would just encourage any new regulation to not get caught in the weeds. The last government was going down a path of an incredibly complex new regulation to supplant the existing one. At its base, we would just urge you to consider—if a developer profits from a location, let the free market reign. They know more than we do. The reason they profit is because in many ways, they benefit from the public infrastructure, so make them pay back into that from which they profit.

**The Chair (Mr. Stephen Crawford):** There's about 15 seconds left.

**Ms. Marit Stiles:** We've heard a lot—and I want to thank you very much for that. I want to also just mention the other issues we talked about, specific examples like the lead in the schools and the water in Hamilton—

**Ms. Krista Wylie:** Asbestos isn't counted in the \$15.9 billion.

**Ms. Marit Stiles:** Asbestos. And as I mentioned earlier today, the kids wearing their hats and mitts—I saw kids, just yesterday, in their classroom in my riding with hats and mitts on.

**Ms. Krista Wylie:** We hear from parents all across the province about that complaint.

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

#### ASSOCIATION OF MUNICIPALITIES OF ONTARIO

**The Chair (Mr. Stephen Crawford):** We'll move on to the Association of Municipalities of Ontario. We have two individuals here and one via teleconference.

**Mr. Jamie McGarvey:** Yes. I'm Jamie McGarvey.

**The Chair (Mr. Stephen Crawford):** That's great. Just make sure if you're speaking, you speak loud. We heard your name.

The other individuals: Introduce yourselves, and then you can get right into your presentation.

**Ms. Pat Vanini:** My name is Pat Vanini. I'm the executive director of the association.

**Mr. Matthew Wilson:** My name is Matthew Wilson. I'm a senior adviser with the association.

**The Chair (Mr. Stephen Crawford):** Please proceed.

**Mr. Jamie McGarvey:** Chair Crawford and members of the committee, thank you for the opportunity to make this presentation to you today.

My name is Jamie McGarvey. I'm the president of the Association of Municipalities of Ontario, or AMO, and also the mayor of the town of Parry Sound.

I believe you have a report there from AMO, and my remarks that I will be making will certainly be reflected in the report.

For the people living in 444 municipalities in Ontario, every dollar counts and every dollar matters. So let me offer three key observations using the municipal lens:

(1) Ontarians already pay the highest property taxes in the country, generally driven by the transfer of social housing and other services, a role in health care and emergency service cost growths.

(2) Polling has told us municipal services are important to Ontarians. More than eight in 10 Ontarians say that they would be concerned if the province placed new demands on municipal governments that result in higher property taxes.

(3) Every municipality and every local economy is different. Many communities have very limited tax bases and resulting capacity. For almost half of Ontario's municipal governments, a 1% property tax increase raises less than \$50,000.

Together, this is why provincial transfers are a critical part of the municipal financial picture. Together with federal grants, they account for 20% of municipal revenues. Some 280 pieces of provincial legislation directly govern municipalities and help to shape local municipal budgets. As a result, municipal governments have relationships with a vast majority of ministries. This reality sets municipal governments apart from others in the broad public service. This is why AMO is urging the government to adopt a comprehensive approach to understand how provincial line-by-line affects the municipal bottom line and front-line services.

In 2018, \$133.7 billion in provincial spending went to all transfer payment recipients. Support for municipalities accounts for just \$4.2 billion of that amount. This represents 5.6% of that \$133.7 billion. The \$4.2 billion to municipal governments may seem small, but the support is huge. The services they fund include land ambulance, public health, public transit, local infrastructure, support for some housing, and municipal fiscal capacity challenges.

Yes, there have been program cost uploads in recent years. Social assistance costs such as the Ontario Drug Benefit Program and employment assistance are not a fit for property taxes. The upload of such costs and the stability of these arrangements help municipal governments finance challenges like tackling the enormous infrastructure gap. Significant progress is being made. For every dollar of provincial upload value, municipalities have invested \$1.67 back into infrastructure. The upload is working. Its maturity in 2018 is a provincial-municipal milestone. Yet there's still a long way to go to achieve sustainability for municipal governments in a way that ensures future generations are not faced with unmanageable property tax bills.

AMO estimates municipal governments need \$4.9 billion per year for 10 years on top of the existing federal and provincial transfers to continue delivering today's services and to close the infrastructure gap. In short, every

provincial dollar keenly matters to municipal governments and Ontarians.

Ontarians have told us building and repairing local infrastructure is important. Six in 10 say that improving the state of roads and bridges is a high priority; seven in 10 are concerned that property taxes will not cover the cost of infrastructure; and more than eight in 10 Ontarians say that they would be concerned if the province places new demands on municipal governments that result in higher property taxes. Enhancing the existing financial envelope is likely unrealistic at this time, but preserving it is critical. Vital day-to-day services should not be abandoned, and shifting more costs to the property tax base is not wise either.

Other top-of-mind considerations for the 389 municipal governments in Ontario include the municipal partnership fund. These AMO members are concerned about the government's review of this program. In 2018, the Ontario Municipal Partnership Fund—OMPF, as some call it—provided \$510 million in operating support from the province to municipal governments. It uses an equalization approach to address challenges and support smaller communities. If allocations to municipal governments are reduced in 2019, councils will have two main courses of action: They can compensate with property tax increases, or with local service reductions, including delaying infrastructure projects. None of these actions will be locally palatable. Half of the Ontario population lives in municipalities with mainly low to somewhat moderate fiscal capacity.

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

**Mr. Jamie McGarvey:** OMPF reductions will be especially difficult for rural and northern areas and a challenge for any municipal government receiving it. The government is currently reviewing the development charge system, on the face of it to improve the supply of new homes. Simply put, supply is influenced by cost of land and the market.

**1340**

Let me be clear:

(1) Development charges are not a root cause of the affordable housing and supply challenge in Ontario. They represent between 5% and 7% of the cost of a new home.

(2) A reduction in development charge collections will increase the cost of public services for all residents. This will increase pressure from taxpayers to constrain growth and constrain demands on already stretched property tax dollars.

(3) Municipal governments and current property taxpayers do not have the means to subsidize developers in building new homes.

Legislative changes that reduce charges by previous governments have never resulted in reduced prices. Shortchanging the public services Ontarians depend on is no way to build communities that people want to live in.

**The Chair (Mr. Stephen Crawford):** Thank you, Mr. McGarvey. We'll start now with questions from the opposition side. We have four minutes. Mr. Burch.

**Mr. Jeff Burch:** You talk a lot in the submission about sustainability. Right now, many of your members—

Waterloo, Barrie, Hamilton—are receiving staff reports and passing motions of concern about Bill 66, specifically schedule 10, which potentially suspends or treats as red tape the Clean Water Act, the Greenbelt Act, things that protect our environment. Can you talk a little bit about your concerns with Bill 66?

**The Chair (Mr. Stephen Crawford):** I want to emphasize here that we're focused on pre-budget consultations, not Bill 66. That's a separate bill that we can discuss another time.

**Mr. Jamie McGarvey:** Yes, that's another issue, I would think.

**Mr. Jeff Burch:** I've asked questions on it before. It's related. It's about sustainability and it's about municipal acts and development charges. Everything falls right into it. I don't see the issue, but—

**The Chair (Mr. Stephen Crawford):** If you can tie it with the pre-budget—but the focus here is on pre-budget consultations, not a specific bill that is before Parliament.

**Mr. Jeff Burch:** Perhaps he could talk about sustainability and the importance of protecting the environment as a piece of that in the budget, with respect to the Clean Water Act and green spaces.

**Mr. Jamie McGarvey:** I think we all have to realize that within a municipality or whatever, making sure that your infrastructure and your services are up to date—there are municipalities facing a number of challenges with regard to service delivery and infrastructure that has aged, in which case you have situations where plants need to be upgraded to supply clean water, storm sewer services need to be separated and upgraded due to either (1) age or (2) the current weather/climate changes that we've had and certainly then (3) your actual sanitary sewer system, which we need to make sure is operating properly or you end up having overloads on the system based on storm sewer overload capacity or just the system itself, because of increased growth, not being able to handle those situations.

So if we want to protect the environment, we need to make sure that the municipalities have the funding available to improve their infrastructure so that we're able to have a much healthier environment.

As far as protecting the green aspect—

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

**Mr. Jamie McGarvey:** —I think we need to make sure that we are all working together to make sure that we try to do things as environmentally consciously as we possibly can.

**Mr. Jeff Burch:** You talked about potential cuts to the Ontario Municipal Partnership Fund. What kind of issues does that raise, especially in terms of signing on to the federal social housing bill and issues like that?

**Mr. Jamie McGarvey:** Well, I guess OMPF is geared towards other aspects of sustaining a municipality. If funding all of a sudden becomes reduced in one particular area, then you have to rob Peter to pay Paul, basically. So if you have funding cuts, then you're not able to do the other projects the way you might do, because it's this

domino effect. Do you cut services? Do you raise property taxes? Do you—

**The Chair (Mr. Stephen Crawford):** Okay, Mr. McGarvey, we'll have to—I know you're not here, but we've hit our four-minute mark with the opposition. We're now going to turn to the government side. Ms. Skelly is the first speaker.

**Mr. Jamie McGarvey:** Okay.

**Ms. Donna Skelly:** Mr. McGarvey, I'll get right to my questions. I know that my colleagues would also like to speak to you.

Prior to running for provincial politics, I was a Hamilton city councillor. One of the challenges that we faced—one of four municipalities in the province—was the inability to really have true open tendering. That, in my opinion, really drove up the cost of any sort of construction or infrastructure development.

Can you speak to the advantage of our changes in regard to open tendering for public procurement?

**Mr. Jamie McGarvey:** I don't personally—that's one of the possibly—

**Ms. Sandy Shaw:** Point of order.

**The Chair (Mr. Stephen Crawford):** Sorry. Ms. Shaw?

**Ms. Sandy Shaw:** Sorry; if you could just clarify for me—

**Mr. Jamie McGarvey:** I was going to say that Pat Vanini or Matt might be able to speak better to that—

**The Chair (Mr. Stephen Crawford):** Sorry. One moment. We have a point of order.

**Ms. Sandy Shaw:** Just clarify for me how that also is in keeping with the pre-budget. We're talking about the pre-budget, and that's something that the government has already passed, that legislation. If you could just clarify for me if that's in order, or if that's—

**Ms. Donna Skelly:** If I could clarify—

**The Chair (Mr. Stephen Crawford):** If you could just rephrase the question.

**Ms. Donna Skelly:** Within the context of financial challenges that were pointed out in your presentation that municipalities across Ontario are facing, and you asks to the current government as we sit here in pre-budget deliberations, how has this impacted the municipalities that were affected by it? I believe there were four in Ontario.

**Mr. Jamie McGarvey:** Well, certainly—

**Ms. Donna Skelly:** If I may, I believe one of your colleagues is interested in speaking to this.

**Mr. Jamie McGarvey:** Okay. That would be wonderful. Thank you.

**Ms. Pat Vanini:** President McGarvey, I can take that one on for you, if you wish.

**Mr. Jamie McGarvey:** Okay.

**Ms. Pat Vanini:** Broadly, that example you provided is one of a number of what I would call non-fiscal asks that we have placed with governments for quite a while. Like other things, it does help municipal government manage some of their costs. Every little bit helps, but I think the key message today was that those things are helpful, but

we've got a lot more and bigger issues to manage. But it is helpful.

**Mr. Jamie McGarvey:** Good. Thank you, Pat.

**The Chair (Mr. Stephen Crawford):** Next speaker: Mr. Downey.

**Mr. Doug Downey:** This is Doug Downey. I was actually up in Parry Sound last Thursday.

**Mr. Jamie McGarvey:** You were. That's right, yes. I apologize for not getting in there, but I had some staff off, and I had to be here. But I did hand in the package with our submission. Norm Miller did mention to me on Friday night that he heard that I was there, and they got the package, so that's great. Thank you.

**Mr. Doug Downey:** That's great, yes. That's wonderful.

**Mr. Jamie McGarvey:** Thank you for being here.

**Mr. Doug Downey:** I'll do this more broadly, I guess, in terms of municipal. We have about 20 members of our caucus who are former municipal councillors or trustees involved in that world, so there is an understanding of some of the challenges.

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

**Mr. Doug Downey:** I guess my question is more on process. Is there something that we could be doing to better engage, to understand, to have dialogue, that we're not doing now?

**Mr. Jamie McGarvey:** I think you're working on the right steps, and that is to get into the communities and find out what's going on.

Generally, I thought that the comments I have received from people—because I did reach out to find out what people thought of what you were doing in Parry Sound. They thought it was great to have someone there. They felt that maybe sometimes their presentation was kind of short, with the three minutes. But for me, you hand in a package as well, to make sure that the information is there for you. I think the more you can do that and touch base with those municipalities and the stakeholders within those municipalities—it is an appropriate and solid way of finding out what's going on in Ontario. It is greatly appreciated.

Certainly, working with AMO as well has also been greatly appreciated. Our MOU meetings are just wonderful.

**The Chair (Mr. Stephen Crawford):** Thank you, Mr. McGarvey. We have to wrap it up there, but we appreciate you presenting, and your colleagues today. Thank you.

**Mr. Jamie McGarvey:** Okay. Thank you very much for the opportunity.

ELEMENTARY TEACHERS'  
FEDERATION OF ONTARIO

**The Chair (Mr. Stephen Crawford):** We'll move on now to our next organization, which is the Elementary Teachers' Federation of Ontario.

Again, if you could, as you come up here, just introduce yourselves for the record and get right into your presentation. You'll have seven minutes. Thank you.

**Mr. Sam Hammond:** Thanks very much. My name is Sam Hammond. I'm the president of the Elementary Teachers' Federation of Ontario. I'm here with our deputy general secretary, Jerry DeQuetteville; and our government relations officer, Federico Carvajal.

Good afternoon. I'd like to start by thanking the committee for the opportunity to speak to you on behalf of Ontario's 83,000 public school elementary teachers and education professionals. I'll do my best to get through our presentation in the time allotted.

1350

Our submission covers several priority areas that our members are concerned about. However, due to the time limitations, I will focus on a subset of those. I invite the committee to look at our full submission that you've just been handed, and I would be happy to answer any questions at the end of the presentation.

While Ontario is facing a fiscal deficit, it is significantly lower than the \$15-billion figure that is widely quoted by the government. In its latest report, the Financial Accountability Office projects Ontario's current deficit to be \$12.3 billion. Despite its stated focus on deficit reduction, the government decided to cancel tax measures that were set to bring in additional revenue in this coming fiscal year. These tax cuts have disproportionately benefited high-income earners, further adding to Ontario's income gap.

Ontario's public program spending as a share of GDP is the lowest in the country. Despite this, the government has stated its intention to cut public spending by as much as 4% across the board, while threatening to privatize critical public services Ontarians rely on. If this 4% is applied to public education, it would mean a funding cut of \$1 billion. A cut this deep would severely impact the ability of school boards to provide the inclusive, high-quality publicly funded education that Ontarians expect.

ETFO is calling on the government to make investments, not cuts, so that all Ontario students can continue to benefit from our internationally renowned public education system. Ontario's education funding formula needs to be fully reviewed and reformed. The basic shortfalls introduced by the Mike Harris government in 1998 were not addressed by successive Liberal governments, and the last time a comprehensive independent review was performed was in 2002.

One of the most alarming outcomes of the 1998 funding formula has been a \$15.9-billion or \$16-billion backlog in maintenance and repairs of school facilities, as you've just heard from Fix Our Schools.

In her 2017 annual report, the Auditor General concluded that the funding formula is out of date and that there should be a full external review of that funding formula. ETFO agrees with these conclusions and hopes to see positive action from the government.

Integrating students with special needs into Ontario classrooms requires more resources to support both the students and the classroom teacher in terms of training, human resources and material resources. Currently, special education grants are based on a statistical model that estimates support based on outdated demographic data

rather than actual students' individual needs. Special education funding must reflect the actual needs of students in Ontario classrooms.

A recent survey conducted by People for Education, a non-profit advocacy organization, indicated that 61% of elementary schools report having insufficient access to a psychologist to adequately support students.

The provincial government must increase its funding for educational assistants, psychologists, behavioural therapists, school support counsellors, child and youth workers, and speech-language pathologists.

Smaller classes improve student behaviour and peer relationships and increase student engagement and achievement in the early grades. Grades 4 to 8 have the highest class sizes in the K-to-12 system. There is absolutely no pedagogical rationale for that. ETFO believes there should be a class size cap of 24 students in grades 4 to 8, and a cap of 26 for kindergarten classes. We also recommend that in addition to a teacher, every kindergarten class be staffed with a designated early childhood educator.

Educational programs are enriched when students have more opportunities to learn through the arts and outdoor experiential learning. The number of specialist teachers at the elementary level has dropped significantly since 1998, when the current funding model was introduced. The education funding formula should be amended to provide all elementary schools with specialist teachers in arts, guidance and health, and physical education. It should also provide dedicated resource funding for school libraries and teacher-librarians.

In the context of the ministry's focus on student well-being, including addressing mental health issues, the lack of guidance counsellors in elementary schools is a barrier to meeting the needs of students. A 2016 report found that 83% of all elementary schools report having no full- or part-time guidance counsellors, and only 2% of all schools reported having a full-time guidance counsellor. The government should ensure greater student access to guidance counsellors in elementary schools by providing adequate funding.

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

**Mr. Sam Hammond:** I'm going to jump to my conclusion. The fiscal challenges facing the province are a result of a reduction in revenues, not a result of overspending. Ontario's public spending as a share of GDP is the lowest in Canada. ETFO is urging the government to reject the privatization of public services and assets. The province's revenue problem needs to be addressed by introducing progressive corporate and income tax measures that would raise additional funds. Ontario's public education system needs investment, not cuts. ETFO members look forward to working with the government and other stakeholders to continue to build upon our province's high-quality public education system.

Thanks very much, and I look forward to questions. I didn't quite make it through, but almost.

**The Chair (Mr. Stephen Crawford):** Thank you. That's good. We have four minutes of questioning from

each side, so we'll start with the government side. Mr. Roberts, please.

**Mr. Jeremy Roberts:** Sure. Thank you, Mr. Hammond. I appreciate the comprehensive proposals listed here. Twenty-eight recommendations: lots of meaty stuff to go through.

In my experience, going through school and meeting with teachers, I've often been struck by the fact that teachers are some of the best folks at doing more with less. They are innovators; they're able to stretch a dollar because they care so much about making sure that the children get the best education they can. So I'm wondering: Our government has made it a priority to consult with front-line workers. What thoughts do teachers have on different areas where we can do things more efficiently in school to help contribute to that overall goal of making sure that we're being as efficient with our dollars as possible?

**Mr. Sam Hammond:** Thanks for the question. Let me say that I find it highly problematic. When I talk to teachers, one of the things—some of your statement is highly problematic in terms of the reality of what teachers face every day, that in fact teachers have to do without the supports that they need, that teachers have to do without the resources they need, that teachers are now looking at and anticipating a 4% cut to publicly funded education.

Already, as you've said, they're able to do what they do with less than they actually need. We're here to ask the government to help us solve that problem, and in particular, if you look at special education, asking the government to really look at the funding formula in terms of what needs to happen there in an independent review to make sure that those gaps that you're talking about and the lack of supports that they have are actually in place in the very near future, and I would hope, through this budgeting process.

You'd have to speak to teachers, as your government is, in terms of your question to teachers about how they see the system running a bit more effectively.

**Mr. Jeremy Roberts:** Perfect. Yes, I mean, I think having that two-way dialogue of making sure that we can achieve our goals while supporting you as well is important. Perhaps some constructive feedback from your members on some of those ideas would be a great thing to include next year.

The second question I have is actually a bit more specific. It's on page 5 of your—

**Mr. Sam Hammond:** May I just add to my answer to you? I want to be very clear that we are here, and I am here, as the spokesperson on behalf of our 83,000 members. What I've presented to you and what's in the documents is very much, in fact, and is developed on surveying and conversations with our members directly for me to be able to bring that here and put it forward to you, to try and respond a bit more directly to your questions.

**Mr. Jeremy Roberts:** Absolutely—

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

**Mr. Jeremy Roberts:**—and that’s why I’m suggesting it would be great to get some feedback from you guys. Because you’re in a good position to engage with that body.

1400

My second question here: On page 5 of your submission, you talk about special-needs education and ABA therapy in particular. You say here that it’s problematic to have external ABA instructors coming into the classrooms. I’ve met with hundreds of families with children with autism, and universally they feel that it’s in the best interest of their children to make sure that those therapists have access to the classrooms. Why would you oppose making sure that children get the best access possible?

**Mr. Sam Hammond:** Well, let me try to answer from this point of view: I just had this conversation with a number of educational assistants. There is absolutely no doubt that the ABA therapy process is extremely important to students with autism. What we would suggest is that the educational assistants who are assigned to individual students—and there should be more of them—should in fact have that in-depth training. That actually enhances that student’s experience—

**The Chair (Mr. Stephen Crawford):** We’ll have to move on now. I apologize, but we do have to keep a schedule.

**Mr. Sam Hammond:** Absolutely.

**The Chair (Mr. Stephen Crawford):** Let’s move on now to the opposition side. Ms. Stiles?

**Ms. Marit Stiles:** Thank you for coming here and speaking on behalf of the educators you represent. I really appreciate this fulsome proposal. I’m definitely going to spend a lot of time reading up on it more.

When we talk about how the government has sought input from school boards on how they would find 4% in cuts to the budget, which is, as you mentioned, about a billion dollars—I remember, when I first saw that reference, just being gobsmacked. This is huge: a billion dollars out of education, out of a system that’s already so dramatically underfunded. I wonder if you could comment on what that specifically looks like in terms of the impact on our kids, on classroom sizes and so on.

**Mr. Sam Hammond:** Yes, thank you for the question. As I said to the minister and I have said here, we are advocating for no cuts to a world-class publicly funded education system. That system, as one of your colleagues pointed out, is running now a lot on the goodwill and professionalism of our members. A 4% cut—\$1 billion—to education when we’re already trying to deal with the concerns and the problems and the gaps in supports and funding would cause a great deal of extensive problems within publicly funded education. It would indeed.

We could possibly see the increase in class sizes. I would hate to see, because of that reduction, our designated early childhood educators being pulled out of that kindergarten program across the board. And just the focus on special-needs students, in terms of where we are now and the overwhelming need for supports and

resources for them—I could see that only doubling. That absolutely benefits no one.

**Ms. Marit Stiles:** I know that you had some other issues you might have wanted to mention, so if you’d like to expand on some of what your initial presentation was, I offer you that opportunity to just continue on.

**Mr. Sam Hammond:** I will just leave it at that, but I would urge you to look at our submission and our Building Better Schools document.

**Ms. Marit Stiles:** Then I’ll ask you a couple more questions. One of the things we talked about earlier today was with Children’s Mental Health Ontario, who came to present. They talked a lot about what we know, and I know as educators you are more than aware of the anxiety, the mental health issues, that our students are dealing with. I wonder if you could comment a little bit more on how we might improve mental health supports in schools and supports for students.

**Mr. Sam Hammond:** Yes, absolutely; I’ll try to do my best. I think the first thing is that there absolutely needs to be an independent review of that funding formula, specifically the area that you’re talking around: special education and supports.

But if I may, in terms of initial assessment, that needs to be done much, much, much earlier and there needs to be more of that done. Then, based on that assessment, there need to be more educational assistants; there need to be additional child and youth workers; there needs to be funding for training for those support personnel—back to the ABA therapy etc. For example, now, instead of that statistical model, it needs to be based on an actual needs model. That actual needs model goes beyond those who have actually been assessed. Teachers have individual education plans that are completely outside of that formal process, and they can’t get the needs for those students met, based on the current funding.

**The Chair (Mr. Stephen Crawford):** Thank you very much. I appreciate it.

#### ONTARIO CONVENIENCE STORES ASSOCIATION

**The Chair (Mr. Stephen Crawford):** Moving along, and to keep on schedule here, we have the Ontario Convenience Stores Association. Good afternoon. If you could just introduce yourself for the record, and then get right into your presentation. You’ve got seven minutes.

**Mr. Dave Bryans:** Great; thank you. Good afternoon. My name is Dave Bryans. I’m the CEO of the Ontario Convenience Stores Association. It’s a great opportunity every time I’m able to present to the committee on finance and economic affairs in advance of this budget.

It’s also good to see so many familiar faces around the table that I’ve met in the past, and I look forward to meeting the rest of you. Some of you might remember that I did present to this same committee in November, when I shared our industry’s support for Bill 47 and this government’s commitment to small business. It’s a pleasure to be back to speak to all of you.

Today I'm going to do my best to detail two main suggestions that our members have for this government in relation to the upcoming budget. Both items have been well researched by my organization as well as many respected third parties. If acted upon, these items will be warmly received by the public. They will provide a much-needed lifeline to Ontario's small business retailers and, perhaps most importantly, will end up costing this government nothing.

These two recommendations are: (1) government should move quickly to open up the beverage alcohol retail to include convenience stores, and (2) government should help the OCSA launch a program known as Smart Age, a government-sponsored universal mandatory age verification training program, similar to Smart Serve in Ontario for the hospitality industry and SellSafe in Alberta for cannabis retailers.

Before I get into more details on these recommendations, however, I'd like to take a quick moment to remind this committee of our organization and our importance.

The Ontario Convenience Stores Association is one of the largest business advocacy groups in this province. Our association represents the interests of approximately 8,000 small family-run convenience stores. The industry employs 78,000 Ontarians and serves 2.7 million people every day.

Other facts I'm proud to communicate to you today include the following, and I just said it: We do serve approximately three million people every day. Our channel facilitates \$2.4 billion a year in lottery sales for Ontario. We collect \$4.7 billion in taxes every year. Our hard-working employees pass government-imposed inspections at a rate of just under 96%. These numbers have been sourced through the Ontario public health boards.

We proudly employ more new Canadians, seniors and students than any other industry in Ontario. Our industry gives back to the neighbourhoods we operate in, recently having raised over \$300,000 for the Make-A-Wish foundation as a result of a nationwide C-Store Day event. Some people in the room did participate, and we appreciate it.

Let me turn to beverage alcohol retailing. It is the future of Ontario convenience stores. We are encouraged by the commitment made by Premier Ford during the election campaign and then again in the throne speech and the fall economic statement.

The OCSA and the small businesses we represent—many of them are family-owned and are truly corner stores in every community—appreciate the support the government of Ontario has shown all of us. We're looking forward to working with the government as it moves ahead to implement its commitment to broaden the opportunity for beer sales beyond the foreign-owned Beer Store and the large grocery chains that were given this competitive advantage by the previous government.

Ontario's convenience stores are ready for this responsibility. We are, by far, the best at age checks and selling age-restricted products. We have proven in the past to be better than the LCBO and better than the Beer Store, and the government's own numbers have demonstrated

that. We continue to work to improve every day, which is why our initiatives like Smart Age are so important. We never stop improving.

The commitment to expand the opportunity for beer sales to Ontario convenience stores is a critical policy to not only deliver something that Ontario consumers have been asking for, but also to help boost local small retail businesses, which have been so hard-hit in recent years.

In anticipation of this, we have been talking to many Ontario breweries and wineries, who are equally excited at the opportunity to boost their growing businesses by adding new retail points of sale, giving them valuable promotional opportunities in every community.

If there was ever a win-win policy for this government and the Ontario small businesses, this is it. We look forward to working with you to make it a reality.

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Let's just talk about Smart Age for a second. I've spoken to many of you already about the importance of age verification training. It's something we've always taken very seriously. It is why several years ago my association launched the most successful age verification training system in the province, called We Expect ID. This was a popular program, but it was downsized and discontinued several years ago due to the lack of resources.

Our clerks in the convenience sector handle the most contentious products in any retail setting, and they do a very good job of ensuring that our youth are protected from harmful products. That said, they need help. The proposal here is for government to help us fund the start of a mandatory universal age verification certification program. The program would work the same way Smart Serve works: Potential employees of the retail store will have to go through a concise but effective training module, after which they will write a test and be issued a certificate. Without that certificate, the potential employee cannot be hired. The program will be managed by a third party, not-for-profit, and will be funded through the normal course fees.

The benefits of this will be far-reaching, and they include but are not limited to:

- Ontario families will have peace of mind that small business retailers are trained in the event that beverage alcohol retail is expanded to more channels;

- public trust in our small business retailers will be strengthened;

- small business owners will not have to spend time and money on retraining employees in a channel that has had exceptionally high employee turnover rates; and

- Ontario public health will not have to spend nearly \$25 million a year to mystery shop convenience stores.

We anticipate the costs associated with starting Smart Age will be \$4 million. This will cover the program's operation for the first four years, after which it will become a self-sustaining organization.

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

**Mr. Dave Bryans:** With government having endorsed the Smart Serve model and by bringing in a similar model to help train cannabis retailers in Ontario, we feel a

dedicated program specific to retailers for all channels that handle tobacco, lottery, beverage alcohol, vaping supplies and other contentious products makes a lot of sense.

Thank you for your time, and I'm happy to take your questions.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We'll start questioning from the opposition side. Ms. Shaw?

**Ms. Sandy Shaw:** Hi there. How are you?

**Mr. Dave Bryans:** Very well, thanks.

**Ms. Sandy Shaw:** I guess my question is a high-level question, and that would be, how do you see what your proposal here, working in conjunction with the LCBO, does now?

**Mr. Dave Bryans:** Well, again, that model is still in the open. First, I didn't talk about the LCBO. I think it's a great retail model; however, we do know that the Beer Store is foreign-owned, and everyone has admitted to that—

**Ms. Sandy Shaw:** Sorry, I didn't hear what you said. The Beer Store is what? I'm sorry.

**Mr. Dave Bryans:** It's a foreign-owned entity, and basically the Beer Store is no different than a convenience store, but it's self-regulated. Did you not know the Alcohol and Gaming Commission cannot even go into the LCBO or the Beer Store to age test? They're not authorized to. Those are self-regulated companies that have their own in-house training and do not share data with this room or with government. But the convenience stores have \$25 million a year spent on underage shoppers coming into the channel, the most targeted group of retailers in this province.

**Ms. Sandy Shaw:** So they currently go into the convenience stores. Is that what you said? The \$25 million is to investigate the convenience stores' compliance.

**Mr. Dave Bryans:** They spread out among 36 public health units. They did over 20,000 mystery shops a year on the convenience sector.

**Ms. Sandy Shaw:** Okay. The other question I have for you is about some of the concerns from people with expanding the beer and wine sales beyond the LCBO, which most people are familiar with. For the number of convenience stores that are in communities and making sure that they're close to schools—I know that when we look at cannabis retailers, there's some concern about having a buffer between schools and the selling of cannabis. Is that something that you've taken into consideration in this proposal?

**Mr. Dave Bryans:** We consider everything. We age test better than the LCBO. We age test better than the Beer Store. All that data proves it. By the way, many LCBOs and Beer Stores are located within proximity to high schools and nobody has seemed to take that on, okay?

**Ms. Sandy Shaw:** Certainly, but there are fewer.

**Mr. Dave Bryans:** But what we will do, and we will stand behind certification—I would make sure that if beer is put into convenience stores, that everyone would be age tested, not just students—everyone. No one will get beer

unless they show their ID in our stores. We want to be zero tolerance; we're going to be zero tolerance.

**Ms. Sandy Shaw:** I guess I didn't really listen to your answer well enough. Are you saying what you're proposing is a complement to what the LCBO and the Beer Store are currently offering?

**Mr. Dave Bryans:** Sure. Let's open the market. Let's expand the market. Let's make it more convenient and transparent and let's see where the market finally plays out. I think the LCBO and the Beer Stores can run their own businesses, and we might even make them more efficient for all governments if in fact there's competition and there's more convenience in every community. Keep in mind there are 216 convenience and small grocery stores that sell full alcohol throughout the province of Ontario in rural Ontario, and not one of them has ever had a problem selling full alcohol. The convenience and grocery stores are the only channel that take back all empties and returns, in all 216. No LCBO even handles recyclables like we do.

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

**Ms. Sandy Shaw:** I know the LCBO does significant corporate and community social responsibility research. Has your organization done any research into whether or not this will increase the consumption of alcohol and maybe contribute to overuse of this substance?

**Mr. Dave Bryans:** Yes, we have. The University of Waterloo, under Professor Sen, did a complete study. He actually measured private retail operators versus open markets like Alberta to see the incidence of accidents and deaths and that. This was peer reviewed before it was ever released. It is now available. It does show that there is no difference at all in any market, whether it's run by a government, whether it's controlled or whether it's private like BC, Alberta and Quebec.

**Ms. Sandy Shaw:** Thank you for your answer.

**The Chair (Mr. Stephen Crawford):** We'll move on now to the government side. We have four minutes. We'll start with Ms. Skelly.

**Ms. Donna Skelly:** Thank you for your presentation.

What do you say to critics who argue that your industry simply isn't equipped to sell alcohol in your stores?

**Mr. Dave Bryans:** Thanks for the question.

Our industry has always been the target of critics, because I don't think we sell a whole lot of healthy products—I can understand—whether it be government gaming, whether it be tobacco, whether it be vaping. But I think someone should be congratulating us and patting us on the back for passing at almost 96%. When we measure ourselves against the Beer Store and the LCBO—I wish those critics would go ask for the numbers—we pass much higher than all of them. Not one critic could actually sit here today and say that a part-time clerk at Walmart who has never age-tested anybody for any products is all of a sudden the best at age-testing for beer sales at the express checkout. Critics have chosen to attack the convenience channel every time; maybe it's because we sell tobacco.

I can tell you, we will stand behind government-issued numbers from the Attorney General and from the Ministry of Health that we are still the best at age-testing.



**Ms. Donna Skelly:** That leads me to my second question. Many rural and small communities already have stores, small outlets, that sell all forms of alcohol: spirits, beer, wine etc. Have there been any significant problems with the sale to underage people or theft, robberies etc.?

**Mr. Dave Bryans:** No. As a matter of fact, I can tell you that we met with the LCBO agency leaders a few years back to have a discussion about expanded agency, and they actually told us that the LCBO agency stores do a much better job of mystery shopping when they do it than the normal corporate stores because all of them are family-run, all of them sell other age-restricted products, and all of them have much more to lose than the LCBO. You never see an LCBO store or a Beer Store boarded up for selling to a minor—or a fine in the paper. They're self-regulated.

I'm pretty proud that over 8,500 stores in this province run by small families and new Canadians can test at 96%.

**Ms. Donna Skelly:** What would the ability to sell alcohol mean to the bottom line for family-owned convenience stores?

**Mr. Dave Bryans:** It would be, not only for the store, for the government—in a basket shop in Quebec, with a purchase of 12 cans of Molson products, the second purchase was lottery, at 38%, unplanned. So those lineups would sell more chips, more peanuts, more lottery tickets. When you bring millions of more people into the family-run businesses in Ontario, you're going to sell many, many more products, make some money and survive. You're going to be able to pay the punishing hydro rates and pay the taxes and pay the new rent increases. So this would be a big boon for small business.

**The Chair (Mr. Stephen Crawford):** Ms. Martow?

**Mrs. Gila Martow:** Thank you so much for coming in yet again, Dave.

I just want to ask you to comment very briefly on the hours of selling of alcohol in the province of Ontario—the restrictions in terms of the hours. We know the LCBO has fairly limited hours. It has been opening up. People have spoken to me about going into some of the supermarkets that are able to sell and having them gated off because they have to follow the LCBO hours. Was that something you want to comment on?

**Mr. Dave Bryans:** Sure. The agency stores that we have actually stay open longer than the LCBO and can have different hours. I think the government has just allowed the 9 to 11 rule. I think with 9 to 11, you would find convenience stores actually selling alcohol at 10 o'clock and not closing. The LCBO has never implemented the 9 to 11 rule. I'm sure the grocery stores are soon going to implement 9 to 11.

A comment on Loblaws, Fortinos and Longo's: The world was supposed to end two years ago when they were going to get alcohol and beer. They have proven, like we will prove, that the world will not end and that this is a normal movement of the evolution of retail in the province of Ontario.

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

**Mr. Dave Bryans:** Thank you very much.

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## INCOME SECURITY ADVOCACY CENTRE

**The Chair (Mr. Stephen Crawford):** We'll move on to our next organization, the Income Security Advocacy Centre. If you would please state your name for the record, you can get right into your presentation.

**Ms. Jennefer Laidley:** Good afternoon. My name is Jennefer Laidley. I am the research and policy analyst for the Income Security Advocacy Centre. ISAC is part of Ontario's community legal clinic system. We're funded by Legal Aid Ontario. We have a mandate to improve the income security of low-income Ontarians. Thanks for the opportunity to be here today. I'm going to address three social assistance issues and will follow up with more detail in a written submission later this month.

As you may know, Ontario's social assistance system is made up of two programs: the Ontario Disability Support Program, or ODSP, and Ontario Works, or OW. Minister MacLeod recently announced a number of proposed changes to these programs. We commend her for understanding the urgency of making change in the social assistance system, which hasn't been working well since its inception 20 years ago.

The biggest example of how it doesn't work is the very low monthly benefit rates. We recommend making major investments in rates in this and subsequent budgets. You'll see on the information sheet that I've provided, in the yellow column, a single person with a disability on ODSP gets only \$1,169 to live on per month. A single person on Ontario Works gets even less; they get \$733 per month. Clearly, these amounts are wildly insufficient to pay for the regular costs of living that all of us incur. Average rent for a one-bedroom in Ottawa, for example, is \$1,023. In Barrie, it's \$1,035. In Peterborough, it's \$850.

Paying for nutritious food in Ottawa costs \$244 for a single person; that's according to Ottawa Public Health. In Waterloo, it's \$280. In Thunder Bay, it's \$233. You get my point, and I haven't even touched on other regular costs of living.

People on OW and ODSP are unable to pay for what they need. They live far below the poverty line. They live in substandard, dangerous housing. They rely on food banks and other charities, or they go without. This is a source of shame for all of us in Ontario and a source of constant stress and illness for them.

Benefits have been inadequate in these programs since day one, and the previous government spent 15 years not addressing the problem. We're asking this government to do what the previous government failed to do, and that is to make significant investments in benefits so that people can afford to pay their rent and put food on the table.

Not only is this the right thing to do, because of course everybody deserves the ability to feed and clothe themselves and live with health and basic human dignity; it's also the smart thing to do economically. The 1.5% increase in rates that Minister MacLeod put in place this past fall, for example, is putting nearly \$186 million directly into

Ontario's economy. This is due to the multiplier effect that results from investments in direct benefits to low-income people. That's almost as big a bang for the buck as investing in infrastructure, and it's because low-income people spend that money in their local communities to buy what they and their families need: a new winter coat, nutritious food, making sure that their rent gets paid on time and in full. Local businesses and economies benefit, and low-income Ontarians get more stability, the ability to afford the things they need, and increased health and dignity.

The impact would have been double if the 3% increase that was slated for this last fall had gone through, and imagine how much the lives of those people on OW and ODSP would have been improved. So I urge you to push for even more investment in rates in this year's budget and subsequent budgets. We need to turn the tide on income inadequacy in social assistance.

Our second point is that some of the changes that the minister is proposing will have negative consequences on the people who rely on these programs and, importantly, on government spending in other areas.

First are negative impacts of proposed changes to the amounts of money that people on OW and ODSP can keep when they work. Some of you might be thinking that it's all very well to raise social assistance rates, but why aren't people earning the money that they need through work? Well, there's a complicated answer to that question that we don't have enough time for today, but one part of it is that OW and ODSP are last-resort programs, which means they only support people who have very limited incomes, and when people do work, the programs reduce their benefits by a certain amount of what they earn.

Minister MacLeod has recently announced changes to these amounts and this might be implemented in the coming budget. The rationale is to provide more of a financial incentive to people on OW and ODSP to work. The problem is that these changes are actually going to do the opposite, and that's because while the monthly amounts of earnings that people can keep without penalty are increased, clawbacks on amounts over and above that are actually being increased as well, from 50% to 75%. So not only will this result in an incentive to not work as much as under the current rules, but many people who are already working will be actually cut off their benefits and lose important supports like prescription drug coverage.

Let me tell you the story of Mary: She's a breast cancer survivor and has chronic leukemia. She's also a part-time adult-education instructor who works 10 hours a week and a few hours tutoring on the weekends. She's on OW. She gets actually very little in monthly benefits, about \$180, in the months that she's working, but beyond that OW pays for the tamoxifen that keeps her alive; it also gives her an income source during the summer months when she is laid off. She doesn't qualify for EI because she's part-time, and she's part-time because of her health, so OW provides a very important safety net for her.

The long and the short of her situation is that when the new rules are put in place, she will no longer qualify for

OW. She will lose her tamoxifen coverage. She will lose her source of income in the summer months. She will lose her apartment and will likely be homeless, and then she won't be able to work. Her health will deteriorate even more. In fact, it already has. She tells me she is now on an anti-anxiety medicine because of the stress that this is causing. She has decided that when the rules change, she is going to have to quit her tutoring job to avoid being cut off OW.

This is absurd and counterproductive. It's opposite to what the earnings exemption rules should be doing. It's going to happen to thousands of people on OW and ODSP who are already working or who are trying to work more to work themselves off the system. I've given you a short background in your package that you can take a look at.

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

**Ms. Jennefer Laidley:** So the exemption changes need to be brought back down from 75% to 50%. It'll cost government marginally more, but that's a false economy; there will be costs, and they will be borne in health care and social agencies, and they may well be higher than if we just let people keep the 50%.

I've got very little time left—one more quick issue, and that's the proposed change to the definition of disability in terms of what it means for eligibility for ODSP. The minister says she wants to align ODSP's definition with federal definitions. Doing this will be a disaster for people with disabilities in Ontario. It will mean many people with disabilities will be excluded from ODSP; they will be forced to rely on the lower benefit amounts in Ontario Works, and their incomes will be held hostage to OW's more stringent rules. These people will get sicker; they will be even more unable to pay their rent and buy healthy food; and they'll live in even worse accommodation. That's going to cost the government far more in health care and other costs than it would to keep the definition of "disability" the way it is.

**The Chair (Mr. Stephen Crawford):** Thank you. It's appreciated.

Now we'll start the four minutes of questioning from the government side. Mr. Downey.

**Mr. Doug Downey:** Thank you very much. I love charts. This makes it actually digestible, so that's great.

**Ms. Jennefer Laidley:** I love charts too. I'm happy to give you lots of charts.

**Mr. Doug Downey:** I can tell you, knocking on doors, I talked to several people who were on ODSP or OW. Part of their angst, part of their anxiety, was on the global cost of living, the cost of electricity, the cost of everything. So I would be curious, in the future, to be able to have that fuller picture. I understand we're constrained by time, but in terms of telling the story of those individuals in the system, they have more pressures than just this bit, obviously—access to the system. Part of our goal is to reduce the cost of living for them in general. I don't know if there are other things that we can do that are, I'll say, "actionable" in the short term.

**Ms. Jennefer Laidley:** Sure, and I appreciate the question. I think that the majority of the problems that

folks on social assistance have and, in fact, many low-income people across Ontario have, whether they're on social assistance or working and still living in poverty, are with the cost of housing. There is just simply not enough affordable housing available, and this is true across the province. For people on OW and ODSP, the vast majority of those folks are actually in the private market, so 77% of people on OW and 68% of people on ODSP live in private rental housing. They don't get subsidies. They're not in public housing. They pay the same rents as everybody else.

Those numbers that I gave you earlier tell the story. When private market rents are anywhere from \$772 in Windsor to \$1,280 in Toronto or even more than that, it's easy to see that people on social assistance just can't make ends meet. The rent is more than the benefit amount that they get. In many instances, if they're working it cuts significantly into their total incomes. I know of people who are in situations where not only are they paying more in rent than their total benefits give them—and they end up having to rely on food banks, rely on charity and rely on family.

It's critically important to rapidly increase the stock of social housing in this province and the stock of affordable housing—and real affordable housing; 85% of market rent, in many markets, is simply not affordable.

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We talked to the previous government about this for 15 years, and not a lot happened. There needs to be an urgent response to the housing crisis in this province. You can do that on the supply side or you can do that in terms of giving people additional benefits. That's the easiest and quickest way to give people a break on affordability in housing: Increase their benefit levels, increase the Ontario Trillium Benefit, create a housing benefit. This has been discussed for decades.

**The Chair (Mr. Stephen Crawford):** Mr. Roberts?

**Mr. Jeremy Roberts:** Thanks, Ms. Laidley. I really appreciate your presentation today. I want to touch a bit on the whole idea of the definition of disability, because this is something that I know Minister MacLeod wants to make sure that there is some thorough consultation on. When I've spoken with her, the goal that she wants to see is that individuals with very severe disabilities who aren't going to get back in the workforce don't have to overcome those hurdles of going through paperwork constantly—so shifting to having those two groups of folks who are going to re-enter the workforce versus those who are going to need that longer-term support.

**Ms. Jennefer Laidley:** Right.

**Mr. Jeremy Roberts:** How do you think we can best do that? If it isn't the federal definition, how do you think we can best achieve that?

**Ms. Jennefer Laidley:** I think that you need to look at the underlying premise. One of the things that we take some issue with about this whole issue is that disability doesn't really work that way. In fact, the definition of disability that exists in ODSP now isn't about whether or not you can work; it's about having a substantial limitation

in your activities of daily living due to a health condition that has been verified by a doctor—

**The Chair (Mr. Stephen Crawford):** I'm afraid that we'll have to move on. I apologize, but we have to keep to schedule.

**Ms. Jennefer Laidley:** Oh. Alrighty.

**Mr. Jeremy Roberts:** We'll talk off-line.

**Ms. Jennefer Laidley:** I'm sure we can. I'd be very happy to talk to you about that.

**The Chair (Mr. Stephen Crawford):** I'll move it now to the opposition side for questioning. Ms. Stiles?

**Ms. Marit Stiles:** Thank you very much, Ms. Laidley, for sharing this with us. Actually, I was going to ask a similar question, so perhaps you could just simply continue on. I was going to ask you to talk a little bit more about the issue of disability and why you've called it a disaster.

**Ms. Jennefer Laidley:** Sure. Thank you. One of the things that the government of the late 1990s got right in many ways was the definition of disability, because it's much more flexible, it's much more inclusive and it reflects much better the reality of the way that disability works in people's day-to-day lives. Working and not working is not an on/off switch. Many people with disabilities are able to work to some degree. Many people with disabilities who at first glance one might think have a severe disability are supporting themselves in the workplace like anybody else. And then there are many people who you might have a look at and think, "Well, this person looks great," but they have significant limitation in their ability to work and undertake lots of other daily activities.

So we think that it's a false distinction. Severe versus not-quite-severe disability doesn't actually reflect the reality of disability. In fact, the definition of disability that's used in CPPD was put in place in the 1970s, when we had very different understandings of what disability was and how it operates. For us, moving back to that kind of disability is really a throwback and does people with disabilities a real disservice in terms of understanding who they are, how they live in society and what they need in terms of accommodations in the workplace in order to undertake work.

The problem with moving to a more severe definition of disability, a more stringent definition of disability, which all the federal disability income programs work under, is that it will exclude people who have, for example, episodic disabilities: multiple sclerosis, for example—let me just see; I made a couple of notes on this—or hepatitis C, rheumatoid arthritis, mental health conditions. It's going to exclude people whose disabilities have the potential to improve, like people who are being treated for cancer and other kinds of short-term illnesses that ODSP currently covers, and people who have multiple disabilities, but the cumulative impact of that means that they need ODSP support. What's going to happen to those people is that they're going to end up—if they have no other source of income, which is why they're approaching social assistance—on Ontario Works.

Currently, Ontario Works provides benefits that are 37% less than those that you get on ODSP. Those people are going to be forced into even more hardship than on ODSP. They will be under the pressure of having to look for work or else lose their benefits, because that's how Ontario Works works. You can be cut off your benefits if you're not jumping through the hoops that OW forces you to jump through, and there has been no discussion of changing those rules. So we're going to have a bunch of people who are potentially unable to support themselves in the labour market, because they'd be doing that otherwise, and who will be forced to get out into the labour market on very low benefit rates. We're very concerned that what this is going to mean for people with disabilities in the future is—and for government coffers. I mean, government is going to have to pick up the tab one way or another, and the tab will have to be picked up in additional health care costs and additional costs for social agencies. I think that it's a very difficult road that the minister has proposed to go down.

What it looks like to many people with disabilities in the province is that the government is trying to save money by restricting the number of people who get access to a program that provides more benefits, and that would be a real shame.

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

**Ms. Jennefer Laidley:** Thank you.

#### ONTARIO HOME BUILDERS' ASSOCIATION

**The Chair (Mr. Stephen Crawford):** We'll move on to our next presenting group. It's the Ontario Home Builders' Association. If you could just state your names for the record, and then you've got seven minutes to present.

**Mr. Joe Vaccaro:** To the Chair and committee members: Good afternoon. My name is Joe Vaccaro. I serve as the CEO of the Ontario Home Builders' Association. Joining me is OHBA director of policy Michael Collins-Williams. OHBA represents 4,000 member companies organized in a network of 29 local associations across Ontario.

I want to thank you for the opportunity to speak today about our budget priorities and, most importantly, for the opportunity to speak on behalf of aspiring home believers, who are looking to attain the great Canadian dream of home ownership.

This provincial government is facing some tough choices, with a forecasted budget deficit of \$14.5 billion. You will be pleased to hear today that we are not asking for a single penny from the provincial government today. In fact, we are perhaps your greatest asset to help fight the deficit.

The new housing, land development and professional renovation industry supports over 500,000 jobs in communities from Fort Erie to Thunder Bay, from Windsor to Ottawa. We are literally in every city and town across the

province. New home construction and residential renovations generated approximately \$60 billion in value and over \$300 billion in wages last year. The industry creates well-paying jobs in professions as diverse as plumbing to architecture. But we can do more.

My colleague Michael Collins-Williams will speak a little bit about the province's housing supply action plan, which is critical to delivering more housing supply. But I also want to emphasize the point that more supply means more job creation, and more revenue for the provincial treasury. From HST on homes to land transfer tax, from corporate taxes of our members and those income taxes paid by those half million people our industry employs, all that revenue helps to bring the deficit number down.

**Mr. Michael Collins-Williams:** Thanks, Joe.

The issue of housing choice and supply is complicated. New home prices reflect both market conditions as well as the framework set by government policy through municipal approvals, provincial legislation, and the regulations that our members operate in. The government sets the rules on where, what type and when housing supply comes to the market, and the market prices homes accordingly.

International immigration is up. Interprovincial migration is up, with people moving from struggling provinces like BC and Alberta. And since Trump was elected, international students have nearly doubled.

Demand pressures for both ownership and rental housing are very real. To put it bluntly, our industry simply can't keep up with that demand.

The supply-demand imbalance threatens to drive prices and rents even higher. What does that mean? It means that for families and young people starting out, they're simply not able to afford ownership of housing, let alone rent, or they're having to compromise on choice and either settle for unsuitable housing or commuting vast distances in search of housing. In many cases, young people are delaying marriage or having kids, as they struggle with the bills and to save up for a down payment. Our housing supply problem isn't just a housing problem; it's having serious social and economic consequences for Ontarians, especially younger people.

In an environment where housing of all types and tenures is becoming more expensive, OHBA believes the provincial government has an important opportunity to consider the impacts of planning, fiscal and labour policy decisions on housing supply and, ultimately, prices.

That's why we're so supportive of the consultation for a housing supply action plan. We're encouraged by the questions being asked in the ministry consultation document, as it represents an important opportunity to make more practical public policy decisions and address the barriers getting in the way of new housing supply.

We strongly believe that creating more housing of the types and sizes people need will help make ownership and renting more affordable and give people more choice. We partnered in 2015 with the Pembina Institute to release the Make Way for Mid-Rise report, as more compact development is crucial to creating vibrant and healthy neighbourhoods that are walkable and transit-connected.

We followed up that report with Make Way for Lane-way and contributed in 2018 to a Canadian Urban Institute report: What is the Missing Middle? The report notes, “A central tenet of provincial and municipal planning policy in Ontario is the need for municipalities to provide an appropriate range and mix of housing types, tenures, and densities to meet the current and future needs of residents.”

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We’re concerned that despite provincial direction to support the missing middle, it’s not happening at a scale that is both appropriate and necessary. So we propose bold and transformative planning reform. The province must enforce the Planning Act so that zoning bylaws truly conform to provincial policy. The province should require pre-zoning for mid-rise height and density on transit corridors in urban centres. We’d take that pre-zoning a step further where there is a provincial interest such as GO trains, LRTs and subways that require additional pre-zoning.

Lastly, we propose introducing more small-scale housing options in existing neighbourhoods. But those housing options can’t be built under current zoning rules in many neighbourhoods, so we’re advocating for reforms that would prohibit exclusionary policies that only allow single-family homes. We’re seeing this happen in some cities in the US that now allow more small-scale options like semis, towns and secondary suites in neighbourhoods that once only allowed singles.

**Mr. Joe Vaccaro:** I’m going to close by stating that government-imposed costs also make it more difficult and expensive to develop new housing. Examples include municipal and education development charges, planning and building permits, federal and provincial taxes. In many communities, 20% to 25% of the price of a new home is straight-up taxes. Government-imposed costs make it more expensive to develop new housing, and these costs are always passed on to the consumer through higher prices and rentals.

Through the Housing Supply Action Plan consultation, the province has an opportunity to recalibrate what new neighbours pay in taxes, fees and charges to various levels of government. We recommend a full review of the Development Charges Act, as we are concerned that many municipal politicians continue to view new neighbours as easy targets for additional taxes, levies and fees while artificially suppressing property taxes to appease existing municipal voters.

Under costs, there is also the opportunity to review the HST threshold set in 2009 at \$400,000. Ten years later, this would be the time to review its impact on housing supply and affordability.

Lastly, adopting a utilities model for water and wastewater infrastructure—

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

**Mr. Joe Vaccaro:** The single largest component of a development charge in most municipalities is for water and wastewater. The province should consult on the adoption of a utilities model used in other jurisdictions for

the financing of water and wastewater—to remove the cost of infrastructure built to last for many generations from the Development Charges Act.

The last thing I would mention is, the new LPAT appeal mechanism is not working. It is causing delays and making it more expensive to bring new housing to the market and preventing new supply from getting approved. We need to repeal Bill 139 and bring back the OMB. There are at least 100,000 new housing units stuck in the OMB backlog, and the new LPAT hearings are not scheduled until 2020. This is a delay in decisions that undermines Ontario’s economic development and that will have a material impact on the Ontario treasury.

Thank you for your attention. We welcome your questions.

**The Chair (Mr. Stephen Crawford):** Thank you. We’ll start with the opposition side for questions. Ms. Shaw.

**Ms. Sandy Shaw:** Thank you for your presentation. Bear with me because my questions are all over the map.

Earlier in your presentation, one of the two of you talked a lot about the deficit position and the debt and the deficit that this government is addressing, and then you had some requests near the end to relieve your members of some of the development charges that are a source of revenue both for the province and for the municipalities. We just had a presentation from AMO that said that development charges are not the most significant cost in housing, and they were concerned—it says, “Development charges are not a root cause of the affordable housing and supply challenge in Ontario.” I don’t know if anywhere in there is a question—but the whole idea is that we’ve got inputs and outputs. We’re talking about addressing the debt and the deficit. You’re looking at reduction in revenue tools that municipalities and provinces use. And we have AMO saying, in fact, that development charges are not the root cause of one of the other things you talked about, which is supply.

**Mr. Joe Vaccaro:** I would respond by saying, I don’t think anyone would be surprised by those different positions, or that the municipalities would claim that the development charge is not a significant factor. But from the membership side of this equation, what I can tell you is this: Members need to finance those development charges as part of their process to bring the community to market, so beyond working their way through an approvals process, to actually get that approval—and that’s its own approval structure—there’s a financing reality to it. The reality is that when you have \$100,000, \$125,000, \$150,000 worth of development charges, parkland fees, all those costs built into the homes you bring to market, you have to finance that over three, four or five years. The private developer needs to find a way to not just get the approval but then also figure out how to finance these things. Keep in mind development charges are a municipal revenue stream.

Sometimes the decisions around development charges—and one of the reasons why we feel a review is appropriate is that the Development Charges Act provides

a set of hard services: Put pipes in the ground and those kinds of hard infrastructure services which are clear and concise, and people can have the argument about what they cost to build and all the rest of it. There's also a set of soft services. That's a conversation that goes, "Okay, well, what is the contribution in that new neighbourhood of that new neighbour to improving the parks for everyone in the community, to improving the rec centre for everyone in the community?" When you combine those two together, that's the conversation that says—because although it's called the Development Charges Act, the reality is that it finds its way into the price of a house.

The developer is the only one at that point who says, "Wait a second. Let's figure out what exactly is in that \$150,000 that you're asking for." Let's figure out what exactly is in there, because ultimately the developer needs to finance it.

The impact on supply is—the reality is that you can only finance so much. A developer who may only have five or six opportunities to bring housing on stream, from a financial standpoint may only be able to finance one project every five years because financially the development charge request has overwhelmed their capacity to bring on other housing supply issues.

**Ms. Sandy Shaw:** You talked about the continuum of the different housing types. You talked a little bit about laneway housing. You talked about the missing middle. You didn't really specifically address the idea of affordable housing. I guess for your people, it would be affordable home ownership. I know that in some municipalities—the previous government gave municipalities the option to have inclusionary zoning bylaws in new developments. Can you just talk about the ways in which your organization has concerned itself with affordable housing and affordable home ownership?

**Mr. Joe Vaccaro:** Sure. Let me give you the short answer, and then Michael will finish up.

You need to deal with the issue of housing affordability if you're going to deal with the issue of affordable housing. Our members on the housing affordability side of the equation—the market needs to function in a way that can provide enough supply before you move on to the affordable housing side of it.

Inclusionary zoning is a tool that has been brought in. It only works in a functional housing market. Those private developments have to come forward—

**The Chair (Mr. Stephen Crawford):** Okay, I'm afraid we'll have to keep it really short, unfortunately. We have to move on to the next set of questions.

I'll start with the government side. Ms. Martow.

**Mrs. Gila Martow:** We're doing pre-budget consultations and one of the things we're hoping to see in the province is more affordable housing. We're hearing that from everybody and it's one of our commitments. I wonder if there are any suggestions from your organization in terms of how the government can help get moving very quickly and get shovels in the ground to build that affordable housing that we all want to see—stacked

townhouses and things like that that are good for small families or people starting out.

**Mr. Michael Collins-Williams:** There are a variety of recommendations that we're going to put forward as part of the housing supply action plan. We spoke a little bit towards fixing some of the zoning. I think the province this morning came out with some proposed amendments to the growth plan in terms of density and intensification targets. A lot of that is the first step, going from provincial policy and then having it work through municipal conformity into local official plans and local zoning.

We believe that there is a significant deficit and a sort of supply-demand imbalance. Streamlining the process to allow us to be able to bring more supply to the market faster, of all types and tenure of housing, and the sale of public land through partnerships I think is a huge opportunity. We're not suggesting mass sell-offs, but there are strategic parcels of land located next to transit, and it's through partnerships that I think we can really—and this addresses MPP Shaw's question as well. I think that through strategic partnerships, we can reduce the cost of housing and bring forward some purpose-built affordable housing.

Typically within the pro forma of a development, the largest cost component is the land itself, so if governments, be that municipalities, the province or the federal government, can step up and bring forward some strategically located land parcels, we can work to bring forward below-market housing.

**Mrs. Gila Martow:** Okay. I'll just add to that that there was a review done of provincially owned land and what is available now for municipalities and developers to look at. There is a lot of effort under way in terms of—we call it the airspace, I guess, above transit stations, to build on top of the transit as, obviously, that's a space that is probably the most popular and therefore the most valuable. So if you have any recommendations for what the government can do, either today or in a follow-up, we would really appreciate hearing from you.

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**Mr. Joe Vaccaro:** I would just say that as the government moves forward, it's important to attach their building vision on that parcel. Let the private industry understand what your vision is. This is where the power of the minister would help—

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

**Mr. Joe Vaccaro:** If your vision is to see an eight-storey building, and in that eight-storey building, what you expect is for 25% of the units to be affordable housing, put that as part of the vision for that parcel of land and then give the private sector the opportunity to find partners, whether it's themselves, not-for-profits or co-ops—a lot of people in this space who would work together—to bring that project forward. But having the support of the provincial government, the owner of that land, as part of bringing that approval forward helps deal with certainty and helps provide better opportunities for partnerships.

**Mr. Michael Collins-Williams:** The government identified a little over 200 different surplus parcels of land

back in the fall, and you mentioned the opportunity with transit. One of our members was one of the first developers to be working with Metrolinx on the Mimico site. I think there are a lot more opportunities on the subway network. Metrolinx/GO Transit actually owns more parking spaces than any other entity in North America. There are a lot of different opportunities along the GO lines to bring in income through partnerships—

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

#### ADVOCACY CENTRE FOR TENANTS ONTARIO

**The Chair (Mr. Stephen Crawford):** We'll move on to our next organization, the Advocacy Centre for Tenants Ontario. If you could please just state your names for the record and begin your presentation of seven minutes, please.

**Mr. Kenneth Hale:** Good afternoon, Mr. Chairman, committee members. My name is Kenneth Hale. I'm the legal director of the Advocacy Centre for Tenants Ontario, known as ACTO. My colleague Mary Todorow, ACTO's policy analyst, is here with me.

ACTO is a community legal clinic funded by Legal Aid Ontario to serve low-income tenants across Ontario. We believe that everyone in Canada has a right to housing and that there's a vital provincial role in realizing that right. We would like to address four issues related to that today.

Number one: Support the right to housing by ensuring that funds are committed in the budget to cost-match federal funds available under the National Housing Strategy. Last April, CMHC and the province of Ontario signed an agreement under the new National Housing Strategy. CMHC committed over \$117 million to Ontario for affordable housing in the 2019-20 fiscal year, provided that Ontario and its municipalities match this investment. Over the next 10 years, Ontario should receive up to \$7.4 billion in new federal contributions. This agreement provides the means to increase housing supply and improve housing conditions and affordability by lifting households out of housing need and prioritizing the most vulnerable.

Everyone recognizes how serious Ontario's housing crisis is, but the right to housing of those who are homeless, on social housing waiting lists or paying more than 30% of their income on rent will not be addressed by increased private investment. These people need Ontario to live up to its commitment by allocating in this budget sufficient funds to get the maximum benefit from the April 2018 agreement.

Our recommendation is to include in this budget an amount to fully match the housing dollars available from CMHC under the National Housing Strategy in this fiscal year.

**Ms. Mary Todorow:** Issue number two: These funds should be directed to a made-in-Ontario non-profit housing program, and invest further provincial money in a comprehensive plan for affordable housing that is going to work for low-income people and for the Ontario taxpayer.

Even a \$7.4-billion federal investment over the next 10 years, matched by the province, will not be enough to overcome Ontario's affordable housing crisis. We could take all of the \$40 billion on offer in the NHS and it wouldn't be enough. Our province has the highest proportion of renter households in Canada at increased risk of homelessness because they pay over 30% of their income on housing. We need about 9,000 market rental units and 7,000 non-market units each year to meet the demands of a growing population and to catch up with the backlog created by years of shortfalls in rental construction.

Low-income tenants need non-market solutions because they can't afford the rents that are needed to support profitable, private-market development. Building on the National Housing Strategy, Ontario must redesign and enlarge its affordable housing program to meet their needs.

The not-for-profit housing sector has laid out a model for the next 10 years called An Affordable Housing Plan for Ontario. It proposes building 69,000 new affordable rental homes; building 30,000 supportive housing units; revitalizing 260,000 community housing units; and providing housing allowances for 311,000 new households. The plan would provide economic benefits for all Ontarians, largely through savings in the health and justice systems.

So why is this a good plan? I hope some of you will look it up; it's on the Internet. The Provincial Auditor's 2017 report concluded that giving tax dollars to private developers to build and own housing that provides time-limited affordability was not providing good value. The auditor said that more should be done to encourage development by not-for-profit organizations. These important observations must be kept in mind when you make your recommendations about budgeting for affordable housing development.

Our recommendation is that allocations of provincial dollars above and beyond those needed to cost-match the NHS commitments must be allocated in the 2019 budget to provide for a comprehensive affordable housing plan that addresses the needs of all Ontarians.

The Ontario government must ensure that all new affordable housing developed with public funds is owned and managed by the non-profit community housing sector, so that the housing developed remains affordable over the long term and provides value to the taxpayer.

**Mr. Kenneth Hale:** Point number three is to fund our municipal service managers, to allow them to repair and maintain the existing social housing stock. Municipalities can't carry out the major repairs and upgrades needed in the aging social housing stock that they administer. They don't have enough money, and they don't have adequate revenue tools to raise that money.

Reversing the commitment to invest hundreds of millions of dollars in this housing from the proceeds from the province's carbon market has made the situation a lot worse. That money was earmarked to repair and retrofit the homes of social housing tenants over the next five years, and now it's gone.

Someone is paying for the neglect of this \$40-billion public asset, and that's the tenants who live there. Broken entry doors and security systems, plumbing and roof leaks, pest infestations and out-of-service elevators all diminish the quality of life for the people who live there, and put added pressure on our health care and social service spending.

The 2019 budget must include funds to address this ongoing public disgrace.

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

**Ms. Mary Todorow:** Our fourth item refers to social assistance benefit rates. Even with this recent increase of 1.5%, shelter allowance rates for social assistance recipients don't begin to meet the cost of their housing. Almost all OW recipients are tenants, but only 13% actually live in subsidized housing, and there is a large majority of ODSP recipients who also live in the private rental market.

So we strongly recommend that this budget sees increased funding for social assistance rates, so that these people who are in receipt of benefits don't lose their homes in an environment of rising rents and historically low vacancy rates in most Ontario communities.

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

We'll go to questions now. We've got four minutes. From the government side: Ms. Martow.

**Mrs. Gila Martow:** Can we give it to somebody else?

**The Chair (Mr. Stephen Crawford):** Ms. Skelly.

**Ms. Donna Skelly:** I just have a quick question. Thank you for your presentation. You're stating that the only solution, really, is a government-led solution, and that you don't believe that the private sector has a role in addressing the needs or addressing the crisis level that we're at today. Why is that? Why are you saying that the private sector can't be part of the solution?

**Ms. Mary Todorow:** Because low-income tenants don't have effective demand. They basically don't have the money in their pocket to pay the rent that would be required for the developer to build a unit and put it on the market and make their required return. They have ineffective demand. It's market failure.

**Mr. Kenneth Hale:** I think we should also recognize that the private development industry builds social housing. We don't have a government construction department; we have private developers that build it. Often, we buy land for this development from private owners, so there is certainly a very large private sector participation in it. To actually expect that people on social assistance or people making a \$14-an-hour minimum wage are going to be able to pay the cost of a new development, buy land at current prices, pay wages to—it just doesn't add up. That's why we think there has to be a strong commitment of public money to making sure people have this place to live.

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**Ms. Mary Todorow:** The last time the social housing programs were ended, back in 1995, rental housing stopped being built. The then government set up a working group on how to encourage rental housing, and one of the

first conclusions they came to is that people who are at the lowest end of the income spectrum cannot be served by the private market. They don't have the money to pay for the rents for new rental housing. You just have to look at the Renters News and see what new buildings are going for, in terms of one- and two- bedroom units, which are well over \$2,000 a month. People who are earning minimum wage or are on social assistance, or even moderate-wage households now, can't afford those rents.

**Ms. Donna Skelly:** In light of the level of debt that the province is carrying, though, do you not think it's necessary to look outside the box and look at a P3 solution to this? You even mention the—was it \$40 billion—the figure that you said wouldn't address—

**Ms. Mary Todorow:** Oh, \$40 billion. Yes, you could swallow it all up here in Ontario.

**Mr. Kenneth Hale:** That's the long-term commitment in the National Housing Strategy for the whole country.

**Ms. Mary Todorow:** Ten years.

**Mr. Kenneth Hale:** It's quite possible that Ontario could use that level of investment.

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

**Mr. Kenneth Hale:** Where is "outside the box"? Somebody has to pay for this. Are we going to let people pay through the loss of their health, the loss of their personal security? Or are we going to actually invest money that we can all afford?

**The Chair (Mr. Stephen Crawford):** Mrs. Martow.

**Mrs. Gila Martow:** There has been a lot of talk in the media about approving more secondary suites in existing buildings. I wonder what your thoughts are on that.

**Mr. Kenneth Hale:** They're helpful, they contribute, but they're not a permanent source of housing. They come and go in and out of the housing market as the families of the owners change.

If we want to build good communities, we want places where people can settle down permanently, send their kids to the school for 10 years, and not be subject to the whim of whether or not their older child is coming back from college and needs to move into the basement apartment. Those things are good, but they're impermanent. They come and go.

**The Chair (Mr. Stephen Crawford):** We'll now move to the opposition side. You have four minutes. Ms. Shaw.

**Ms. Sandy Shaw:** I want to build on what MPP Skelly was talking about, which is the solution for affordable housing.

I just want to talk a little bit about what has happened in Hamilton. I'm from Hamilton. We have a proposed LRT in Hamilton. We talked a lot about transit-oriented development and that we would have this planned, mixed-use—and that it would be the full spectrum from very affordable to market-rent housing, whether it's rental or home ownership. But really, the net effect so far has been that low-income people have been driven out of homes that they already lived in along the proposed corridor. We call it "renoviction." They, in fact, have been driven out of homes where they were living, that were affordable,



because of the idea that these were going to be more affordable once the LRT went in. To me, that's another form of a market failure. If we're talking about planning for good communities, we need to be ensuring that this development also has some teeth in place to ensure that people aren't squeezed out when it comes to that kind of development.

That's a statement about what's happening in Hamilton.

My concern, and we heard it a little bit earlier from some people who talked about the development—for example, Ms. Martow talked about the airspace being given to developers building above Mimico. I know there has been some talk about building above the other transit stations, perhaps in Toronto, for example. Do you have any confidence that that kind of public-private partnership will enhance affordable housing supply or affordable rental?

**Ms. Mary Todorow:** I think that's where inclusionary zoning bylaws come in, actually, particularly around transit hubs, where a municipality like Hamilton could have in their bylaws that there should be a certain percentage of all that new housing that would be at affordable rents, so that we don't have the renovations and we create communities that are going to have a mixed income, and not just higher-income folks who are moving into the condos that will be developed around there.

Also, increased zoning is a big issue. Toronto has been talking about main street intensification and increasing density for years. We have all these main streets along the subway lines where we've got two-storey buildings that could be an additional three, four or five storeys. The zoning doesn't allow for that.

One municipality in the US just took a very bold action and is reversing their single-family zoning to allow for this missing middle housing so that you can actually make use of the services that are already there, where it could bear some increased density.

**Ms. Sandy Shaw:** Thank you for that answer. I want to switch a little bit to the idea of rent controls. We've had rock-solid evidence that came from CMHC that when rent controls are in place, there's no more increase in purpose-built rentals. CMHC data just shows that. This government is now removing rent controls in its recent legislation. Can you comment a little bit on the impact of rent controls on affordability of housing or tenants' housing?

**Mr. Kenneth Hale:** I think it's pretty clear that regulating rent increases keeps rents down. If we don't want to continue to push people into having to pay more rent, or if we don't want to continually have to pay people higher assistance rates to pay the rent, then we have to do something about regulating those rents and keeping them down. That's something that's outside of the budget. You don't have to spend any money. Certainly, under the rent control system that we have now—

**The Chair (Mr. Stephen Crawford):** I apologize. We have to move on. But thank you very much for your presentation. I appreciate it.

**Mr. Kenneth Hale:** Thank you.

**Ms. Mary Todorow:** Thank you.

## ONTARIO CHAMBER OF COMMERCE

**The Chair (Mr. Stephen Crawford):** I'd like to call upon our next organization, the Ontario Chamber of Commerce.

If you could just please state your name for the record, and you may begin your presentation.

**Ms. Michelle Eaton:** My name is Michelle Eaton. I'm the vice-president of communications and government relations at the Ontario Chamber of Commerce. I'm delighted to be here on behalf of our 60,000 members across 135 communities in Ontario. I'm pleased to have the opportunity to present you with our recommendations for the government's pre-budget consultations.

Our 2019 pre-budget submission brings together a comprehensive plan to build a stronger Ontario through taxing competitively, building stronger municipalities, addressing Ontario's infrastructure deficit and adopting sustainable spending models. We truly support the government's commitment and efforts to deficit reduction and cutting red tape. However, we also emphasize that this should not come at the expense of long-term economic growth. We think there's a way to do both.

In my time allotted, there is a number of recommendations before you—there are about 13—but I'm going to touch on a few key areas that are critical to help businesses thrive and grow today and into the future.

In an OCC survey last year, 48% of Ontario businesses indicated that they were not confident about the province's economic outlook; 61% of these businesses cited high tax rates as a reason.

Small and medium-sized enterprises make up 98% of all Ontario businesses. They contribute to 30% of Ontario's provincial GDP, yet they're often faced with several obstacles. Part of Ontario's scale-up challenge is a result of a tax system that does not incentivize small business owners to seek out opportunities for investment and growth. For example, businesses with an income of less than \$500,000 are taxed at a flat rate. If their incomes rise above this level, their tax rate increases sharply. To create an environment which encourages small and medium-sized enterprises to successfully scale, we're recommending that the government create a variable small business deduction that is tax-neutral. We want to encourage our small businesses to continue to thrive instead of hindering their growth.

### 1510

We also encourage the government to strategically spend in key areas that will help grow the economy and have the highest return on taxpayers' dollars—for example, broadband access. Broadband is a basic infrastructure need that is essential for businesses participating in a competitive and global economy. Just as businesses depend on roads and electricity, high-speed Internet is fundamental to advancing the province's interests. Committing funds to broadband infrastructure in rural and remote regions of the province will ensure that economic fragmentation in Ontario is reduced. An analysis of a comparator jurisdiction indicates that a 10% increase in

household broadband penetration could accelerate economic growth by up to 1.5 percentage points. Smart and strategic spending when it comes to expanding broadband access will have both an immediate and a long-term benefit to our economy and our communities.

Cutting spending is not the only solution to reducing debt. Spending smarter is another way, as I previously mentioned. This is why our submission includes some sustainable spending models—for example, value-based procurement. This is a powerful tool for the government to increase long-term cost efficiency. The cost savings produced by such reforms could have a more significant impact on deficit reduction than spending cuts or revenue-generating schemes.

We strongly believe that the recommendations outlined in our report that is before you today will strengthen Ontario's economy by ensuring that the province continues to be the best place to live, work and scale a business for years to come.

Thank you. I'm happy to take your questions.

**The Vice-Chair (Mr. Jeremy Roberts):** Perfect. We'll start with the opposition for four minutes.

**Ms. Sandy Shaw:** Thank you. You didn't use up all your time, so you caught us short a little bit.

I wanted to focus a little bit on your comments around municipalities and, essentially, the idea that, as you say in your report, previous governments have significantly—it began with the Mike Harris government, which began the downloading of social services onto the municipal tax base. As you also said, in the past 15 years of Liberal governments, they never really bothered to fix that or upload any of those municipal costs. As you would know, municipalities have very few, if any, revenue-generating tools.

The irony is that we keep hearing talk about putting money back into the taxpayers' pockets. But if you have fewer provincial taxes or costs to pay, but at the end of the day your property tax goes up, you've got some savings that go in one pocket but then come right out the other when you have to pay your increased property taxes.

Could you just talk a little bit more about how you see the downloading and the squeeze that it has on municipalities who provide important services, and the property taxpayers who, at the end of the day, support all of this?

**Ms. Michelle Eaton:** If everyone wants to turn to page 10, that's our section on enhancing fiscal capacity for municipalities.

One of the areas that we highlight in our report is the heads-and-beds levy on institutions. This is paid by the province of Ontario to municipalities on behalf of certain public institutions. We have that with hospitals and universities, and it hasn't changed since 1987. That's when it was increased to \$75. We're actually recommending that it be increased to \$100, just so that the municipalities are getting some of the benefit from this levy.

**Ms. Sandy Shaw:** Do you have any sense in your research as to how much of a revenue positive that would

be for municipalities or for residential taxpayers? How much of a relief would that be for them?

**Ms. Michelle Eaton:** I don't have that on hand with me, but it is unfairly—the communities that you have where there's a university or a hospital, the communities that are rich with those services—in our experience, it's inequality for the communities that don't have any hospitals or universities in them.

**Ms. Sandy Shaw:** Thank you. Maybe they're not in the report, but has your organization talked with municipalities, and are there any other revenue-generating tools that you have considered or might consider, that are not in the report, for municipalities to deal with the downloading of services?

**Ms. Michelle Eaton:** Regional economic development is really important to a number of our members. In our section on municipalities, we talk about expanding broadband access and restoring passenger rail to the north, because that's a significant contributor for jobs and for families and for growing economic development in that region, so that would be important. That was also highlighted in our transportation report, to make sure that our northern communities are getting the economic benefits from having that infrastructure that they need.

**Ms. Sandy Shaw:** This may be an unfair question, because it's not exactly in your report, but we've been hearing a lot about housing today. It just happened to be housing day around here—a lot of “affordable housing” and talking about housing development—and clearly, for your members, for people to be able to have affordable, adequate housing is an important base for economic development. Does the Ontario Chamber of Commerce have any input or comment on what we're considering the current housing crisis, housing unaffordability in Ontario? Some of the things that we've been hearing from some of the deputants today—

**The Chair (Mr. Stephen Crawford):** Unfortunately, we've reached our four minutes.

**Ms. Sandy Shaw:** Oh, okay. Sorry.

**The Chair (Mr. Stephen Crawford):** I apologize, but we do have to keep to our schedule. I'll move over to the government side for questioning. Mr. Cho?

**Mr. Stan Cho:** Thank you for joining us today, Ms. Eaton. I'm going to get right into a specific question that piqued my interest. I noticed you were talking about value-based procurement, and that's a commitment our government has made, looking towards not just what you pay now but how that's going to pay off in the future—or will it be more expensive? I really like your comments here about SME involvement and removing some of the barriers to their participation in the procurement process.

My question, though, is I'm curious to know about what thoughts you may have towards the metrics of success in measuring if that procurement reform is working. I'm curious to see if you or your members have had any “aha” moments on that particular matter.

**Ms. Michelle Eaton:** Sorry, can you rephrase your question about how procurement reform is—

**Mr. Stan Cho:** Yes. So let's say we go about procurement reform and we start to introduce measures to remove some barriers. I'm wondering if you have any suggestions for government to look at some of the metrics of success on those reforms, whether that be monitoring or whether that be ongoing, because we just don't want to repeat some of the mistakes of the past, moving forward.

**Ms. Michelle Eaton:** I think how I'd respond to that is that—I'd like to commend the government for their continuous consultations with the business community. As an organization that represents 60,000 businesses across Ontario, we certainly appreciate that. I think that having open and fair consultations with the business community would be probably your first step in collecting all that feedback on how to best measure success on something like that.

**Mr. Stan Cho:** Great. For the sake of time, I won't focus too much on procurement and maybe move on, because I'd love to hear some of your thoughts on what more the government can do to reduce the regulatory burden that your members are facing today.

**Ms. Michelle Eaton:** Well, there are a number of regulations in Ontario, and we appreciate all the work the government has been doing for debt reduction. I think with respect to regulatory burden, it's finding smart ways for taxing, reducing the paperwork burden. There are a couple of suggestions in here for ways that—even simply going digital. We see an example with Bill 55, allowing for people to process digitally now, which is going to relieve a burden that is not only on the consumer or the business but also government, which at the end of the day saves taxpayer money.

I think it's easy in times of fiscal—you have a debt and then we're going into potential—economists are taking a look at the economy to see what's happening there. Having your eye on the long run and the long-term economic benefits, and what will benefit Ontario for future generations to come—I think that's really where to focus your time.

**Mr. Stan Cho:** A very quick question, then: This morning, the Canadian Centre for Policy Alternatives talked about Ontario's debt and how it's different from individual debt, and seemed to suggest that it would be okay to continue to add onto that debt without the same sort of negative impacts that an individual might face. I'm wondering what your thoughts are on just adding to the existing debt in Ontario.

**Ms. Michelle Eaton:** Well, everyone pays when there's debt on the province and that won't only be on our shoulders but on our future generations and for Ontario's youth, so debt reduction is very important. It's important to our members and it's important for the future of our province. At the end of the day, we're all paying that burden. Why not spend that money to invest in things in our regions or in infrastructure that will have economic spinoffs for our province?

1520

**Mr. Stan Cho:** Thank you very much.

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

**Ms. Michelle Eaton:** Thank you.

#### OPSEU

**The Chair (Mr. Stephen Crawford):** Moving along, we'll move on to the next organization, the Ontario Public Service Employees Union. If you could just please introduce yourselves for the record, then you've got seven minutes to present.

**Mr. Smokey Thomas:** All right. I'm Smokey Thomas, president of OPSEU. With me here is Clarke Eaton; he's my assistant on business, government and stakeholder relations. No relation to the previous Eaton. There's no righties in his family, only lefties.

I'm here on behalf of the 155,000 front-line public service workers who belong to OPSEU. Day in and day out, they deliver the services the people of Ontario depend on, and day in and day out, they see ways to strengthen and improve these services. I'd like to start by thanking you for the opportunity to speak about those improvements as you build the upcoming provincial budget.

The budget is an incredibly important document. As political leaders, you have no more important job than deciding how we invest and share Ontario's wealth. If you make the right decisions, we will all live healthier, safer, and more productive lives; make the wrong decisions, and only a few benefit while the rest of us suffer.

So, as leaders, how do you ensure you make the right decisions? Here's some good advice from my membership: Listen to what the people working on the front lines are saying through their union about public services. The front lines: That's OPSEU. In a moment, I'll run through the highlights of our submission. It's filled with practical, affordable and achievable ideas for making Ontario stronger, healthier and more affordable for all. But let me start by telling you how we created this submission in the first place, because that will tell you a lot about OPSEU, which will tell you a lot about why this submission is some of the best advice you're going to get.

The ideas and proposals in this submission weren't dreamed up in some backroom by a small handful of researchers and staff; they come straight from the front lines. They come straight from real Ontarians working day in and day out providing public services, and straight from real people who have valuable ideas about how they can do their jobs better and help more people.

This is where OPSEU comes in. As a democratic and transparent union, we give our members the tools and the opportunities to share their ideas. Each and every day, we help and encourage our 155,000 members to speak up for change and to make that change happen. We do it in our local meetings, in our equity caucus meetings, in our executive board meetings. We don't just speak up for change amongst ourselves, but we also do it in the communities where we're living and raising our families. We fight for change with our friends and neighbours at rallies, council meetings and on the picket lines, and in letters and

phone calls to our allies and our politicians. That all adds up to lots of conversations about improving the work we do and the services we provide.

This submission is the result of all those meetings and all those conversations. After all, who would have better insight into improving our services than the people who actually deliver those services? If you want to know how the battle is going, who better to ask than those on the front lines? If you want to improve our hospitals, ask the lab techs and clerks and ambulance paramedics who are in our hospitals every day. If you want to know how we can provide better home care and long-term care, ask the nurses and PSWs who actually provide that care. What can we do to address the crisis in corrections? Correctional, probation and parole officers know; they have to face that crisis every day. How can we make our schools, colleges and universities even better at inspiring the next generation to greatness? Just ask the professors, support staff and educational assistants. Who are the best people to ask if you're trying to streamline and improve the services offered by the OPS? It's the people working every day in our ministry offices or at our ServiceOntario centres, or out in the field inspecting and enforcing the rules and regulations that keep us all safe and sound. What's the most responsible plan for safely selling alcohol and cannabis? LCBO workers have a good idea; that's what they do day in and day out. Wondering how to strengthen our developmental services and community supports? The people working in those fields are filled with insights and ideas.

At the end of the day, that's what you'll find in this submission: insights, ideas and inspirations straight from the people who have the most relevant experience and expertise, straight from the front lines.

So what are we saying from the front lines? Like I said, a lot. This submission contains dozens of ideas from all across the public service and from one end of the province to the other. I won't go through them all in detail, but they boil down to two simple truths. The first: When we have the courage to invest in ourselves, our lives become better and more affordable for all. The second: We can afford to invest in ourselves.

I'll deal with the first truth first: investing in ourselves. If you own a house, you don't make it more livable and valuable by skimping on repairs. If you want to keep your car on the road as long as possible, you don't skip on the oil changes. If you're trying to find a successful career, you won't get very far if you don't invest time and money in your education. If you're trying to raise strong, resilient children, you won't succeed by withholding love and attention.

All the same holds true for our province. To make life more affordable and more rewarding for all, we must have the courage to invest in ourselves. That, in a nutshell, is what OPSEU's 155,000 front-line workers are saying in this submission: Investing in strong, affordable and universal public services is a gift to ourselves that will keep on giving for generations to come.

Sadly, we haven't been investing in ourselves for decades. Government after government has chosen austerity

over optimism; they have chosen cuts over self-confidence. The results speak for themselves. Ontario is now at the bottom of the charts on a number of important measures: We invest less per person in our public services than any other province or territory in the country, we invest the least per student in our colleges and universities, we invest the least per offender in probation and parole, and we have among the fewest hospital beds per person in all of Canada.

On their own, these figures tell a terrible story of neglect and decline, but what makes this story truly heartbreaking is that we actually can afford to invest in ourselves and our future.

This brings me to the second main truth in our submission: Ontario has never been richer than it is today. Our GDP per person has never been bigger. We weren't as rich when Sir Adam Beck convinced Ontario to invest in public hydro, guaranteeing a century of affordable power for all.

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

**Mr. Smokey Thomas:** We weren't as rich when John Robarts had the confidence to make huge investments in our transit systems and the GO train. And we weren't as rich when Bill Davis had the confidence to invest in the creation of a high-quality public college system.

The problem is that these days, too much of our wealth is being hoarded by too few. It's robbing us of our ability to invest in ourselves. As leaders of Ontario, there is one simple thing you can do to reverse this trend, one simple thing to reclaim our wealth: Stop privatization.

Like a virus, privatization has now infected every corner of our public service. OPSEU members are raising the alarm from all across the front lines. Privatization is hurting health care, it's hurting education, it's hurting corrections and it's hurting social services. Who is it helping? The rich, that's who. From the Highway 407 sell-off to the sell-off of Hydro One, from the billions wasted on P3 infrastructure to the millions wasted on—

**The Chair (Mr. Stephen Crawford):** Thank you, Mr. Thomas. I appreciate your presentation.

We'll move to eight minutes of questioning. We'll start with the government side: Ms. Skelly.

**Ms. Donna Skelly:** Thank you, Mr. Thomas, for your presentation. I want to address one of the recommendations, the one you were just speaking to, and that is ending the use of privatization in all of its forms.

Earlier today—I don't believe you were in the room at the time—the convenience store association made a presentation. As you know, they are advocates of selling beer and all forms of alcohol in convenience stores. In their presentation they state, "We are, by far, the best at age checks and selling age-restricted products. We have proven in the past to be better than the LCBO and better than the Beer Store, and the government's own numbers show it."

In light of the rampant number of incidents that we have seen as of late of theft in the LCBO, do you not think they have a point?

**Mr. Smokey Thomas:** They don't have a point at all. Think about this for a minute: You're going to put spirits

and wine and beer in corner stores. The thieves are going to walk in there, load up and just do this when they're walking out.

I saw a tweet on social media from a store operator who said, "Let's be like the United States. We'll just keep a sawed-off shotgun under the counter." If that's the kind of Ontario you want, put it in corner stores.

But the other part of that is, are you going to lay off everybody under the age of 18? Because 15-, 16- and 17-year-olds won't be allowed to work in corner stores because you've got to have Smart Serve to sell alcohol.

Their claims about the checks—they're only checking on cigarettes, and they keep the cigarettes right behind the counter. The LCBO turns away over a million people a year.

I've seen all that stuff around the checks before, and the methodology is, I'd say, pretty suspicious at best.

**Ms. Donna Skelly:** Mr. Thomas, a number of smaller communities—I'm from an area that represents—a large part of my riding is rural. We have a number of outlets, small mom-and-pop stores, that also serve and sell vintage wine, beer and spirits. They don't report problems. There isn't rampant theft. We don't see people walking in with hockey bags and walking out with scotch and liquor and liqueurs and beer. They argue that they are able to police that and monitor it and sell to only people who are of age.  
1530

It already exists in small communities in Ontario. Why can't bigger municipalities sell beer and liquor in convenience stores as well?

**Mr. Smokey Thomas:** In smaller communities, some still have problems with theft in the retail sector.

I would say this: I wrote a letter—

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

**Mr. Smokey Thomas:** Anyway, the government could fix the problem at the LCBO if they would look at measures of preventing theft and security. The more widely available it becomes, then you're going to take all those problems out and they'll go out into the rest of society, along with the problems that we're now experiencing at the LCBO.

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

**Mr. Doug Downey:** I want to find the things that we do agree on, and so I'm looking for an idea—I liked your analogy in terms of living in a house and the things that happen. But when you have a mortgage, you have to pay the mortgage. I haven't had time to digest all of it, but I don't see anything in here that gives us any guidance on how we get back to balance.

**Mr. Smokey Thomas:** I didn't get to read it all. I didn't read fast enough. The guy who wrote it reads faster than me.

Anyway, the government is doing a couple of good things. When you look at the number of middle managers and upper managers you have, and you're going to reduce those ranks, there's a tremendous savings there. Management ranks over the last 20 years were growing exponentially. Front lines decreased. So there are savings there.

If you were to look at IT consultants—a person who the company is charging—

**The Chair (Mr. Stephen Crawford):** I apologize. We're already behind schedule, so we have to keep to our schedule.

We'll go with the opposition side. Mr. Burch.

**Mr. Smokey Thomas:** It's all in there if you—there's some other stuff.

**Mr. Doug Downey:** Okay, I will read it.

**Mr. Jeff Burch:** Thank you for your presentation.

We've heard a lot about consultations today. You've talked about the great advice you've gotten from your members. I can't think of any better advice on how to make services better than front-line workers giving you advice. Have you met with the Premier—what's the status of relations with the government?—since you represent so many thousands of government workers? Are they taking your advice or listening to the advice that comes from the front lines?

**Mr. Smokey Thomas:** No, I don't think he likes me. I still haven't met with the Premier or the finance minister. I've met with Lisa MacLeod and Peter Bethlenfalvy, who I'll say is a very nice man. I actually have confidence in him that he means what he says. But that's about it.

I keep trying to get a meeting with the LCBO and the government on the theft situation at the LCBO. I can't even get them to call me back and tell me where to go. It would be at least something.

**Mr. Jeff Burch:** Is it normal to have gone this long without a meeting?

**Mr. Smokey Thomas:** Well, it took Dalton McGuinty a couple of years, and we know what he was like. I hope it doesn't take Doug Ford—because I won't be as polite this time around as I was with McGuinty.

**Mr. Jeff Burch:** Good luck.

**The Chair (Mr. Stephen Crawford):** Ms. Stiles.

**Ms. Marit Stiles:** Thank you for your presentation.

I wanted to ask you a little bit, as well, about some of what we're hearing in terms of the government perhaps looking at increased privatization around things like health care, and what your members are telling you specifically about what the impact would be of that.

**Mr. Smokey Thomas:** Let me tell you what a cabinet minister told me. He was the Minister of Health. What's his name? He went up to the feds—Hoskins. I kept telling him—I said private labs cost 50% more than public labs. Finally, he said, "Your number is wrong." We got into quite a heated argument about it. Finally, he blurted out, "They're 40% more expensive." I said, "Then isn't that a good reason to not privatize and bring that stuff back in?"

IT services: One of my members, say, is making \$30 an hour; somebody who is sitting beside him is making \$15 or \$20 an hour—but the consultant who put that person there is getting a hundred bucks an hour.

In the Harris years, they went that route so they could say they downsized. The Liberals started to get rid of some of these consultants but stopped after a while.

There are tremendous savings to be had inside government by not using consultants, by letting public service

workers, whether they're engineers in PEGO or a couple of the other unions—let them do the work that they're trained to do and you pay them to do. But they just say, "No, you're not doing it. We're going to get a consultant to do it." The exact same job is being done and costing taxpayers three and four times as much. So there are lots of ways to save money.

**The Chair (Mr. Stephen Crawford):** Ms. Shaw. We have one minute.

**Ms. Sandy Shaw:** Your members are solid, hard-working, middle-class members. This government talks a lot about good-paying jobs for Ontarians. Can you just talk a little bit about the impact some of the proposed changes of this government may have on your members and their ability to earn a decent wage and have good working benefits as well?

**Mr. Smokey Thomas:** Well, they're not all middle-class. It might surprise you to know that a bunch of LCBO workers are just at minimum wage and above, so it's kind of a myth that they're all overpaid. But it will have a negative impact, especially if they get unemployed and then don't have benefits and everything else. You just socialize all that cost rather than have it paid for by the employer and the employee, because we contribute to those benefits.

Also, I guess I'd say this: This budget is a chance for this government to show they actually care about humanity. I get deficit reduction. I worry about my grandchildren and great-grandkids, but it's how you choose to spend your money, and there are ways to save. I'd like a table to show all these cabinet ministers how to save money. I could never get it with the Liberals. I'm hoping maybe they'll be a little more open-minded. There are ways to save.

**The Chair (Mr. Stephen Crawford):** Thank you, Mr. Thomas. I appreciate your presentation.

**Mr. Smokey Thomas:** Thanks, folks.

#### PATHWAYS TO EDUCATION

**The Chair (Mr. Stephen Crawford):** We're running a little late so we do need to keep moving. We'll move on with our next presenter, Pathways to Education. Good afternoon. If you could just state your name for the record and get right into the presentation, please.

**Ms. Sue Gillespie:** Good afternoon. My name is Sue Gillespie and I'm the president and CEO of Pathways to Education. Hello, Stan. Good to see you.

**Mr. Stan Cho:** Good to see you.

**Ms. Sue Gillespie:** On behalf of the over 9,800 students in Ontario, I want to thank you for investing in their future.

I'm going to begin by sharing the story about one of our Pathways alumni, named Richard. In 2001, Richard was living in the Regent Park community. His family was new to Canada and didn't understand the school system and also weren't fully versed in the opportunities for him. As a recent immigrant, he heard about this new Pathways program at the time, and as he was watching his other schoolmates join, he knew that there was food during

programming and there were bus tickets to get to school, and he knew that would take a financial burden off his family, so he signed up.

Richard was doing all right in school. He was getting okay grades when he hit a particularly difficult patch. He was in the wrong place at the wrong time and he was arrested for a crime he didn't commit. He was one of 10 people arrested fitting the description of the suspect.

Fortunately, at Pathways we never stop believing in the potential of the young people we serve. So we connected Richard and his family to supports in the community—legal assistance, translation services—and we made sure that his parents understood the process that he was engaged in.

The charges were dropped, but this was a turning point for Richard and he made the decision to take full advantage of the holistic supports available to him through the Pathways program. He became serious about school. He utilized the academic supports and the tutoring, and he took full advantage of the mentoring opportunities to understand what his future economic opportunities were. He completed the program, graduated from high school and, using his Pathways scholarship, he went on to Humber College, where he continued to develop his love of filmmaking.

Today, Richard is the co-owner and co-founder of a film and video production company, and has won awards for his work. Through his company, he also provides free training and paid professional experience to young people in communities such as Regent Park, and that's just one way that he is giving back.

At Pathways we have many more stories just like Richard's. We help young people reach their full potential. At Pathways, our vision is to break the cycle of poverty through education. Pathways is an award-winning social innovation that, for the past 18 years, has been supporting youth living in low-income communities to overcome barriers to education, graduate from high school, and build the foundation for a successful future.

The Pathways program provides high school students in low-income communities with a unique combination of academic, financial, social and one-on-one supports. Today in Ontario we have eight programs serving over 9,000 students and alumni, and we do this with our community partners so that we ensure we're not duplicating the infrastructure or the services that students and their families might need in their community.

The Ontario government has been a long-term supporter of the Pathways program, and that is why we are here today. Pathways seeks stable support of \$9.5 million for three years to help us maintain the quality and quantity of service for our program. We currently have a one-year agreement with the government of Ontario which will expire in March 2019. Without your support, Pathways will not be able to serve the thousands of students who face significant barriers to education.

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We recognize the financial constraints the government is experiencing, and as a result, we are not asking for more

than we currently receive. We're seeking a continuation of funding over a longer period to bring stability to the program so that we can continue to serve about 4,000 students per year.

Pathways is a public-private partnership, and we are very proud of the corporate, philanthropic and individual donations that make up over 40% of our overall funding.

In addition, Pathways is very focused on evidence. Through our rigorous performance measurement framework, we monitor and report on our success. We collect program-level data and comparison data on indicators pertaining to high school graduation, post-secondary education, employment, school performance and engagement. We know that the Pathways program works.

The Pathways to Education program has improved high school graduation rates in communities we serve in Ontario by an average of up to 81%. An average of 69% of all of Ontario's students who graduate from high school while registered in the Pathways program go on to post-secondary education and training, and over 75% of Pathways high school graduates who go on to post-secondary education are the first in their family to do so. More Pathways students continue to be on track for graduation across all grade levels in comparison to their peer group counterparts.

Pathways has always been evidence-based. To date, we have completed five independent external evaluations, which continue to confirm the effectiveness of the Pathways program. These studies consistently demonstrate that for every dollar invested in the Pathways program, there is a \$17-to-\$24 social return on that investment.

With your help, Pathways can help more students graduate from high school and go on to post-secondary education, training or employment and become contributing members of our society, our future labour force and our leaders. Thank you.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We'll start with questions from the opposition side. Ms. Stiles.

**Ms. Marit Stiles:** Thank you very much for coming here today. I think many of us are familiar with the amazing work that Pathways to Education does. It was great to hear a review of that.

I have a couple of questions. I just want to start by saying that while I know everybody wants to speak to the government in terms of the budget and what they determine their priorities to be, there are some questions being raised today about what in fact are the constraints around this government, what are the real issues we're facing, and whether or not those are actually about debt or if they're about revenue. So that's just something I wanted to flag.

I know you're seeking stable support, which is my understanding. I wanted to ask you: That funding actually comes out of the EPO grant from education, I'm pretty sure; I'm not positive—

**Ms. Sue Gillespie:** It's currently with the Ministry of Training, Colleges and Universities as an economic development program.

**Ms. Marit Stiles:** Okay. That's interesting, because we just saw in education programs a funding cut of about \$25 million quite suddenly—a flurry of memos that went out to school boards before the holidays. A lot of the programs that are being cut are actually things that address the various issues that Pathways to Education addresses, which are things like overcoming barriers to education for low-income youth and helping to improve graduation rates. I read with great interest your speaking notes here; I know you didn't get to everything. The Focus on Youth program, for example, was completely cancelled in terms of the after-school program. We don't know what's happening. Have you had any communication from the ministry that funds you in terms of potential continuation of funding after March?

**Ms. Sue Gillespie:** I would say that we have submitted a proposal to the government and we look forward to continuing the conversation.

**Ms. Marit Stiles:** Do you have any concerns about the kinds of cuts that we're seeing in terms of other programs that support students in our schools right now?

**Ms. Sue Gillespie:** There is tremendous interest in communities from across Ontario to have a Pathways program because we demonstrate that effectiveness, so we continue to work with communities and work with all of our funding partners to determine how we can maximize the number of students we're serving across the province.

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

**Ms. Marit Stiles:** Yes. I am interested—one of the things you talked about was the fact that we see very different outcomes for students, depending on their demographics, so that low-income communities across Canada experience higher high school dropout rates. Could you speak to that a little bit? Because generally, Canada is considered to have a really stellar education system, but we are failing in certain areas.

**Ms. Sue Gillespie:** Yes, absolutely. We continue to see that across Canada and across Ontario, there are pockets of poverty. When we look at graduation rates, as a whole, we don't always see what the result of poverty is on younger students. We know at Pathways that providing holistic supports to those young people throughout their high school career allows them to have a level playing field with their counterparts and succeed and really consider what their futures could be.

**Ms. Marit Stiles:** When would you normally hear from the government about the extension of funding like this? Would you have heard by now? It seems like March is not that far away. Are you concerned about what could happen if you don't have some certainty by then?

**Ms. Sue Gillespie:** We are always looking forward to continuing the conversation. We absolutely are beginning enrolment for September right now, so it is important to us to understand, as we're doing budgeting—as everybody else is—what everybody's investment will be.

**The Chair (Mr. Stephen Crawford):** Okay. Thank you very much. We will go to the government side, starting with Mr. Cho.

**Mr. Stan Cho:** It's great to see you again, Sue, and Marsha over there. I don't believe I've seen you since I visited your Lawrence Heights location.

What I love about your presentation here is that you talk about metrics, metrics, metrics. You are measuring your results. I think when the government looks at the difficult fiscal situation we are in, we need to look at metrics. That is a priority. When we're looking at savings, if they're not measured, well, then there's no evidence that that's working.

So I was wondering if you could expand on the dollar invested resulting in \$17 to \$24 back in terms of economic benefit, if you could maybe just go on about that a little bit.

**Ms. Sue Gillespie:** Absolutely. As we look at funding a program in a community at Pathways, the majority of the funding goes towards direct program supports. Our program is delivered by paid staff, primarily front-line staff, and we utilize volunteers. In Ontario, we have over 700 volunteers who are there four to five nights a week supporting young people. Then the staff group guide the volunteers to set up the programming. We are also very careful not to duplicate infrastructure or services in the community.

It is a liaison role from our staff that when a student has a unique need, we'll make sure that they are connected to that need. Then we fully utilize existing infrastructure. So our program partners are all separate incorporated partners in the community who have a network of supports, and often our municipal partners are tremendous in donating the space and facilities to deliver programming, particularly a mentoring program that often has a recreational sports focus on it.

Then our corporate partners are also tremendous in ensuring that they offer spaces for students to do more activities that are focused on career development. Such examples might be resumé building, speed mentoring, interviewing practices and internships. It is very much a program that is delivered fully in partnership, maximizing every dollar invested to ensure that the students receive the full benefit of that investment.

**Mr. Stan Cho:** Well, talk about efficiency; you actually answered my second question before I even got to it.

Why don't we switch gears and talk about some of the factors you have discovered that lead young people to drop out.

**Ms. Sue Gillespie:** Right from the beginning, one of the biggest concerns that young people do have is safety. It's not lost on anybody in this room that this past summer in Toronto, violence was much higher. You can only imagine, when you're in grade 9 or grade 10, you've already got enough reasons not to want to go to school, and if you're not feeling safe or you don't have safe places to do your homework, that is a number one concern.

We continue to see financial barriers. Our most recent assessment by an independent firm, Goss Gilroy, demonstrated again that those financial supports, particularly transportation to school, are very important.

Then, lastly, we know that for young people, just having access to simple things like the Internet at home,

having technology and extracurricular activities, which are so important to demonstrate your future success on your applications, is harder and harder to get to.

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**Mr. Stan Cho:** Thank you very much.

**Ms. Sue Gillespie:** Thank you.

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

#### LAW SOCIETY OF ONTARIO

**The Chair (Mr. Stephen Crawford):** We'll move on to our next presenter. It's the Law Society of Ontario. Welcome. If you could please state your names for the record and then please start your presentation.

**Mr. John Callaghan:** Sure. John Callaghan.

**Ms. Sheena Weir:** Sheena Weir.

**Mr. John Callaghan:** Thank you for hearing from us today. My name, as I said, is John Callaghan. I'm a benchler of the Law Society of Ontario, where I serve both as the chair of government relations and the head of the legal aid working group. As many of you know, the Law Society of Ontario licenses paralegals and lawyers in Ontario. There are 50,000 lawyers and 8,000 licensed paralegals.

Today I'm here to speak to you about legal aid and the importance of legal aid in your deliberations on the upcoming budget. As you're aware, legal aid is the most important mechanism in the province to facilitate servicing low-income Ontarians in the legal system. They do this a number of ways. They provide for certificate lawyers who act on behalf of those clients. They provide duty counsel in circumstances where people are charged and are under urgent need for servicing by lawyers. And they have approximately 70 to 80 community legal aid clinics throughout the province and, as many of you know, in some of your very ridings.

Legal aid is intended to support the effective functioning of the justice system by upholding Canada's commitment to fairness and, of course, the rule of law. However, across Ontario, there is a notable gap between those who qualify for legal aid services based on their income and those who need legal services. Currently, the Canadian low-income cut-off is higher than the qualifications for legal aid. The result is a gap in our servicing and Ontarians who are ineligible for legal aid assistance but cannot afford legal representation.

That gap results in a number of problems, not just for the individuals but for society at large. When people cannot access legal representation, they frequently go unrepresented, which slows court proceedings and causes delays. Delays affect more than the litigants involved; the public is affected. Since the Jordan decision in 2016, over 200 criminal cases have been closed due to unreasonable delays. These cases involved serious charges, including murder, sexual assault and drug trafficking. When accused have adequate legal representation, matters are determined and criminal adjudication proceeds as it should. This way, justice can be administered fairly, and the public can be



assured that appropriate convictions and acquittals are made.

Children, particularly those at risk of domestic violence, are vulnerable when legal representation is not available. Parents seeking to safeguard their children may turn to legal aid for support, and it may be the only resource available to them. Without access to affordable assistance, many parents will have few options but to try to navigate the system by themselves.

Studies—and frankly, not in Ontario, because our data is not particularly good—bear out what we have intuitively known for years: A lack of access to justice is often a symptom of a larger set of issues, medical, legal, social and economic. A lack of early legal intervention, from the provision of legal information to summary advice to representation, allows issues to escalate and compound. As issues compound, the lack of access to justice is perpetuated and reinforced, all of which leads to increased costs across a range of services. Ontario's Auditor General noted that legal aid, if treated as an essential service like health care, education and social services, could in fact significantly contribute to cost reduction efforts across government.

Studies in other western jurisdictions have demonstrated that there is actually an economic value to legal aid. For example, for every dollar spent on legal aid in Australia, they've quantified a return to government of \$1.60 to \$2.25. In Florida, the government says that it saves \$4.78. In New York, there is a return to the government of \$5. It's not entirely clear in all those studies exactly how they quantify it, but often it deals with the fact that many people who suffer from a lack of legal representation end up in a spiral in our social safety net. It also includes the costs of prolonged legal proceedings and the cost, as I said, for forgone criminal prosecutions.

Applying these findings to Ontario, legal aid should, if done properly, more than pay for itself. But more importantly, it contributes to a just and more prosperous Ontario. In 2014, the province committed to adding more funding to legal aid so as to increase eligibility to match Stats Canada's low-income measures. That funding was to be provided over the next 10 years. Some 400,000 more Ontarians are anticipated to be eligible for legal aid services if that should continue. Additional investments have also been made for student legal aid, duty counsel, summary legal advice and LAO's call centre.

As we approach the 2019 provincial budget, we are asking this committee and this government to recognize the value of funding legal aid services in Ontario and continuing to do so in a predictable and sustainable way.

**The Chair (Mr. Stephen Crawford):** All right; thank you very much. We'll start with questions from the government side. Mr. Downey?

**Mr. Doug Downey:** Good to see you, John and Sheena. This is one of those instances where sometimes you know too much to have a four-minute session. I've taken legal aid certificates with the Consent and Capacity Board, and my partner, Linda Lewis, whom you knew, did almost exclusively legal aid and family. So I've lived on the billing cycle and all of that stuff.

Here's a question: With limited resources, I've seen develop, over the last decade, duty counsel staff lawyers within some of the jurisdictions, so I'd put that in the mix as another of the four. What's the most effective bang for the buck: certificate lawyers, staff lawyers, clinic lawyers or duty counsel?

**Mr. John Callaghan:** First of all, I think we have to delineate between the various services. Clinic lawyers generally do poverty law, and frankly, by definition there are not a lot of for-pay lawyers that do poverty law. They're a little different, and they're very unique. I know many of you have clinics in your ridings and are no doubt familiar with them.

In respect to providing services, particularly on the criminal front, there is a great debate, as you know, between staff lawyer, duty counsel and the certificate bar. It's a debate that I don't think has fully matured. I think that if you went to the Criminal Lawyers' Association, they would say it's a more cost-effective program to have a certificate bar, given the fact that eventually, when you get a staff lawyer, you're going to end up having to recognize pensions and all of the other things that go along with an employee situation.

Again, that debate has not been fully teased out. I think it's worthy of teasing out, but I think you can't lose sight of the fact that in our system, the right to counsel—and that doesn't mean the right to every counsel, but the right to actually have an ability to have someone other than the state choose your counsel—is a really important role, and I'd hate to see the certificate bar be undermined.

**Mr. Doug Downey:** I didn't hear you say—and I'm sure you will agree—that part of the spinoff is just self-remedy, which creates all sorts of other complications. That must lead to the projected savings.

**Mr. John Callaghan:** First of all, we've got to be careful, because legal representation and legal issues begin small and get big. You and I are courtroom lawyers, and we've seen the courtroom side of it. There was a recent study by Loom Analytics that said that self-reps on motions won 124 motions and lost 720. Is that because they're ill-informed and shouldn't bring the motion, or are they not in a position to advocate for themselves? I don't know.

**Mr. Doug Downey:** I was thinking more of not self-reps, but people who just resolve it outside of the justice system. They just take it into their hands, and it creates different problems.

**Mr. John Callaghan:** Yes, huge problems. We want to live by the rule of law, not the rule of the club or some other whacking means.

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

**Ms. Sheena Weir:** I think the areas of law covered, as well, are very difficult. It's already quite constricted.

**Mr. Doug Downey:** Right.

**Mr. John Callaghan:** But law reform, such as consumer laws, took a lot of things out of the courts by making, say, a seven-day return policy. There are innovations that can be done to reduce the need for legal representations and problems. It takes a little thinking and innovation. It doesn't all have to be finance.

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**The Chair (Mr. Stephen Crawford):** That will be all? Okay, we'll move on to the opposition side. Ms. Stiles.

**Ms. Marit Stiles:** Thank you very much for your presentation. I think it was important and I think it was also really meaningful that the law society chose to address legal aid specifically in your presentation today. I certainly understand that that's a big sign of how important and how much of a concern this is. I know that in my own community, I've been speaking to folks at the legal aid clinic, for example, and the anxiety that's out there around potential cuts, even, to legal aid is really significant.

I know that the members opposite like to talk a lot about the return on investment from this kind of funding. I wondered if you could speak a little bit more about that. You do talk about examples from other countries of the return to government. I wonder if you could expand on that a little bit in relation to—I know, actually, to me the broader benefits are beyond just the return on investment, but I wonder if you could speak to that.

**Mr. John Callaghan:** Well, you talk to the academics in this world and they've read the research elsewhere and they're pretty confident that that would apply here. The difficulty is, notwithstanding a commitment for data, we don't have enough data. The researchers don't have it. I think the first thing—and I'm not sure it's a very big thing to do—is for the government to collate the data and work on it.

They have a wonderful situation in health care that I've mentioned many times: the Institute for Clinical Evaluative Sciences at Sunnybrook, which has all of the OHIP data. We are one of the world's great leaders in epidemiology because of it. You talk to them and they can't get meaningful justice data so that they can do studies, for example, in the area of mental health, the intersection of mental health and the law. Take, for example, that legal aid reports that 60% of their clientele have some level of mental health issue.

We need to actually have a commitment at that level so that we can demonstrate its value. I think what has happened in this world is we don't have that. We need more of a commitment. I mean, there are those who are committed, but we don't have that rigorous, evidence-based research that I think is there. We just need to uncover it.

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

**Ms. Sandy Shaw:** We heard a lot today from people talking about the increasing difficulty for people to afford housing. We heard a lot about the inadequacy of social assistance rates, and people struggling. You yourself mentioned the issue of mental health and the kinds of problems that people have faced with that. It is my understanding that a lot of the legal aid clinics—the bulk of what they do is they deal with landlord and tenancy issues. I guess my question is, do you see, given those things—the affordability of housing, the social assistance inadequacy, people not even being able to afford housing on social assistance or ODSP—

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

**Ms. Sandy Shaw:** Do you see an increasing demand for your services?

**Mr. John Callaghan:** I think that, obviously, in downtimes there are going to be more issues in that regard. The concern that we have is, without legal representation, there's going to be a spiral effect that if you don't have it, for lack of ability to articulate yourself, you're going to lose your tenancy. You're then going to be thrown into the social safety net of the province, and it's going to go on going cost more money, whereas if they had representation, they may be able to stay in their accommodation, stay out of the safety net and get on with life.

**Ms. Sandy Shaw:** Thank you. Do you have a sense from this government whether the funding that will be available for these clinics is at risk, will be increasing or will be inadequate? Have you got any sense of how that funding is going to be played out?

**Mr. John Callaghan:** No. We'll wait with everybody else, I guess.

**Ms. Sandy Shaw:** Yes. When you talked about increasing it so that—the whole idea of the eligibility around LICO—can you just really quickly tell me how that will impact people's ability to access—

**Mr. John Callaghan:** I think that the statistic is, there will be 400,000 more people eligible to have legal services if we get to LICO.

**Ms. Sandy Shaw:** But that will require increased funding in order to—

**Ms. Sheena Weir:** After the increase.

**Mr. John Callaghan:** After the increase.

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

## ADDICTIONS AND MENTAL HEALTH ONTARIO

**The Chair (Mr. Stephen Crawford):** We're moving along now to the next organization: Addictions and Mental Health Ontario.

Good afternoon. Again, if you could introduce yourselves for the record and get right into the presentation. Thank you.

**Ms. Adrienne Spafford:** Great. I'm Adrienne Spafford, CEO with Addictions and Mental Health Ontario.

**Ms. Carol Lambie:** I'm Carol Lambie. I'm the board president of Addictions and Mental Health Ontario.

**Ms. Adrienne Spafford:** I would like to start by thanking the committee for giving us the time to speak with you today. My name is Adrienne Spafford. I am the CEO of Addictions and Mental Health Ontario. Here with me is our board chair, Carol Lambie, president and CEO of Waypoint Centre for Mental Health Care.

Today, I am here as the voice of our entire membership, representing 200 addiction and mental health service providers all across the province, in places like Halton, Thornhill, Peterborough and Red Lake. As the leading providers of community addiction and mental health services, our members have decades—and in some cases,

more than 100 years' worth—of experience. For the most part, we were established by local leaders who had a personal connection to mental health and addictions, and who saw an unmet need. They are people who have worked in this field for years, often the only people who, at any given moment, are connected to their clients in the journey of recovery. Some of this takes place in hospitals such as Waypoint Centre for Mental Health Care in Penetanguishene, but most are community-based, local operations like the North Bay Recovery Home, and Rideauwood Addiction and Family Services in Ottawa.

Through a wide range of services like treatment and counselling, detox and housing, we help more than 300,000 Ontarians every year on their recovery journey. That's why we welcome the commitment from the Ontario government to invest \$3.8 billion over the next 10 years in addiction and mental health services. We know that this type of investment can make a big difference in the lives of families across Ontario.

So, today, we are not here to ask for any new or additional funding. Instead, we are asking for the opportunity to work with you to ensure that the funding you've already committed goes directly into services that will support Ontarians while at the same time respecting the value and accountability the taxpayer expects and deserves.

I am pleased today to be following my colleagues from across the health care system, like Anthony Dale from the Ontario Hospital Association and Kim Moran from Children's Mental Health Ontario, because we believe that it's not just about making new investments; it's also about working smarter with what we have. That means working together as a system for the benefit of the patient or client.

The proposal we have provided today outlines our recommendations for how the Ontario government can make a meaningful difference in addressing real gaps in Ontario's addiction and mental health system, including:

- ensuring that emergency departments at hospitals aren't the first or only point of contact for those with mental health and addiction challenges, to help address hallway health care;

- addressing the opioid epidemic by reducing wait times, to provide faster access to treatment; and

- increasing services for young people while their brains and bodies are still developing, giving them a chance at a full lifetime of health, happiness and economic productivity.

But because it is hard to put into words or quantify the difference these investments could make, I want to tell you a story to help you understand.

A little while ago, I was visiting Pine River Institute, a youth residential treatment facility located in Shelburne. While I was there, I met a young woman—for privacy's sake, let's give her the name "Katie"—who was close to the end of her program and doing really, really well. Katie was brave enough to open up to me while I was there and tell me her story, one that is all too common for children and youth who end up living with addiction and mental illness.

Katie was early in her teenage years when she started using drugs. She turned to these substances after a difficult childhood and a traumatic experience of sexual abuse. By the age of 16, when Katie entered treatment, her relationship with her family and friends had completely deteriorated. Before she entered Pine River, she was no longer attending school and she was on her way to becoming homeless, and had a good chance of entering the criminal justice system.

At Pine River, Katie's treatment gave her the skills and confidence that will allow her to manage her addiction and, even better, to thrive. Her treatment gave her the courage to name her trauma. She learned how to recognize when, why and where she was feeling more vulnerable in her addiction or mental health. Katie developed the skills to be able not just to manage but to excel in coping through triggering or stressful situations.

When I met Katie, she was talking about applying to university, and asking me for advice from my own career path. The Katie I met was not a girl; she was a brilliant, beautiful person quickly on the way to becoming a woman and a contributing member of society.

But this is just one story—one example of one individual. It represents the work our members do in communities across Ontario every day. It represents the impact we can have on people, their families and communities. It represents what this government can do by investing in lowering wait times for the types of services our members provide, because at Pine River Institute, where Katie was, the current wait time for services is 14 to 16 months.

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I want to leave you all with one thing to consider: I can never put into words the impact that real, comprehensive, connected and compassionate addiction and mental health care can have on people, and there is no one story I can tell that will do justice to the many services that all our members provide every day. But I am confident that if every MPP took the time to visit just one of our sites in your local community, you would see it for yourself.

I would like to welcome all or any of you who are interested to connect with us, so that we can show you why you should invest in us—

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

**Ms. Adrienne Spafford:** —and in the mental health and well-being of all Ontarians. Thank you.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We'll start now with questioning from the opposition side. Mr. Burch.

**Mr. Jeff Burch:** Thank you for your presentation. I'd just like to ask if you could expand a little more on what impact our understanding of addiction has had on the need, given the opioid crisis. Our understanding of addiction has changed, I think, with the opioid crisis and the kinds of needs we have, in terms of funding from the government. Can you talk about that?

**Ms. Adrienne Spafford:** Yes. I think it's fair to say that the opioid crisis has shone a light on the issue of addiction specific to opioids. Our members would say that the issue of alcohol is just as severe; the issue of crystal

meth is just as severe. The difference with opioids is that it's deadly in another way, in that it's deadly in an immediate way because of a poisoned drug supply, whereas for something like alcohol or crystal meth, it's more ongoing. Sadly, it would lead to death sooner, perhaps, rather than if the person wasn't dealing with substance use issues.

Definitely with the reduction associated with stigma, that has led to an increase in need for services, and people are waiting too long to get the services they need. The last thing that we want—it's so hard to ask for care when you're dealing with a mental illness or addiction, and what we want is that people are able to access services, and that services are there when they're ready to make that ask.

**Mr. Jeff Burch:** Okay, thank you.

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

**Ms. Sandy Shaw:** Thank you very much for your presentation. I just want to focus a little bit on the funding that has been announced. The previous government announced—this government has cut about \$330 million from mental health funding from what was planned spending. We're hearing increasingly about the wait times for children with mental health issues. We hear of it varying anywhere from a year to two years, depending on the community that you're in. So my question to you would be, in an era when we're seeing more need—we talk about the opioid crisis. We're talking about the increased issues of mental health with our young folks. Would you say that we're in a situation where we can be cutting spending from our mental health services?

**Ms. Adrienne Spafford:** I think what you're referencing there is the former government's platform commitment. What we're here today for is really looking forward. There is a \$3.8-billion, 10-year investment on the table. We want to be able to provide advice on how best to use those investments. We have estimated in our budget submission that if you split \$3.8 billion over 10 years, that's an investment of \$380 million annually. We would say that an investment of \$380 million annually is a very good first start. Absolutely, investment is very much needed in our services.

**Ms. Sandy Shaw:** Can you speak a little bit about the wait times and how that's going to be monitored, or whether you're having any impact on the targets for wait times that will drive those down, rather than it just being random across communities?

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

**Ms. Adrienne Spafford:** The current wait times depend on where in the province you are and what service you're looking for. Our investments are in entirely new capacity. Every dollar we're recommending is going into new services. For instance, we're recommending 20 new rapid access addiction medicine, or RAAM, clinics. In some places, that has reduced ED visits for addiction by 45%.

**Ms. Sandy Shaw:** Thank you.

**The Chair (Mr. Stephen Crawford):** Any other questions? No? Okay, we'll move to the government side. Mr. Downey.

**Mr. Doug Downey:** Hello, Ms. Lambie. Nice to see you again.

**Ms. Carol Lambie:** Hello, Mr. Downey.

**Mr. Doug Downey:** Of course, you know that I'm familiar with Waypoint and the great work that they do in particular, and the others. What I didn't see in here that I thought I might see was the funding of medium-sized hospitals. I have heard that from other groups. Maybe that's just not part of this focus—but if you'd just confirm that that's still an issue.

**Ms. Carol Lambie:** Yes, I think the funding for medium-sized hospitals is somewhat related to mental health and addictions, because, of course, we're all part of the same system. Those challenges remain. They would not be specifically to addictions and mental health, which is really what we are talking about today, that portion of the system. As Adrienne said in the presentation today, from Addictions and Mental Health Ontario, there are hospital members and there are also community members. Certainly our focus would be that if we are to find a long-term solution and end hallway medicine, there needs to be capacity in the community providers to avoid hospital admissions and emergency department admissions.

**The Chair (Mr. Stephen Crawford):** Ms. Martow.

**Mrs. Gila Martow:** I was just wondering if maybe you could comment: We heard previously from the lawyers' and paralegals' representative saying that 60%, I think it was, of their clients using legal aid have mental health challenges. Do you see a better system? Because a lot of times we see this sort of silo effect, specifically between ministries and what went on with the previous government. We're trying to implement a better system of coordination. Do you have any suggestions in terms of working with the—

**Ms. Adrienne Spafford:** Absolutely. We think that there is a road ahead in terms of better integration of services, not just within mental health and addictions, but within health care and across broader social services. We'd say the place to start is by making sure, like we've suggested, that all new dollars go towards more services, because the last thing you want to do is to reorganize services so that there is better integration and then people go and there's a long wait-list for services.

**Mrs. Gila Martow:** I don't know if we have more time left.

**The Chair (Mr. Stephen Crawford):** Yes, we still have a minute and 30 seconds.

**Mrs. Gila Martow:** Okay. I think somebody else had a question.

**Mr. Stan Cho:** Yes, I have one.

**The Chair (Mr. Stephen Crawford):** Mr. Cho.

**Mr. Stan Cho:** Thank you for your presentation. Just very quickly: I love how you talk about measurability and accountability. Do you want to maybe chat a little bit about how you believe government can invest the increased funding in a way that we can measure those results and track how we can see if it's working or not, or if there's room for improvement, maybe?

**Ms. Adrienne Spafford:** Yes, absolutely. I think by investing in—

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

**Ms. Adrienne Spafford:** Maybe I'll just provide a little bit of context here. Our members are used to working with very little dollars. Last year was the first inflationary increase they got in 10 years. You can be sure that if you say to our members that every one of these new dollars needs to go to new services, they will be invested in new services, and they have accountability agreements and contracts in order to be able to report on that. How you know this investment will be working—and we want to work with you to make sure it is—is that wait times for treatment will be reduced for clients, and reduced reliance on emergency departments for mental health and addictions visits will be determined.

**Mr. Stan Cho:** Thank you.

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

**Ms. Adrienne Spafford:** Thank you.

#### ALLIANCE FOR HEALTHIER COMMUNITIES

**The Chair (Mr. Stephen Crawford):** Moving along to the next organization, it's the Alliance for Healthier Communities. If you could please state your name for the record and get right into your presentation. You'll have seven minutes.

**Dr. Kate Mulligan:** Hi, everyone. I'm Kate Mulligan, director of policy and communications for the Alliance for Healthier Communities, formerly the Association of Ontario Health Centres.

Across Ontario, more than 100 community-governed family health teams, nurse practitioner-led clinics, Aboriginal health access centres and community health centres fill a vital niche in Ontario's health care system by providing seamless, coordinated, integrated care for Ontario's most medically and socially vulnerable people through a focus on community.

I've shared with you our written submission on the most concrete steps that you can take today to help us deliver on that mandate, and that involves taking action on the things we have proven to deliver on throughout our history, things like helping to advance the government's promise of dental care for seniors, supporting community-governed primary health care teams that help people get the right care in the right place at the right time, and tackling the opioid crisis by investing further in harm reduction services.

But the fact is that you already know that that's important, so I want to use my time today to tell you about two new initiatives that you might not know about. There are two important and scalable innovations that exemplify the most important and most transformative work that we're doing, from the community up, to end hallway health care and to transform our health system. They're number 2 on your handout if you want to look a little more closely at that.

The first innovation I want to tell you about is called "team care." Many solo docs have a number of repeat patients who face tremendous health and social challenges that just can't be addressed by a single health provider alone. Team care helps those patients and their provider by creating a clinical pathway for access to the kinds of wraparound team-based care and services delivered by community health centres. Team care not only improves health system performance and health outcomes, but it saves the health system between \$10 and \$90 per patient per visit by linking the most appropriate provider at the right time and in the right place.

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Here's an example: A man in southwestern Ontario suffered with chronic back pain for 14 years but didn't have any coverage or money to access physiotherapy. Through team care, this man in his late thirties was able to get connected to the London InterCommunity Health Centre and get the back care he needs. In his words, "It hasn't solved my pain, but it has gotten a lot better, and I'm able to do more things and I generally feel more positive." He isn't visiting his doctor as often, and he isn't relying on things like opioids to manage his chronic condition.

There's growing demand by providers, solo physicians across Ontario, for team care. We've expanded already to 36 communities across Ontario, and we're growing.

So that's team care.

The second innovation is one that you might have seen on the front page of the newspapers over the last few weeks featuring the Royal Ontario Museum or knitting groups or volunteering as low-cost ways to improve people's health and well-being. It's a program called "social prescribing." Like team care, social prescribing also addresses a stressed and fragmented system by establishing a clinical pathway to better connect people to the services that can make the most difference for their health and well-being—things like exercise classes or tai chi or museum visits, as well as the everyday health promotion and community development services that are already part of community health. Social prescribing is particularly effective for addressing things like mental health, loneliness and isolation, key determinants of a person's health and their health care utilization.

Here's an example of what I mean: A widowed senior isolated in a rural community in eastern Ontario was experiencing depression after the loss of her husband and the withdrawal of all those health and community supports that had seen him through his illness. Through a social prescription she received at Country Roads Community Health Centre, she was connected to a cooking group for other widowed seniors. That ensured she had the opportunity to meet others and be involved in her community. She reduced her reliance on medication for depression, became a volunteer at the community health centre, and even met a new life partner through the social prescription.

What both these examples have in common, and why I'm sharing them with you today, is that they create new service integrations and new clinical pathways that are

being implemented by community health centres because we're nimble, we're evidence-informed and innovation-driven, and we're community-based. It's our job to ensure that no one is left behind.

Members of the Alliance for Healthier Communities—we're not leading in primary care by accident. We've built a platform for electronic medical records and data collection alongside our own data analysis software that allows us to target innovations and tailor services and programs to individuals, communities and local needs. To make a difference for people and for Ontario's health system, we first really have to understand who we serve and what their needs are, to put those people and those communities first, ahead of the needs of organizations.

By supporting a primary health care foundation that's driven by this kind of community innovation, you will be taking important steps to ending hallway medicine and ensuring that everyone can get the right care at the right time and in the right place.

**The Chair (Mr. Stephen Crawford):** Thank you very much. We'll start off with questions from the government side. Mr. Roberts.

**Mr. Jeremy Roberts:** Thank you so much, Ms. Mulligan, for your presentation.

I had the chance just before Christmas to tour a really exciting project we have going on in Ottawa with the Carlington Community Health Centre. They've recently partnered with Ottawa Community Housing. They've got a joint project where they've built new housing units for seniors in the same place as the community health centre so that they're pairing those services together.

Is that something that we're seeing across the province? Is that the sort of innovative partnership that we're starting to go towards?

**Dr. Kate Mulligan:** Absolutely. A number of community health centres and our other members act as community hubs, so there are already service hubs co-integrated, co-located, often with other service providers in the community. I think the co-location with housing—Carlington is the first, but it's the kind of thing we'd really like to continue doing.

One of the big challenges we face on things like capital is a major, major backlog in going through the process. Some community health centres have been on the list waiting for capital investment for 10 years. The money has been promised; it's there. But trying to meet the requirements of a process designed for hospitals and much bigger infrastructure doesn't support the kind of nimble innovation that I was telling you about today. So we need to reduce that. We need to reduce that red tape, and we need to make it easier for communities to make those kinds of partnerships and investments.

**The Chair (Mr. Stephen Crawford):** Ms. Martow.

**Mrs. Gila Martow:** I'm wondering if you see any better use of technology in all the smartphone apps and all that to better integrate people. I mean, it's a big province with cold winters.

**Dr. Kate Mulligan:** Yes. We already do quite a bit of work on telehealth through the Ontario Telemedicine

Network, for example. Certainly that helps us meet the needs in francophone, rural and remote communities, for example, where we can bring in the kinds of psychotherapy services that are needed. That happens in Timiskaming, for example.

But it even happens in big urban areas. In Ottawa at the South-East Ottawa Community Health Centre, they're a telemedicine hub for that region. They can help provide people with better access to specialist services so that the specialist doesn't need to take lots and lots of extra time out of their day. Certainly that's one area in which we're seeing important technological innovations.

We also have the largest common electronic medical record in the province. In sharing data and working on our business information and reporting tools, we're highly advanced. In that way, because we have a health equity mandate and lens, we're able to ask questions of our data and make very, very targeted local—even sometimes hyper-individualized—responses and care plans, so those kinds of technology.

With respect to consumer technology, like on your phone and on your iPad, it's certainly something we're very interested in. It's the kind of thing that, again, having that patient-centred and community-centred perspective, has a lot of promise.

**Mrs. Gila Martow:** And all of that requires good broadband across the province, in northern Ontario and rural Ontario.

**Dr. Kate Mulligan:** Yes.

**Mrs. Gila Martow:** Do you have problems with that, with not having—

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

**Dr. Kate Mulligan:** Yes, we do. We have problems with access and we also have problems with affordability. Health care, cellphone data plans: It's a major equity issue for many populations, even in urban areas. Affording a cellphone, if it's your main point of contact, if you're experiencing homelessness or other kinds of precarity, is an issue.

**Mrs. Gila Martow:** Okay. Thank you very, very much.

**The Chair (Mr. Stephen Crawford):** Any other questions? No? Okay.

We'll go to the opposition side: Ms. Stiles.

**Ms. Marit Stiles:** Thank you, Ms. Mulligan, for coming in today and for your presentation. My riding is the home of the wonderful Davenport-Perth Neighbourhood and Community Health Centre. I visit often. I wish I was in the catchment area. I've seen a lot of the important work they do, particularly with lower-income people, but across our community, and particularly when it comes to prevention.

I wanted to go to the recommendations, some of the things you didn't already cover.

**Dr. Kate Mulligan:** Sure, yes.

**Ms. Marit Stiles:** And I appreciate it; I really do. I think it's so important that we hear about the innovations that are going on and the role of community health centres in that regard. But I know that in the last election, we made a pretty significant commitment in the NDP to dental care.

It was quite heartbreaking after the election, I have to say. One of the few really heartbreaking things was having to meet people that I know in the community who are really suffering and who said to me, “Where’s that dental care?”

You mention in here needing to act to provide that kind of dental care now for seniors, and community health centres being that place. I know the government party made a commitment during the last election. Have we seen that flow, and what is your recommendation in terms of how that should flow?

**Dr. Kate Mulligan:** We haven’t seen that flow, but we do expect it to flow, and we’d like to see it come as soon as possible. That’s why we’re asking for a down payment on the promise. The promise was \$98 million toward expanding dental care for seniors, in particular.

**Ms. Marit Stiles:** For low-income seniors, right?

**Dr. Kate Mulligan:** For low-income seniors; that’s right. We’re asking for at least a \$38-million investment this year to capitalize on the resources that we already have. We have dental suites in many community health centres and work in partnership with public health units, but we need to be maximizing the use of those. Right now we don’t have the service funding to use them to the maximum. These are all areas where we are ready to hit the ground running. We have the programs, we have the plans and we have the expertise. We need the service funding to keep those open.

**Ms. Marit Stiles:** Just one other question, then: I know that everybody is feeling a little bit of a chill about talking about increases in funding in any way, and that’s because the government has called on everybody to find these 4% cuts across the board. What I am interested in is the fact that the community health centres—I don’t know if you mentioned it in your presentation; I didn’t hear it—to my understanding, have been under a budget freeze for about a decade.

**Dr. Kate Mulligan:** That’s right, yes.

**Ms. Marit Stiles:** So really, it seems to me that you’re doing even more work, especially with some of the impact that we’re seeing on low-income people in particular right now, and the increase in mental health and addiction needs in our communities. What does this look like and what do you need from this government?

**Dr. Kate Mulligan:** Every year we do more with less, because we haven’t kept up with the costs of inflation and we have had this decade-long freeze. So we do need investment. We particularly need investment in the information technology that we talked about to really do this work well. Our capital, our infrastructure, is aging. We need lots of support to be able to continue to provide that really nimble and high-level service. So that’s really important.

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

**Dr. Kate Mulligan:** But just in terms of base funding, we’re asking for a 5% increase, equivalent to about \$30 million, to help us keep the lights on, to help us keep paying the rent, to help us keep making our mortgage payments and to help us with some of the administrative

costs that come from taking on more and more programs without that core support to make it happen.

**Ms. Marit Stiles:** If I may, it seems to me—I mean, one of the things that community health centres have the opportunity to do, because they’re so preventive and they’re community-based, is to keep people out of hospital.

**Dr. Kate Mulligan:** We do.

**Ms. Marit Stiles:** Isn’t there an offset in terms of the savings overall, when we take care of people in the community like that, that would really more than make up for some kind of small increase in budget?

**Dr. Kate Mulligan:** Absolutely. Particularly for those very, very medically and socially complex individuals, community health centres and our related members keep people out of hospital at a rate much, much higher than expected and much, much higher than happens in more mainstream health care programs. We are saving hospitalizations, health care utilizations, and through things like team care and social prescribing, we’re pushing that even further.

**Ms. Marit Stiles:** Saving the system.

**Dr. Kate Mulligan:** Yes, that’s right.

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

#### ONTARIO PSYCHOLOGICAL ASSOCIATION

**The Chair (Mr. Stephen Crawford):** We’re moving along to the Ontario Psychological Association. Good afternoon and welcome. If you could please just state your names for the record and then proceed with your presentation.

**Dr. Diana Velikonja:** Dr. Diana Velikonja.

**Dr. Sylvain Roy:** Dr. Roy.

**Dr. Diana Velikonja:** Mr. Chairman, committee members, my name is Dr. Diana Velikonja and I am the incoming president of the Ontario Psychological Association. With me is the past president, Dr. Sylvain Roy.

It is my pleasure to speak to this committee today about the growing need for more psychologists in the province of Ontario, the barriers preventing that needed growth, and the solutions to that problem that we can work toward together in budget 2019.

There is a growing crisis in mental health in Ontario. We want to commend the government for their commitment to addressing this crisis with their promise to invest an additional \$3.8 billion over the next 10 years.

Ontario is falling behind when it comes to the number of psychologists in our province. We will continue to fall behind unless we address the cause of those problems together, and we must begin to do that today.

The two most significant factors leading to the supply shortage of psychologists in Ontario are: (1) Ontario universities are not producing enough doctoral-level graduates, and (2) hospitals and other institutions do not have the funding to create the residency spaces required for those graduates to complete their training. Simply put,

we do not have the educational capacity to meet current or future demand for psychologists in this province.

You will be surprised to learn that there are 14 universities in the province offering postgraduate and doctoral programs in psychology. Over the past five years, these universities only graduated an average of seven psychologists each per year. Every sector is seeing increased demand for, and reduced supply of, trained psychologists. The insurance industry, the WSIB, the public education system and private and public practitioners are all calling for more graduates in psychology from Ontario universities.

For example, the WSIB, since starting their community treatment for first responders, has contracted services from about 450 community psychologists. They have said that they urgently need at least 1,000 more to assess, diagnose and treat the injured police officers, paramedics, firefighters and nurses who serve our communities every day. Without more graduates, these needs will go unmet.

Perhaps nowhere is the need for more psychologists more evident than in our public education system. Vacancies for psychology positions in Ontario school boards is now 7%. The ideal psychologist-to-student ratio in Canada is one psychologist per 1,000 students. The actual rate in Ontario has fallen to one psychologist per 3,448 students. This is among the lowest in the country.

The identification, diagnosis and treatment of mental health problems early in life can alleviate expensive downstream costs and stressors to the Ontario public health system, including hallway medicine. School psychologists as well as psychologists in community treatment centres are the front lines of that effort. They are the professionals who diagnose, and develop treatment plans for children with complex mental health issues, behavioural problems, developmental and learning disabilities, as well as provide mental health and crisis intervention that helps children and families in the most dire need. But we do not have the capacity to address those needs.

Not only are we falling short on the number of graduates coming out of our universities, but many of those who do graduate are unable to complete their residencies in Ontario. Our hospitals and institutions simply do not have the financial resources to fund those residencies. This only compounds the problem, as recent graduates are far more likely to remain in the communities where they complete their training, establish their careers and practices, and start their families. These communities are increasingly outside of Ontario. This is leading to a brain drain of graduates coming out of Ontario psychology programs.

It is clear that demand for services by psychologists in all sectors far exceeds current capacity across the province. The problem only intensifies the further you travel from the downtown Toronto core. There are currently 3,800 active psychologists in the province of Ontario. More than 1,700 of these reside and practise within a 30-minute drive of where we are presently sitting. The remaining 1,900 are principally practising in other major population centres, leaving those most vulnerable in rural and remote communities with little or no access to help they urgently need.

Thankfully, the solution, to the problems we have identified here today are sensible, easily achievable and equally important in the current economic climate as they are affordable. To that end, the OPA makes the following recommendations to this committee:

(1) Increased funding through the Ministry of Training, Colleges and Universities for the creation of 100 additional psychology graduates at Ontario universities each year;

(2) Increased investment totalling \$2.5 million each year through the Ministry of Health and Long-Term Care for the creation of 50 new residency positions per year at hospitals and institutions across the province, particularly in more underserved areas; and

(3) Continue to work with the Ontario Psychological Association to develop an incentivization program that will keep new graduates in smaller communities that have a greater need.

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

**Dr. Diana Velikonja:** Mr. Chairman, members of the committee, thank you for your time today. I'd be happy to answer any questions that you may have.

**The Chair (Mr. Stephen Crawford):** Okay, thank you very much. We'll start with the opposition side. Ms. Shaw.

**Ms. Sandy Shaw:** Thank you very much for your presentation. I appreciate that your recommendations are very specific and very practical, as you say, but they do require funding from this government, and as we've been hearing, this government is looking to reduce spending and costs by up to 4%, which is a significant cut. We feel, in an era when there's increasing demand on mental health services and increasing demand to train people like psychologists, that that's not really the direction to go. That's kind of a comment.

I do appreciate what you're talking about in terms of increasing the psychologists, who are people who will treat this increasing demand for mental health services. I guess my question is not just on the practitioners that we need in the system, but my question is on the ability for practitioners to be in settings where there is funding for them to actually see patients.

We are talking about wait times in our public system that continue to increase, and those wait times—I guess I'd like you to comment on whether you see those wait times—they can't simply be a function of not having enough psychologists. There have to be compounding factors for why these wait times are really, in many cases, so shameful, particularly when it comes to children's mental health and well-being.

**Dr. Diana Velikonja:** The issue, as we've identified, is capacity, because in building capacity, then we're able to deal with the mental health issues which, as we said, will continue to plague the system downstream. So we're looking at building capacity from childhood and adolescence, from that end, all the way up.

Also, in terms of addressing this within institutions, you can reduce wait times by dealing with the mental health issues of individuals in hospitals, because a lot of the highest users of the hospitals do have mental health issues. Addressing those more appropriately within the hospitals



and early on can certainly be a huge cost reduction for the government.

**Ms. Sandy Shaw:** Certainly; I agree that this is sort of upstream prevention. But my question is, do you have any specific thoughts on the funding not just to train service providers, but the funding that is being provided to hospitals and to mental health service providers as well, and the adequacy of the funding?

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**Dr. Diana Velikonja:** From our perspective, the funding at this point—what we're looking at is trying to build capacity in terms of mental health, that aspect of it, in order to address those problems. If we can get that capacity increased, I think we can address some of the issues, or pivotal issues, that create the problems with hallway medicine.

**Ms. Sandy Shaw:** So, more psychologists, and the wait-times will go down—is that what you're saying?

**Dr. Sylvain Roy:** If I could interject?

**Ms. Sandy Shaw:** Yes.

**Dr. Sylvain Roy:** Partly.

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

**Dr. Sylvain Roy:** Thank you. If we look in the school system currently, for example, when there are boards that have no psychologists at all, these wait times, as the Auditor General pointed out to us last year, are nowhere to go. Some school boards had four-year wait times because there were simply no psychologists in those centres.

I think the problem is compounded by the fact that in the public system, there are simply no psychologists in some of these systems. We have to find a way to fill those gaps currently, and the gaps are apparent in multiple systems, including our schools.

**Ms. Sandy Shaw:** Thank you.

**Ms. Marit Stiles:** May I? I just wanted to add—

**The Chair (Mr. Stephen Crawford):** Yes, Ms. Stiles. There's just 30 seconds, but go ahead.

**Ms. Marit Stiles:** Okay. Just to add to that point, what I was interested in, in your report, was the fact that we know that there are too few psychologists already in our schools, and there are too few funded psychologists in our school boards. But even within that, I'm assuming that the number of those positions is vastly reduced when you talk about rural and northern school boards.

**Dr. Diana Velikonja:** Yes.

**Ms. Marit Stiles:** I really thank you for your very informative presentation. Thank you.

**The Chair (Mr. Stephen Crawford):** Thank you. Then we'll move to the government side: Ms. Martow.

**M<sup>me</sup> Gila Martow:** Merci. J'entends un accent français.

**D<sup>r</sup> Sylvain Roy:** Absolument, oui.

**M<sup>me</sup> Gila Martow:** C'est Docteur Roy?

**D<sup>r</sup> Sylvain Roy:** C'est ça.

**M<sup>me</sup> Gila Martow:** Pensez-vous qu'on a plusieurs problèmes dans les communautés francophones ici en Ontario à trouver quelqu'un qui parle français?

**D<sup>r</sup> Sylvain Roy:** Absolument. On a fait une analyse, vraiment, de nos psychologues et de notre capacité

provinciale à offrir des services en français. On a des problèmes particuliers dans l'est de la province et on a des problèmes particuliers dans le nord de la province. La moitié des psychologues qui pratiquent dans la province résident dans la région de Toronto. Plusieurs sont francophones, mais quand on regarde le nombre de francophones à Toronto comparé à Ottawa, par exemple, il y a une grosse différence. Donc, oui, il y a une difficulté.

Il y a plusieurs solutions. L'idée d'offrir des services par télé-médecine, par exemple, est une solution. Mais, une des réalisations qu'on a eues cette année, c'était que seulement 10 % des psychologues en Ontario peuvent communiquer dans la langue française, et la majorité de ces personnes-là, lorsque l'on regarde qui ils traitent—habituellement, les psychologues francophones traitent plusieurs anglophones aussi. Donc, la capacité pour les patients francophones est encore plus limitée, donc les temps d'attente sont plus longs.

**M<sup>me</sup> Gila Martow:** Oui, c'est un très grand problème. Le « telehealth » et tout ça : est-ce qu'il y a d'autres manières, peut-être, que quelqu'un peut—que non seulement les patients peuvent venir aux psychologues, mais peut-être qu'un psychologue peut faire un stage dans une autre place?

**D<sup>r</sup> Sylvain Roy:** Oui. Une des recommandations qu'on fait aujourd'hui, c'est vraiment les résidences en psychologie. Si on a des positions, les résidents sont dans leur dernière année; ils ont fait leurs parcours universitaires déjà. Ils sont très bien formés, et ils peuvent offrir des services. Donc, si on a un résident qui veut faire sa formation dans la région d'Ottawa, par exemple, et si les positions sont disponibles, ces résidents-là peuvent communiquer en français. On peut faire en sorte qu'il y ait des résidents qui peuvent offrir leurs services en français, donc ça pourrait réduire les temps d'attente encore une fois pour les francophones.

**Mrs. Gila Martow:** Merci. I want to recap that. Basically, what Dr. Roy is saying is that there is telehealth, and 10% of the psychologists in Ontario speak French, but they're treating many English-speaking patients, so that leaves less available, and maybe we'll see some improvements and more psychologists getting trained. Obviously, it takes a long time to train a psychologist, and we can't get them trained that quickly.

Thank you for all the work you do, especially with our youth and adolescents.

**Dr. Sylvain Roy:** Thank you.

**Mrs. Gila Martow:** Anything you want to add? Does he have a minute? Somebody else wants to ask a question?

**The Chair (Mr. Stephen Crawford):** We have a minute and 20 seconds left. Mr. Roberts.

**Mr. Jeremy Roberts:** I'll just dive in with a question. I had the chance recently to do a tour and meet with some folks at the Royal Ottawa Hospital. Something that really startled me, I guess, was that the Champlain LHIN, the Ottawa-area LHIN, is the only LHIN in Ontario that has no dual-diagnosis beds for adults. I'm wondering if this is something that we're seeing across the province because of a shortage of psychologists. Is that contributing to this

problem? Is dual diagnosis something that is becoming more and more prevalent now?

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

**Dr. Diana Velikonja:** I think it's certainly one of the challenging diagnostic areas, and the issue of not having capacity does create challenges with regard to dual-diagnosis units and with highly complex patients. So, you're right. In some of the other centres where you see these very complex dual diagnoses, you will have a fair concentration of psychologists because it is diagnostically very complex. In mental health, there are not a lot of good diagnosticians.

**Dr. Sylvain Roy:** If I may be permitted to just add to that: We're running a project that is currently funded by the Ministry of Health and Long-Term Care. It's particularly with intellectual disabilities and dual diagnoses, and we are working with homeless people across the province now at identifying—one of the things that we're finding out is that adults frequently—because a psychologist was not there in schools or in hospitals previously—they were diagnosed with a mental health condition, but the intellectual disability itself was never identified. Because of the work we're doing today, in Toronto in particular, we doubled the number of people diagnosed with intellectual disabilities in the past year because we are now looking into it.

In our shelters, 27% of the shelter users in the Toronto region were suspected of having a developmental disability. These are all people who have never been diagnosed before.

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

## AUTISM ONTARIO

**The Chair (Mr. Stephen Crawford):** We'll move on to our final presenter today. It's Autism Ontario. Good afternoon. If you could please state your names for the record. You'll have seven minutes to present and then we'll go to questions.

**Ms. Margaret Spoelstra:** I'm Margaret Spoelstra. I'm the executive director of Autism Ontario.

**Ms. Katharine Buchan:** I'm Katharine Buchan. I'm the manager of communications and development for Autism Ontario.

**Ms. Margaret Spoelstra:** Thank you very much for hearing us today. We are the privileged last speakers of the day. I hope that means you're enthusiastic about listening.

Now entering our 46th year, Autism Ontario has envisioned acceptance and opportunities for people on the autism spectrum. The families who formed us in 1973 would never have imagined the prevalence rates for autism to grow to one in 66 children in Canada. In Ontario, that represents 135,000 citizens.

We continue to envision a province that offers seamless supports across the lifespan that reflect a wide range of expression in autism, the constantly changing needs of this able, yet vulnerable, population, and which address the needs of caregivers who bear both the joys and the

substantial weight of care and advocacy for their children, from infancy to and throughout adulthood.

We're thankful for the support that we've been provided to help families through our March Break and our Potential Programme. Surveyed families have told us over and over that these funds matter to them. Combined, these programs directly support over 20,000 people in Ontario.

Last year, we conducted a survey, a province-wide one, resulting in the top 10 areas that you'll see on the next page, which I won't go through individually. But this past November, we asked our survey respondents to rate these top 10 items in order of priority. These top five emerged.

Number one is education supports. Right now, according to caregivers, the number one area of need for children with autism is support within the education system. Even though 77.8% of caregivers of high-school-age children feel listened to by their child's school, what's missing are the supports. So, they're being heard but not supported in the way they should be. About 10 years ago, we knew there were about 7,000 students with ASD. Today, that number has tripled to over 20,000 students. Educational supports that were implemented for students several years ago are now insufficient in scope and effectiveness.

Part of the current challenges with ABA implementation—applied behaviour analysis—and parent satisfaction will not be addressed without a focus on improved school supports and transition planning that has meaningful and achievable outcomes and opportunities for adult life.

We're thankful for the investment that happened this past year for services to the Ontario autism programs budget; however, the over 20,000 children and youth on the waiting list for those services are currently not able to be served in a timely and equitable fashion.

Additionally, unless increased evidence-based supports and implementation and supervision by qualified professionals are available in all Ontario schools, it will be impossible to meet the educational needs of students with ASD. The Ministry of Health is also noticeably absent in providing necessary health supports for people with ASD across their lifespan.

We recommend:

- creating an employment category in schools of “registered behaviour technician,” supervised by board-employed BCBA—board-certified behaviour analysts—or behaviour trained psychologists;

- increased ABA supervision in schools;

- collaborations across ministries, with the emphasis on the child's learning needs and mental health needs over siloed systems; and

- mandatory pre-service training in evidence-based practice and applied behaviour analysis for all educators.

Secondly, long waiting lists: According to caregivers, long waiting lists are the largest barrier to accessing services, with 73.6% of caregivers identifying wait-lists as a large or very large barrier. Families are waiting for everything. You can see the list that's there: everything from diagnoses, to OAP, to informed educational assistance, informed school personnel, health and mental health

supports, adaptive program supports and Passport funding, job opportunities and housing.

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We are also concerned about rumours that this government is considering substantive changes to the OAP. Our survey in 2017 indicated that one third of parents are single caregivers, and that one third favoured the option of direct service provision, while two thirds preferred direct funding. We urge the government to consider offering choice to families based on the assessed needs of both the child and the family. Children should also receive these services where they spend the majority of their day, which is in school during school-age years.

Number three is about financial hardship. Finances have been or are a very large source of stress in the last year for 50% of autistic adults and for 56% of caregivers. According to the caregivers, finances are the second-largest barrier to accessing services. We know this is a “pay now or pay later” scenario, so we’ve attached—it is not included in your package; my apologies—a paper on the value of caregiver time. For severely affected individuals with ASD, it is estimated, as the report from the Emery program at the University of Calgary suggested, that \$5.5 million more is required to support a person with autism in their lifetime than for a neurotypical person.

There are solutions for this, but moving on, number 4 is school transitions. Some 87% of caregivers of high-school-age children say that it is stressful to plan for their children’s transition out of high school, and they’re not confident that they’ll have that smooth transition. The prevalence rates continue to increase; we’ve already mentioned that. More importantly, these students are now beginning to exit high school unprepared and unsupported for life as adults, in higher numbers than ever. They’re sitting at home, not doing a lot, and people are waiting for Passport funding.

We’re concerned that having those young adults at home means that at least one caregiver is also at home and not earning through employment or investing in their own retirement, while their children with ASD who could also be working, participating in meaningful daytime activities or attending post-secondary education are not. Many of these adults could have meaningful employment if employers saw that hiring people with autism is good for business rather than a charitable act.

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

**Ms. Margaret Spoelstra:** Thank you.

Autism Ontario has been involved in several projects. Specialisterne Canada’s employment program has been good, as well as Integrated Autism Consulting’s Transition to Life, where we’ve seen people get jobs. Investing in these types of programs and others would have an impact on the Ontario economy and the lives of adults and their families.

Finally, adult services was our number 5. Eligibility: At least half of adults on the spectrum in this province are deemed ineligible for Passport funding. This is a human rights issue from our perspective, and this must be changed to eligibility based on assessed needs, and not

paid out of the pockets of caregivers to conduct that assessment. We are encouraged by the continued work that’s happening on the Ombudsman’s report, the Nowhere to Turn report, and hope that that will continue.

Finally, we talk about housing. We know that so many people are in need of housing, and this is an area of focus that needs to be addressed. In a recent TVO The Agenda program, a parent and her autistic adult son remarked that they are not looking for pity—

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

**Ms. Margaret Spoelstra:** —but for respect and opportunity as caregivers and as citizens who have much to offer to society.

**The Chair (Mr. Stephen Crawford):** Thank you. We’ll now go to questions. We’ll start with the government side. Mr. Roberts?

**Mr. Jeremy Roberts:** Sure. Margaret and Katharine, thank you so much for being here. I was pleased to see that Autism Ontario was on the agenda tonight, and the fact that it was the last one made getting through the afternoon all the easier. As I think you know, I have a younger brother who has autism. I believe we’ve had the chance to meet at one of Mike Lake’s many events. I could ask a bazillion different questions here.

Let’s touch on the OAP, because that’s one that is quite topical right now. I’ve been doing a lot of meetings. The wait-list is obviously a key concern. I think our government understands that funding to help reduce the wait-list is one part of the solution. What do you think some of the other areas are in terms of getting that wait-list down and getting parents what they need and what they want?

**Ms. Margaret Spoelstra:** I think part of what we need to know is what families are waiting for, because I think it really varies. We know that there’s a wide range of ability in autism, and that those families should not be losing any of the other existing supports. On this form you’ll see what parents are waiting for. Services they’re getting include SLP services—speech-language pathology—as well as opportunities for mental health supports, and they’re looking for occupational therapy supports. Those should all be considered, not just behavioural supports. Families need that holistic approach, and they need to have choices.

But I really think that that comment we made about schools is that if schools up their game, we would see a way for the OAP to be more successful in reaching the many people who are waiting. The investments there need to occur simultaneously with looking at that program’s fundamental waiting list challenges.

**Mr. Jeremy Roberts:** Certainly we hear, time and time again, that the siloed approach is not going to work here.

**Ms. Margaret Spoelstra:** Exactly.

**Mr. Jeremy Roberts:** One of the things that we’ve been hearing a lot about is the conflict of interest built into the DSO system managing the wait-list. Is this something that a lot of parents are saying as well to you guys in terms of feedback: that they’re concerned about that conflict of interest?

**Ms. Katharine Buchan:** We hear a variety of things. Though there is some concern about the overhead costs that it takes to manage a program, we also hear a lot of concern from families who don't have the resources to manage their own programs and who don't have the capacity to—they're working full-time or there's a cultural barrier—and the undertaking of managing a home-based program without having the supports in place is a huge concern.

**Ms. Margaret Spoelstra:** There can be a conflict of interest within the professional field in providing those services, but when those are disclosed and required to be declared and there's actually a system that monitors that—which is central to the effectiveness of addressing the issue of conflict of interest in making those choices—if we can make that independent and a separate process, then that would satisfy that need.

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

**Mr. Jeremy Roberts:** Diving into education a little bit, earlier today I took umbrage a little bit with a representative from the elementary teachers' union who was arguing that we should not allow outside ABA therapists into classrooms. Obviously, we know that children with autism value routine. They value comfort and repetition. So what might you say to somebody who wanted to prevent those therapists from coming into school, from the perspective of a parent who just wants to make sure that their child is getting the therapy that they need when they need it and where it's most convenient?

**Ms. Margaret Spoelstra:** This addresses the question of siloes that you mentioned earlier. At the end of the day, if the focus is on the child's needs, those assessed needs and their learning objectives, I can't imagine why you would not want to bring experts into a program to support their needs. Teachers can't do everything. I'm a special education teacher by training. You can't do all of these things—

**The Chair (Mr. Stephen Crawford):** Okay; thank you very much. I appreciate that, but we'll have to cut you off.

**Mr. Jeremy Roberts:** Thank you so much, and thanks for all you do.

**The Chair (Mr. Stephen Crawford):** We'll move to the opposition for the last four minutes of questions. Ms. Stiles?

**Ms. Marit Stiles:** Thank you so much for being here for your presentation. We have been eagerly awaiting it.

I did want to just correct the record, I think, for the member opposite. That is not what the Elementary Teachers' Federation of Ontario was saying. What they were saying, in fact, today in their presentation is that they want to see more trained professionals in our schools, that they want to see educators trained and they want to see our educational assistants trained. I think that's what they were saying. That was perhaps, I would suggest, a bit of a misrepresentation, so I want to make sure that we correct that.

We've seen, over many years now, the waiting lists grow. We've seen the funding become inadequate. I am also really interested in your focus on care in schools, on

addressing the needs in schools. As you pointed out, many families can't, and should not be expected to, be delivering programs in home as well; this is something that our public programs, like schools, should be able to provide.

I don't know if you're aware, but the government has asked—you may be aware—all of our sectors to look for a 4% cut in government funding. That's quite significant in the educational sector. It would amount to a \$1-billion cut in funding across the education sector, which is really concerning when you look at the kinds of needs that we're experiencing, particularly for special-needs students.

I wanted to ask you—what can we say? What are your concerns about what the cuts might mean? Because in the past when cuts have been made, it's often those additional needs, like assistance that special-needs kids require, that are the first to go.

**Ms. Margaret Spoelstra:** We agree with you about the teachers asking for additional training. Right now, teachers are being asked to do things for which they do not have sufficient training. To have cuts in that area—I can't imagine. I would say that the emphasis should be on pre-service training but also investing in adequate supervision of programs with people who are actually able to provide supports and supervision. That's why the RBT program is one that we're in favour of. It's getting people to actually get that training and to be right on the ground and having adequate supervision.

Cuts to spec ed just cannot be the right direction at all. In fact, we're behind, as a province, in investing in special education, not even just for students with autism. In fact, when you do things well for students with autism, it often affects special education and students who have multiple needs by investing in those structures. To have any cutbacks to that makes things not safe for students and teachers, and creates more stress on families.

**Ms. Marit Stiles:** Certainly, we're hearing that from educators. As these potential cuts come—we know that in the past, under the previous government, for example, when those cuts had been pushed onto school boards to make those tough decisions—very unfair.

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

**Ms. Marit Stiles:** I want to see if one of my colleagues has a question first.

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

**Ms. Sandy Shaw:** Really quickly, I'm going to move to the adults with autism. Two things that we've been hearing about a lot are the inadequacy of social assistance and ODSP—which would be a concern, potentially, for the folks you would deal with—and housing. We heard a lot about the difficulty of accessing affordable, safe and adequate housing. Could you just talk really quickly about how any cuts to social assistance programs, ODSP and the lack of affordable housing would impact your ability to serve?

**Ms. Katharine Buchan:** It's not just affordable housing; it's supportive housing as well. Autism looks completely different in everybody. We know that housing for adults with autism needs to be flexible; it needs to be safe; it needs to be supportive. It's not just about bricks

and mortar. It's about finding the right people and the right group and the right place to put someone so that they—we're all so lucky to have a house. We take that for granted. People with autism need a place to live too.

**Ms. Sandy Shaw:** Certainly.

**The Chair (Mr. Stephen Crawford):** Thank you very much for your presentation and for wrapping up the day. We appreciate it.

**Ms. Margaret Spoelstra:** Thank you very much.

**Ms. Katharine Buchan:** Thank you.

**The Chair (Mr. Stephen Crawford):** That concludes our presentations for today. I'd like to thank all the committee members, the presenters and the staff working here. We will adjourn until January 21 at 9 a.m. in Dryden, Ontario. This meeting is adjourned.

*The committee adjourned at 1702.*





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