

Legislative
Assembly
of Ontario



Assemblée
législative
de l'Ontario

**Official Report
of Debates
(Hansard)**

F-10

**Standing Committee on
Finance and Economic Affairs**

Pre-budget consultations

1st Session
42nd Parliament

Wednesday 23 January 2019

**Journal
des débats
(Hansard)**

F-10

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

Consultations prébudgétaires

1^{re} session
42^e législature

Mercredi 23 janvier 2019

Chair: Stephen Crawford
Clerk: Timothy Bryan

Président : Stephen Crawford
Greffier : Timothy Bryan

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



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

ISSN 1180-4386

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS**

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

Wednesday 23 January 2019

Mercredi 23 janvier 2019

The committee met at 0901 in Courtyard by Marriott Ottawa Downtown, Ottawa.

PRE-BUDGET CONSULTATIONS

The Chair (Mr. Stephen Crawford): Good morning, everybody. Welcome to Ottawa for our committee hearings and pre-budget consultations. We welcome some of our local Ottawa members who are present today.

We're meeting today for the purpose of 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 recognized parties. I'll also provide a one-minute warning when there's just one minute left.

Are there any questions before we begin? Okay.

ALLIANCE CULTURELLE DE L'ONTARIO

The Chair (Mr. Stephen Crawford): With that, then, we will move to our first presenter, which we've moved up. Our 9 o'clock presenter is a little late due to weather. The 9:15 presenter, the Alliance culturelle de l'Ontario, if you could please come up to the front. Welcome to the committee, and if you could just please state your names for the record and then you can get right into your presentation.

M^{me} Marie-Ève Chassé: Marie-Ève Chassé.

M. Denis Bertrand: Denis Bertrand.

The Chair (Mr. Stephen Crawford): You can proceed.

M^{me} Marie-Ève Chassé: Bonjour chers membres du Comité permanent des finances et des affaires économiques de l'Ontario. Messieurs, mesdames, bonjour. Je suis Marie-Ève Chassé, secrétaire-trésorière de l'Alliance culturelle de l'Ontario. Je suis accompagnée du coordonnateur général de l'Alliance, Denis Bertrand.

Nous vous remercions de cette occasion de participer à vos consultations prébudgétaires.

L'Alliance culturelle de l'Ontario est un forum d'échange et de collaboration entre tous les intervenants artistiques et culturels de l'Ontario français. Nos membres sont actifs dans la création et la diffusion des arts de la scène, des arts visuels, de la création littéraire, de l'édition, de la danse et des arts médiatiques.

Le secteur des arts et de la culture en Ontario français, tel qu'on le connaît aujourd'hui, existe depuis une

cinquantaine d'années. Notre milieu comprend plus d'une centaine d'organismes actifs dans la production et la diffusion des arts. Notre communauté artistique est un reflet du visage changeant de la francophonie ontarienne, l'une des plus diverses en Amérique du Nord. Nous en sommes à notre troisième génération d'artistes. Leurs oeuvres circulent en Ontario, un peu partout au Canada et à l'international.

Nous organisons une variété de festivals culturels et artistiques qui initient des élèves des écoles élémentaires et secondaires francophones et d'immersion de langue française, ainsi que la population en général, à différentes disciplines artistiques et aux créateurs qui les animent. Des institutions postsecondaires ontariennes forment présentement la quatrième génération d'artistes et de travailleurs culturels.

Notre requête à votre égard et à l'égard du gouvernement de l'Ontario est simple : nous demandons que les allocations accordées au Conseil des arts de l'Ontario et à Ontario Créatif soient maintenues aux niveaux de 2018 dans le prochain budget provincial. Puis, nous demandons que le budget de la Fondation Trillium de l'Ontario soit maintenu au niveau du début de 2019.

En agissant ainsi, le gouvernement de l'Ontario servira l'intérêt de la population, préservera et créera des emplois et contribuera au rendement économique de la province.

Grâce aux investissements du Conseil des arts de l'Ontario, de la Fondation Trillium et d'Ontario Créatif, les Ontariennes et les Ontariens ont accès aux produits et aux activités artistiques et culturelles à plus faibles prix. En effet, les subventions accordées par ces instances aux artistes, aux organismes et aux festivals leur permettent de réduire leurs coûts et de vendre leurs produits ou leurs billets à des prix accessibles aux familles et aux institutions publiques, comme les écoles.

Deux sondages publiés en 2017 confirment l'appui de la population ontarienne envers les arts et la culture. Selon Nanos, 79 % des Ontariens soutiennent le financement public des arts. Environics affirme que 88 % des Ontariens disent que les activités artistiques et culturelles sont importantes pour le bien-être économique de leurs communautés. La Fédération canadienne des municipalités est du même avis. Elle soulignait, en 2016, que « les arts, la culture et le patrimoine améliorent la capacité des gouvernements municipaux d'influer sur le développement économique local en attirant et en conservant des gens compétents et talentueux ».

Selon les données les plus récentes de Statistique Canada, le secteur des arts et de la culture représente 27,5 milliards de dollars, soit 3,7 % du PIB de la province, et près de 287 000 emplois. Le PIB de notre secteur dépasse celui de l'hébergement et des services de restauration, de l'extraction minière, de l'extraction de pétrole et de gaz, de l'agriculture, de la foresterie, ainsi que de la chasse et de la pêche.

Le milieu des arts et de la culture ontarien fait partie d'un écosystème national. Ainsi, l'Ontario génère 48 % du PIB total du secteur des arts et de la culture au Canada et 41 % des emplois du secteur de la culture du pays. En 2011, la ville de Toronto constatait que pour chaque dollar qu'elle dépensait dans les arts et la culture, ses clients en généraient tout près de 18 autres en investissements d'autres paliers de gouvernement, du secteur privé et en ventes. Un sondage CROP réalisé tout récemment au Québec a trouvé que chaque fois qu'un spectateur dépense un dollar dans une salle de spectacle, il dépense presque le même montant dans un commerce des environs.

Investir dans les arts et la culture génère des revenus et crée des emplois; les bénéfices pour la population ontarienne ne s'arrêtent pas là. L'Alliance pour des communautés en santé, la voix des organismes ontariens de soins de santé primaires, a lancé l'automne dernier le projet Rx Communauté : La prescription sociale. En vertu de cette initiative, le personnel médical et infirmier praticien qui oeuvre dans 11 centres de santé communautaires est autorisé à prescrire des cours de danse, des cours de cuisine et du bénévolat à ses patients auprès d'organismes communautaires, y compris artistiques et culturels. Ces prescriptions sociales sont populaires en Angleterre et au Québec. Des médecins prescrivent à leurs patients de visiter des musées et des galeries d'art, de même que la lecture d'ouvrages littéraires pour améliorer leur santé mentale et physique. Une étude britannique récente confirme que les aînés pourraient diminuer leurs risques de souffrir de dépression vers la fin de leur vie en se rendant régulièrement au cinéma, au théâtre ou au musée.

Le milieu des affaires est d'accord. Selon une étude produite en 2015 pour le compte de Business for the Arts, basé à Toronto, « les gens tirent de nombreux avantages d'un milieu artistique et culturel dynamique dans leur collectivité. Participer ou s'intéresser aux activités artistiques et culturelles a certains effets positifs sur le bien-être individuel ». L'étude constate « une association positive entre l'intérêt que l'on porte pour les activités artistiques ou culturelles et la santé psychologique et physique ». Business for the Arts précise que cet intérêt pour les arts et la culture a un apport positif sur nos vies collectives et citoyennes, notamment en ce qui concerne la participation aux élections—

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

M^{me} Marie-Ève Chassé: —le bénévolat, la mise en commun d'expériences, la création de liens, les occasions de réseautage et l'effrètement des différences.

Sachez que le milieu des arts et de la culture contribue depuis 25 ans aux efforts de différents gouvernements

ontariens désireux d'équilibrer leurs budgets et de réduire un déficit. Le budget du Conseil des arts de l'Ontario a été réduit de 40 % à la fin des années 1990, a connu des périodes de stagnation au début des années 2000, puis de 2009 à 2016. Ces gels et coupes ont eu un effet négatif sur notre milieu et sur les communautés ontariennes. Nous espérons que notre présentation vous aura permis de mieux apprécier l'apport des arts et de la culture à la population et à l'économie de l'Ontario et que vous serez en mesure d'endosser nos demandes.

Nous vous remercions de votre attention.

The Chair (Mr. Stephen Crawford): Thank you very much. We're going to start questions from the opposition side today. Just wait to be recognized if you would like to speak. Mr. Harden.

0910

M. Joel Harden: Merci beaucoup pour la présentation. Vraiment proche de nous ici, il y a le théâtre Gilles Desjardins. On a un petit discours ici dans la ville d'Ottawa. C'est excellent que vous êtes ici au niveau provincial, mais est-ce que c'est possible pour vous de discuter de ce sujet-là, le théâtre, le rôle qu'il joue dans la communauté et d'autres choses?

M^{me} Marie-Ève Chassé: C'est sûr qu'un endroit comme la Nouvelle Scène Gilles Desjardins est vraiment un lieu ancré sur la communauté. C'est vraiment un lieu qui offre, oui, l'accessibilité aux arts et à la culture et différentes formes d'arts dans la communauté à Ottawa. C'est un endroit où les francophones, oui, peuvent se rencontrer, mais où énormément de jeunes, et aussi des écoles, viennent pour voir des spectacles. Donc, c'est vraiment un lieu multigénérationnel et qui est ouvert aussi à la communauté et qui tient également des activités externes, qui ont lieu également dans ce lieu qui est la Nouvelle Scène.

Donc, c'est plus large que les arts et la culture. Ça touche la langue, ça touche la communauté. C'est un lieu vibrant. C'est un lieu dynamique qui rapporte énormément au niveau économique aussi à la communauté et à la ville d'Ottawa puisque pleins de gens viennent pour voir des représentations dans ces lieux ou participer à des festivals et à des activités communautaires.

M. Joel Harden: Est-ce qu'il reste du temps?

Le Président (M. Stephen Crawford): Oui.

M. Joel Harden: Les sondages et la recherche que vous présentez aujourd'hui sont tellement intéressants. Toujours, quand on parle des arts, ce sont des choses comme des spectacles, mais on ne parle pas beaucoup de la question économique : les bonnes conséquences pour notre communauté avec les choses économiques dans les arts. Est-ce que c'est possible d'expliquer ce point de vue un peu plus, s'il vous plaît?

M^{me} Marie-Ève Chassé: C'est sûr que quand on va voir un spectacle, habituellement, on ne fait pas juste sortir de la maison pour voir un spectacle. On va souvent aller au restaurant. On va aller dans un bar prendre un verre ensuite. Donc, c'est sûr que l'investissement en termes d'arts est plus large que ce qu'on entend avec le spectacle comme tel.

Il y a aussi, c'est sûr, l'aspect touristique. Donc, on va venir pour voir et consommer ce qui se fait culturellement. Ça va amener des gens aussi à venir de l'extérieur pour découvrir ce qu'on fait ici au Canada. De plus en plus, on a vraiment des grands noms qui sont reconnus. Donc, ça a aussi un fort pouvoir d'attraction touristique.

M. Denis Bertrand: Si je peux me permettre, vous avez tous dans vos circonscriptions des municipalités. Si vous allez jeter un coup d'oeil sur les sites Web des municipalités que vous représentez comme députés, vous allez vous rendre compte que ces municipalités-là, elles énumèrent souvent dans les cinq ou 10 raisons pourquoi des entreprises et des gens devraient aller s'établir chez elles leurs installations artistiques, leurs festivals et une communauté créatrice. Donc, les municipalités savent qu'elles ont besoin des arts et de la culture non seulement en termes de développement économique, mais comme attrait, et si—

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

M. Denis Bertrand: Si on ne parvient pas à—en tout cas, voilà. C'est bon en masse. Merci.

M. Joel Harden: Merci. Monsieur le Président, un dernier point : Vous avez dit déjà que vous êtes en désaccord avec la décision de faire des coupures au Commissariat aux services en français. C'est possible d'expliquer plus votre point de vue sur ça?

M. Denis Bertrand: Écoutez, les coupes qui ont été faites au commissariat, qui essentiellement n'ont aucun impact sur le déficit de la province—la décision à l'égard de l'université, c'est à peu près la même situation. La Nouvelle Scène Gilles Desjardins, qui avait reçu des fonds pour essentiellement pallier à des défis au niveau de l'aménagement de son lieu—ça aussi, c'est des économies de bouts de chandelle. Vous savez, il y a plusieurs thèses économiques, mais quand on retire l'argent de l'économie, l'économie se contracte. Donc, les gens investissent moins en retour.

Il y a un rôle pour les gouvernements dans l'économie, et quand le gouvernement se retire—

The Chair (Mr. Stephen Crawford): Thank you very much. We have to keep to our schedule. We'll go to the government's side for questions. Mr. Roberts.

M. Jeremy Roberts: Bonjour. Merci beaucoup d'être ici aujourd'hui. Bienvenue à tous à Ottawa aujourd'hui. Il y a un petit peu de neige aujourd'hui mais—

M. Denis Bertrand: C'est juste pour vous, juste pour vous.

M. Jeremy Roberts: Oui, exactement. Nous sommes venus de Dryden et Timmins, donc c'était un petit peu froid là aussi.

M. Denis Bertrand: Oui, j'habite à Sudbury.

M. Jeremy Roberts: J'ai deux questions pour vous. La première, c'est à propos des personnes âgées. Nous savons que l'isolement des personnes âgées est un grand problème dans notre société, et je pense qu'il y a un rôle pour l'industrie culturelle et artistique à jouer pour engager cette population. Est-ce que vous pourriez parler un petit peu de quelque chose que vous faites dans votre industrie pour aider avec ce problème?

M^{me} Marie-Ève Chassé: Si je peux parler personnellement de ce que nous on fait, moi, je travaille à Théâtre Action et, par exemple, on offre un festival pour le milieu communautaire qui touche principalement, justement, des personnes âgées. Donc, la plupart de nos participants sont de plus de 60 ans. On fait cette activité-là depuis de nombreuses années. On souhaitait faire cette activité annuellement, mais malheureusement les dernières coupes au Conseil des arts de l'Ontario ont dû nous faire annuler la prochaine édition. Mais c'est vraiment quelque chose sur quoi on travaille. On est allé, par exemple, avec cet événement, à Hearst où on a eu 80 participants qui étaient majoritairement, comme je le dis, des personnes âgées. Donc il y a un fort intérêt de cette communauté-là pour les arts et la culture. La plupart des consommateurs, présentement, sont des retraités, des gens qui ont du temps, qui veulent sortir, qui veulent rencontrer d'autres gens et qui veulent en apprendre aussi sur ce qui se passe dans notre société aujourd'hui. Ça passe beaucoup par les arts.

M. Jeremy Roberts: Fantastique. Et de l'autre côté, pour les jeunes et les élèves—moi, j'étais étudiant dans un programme d'immersion ici à Ottawa. Une des choses que j'ai trouvées c'était que je ne savais pas qu'il y avait toutes sortes de bons films francophones, surtout des films vraiment drôles, qui sont créés ici au Canada. Quelles sortes de choses est-ce que vous faites pour engager les élèves et pour établir des partenariats avec les différentes écoles ici à Ottawa?

M^{me} Marie-Ève Chassé: C'est sûr qu'à Ottawa, plus spécifiquement, on parlait de La Nouvelle Scène, mais il y a un très grand nombre de matinées scolaires où les écoles se déplacent pour venir voir des spectacles. Le déplacement est vraiment important parce qu'on fait vivre la pleine expérience à ces jeunes-là. On leur fait vraiment voir le spectacle dans des conditions optimales, professionnelles et dans un lieu consacré. C'est rempli à pleine capacité pratiquement annuellement. C'est principalement le Théâtre la Catapulte, Vox Théâtre et la Vieille 17 qui font ces matinées scolaires-là. Donc ça c'est une belle occasion, une belle façon—mais encore une fois ça passe par un financement pour réussir à déplacer ces écoles et de leur offrir ça à des coûts qui respectent également leur budget.

M. Jeremy Roberts: Excellent. Merci.

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

M^{me} Marie-Ève Chassé: Bonne journée.

OTTAWA COMMUNITY HOUSING CORP.

The Chair (Mr. Stephen Crawford): I'd like to call up the Ottawa Community Housing Corp. Welcome to the finance committee. If you could just please state your names for the record and you can get right into your presentation.

Mr. Stéphane Giguère: Yes. Good morning. Stéphane Giguère, CEO of Ottawa Community Housing.

Good morning, ladies and gentlemen. My name is Stéphane Giguère and I'm joined today by the COO of

Ottawa Community Housing, Guy Arseneau, as well. Before I begin my remarks, I would like to sincerely thank the committee for inviting us to appear before you this morning to offer our input in your pre-budget consultations.

0920

With nearly 15,000 homes in Ottawa and 32,000 tenants, Ottawa Community Housing is the largest landlord in Ottawa and the second largest affordable housing provider in Ontario. We provide social, affordable and community homes to some of our city's most vulnerable residents, but we are more than just a landlord. We recognize that we have a key role to play in helping to meet Ottawa's affordable housing needs.

Today, we would like to offer two concrete recommendations to this committee on how we believe the government of Ontario can achieve its objective of making housing more affordable for Ontarians. First, we recommend that the government of Ontario repurpose some of its current investments in new affordable housing construction to set up equity partnerships so that we can move from "grantpreneurs" to entrepreneurs with a social purpose.

There is an urgent need for more affordable housing in Ottawa and across Ontario, and we know that the demand is far outpacing the supply. More and more people are turning to the rental market as the cost of buying a home becomes more and more prohibitive. In fact, from 2006 to 2016 the number of rental households in Ontario increased by 18.9%. And in Ottawa alone, within that rental market, more than 10,000 people are on the social housing registry awaiting more affordable housing. For some families that wait can be up to 10 years.

Indeed, in Ontario, 15.3% of residents spend more than the CMHC-recommended 30% of their gross income on housing. And just as more people are turning to rental housing, it is becoming more and more expensive for corporations like OCH and the private rental market to meet those demands.

From 2011 to 2016, the private purpose-built rental sector built 4,500 new homes per year, but that only accounted for 13% of the increase in demand for the same period. Over that same period, even less affordable homes were built, and it is estimated that the current backlog for affordable rental homes in Ontario is between 29,000 and 35,000. We also see a very low vacancy rate in Ottawa of 1.6%.

This is why we believe that as the need for affordable rental housing grows, and as the government is looking to cut barriers and red tape, our solution of introducing an equity partnership with housing providers is a proven and a more cost-effective way of achieving the government's objectives of increasing housing supply and affordability. The model has been proven in the United Kingdom, in Australia and, more recently, in British Columbia.

For OCHC, the biggest barrier that we face in building new affordable homes is the cost of building. That's because we cannot recuperate those costs through revenue generation or rents. With this crucial investment, we would be able to start to close the gap for those in need of more affordable places to live in our city.

With an investment through an equity partnership between the government and corporations like OCHC, the government could move away from funding on a project basis, thus removing administrative burdens and allowing greater flexibility.

At OCHC, we are ready to build. We have developed an ambitious portfolio management framework, and we are in a position to deliver new affordable rental homes in Ottawa, but we need Ontario as a partner to make this happen.

I will also quickly mention another important barrier that is faced by providers such as OCHC—and the city of Ottawa as well; we've had conversations—which is the siloed approvals process for new affordable housing projects. We believe that by encouraging provincial departments to speak to each other and break down some of those barriers, we will both be able to achieve our mutual goal of making housing more affordable for Ontarians.

Before I conclude on this recommendation, I would like to remind committee members that these investments are not only good for those in need but that they are also good for the economy. A University of Toronto researcher released a study which concluded that for every dollar invested by the government in residential construction in Canada, there was a return of \$1.52 to the GDP. Similarly, we know that building one affordable housing unit is estimated to create between two and two and a half jobs each and every time.

We also know that affordable housing is cost-effective. The cost for government of housing a person for a month in a hospital bed is \$10,900; in an emergency shelter, it is \$1,932; but in social housing, \$199.

Our second recommendation is that the government implement a new program to invest in the creation of new health care housing partnerships. At OCHC, we are about to open one example of this at the Carlington community here in Ottawa. This is a new development that will be providing affordable homes to tenants, as well as services to an aging population under the same roof. Through a partnership with the Carlington Community Health Centre and funding through the investment-in-affordable-housing program and the Ministry of Health, OCHC built 42 affordable homes for seniors, with a community health centre and a clinic located on the ground floor. This will allow seniors to access primary care in the same building which they call home.

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

Mr. Stéphane Giguère: Ontario faces significant health care challenges, and this government made a commitment to ending hallway medicine. Providing a program to support innovative partnerships between housing and health care providers geared towards seniors and elder populations would have many benefits. First, the population is called to double in the next 20 years—the senior population—so something very important. Secondly, this model is cheaper than traditional long-term-care facilities and hospitals.

Housing is a determinant of health. Simply put, when someone experiences homelessness or is improperly

housed, it has major detrimental effects on the person's health. This is why we believe this type of partnership is such an important model to replicate.

In closing, I would like to thank the committee for its attention and reiterate that there is an urgent affordable housing need in Ottawa, and that we need all levels of government, including the province, at the table to help us to meet the needs of our community. OCHC is ready to be a partner and has the expertise and the resources to help meet our shared objectives of building more affordable homes. We look forward to working with you. Thank you again, and I would be pleased to answer any questions.

The Chair (Mr. Stephen Crawford): Thank you. We have four minutes of questions from the government side. We'll start with Mr. Cho.

Mr. Stan Cho: Thank you, Mr. Chair, and thank you, gentlemen, for your presentation this morning. I come from the housing world and it sounds to me like we have a lot in common in the way we're thinking here.

Two quick questions—the first one is very quick.

Mr. Stéphane Giguère: Sure.

Mr. Stan Cho: In this area, are the private sector investing in purpose-built rental products?

Mr. Stéphane Giguère: Not in affordable housing. The market segment that they are addressing is usually what we call the high-end market segment, because just to make the numbers work in the bottom line, you need to address \$1,500 or \$1,700 a month and above, as per rent. OCH is below that. This is why we need to address that specific segment.

Mr. Stan Cho: So in essence, it's a supply/demand issue.

Mr. Stéphane Giguère: Correct.

Mr. Stan Cho: Okay. Now, do you believe the supply/demand issue is something that can be controlled with rent control on the private sector?

Mr. Stéphane Giguère: Rent control is one of the measures. There are many toolboxes around, but currently as we all experience in Ontario and across Canada now, it's the issue of the vacancy rate. It's a macro issue and not just a micro issue. There are other conditions that need to be tabled as well.

Mr. Stan Cho: The reason I ask is, many of the stakeholders in housing back in Toronto and across Ontario claim that rent control is actually a deterrent for the private sector to enter that affordable housing level—just to make their numbers work, as you stated. I was just curious to get your thoughts on that. I do want to spend more time on that, but my colleagues have questions, so maybe we can go offline. Thank you.

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

Mr. Jeremy Roberts: Stéphane, it's wonderful to see you, and thanks so much for coming in today. I want to give you a chance to talk a bit more about the Carlington health centre partnership. This is something in my riding of Ottawa West—Nepean. I had the chance to tour it the other day: just a phenomenal facility that you guys have built there. I've raised it, actually, in the past two of our pre-budget consultations in Dryden and in Timmins when talking with community health partners.

Can you just elaborate on where you guys got this idea from, some of the benefits that you see to seniors and some of the ways that it's more cost-effective? I just think it would be great to get some of that information.

Mr. Stéphane Giguère: Do I have half an hour? Rapidly, thank you; good remarks on that.

This idea started by the needs. The needs of our communities are crossing the boundaries of departments. When we talk about justice, health care or any other departments at the province, what we see is that the needs of the community are already transient of that. They are just crossing each and every time. The need started right there.

In terms of the needs for space, the clinic was experiencing contraction in terms of a possibility to expand, so we both mutually agreed that if we were to combine our efforts, we would be able to serve the community, to expand the services but also to offer to the seniors the opportunity to have a place where they feel safer, where they have access to health care—but also for the health care provider getting proximity to the delivery of their services for the personal service workers.

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Mr. Jeremy Roberts: Fantastic. I think my colleague here had one quick question as well.

Mr. David Piccini: Just continue. It's okay.

Mr. Jeremy Roberts: No? Okay. I think we're out of time anyhow.

The Chair (Mr. Stephen Crawford): All right, we'll move to the opposition side. Mr. Arthur.

Mr. Ian Arthur: Good morning, and thank you so much for your presentation. I was struck by something you said there. You talked about the numbers, the baseline of where housing could be produced and where the monthly rental would have to be, and that it was simply unaffordable to get rent below that.

I would like you to expand on that a little bit, because if that's actually true, it wouldn't matter if there were rent controls in place or not, after that initial baseline. If that baseline is too expensive in the beginning, people won't be able to afford it, whether there's more supply or not.

Mr. Stéphane Giguère: What I can speak to is our experience with Ottawa Community Housing. What I can just define is, in terms of what we have seen in the past, we were seeing deep subsidies. Then we were seeing affordable housing and market rent, we will call it, and access to home ownership. That's usually the spectrum.

What we have seen is, the market rent and the home ownership spectrum have moved towards being more and more expensive, just because of the market conditions and the offers in the marketplace.

For us, what is important is to secure that portion, because this is a moving target, right? What is affordable today at \$1,400 will be at \$1,500 tomorrow. This is where we need to always adjust to the market conditions, but also to keep in mind that—back to the CMHC and 30% of your income—if you spend more than 30%, already it's unaffordable.

This is based on market conditions of each and every city. But within each and every city, there are some micro

market conditions as well that you need to address. This is where we adjust our rents based on those conditions.

Obviously, the Ottawa downtown core is more expensive than if you go to rural. But still, rural Ottawa has a need for affordable housing. This is where it's very important that we secure affordability not only in urban areas, but also suburban and rural. The needs are there, and they are growing.

Mr. Ian Arthur: Thank you very much.

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

Mr. Joel Harden: Thank you very much. I think you've made a compelling presentation for investment in community housing. I'm wondering if you had any comment—just given what my colleague had mentioned about rent control—about the notion of inclusionary zoning. I know that many other jurisdictions—Vancouver, Toronto, Montreal—have required builders to make sure that certain amounts of builds are set aside for affordable rental housing. In some partnerships you've engaged in, you've led by example in having mixed-income buildings—in Rochester Heights, for example.

I was just wondering, for folks who are from out of town, if you could explain some of those projects a little bit.

Mr. Stéphane Giguère: Thank you. Yes, that's a good example. Inclusionary zoning—to answer the specific question—is part of the toolset. We need all of the tools to make things happen in terms of affordability.

Rochester Heights is a good example of a project that will have upwards of 900 homes that will be built in a mixed-income environment and a mixed-use environment. What we're looking at is to provide integrated services to the community, deploying services that will be also responding to the needs of that specific community. In the case of Rochester Heights, the build was mainly focusing on families. Also, we will have seniors. But we are also including art groups and we are including Indigenous groups as well. They will be part of the design and the service that will be offered over there.

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

Mr. Joel Harden: I just would like to thank you for being here, Stéphane, and for the leadership you've shown in our community in building affordable housing.

I would particularly direct my colleagues to the notion of inclusionary zoning and mixed-income developments as something that can help people of all kinds of different backgrounds live and work together.

Congratulations on your work.

Mr. Stéphane Giguère: Thank you. I have a great team to support me on a day-to-day basis.

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

MERIDIAN CREDIT UNION

CANADIAN CREDIT UNION ASSOCIATION

The Chair (Mr. Stephen Crawford): We have a delay for the next group, but we do have our 10 o'clock group

here, which is Meridian Credit Union. If you could come up, please. Just state your name for the record, and you can get right into your presentation of up to seven minutes.

Mr. Michael Ras: Thank you, Chair Crawford and all members of this committee, for the opportunity to present today. My name is Michael Ras, and I'm director of government and stakeholder relations with Meridian Credit Union.

Joining me in the audience, maybe in a few moments, will be Jay Denney, manager of government relations for the Canadian Credit Union Association.

We're here representing Ontario's 66 community credit unions, with some ideas of how we can partner with the province to strengthen our sector to the benefit of all Ontarians. We've got a lot of ideas for the provincial budget, but our primary suggestion today will cost the Ontario treasury nothing, will be good for consumers, will be good for small business and will allow credit unions across Ontario to better compete and provide more choices for financial services consumers: We're seeking a commitment in the budget speech that the Ontario government will work with us to modernize the 1994 Credit Unions and Caisses Populaires Act and do so in 2019.

Some background: Today, credit unions and caisses populaires of Ontario manage over \$60 billion in assets, and more than 1.6 million Ontarians choose to bank with their local community credit union or caisse populaire. Some \$14 billion of those assets are in commercial loans to small business, and another \$2 billion are in agricultural loans. Some 136,000 small businesses in Ontario bank with a credit union. It's worth noting that in surveys of Canadian Federation of Independent Business members, credit unions consistently come out ahead of our bank competitors in terms of customer satisfaction. Credit unions are really the bank of Ontario's small business sector.

If you'll indulge me in a little bragging about the particular credit union I work for, Meridian alone represents \$20 billion of the \$60 billion in assets, making us Ontario's largest credit union and the third largest in Canada. We have over 300,000 members across our network of 91 branches and 11 business banking centres, where we employ just over 1,900 people.

Our most recently opened new branch was here in Barrhaven, giving us four branches and a growing presence in the city of Ottawa. Just a few months ago, I attended a ceremony here in Ottawa where we announced our sponsorship of the Meridian Theatres at Centrepointe in Nepean, which is a hub for culture, theatre and arts in this region.

Of course, credit unions are not just sponsoring theatres. You'll find the names of Ontario credit unions backing at least three Ontario Hockey League arenas. You'll find Ontario credit unions backing hundreds of community charity events. And our employees give thousands of hours of their time to making their communities better. This commitment to community is at the very heart of what makes credit unions different.

We're proud of our success and all that we do for communities across Ontario, but we also know that we

could do so much more. One of the things standing in our way of even greater success is the outdated and antiquated legislation and regulatory framework that governs credit unions in Ontario.

The Credit Unions and Caisses Populaires Act was first written in 1994, 25 years ago. It has seen a few amendments over the years, but the fundamental provisions of the act date to a time when the financial services market in Ontario was much different. In 1994, the Internet was in its infancy and online banking wasn't even contemplated. Fintech wasn't a thing, bitcoin wasn't even imagined, and the credit union system was a quarter of the size it is today.

The world has changed, but our paperwork hasn't. In 2017, the consulting firm MNP did a study that calculated the cost of regulatory compliance for Ontario's credit unions at \$60 million per year. For some of Ontario's smaller credit unions, regulatory compliance costs exceed 20% of total operating expenses. Think about that: a business where 20% of your operating cost is filling in paperwork and meeting the demands of regulators.

What is even more startling about these numbers is that credit unions in British Columbia, as a comparison, spend less on regulatory compliance even though their credit union sector is much larger. The BC credit union sector manages over \$82 billion in assets, but their regulatory cost is just \$50 million, while here in Ontario our sector manages less than \$60 billion in assets with a regulatory cost of \$60 million. So in Ontario we're spending a lot more to manage a lot less.

Why does this matter? For every dollar that a credit union keeps as retained earnings, we leverage that money up to 10 times. Just cutting our regulatory costs by 25% would result in at least \$15 million a year to the Ontario credit union sector, and we would, in turn, leverage that money 10 times. That's \$150 million a year in loans to small business, to first-time homebuyers, to our credit union members in the communities that we serve. And I'm just talking about the direct costs of regulatory compliance. We know that if Ontario credit unions are allowed to grow and flourish, we could do so much more.

In places like BC, Saskatchewan and Quebec—in fact, in every other province in the country—when given the opportunity, more consumers choose a credit union or caisse populaire. In Ontario, about 11% of consumers of retail financial services choose a credit union; in BC, it's nearly 50%; in Saskatchewan, it's over 50%; in Quebec, it's over 50%. We think if we're allowed to compete on a level playing field with the banks and other financial institutions in Ontario, we can do even more and provide even more competition to the big banks. That's good for our members and good for the communities we serve.

In short, we're looking for modern regulations for modern times. We need to focus on cutting red tape in the credit union sector, which can unleash literally hundreds of millions in new investment, creating thousands of new jobs. Specifically, we're looking for legislation that puts members first. We're looking for legislation that enables the development of a self-imposed market conduct code, which we're currently developing, that will help us to

ensure that our members are consistently treated fairly and to the highest possible standards.

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We're looking for legislation that is streamlined and simpler. The current act is 139 pages, with another 53 pages of regulations. A lot of the act contradicts itself or conflicts with other acts in the Ontario statutes, and we think a lot of it can be made simpler for everyone.

Third, we're looking for legislation that allows for a principles-based regulatory system rather than a prescriptive one. Ontario's new financial regulator, the Financial Services Regulatory Authority, FSRA, which is scheduled to start operations this spring, needs the powers and legislative framework to enable it to operate more efficiently. You're about to put a shiny new modern car on the road called FSRA, but the engine inside that car, the act and its regulations, date to 1994, and it has only had a few tune-ups along the way.

Fourth, we believe that the new act should align as much as possible with the Canada Bank Act. Ontario credit unions should have the same business powers as the banks so that we can compete on a level playing field.

Committee members, we're ready to get to work. To make that happen, we just need a commitment from the province to act.

Thanks for your time today. I'd be happy to answer any questions.

The Chair (Mr. Stephen Crawford): Okay, thank you very much. We'll start questions from the opposition side. Ms. Shaw?

Ms. Sandy Shaw: Thank you for your presentation. If you would indulge me in doing some branding as well, I'm the former chair of the FirstOntario Credit Union board. I served there for about six years.

Mr. Michael Ras: Yes, indeed.

Ms. Sandy Shaw: Also, Donna and I come from Hamilton, where we have one of the branded arenas that you spoke of, so I'm very familiar with the credit union sector. I also just want to let you know that I completely support the credit union value proposition that money is invested in the credit union and is reallocated into the community. I completely support that notion.

Mr. Michael Ras: Thank you.

Ms. Sandy Shaw: I guess my question would be around—you're really coming here to make requests for a streamlined caisses populaires act and reduced regulatory burden. About a year ago, Minister Morneau made changes that were going to prohibit credit unions from using the word "bank" in any of their descriptions. As ridiculous as that seems—because you couldn't say "bank account"; you had to say some sort of "cash account" or whatever it was called—to me that was a signal that while credit unions are small, the banks maybe felt that they were nipping at their heels in terms of competition.

With all that said, your request to reduce some of the regulations—how do you think that will be perceived by the monolith of the financial institutions, which is the Big Six?

Mr. Michael Ras: At the end of the day, what we're looking for is certainly a reduction in our red tape burden,

but what we're looking for, actually, is an alignment of our regulatory systems with the Canada Bank Act.

With specific reference to the "bank," "banking," "banker" reference that the federal government put us through over the last few years, that has largely been resolved, which has been a testament to the good work of credit unions across the country, which got together and successfully petitioned the federal government to make those changes. But even there, just yesterday I was in a meeting down the street where we were talking about some of the niggling, lasting effects of that. There still are apparently concerns around regulation of whether we can put the word "banking" in the URLs of our websites. So `vancitybanking.com` may be allowed, but `vancity.com/banking` may not be allowed. Silly little stuff like that, that kind of regulatory burden, does creep into our systems.

Again, back to the broader question: I think what we're looking for is an alignment with the federal government and federal banking legislation, which I think will end up helping overcome a lot of those concerns over time. Part of the motivation for this as well, though, is the fact that there is now a mechanism for credit unions to become federally regulated credit unions under the Bank Act, so we have a potential situation where credit unions in Canada—

Ms. Sandy Shaw: Two sets of them.

Mr. Michael Ras: —could be regulated by the federal Bank Act and operate in a more efficient way.

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

Mr. Michael Ras: We're looking to align those pieces along—

Ms. Sandy Shaw: Thank you for that. So I guess, really quickly, we just heard from the community housing corporation here in Ottawa. One of the things people love about their credit unions is that they're nimble, they're local, there's a sense that they understand their community and that they create innovative products. Again, when I was with FirstOntario Credit Union, we created a micro-loan program. My question is around the housing crisis we face in Ontario. Can you talk a little bit about credit unions and the way in which they do play or could play a role in supporting that, with equity or with loans that are adjudicated differently?

Mr. Michael Ras: I think all of the above is on the table. We're already very involved in a number of more affordable housing propositions. As Meridian, we're involved with a number of different initiatives across the province, across our 91 branches. I'm aware of some interesting and innovative new mortgage products that are coming down the pipe. I can't reveal the details just yet, but they're coming and I think will certainly help. We've been active investors, as the sector, in co-op housing and in a variety of pieces.

I think one of the most important things that we can do, though, is work with our members on financial education, helping them understand their finances, helping them save for housing.

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

Ms. Sandy Shaw: Thank you very much.

The Chair (Mr. Stephen Crawford): We've exceeded our time, so we're going to go to the government side for questions. Mr. Downey.

Mr. Doug Downey: Thank you, Mr. Ras. You had mentioned very specifically that you want the commitment in the coming budget and the modernization to begin in 2019. Why that timeline?

Mr. Michael Ras: Thank you, Mr. Downey. I've got, I think, five reasons for that.

First, I've mentioned that FSRA launched this spring. As I said, it's like driving a sports car off the lot but you've got a 25-year-old engine under the hood. That's the first reason.

The second reason I think it's urgent is because the competitive gap is widening. Canada's Bank Act was amended last year, and more changes are coming in the coming year that will allow Canada's banks to invest in fintechs, for example, so there's some urgency in that respect.

Third: It's time. The CUCPA was supposed to have been reviewed and modernized every five years since 1994. As I said, there have been some amendments over the years, but many of those amendments have just layered on new regulations and caused even more confusion and problems. In 2014, the previous government started a process to modernize the CUCPA. The parliamentary assistant to the Minister of Finance, Laura Albanese, wrote what we thought was actually a pretty good report, which laid out the case for change. Some of the recommendations were implemented, but not all of them. We've been waiting long enough in some respects.

The fourth reason: Frankly, if I could be candid, it's the legislative calendar and how busy it is and it's going to be. The Ford government, I think, has shown itself to be one that is eager to make change. It has an ambitious agenda. In years 2 and 3 of a mandate, and in year 4 of a mandate, history shows that governments are typically focused on the more controversial—the big pieces. We think we have ideas in legislation that—it's important and it's detailed work, but we don't think it's going to be controversial or contentious. We hope we can get all-party support for the changes that we're looking for.

Fifth, I think, is that our legislation and some of our priorities align with some of the agenda that your government has put forward: cutting red tape, reducing cost to small business, creating jobs, stimulating investments, and stimulating community investments in infrastructure. We check a lot of boxes in some respects.

Mr. Doug Downey: That's a very thorough answer. Thank you.

I should disclose that I'm a client of Meridian as well. They hold my mortgage and all of that stuff.

Mr. Michael Ras: We don't call you "clients." We call you "members."

Mr. Doug Downey: Yes, I'm a member.

Interjection.

Mr. Doug Downey: I actually cleared it with the Integrity Commissioner, whether that was an issue, me holding a one-dollar share. It was not an issue.

My question is about the community service. The individuals who work at the branches are, I would say, disproportionately more involved in community activities. How do you encourage that? Is that just happening by the nature of who you hire?

Mr. Michael Ras: It's both of those things. A couple of things about that: We've done some surveys of employees across the credit union sector, and 80% of our employees volunteer their time outside of office hours.

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

Mr. Michael Ras: Seventy per cent participate in activities in the community, community events that are sponsored by us.

One of the interesting stats in terms of the dollar figure associated with that: Credit unions in Ontario typically donate 5% of pre-tax income to community institutions. For the big banks, that number is less than 1%. It's something ingrained in our culture and something that is very much part of our co-operative principles and what people are involved with.

Mr. Doug Downey: Very interesting. Thank you.

The Chair (Mr. Stephen Crawford): Twenty seconds. Any further questions? No? Okay.

Thank you very much for your presentation. We appreciate it.

Mr. Michael Ras: Thank you.

CHIEFS OF ONTARIO

The Chair (Mr. Stephen Crawford): We're now going to move to our next presenter, the Chiefs of Ontario. If you could just state your name for the record, and you can get right into your presentation, up to seven minutes.

Ms. Sydney Oakes: My name is Sydney Oakes. I'm the director of policy and provincial affairs for the Chiefs of Ontario.

Good morning, committee members. For your consideration and on behalf of the Chiefs of Ontario, I am pleased to be here today to discuss budget 2019 and provide context on the implications of pending decisions regarding spending policies and programs in First Nation communities on-reserve.

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I want to focus my remarks today on the critical lens that needs to be applied when analyzing investments made in First Nation communities.

We ask that the province of Ontario truly consider the gravity of downsizing effective and necessary programs and services in these communities—communities that are already chronically underfunded and have been for generations.

We recommend that, in budget 2019, you enhance critical investments needed at the regional and community level, and that the province create fiscal policies that consider the best interests of First Nation communities in terms of flexibility, duration and sustainability.

Previous provincial governments have long recognized and acknowledged the decades of accumulated shortfall in both investment and development efforts in First Nation

communities. First Nation citizens face significant shortfalls across all programs and services, and the impact of this underfunding is felt disproportionately amongst First Nation communities in comparison to the average Ontarian.

To put these fiscal funding shortfalls into context, and for the purposes of clarity, let's look at an example of investments in the area of infrastructure on-reserve.

What does a funding shortfall in infrastructure look like on-reserve in First Nation communities? It looks like multiple generations of families sharing one home, because the housing shortfall in Ontario reserves alone is estimated at \$3 billion.

Now imagine the ripple effects of this scenario in particular. Imagine an overcrowded house. There is no space for privacy or for the children to do their homework. This house has black mould and does not have clean, running water or plumbing. Imagine the immediate and long-term physical and mental health effects this house has on the family inhabiting it, not to mention the prolonged impacts on childhood development and education.

This house is also heated with a wood-burning stove, because if it doesn't have clean water, why would it have a safe and reliable furnace? Now imagine that this wood-burning stove causes a fire, and multiple generations of families die in this house. This may be difficult for all of us to imagine, but this is a serious and current reality lived by many First Nation citizens on-reserve in this province. First Nations are 10 times more likely to die in a house fire due to a lack of adequate housing and emergency services on-reserve, and the victims are often young children.

In March of 2016, three generations, including three children, died in a house fire in Pikangikum, the fly-in community 500 kilometres north of Thunder Bay. But these tragedies can happen here in southern Ontario as well. Later that year, a father and four children, all under eight years old, died when a fire tore through a two-storey home in Oneida of the Thames, southwest of London.

These are the fatal and dire ripple effects due to a lack of infrastructure investment on-reserve.

When First Nation leadership have raised the issues highlighting the lack of adequate funding within their communities to Ontario, the province has often told these leaders that these pools of funding are the responsibility of the federal government and not the province.

The heart of the issue behind provincial investment shortfalls on-reserve is the interpretation of section 91(24) of the Constitution Act, 1982. This section assigns the federal government responsibility over "Indians, and lands reserved for Indians." Provinces have used this interpretation as an avenue to shrug off investment responsibilities. However, when other funding and investment responsibilities are downloaded to the province from the federal government, how could these responsibilities not also apply to First Nation communities?

Despite this rationale, provinces have used this section of the Constitution Act as a division of jurisdictional responsibility, and have therefore refused to spend provincial dollars on critical First Nation needs.

Now, picture investment shortfall and jurisdictional ping-pong not just in infrastructure but across all sectors, in other critical areas that the average Ontarian takes for granted. Inadequate investment is currently impacting First Nation communities in housing, health, social services, education, economic development, environment, justice and law. The impacts of these shortfalls are wide-ranging, long-term, and prolonged. The impacts of these shortfalls are multi-generational. The impact of these shortfalls means that children cannot properly develop, grow and learn; that communities lack good nutrition and health; and that men and women cannot find jobs, and families cannot be self-sustainable.

Investing in Indigenous communities is a win for regional economies and Ontario's economy at large. Ontario has jurisdiction over key policy areas such as natural resource development, gaming, and retail distribution of cannabis, to name a few. These are areas that can be leveraged into economic development in First Nation communities, investments that bring stability, jobs and wealth. Igniting First Nation economies is beneficial for all of Ontario, and can transform the livelihoods of First Nation communities forever.

Ontario's Regional Chief has had a clear and consistent message about infusing our systems with the values of deep and abiding love and care for one another. When we hold this space in our hearts, we ensure that individuals, families and communities feel loved and cared for; they have hope, they feel safe and protected, and they live in peace, reassured of their intrinsic human worth. This isn't just about dollars and cents; this is a request to ease suffering, to lift communities and people up so they can enjoy the prosperity and good that is available for all in Ontario.

Today we are here to recommend that Ontario create a clear fiscal policy that demonstrates an outright respect for First Nations' right to self-govern and that is associated with flexible, durable, adequate and sustainable funding in all critical areas. First Nations know their communities best, and we must be able to spend this investment on their needs, on their terms. In this budget process, spending decisions must not arbitrarily be made on a community's behalf. The community and First Nations leadership must be consulted, and their inputs must have key consideration in these budgetary outcomes. Let us not tie our hands to terms and conditions that simply do not work within these funding investments. Communities cannot be addressed with a one-size-fits-all approach. What First Nations communities need is autonomy, flexibility, adequate investment and, above all, respect for the right to self-governance.

Invest, and you will see: You will see that First Nations governments have a history of working collaboratively with federal and provincial governments to achieve solutions in a strategic manner. You will see that First Nations administrations and regions create fiscal efficiencies to service First Nations on-reserve. Investing in the health, education, safety, social services, environment and economic development of First Nations benefits all of Ontario.

Supporting First Nations as key players will not only prevent intergenerational tragedy, but it will strengthen the success and well-being of the province of Ontario. Finally, you will be a part of the long-term contribution to growth. You will have helped build up First Nations communities where children and families are safe, protected, happy and surrounded by the love and care of their families. That is a legacy to be proud of. Thank you.

The Chair (Mr. Stephen Crawford): Thank you very much. We'll start with questions from the government side. Ms. Skelly.

Ms. Donna Skelly: Good morning. Thank you for your presentation.

We just returned from northern Ontario. We were in Timmins and Dryden and had an opportunity to speak to representatives from First Nations in some of the more remote communities. MPP Mamakwa, of course, represents much of that part of northern Ontario as well. We heard about the unique challenges—everything from the cost of food, the isolation, the absolute lack of resources and services available to members of First Nations.

You spoke about section 91(24) of the Constitution Act. What is your interpretation of the division of responsibilities between the federal government and the provincial government? This is something that is really interesting.

Ms. Sydney Oakes: That's a great question. I have been advised that if this question did come up that our lawyers write to the committee formally to describe them.

Ms. Donna Skelly: I would love to see that. I think it's very important. I'm confused as to what role the province can actually play—not that we should be shrugging off responsibility.

Maybe you could expand on what you personally believe we as a provincial government can do to improve the lives of our First Nations people.

Ms. Sydney Oakes: Absolutely—not from a legal standpoint; we will have that officially to you in writing.

Anything the province has responsibility for and delegated responsibility to, that applies to First Nations as well. So if there is a responsibility for health care, that responsibility is for providing adequate health care to First Nations within their community. That is the same standard as the rest of the province receives. It's across the board. It's anything from the education system to environmental responsibilities, economic development investments. First Nations deserve the same opportunity that other Ontarians have and the same quality of service, as well, and that's just not seen within First Nations communities right now.

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

Mr. Stan Cho: Thank you for your presentation.

Today is a bit of a sombre anniversary, of the shooting in La Loche. This underscores the importance of looking at mental health, as well, for our Indigenous peoples.

With the \$3.8-billion investment coming over the next years, where do you feel we should be investing? Where can that money be best used in our Indigenous communities?

Ms. Sydney Oakes: As I said in the presentation, the First Nations communities really do know their needs best.

We have 133 First Nations communities in the province. We also have the most fly-in and remote communities. We also house the most populated First Nations community across the province. So the needs are quite diverse.

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

Ms. Sydney Oakes: When we talk about having flexibility and autonomy in these funding arrangements, it really means allowing the community to decide where that money goes, because if the conditions don't meet the community's needs, the money actually goes back to the province and it's not spent.

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For instance, if a community has, say, six mental health workers but doesn't have somewhere to house them, versus a community that needs the infrastructure to house the staff, then they should be able to have the flexibility so that they know that the needs are being met within that community, based on what they already have and the services they can already provide.

Mr. Stan Cho: Thank you so much.

Ms. Donna Skelly: Can I—

The Chair (Mr. Stephen Crawford): Yes. There's just 30 seconds left. Ms. Skelly.

Ms. Donna Skelly: I keep forgetting to turn this on. Thank you, Mr. Chair.

Ms. Oakes, could you send us, or the committee, perhaps, that information from your lawyer?

You said you house the largest—what is the most densely populated community?

Ms. Sydney Oakes: The most densely populated First Nation community is Six Nations of the Grand River territory.

Ms. Donna Skelly: Oh, it is Six Nations. MPP Shaw and myself are from Hamilton. Of course, it's right next to us.

Ms. Sydney Oakes: I'm originally from Caledonia.

Ms. Donna Skelly: Oh, are you? Okay. Wow. It's nice to see you here.

The Chair (Mr. Stephen Crawford): Thank you very much. We're going to go now to the opposition side for questions. Mr. Mamakwa.

Mr. Sol Mamakwa: Sydney, thank you for the presentation, and thank you for outlining the narrative of what happens in the communities of First Nations.

I know what she speaks of. Ontario is a signatory to Treaty 9. My riding consists of Treaty 5, Treaty 3 and Treaty 9. I know some of the issues she speaks about, about sometimes how the systems of inhumanity exist within the system.

Certainly, if there was one priority to fix, for example, in my riding, in the remote north or the Far North, what do you think the number one priority would be?

Ms. Sydney Oakes: I would never want to speak on a chief's behalf as to what their priorities would be. But, really, it's the autonomy to a healthy, sustainable lifestyle that's enjoyed by the rest of Ontario.

Mr. Sol Mamakwa: Also, our people—what you describe—the story you provide has been said for decades and decades.

One of the things I requested, when we had our first meeting, was to have a hearing in the Far North. I know that across the floor, they're the ones who voted it down. I think, in order to move forward on this, if you are serious about making change in Ontario, we need to be able to have that.

If I could make one suggestion, though: The people in the north who are the voice of the voiceless are the children and the youth. They have no voice. If we focused on mental health services and developmental services for children and youth in the remote north, would you agree to that?

Ms. Sydney Oakes: Absolutely. We have to break the cycle of intergenerational trauma that is occurring. The mental health state of youth, especially in the Far North, is quite deplorable. It's based on these cyclical conditions that are occurring, and it's happening across the board in all of these fields.

We actually have a really good example that came about this week that was announced by the federal government. It's the co-developed education legislation. Essentially, this is ensuring that First Nation learners across the country have the same access to educational resources as their provincial counterparts, these students. This is essentially what we're asking for when we're looking at these budgetary conditions: that it's not proposal-based; that these communities know that the sustainable funding is coming, and it's involved within their core funding.

When we have proposal-based funding that does occur within the province, it's essentially just communities fighting for the same resources. So a community in the north might be left out if they miss the proposal timeline for something like mental health or education resources, and another community gets it because they got the memo from the province of Ontario.

It can't work like this anymore. The communities need to know what the resources are that they're getting, and that it's long enough that these programs can actually see the light of day and ensure that they meet their mandate and actually fulfill what the original investment was made for.

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

Ms. Sydney Oakes: Thank you.

UNITED WAY/CENTRAIDE OTTAWA AFFORDABILITY FUND TRUST

The Chair (Mr. Stephen Crawford): Okay. We'll have our next presenter. It's the United Way of Ottawa. Welcome to the finance committee.

Mr. Michael Allen: Good morning, Chair.

The Chair (Mr. Stephen Crawford): Good morning. If you could just state your name for the record, you can get right into your presentation—up to seven minutes.

Mr. Michael Allen: Thank you. Michael Allen is my name. I'm president and chief executive officer of the United Way of Ottawa. It's a pleasure to be here. I'm

sorry; I did actually find a presenter who was scheduled to be ahead of me just coming in, but she's out of breath because she walked all the way.

It's a pleasure to be before you today, committee members. My apologies, first of all. I do have en route my additional support materials but they haven't arrived, so with your permission, I'll submit them afterwards.

Let me as well indicate that, as you'll see from my package, I'm here in two related capacities. One is as president of the United Way of Ottawa, but a second role that I occupy that is overlapping in terms of my presentation today is as chair of the AffordAbility Fund Trust of Ontario. I will be making a submission in that regard as well.

I attend, of course, today, as all of your speakers will, mindful of the committee's request to offer innovative and cost-effective ideas that can cut red tape, improve the way government programs and services are delivered, and at the same time save taxpayers' money.

As president of the United Way and as chair of the AffordAbility Fund Trust, it is my firm position that the ambitions of fiscal responsibility and cost-effectiveness must not necessarily be at odds. In fact, it is my view that seeing them as separate goals often keeps us from achieving better outcomes, whether it be cost-effectiveness or providing effective supports for vulnerable people. I want to offer two examples—a record of over 20 years at the United Way has me firmly believing in this—for the committee today to speak to your objectives.

One of the areas in which United Way applies efforts and donors' investments is in lowering the barriers to employment for people who are marginalized. This includes but is not limited to people living with disabilities, new Canadians and vulnerable youth.

I think we understand better today that the deeper we allow economic inequity to become, the longer we allow it to persist, the greater threat it is to our province's bottom line, not just in terms of raw social assistance expenditures but lost opportunities to build the economy through consumer spending, contributions to the tax base and the ability of our businesses to compete in the global marketplace. I'll speak in a moment to the social justice costs, but it's clear to say that poverty is as great an economic threat as trade wars but far less obvious. While the initiatives may be community-based, building a path from poverty to possibilities is one of the core areas of focus for the nearly 30 United Ways that touch every community in Ontario. I know that I speak to a group of members of provincial Parliament that I'm sure have at least some passing, if not intimate, knowledge about the work of the United Way.

In Ottawa, only 45% of people with disabilities participate in the labour market. That is compared to 76% in the general population. Our numbers are pretty much mirrored throughout the province. Not surprisingly, 1 in 6 people with disabilities live their lives in poverty. These numbers are stark in and of themselves but they say nothing about the social justice implications that come along with them. Social isolation, the loss of personal

dignity and purpose, and the limits poverty places on an individual's right to make choices and build futures must also be considered as part of the equation.

In response, Ottawa's United Way has worked with partners to build EARN, which stands for the Employment Accessibility Resource Network. This is a partnership between service delivery partners who support job seekers with disabilities, local employers who are looking to hire and create a more diverse workforce, and people with lived experience. Our common focus is to increase the number of people with disabilities who find and sustain fair-wage employment. Over the past eight years—since 2012—over 3,600 job seekers with disabilities have found permanent, meaningful employment. We think that has a lot to do with the energy we can collectively and deliberately apply in engaging and supporting hundreds of local employers. In my materials, you'll see a graph that portrays, with very modest philanthropic investment and public sector investment, a steady increase in those numbers.

We know that recently Minister MacLeod met with United Ways to discuss her ministry's intentions for social assistance reform. In our discussion, she indicated that the end goal was to help more people find pathways out of poverty through the reformation of the social assistance system. She was acknowledging that the system, which was built over time and with the best of intentions—which I supported—has evolved to play a role in keeping people stuck and leaving essential labour market talent untapped. This is at a time when Ontario's labour market demands are only growing.

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The minister believes that better solutions can be found when all sectors of our society—government, business and community—are engaged. Our extensive experience in convening all sectors around these social challenges confirms this is possible, but with one important caveat.

Collaboration does not often happen on its own, particularly across sectors. Without deliberate focus on—and alignment to—clear, common outcomes, such collaborations often stall. Coordinating the efforts of three sectors requires leadership, structure and a commitment to shared evaluation and research. These are the foundational requirements that must be considered and included in the government's change agenda.

For United Way's part, we look forward to sharing our knowledge and networks, working with the minister and her colleagues across ministries to attain a greater level of economic equity for our province.

In that spirit, let me switch my hat to the chair role I play with the AffordAbility Fund Trust.

As you'll see in the materials that I leave, the trust was established by the provincial government in 2017. It is administered by a group of volunteers, all of whom are directors of the board of trustees. However, it was purposefully structured to bring the electricity, energy and community sectors together to ensure more Ontarians were able to manage their electricity and energy bills. It is another example of how—

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

Mr. Michael Allen: I'm sorry?

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

Mr. Michael Allen: Thank you, sir.

It is another example of how government, business and community can work collectively to achieve better social and economic outcomes.

When we first began to implement our program, we discovered that in the energy sector, as the mandate is called for to help improve energy effectiveness, there were many competing programs: LEAP, HAP, OESP. We will be making a submission to the Minister of Energy to consolidate these programs, not necessarily under the banner of the AffordAbility Fund Trust, but absolutely to save money, to deliver more effective supports to people who need it, to help them navigate the system and to reduce the pressure on rates.

I wanted to share with the committee that these are but two examples of the kind of partnership that can achieve both the economic agenda for the government, in the context of your budget, and also the social justice imperatives of organizations like United Way.

Thank you, Mr. Chair.

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

Ms. Sandy Shaw: Thank you for your presentation. I just wanted to, in some way, recap what you're saying with a different emphasis on it.

In terms of ODSP and OW for the most marginal, vulnerable, poorest people in our community, Mike Harris slashed those rates. The Liberals were in power for 15 years and did very little to change them, and an increase that was promised was cut in half by this current government. So in some regards, I don't see that this is a direction we should be going in.

Honestly, the minister stood in the House and said, "The best social program is a job." I would like to paraphrase Martin Luther King Jr., who said it's a cruel jest to tell a person with no boots to pull themselves up by their bootstraps. That is my opinion of the state that we're in right now.

Whether we are moving to reform the system for the benefit of all these people—that's fair and well enough. But currently—we are talking about presently—we have people who can't afford to heat their homes or who are living under bridges in Ontario.

While we are looking for reform, we can take the leap of faith to believe that in fact it will be more beneficial for our low-income families, for children who are living in poverty. What can we do in the immediate to alleviate suffering for people right now, and not as we study and look to reform this program?

Mr. Michael Allen: Thank you, Madam Shaw. First of all, regards are extended to you from a co-member of the AffordAbility Fund Trust, Denise Arkell, who I know is from your—

Ms. Sandy Shaw: Oh, yes. I also used to work at the United Way.

Mr. Michael Allen: I noticed that.

Ms. Sandy Shaw: You looked me up, did you?

Mr. Michael Allen: I did. I note as well that you bring some expertise to the table which we would love to tap into, around social finance.

Ms. Sandy Shaw: Right.

Mr. Michael Allen: In terms of the immediate term, these are two things that we can immediately address. I agree with you that there are those in our society who absolutely need to be caught by the social safety net. I understand the apprehensions and concerns about the changes to that, but we believe and we have demonstrated through our work with new Canadians, with immigrants and with people with disabilities that they also want the ability to contribute, and they can do so. Too many of them are impaired by burdens that, again, were not designed to do that, but that is where we can make some progress. We work with many people who are set back the moment they get ahead. So we believe there is room to improve that performance.

In the context of energy affordability, again, in my package you'll see there are a number of personas that both our urban and rural—and in this region, I can tell you there are many, many widowed, rural elderly who are struggling with the affordability of energy. They can't afford it. They choose between eating and heating.

Ms. Sandy Shaw: We hear it all the time.

Mr. Michael Allen: So we need to be able to consolidate our work, make it more effective, and we think we can do that today.

Ms. Sandy Shaw: My colleague Mr. Harden has a question.

Mr. Joel Harden: Thank you for your presentation.

One of the things I'd like to pursue as the critic for people with disabilities in this sitting of the Legislature is changes that would empower people with disabilities—by asking the province to entertain changes to the building code of our province to make new builds on the universal design, and to have them be accessible.

You spoke eloquently about the need for people with disabilities to have access to employment. I salute the work you've done with Causeway and other organizations in our community that are doing that work. I'm wondering if you have any opinion about whether the United Way would support the notion of ensuring, as we try to meet our AODA commitments by 2025, that all new builds in the province of Ontario be built to a universal design standard so they are accessible for people with disabilities.

The Chair (Mr. Stephen Crawford): I apologize. I have to cut you off. We're at the time expiration.

Mr. Joel Harden: Oh, did I take up all the time?

The Chair (Mr. Stephen Crawford): You did, yes.

Mr. Joel Harden: Verbose politicians—

Interjections.

The Chair (Mr. Stephen Crawford): We try to keep our questions as short as possible.

We're going to move to the government side. Ms. Ghamari.

Ms. Goldie Ghamari: Thank you so much for that presentation.

There is something you said that actually segues into my own question for you. You mentioned widowed, rural elderly. As the MPP for Carleton, I have a very unique riding. It encompasses a lot of rural areas and rural communities. I think Ottawa in and of itself is unique in that sense because even though it is considered an urban municipality, there is a very strong rural component. One thing I've noticed in the past three years is that there's a lack of access to services. A lot of people are kind of falling by the wayside in rural areas. You guys do fantastic work. Is there any strategy or action plan to bring more support to rural Ottawa, and if so, what could our government potentially do to help and to support that?

Mr. Michael Allen: Thank you very much for your question.

If I may, Mr. Harden, I would welcome an opportunity to take off-line our conversation about the broader work of supporting those with disabilities, including in terms of accommodations. I'm sorry that we ran out of time.

Member, I also agree with you completely that Ottawa is a very interesting community.

Although I indicated before that I was here in my capacity as president of the United Way of Ottawa, that's actually not true. I'm actually the president of the United Ways of Prescott-Russell, Ottawa, Lanark and Renfrew counties, because we have amalgamated. Someone from the United Way movement will understand what that means.

Absolutely, we are on the verge, and I'd be delighted to engage you on this, share with you our work around vulnerable seniors, because we have done some work here in Ottawa about what vulnerability means, and the need for organizations, institutions, governments to work together to address the full array of vulnerability, because they are vulnerable in—it's just one person, and they are vulnerable. On days like today, when the weather is such a challenge, social isolation is an enormous challenge.

The difference between what urban vulnerability looks like for seniors and what rural vulnerability looks like is a profound difference. That is one thing I have learned in our amalgamation.

The biggest challenge is transportation, because access to services is a huge issue. We believe that we have a path forward to work together with government, with service providers, with municipalities, both rural and urban, to work on issues of that nature. We will absolutely share our report with you and encourage you to help us work together with government.

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Ms. Goldie Ghamari: I would love to.

Mr. Michael Allen: Thank you very much.

The Chair (Mr. Stephen Crawford): Mr. Roberts?

Mr. Michael Allen: Hi, Jeremy.

Mr. Jeremy Roberts: Michael, it's great to see you here. Thanks so much for a very interesting presentation.

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

Mr. Jeremy Roberts: We're running out of time. This past week, our government announced that we're making some changes to allow charities to run electronic raffles.

I've spoken to a couple of groups across Ottawa. The Sens Foundation is quite excited about this.

Are there any other similar types of things that you've heard about in the charitable sector in Ottawa that we might be able to do, to help you guys in your quest to raise money to deliver your services?

Mr. Michael Allen: Thank you, Jeremy. Again, I'd welcome the opportunity for particularly our local members to discuss that—and thank you. I know that the Senators, for them, that's a big thing.

It's not our form of fundraising, but I will underscore that revenue development has continued to be a challenge right across the board, with the number of charities and needs out there.

That said, I think that the most important thing I can underscore is that in the context of the objectives the government has identified, ensure that you double down on the efforts to work collaboratively across sectors. We have been in that space. We recognize and see the value and potential in it. I would encourage this committee, in the context of moving forward around the government's objectives, to ensure that they work collaboratively. That includes with health, and that includes with the community sector, which is not as strongly organized.

That, I can tell you, will be the recipe that Minister MacLeod has spoken to, that we will hold her feet to the fire on. I know she means it, but it's not easy work. We are committed to it, and I welcome the opportunity to do so.

The Chair (Mr. Stephen Crawford): Thank you, Mr. Allen. We appreciate your presentation. Thank you very much for coming today.

Mr. Michael Allen: Thank you, sir.

FAMILY SERVICES OTTAWA

The Chair (Mr. Stephen Crawford): We're going to go to our next presenter, the 10:15. We have Family Services Ottawa. Good morning, and welcome to the committee. If you could just state your name for the record, you can get right into your presentation.

Ms. Deirdre Speers: Super. My name is Deirdre Speers. I'm the executive director with Family Services Ottawa and a member of the Family Services Ontario network of agencies. Thank you for seeing us today.

I wanted to start with Family Services Ottawa and what we do here and how we might be able to help with some of the government reform.

We're a 105-year-old charity and a not-for-profit that has been working in the Ottawa community to help address mental health issues and build strong families and strong skills, so families can address the needs within their family, to stay out of medical interventions and in the community dealing with their services.

In the last years, we have served over 12,000 people annually, and we provide about 70,000 service hours. Our staff are all accredited, and they are certified psychotherapists who work directly with those who need help. We work with those who have mild to moderate mental health

issues. Right now, we're seeing a lot of need for chronic as well, as we go through.

We're also very entrepreneurial. We run a social enterprise, running an EAP service for businesses to provide counselling—which is in our wheelhouse—to employees when they are in crisis or needing support. We're trying to also come up with a funding model that really makes sense, that is entrepreneurial as well as funded by government, as well as raising our own funds.

Within the sector where we are funded by government, we have multiple sources of funding that come in across the province. We have 48 agencies that work in this network that I'm part of, and 130 storefronts across the province. We're very well positioned to provide mental health and family parenting services across the province.

As we look at reform within the mental health and health sectors, we want to be a partner at the table, working with government to look at how a community-based agency network can be of support as we look at that whole health sector reform.

We have lots of areas of specialty. We work with families. If their child has anxiety, how do we coach and help the parents deal with anxiety, as well as the child? We work with LGBTQ+ youth and families around transitions and how to go through those transitions. We have multiple ways that we can work within the health sector.

We're accessible, we're timely and we're affordable. When you look at accessibility with the wide storefronts across the province, we also run daily, evening and weekend services. We have quick-response services as well as walk-in services, to make sure that people get the help they need when they need it.

Certainly, from a credibility perspective, as a group, a network of agencies, we have been working for a long time, but we have worked hard to make sure that we are accredited by a third-party body. We make sure that all of our psychotherapists are certified with a governing body to make sure that we can do the best job possible to serve those people in Ontario who need help.

We've also been doing it for a long time. We've been in the business here in Ottawa for over 100 years, but even across the province we've been working as a network for over 50 years. We're well positioned to help the government look at reform and how to reduce costs and still deliver really high-quality mental health and health services.

A proven partner: We have some great allies. We work with the mental health system from the hospitals and we work with the mental health system from the Canadian Mental Health Association. We all work as a network of providers to make sure we're coordinated and collaborative in how we approach our services. We think we can help reduce the layers of bureaucracy as we look at how funding flows into the mental health sector.

What we're asking is that the Ministry of Health and Long-Term Care work with us to fund the expansion of the Family Service Ontario agencies to provide more mental health and psychotherapy storefront programs across the province, and that we also look at how we fund a gender-

based violence strategy to really help reduce violence within our families and to treat those who are witness to violence or who have suffered the abuse, whether they be male or female, as we do that. Certainly we believe we're well-positioned to help you with some of this reform. We're already a partner in how we are funded through the government, and certainly with the provincial outreach and network of agencies, we think we can help.

Thank you for your time. I'm open to questions.

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

Mr. Doug Downey: Yes, thank you for your presentation. My mum was a founding director of the York Region Abuse Program, dealing with gender-based violence and that sort of thing. That's my area of questioning. To do that expansion, what does that look like? Are these walk-in services? Are these shelter services? What would that strategy be, if you have a sense of it?

Ms. Deirdre Speers: Certainly the strategy would be different in the different communities. Because we work within a network of services around the violence-against-women or gender-based violence programs, we would work within that and see the gaps and what things we need to address. Right now, we do have walk-in, we have referrals, we have court assist—we help people who need to go to courts and look at how we can help them navigate that system. Each community is slightly different with the strength of their current services and where the gaps would be. We would help identify those gaps and look at what the right approaches are for each community.

Mr. Doug Downey: So this ask is for your particular agency, or it's a global ask that—

Ms. Deirdre Speers: It's an ask for the network, from an Ontario outreach. It's always better to have a provincial strategy to look at where we are going. Certainly we want to be part of that as the local agency as well.

Mr. Doug Downey: Locally, are you involved in any discussions or interventions in relation to human trafficking? Does that fall as part of your work?

Ms. Deirdre Speers: It does not fall as part of our work, no.

Mr. Doug Downey: I'll turn, then, to the other ask: the expansion of services. It's on one page so of course it's simplistic.

Ms. Deirdre Speers: There was a more detailed brief that was handed in in advance to the pre-budget hearings. There is a more detailed brief.

Mr. Doug Downey: Okay, so I'll look for that, because really what it says is “more money for more programs,” and if you could talk about that a little bit.

Ms. Deirdre Speers: Absolutely. Right now, even within the funding that we have, most of our programs will develop a wait-list. There are not enough community-based programs. What we're currently working on is looking at how to relieve the stress within the emergency departments of people walking into emergency departments with mild to moderate anxiety or depression. How do we take that pressure off the hospital system? Currently, there is a pilot project looking at that, and it's working,

and the results are great. We would love to move that pilot into a formal program and continue to reduce that stress on the system.

Mr. Doug Downey: I'll turn it over to my colleague.

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

Ms. Goldie Ghamari: Thank you. Just a quick question: When comparing the regulatory framework that you operate within, let's say, compared to other jurisdictions, is there anything that you find burdensome maybe, or there's too much administration involved or cost-prohibitive that's taking those resources away from front-line services and having them be spent on other things just because of regulation or something that isn't really necessary or is outdated?

Ms. Deirdre Speers: It's a very good question. We have multiple funding agreements, for example, here in Ottawa, and that would be the same across the province. A way to streamline those multiple agreements—because then you're writing several, responding to several, and documenting. There's definitely a way, even within the current system, to probably streamline that application, response and data collection process.

I think also looking at it from: Do we need an intermediate agency, or can we fund directly with government and look at a provincial response to that? I think there are definitely ways to streamline and look at how we might work differently. As we start to look at that reform in the mental health system and in the health system, we need to look at how many agencies at what levels we have.

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Ms. Goldie Ghamari: Just to clarify, when you talk about an intermediate agency, are you referring to the LHINs?

Ms. Deirdre Speers: Yes, we're funded by the LHIN right now. We're also funded by the Ministry of the Attorney General to provide services. So we have multiple agencies, as well as multiple layers within the same funding agency.

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

Ms. Sandy Shaw: I wanted to focus my questions on the area of gender analysis or gender-based violence. As you know and we should all know, women experience poverty differently than men. Their experience of violence is also very different than men. We have a province that continues to struggle to provide very basic services for both men and women, but I'm really interested to hear about your commitment to a gender-based violence strategy, particularly in the wake of the fact that this provincial government has just scrapped the Ontario expert panel on gender-based violence, the panel to end violence against women. To me, it is very troubling that they're not prepared to have an expert panel to address this issue. What are your thoughts on that?

Ms. Deirdre Speers: Yes, we were very sad to hear about the panel not being in place any longer.

I think there continues to be lots of evidence to support the need for a gender-based strategy and focus on the issues that women are facing. I strongly believe that men

are part of the solution and that we can't solve gender-based violence or violence against women without men being at the table. We look at, how do we also provide counselling and services for men, both those who are experiencing violence and those who are the perpetrators of violence—and looking at the causes.

The gender-based violence issues, I believe, are something the government should be supporting, and there should be a strategy to look at how we reduce that. There are multiple needs there. Women stay in violent situations because they can't afford to leave them. If we can't figure out how to help women leave those situations to start healing, then it's very difficult. Many times when we're counselling women, they're still within the relationship that is causing the issues for them, and we're trying to work them through the how-to-leave as well as how to solve things. That's usually an affordability issue around, how do you provide services and help somebody get out of that situation that can be very life-threatening at times? So it's important to have the strategy—a collaborative one—and look at the multiple needs of women who are going through that. It's probably one of our most intensive levels of therapy that we have to do. It takes a lot of time to help somebody through that strategy, because it's everything from helping find housing; it's helping them go through court; it's helping to look at what has happened to the children within the situation and providing counselling to the children as well. So it's complex.

Ms. Sandy Shaw: Thank you for providing that answer. It shows such a thorough and deep understanding of such a complex issue.

I think my colleagues, I have to say, think that red tape is the problem in every situation. In fact, we're seeing agencies come to us and say, "We are providing services on shoestring budgets with increasing need." The sexual assault centre, for example, in Hamilton had a 100% increase in calls to the crisis line and a seven-month waiting list—and there was a 33% funding increase promised that is now frozen.

I know that red tape seems to be a big issue, but really, is this not about adequately funding these important services?

Ms. Deirdre Speers: There are both issues. The adequate funding—definitely. We haven't seen an increase in some of our budgets for a few years. Staff salaries need to go up and be kept up to cost of living. Then we're left, as a community agency, still picking up the cost of those services that are government-funded. We're always advocating with our funders around keeping up with at least cost of living. That still leaves a wait-list for many services. If we can keep up with what we've got, that's one thing; but it's also, how do we address the wait-list across our communities of people who are trying to access the services—

Ms. Sandy Shaw: And pay your employees properly.

Ms. Deirdre Speers: And pay our employees properly, to keep cost of living and keep people in an employed situation. It runs to turnover and staff not staying—

Ms. Sandy Shaw: And burnout.

Ms. Deirdre Speers: And burnout; absolutely.

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

MR. TREVOR HACHÉ

The Chair (Mr. Stephen Crawford): I'd like to call up our next witness, the Healthy Transportation Coalition. Good morning, and welcome to the committee. If you could just state your name for the record and you can proceed right into your presentation.

Mr. Trevor Haché: Good morning. My name is Trevor Haché.

I think it's important to say that we're on unceded traditional territory of the Algonquins. This is land that has never been surrendered.

A primary goal of any provincial budget should be to address the historical injustices perpetrated by the state and the provinces on Indigenous people, who have lived here since time immemorial. The fact that many of the injustices persist brings shame to us all.

I'm a co-founder and individual member of the Healthy Transportation Coalition. I've been volunteering on the board since it was founded in 2014. My presentation to you today is mine and mine alone.

The coalition has 200 individual members and 31 organizational members. We're basically trying to make the city a better place for people who walk or bike or ride the bus, and also for those who might use a wheelchair or a walker to get around.

A large focus of our work is transportation equity, to ensure that those people who have been historically disadvantaged—for example, people living on modest incomes, people with disabilities, people who are new immigrants, for whom English is a second language—have a transportation system that works for them.

If you walk around the sidewalks today in Ottawa, if you have a chance to get outside from this room, you'll find that walking around on the sidewalks is very difficult, even if you're able-bodied. If you're using a wheelchair or a walker, it's next to impossible. During the winter months, many people are forced to stay inside their homes because of the snow and ice, which aren't getting cleared from the sidewalk properly. Global warming is making the situation worse, with the increase in the freeze-thaw cycles. One of our board members, who uses a wheelchair to get around, is often forced to ride on the road with traffic because the sidewalk is impassable.

Mobility justice is a big concern of ours. University of Toronto researchers recently released a study that found that one million Canadians living in urban settings are experiencing transportation poverty. What this means is that their quality of life is greatly negatively impacted, as well as their well-being. They're unable to access jobs, goods and services, and they're unable to engage in the political process, such as in events like today's. It's hard to keep a job or go to school when these realities are things that they're facing. This all feeds back into the socio-economic status that they find themselves in.

In Ottawa, the coalition of which I am a member played a leadership role in getting the city to bring in the EquiPass, which is a low-income bus pass for people who qualify based on their low income. It offers a 50% discount off the regular price of the bus pass. This means \$1.75 per trip, or \$58.25 a month, if you qualify. In 2015 and 2016, when we first started urging city councillors and the mayor here to bring in the low-income bus pass, what we were told by city council was that the city just didn't have the money, and that what they would require was help and support from the provincial government in order to make this possible. Eventually, we were able to convince the city to find the money, which is great, but unfortunately, the bus passes are still very expensive for people living on a very low income.

Today, I'd like to appeal for provincial funding to make transit more affordable for people who most rely on transit, those people who are living on a very modest income. We urge the current government, in budget 2019, to provide public transit operating funds to the city, specifically so that OC Transpo fares can be reduced for people living in poverty.

The current price of the regular OC Transpo bus fare is \$3.50 per ride, and the regular monthly bus pass is \$116.50. The city's long-range financial plan, which extends to the year 2048, will see it raise transit fares 2.5% every year, meaning a return trip on OC Transpo by 2048 will cost the rider more than \$14.

There was a time when the province provided tens of millions of dollars to municipalities to help cover the operating costs of municipal public transit systems. When Mike Harris was the Premier, he cancelled that commitment, and the following Liberal government maintained that cancellation. The current government should prioritize funding of public transit, because it helps reduce traffic congestion, which is plaguing our cities. It also helps reduce air pollution, and that in turn helps reduce health care costs.

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Reducing the time Ontarians spend in gridlock will help improve the economy, so we should be doing all that we can to encourage people to ride public transit, including making it more affordable. Constantly rising transit fares is not the direction we should be heading in.

We're concerned that Ontario's commitment to cutting the gas tax will mean less money to municipalities for public transit, so we urge this government to keep its commitment to double the dollar amount that municipalities are going to receive to help fund transit, which was a commitment the previous government made that this government has said it will maintain. We hope that, in this budget, there will be more money for municipalities to fund public transit.

In addition, there are tens of thousands of Ontarians who can't afford the bus fare or to pay for an Uber ride to get to medical appointments, to school or to their jobs, so it's important that Ontario also invest in safe cycling and pedestrian infrastructure. We know that people who are able to walk and bike safely in their neighbourhoods and

around their cities have much better health outcomes, both physical and mental. The more people walk and bike, the less air pollution is spewed into the atmosphere and the less congestion on our roads. All of these good things make our economy stronger and more competitive.

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Mr. Trevor Haché: The increasing unaffordability of cities is cause for concern. We can't all vote ourselves a taxpayer-funded 20% housing allowance increase, so funding for affordable housing, especially near rapid transit, should be a government priority as well.

As the father of two children, aged six and three, I can't stress enough how absolutely disgusted I am by this government's approach to not dealing with climate change. I urge you to do better and to engage in an intellectually honest political debate on this issue. More importantly, I urge you to take urgent action to reduce greenhouse gas pollution. The IPCC, the Intergovernmental Panel on Climate Change, says we only have 12 years left to take meaningful action or we're headed toward catastrophic climate change.

Last week, a list of 45 senior economists from across the US political spectrum published a statement in the Wall Street Journal endorsing a carbon tax, with all revenue given back to citizens. This list includes former White House economic advisers—

The Vice-Chair (Mr. Jeremy Roberts): Thank you, Mr. Haché. We'll have to move on to questions now. We're going to start with four minutes from the opposition. Mr. Harden.

Mr. Joel Harden: Trevor, thank you so much for coming, and thank you for the work you do in our community. For our friends who are visiting from out of town, I was just wondering if you could talk a little bit about LRT 1 and what this means: the cost of it for low-income people and the impact on the bus schedules.

I'll just set this up for you with an anecdote. We still maintain weekly canvasses, and we were recently at an Ottawa Community Housing building, 616 Kirkwood. Residents in that building told me that because of cutbacks to bus routes as a result of the LRT coming in, they no longer have a Sunday bus to get to church. These are folks that can't afford an Uber. Worse still, the bus shelter that used to exist outside their building has been torn down as part of the retraction of bus services. You can imagine, in the last few days, standing out in the cold, even if there was a bus.

I'm wondering if you could talk about how we need to make sure, particularly for vulnerable populations, that transit is affordable and accessible, and that, as we move forward in exciting transit directions, we don't short-change the bus system we have.

Mr. Trevor Haché: Yes. We're really happy the province, and in fact all levels of government, are investing in the light rail transit system. We have real concerns about the affordability of the transit system in Ottawa. It's costing a lot of money to build LRT: \$5 billion for phases 1 and 2. It's great that Ontario and the feds are pitching in towards those costs, but the city is planning to increase

transit fares every year by 2.5% as a result of those costs, in order to contribute the city's amount. That's increasingly unaffordable for many, many people. Even people working minimum wage jobs or, frankly, two minimum wage jobs are finding it hard. The city is becoming less and less affordable.

Around the rapid transit stations, we're seeing a lot of high-priced condos going up. The people who most rely on transit are least likely to be able to afford to live close to it, which is a really awful situation. People who can afford to buy these expensive condos can also afford to buy expensive SUVs, and they want to drive those vehicles, so they're less likely to want to ride the rapid transit system that all levels of government are investing in.

These are real issues. The previous speaker talked about violence against women and how, if you're in an abusive relationship, you're a lot less likely to leave if you can't afford a place to go to that is safe, away from your abuser. This is an urgent crisis. Ottawa is in an affordable housing and homelessness crisis right now, so we need to ensure that there is affordable housing investment and that it's prioritized near the rapid transit stations that governments are investing so much money in.

The Vice-Chair (Mr. Jeremy Roberts): Ms. Shaw?

Ms. Sandy Shaw: Yes, thank you, Chair.

You're disappointed or disgusted with the province's approach to climate change; I share that sentiment. Can you talk very quickly, in the time that we have left, about your feeling that this government fired the Environmental Commissioner, Dianne Saxe, and that they scrapped what was the climate change plan, replacing it with what they put in there?

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Ms. Sandy Shaw: I'd just like to hear your feelings about the approach to what is a climate catastrophe that we're approaching.

Mr. Trevor Haché: I think there may be a time in our lives when people who are taking these very irresponsible actions may be held criminally accountable. I would love to see that day. We know that we are heading toward the edge of a cliff with regard to climate change, and governments at every level aren't taking effective action. So we would hope—as a father of two young kids, I would hope, personally—that governments would stand up for the public interest and invest in the solutions that we know exist and have existed for decades.

One way that the government could raise more revenue would be to put a \$1 surcharge that the province could institute on Uber and Lyft, these ride-hailing companies, and they could invest that money in public transit or in making transit more affordable for those who most rely on it. I know that in New York City, they charge \$2.75 per trip that Uber and Lyft make.

Ms. Sandy Shaw: Thank you.

The Vice-Chair (Mr. Jeremy Roberts): Thank you, Mr. Haché.

We'll have to move on to our next group. Four minutes for the government: We'll start with Mr. Downey.

Mr. Doug Downey: Thank you, Mr. Haché. I wanted to clarify: So you're not here on behalf of the Healthy Transportation Coalition.

Mr. Trevor Haché: I'm an individual member of the coalition, and I'm speaking as an individual member.

Mr. Doug Downey: Of the coalition?

Mr. Trevor Haché: That's what I said, yes.

Mr. Doug Downey: Okay. So you are speaking on behalf of the coalition—

Mr. Trevor Haché: I'm speaking as an individual member of the Healthy Transportation Coalition, yes.

Mr. Doug Downey: Okay. Do you belong to any other groups?

Mr. Trevor Haché: Do I belong to any other groups?

Mr. Doug Downey: A service club, anything like that?

Mr. Trevor Haché: No. I'm pretty busy with my job and being a father to two young kids.

Mr. Doug Downey: Okay. I was just trying to clarify your role here.

I heard you say that the province should be—one of your asks is that you want funding from the province for transportation.

Mr. Trevor Haché: Public transportation.

Mr. Doug Downey: Yes, public transportation. Are you aware of the gas tax transfers? Is that something that you track?

Mr. Trevor Haché: I was aware that the previous government and, to the best of my knowledge, the current government planned to increase the transfer that municipalities receive related to the gas tax. There was some concern amongst transit groups across the province that the new government's commitment to increasing the transfer to municipalities to fund public transit may be in jeopardy. I hope that budget 2019 will prove that it is not in jeopardy and that that commitment will be maintained.

Mr. Doug Downey: So your ask, then, isn't for new provincial funds. It's the continuation of the existing funds?

Mr. Trevor Haché: I think additional funding is totally justified and warranted. Many of you work in Toronto as part of your job at Queen's Park. You know the situation on the highways there. It's congested; it is an awful place to be a motorist. So we know that we need to invest in transit to get our economy moving.

Mr. Doug Downey: I think it wouldn't surprise you to know that the Premier has been referred to as the "transit Premier." We've expanded GO service significantly. Since the beginning of the gas tax program, about \$4 billion has gone into public transit: \$334 million a year, a third of a billion dollars a year. It affects 134 communities. It affects not just urban; it affects rural as well, anybody with a transportation system—99 systems in total. So you think that's a good thing, obviously.

Mr. Trevor Haché: I think that the government funding public transit is absolutely a good thing, and we need to see much, much more of it.

Mr. Doug Downey: Yes. Do you have opinions on urban planning? I heard you talk about links in your discussion about people not getting access. They need interim

buses, link buses and that kind of thing. Is that an urban planning problem, or is that a transportation problem?

Mr. Trevor Haché: I would say it's both. I think we know that cities are becoming increasingly unaffordable, so low-income folks who most rely on transit—

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

Mr. Trevor Haché: —are having to take really long bus rides, maybe on the GO buses that you mentioned, to get to their low-paid jobs cleaning high-rises and things like that. So we definitely need to see better urban planning. We need to see the end of urban sprawl, the densification of our cities, wonderful pedestrian and cycling environments, public transit that's funded—and world-class public transit that's rapid.

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Mr. Doug Downey: I just want to take my last 20 seconds to note: As they say, the weather outside is frightful—I won't sing it for you—but Mr. Harden rode his bicycle here today. I had to note that for the record.

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

D-TA SYSTEMS

The Chair (Mr. Stephen Crawford): We'll call up our next presenter: D-TA Systems. Good morning. Welcome to the committee.

Mr. Angsuman Rudra: Good morning.

The Chair (Mr. Stephen Crawford): Please state your name for the record, and you can get right into your presentation of up to seven minutes.

Mr. Angsuman Rudra: Good morning. My name is Angsuman Rudra. I am here representing D-TA Systems.

First of all, I would like to state that it is really my honour to be invited to appear in this pre-budget consultation process. This is my first time in any kind of legislative committee, so if I do something that is not the norm, please excuse me.

I'll give you a little introduction of who we are. D-TA Systems is a Canadian high-tech SME employing 30-plus people here in Ottawa. We are an export-focused company with significant export sales to the US, NATO and other allies. Ours is a highly technical workforce, with the vast majority of our engineering employees having post-graduate degrees—master's and PhDs. Our owner and founder has been a lifelong entrepreneur, with a PhD from Carleton, and continues to invest a significant amount of his own resources in the company, including his time.

We are fortunate to live in Ontario, a great province in a fantastic G8 country with modern infrastructure—it took me two and a half hours to come from the west end, but I came—good health care, good education, rule of law, and world-class cities like Toronto and the GTA, Ottawa, Windsor, Hamilton, London, Waterloo and so on and so forth. If I have missed anybody and any of the members, please excuse me.

However, we are not living up to our economic potential. The outside business world perceives us as a country of high taxes and low productivity. It is up to us

to change the perception, and the government's role is to facilitate that change by removing the barriers that are facing businesses.

Businesses will tell you that we have a very small domestic market, poor availability of capital and credit, and labour is expensive. That is three strikes against us and against businesses even before you have started your own business. Not only that just 40 miles south of here—20 miles if you're in Toronto—there is a jurisdiction that doesn't have these problems. Is it any surprise that foreign investment is moving away from Canada? We do need to change it, and the question is, how do we do that?

First of all, the government has to reduce waste, cut unnecessary expenses and learn to live within its means so that we can have a balanced budget and competitive tax structure. Growth and economic activity will follow.

The sub-sovereign debt load, interest payments have led to Ontario's rating cut. The last decade has seen very low interest rates, and rising rates provide more challenges for new borrowings.

As an example of how these business cuts help businesses, the recent US tax changes allowing for 100% depreciation or expensing of certain business assets have had a real trickle-down effect. Businesses are spending more. We are actually getting some orders that are tied to those tax cuts. The companies are spending money based on the fact that they can expense out the capital assets they are buying. That is good for the R&D, that is good for the economy and perhaps is something that can be considered for this budget here also.

Another tax measure to spur growth is the deferral of capital gains if the proceeds are reinvested within a short time window in another capital asset or reinvested in the business. This allows businesses and individuals to make efficient capital allocation without any tax reduction in the interim range. And of course, the government will get its fair share, finally.

Second, we have to create a modern, knowledge-based economy and not subsidize non-sustainable traditional manufacturing industries based on our high labour costs. While this may sound abrupt, please allow me to offer some explanation. We are not competitive in traditional run-of-the-mill manufacturing industries. But that is not to say that manufacturing has no future in Ontario or, for that matter, in Canada. Where we can excel is what we call high-value, niche manufacturing, which requires skill and advanced training. Inherently higher-paying jobs are consequences of that. In our business, we work with some of these specialized manufacturing companies, both in electronics and mechanical disciplines. Our electronic manufacturing partners are all Canadian SMEs. To develop this very important growth sector, the government should play a very proactive role in supporting education, in particular STEM education, and research and development. The idea is to develop a skills and knowledge base in a wide variety of industrial sectors, including medicine, communications, autonomous vehicles—Canada in winter is a great test site for autonomous vehicles—smart manufacturing, and defence and aerospace.

Supporting STEM education should not just be at the post-secondary level. Elementary and secondary school students should be educated on the job potential in STEM fields so that they are seriously motivated to undertake STEM education at the post-secondary level. Businesses will come to Ontario for the skills that are increasingly hard to find. At D-TA we have worked with Carleton University and have supported graduate students to pursue their thesis research at our facility and to use our equipment in their research. This allows students to get exposed to real-life problems and to increase their breadth. Some of the students have taken up full-time positions with us after their graduation, and others have gone on to work with other local high-tech companies.

Let Ontario become the next generation's R&D capital of the world. To make this happen, we also have to attract the best and the brightest from around the world. Attracting bright foreign students—particularly in STEM fields—to Ontario universities should be a major focus of the government. The current political climate in the US and the UK should make this a little easier. Ontario can become the R&D capital of the world.

Thirdly, we must take full advantage of our low dollar to promote tourism and conventions, including scientific and technical conferences. I'm sure that other people can offer more suggestions on this, but having STEM conferences also allows our students to gain exposure in world-class fields.

The government has a strong mandate to support local businesses first for all government procurements. This is an extremely effective way to develop the local economy and to create a supplier base. For example, in the defence sector, we are finding that the Canadian government is embarking on major programs like CSC; however, a lot of the money is going back to the US. The government should aggressively promote a buy-Canadian or buy-Ontario program. We do not want a repeat of Via Rail, who placed an order on Siemens and not on Bombardier. I doubt if Germany would do the same thing.

The Chair (Mr. Stephen Crawford): Okay, thank you, Mr. Rudra. We do need to go to questions now. We've exceeded our seven minutes. We're going to start with the government side. Ms. Skelly.

Ms. Donna Skelly: Thank you, Mr. Rudra, for your presentation. I'm interested to hear from people who have skin in the game in terms of business in the province of Ontario. As you know, our government—as the parliamentary assistant in economic development, job creation and trade—has been working very hard to create a business-friendly environment. We really and truly are working towards making Ontario open for business. We have been reducing the regulatory burden through the Restoring Ontario's Competitiveness Act, implementing measures to eliminate red tape. I just wanted to ask you if you have been able to take advantage of any of the proposals that we've put forward so far in our six months in office.

Mr. Angsuman Rudra: As a small business, our time is usually focused on getting sales, but any kind of

regulatory reduction, especially for high-tech companies like us—I understand there is a place for regulation in certain industries. But certainly for a high-tech company like us, where especially workplace safety is probably, I would like to say, less of a concern—and you know what I mean; not in that sense, but the chances of accidents are a lot lower than in, let's say, the traditional manufacturing of things. Those are some of the areas where small businesses can benefit in terms of the filings and especially the WSIB types of things. Those are areas where we would certainly encourage the government to look into further reductions of red tape.

Ms. Donna Skelly: One of the consistent themes that we have been hearing as we travel across Ontario is the lack of skilled trades. Are you finding it difficult to fill your workforce—

Mr. Angsuman Rudra: Absolutely, and that is the reason—

Ms. Donna Skelly: That's the reason for STEM.
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Mr. Angsuman Rudra: That is the reason for STEM. One of the things we have done proactively is our relationship with Carleton, where we work with graduate students, give them some thesis topics that have relevance in the field. The other thing is that as a niche defence company, we are on further restrictions where we really cannot get foreign workers to come and work in our facilities. They have to have some sort of security clearance requirement, which means that they have to be a landed immigrant or a citizen with about five years' stay in Canada. That adds an additional burden.

Plus, the young generation does not consider it sexy enough to come and work in defence. It's easier for them to go find a job in an app-based economy. I'm not denigrating them; they suddenly have a place, and it's very difficult for small businesses like ours to compete with the Apples, the Googles, the Microsofts and the—

Ms. Donna Skelly: Amazon.

Mr. Angsuman Rudra: —and the Amazons.

Ms. Donna Skelly: Okay. I know MPP Cho is interested in speaking as well.

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

Mr. Stan Cho: Thank you, sir, for your presentation. I have one minute, so very quickly: Last week in Toronto, a member from the Canadian Centre for Policy Alternatives suggested that government could continuously add on to debt almost indefinitely. How do you feel about that statement?

Mr. Angsuman Rudra: Sub-sovereign debt. Need I say more?

But where government can contribute, and this is the last part that I'd like to leave for consideration—it may be worthwhile to keep in mind that the first workable prototype of the Internet was funded by the US Department of Defense. Instead of adding debt, what the government can do is buy the services and the products that local Canadian and Ontario companies manufacture that give them capabilities so they can go export that and get further business from export sales.

Mr. Stan Cho: Interesting. Thank you, sir.

The Chair (Mr. Stephen Crawford): Okay, thank you very much. We'll go to the opposition side. Mr. Harden.

Mr. Joel Harden: Thank you, Mr. Rudra. I just want to begin with a question: Did I understand you to mean that because of competitive pressures, it's more advantageous to operate in the United States and you'd prefer to operate in the United States?

Mr. Angsuman Rudra: No, I did not say that. I said that we are proudly Canadian. We are here. Our founder has had two or three companies, all of them in Ottawa. He graduated out of Carleton and set up his first company 30 years ago in Ottawa, right out of grad school. However, the market we operate in—we are a defence company. You know how our defence spending is. We have to—

Mr. Joel Harden: Sorry, I only have a certain amount of time, Mr. Rudra, and I take your answer seriously.

I'd just invite you to consider that, granted, we have some sub-sovereign debt issues here. We've also had decades of government cutting taxes to individuals and companies. What's happening now, in my reading of the macroeconomic data, is that individuals are bearing the burden. Consumer debt to income right now is 171%.

The businesses that I'm in regular conversation with here in Ottawa, where I'm proud to be an MPP, are telling me they're happy to pay taxes to fund the public services on which we all depend. We've had a roster of speakers this morning talking about how they're short of funding. I'm just wondering what your position is, then, on the capital cost depreciation proposal that this government has put forward, which would cost the province of Ontario between \$700 million and \$1 billion a year, effectively adding to the sub-sovereign debt that we have. Are you in favour or are you opposed to that?

Mr. Angsuman Rudra: If I may just address that a little differently in the sense that very similar proposals have happened in the US, where they have allowed businesses a depreciation holiday or allowing 100% deduction for certain capital assets. What that has allowed the businesses to do is spend that money, and that has had the trickle-down effect that I referred to.

Mr. Joel Harden: But it adds to the debt.

I think Mr. Arthur had a question.

Mr. Angsuman Rudra: Look, I am not a macroeconomic expert. We look at our businesses, and what we see—and we have talked with our partners, our friends in the US, and they have all said that their order books are starting to flow. So yes, on the one hand—and again, I'm not an economic expert; I'm sure the government and the opposition have enormous economic expertise. But what we see is that it churns economic activity. More activity happens, and yes, from my little sense, it may be taking out less on the one hand, but you may be taking in a lot more from the other hand.

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

Mr. Ian Arthur: Hi, there. Thank you so much for your testimony. I wonder if you'd just comment briefly on what you see as the implications of the cancellation of the

cap-and-trade program in Ontario. Certainly, it's portrayed as a tax by the government—

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

Mr. Ian Arthur: —but it was also leading to significant investment, money coming into Ontario. Toronto was poised to become the green investment capital of the world. There's a growing green economy that we are about to lose out on, I think. Would you care to comment on that?

Mr. Angsuman Rudra: First of all, this is not my area of expertise, certainly not from the technical things. These are certainly very detailed technical aspects and big financial things, and it's beyond my expertise.

Mr. Ian Arthur: Okay, thank you. That was all.

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

HÔPITAL MONTFORT

The Chair (Mr. Stephen Crawford): We call up our next presenter, Hôpital Montfort. Welcome. If you could please state your name for the record, and you have up to seven minutes to present, followed by questions.

Dr. Bernard Leduc: Certainly. My name is Bernard Leduc, and I am president and CEO of Hôpital Montfort.

Je veux remercier les parlementaires pour l'occasion qui m'est donnée aujourd'hui de présenter nos recommandations dans le cadre de la consultation prébudgétaire 2019 afin vraiment d'améliorer l'efficacité du système de santé et de réduire la médecine de couloir.

Montfort est le seul hôpital universitaire francophone de l'Ontario et qui a reçu le mandat de la part du gouvernement d'améliorer l'accès aux services de santé pour les Franco-Ontariens et d'aider l'Ontario à remplir ses obligations de la part du gouvernement d'améliorer l'accès aux services de santé pour les Franco-Ontariens et d'aider l'Ontario à remplir ses obligations en regard de la Loi sur les services en français.

When Montfort was designated as a group A hospital by the government of Ontario in 2013, we were given a mandate to support clinical services for francophone patients and health care professionals across the communities of the province of Ontario and to support the government of Ontario in meeting its obligations in regard to the French Language Services Act. It is with this mandate in mind that we address this committee.

Nos recommandations sont fondées sur la recherche qui démontre que d'être un francophone en Ontario en situation minoritaire est en soi un déterminant social de la santé. Donc, ceci doit être considéré comme tel et des stratégies doivent être mises en place afin d'améliorer la santé de la population. Trente pour cent des francophones hospitalisés en santé mentale en Ontario ne voient pas un psychiatre lors des trois premiers jours de leur hospitalisation. Une autre étude démontre que les francophones en Ontario ont des résultats différents pour les soins de fin de vie avec plus d'institutionnalisation en soins de longue durée, moins d'utilisation des soins à domicile et plus de décès à l'hôpital que les résidents anglophones. Ailleurs, des études américaines ont démontré que les patients qui

avaient une faible maîtrise de l'anglais—ici, on ne parlait pas du français, mais de l'espagnol en particulier—avaient une durée de séjour prolongée pour certaines conditions médicales et chirurgicales. L'évidence est donc claire que l'absence de services en français a un impact négatif sur l'efficacité du système de santé et, par conséquent, augmente la médecine de couloir.

Le manque de services ou la pénurie d'intervenants francophones—ou qui sont capables de parler en français—dans les zones désignées ajoute un stress additionnel et des coûts supplémentaires aux patients et familles. En fin de compte, ceci se traduit par plus de consultations à l'urgence et moins d'argent dans les poches des contribuables étant donné les coûts de déplacement pour obtenir des services appropriés.

Nous avons démontré concrètement comment l'utilisation de la télésanté peut réduire ces difficultés. Des patients de Kapuskasing ont eu accès à des séances de groupe pour les troubles de l'humeur en se joignant par vidéoconférence aux sessions de l'Hôpital Montfort. Non seulement les patients en ont bénéficié, mais nous en avons profité pour former les intervenants sur place à Kapuskasing pour qu'ils puissent offrir les sessions chez eux par la suite.

Lorsqu'un médecin de famille a pris sa retraite à Hearst, sans que la communauté soit capable de le remplacer, nous avons pu prendre en charge, encore une fois, des patients, en particulier les plus vulnérables, à l'aide de la télémédecine. Nous avons donc maintenant un médecin de l'est de l'Ontario qui offre des services via le Réseau Télémédecine Ontario et qui ira périodiquement à Hearst pour compléter ces examens pour cette clientèle, réduisant les besoins de consultations à l'urgence et des déplacements coûteux pour les patients et les familles.

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Récemment, nous avons signé une entente de collaboration avec le Centre francophone de Toronto. Cette entente permettra aux intervenants de l'Hôpital Montfort de bénéficier de leur expertise avec la population diversifiée, en particulier des nouveaux arrivants. En retour, nous pourrions les appuyer dans leur offre de service.

Dans vos délibérations, nous vous recommandons fortement d'inclure du financement pour améliorer l'offre de service francophone en télésanté, et en particulier au niveau de la santé mentale où la langue est un outil diagnostique et un outil thérapeutique. Imaginez tenter d'exprimer vos sentiments—comment vous vous sentez et tout ça, pour avoir un diagnostic approprié—à quelqu'un qui ne parle pas anglais, pour voir comment ça serait difficile à ce moment-là d'avoir un bon traitement, un bon diagnostic, et comment ça augmente le risque d'erreur.

Également, afin d'assurer une saine planification et coordination des services en français en Ontario, et dans le contexte des réflexions en cours sur la structure du système de santé, nous recommandons fortement au gouvernement de l'Ontario de maintenir un nombre approprié d'entités de planification des services de santé en français, ayant les ressources adéquates, gouvernées par et pour les francophones.

Finalement, on ne peut parler d'amélioration du système de santé sans parler de la recherche : la recherche de traitement innovateur pour réduire le fardeau des maladies, proposer de nouveaux traitements, mais aussi, la recherche sur les systèmes de santé. Bien que nous reconnaissons le besoin de corriger le déficit de la province et d'être fiscalement responsable, il ne faut pas voir la recherche seulement comme une dépense. C'est aussi un moteur économique important, employant plus de 18 000 chercheurs et personnel en appui à la recherche.

Les hôpitaux de recherche en Ontario reçoivent près de 1,5 milliard en financement de diverses sources. Ils attirent 600 millions d'investissements de l'extérieur de la province et 200 millions proviennent de l'industrie privée.

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

D^r Bernard Leduc: Ils créent plus de quatre milliards de retombées économiques. Nous recommandons donc au gouvernement de l'Ontario de maintenir les investissements en recherche, en particulier pour les fonds de la recherche en Ontario, les fonds de recherche sur le système de santé en Ontario et l'unité de soutien de la Stratégie de recherche axée sur le patient en Ontario.

In summary, our three recommendations are:

—that the Ontario government invests in telehealth to specifically increase services to Franco-Ontarians, particularly in mental health;

—that an appropriate number of French-language health service planning entities be maintained, governed by and for francophones, to improve services to the francophone community in Ontario; and

—that the government continues to invest in health research, in particular in the Ontario Research Funds, the Ontario Health System Research Fund and the Ontario strategy on patient research support unit.

Again, thank you for the opportunity to present Hôpital Montfort's recommendations. I wish you good luck in your work at this important time and am open to questions.

The Chair (Mr. Stephen Crawford): Exactly seven minutes. Thank you.

We will go to the opposition side for questions initially. Mr. Harden.

M. Joel Harden: Merci, monsieur Leduc, pour votre travail, et aussi pour l'Hôpital Montfort. Vraiment, c'était la place de naissance de ma petite fille.

D^r Bernard Leduc: Parfait. On est content d'être de service.

M. Joel Harden: C'est intéressant pour moi parce que—comment dit-on « mid-wife » en français?

D^r Bernard Leduc: Sage-femme.

M. Joel Harden: Les sages-femmes pratiquent là depuis plusieurs années parce que comme vous disiez, c'est une place pour l'innovation des programmes de santé. Merci pour ça.

Vous avez déjà dit que l'histoire de l'Hôpital Montfort est importante pour les personnes francophones ici. Pour les autres personnes qui ne viennent pas d'Ottawa, est-ce que c'est possible d'expliquer un peu plus la lutte de l'Hôpital Montfort avec un autre gouvernement conservateur et le message pour la communauté, pour nous dire que

c'est important de chercher des services dans les programmes de santé dans la langue française?

D^r Bernard Leduc: Vous faites allusion à l'épisode où l'hôpital a dû aller en cour contre la Commission de restructuration des services de santé en Ontario, et les deux décisions, de la Cour divisionnaire et de la Cour d'appel, pour maintenir l'hôpital ouvert.

M. Joel Harden: Oui.

D^r Bernard Leduc: Aujourd'hui, l'Hôpital Montfort est un hôpital universitaire de 289 lits, qui a doublé en termes de service et de superficie suite aux décisions, au jugement, de la cour. On est là pour toute la communauté : 52 % de nos patients sont anglophones, présentement—

M. Joel Harden: Oui, comme moi.

D^r Bernard Leduc: Mais on demeure un hôpital francophone où la langue de travail est le français.

M. Joel Harden: Et vous avez donné trois revendications, une sur la question de « telehealth » pour les francophones. Est-ce que ce serait possible d'expliquer un peu plus la situation en ce moment, et les idées pour améliorer cette situation, pour la « telehealth » en français?

D^r Bernard Leduc: Comme j'ai dit, Montfort a été désigné hôpital universitaire en 2013. On a reçu le mandat d'appuyer les professionnels de la santé et la population francophone à travers l'Ontario. C'est évident que c'est trop coûteux de développer des sites satellites partout en Ontario, de développer l'infrastructure.

Si on continue à offrir les services de la même façon qu'on les offre, évidemment on perd une opportunité d'améliorer l'efficacité du système de santé. Je pense que l'utilisation de plus en plus des technologies, que ce soit pour appuyer les communautés qui ont une absence de service ou monitorer l'état de santé des patients à domicile, est la voie du futur et va nécessiter évidemment des investissements pour cela, pour enlever le fardeau au niveau des soins hospitaliers, qui sont beaucoup plus coûteux que de donner les services dans la communauté.

Une voix.

M. Joel Harden: Je m'excuse. Ma collègue a dit à moi : la décision que le gouvernement a fait dans un autre dossier—pas la santé, mais le commissariat pour les services francophones. Avez-vous des idées, un point de vue, sur cette décision-là?

D^r Bernard Leduc: C'est évident qu'en tant que représentant d'une institution importante de la francophonie ontarienne, une institution phare, que l'Hôpital Montfort est préoccupé par les décisions de réduire les acquis au niveau de la communauté franco-ontarienne, dont le Commissariat aux services en français.

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

D^r Bernard Leduc: On est préoccupé de la perte de l'autonomie que l'attribution du commissariat au niveau de Bureau de l'Ombudsman de l'Ontario va entraîner. Le commissariat a un rôle beaucoup plus important que de gérer des plaintes; c'est aussi de faire des recommandations spécifiques sur la situation des Franco-Ontariens.

M. Joel Harden: Merci, monsieur. Merci aussi pour votre travail.

D^r Bernard Leduc: Merci.

The Chair (Mr. Stephen Crawford): Okay. Thank you very much. We'll move to the government side. Ms. Ghamari.

M^{me} Goldie Ghamari: Merci beaucoup, monsieur Leduc, pour avoir présenté aujourd'hui.

J'ai seulement une question pour vous : que pouvons-nous faire pour améliorer les services de santé en français pour les Franco-Ontariens et, particulièrement, existe-t-il quelque chose dans la réglementation ou la loi que vous considérez trop lourd ou qui entraîne des dépenses inutiles?

D^r Bernard Leduc: Je pense, encore là, que les solutions vont aller beaucoup plus avec la technologie. Les communautés, que ce soit—même à Toronto, le Centre francophone de Toronto. J'ai parlé d'une entente qu'on avait avec eux. On a souvent de la difficulté à recruter du personnel, et souvent le personnel est un peu isolé, parce qu'ils ne font pas partie d'une équipe.

Les ponts qu'on peut faire—la province n'a définitivement pas les moyens d'ouvrir deux systèmes de santé parallèles à travers l'Ontario, un pour les francophones et un pour les anglophones, donc il faut maximiser l'utilisation des ressources. L'Hôpital Montfort peut jouer un rôle important à offrir des services à la population.

Il faut comprendre que c'est un fardeau financier et, en plus, un fardeau psychologique aux familles qui veulent avoir des services en français, qui doivent se déplacer, ou qui n'en n'ont pas, ou qui refusent de les avoir. La littérature démontre une augmentation d'utilisation des tests diagnostiques, une augmentation des mauvais diagnostics, une faible compliance au traitement avec des effets secondaires à ce moment-là, ce qui fait que les gens vont retourner plus souvent à la salle d'urgence et avec, encore là, un encombrement.

Alors si on veut éliminer ou réduire la médecine de corridor, l'engorgement au niveau des urgences et le recours aux soins hospitaliers qui sont très chers, il faut avoir des appuis au niveau de ce qu'on peut donner comme service en dehors du milieu hospitalier.

M^{me} Goldie Ghamari: Merci.

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

M. Jeremy Roberts: Monsieur Leduc, merci beaucoup d'être ici aujourd'hui.

D^r Bernard Leduc: Plaisir.

M. Jeremy Roberts: Je dois vous remercier aussi—mon frère a été un patient à Montfort juste avant la pause de Noël. Il avait eu une crise, donc—

D^r Bernard Leduc: J'espère qu'il va bien.

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M. Jeremy Roberts: C'était du très bon service à votre hôpital.

Je veux commencer par dire que protéger Montfort est une priorité pour moi comme député provincial ici à Ottawa, et c'est important pour protéger l'héritage de M. Bélanger aussi, qui était un très bon champion pour votre hôpital.

J'ai quelques questions ici. Une des priorités pour notre gouvernement est le problème des services de santé dans les couloirs. Je veux savoir, est-ce que cela est un problème à Montfort, et aussi, est-ce qu'une partie de ce problème est que nous avons besoin de plus de lits de soins de longue durée pour les personnes âgées dans votre région de la ville?

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

D^r Bernard Leduc: Adresser la médecine de couloir est un problème complexe qui n'a pas qu'une solution. Effectivement, on a environ, présentement, 15 % à 20 % des lits à l'Hôpital Montfort qui sont occupés par des patients qui pourraient avoir des soins à l'extérieur de l'hôpital. Une partie de ça, c'est en soins de longue durée, mais une partie aussi c'est de l'appui au niveau des soins et des services communautaires. Si on avait cette capacité-là, on n'aurait pas un taux d'occupation de 103 % ou 106 %, tel qu'il l'est aujourd'hui. Donc, oui, effectivement, il y a besoin de plus de lits de soins de longue durée; il y a besoin aussi d'appui au niveau de la communauté.

On a investi beaucoup, nous, sur toute notre revue de processus. Je dois vous dire qu'on a de très bon résultats en termes de « flow » de patients. On a beaucoup moins d'engorgement à l'urgence qu'on en avait. Mais encore là, il faut faire des investissements avec des processus LEAN pour essayer d'améliorer nos processus puis aller de ce côté-là.

M. Jeremy Roberts: C'est bon, merci.

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

D^r Bernard Leduc: Merci beaucoup pour votre écoute.

CEMENT ASSOCIATION OF CANADA

The Chair (Mr. Stephen Crawford): I'd like to call up our next presenter, the Cement Association of Canada. Welcome to the committee. If you could please state your name for the record, and you'll have up to seven minutes to present.

Mr. Adam Auer: Thank you, Chair and members of the committee. Good morning. My name is Adam Auer. I'm vice-president with the Cement Association of Canada. We are the voice of Canada's cement industry, whose members include five companies with major facilities in Ontario: CRH Canada, Lehigh Hanson Canada, Lafarge Canada, St. Marys Cement, and Federal White. All our companies are vertically integrated, meaning they produce cement, concrete and aggregates. With operations in virtually every community across Ontario, we generate over \$25 billion in economic activity and employ over 54,000 Ontarians in good-paying jobs.

Our industry appreciates the government's open-for-business focus and understands Ontario's current fiscal reality. Our core belief is that the best solutions come through collaboration, and so I'm here today to share win-win, no-cost options to facilitate a more competitive economic environment while helping the province meet other objectives, including reducing greenhouse gases, as the Premier has committed to do.

First, it's important to understand that cement is an energy-intensive, trade-exposed sector that competes on a low Canadian dollar. Unlike concrete, cement is a fine, baby-powder-like substance that can travel long distances. In fact, approximately 40% of cement produced in Ontario is exported, primarily to the United States. This makes us vulnerable to even small changes in operational costs at home or in import-export markets—for example, energy costs, US regulatory and tax reforms, and carbon pricing. Our goal is to work with the Ontario government to foster an economic environment that promotes competition based on innovation, attracting investment in Ontario by our multinational companies.

In November, we appeared before the committee studying the cancellation of cap-and-trade. We have also engaged in the province's red tape reduction consultations. In both instances, we focused on offering no-cost solutions to fostering innovation and enhancing competitiveness, while yielding significant clean-air and clean-water benefits for Ontario.

In fact, climate change is among the most significant competitiveness opportunities as well as one of the biggest risks for our sector. We are intensely focused on low-carbon innovations that allow us to compete more effectively, particularly in export markets that don't face similar climate policy costs.

First, we want to reduce and, in an ideal world, eliminate the use of coal and other fossil fuels in our Ontario facilities by substituting these fuels with cleaner, lower-carbon alternatives derived from non-recyclable wastes. Globally, there are many examples of cement facilities replacing well over half of their fossil fuel use with cleaner alternatives.

Achieving this same level of fuel replacement across Canada would reduce GHG emissions from cement facilities by about two million tonnes per year, with 500,000 tonnes in Ontario alone.

It would also keep 2% to 3% of Ontario's non-recyclable waste from landfills, without compromising—and, in fact, enhancing—the province's ambitious waste reduction and recycling goals.

It would also support local jobs by keeping investment in Canada, directing our operating dollars away from coal imports and toward locally sourced fuels.

Finally, it would provide a cost-competitive tool for our sector to reduce emissions.

What are the barriers in Ontario? First, our antiquated waste management hierarchy continues to incent land-filling as the lowest-cost option, and fails to recognize fuel substitution as a legitimate waste diversion option.

Second, the regulatory regime governing the issuance of permits for using or even simply testing these fuels remains onerous and fraught with uncertainty. Put simply, our companies will remain hesitant to invest significantly in the infrastructure needed to secure, process and use alternative fuels if there remains uncertainty about whether regulatory approval will be granted.

Consider that it took one of our companies over three years and \$8 million to secure a permit for a one-week test

burn in Ontario. In British Columbia, the same permits can be issued in as little as two weeks, with approvals to move from pilots to full-scale operation in as little as three weeks. The difference is that BC uses a science-and-risk-based approach that rightly focuses on what comes out the stack rather than what goes in. This same approach in Ontario would enhance innovation and attract investment to our facilities.

Our second proposal relates to government's role in accelerating the adoption of lower-carbon cement. Portland limestone cement, also known as Contempra, reduces greenhouse gases by 10% at no cost premium. It could avoid 300,000 tonnes of greenhouse gases per year in Ontario and has been used in Europe for over 30 years.

While all our cement companies across Canada can produce Contempra, public procurement of Contempra has been exceedingly low. Despite extensive trials that have shown no concerns, the Ontario Ministry of Transportation, for example, has used Contempra cement only on a limited basis.

Full adoption of Contempra as the default cement across Canada will take leadership from governments, starting with ensuring that the construction industry, codes and standards bodies, and public procurement agencies value and incentivize innovation in low-carbon construction. We ask the province to mandate the use of Contempra on all provincially funded infrastructure projects as a no-cost initiative for reducing greenhouse gases that will also enhance the competitiveness of our sector.

Building on the Contempra example, my final recommendation is about increasing value for the taxpayer from investments in infrastructure. Governments at all three levels will collectively spend \$800 billion on infrastructure over the next decade. That's a lot of taxpayer dollars that must be spent effectively and efficiently.

Today, many infrastructure decisions are made on a first-cost basis, ignoring that a cheap sticker price often results in greater costs in the future. We advocate for a value-driven framework we call a three-screen lifecycle approach. This approach includes performing a full lifecycle cost assessment, a comprehensive carbon assessment, and, finally, an assessment that looks at the best available solutions to invite new approaches and technologies in innovation and design.

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

Mr. Adam Auer: These are best-practice decision-making tools that direct infrastructure investments toward delivering maximum economic, social and environmental value. By mandating the use of lifecycle cost analysis and lifecycle environmental assessment for all provincially funded infrastructure projects, including any transfers to municipalities, the province could save money, increase value and lower greenhouse gases from infrastructure.

Thank you for your time. I'm happy to answer any questions.

The Chair (Mr. Stephen Crawford): We'll start with the government side. Ms. Skelly.

Ms. Donna Skelly: Thank you for your presentation. I'll get right to it; I know that I'm going to be sharing this

time with MPP Cho. You mentioned barriers—a regulatory regime. You specifically compared one example of the ability to move something forward quickly in BC versus Ontario. Can you expand on that, and do you have other examples?

Mr. Adam Auer: First of all, in the Canadian example comparing BC and Ontario, effectively the difference is that BC uses what we call a notification-based process. A facility simply has to notify the province that it intends to do a test of a new stream of fuel that may not already have a permit. That triggers responsibilities around third-party verification of emissions results and whatnot. Once the results of that pilot burn, if you will, of those new materials have been completed, and the emissions profile is verified and it meets all of the regulatory standards of the province, the province then moves quickly to simply issue an approval for those new fuels.

In Ontario, it's more of what we call a permit-based process. You have to apply for permission to even do a pilot study. Then there is a more lengthy process in terms of the testing and verification of that pilot study. There is really no regulatory timeline or service delivery standard around receiving approvals, even once the pilot is complete. That just creates a lot of uncertainty around whether we will be granted a permit or the timeline over which we would be granted a permit. Of course, that makes it a lot more difficult to attract investment. Often, the infrastructure required to use these fuels goes in the order of tens of millions of dollars just to get started, and it can grow from there depending on the volumes.

In other jurisdictions, quite simply, there's no landfilling of these materials that is allowed. That creates a huge market incentive to find solutions. The waste hierarchy in Europe, for example, specifically recognizes fuel substitution in cement kilns as a higher-order waste utilization option in comparison to landfilling or waste energy or any other option aside from reduction and recycling. So that incentive is built right into the market, making it a lot easier to access the materials and a lot easier to get support and permits to use them.

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Ms. Donna Skelly: I know MPP Cho wants to speak.

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

Mr. Stan Cho: I'm picking up a lot of what you're putting down here today. It's a great presentation.

I have a lot of questions and no time.

I, too, believe that we can tackle the problem of climate change while not burdening the hard-working people of our province. That's what we're trying to accomplish at Treasury Board. So value for money is in our discussions on how to help our environment all the time.

I have a question about Contempra. What is the durability of this product?

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

Mr. Adam Auer: It is exactly the same as the cement that is most commonly used in the market today. We made a deliberate decision when we introduced the Contempra technology to Canada—it's effectively a different blend of cement. We add more unprocessed limestone. That's why

it's called Portland limestone cement. We specifically chose a percentage that would allow the cement to be a drop-in substitute for the cement used today. Its performance is exactly the same as the cement that's used today. It's simply less greenhouse gas intensive.

Mr. Stan Cho: We're out of time, aren't we?

The Chair (Mr. Stephen Crawford): Twenty seconds.

Mr. Stan Cho: I'm just going to leave you my business card—

The Chair (Mr. Stephen Crawford): We'll go to the opposition side for questions. Mr. Arthur.

Mr. Ian Arthur: Thank you very much for your presentation. It was informative.

I know Sweden has been very successful in burning waste and using that in cement kilns and different areas like that. All of Europe certainly has moved in this direction. My only worry about that is, it creates ongoing demand for that very waste. I think a big part of the way forward is actually the reduction or the altering of packaging or whatever it is—these non-recyclable materials—that we need to do. Do you see that as a problem moving forward, creating demand for—

Mr. Adam Auer: Absolutely not. There's often conflation between incineration and fuel substitution. Incineration is a huge capital investment. You've got to feed the beast. So you have this problem of locking in one solution and dis-incenting other potentially better solutions.

The advantage of the cement kiln, first of all, is that it has huge fuel flexibility. If there is a better solution that is derived for any stream of waste that we might be using as a fuel, we simply switch to another fuel or back to traditional fuel. We don't get locked in in the same way that you would in incineration. That's a huge differentiator between the two technologies.

Mr. Ian Arthur: That's interesting. Thank you very much for that.

Potential efficiencies, as far as I can understand, would come in either one of two areas: the reduction in the amount of clinker that's used in cement, and improving kilns and their efficiency. Do you see opportunities in those areas for the cement industry in Ontario?

Mr. Adam Auer: Absolutely. Contempra is, in effect, a way of reducing the amount of clinker in the final cement product. That's where the 10% reduction comes from. In fact, we commonly use clinker or cement substitutes in the concrete as well. We can use slag or fly ash, for example, as what we call supplementary cementitious materials. All of those result in greenhouse gas benefits. Our members are very active in trying to leverage other ways to reduce what we call the clinker ratio in cement as one of our greenhouse gas reduction strategies, absolutely.

On the efficiency side, yes, we are constantly looking for efficiencies in the manufacturing process. We've been doing that for 30 years. That's how we got the 20% reductions that we've achieved up till now, for the most part. Those, I would say, are incremental compared to the other technological solutions, including low-carbon fuels, reducing the clinker ratio and, most excitingly, in my

mind, some of the transformational work happening in the carbon capture and utilization space.

Mr. Ian Arthur: It's going to be a massive challenge. Demand for cement and the expansion of urban areas is going to continue to increase. Cement is a massive generator of greenhouse gas emissions. It's a daunting prospect to look at those increases in demand and the need to find these reductions to combat climate change.

Mr. Adam Auer: One thing you have to understand is, while it is energy-intensive and greenhouse gas intensive, cement is typically only around 10% by volume of the concrete mix, so those greenhouse gases are diluted in the concrete stream to build all that infrastructure that you're talking about.

But we are absolutely, I would say, intensely focused on solutions in our sector, and many of them are extremely promising—in particular, as I mentioned, the carbon capture and utilization space. We now, for the first time, have industry representatives and we have academic journals citing quite confidently that we have a sightline on carbon neutrality for our sector. I mean, it's not going to happen in the next three or four years, or even maybe the next 10 years, but you will start to see some of these technologies contributing significant reductions to our production within the compliance timelines that we have set ourselves under the Paris accord and other—

The Chair (Mr. Stephen Crawford): Thank you. I apologize, but we've run out of time. Thank you very much for your presentation. We appreciate it.

Mr. Adam Auer: Thank you. I appreciate your time.

ONTARIO PUBLIC TRANSIT ASSOCIATION

The Chair (Mr. Stephen Crawford): I'll call up our next presenter, the Ontario Public Transit Association. Good morning, and welcome to our committee. If you could just state your name for the record and you can get right into your presentation.

M. Chad Jeudy-Hugo: Great. Merci, monsieur le Président. Merci à tous les membres du comité. My name is Chad Jeudy-Hugo, and I'm here speaking on behalf of Karen Cameron, the CEO of the Ontario Public Transit Association. Unfortunately, Karen was caught up in transit on her way to Ottawa—pardon the pun—so I'm here speaking in her stead.

OPTA, the acronym for the Ontario Public Transit Association, is the collective voice of the transit industry in Ontario. Our member-driven trade association represents public transit systems, manufacturers and suppliers, consultants and government representatives. The objective of OPTA is to raise awareness of the importance of transit to Ontarians and their communities. This includes sharing facts on the benefits of transit to social inclusion and environmental sustainability as well as to economic competitiveness and to our economy.

I'd like to highlight three statistics that nicely summarize the importance of our industry: 77% of Ontarians are served by our provincial transit systems; over 27,500 Ontarians are employed by our transit industry; and \$198

million of value-added investments were made in our industry in Ontario in 2017.

One of OPTA's most important pre-budget recommendations this year focuses on the Ontario gas tax for public transportation program. The public transportation program has been a truly effective mechanism for supporting sustained ridership growth and service enhancement improvements for Ontario transit users since 2003. This is true across communities and transit systems large and small.

On January 8 this year, the government announced \$364 million in gas tax funding to 107 municipalities that provide transit services to 144 communities across the province. These communities represent 92% of the province's total population. This funding is predictable and dedicated to transit. It goes toward vital operational expenses such as labour, fuel and maintenance repairs. These funds bridge the gap so that transit systems can continue to meet rising demand and contribute to Ontario's efforts to combat climate change.

Though this funding is vital to transit, it is important to note that Ontario transit systems have one of the best fare-box recovery ratios, on aggregate, as compared to other Canadian provinces and US states.

The allocation to transit of existing gas tax revenues under the public transportation program is set to increase incrementally by 0.5 cents per litre, starting this year, to a modest four cents by 2021-2022. I'd like to clarify that this is not an increase in taxes for Ontario consumers at the pump. It is merely an increase in the allocation to transit of existing gas tax revenues that are gathered by the province.

Many Ontario transit systems have already worked this increase into their transportation master plans and 2019 municipal budgets. This is due to the multi-year planning horizons that transit systems operate under. A failure to implement this would negatively impact on services, and lead to rollbacks and route closures across the province.

OPTA recommends that the government of Ontario commit to the increase in the transit allocation to 2021-2022, to continue to support a program that greatly benefits Ontarians and their communities.

Another key recommendation from OPTA focuses on transit infrastructure funding. Ontario has secured unprecedented funding from the federal government for the build-out of much-needed transit infrastructure over the next 10 years. The federal government will provide approximately \$8.3 billion for such projects from now until 2029. This funding is part of the Investing in Canada Plan. This program is a once-in-a-generation opportunity to build transit expansion projects that will meaningfully tackle congestion, reduce GHG emissions and improve the mobility of over 10 million Ontarians who are served by transit. Funding under this program will go to nearly every community with a transit system in Ontario.

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Furthermore, the government of Ontario will work with municipal governments to decide where the funds will be spent. Our provincial and municipal governments can

work together to prioritize the projects that get built in our province.

OPTA recommends that the government of Ontario move ahead without delay on the intake and application process under the Investing in Canada Plan and commit to cost-sharing infrastructure projects that are critical for our communities. This would kick-start the first wave of funding approvals for truly transformative transit projects in our province.

Lastly, OPTA supports the government's initiative to cut what it perceives as regulatory red tape. A good example of this is the government's initiative to shift the focus of Drive Clean legislation to tackle heavy-duty vehicle emissions, and strengthen on-road enforcement of emission standards.

Ontario transit systems are already transitioning to green fleets. We have invested heavily in new vehicles with the latest emissions control technologies. Many of these investments were made possible by Ontario's public transportation program as well as the federal Public Transit Infrastructure Fund. These programs are instrumental to our efforts to combat climate change.

OPTA looks forward to working with the Ministry of the Environment, Conservation and Parks to ensure that the Drive Clean program is revised and made fit for purpose.

We recommend that the government of Ontario grant an exemption from Drive Clean testing requirements for municipal transit vehicles, but not from environmental standards. This would reflect our industry's central role in reducing GHG emissions and other particulate emissions by cutting the number of single-occupancy vehicles that are clogging up our urban centres.

In closing, I would like to reiterate just how important transit is to our communities in this province. Each year, millions of Ontarians rely on our transit systems to get to work—

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

Mr. Chad Jeudy-Hugo: —to school, to medical appointments, to the grocery store and to see family and friends, week in and week out. This includes citizens living in your ridings. The service-area populations for transit systems operating in your ridings adds up to roughly 6.3 million people. That is 44% of the province's total population, and that's only the ridings of members of this committee.

With that, I would like to close. Thank you once again for the opportunity to present here today.

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

Mr. Joel Harden: Thank you for your presentation. Speaking as an Ottawa-area MPP—and I'm not the only one; MPP Ghamari and MPP Roberts are also here—we're home to the jurisdiction in Ontario with the highest transit fees in the province. We've heard presentations earlier today illuminating that fact and the burden that that places on low-income families. I'm wondering what OPTA's thoughts are on how we can deal with the high cost of transit at the front end, particularly for low-income people.

Mr. Chad Jeudy-Hugo: Thank you for your question. OPTA as a member association doesn't comment on the individual tariff structures of members, so we wouldn't be able to comment on OC Transpo's tariff structure. However, having said that, there are studies that find that there could be a role for government to play sometimes in reducing the operational costs for transit systems. If you reduce the operational costs, those savings can be passed on to the consumer, to the rider.

OPTA, as an association, would support the government looking at some way of providing operational funding, but it would have to be done in the right way. There would have to be discussions with government on that.

Mr. Joel Harden: Okay, thank you. I know family of mine in Calgary and friends of mine in Winnipeg—these are cities that have experimented with traffic-free segments of the routes: the C-Train in Calgary and the dedicated bus lanes through Winnipeg. What urban planners have said from those experiments is that they have led to far less congestion.

Today we have, as you mentioned, a particularly clogged day out there. It has a lot to do with the weather, but even if there isn't snow blanketing our city, Ottawa is in gridlock for a lot of—not only now rush hour, but even midday. We're becoming a mini-Toronto in that effect.

I'm wondering at the extent to which we can advance this conversation. I know that what we proposed in the election was getting back into the game of funding the operations of municipal transit systems so riders could have more affordable options.

I think you're right to note the investments to come, but on a related note, on the administration of those new investments, some debate has happened, in the research that I am familiar with, about how we administer and how we fund and how we procure these new transit systems. LRT phase 1 here in Ottawa is being done through a public-private partnership, and a number of other proposals that I have seen in the province of Ontario have been proposed along similar lines. I'm worried about the extent to which these will burden taxpayers with legacy costs for decades to come. I wonder if you have comments on that.

Mr. Chad Jeudy-Hugo: Thank you for the question. It's an important fact to look at.

I think that the funding structures for LRT phase 1 and phase 2 look to be different. There is some money in a second phase of a federal infrastructure funding program that provides, I believe, \$900 million to Ottawa, to OC Transpo, to build out phase 2.

Again, OPTA cannot comment on the individual infrastructure projects of members. Your questions would likely be best directed towards OC Transpo on that. But at the same time, OPTA members would like to avoid any legacy costs to the population, so we'd like to see any P3 projects done right—as well as where the government steps in, let's say, for the ICP federal funding program, with provincial-municipal cost-share components, we want to make sure that the right bidders are bidding for those contracts, they're getting done on time and to budget.

Mr. Joel Harden: Do I have 20 seconds?

The Chair (Mr. Stephen Crawford): You have 20 seconds.

Mr. Joel Harden: Okay. I would be remiss if I didn't ask a safety question. We're in Ottawa; we had the major incident here with double-decker buses. Does OPTA have any particular opinions on the use of double-decker buses in our municipal transit systems?

Mr. Chad Jeudy-Hugo: No. There are some recommendations that were made by the Transportation Safety Board, from 2013, from the Via crash that also, unfortunately, happened in Ottawa. It's something which members are studying. If Transport Canada were to act on those recommendations, then OPTA would want to be at the table to discuss that. OPTA is not only a member organization for transit systems, but also for business members, so necessarily there are manufacturers of buses that—

The Chair (Mr. Stephen Crawford): Thank you very much. We're going to go to the government side now. Ms. Skelly.

Ms. Donna Skelly: Thank you for your presentation.

I'd like to expand a little bit on what MPP Harden was just referencing, and that is, how could investment from the private sector be leveraged to expand transit across Ontario?

Mr. Chad Jeudy-Hugo: It's a very good question. There are two components to that. At the federal level, there is the Canada Infrastructure Bank that was created by the current federal government. There's \$5 billion worth of funding available to transit. Generally, they look to link up P3 partners. We think there could be some projects in Ontario that could benefit from that. The only announcement thus far that has been made by the government is for the REM in Montreal. But we believe that there are some projects that are in the pipeline at the moment that will serve Ontarians that could benefit from that funding.

There's also the piece around transit-oriented development, which the minister made an announcement on, I believe, at the end of November. OPTA has studied TOD in the past—

Ms. Donna Skelly: TOD?

Mr. Chad Jeudy-Hugo: —transit-oriented development—and the MTO has recommendations from a few years ago on what TOD should do, in principle. OPTA supports those recommendations.

Ms. Donna Skelly: Can you share those?

Mr. Chad Jeudy-Hugo: Unfortunately, not here and now, but I can get you further information on that. I do know that Karen, the CEO of OPTA, was very supportive of the minister's announcement back in November on TOD.

If there's a way of moving projects faster towards completion, then in principle OPTA members are at the table. They'd like to know further information on how that's going to play out. But it's something which we believe may be an interesting option for some areas of Ontario, moving forward.

Ms. Donna Skelly: You used a figure, and I'm just curious how you arrived at it and what you actually meant—10 million Ontarians who use public transit. Ten

million per year, per month, per day—what is that figure? Unique users?

Mr. Chad Jeudy-Hugo: Of the population of Ontario, that's 10 million Ontarians who use transit at least once in any given year.

Ms. Donna Skelly: Okay, once in a year. I was just curious.

And just out of curiosity, do you know which city is the most active in terms of ridership?

Mr. Chad Jeudy-Hugo: Certainly, the Toronto core. The TTC has the largest ridership of any of the different systems across Ontario. Hamilton's ridership is very strong, as well. But in the GTHA region the numbers dwarf other areas of the province, just by virtue of the population.

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

Ms. Goldie Ghamari: I'm the MPP for Carleton. It's a very unique riding because it encompasses both urban and rural within what would be considered an urban municipality. My question for you is—

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

Ms. Goldie Ghamari: —has the OPTA considered access to public transportation in rural areas? Is there some sort of plan for that? Because I know that especially in Carleton, it is a big deal, and there is a severe lack of access to public transportation.

Mr. Chad Jeudy-Hugo: Thank you for the question. It's a great one.

Generally, what happens in rural areas where there are projects that are run by transit systems or private providers, it's where they've identified a need and a business case. Usually, it is a private provider that would operate in a rural environment.

I'm trying to think of a good example in Ontario. I know that in some communities—Renfrew, notably—they don't have a transit system, and yet there is transit that is run by the municipal government. It's a para-transit service, I believe.

So there are good examples out there of where transit works for rural communities. But of course, the vast majority of transit systems operate in these urban environments.

Ms. Goldie Ghamari: Yes, and I think the challenge here in Ottawa is that even in those rural areas, it's still OC Transpo, and yet there's this lack of access.

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

Mr. Chad Jeudy-Hugo: Thank you.

The Chair (Mr. Stephen Crawford): With that, we've completed our morning session. We will take a break now and recess until 1 p.m. Thank you.

The committee recessed from 1150 to 1302.

MR. PHILIP CROSS

MS. ANGELLA MACEWEN

The Chair (Mr. Stephen Crawford): Good afternoon, everybody, and welcome back to our pre-budget consultations here in Ottawa.

This afternoon, we'll start with our expert witness panel. Each expert witness will be offered 10 minutes for their presentation, followed by 30 minutes as part of an expert witness panel, in which they will field questions from both sides of the committee. The expert witness will also have an opportunity to interact with other panel members during this time. Are there any questions before we begin?

With that, then, we'll call our first witness. It's Philip Cross, senior fellow at the Macdonald-Laurier Institute. Welcome. If you could please state your name for the record and you can get right into your presentation. You'll have 10 minutes, and I'll give you a one-minute warning.

Mr. Philip Cross: Sure. I won't take that long. I'm Philip Cross. I'm a senior fellow at the Macdonald-Laurier Institute. I'd like to thank the committee for inviting me. This is the first time I've addressed an Ontario committee, and it's something I've been looking forward to.

It is well known that by almost any measure, Ontario has lagged in economic growth behind the rest of Canada over the past decade. While the symptoms of lagging growth are glaring—weak income growth and a declining employment rate, high unemployment amongst youth, rising government debt and a historic descent into have-not status in the Confederation—the causes are not completely understood.

In my presentation, I would like to focus on employment by firm size and its relation with regulation.

Since the recovery from the 2008-2009 recession began, employment growth in Ontario has differed widely by firm size. Using Statistics Canada's labour force survey—I worked at Statistics Canada for 36 years; that's why I refer to them—which measures employment by the size of the employer, Ontario's job growth has been led by the largest firms. As firm size declines, so does employment growth.

Since 2009, employment by the largest firms—those with 500 employees or more—has risen by 24.1%. The next-largest employers, with 100 to 500 employees, have boosted their payrolls by 13.1%. Firms with 20 to 99 employees have expanded by 12%. The smallest firms, with less than 20 employees, have seen employment rise by only 8.2%, or just one third the rate of increase of the largest businesses.

The slow growth of small firms in Ontario over the past decade is important. Small businesses had 1.86 million employees in 2018, compared with only slightly over 900,000 for the largest firms. The smallest firms, with less than 20 employees, account for nearly one third of all employment in Ontario. This is nearly twice the 15% of the largest firms. Clearly, the struggles of small firms in Ontario are an important factor in explaining why overall job growth has languished.

Nor is Ontario's experience typical of the rest of Canada. Small firms in the rest of Canada have expanded more, and large firms less, than in Ontario. You can see it in comparing job growth by firm size in Ontario with the rest of Canada. The dispersion of firm size is much larger in Ontario. I don't know if you have the handout, but the

contrast between the two is quite striking. By 2016, small-firm job growth in the rest of Canada had recovered by 9.2%, nearly double the 5.9% growth in Ontario.

To explain why small firms have struggled in Ontario, we need to focus on something that is specific to that province.

What has contributed to the job growth by small firms in Ontario over the past decade? The sectoral pattern of demand cannot be faulted. Small firms are concentrated in areas such as construction and retail trade, areas where demand has been growing, especially with the housing boom in much of Ontario. Taxes also seem an unlikely explanation, as governments of all stripes have tried to lower the tax burden on small firms to encourage their growth.

An important reason, I would argue, why small firms in Ontario have lagged is the cost and complexity of regulation.

The Ontario government, by its own admission, has the most regulations of any province in Canada, with nearly 300,000 on the books, double the number in BC, which has the second-most regulations.

It is well known in economics that regulations are more burdensome for small firms. Large firms often welcome more regulations, as it is easier for them to hire people to comply with them and distribute their cost across their large operations. Large firms often use regulation to suppress competition from their smaller brethren. For small firms, hiring someone to deal with regulations and form-filling to demonstrate compliance often is not an option.

Ontario has not had to work hard at improving its competitiveness since 1976, when the separatist movement took power in Quebec. Imagine how the histories of the two provinces would have played out differently if a large part of Canada's financial industry had not shifted from Montreal to Toronto after 1976. There was a large out-migration from Quebec surrounding the referendums in 1980 and 1995, mostly to Ontario and often of its most skilled workers. Put simply, Ontario for decades has benefited from being next door to a province with considerable and costly political instability on top of an intrusive state.

However, with the steady retreat of the sovereigntist movement, culminating in the election of a CAQ government dedicated to reining in government and shelving the separatist question, Ontario is losing one of its most obvious competitive advantages. Instead, it must now earn its way with policies that restore its competitiveness. Less regulation would help restore Ontario's competitiveness and rekindle job growth among small businesses.

Thank you.

The Chair (Mr. Stephen Crawford): Thank you very much. We'll now call up Angella MacEwen, senior economist from the Canadian Union of Public Employees. Good afternoon. If you could just state your name for the record, you have up to 10 minutes to present, and then we'll go to questions.

Ms. Angella MacEwen: Thank you very much. My name is Angella MacEwen, and my MPP is here. Hi, Joel.

Mr. Joel Harden: Hi.

Ms. Angella MacEwen: It's nice to see you.

I'll have, in my presentation, a little bit of a response. I have a different solution, as you might expect, than what Mr. Philip Cross says. But Ontario, I think, actually has had strong GDP growth, especially this year in the second quarter. It weakened a little bit because of shifts in household spending and household consumption, as the Bank of Canada has raised rates and homeowners are facing higher costs of borrowing as well as stagnant wages.

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Other concerns that loom on the horizon for Ontario's economy that I imagine, in this government, both sides are looking at would be mostly the United States. The House Democrats right now say that they want to reopen NAFTA. Trump is proposing possibly pulling out of NAFTA instead of renegotiating it. So that crisis that we kind of thought had been averted is ongoing in the United States. Even signing the new NAFTA did not mean that Trump lifted the steel and aluminum tariffs that were hurting small communities and producers in and across Canada, but in Ontario especially.

Other global trade tensions remain. The price of oil has fallen, and China remains a concern both in terms of Canada's relationship with it now as well as the United States' relationship with it.

In spite of this global uncertainty and this outlook—this maybe, on net, negative outlook—job growth and economic growth in Ontario are quite strong, especially over the past year, and it is forecast to continue at a healthy pace of around 1.7% to 1.8% for real GDP in the next couple of years.

And so, while economists often summarize the state of the economy in these types of headline numbers—average wage growth; unemployment rates, which are at a 40-year low in Ontario and across Canada; real GDP growth—much of what really matters to the economy is actually left out if we stop there, if we don't look beyond those headline numbers.

I think something that's really important for all governments to be looking at right now is how growing inequality worldwide, and governments' inability to take real action on that inequality, has led to a growing distrust of news, of governments, of other experts and, too often, to hate-filled radicalization of youth.

In Ontario, nearly 14% of people live below the poverty line, after taxes and transfers; 50% of children in female-headed, one-parent households live below the poverty line; and 30% of single people in Ontario live below the poverty line. In such a wealthy province in such a wealthy country, it is absolutely unforgivable that we are continuing to make cuts to programs affecting these people when they're suffering. We absolutely need to be recognizing the crisis that we have created with decades of cuts already.

We have nearly 180,000 households on Ontario municipal waiting lists for social housing; Toronto alone has 100,000 people. Shelters are operating at capacity, and people are left out in the cold with nowhere to go. This is

a crisis: Over 100 people are dying per year in Toronto because they have nowhere to live. How can we live with ourselves? How can we collect our paycheques and pay low tax rates on them, compared to other jurisdictions, with the other half of that being that people are dying on the streets, literally, in the freezing cold?

This didn't happen overnight, but it is the direct result of years of underfunding. Lack of public and affordable housing options is just one of the causes. It's a stark example of how the headline economic numbers obscure important realities about our economy, and how it is currently broken and not working for many people in Ontario.

We often hear about how overtaxed and how overburdened Ontarians are in taxes, yet Ontario spends less per capita on health, education, housing and social protection than most other provinces. Only BC regularly spends less, despite the vast geography and the multiple issues facing people in northern communities and southern communities in Ontario.

I'm going to bring up Alexandria Ocasio-Cortez, who has gotten a lot of pushback and a lot of attention recently with her economic suggestions. But I want you to know she's not wrong, and she has very good, solid economic research behind her proposals, including the fact that there should never be a billionaire—not that that's a problem for Ontario; we don't have a lot of billionaires. But the accumulation of wealth to that extreme is not only immoral; it's not good for the economy. It's a sign that the economy is broken. It's not working for most of us. And it's a sign that the economy will further be broken because that accumulation of wealth leads to an accumulation of power that corrupts the political and economic system.

Across North America, jurisdictions have slowly shifted the tax burden from the wealthy, which is where the tax burden was in the 1960s and 1970s, when we had solid economic growth. That tax burden slowly shifted from the wealthy to the middle class. At the same time, public services that we all rely on have been squeezed.

While the American context is somewhat different, I think it's worthwhile to take a look at what we could do in Ontario that might be similarly—take note of the moment, maybe.

I think we need to have a personal income tax increase on incomes above \$200,000 a year. Often, people say, "Soak the rich." I think, actually, that the top 10% need to pay a little bit more as well. It's not just the ultra-rich; it's also the comfortable, which my family, my household, would probably be. We should pay more tax—also, a PIT increase on the top 1% to a combined top rate of 66%.

A small business tax deduction: There's lots of economic research that shows that if you have a preferential tax deduction for small businesses, you actually create a welfare wall for these businesses, where there's no incentive for them to grow. Instead of giving lower and lower small business tax rates, we should actually increase the small business tax rate and phase it out as businesses get bigger—so there's not one wall that small businesses face—and lower the amount of assets that a business can have. It can have \$10 million in assets and be a small

business. I think there's definitely a gradient here, that we could allow to have—there's lots of concern about the welfare wall when you're giving low-income people money; I think we should be concerned about the corporate welfare wall. I think that might help small businesses realize their incentives to grow.

Capital gains taxes: I think we need to really take a look at that and possibly tax capital gains, instead of at 50%, looking at 75% or even 100%. I think we need to look at speculative housing and where you can adjust the capital gains on housing for your primary residence, so that if you've only had it for a year, you pay some capital gains on it. If you've had it and you've actually made a profit off of the house, you should pay some capital gains on that, if you're flipping houses. That will help reduce speculation in the housing markets. So looking at how we tax capital gains in housing, I think, is another important issue. There are other progressive property tax proposals that they're trying out in BC right now on that front.

I think we need to tax Netflix—a digital services tax.

And when we do all of this, we need to go after tax havens and tax evaders. We need to make sure we've thoughtfully changed the legislation so that we don't just get people avoiding tax; so that we're actually capturing this revenue and we don't create more burdensome regulations, but actually efficient ones that help us to grow Ontario, and then we can afford the public services that we need.

If you're concerned about the deficit—which I don't believe this government is, based on the fall economic update, where there were tax cuts given and revenues cut rather than addressing the deficit. I don't think this government has shown that it's serious about addressing the deficit. But if you are concerned about the deficit, you can raise revenues and address the stark needs of the people of Ontario rather than giving yourselves housing allowance increases.

The Chair (Mr. Stephen Crawford): Thank you very much. We're going to have 30 minutes of questions, so I'm going to look to both sides. It's going to be an open forum, so it won't be one side and then the other, but we'll try to balance it out as much as possible. We'll start with Mr. Downey.

Mr. Doug Downey: This is for Ms. MacEwen, but obviously both can comment.

I just want to go back to basics. You talked about how there has been strong GDP growth. As I'm sure you're aware, our debt, our deficit, has now crested 40% of GDP. So even though GDP is growing—

Ms. Angella MacEwen: Your deficit has not crested 40% of GDP—your debt.

Mr. Doug Downey: Yes. I started off with that.

It has crested 40%. We had testimony from a previous person you referenced who said, "Just ignore that, because government debt is different than personal debt."

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Ms. Angella MacEwen: It is.

Mr. Doug Downey: Is the 40%—does that matter to you, do you think? Should we be concerned at all?

Ms. Angella MacEwen: I think you have to look at the overall health of the economy. You want to look at debt-to-GDP, which is what you're talking about.

What happens with government debt is, you never pay it down. It deflates over time. It inflates away. So it's very different. What you want to be worried about is what your carrying costs are and what the cost of new debt is. If it's still fairly cheap for you to acquire new debt, you shouldn't be worried about it. Really, what you should be more concerned about is how much it's costing you to get new debt.

Mr. Doug Downey: So it's about how much I can carry.

Ms. Angella MacEwen: Yes—the cost of carrying, not how much you carry.

Mr. Doug Downey: And never pay it down.

Ms. Angella MacEwen: Well, of course you never pay it down. How could you?

Mr. Doug Downey: We live in different realities, I think.

Ms. Angella MacEwen: But why would you spend money paying down a debt that's going to inflate away if that money could be better spent elsewhere in the economy?

Mr. Doug Downey: Do you have a house mortgage?

Ms. Angella MacEwen: Absolutely. Households and governments are very different beasts. If you've taken any economics, you'd know that.

Mr. Doug Downey: I'm not going to argue with you. I'll look to Mr. Cross for comment.

Mr. Philip Cross: I think that looking next door at our neighbours in Quebec is instructive. Ontario has the second-highest debt load relative to GDP of any province. Only Quebec has more. Quebec basically targeted zero deficits, starting with Lucien Bouchard in 1998. They realized that because their population is aging faster, they were going to hit the demographic wall earlier, so they put more emphasis on restraining debt and deficit over the last couple of decades.

Ontario's 40% debt might not look large, but we are just starting to enter now a period where our health costs especially are going to explode because of the aging of the population. Most studies I've seen—I'm thinking in particular of one by Christopher Ragan and William Watson—suggested that to deal with the explosion of costs due to the aging of the population, we should actually be paying down debt now to prepare us for the financial hurricane that's coming.

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

Mr. Ian Arthur: Thank you so much for your testimony. A question, I guess, to both, but to Mr. Cross first: The R-word has been broken out a couple of times in the last couple of days—a recession caused by the imposition of the federal backstop in Ontario. There are two parts of my question. The first part focuses on the now-gone cap-and-trade program. Do you think that was an effective tool at helping to curb GHG emissions? Do you consider the cap-and-trade program a carbon tax? And do you think

that the cap-and-trade program caused a recession in Ontario?

Mr. Philip Cross: I'll start with the easy question, the last one. Did it cause a recession in Ontario? No. There's no evidence. As Angella mentioned, the economy in Ontario has done relatively well in the last couple of years. I was referring to the broader context of how, over the last decade, Ontario's economy has lagged.

At the moment, there's no sign that Ontario has been entering or is about to enter into a recession, with or without the carbon tax. That's one of the problems I've had with the carbon tax or cap-and-trade, whatever you want to call it: It's so small, it's hard to take seriously. It's not a serious attempt to come to grips with climate change. I can't say it's going to change anything significantly in the environment, but by the same token, I can't say it's going to change anything seriously in the economy. It's just not a big deal.

If Ontario is going to go into a recession—when we go into a recession, it's usually because the United States does. If our auto industry tanks and the US goes into a recession, extremely bad things happen to Ontario. It happens to Ontario with regularity, and we never see it coming. We never learn. I'll guarantee you: In every recession in Ontario, our unemployment rate goes up to 10%.

Everybody looks at Alberta and goes, “Oh, what a bunch of idiots. They never learn. It's a boom-bust cycle.” Ontario has got the second-largest boom-bust cycle in Canada, and that's another reason why there are circumstances in which you have to run deficits and debts; I agree with that. It's during the good times that you shouldn't be running deficits.

Yes, the economy has done well over the last couple of years. To me, that would have been the time to rein in government spending. Instead, what usually happens is, when the economy goes into a recession the finances fall apart and then people adopt austerity, at the very moment in history you don't want to be doing it. I think that's exactly the situation you want to avoid, and that's why I would not be flippant and just dismiss debt as unimportant now because the economy is doing well.

Mr. Ian Arthur: Thank you very much.

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

Mr. Doug Downey: Two things: One is just to clarify for the record that any time the housing allowance is increased, it's only with all-party support. Not everybody would know that. It was unanimous support by all parties.

My question is: I don't know if everybody—

Ms. Angella MacEwen: I'm sure that makes you feel better about people dying in the cold.

Mr. Doug Downey: My question is this: I'm not sure if this is part of your experience, but the last time the NDP were in power, they tried to refinance—because we, of course, borrow globally—and there was grave concern that lenders wouldn't come near us because of the financial situation of the province. So it appears to me that there is a wall at which lenders think governments are like household budgets.

Ms. Angella MacEwen: Here's the thing that's really interesting: If you look at the fundamentals of an economy—lenders have a feeling about Ontario. It's whether or not they trust you to be fiscally prudent. They have a bubble, let's say, of comfort. If you are an NDP government, they might have certain biases about an NDP government that shrink that bubble. There are human beings involved. I'm not being flippant about debt, but I am saying that it gets way too much attention and way too much weight when other things, like human lives, actually matter more.

For sure, if we were in a boom economy, if this is where we are and you're adding to the debt and it's already high, this is the point—especially because you're a subnational government, where you can't print your own money, so you're not the national government—where you would say, “Okay, look, this is where our debt-to-GDP ratio should be going down, at this point in the economic cycle, because we know there's going to be a recession and we're going to want to spend more when we have that recession. So we want to create some room so that we don't come across a wall where we can't borrow when we need to.”

Really what you're worried about is, are lenders comfortable with the level of debt that you have and what your outlook is going to be. There's not a fixed number; it's not 40% of GDP and there's this line and all of a sudden it's over. It's different for Ontario versus Quebec versus the Maritimes. You can have the same economic fundamentals and lenders are going to treat you differently, because they have different biases about how you're going to behave.

Mr. Doug Downey: Biases or insights, but we can have that discussion later.

Ms. Angella MacEwen: Biases, yes.

Mr. Philip Cross: Did we just agree on something?

Ms. Sandy Shaw: Twice; it's happened twice. I've got a tally here.

Mr. Philip Cross: I thought so. I'm a little worried.

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

Ms. Sandy Shaw: Yes, thank you, Mr. Chair.

I suppose I want to go back to the discussion—you mentioned health care and health care costs. We know that there is a looming aging demographic and an already underfunded system. We know all about hallway health care. You talked a lot about the debt. The fact is that I think only BC spends less than we do on social programs, so we do already spend not very much. That's the situation. But the other thing is that we also have the second-lowest per capita revenue as a subnational province. The province already is the second-lowest in terms of revenue. So we talk a lot about the one side of the equation, which is the debt. The PC side likes to compare this to the same as a household. I do agree that household debt is not exactly the same as provincial debt. They talk about the debt load, but we need to talk about the income side of it. So if you had a lot of debt as an individual, you wouldn't forgo income. You wouldn't quit a job. You wouldn't turn income down. So can you talk a little bit about the revenue

side for the province and how that can balance out—it's like the numerator and the denominator. There are two sides of this equation.

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Mr. Philip Cross: Yes. I would distinguish between revenue and taxes. For example, Ontario might have relatively low revenues compared to a lot of the Atlantic provinces, but that's because the Atlantic provinces and Quebec get a tremendous amount of equalization. I think the more relevant variable would be to look at what's happening to the tax burden in Ontario compared to some other provinces.

I'm happy that Angella and I just agreed on something, but something we don't agree on is what has happened to the tax burden over the last 30 to 40 years. I published a study for the Macdonald-Laurier Institute a couple of years ago where I looked at the net tax and transfer burden over income distribution by quintiles. What I found was that it has actually been reduced for the middle class and substantially increased on the top 20%. So I don't agree with the idea that we are shifting the tax burden from the rich to the middle class. Maybe that's going on in the US; I have no idea. I don't look at US data; I couldn't care less. But the Canadian data I was looking at from my colleagues at Statistics Canada very clearly showed this. I'm sure your staff could dig it out.

Ms. Angella MacEwen: I don't think the top 20% is sufficient.

Ms. Sandy Shaw: My follow-up would be to give you an opportunity to comment on that.

Ms. Angella MacEwen: Sorry. I don't think, if you're looking at quintiles, it would be sufficient to see the shift because it's really at the top 1%, and within the top 1% even there. If you're at the top 20th percentile, you think you're middle class, if you're at that line. That's who thinks they're middle class.

There have been some transfers, but we've also cut public services, so the value of those transfers is missing from the equation. That's unseen in the information that he would have been looking at as well.

Especially if you're considering all forms of taxation, hidden and otherwise, it's happening in Canada as well as the United States. But you can always quibble over what middle class means and what numbers you're looking at. But if you're looking at the top 20%, that's not fine enough to see the rich—

Ms. Sandy Shaw: But on the revenue side—

Ms. Angella MacEwen: Yes, I absolutely think that's a problem in Ontario. It has been the problem for a long time, an unwillingness to raise revenue in order to pay for—that's why we have the debt that we have. We had severe cuts under Mike Harris. When the Liberals came in they never fixed those cuts, they never raised revenues to pay for that. So we've just had a long period of austerity and cuts, with a tiny bit at the end of increases from Kathleen Wynne's government before it fell. It's really on the revenue side.

I looked at how much we spend on health care and education in Ontario. It's a \$150-billion budget, and

almost two thirds of that is health care, education and social services. That's as it should be. That's important. Those are expensive things. That's what we need and rely on, and those services have been underfunded for years. If you're looking to cut any kind of waste in program spending, it simply isn't there.

The Chair (Mr. Stephen Crawford): To the government side: Mr. Downey.

Mr. Doug Downey: I want to clarify, because people talk about all these cuts that happened, presumably even during the last 15 years. But the government actually spent more; it's just that they didn't spend it where you wanted it.

Ms. Angella MacEwen: You're really good at math, eh? The population grew and costs increased—inflation.

Mr. Doug Downey: The condescension could wane, but other than that—

Ms. Angella MacEwen: Your condescension actually is offensive to me.

The Chair (Mr. Stephen Crawford): If I could mention to the speaker here, we'd prefer a more professional environment, please.

Mr. Doug Downey: In terms of capital gains, in particular, if I heard it right, you're saying it should go up from the 50% to 75% or even 100%.

Ms. Angella MacEwen: Yes.

Mr. Doug Downey: What would be the motivation for somebody, in terms of risk-taking and that sort of stuff, if they were being taxed at 100% on the gain?

Ms. Angella MacEwen: Why would I want them to be motivated by risk-taking?

Mr. Doug Downey: Okay. So—

Ms. Angella MacEwen: I don't think that's a healthy economic motivator. I don't think we've gotten to a good place with that kind of motivation in place, economically.

Mr. Doug Downey: So what should be the motivator for me to open a business, to create a service, to create a product? What should motivate me in that?

Ms. Angella MacEwen: I don't think people get capital gains from starting a business; you get capital gains from passive investment.

Mr. Doug Downey: You get capital gains from a variety of things.

Ms. Angella MacEwen: Yes; mostly investment of money.

Mr. Doug Downey: So you're opposed to investment?

Ms. Angella MacEwen: Well, that's passive investment and that hasn't led to a productive economy, no.

Mr. Doug Downey: Okay.

Ms. Angella MacEwen: Where that gets rewarded more than work.

Mr. Doug Downey: Okay. It's a different model entirely, for sure.

I see Mr. Cross looking—I don't know if you have a comment in relation to capital gains, if you have an opinion on where we are, whether it should go up, go down, stay the same.

Mr. Philip Cross: In my presentation, I focused—and again, I didn't agree with Angella's comment at the

beginning that implied that I was talking about taxes. I didn't mention the tax rate at all.

I think the tax rate already is quite low for small business. I didn't want to get into harmonization at all. In my communication with small business, the number one complaint is not the tax burden; it's the regulatory burden.

And again, I don't hear people complaining about the capital gains tax. I do hear a lot about the intrusiveness and time it takes to deal with government.

One other thing I would mention is, I don't think it's fair to say that Ontario under the Wynne government didn't try to shore up the revenue, the tax base. They did adopt the GST in 2009. I think if you ask any upper-income earner in Ontario, they're paying more today than they were 15 years ago. Certainly, they didn't increase their tax base as much as they increased spending. That's patently obvious. But I think it's unfair to say that they didn't do anything on the revenue side.

The Chair (Mr. Stephen Crawford): I'll move to Mr. Harden.

Mr. Joel Harden: I want to thank both presenters for their comments.

Following up on what my colleague MPP Shaw was saying, I am very worried that we're having a limited conversation when it comes to the financial health of our province. I think both presentations touched on the fact that on the surface, with certain indicators, the economy appears to be doing well. But at a grassroots level—certainly all of us, when we knock on doors in our communities, find out that there's a tremendous amount of suffering going on in a very rich province. My colleagues often like to talk about heating or eating, the choices people make.

What I see a lot in our community here, which is seen as a very rich community, Ottawa Centre, is there are extremes in our community. We have rooming houses with intense poverty. We have housing-disadvantaged, homeless families. Our emergency shelters are completely full.

I actually see people struggling because of the lack of ability—and this is where I'll disagree, with respect, Mr. Cross—of governments successively, and if I'm honest, of all political hues, to compel us to actually bring more revenue into the public coffers. It has led us to a situation where, if you just take corporate taxes as one example—and half of my family is in the retail business, so these are arguments we have at the Christmas dinner table—we've gone from 17% in 1997 to 10.5% under the current government. What that meant in the most recent election is the forgoing of a billion dollars of revenue. Most recently, as I said this morning, we're talking about certain deductions around capital costs that will cost an additional \$700 million to another \$1 billion.

So we're forgoing revenue—and I take my colleagues' motivations at heart—they say, to make Ontario open for business. Fine. But we're continuing to shrink the purse, and who I see bearing it are regular people. The latest research I'm familiar with at a macro level—you folks are economists, and I'm not—171% of debt per income.

Ms. Angella MacEwen: It's 177% now, almost 178%.

Mr. Joel Harden: So 177%.

Under the Liberal government—this is a battle my own family has fought at a personal level. My partner is a physician, and the entire medical profession has been encouraged to incorporate, to create mini-corporations so they can take advantage of lower tax rates. The legal profession—all of my friends have been encouraged to do the same. Most recently at the Legislature, realtors have been circling the building saying they want the same.

I look at countries like Greece and Portugal and Spain and Ireland, where avoiding taxes became the national sport, and revenues shrink—and who pays the price? I'm really interested, as I just try to envelop a little bit of a narrative that I'm absorbing from your presentations and from what I've seen in my community: What obligation do we have as a province and as legislators to think of ways in which we can increase revenue so we don't go the way of those countries? We'll get in fights in the Legislature; that's our job. But tax is not a four-letter word; it's a three-letter word. The veterans who built our public security systems after the Second World War with the idea of having more social justice and fairness and equal opportunity certainly didn't want us to fritter it away. Correct me if I'm wrong. Is that not happening? The decline in the efficacy of our public services: Is that not related to the lack of revenue that we have?

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Ms. Angella MacEwen: Yes. Governments' attempts to get it off the books because they're worried about debt by privatizing or going through P3s when that's not really an efficient way to go—overall, it ends up costing more and delivering poorer services to people.

I don't think there's a lot for me to say. You've said what I would say. Certainly, tax avoidance is a big concern. You want people to think that it's fair. People will avoid taxes when they think that they're not fair. I do think that's why it's important to have an honest, adult conversation about what taxes are for, what we buy in our communities, and how they can be used to support the economy and to keep that anchor there through tough times, which the Alberta government has done through their recession. They didn't go the austerity route. They didn't expand spending maybe, but they kept levels where they were and they didn't cut wages. That actually helped them recover from the recession faster because those services were there that people needed and the incomes were there that families needed to help get them through that.

Certainly, I think that it's important to have a discussion about fairness, and what's fair is going to be different for different people, right?

Mr. Joel Harden: Right, sure.

Ms. Angella MacEwen: But to come to some kind of compromise and have a discussion about it—however we do it, we need to increase our revenues because we're failing ourselves. Post-secondary education alone: If you look at comparable developed countries, they have affordable child care or free child care and it's free to get

a college education, let alone a university education. We're definitely, on a number of fronts, shortchanging ourselves in terms of the services that we provide, and that pays a price forward in the economy.

I've written on the cost of poverty a lot. If you only have band-aid solutions, people end up in hospitals more, they end up in jails, they end up injured—actually, children in poor households end up injured more often than children in rich households.

The Chair (Mr. Stephen Crawford): Does Mr. Cross have any comments on the same subject?

Mr. Philip Cross: Yes, I would add too that we know that people don't like paying taxes when they don't feel they're getting good service value in return.

Another reason we know that people don't like paying taxes is when they feel that they've been fooled or they've been lied to. I think back—recently, George H.W. Bush died. Of course, his popularity tanked the minute he made the deal with Congress that raised taxes. It reminded me that the very first the McGuinty government did was they broke a promise in which they said they would not raise health care premiums. That broke a trust with the Ontario people. It goes back to the very first thing that government did to try to shore up its revenue base. I think it's very unfair to say that they didn't do anything to—

Ms. Angella MacEwen: Well, they didn't fix the chronic problem. They did a little tinkering.

Ms. Donna Skelly: Mr. Chair, point of order: Can we please allow Mr. Cross to finish his comments?

The Chair (Mr. Stephen Crawford): Yes, Mr. Cross didn't interrupt you when you spoke, so please—

Ms. Angella MacEwen: I was just helping him. He made a comment directly to me, and I was simply responding to him.

The Chair (Mr. Stephen Crawford): Mr. Cross, please.

Mr. Philip Cross: Another thing too, and, again, your research officer will confirm this, is there is a great deal of research, particularly from the C.D. Howe Institute, with which I'm affiliated—a lot of it comes from Kevin Milligan, one of Canada's top economists—that increasing taxes past 50% just doesn't generate the revenues. The Trudeau government was elected on the platform of, "We're going to cut taxes for the middle class. We'll pay for it with a hike in the upper class." The first thing the Department of Finance had to do was spend months trying to explain to Bill Morneau that that isn't going to work.

The Chair (Mr. Stephen Crawford): Thank you. We're going to move now to the government side. Mr. Roberts.

Mr. Jeremy Roberts: Thank you so much for both of your presentations.

Mr. Cross, I want to touch on one area of research that I've read a bit about that you've done. We've heard from the Ontario labour council earlier in our budget consultations. One of the things that I asked him about was the minimum wage increase. He made the argument that the reason he supported a minimum wage increase in Ontario was to increase individual income growth so that we can

reduce poverty. Then I asked him what the data has shown us about individual income growth when the minimum wage was increased by however many percentages it was, up to \$14. I know that this was an area that you did some research on, so I'm wondering if you can talk a little bit about that research and about the effectiveness of minimum wage increases in increasing individual income growth.

Mr. Philip Cross: I produced a report this summer for the Macdonald-Laurier Institute that looked at—because one of the theories behind the minimum wage increase was that if we raise the minimum wage, then it will bump up all of those wages that are just above the minimum wage. People will have an idea that, "Yes, I'm supposed to be at \$2 more than the guy washing dishes, so my wage will go up proportionally," and somehow this would bump everybody up and it would create income growth. Yet very clearly, if you look at labour income growth in the first half of this year, it slowed down. So this did not have the impact. Obviously, for some people, the minimum wage clearly did go up, and yet somehow, instead of triggering a boost to other incomes, it actually must have lowered other incomes, because we saw overall income growth slow.

So I understand the theory behind it. It was made with the best of intentions, but it has not worked out as we were assured it would.

Mr. Jeremy Roberts: Sure. What does some of the data show has happened on the job front since the minimum wage increase? My understanding, looking at some data, was that there were some youth unemployment issues that cropped up this summer. Is there anything you can add on that front?

Mr. Philip Cross: I think, in Ontario, there clearly have been negative impacts on youths. We saw a particularly large negative impact in the accommodation and food industry at the start of this year, which is exactly the industry where you would have expected it to be. I think the negative effects have pretty much unfolded as some people predicted they would.

Mr. Jeremy Roberts: What has happened to income growth in the US since some of the tax reductions that have happened there?

Mr. Philip Cross: That has accelerated by 1%. There is some evidence that—I don't think it has been as expansive as the President claims, but I think there has been—

Mr. Jeremy Roberts: I don't think anything is quite as expansive as this President claims.

Mr. Philip Cross: But I think, clearly, some of those cuts, particularly in corporate income taxes—some small part of that did go back to workers. I think it's probably even more unclear whether that has boosted business investment or not. I wouldn't call business investment a boom until it's growing at 10%. The US investment is growing at 6% or 7%, so it's getting there. It's doing a lot better than in other parts of the world, but I wouldn't call it a boom yet. I don't know why that is or whether people are just concerned about where the global economy is

going. Under these circumstances, it's going to be very difficult for investment to increase in any climate.

Mr. Jeremy Roberts: For sure.

The Chair (Mr. Stephen Crawford): One minute. Did Ms. MacEwen have any comments?

Ms. Angella MacEwen: Oh, buddy, yes.

Just very quickly on the minimum wage: I went across the province and was often up against people making these dire predictions. They said that we would lose 500,000 jobs. That never happened. We actually had among the strongest job growth in the country. So the bad effects that even I said would happen are that, yes, you're going to see fewer youth working, probably. That's what's going to happen; that's what did happen, but it was actually quite small.

What we did see in terms of wage growth: If you look at part-time wage growth in Ontario, it grew 6% over the past year, compared to full-time wage growth, which only grew 2.4%. Granted, 2.4% is still growth. The average is around \$20 an hour, which is much higher than minimum wage. So you did see wages increase at the bottom, which is the goal of increasing the minimum wage. That's to reduce inequality. That worked. It especially worked for part-time workers, which is interesting.

The Chair (Mr. Stephen Crawford): Sorry. To interject for one moment, we've used our 30 minutes, but we do have an additional 10 minutes. Do we have agreement from the committee, from both sides, to continue on? Okay. We'll take another 10 minutes.

Proceed, please.

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Ms. Angella MacEwen: Sure. And then what most credible research in the United States has shown is that the money from the tax cuts went to share buybacks, and absolutely none of it went to workers.

Wages in the United States are flatter than in Canada. Canadian wages are growing at around 2.5%, which is not where we want them to be. We want them to be at 3%. The bank considers that neutral in terms of not being inflationary. So wage growth is lagging other economic indicators a little bit in Canada, but in the United States it's absolutely flat and the only incomes that the tax cut boosted were for CEOs.

Mr. Jeremy Roberts: Now, just—

The Chair (Mr. Stephen Crawford): Sorry. We're going to now move to Mr. Mamakwa.

Mr. Sol Mamakwa: Thank you for the presentations. My name is Sol Mamakwa. I'm the MPP for the Kiiwetinoong riding. I have 27 fly-in communities that I represent, and they're mostly First Nations.

I know the discussions that we're having about the economy and also wealth—I remember talking to my elders a few years ago, and I referred to my communities as remote First Nations. I remember them correcting me. They said, "We're not remote. We've been here for thousands of years. Ottawa and Toronto, they're the ones that are remote."

The reason why they told me that is that when we talk about wealth, our people are very wealthy: We've got

family, we've got the land, we've got the rivers, we've got the culture and the traditions that we have had for thousands of years, and the resources that are in those lands. However, we have these social problems. Our communities live in Third World conditions. Why is that?

Governments come and go, and programs come and go, but we're always in the same place, whether provincially or federally.

When we talk about those things, when you guys talk about wealth and the economics of Ontario and of Canada, we are left. When we talk about First Peoples, Indigenous peoples, we welcomed and we signed treaties with Ontario. We signed treaties with Canada. We accepted that we would share our lands with the settlers.

Before I ask my question—I know that the remoteness coefficient, the cost of doing business in the north, is never taken into consideration when we get funding or when resources come to our communities because of the remoteness.

What can the government do to improve the conditions of the First Peoples of this great province of Ontario, of the rich province of Ontario? What can they improve for our First Nations people with this economy and wealth that you talk about? Because we live in these Third World conditions in the rich province of Ontario, which I refer to as the fourth world. I want to hear from an economist. How can we play a role?

Mr. Philip Cross: Do you want to go first?

The Chair (Mr. Stephen Crawford): Why don't you proceed, and then we'll go to Ms. MacEwen.

Mr. Philip Cross: All right. First of all, I wouldn't be dismissive of the economy. We discussed earlier, for example, how Ontario is very prone to recessions. When the economy is not performing well in this province, this province suffers enormously. It's not enough to say we have great wealth and potential in our resources and so on. If people are not doing well, 10% of them are going to be without jobs, a lot more than that are going to be without hope, and you are not going to get re-elected. So I do not criticize people for focusing on the economy. Being an economist, of course, I have that bias.

The other thing is, I would focus on how particularly Aboriginal people in western Canada seem to have been leaders in developing and in using their natural resource base to their advantage. For example, I thought it was a great opportunity missed when we didn't proceed with the Ring of Fire, the mining development in northern Ontario. I thought that's where some of the worst conditions are. Off the top of my mind, for me, that's one of the best things we can do for those people: to bring economic development to those areas. I don't agree with Jean Chrétien, for example, that we should shut down reserves and tell those people to move into cities. I think there are opportunities in these areas, but we haven't done as good a job here in Ontario developing them as they have in western Canada.

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

Ms. Angella MacEwen: I grew up in a rural community, so I think I know what you mean when you talk about

wealth because we always had family that we could count on. We grew our own food, so even if we were short on money, we had our own resources. There are economies outside of the financial economy, and that's what I understood you to be talking about: care work that is provided by family members, and hunting or growing your own food, and that economy matters as well. I think one thing that Ontario could do, and Ontario could work with the federal government in doing, is to return crown lands to First Nations stewardship so that they can manage their economies the way they want to and the way they have traditionally, and they have the resources to do that.

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

Mr. Jeremy Roberts: I had the chance, prior to being elected—I worked for the late finance minister Jim Flaherty. Jim was certainly a mentor of mine. When I was going around during this recent election, there were two things I kept hearing over and over again. The affordability of life was getting more and more expensive; particularly there was a lot of emphasis put on things the government has done to make life less affordable: energy costs, cost of gasoline, taxes. Then, of course, there were a lot of people who were concerned about our financial situation.

We've heard a lot today about the importance of making sure that we consider all of our tools in our tool belt to get our financial situation back in order. But I look at the example that we had under the federal Conservative government where we returned the budget to balance while also lowering the overall tax burden to its lowest level in 40 years. There's an example, for me, of taking into account all of those tools and finding those efficiencies while also looking at ways to kick-start the economy.

I'm just wondering, Mr. Cross and Ms. MacEwen, if you have any thoughts on that. What are the other tools in our tool belt to get our finances in order?

The Chair (Mr. Stephen Crawford): Mr. Cross?

Mr. Philip Cross: I'll be brief in pointing to—I'm going to go back to the last point I made in my presentation, which is that something has changed in Ontario that we haven't had in 50 years, and that is, possibly serious competition for business from Quebec. We have the most pro-business government in Quebec that we've had in generations. Over half of the Quebec cabinet is former businessmen. François Legault used to run a discount airline.

That's something that I think Ontario is going to have to be aware of in terms of our taxes and our regulatory burden. We are going to get serious competition from our neighbours.

As I mentioned to Angella the last time we shared a stage, we used to only have to put up a sign on the 401 at the Quebec border, "We're not separatists," and people would come flooding in. That advantage is gone. Be careful.

The Chair (Mr. Stephen Crawford): Ms. MacEwen, you have one minute.

Ms. Angella MacEwen: Okay. Thank you. I just want to caution that the federal Conservatives only technically balanced the budget because they sold \$3 billion of stock that they had in an auto manufacturer, so it wasn't actually balanced. You can sell assets to balance budgets, but they waited until after April 1 to—anyway, it was only sort of balanced. If you're considering that that was a one-off sale, the next year it wouldn't have been balanced. It was not structurally balanced.

Sorry, what was the question?

Mr. Jeremy Roberts: What are the other tools in our tool belt?

Ms. Angella MacEwen: What are the other tools?

The Chair (Mr. Stephen Crawford): Thirty seconds left.

Ms. Angella MacEwen: I actually think public ownership of utilities. If you look at Manitoba and Saskatchewan, public ownership of hydro and public ownership of SaskTel helps hugely with the affordability issue because the province has a mandate to provide the service and doesn't have to get into any of the other nonsense. The service is good and it's cheap. That cheapness of the service that you see in SaskTel—it's half price to own a cellphone in Saskatchewan, even for other carriers, and the service is just as—

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

Thank you to both our speakers. We sincerely appreciate the time you spent with us today.

1400

MR. STEPHEN SAUNDERS

The Chair (Mr. Stephen Crawford): We're going to carry on with our presenters here. Our next presenter is Stephen Saunders. Welcome to our committee. If you could please introduce yourself for the record. You'll have seven minutes to present, and we'll give you a one-minute warning before questions.

Mr. Stephen Saunders: Would you mind if I got a glass of water before I start?

The Chair (Mr. Stephen Crawford): Sure.

Mr. Stephen Saunders: Hello. My name is Stephen Saunders. I would like to thank the Standing Committee on Finance and Economic Affairs for inviting me to provide input on the government's 2019 pre-budget consultation process.

As Ontario is facing increasing pressure on traditional export manufacturing industries and its workforce, we need to foster and grow new outward-facing businesses, along with the human skills needed for success. We're at a critical time, and the upcoming budget provides an opportunity to begin laying the groundwork for that success.

Before I begin, I'd like to share my background. I'm an electrical engineer by training, with a B.Eng honours degree from McGill University. I spent 35 years in the technology industry, 30 of them developing software products and building engineering teams. During the past five years, I've provided management and technology

consulting services to the federal government—the federal House of Commons—as an independent.

My industry career began at BNR—Bell Northern Research—the R&D arm of Nortel, and then continued at a successful Ottawa start-up called ObjecTime, later acquired by Rational Software. This training ground taught me to drive innovation, compete confidently on the world stage, and build winning business relationships at home and abroad. These successes led to further roles at Rational Software, IBM and Wind River.

Throughout my career, I've had the opportunity to manage teams locally in Ottawa and around the world in places such as Boston, the San Francisco Bay Area, France, Austria, India and China. I'm currently retired, but I hope my experience in the technology industry and my interest in developing Ontario's human capital may be of interest to the committee.

Throughout my career, I've had the opportunity to observe and participate in how to successfully build businesses—and some unfortunate examples of how not to build them. Winning companies combine three key elements: (1) finding and exploiting disruptive innovation; (2) attracting and retaining the best and most skilled people; and (3) partnering with funders and customers who recognize the need for improved productivity and are willing to make a bet on you. While all three are needed, I'd like to talk about the latter two—attracting great people and finding willing early-stage customers—and how Ontario government policies can help.

If I look around the world of technology—places like the Bay Area in California, Boston and Research Triangle Park in North Carolina come to mind—US tech centre companies relentlessly pursue the best people from around the world and attract them to come and contribute to their success and, in turn, the success of their regions and states. Attracting the most talented, diverse set of people fosters further innovation and spinoff ideas to create a critical mass. This critical mass is married to availability of capital and a risk-taking attitude amongst funders and willing customers—all in the tireless pursuit of world-leading products and growth.

That is the approach and attitude we need to foster here in Ontario: a desire to attract the best people and a willingness to take risks. While we do have some great examples of homegrown successes—take a look at Shopify, BlackBerry, QNX etc.—we need to create the conditions for more, with the societal outcome of better jobs, economic strength and resilience for a changing world.

Ontario's top universities already attract some of the best and brightest from around the world. For instance, 20% of the University of Waterloo student body is composed of international students; University of Toronto is about the same. With its well-respected schools, Ontario attracts 44% of all international students coming to Canada for post-secondary education. While this is a lucrative source of income for universities and colleges, generating approximately \$2.5 billion in annual tuition and \$1.9 billion in other expenditures into local communities and economies, it's also a huge skills opportunity for

Ontario to retain some of the best international students after graduation.

We're spending our valuable educational resources to educate the world, only to have those students return home or immigrate to the US to help build competing economies. We need to develop policies that encourage top international students to stay in Ontario, join or start companies here, and contribute to the growth of our economy. Policy incentives such as access to work visas, paths to permanent residency status, and tax incentives would help fill a skills shortage in Ontario businesses with top international talent. For example, one could imagine an Ontario skills retention tax credit that could be active for a period of time following graduation, creating a financial incentive to stay and contribute to Ontario businesses. That's just an example. I'm sure policy-makers have other ideas.

However, even with the best people, another critical ingredient is required: finding funders and customers who will take a chance on their innovative new product or service. Established Canadian companies and government agencies at all levels do not have a strong track record of buying from smaller emergent businesses. There's a tendency to act safely and purchase from industry-recognized names; however, not always to great success. Just look at Phoenix, for example.

While I did business development and sales for the Ottawa-based start-up ObjecTime, most of our clients were from the US and Europe, where customers were more willing to invest in new, innovative products to improve their own operations. The lone exception was Nortel, who provided us with—

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

Mr. Stephen Saunders: Thank you. I'm almost at the end.

The lone exception was Nortel, who provided us with critical early feedback and an opportunity to ready our product for the world stage. This kind of at-home engagement was critical to our later success with major US and European clients—some of the biggest names in wireless and networking.

Early-stage local clients are critical to the success of emergent Ontario businesses. We need to encourage established Ontario companies and government agencies to change their behaviours, take more risk, give our growing firms a chance to hone their products and services locally, making them ready to compete globally. Early-stage customers get the extra benefit of supporting new innovative businesses: an absolute commitment to success they may never see from larger name brand suppliers.

From a policy perspective, the Ontario government can help by eliminating barriers to smaller firms in their procurement processes, and by creating tax or other financial incentives for Ontario businesses to buy from our emerging companies.

I hope these words have been relevant to the committee and offer some modest input to those developing policy and tax proposals for the upcoming provincial budget. The specifics of my policy suggestions are not critical, but the needs and outcomes are.

The Chair (Mr. Stephen Crawford): Thank you, Mr. Saunders. We're now going to move on to questions. We're going to start with the opposition side first. Ms. Shaw.

Ms. Sandy Shaw: Did you just want to finish? It looked like you had a little bit to finish.

Mr. Stephen Saunders: I had one sentence.

Ms. Sandy Shaw: Go ahead.

Mr. Stephen Saunders: Thank you. I appreciate that.

We must restore Ontario to a place that makes products and services the world needs. We can only do that by attracting and retaining the very best people from across the globe, and by giving Ontario businesses the chance to grow from early innovators to local successes to global champions.

Ms. Sandy Shaw: Thank you. I am from Hamilton West–Ancaster–Dundas. We have a lot of universities—McMaster University, Mohawk College—and we also have an innovation park, which is trying to be an innovation cluster. So we have some of the ingredients there that you're talking about. We attract a lot of foreign students in Hamilton, and we have first-class universities—and a burgeoning innovation cluster, if you will. But we still do struggle with retaining some of the best and the brightest talent—not just foreign students, but even our own trained students who leave Hamilton. Can you tell me why we have those ingredients but it still just doesn't seem to be igniting in the way we think it should?

Mr. Stephen Saunders: I think it comes down to willingness to take risks. It's what I said in the latter part of my presentation. In Canada and Ontario, sometimes we end up being quite conservative in our behaviours. By working around the world, and with engineering teams around the world, I see that in certain places they have a much stronger can-do attitude.

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In particular, what's critical for small businesses when they're getting going is willing customers. The willingness of businesses to buy from other businesses and to take a chance on the new technology, the new product, the new service—that's what we need.

I'd be very, very happy to see incentives put in, some kind of mechanisms, through government policy to incent our own governments and our local existing businesses here to buy Ontario.

Ms. Sandy Shaw: Thank you.

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

Mr. Ian Arthur: Thank you so much for your presentation. I appreciate it very much.

There are two parts that I wanted to touch on quickly. The first is the regional innovational centres and the role that they play: Do you think they're effective? We have Launch Lab in Kingston. They've successfully brought in a significant amount of angel investing for start-ups coming out of Kingston. I believe they've been some of the most successful in the province. Do you think that that's a good avenue for this?

Mr. Stephen Saunders: First of all, I think Ontarians are full of great ideas. I joined a local start-up here, and it was the best thing I did, for my own career and for the

betterment of jobs and the people who worked with me during that time. However, we were lucky. We had a source of funding at the time, and we also had a set of willing customers.

I talk to friends who are still starting companies right now, and the key thing is getting their product out initially and getting some success stories, so that you can reference those success stories and turn those around into growth and export businesses. It's very difficult to crack that nut if you don't have a successful customer.

Mr. Ian Arthur: The other one has to do with operational costs for business. The late CEO of Chrysler talked about how businesses could be successful in Ontario for manufacturing for two reasons—the low cost of electricity, and public health care—but that if one or both of those were to go, it would no longer be a good place to take businesses to the next level. Would you agree with that?

Mr. Stephen Saunders: Electricity relates to manufacturing, typically, but it doesn't always relate to, say, a knowledge economy, so I wouldn't draw a direct link to all business types.

Mr. Ian Arthur: Thank you.

The Chair (Mr. Stephen Crawford): Okay. We're going to move to questions from the government side now. Ms. Skelly.

Ms. Donna Skelly: Mr. Saunders, I am the parliamentary assistant to trade, job creation and economic development. Along with MPP Cho, I just returned from Taiwan, where we met with government officials and a number of businesses in the tech sector.

My question to you: With your experience operating companies around the world, what do we do, as a government, to attract some of the businesses to locate in Ontario, or to at least purchase some of the technology that is built here in Ontario?

Mr. Stephen Saunders: Certainly, government policies that would support that. One of the things that I've heard Terry Matthews say in the past, when he was running some local tech businesses and even his sponsored businesses from his own investments, is that we don't seem to want to buy local. He had a terrible time promoting even some of the Mitel products that he was involved with to be purchased and used by local companies and local governments.

I think government can actually play a direct role in opening the procurement processes, to make it easier and reduce barriers, or eliminate barriers, to emerging businesses in Ontario.

Ms. Donna Skelly: But that doesn't necessarily increase export of our—

Mr. Stephen Saunders: Oh, sorry. You meant exports.

Ms. Donna Skelly: I'm talking about export to Taiwan—or at least to attract companies that are in a similar field to this province.

Mr. Stephen Saunders: Are you talking about moving companies here? Is that what your question is?

Ms. Donna Skelly: Yes. I'm curious, especially in light of the fragile relationship right now with China, if there's an opportunity.

Mr. Stephen Saunders: Oh, very interesting. Well, I'm not a political expert; I'm more on the business side. But certainly, companies like to move to a place where they have known costs and a stable environment for their workforce. Certainly, good health care is a valid requirement but also good wages and a good style of living. Clearly, if you take a look at California as an example, they have a natural advantage because of their environment, the size of the community they have there, and their weather and their location.

However, Ontario has some pretty good assets. We have a very tolerant and open society here. It's very open to people from around the world. That's a very strong advantage that we can take advantage of, in terms of promoting our own area. We have a great lifestyle in some of our major cities, and even outside our major cities. And the costs of operations, currently, with the Canadian dollar—because labour is a big factor in starting businesses. It certainly was a very strong factor when I was operating some US-owned businesses here in Ottawa.

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

Ms. Donna Skelly: I think MPP Cho wanted to ask something.

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

Mr. Stan Cho: Thank you, Mr. Saunders, for your presentation. You spoke about some of the procurement barriers that you would like to see removed, and procurement is something we talk about daily at Treasury Board. Can you describe some of those barriers?

Mr. Stephen Saunders: Certainly, in some government procurements, there are preferred contractor lists. There are eligibility criteria—even qualifying to make a bid, in some cases. Those kinds of barriers can put emergent Ontario companies at a natural disadvantage.

Mr. Stan Cho: Particularly, you're saying, in the SME sector, for small and medium-sized enterprises—and you think that would be a larger barrier?

Mr. Stephen Saunders: Yes, I do. They don't necessarily have the resources to jump over those barriers when they're starting. Their focus is on building their product and making customers successful. Spending time jumping over administrative barriers is a difficult thing.

Mr. Stan Cho: Thank you.

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

Mr. Stephen Saunders: Thanks for the opportunity provided.

OTTAWA AND DISTRICT LABOUR COUNCIL

The Chair (Mr. Stephen Crawford): We'll call up our next presenter, the Ottawa and District Labour Council. Good afternoon, and welcome to our committee. If you could just state your name for the record, then you'll have seven minutes to present. I'll give you a one-minute warning, and then we'll go to questions.

Mr. Sean McKenny: Okay, cool. Sean McKenny, president, Ottawa and District Labour Council. Good afternoon.

I would first like to thank the committee for the opportunity to present here this afternoon. The Ottawa and District Labour Council, chartered by the Canadian Labour Congress, is one of the largest of the 110 labour councils across the country. It's also one of the oldest, dating back to 1872. Currently, the labour council represents 90 union locals with a combined membership of over 50,000 working men and women, and is the largest democratic and popular organization in the Ottawa area.

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

Our economy benefits when government, with input from labour, business, community and individuals, initiates policy and legislation.

A number of individuals and organizations held a rally just outside here earlier today, not unlike in other communities you've been to as part of your consultations. The message is similar: People are not happy with this government and some of its recent announcements that will cause a negative effect to them, their families or to those they know.

Of course we're disappointed, as you've heard repeatedly from many others, in regard to the minimum wage. To freeze that wage for 33 months, we believe, was and is a mistake.

To repeal protections contained in the Fair Workplaces, Better Jobs Act by promoting and passing the Making Ontario Open for Business Act—most see that as a clear sign that government is once again picking on workers: those marginalized, precarious workers, women and others.

We certainly advocate for prescription drug coverage and dental care for all of those in Ontario, no matter the age, where they work or how much they earn. That Ontario allocates more funds to ensure this occurs, in our view, is a step in a direction that will help and benefit all.

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Back in September 2018, the Ottawa and District Labour Council, working closely with the local employment planning council, held a very successful and well-attended labour round table here in the city, at the Holiday Inn, the purpose of which was to talk and strategize around economic development and job creation—good jobs—in our city.

Training, job creation and economic development activity must be a priority with government. Local training boards such as what we have here in Ottawa under the local employment planning council, or the LEPC, help to promote and to cause that. The role of LEPCs as a convener of a dialogue between a broad range of stakeholders to address workforce opportunities and challenges, such as our recently held labour round table, is relevant and important. In a recent letter copied to the LEPC, the minister stated, "The scope and nature of

economic change can differ substantially from one region to another, which is why my ministry is working with organizations like yours. Local employment planning council (LEPC) projects collect better local labour market data, and then use that data to drive effective local employment and training solutions.”

It’s important that funding continue, and perhaps be increased, to our LEPC and similar organizations. Our public services provide a service to all of those who live, work or visit here. The stability of our communities through these services must be protected. To even consider the privatization of anything now public would be a costly move and one that, over time, will negatively impact those requiring the service. It’s a fact.

Homelessness, affordable housing, emergency shelters—an alarming, serious problem that is only getting worse. The problem isn’t focused in one community, as you’re all well aware, but in all communities across the province. The government of Ontario must act through the upcoming budget to help those communities, to help those individuals and families affected.

I’ve made similar comments in the past to government committees and others. They continue to be relevant today. The province has been one that has, for generations, for the most part, been moving forward and been built upon a caring people, a kind and considerate people—one built upon passion and compassion, and one where our children possess those same attributes and characteristics; one built upon equality, not inequality; one built upon freedoms gained and not opportunities lost.

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

When our nurses and those working in our hospitals make suggestions on how to cause our health care system to become better by ensuring a proper level of care is provided without necessarily increasing costs, governments and others need to listen and give those front-line workers an equal voice and equal weight when measuring it with a hospital CEO.

When our education workers say, “Please don’t do that,” don’t do that. Like the majority of workers in this province and elsewhere, a sincerity and a passion for the work they do is utmost every day of their working lives.

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

Mr. Sean McKenny: The upcoming budget must first and foremost address the many inequalities that have been and continue to be created. It must focus on not just job creation, but good job creation.

“Open to business” should not mean catering to business. Cutting red tape without recognizing or understanding why it exists is a mistake that will bring with it exactly the negative result that the red tape was put there to prevent.

A government for the people must be for all the people and not just for one specific group. Above all else, it needs to stop picking on workers and using them and their

families as scapegoats simply because they appear to be an easy target.

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

Ms. Donna Skelly: First of all, thank you for your presentation.

I’m just curious: Why does every union leader have such great hair?

Mr. Sean McKenny: I don’t know. The stress, you folks know well—

Ms. Donna Skelly: You should be pulling it out, shouldn’t you?

Mr. Sean McKenny: Yes.

Ms. Donna Skelly: As you know, we are a government that was elected on what we believe is bringing some fiscal sanity back to the province. The previous government left us with a heck of a deficit, almost \$15 billion. We are spending \$40 million more a day than they generated. We don’t want to leave this burden to our children and our grandchildren to have to deal with. We know we have an aging population. We know we will have soaring costs in health care and long-term care in the years to come. How do you expect a government to deal with these additional pressures and to address the deficit that has been left to this particular government?

Mr. Sean McKenny: In the presentation, I was pretty clear: The government needs to learn to listen. It needs to put as much weight on that front-line worker in a hospital, if we’re talking about health care, as it does with the CEO, where clearly it gives a lot more weight. I think when it is able to do that, when it’s able to get input from workers, from those front-line workers, then the decisions it makes will be the correct decisions.

Ms. Donna Skelly: We have been meeting with a number of representatives from PSWs, nurses, front-line workers who have shared their concerns and their frustration working in the industry as it is today. But in terms of being able to find financial efficiencies, is there anything that the labour council can bring to us to show us, “Here are areas you should be considering”?

Mr. Sean McKenny: I go back to—you just said it again. I don’t deny for a moment that you’ve met with folks. I’m not so sure it’s the right folks that you’re meeting with.

Ms. Donna Skelly: We’ve had presentations just in the past seven days from a variety—

Mr. Sean McKenny: Yes, absolutely. You’re saying that, so I have no reason to doubt that it’s true. But at the same time, it’s not just about listening. It’s about acting on the information that they’re providing to you.

Ms. Donna Skelly: I guess I’m pushing back just for more specifics from your organization. Have you been able to identify any sort of efficiency that you think government can consider?

Mr. Sean McKenny: You’re trying to catch me.

Ms. Donna Skelly: No, I’m asking—

Mr. Sean McKenny: You are.

Ms. Donna Skelly: I’m just asking—no, no. Let me be very clear: I’m just asking if you have any examples—

Mr. Sean McKenny: So I'll say it again, and this is the fourth time, with all respect—

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

Ms. Donna Skelly: Okay, you know what? Mr. Chair, that's fine. I have nothing further.

The Chair (Mr. Stephen Crawford): Any further questions from the government side? Mr. Downey.

Mr. Doug Downey: You'd made reference to the need to collect better data. I wonder if you can make a submission on what that data would be.

Mr. Sean McKenny: The whole training and adjustment piece and the economic development piece need all those in a community to participate. What I can tell you with 110% certainty is that in a number of instances, you have a number of organizations that are doing basically the same work in those communities around data collection. What becomes really important, and thus why I flagged the LEPC—because I think it's great. Before we had the LEPC—that wasn't when the Conservative government had the watch, it was when the NDP had the watch.

As you know, with the Canadian Labour Force Development Board at the federal level, and then the Ontario Training and Adjustment Board at the provincial level, and then local boards at the local level, it was a really, really good move by a government then to bring communities together to talk about the collection of data, so that we could have opportunities in economic development activity that truly were going to benefit all within a respective community.

I can't stress enough that the way it's going to work, when it comes to economic development, is everybody working together in the community. That is inclusive of labour and business as well.

The Chair (Mr. Stephen Crawford): Thank you, Mr. McKenny. We've expired our time on that side. We're going to move to the opposition side. Ms. Shaw.

Ms. Sandy Shaw: Thank you for your presentation. I preface this that I sat on a local training and advisory board in Hamilton. I'm going to ask, at the end of this, if you're saying that you think the funding for those are in jeopardy. So put a pin on that, because I'm going to ask you that.

Basically, the way we see it, or I see it, is that working-class people—middle-class, working people—are working harder and earning less, and when they go to the hospital to get services that they expect to be there, they're waiting in hallways. They see their aging seniors in deplorable conditions in long-term-care homes. We see a province that really needs to step up its game for working-class people and everyday people.

Then we hear about this fiscal situation, you know, that the Liberals perhaps have left us with this great deficit. I don't know how you feel, but for me, when I hear the government or the Premier say that everybody is going to have to tighten their belts—everyday people know that our belts are as tight as they can go. How does that make you feel, you and your members, when they have already contributed as much as they can—their hard work, their commitment to their communities—and they are being told that they need to tighten their belts, that they need to sort this fiscal problem out?

1430

Mr. Sean McKenny: I think it goes to part of my presentation when I talked about “on the backs of workers.” We've seen that for a number of years, when a government, in order to try and claim that they're saving money, does it on the backs of workers. We've seen it repeatedly. We're certainly seeing that again with this government, which is making all kinds of decisions on the budget for 2019 yet they're doing that without hearing the consultations. We're really confused there, too. A number of decisions that have been made of late are negatively going to affect workers, yet we're not even through a budget.

Ms. Sandy Shaw: Okay. Well, I share your frustration.

Back to my experience on the local training advisory board in Hamilton: I agree with you that they provided great labour force data. We had employer-side participants; we had people from education. It was a cross-sectional table that came together to look at local data, and we made solutions. We had programs, whether they were educational programs—in one instance, we created a program where, in Hamilton, we were graduating nurses, and the hospitals were looking for nurses. We didn't even have a table where the hospital that was graduating nurses was coordinating with the hospital that was requiring nurses. It was like a simple fix.

My question to you: Are you saying that you think that may be something that's in jeopardy, that collaborative body?

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

Mr. Sean McKenny: You were right in respect to “a simple fix.” It really is, when you have workers involved in the process and not just others making that—yes, I have heard that, in fact, there have been discussions to do it a different way, to close down some of those local boards.

Ms. Sandy Shaw: Can you quickly, in the time that's left, talk about your opinion on the changes to the College of Trades and the ratios, for example?

Mr. Sean McKenny: I think ratios are terrible. I think it's all about money. It's all about giving something to the employer, giving them a break in respect to costs. Apprentices learn when they're working with people. We're going to have employers now that are going to have 27 apprentices and 27 others as well, when in fact it's to keep wages down. That's the whole point of this from an employer's perspective. I'm a licensed carpenter by trade. We've battled this for years and years and years, and it's really sad that the government doesn't even get that, but they're trying once again to cater to the contractors out there.

Ms. Sandy Shaw: Thank you.

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

GREATER OTTAWA HOME BUILDERS' ASSOCIATION

The Chair (Mr. Stephen Crawford): Our next presenter is the Greater Ottawa Home Builders' Association. Welcome to our committee. If you could just state your

name for the record, you can get right into your presentation, up to seven minutes.

Mr. Jason Burggraaf: Jason Burggraaf, executive director of the Greater Ottawa Home Builders' Association.

Mr. Chair and members of the committee, good afternoon. Thank you very much for coming to Ottawa and for giving me the opportunity to speak on the upcoming provincial budget. The Greater Ottawa Home Builders' Association works in conjunction with the Ontario and Canadian home builders' associations to ensure that all levels of government protect choice and affordability in their housing policies. Our association is the proud voice of excellence in Ottawa's homebuilding community. GOHBA represents over 360 companies in the new housing, land development and professional renovation industry.

Residential construction is a significant engine of Ottawa's economy. We support over 41,000 jobs and pay \$2.5 billion in wages. Residential construction and renovation represents \$5 billion worth of economic activity across this region.

So 2018 was another strong year for home construction, and it looks like it could prove to be Ottawa's busiest year in new housing since 2002. In 2017, we had nearly 7,500 new homes constructed. Although there is often a slight decline after such a banner year, by the end of 2018 it looked like we might match that number. Much of the strength in these housing starts over 2017, 2018 and going into 2019 is coming from pent-up demand from slower years from 2014 to 2016.

Our industry faces a variety of interrelated challenges that affect our members' ability to build the necessary supply of new housing to meet the growing demand here in Ottawa, and we know this story is similar right across Ontario. Some 95% of Ontario's new housing supply is built by the private sector. New home prices reflect both market conditions and the operating environment set by government policy through municipal approvals, provincial regulatory frameworks, and federal rules regarding mortgage insurance accessibility.

The Greater Ottawa Home Builders' Association strongly believes that a healthy housing market provides a mix of housing choice and ensures that supply is sufficient to provide a reasonable opportunity to own your own home in a neighbourhood you desire to live in. A properly functioning housing market provides stability to both renters and owners at prices people can afford and in homes that meet their needs.

Action is required to address the complex and interconnected issues impacting housing in Ottawa and our members' ability to deliver new supply. Considering this, there are a number of issues that the provincial government could address, including reducing government costs, motivating municipalities to improve inspection and permit timelines, promoting the skilled trades as a first-choice career, and applying an affordability lens to the building code.

Let me speak to that last item first—one of the most significant factors in the construction costs of all the

requirements under the Ontario building code. While the code is meant to protect health and safety of occupants, over the years there have been requirements that add unnecessary costs, the 200-amp service for electric vehicle chargers being the latest example. GOHBA members would like to see the Ontario building code include affordability as an overarching objective statement. All current requirements in the code as well as future code proposals should be evaluated on a cost-benefit analysis through the perspective of the homebuyer.

Second, government fees, levies and charges: The average price of a new single-family home in Ottawa was just under \$575,000 back in November of this year. Ten years ago, it was \$400,000. I don't have to tell you that income did not match that pace of growth in the past decade. That \$575,000 new home has nearly \$27,000 in HST going to the federal government, \$18,000 in HST going to the province and approximately \$35,000 going to the city in development charges, and then a homebuyer has to account for the land transfer tax on top of that. GOHBA members are asking that all three levels of government coordinate their housing policies and consider their collective impact on the price of a new home through fees and regulatory regimes.

Third, in order to motivate municipalities to improve inspection and permit timelines, the province should create and maintain a benchmark for development application processing, inspections and deemed completions from municipalities across Ontario. This would provide critical information on how municipalities are achieving their own service targets and help identify areas where processes from another jurisdiction could be used to speed up development time frames.

My final point is on skilled trades. We applaud the provincial government for its changes to the Ontario College of Trades and the reducing of apprenticeship ratios. These actions will make trades training significantly easier moving forward. But now we need to take the next step and encourage more people to look at skilled trades as a first-choice career. The growing skilled trades shortage has the potential to become the single most important issue for the industry in the very near future and will impact our ability to supply housing of all types and at affordable rates. The province needs to work with the industry to encourage and facilitate entry into the skilled trades for everyone, from underrepresented groups like First Nations, immigrants and women to high schools and even younger.

As I said at the beginning, our industry represents \$5 billion in economic activity for Ottawa. For Ontario, that number is \$62.3 billion. It is critical to Ontario's economy that the residential construction and renovation industry have a sufficient labour pool over the next decade and beyond.

Again, thanks very much for inviting me to speak. I'm happy to answer any questions.

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

Mr. Joel Harden: Thank you, Mr. Chair. Thank you for the presentation.

My uncle is a member of your organization, Brent Harden. The question that I've had as a conversation with Brent is this: This policy that was debated in our municipal election most recently here of inclusionary zoning is something that other cities—Vancouver, Montreal, Toronto—have embraced to encourage mixed-income housing. There is a lot of building going on in our city, and that's good, but by and large what I've seen as the MPP in Ottawa Centre is that it tends to be tiered towards higher-income units in the downtown core. That's great for environmental reasons but not so great at creating affordable housing, and we have an affordable housing crisis.

I'm wondering about the extent to which GOHBA members have had this conversation. I know that others of my uncles, who operate in Quebec, gnash their teeth about inclusionary zoning, but there, if you have over 100 units, a certain percentage of them have to be set aside for affordable rental housing, and businesses are very viable there. Do you have any thoughts about this in Ontario?

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Mr. Jason Burggraaf: I can't speak for Ontario; I can only speak for Ottawa. Within our association, I have gone to my board and said we need to be part of this conversation. In fact, the Alliance to End Homelessness forum is tomorrow, and we're sponsoring a panel on affordable housing and how to promote more of it within a tight housing market. So we're having those conversations with housing providers and with the city. My understanding is that the city is starting to scope out work that could be taken. Inclusionary zoning is one of those tools. I don't think anybody, even on the private side or the government or the housing provider side, thinks that's the cure-all for affordable housing, but it's certainly a tool in the basket, and we're happy to have that conversation.

Mr. Joel Harden: I'm glad to hear it.

As the critic for people with disabilities, I've spent a lot of time in the last six months meeting with organizations, March of Dimes and others, who have made a pretty persuasive case to us for new builds. There's a compelling case to be made that new builds be done under the universal design format: that there's not a significant financial cost to developers, but for people with accessibility needs it's absolutely important. Has GOHBA had this discussion?

Mr. Jason Burggraaf: We are having that discussion, as well. Most of our members, if they're building a new home or even a townhouse or whatever type of home it is, offer some sort of universal design on the first floor to take on, if that's your option to take. We haven't talked very much about it in terms of actual adoption within the building code. There are, of course, concerns on our side about what the actual costs would be to that, but it's something that members do offer.

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

Mr. Ian Arthur: I actually just have a follow-up question to that, mostly because I just want information on

this. As we look towards an aging population and the expanding costs of long-term care, the ability to keep aging folks in their homes for as long as possible is often talked about. Looking forward to that, the potential demand for those homes could increase exponentially. I wondered if you just wanted to talk about that for a minute.

Mr. Jason Burggraaf: Sure. It makes an important qualification that when we talk about accessibility within a home, it's not necessarily for people in wheelchairs; it's for people with any mobility disabilities. So more universal designs and especially more grab bars in the bathroom, that sort of thing, which are becoming pretty standard in most homes, are being adopted for all new homes.

The Chair (Mr. Stephen Crawford): We're going to now move to the government side for questions. Mr. Cho.

Mr. Stan Cho: Thank you very much for your presentation. I have a lot of questions so I'm going to get right to them.

I think the issue of housing affordability is largely tied to supply and demand, and certainly it has been skewed one way for a very long time. I've heard from other groups we've met this week that there has been a lack of purpose-built rental product all across our province. Outside of the charges and levies, can you tell us how the government can incent the private sector to get involved and build more purpose-built rentals again?

Mr. Jason Burggraaf: If you want to build more purpose-built rental, you have to look at, basically, the people who are owning and operating those buildings. It's not really about the actual construction of the building; it's about who is going to want to do that later on. There are taxes and incentives at the provincial and at the federal level, to some degree, that incentivize the building of condos over purpose-built rentals. The people who are operating those buildings later on—that's who you need to focus on; it's not really the construction of the building itself.

Mr. Stan Cho: Out of curiosity, because I don't know the Ottawa market: The approvals process for builders to get permission to build—is that an issue here?

Mr. Jason Burggraaf: Yes, and I would argue that it's an issue everywhere. Of course, one of the biggest problems is, it's very hard to track. Often, when cities aren't meeting their own service timelines, they have a revision and end up extending those timelines, typically, to try to make that timeline more feasible. So it's a resource problem, for sure, at the city level. But when we're talking about inspections through the building code and your chief building official, that's technically a provincial employee.

Mr. Stan Cho: Do you have any other recommendations on how we can expedite the process?

Mr. Jason Burggraaf: I think the measurement is really the key thing here. That would allow us to say, "Hey, if London is getting through approvals"—even if it's the environmental assessment or any particular segment of the building process. If London is getting that through in two months and we're taking nine, we need to know what London is doing. Right now, there's no way to know that.

Mr. Stan Cho: Cross-jurisdictional communication. It's a great suggestion.

Switching gears quickly—Mr. Chair, how much time do I have?

The Chair (Mr. Stephen Crawford): A minute and 30 seconds.

Mr. Stan Cho: A minute and 30 seconds.

It's a crisis, our shortage of skilled trades in this province, and that's no secret. We've talked about attracting international workers for this. Do you feel there is something we can do better in the education system here in Ontario, and if so, what would some of your ideas be for that?

Mr. Jason Burggraaf: We need to bring back the idea of parity of esteem within trades. We've lost shop classes in high schools. I've been to one of, I think, about four shop classes that are still in this town.

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

Mr. Jason Burggraaf: That sort of focus on trades—really letting parents and students think of it as, “This is something I want to do. This isn't a fallback job. This is something that I want to pursue, that I want to go for. It offers good money, good hours, and what have you.” That's what we need to focus on. To fix the issue, long-term, you need to focus on high schools and even younger.

Mr. Stan Cho: Even younger. How young do you think we should be going?

Mr. Jason Burggraaf: I would focus on grades 6, 7 and 8, just before high school, so that when they start streaming in the high school area, they can go into that partial technical program.

Mr. Stan Cho: Thank you.

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

Mr. Jason Burggraaf: Thanks for your time.

ASSEMBLÉE DE LA FRANCOPHONIE DE L'ONTARIO

The Chair (Mr. Stephen Crawford): Our next presenter is the Assemblée de la francophonie de l'Ontario. Welcome to our committee. If you could please just state your names for the record. We'll allow you seven minutes to present and we'll give you a one-minute warning.

M. Carol Jolin: Carol Jolin, président de l'Assemblée de la francophonie. Je suis accompagné de Peter Hominuk, directeur général. On commence immédiatement? OK.

Alors, merci, monsieur le Président. Merci de nous recevoir, messieurs-dames. Avant de commencer, je voulais remercier votre comité de nous avoir invité à cette consultation prébudgétaire.

Depuis plus de 400 ans, les Franco-Ontariennes et les Franco-Ontariens façonnent l'Ontario, que ce soit en affaires, en éducation, en justice, en arts et culture et dans plusieurs autres domaines.

The next provincial budget presents a good opportunity to establish productive partnerships with the Franco-Ontarian population to build the Ontario of tomorrow, an Ontario for the people.

L'avenir économique de notre province dépend en partie de sa capacité à saisir son avantage francophone et bilingue.

French means business opportunities. Did you know that, after geographical proximity, the second factor that determines the extent of trade between two countries is sharing the same language? According to the Conference Board of Canada, bilingualism brings more than \$12 billion in economic activity to Quebec and New Brunswick, including \$9 billion related specifically to knowledge of the French language. In New Brunswick, a province where the francophone population is only one third that of Ontario's, bilingualism generates \$1.4 billion in revenue from interprovincial and international exports due in large part to industries such as call centres and administrative services. The Conference Board also notes that in Ontario, the francophone presence represents just \$1.4 billion in imports and a paltry \$58 million in exports. We can do better. We must do better.

S'il est normal que notre voisin du Sud soit notre principal partenaire économique, l'Ontario a besoin de diversifier davantage son commerce international grâce aux 1,5 million d'habitants pouvant s'exprimer en français. C'est dans cet esprit que l'Assemblée de la francophonie de l'Ontario vous émet les deux recommandations suivantes:

That the government of Ontario dedicate two full-time resources to work in the area of the Organisation internationale de la Francophonie in order to strengthen our economic ties with francophone countries and create partnerships to increase the number of francophone immigrants to Ontario.

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That the Ministry of Economic Development, Job Creation and Trade propose initiatives to stimulate the growth of social enterprises, private businesses and co-operatives at the local, regional, provincial and international levels.

Comme président d'un organisme démocratique bâti du bas vers le haut, notamment grâce à son réseau partout en province, j'ai la chance de parler à plusieurs francophiles et à de nombreuses Franco-Ontariennes et Franco-Ontariens de tous parcours et de partout en province.

For the 1.5 million Ontarians who can speak French, access to quality government services in French is undeniable proof of good customer service. Furthermore, francophone institutions are essential to maintaining the social fabric and providing leadership for the Franco-Ontarian population.

La francophonie ontarienne, c'est son réseau d'écoles et de collèges. La francophonie ontarienne, c'est sa chaîne de télévision éducative. La francophonie ontarienne, c'est l'ensemble de ses institutions.

Francophones and francophiles in Ontario and across the country recognize the importance of their institutions. You have surely witnessed their expressions of concern. That message was delivered more than 15,000 times on December 1 during demonstrations held in about 40 locations throughout the province. To ensure that the

French Language Services Act is fully respected, we recommend that the government of Ontario include the francophone perspective as a basis of its review of public finances and its creation of new programs to ensure the future of Franco-Ontarian institutions and Ontario's French-speaking citizens.

En adoptant une perspective francophone dans la révision et la création de programmes, nous voyons d'excellentes occasions de rendre les services en français plus performants. Prenons à titre d'exemple la réforme structurelle que le gouvernement de l'Ontario est en train de concevoir dans le système de la santé.

The government of Ontario has the opportunity to improve access to French health care services by strengthening the role of the French-language health planning entities. To allow these institutions to continue and expand their excellent work and to increase their impact after a structural reorganization, we underscore the importance of maintaining their mandate, their resources and their community governance.

Over the past several years, we have seen the effectiveness of the health planning entities. Their work in capturing the language variable among health care providers is vital to ensuring an effective evaluation process and conformity to service designation criteria.

La cinquième et dernière recommandation que j'aborderai avec vous est également au sujet de l'une de nos institutions. Bien sûr, je ne peux pas conclure sans vous parler de l'Université de l'Ontario français.

Depuis le 15 novembre dernier, l'Assemblée de la francophonie de l'Ontario a recherché et proposé des solutions pour permettre à notre seule institution universitaire gérée par et pour les francophones de croître. L'AFO a initié la conversation avec le gouvernement du Canada en vue d'un financement fédéral pour l'Université de l'Ontario français.

Since that time, the government of Canada has stated in writing its intention of funding its share of the work to continue moving forward in creating the institution. The government of Canada is even open to providing the entirety of funding for the next four years, provided that the government of Ontario does its share starting in 2023 and 2024.

Le développement d'un cadre financier dans les plus brefs délais pour la mise en oeuvre de l'Université de l'Ontario français, qui pourrait inclure une contribution fédérale finançant entièrement les quatre prochaines années de l'institution, des investissements du secteur privé et tout autre aide financière, serait un atout inestimable au prochain budget.

Avant de conclure, j'aimerais vous aviser que l'AFO déposera un mémoire à votre comité. Il contiendra des informations complémentaires sur ce que je viens de vous partager, ainsi que des idées supplémentaires en justice et en arts et culture.

Je vous remercie de votre attention.

The Chair (Mr. Stephen Crawford): Thank you very much. We will start with questions from the government side. Mr. Downey.

Mr. Doug Downey: I have a question on the location quotients and trade part of the presentation here. Just so that I better understand, if we're talking about, obviously, trade to francophone countries—but are we measuring where the product is being produced in particular or is it just in Ontario-based trade?

M. Carol Jolin: We're talking Ontario-based trade. What we're focusing on is that since we are part of the Organisation internationale de la Francophonie, there are 88 countries there, francophone countries, and the potential is just huge in terms of trade. Quebec is working really hard on that right now, and with the new government even harder, to establish business partnerships with those countries. New Brunswick is already there, and Ontario should be there.

Mr. Doug Downey: I live in the Penetanguishene general area. Of course, Sudbury, we know, has a significant French population. Has there been any work in terms of strengthening French communities within Ontario based on international trade?

M. Carol Jolin: Not that I know. We have organizations working within the province and at the national level, like le Conseil de la coopération de l'Ontario et la Société économique de l'Ontario. At the international level, we have a great potential, but we haven't been working on it.

Mr. Doug Downey: Okay, thank you.

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

M. Jeremy Roberts: Merci beaucoup pour votre présentation aujourd'hui. Cette semaine, nous avons eu la chance de visiter Timmins pour des consultations, et là-bas, il y a une grande population de Franco-Ontariens et Franco-Ontariennes dans le nord du Canada.

On sait qu'un des problèmes est d'assurer que des services de santé sont offerts en français dans tous les différents carrés de la province. Donc, je voulais savoir, en ce moment, quand la province doit se serrer la ceinture, pouvez-vous me donner peut-être quelques exemples de façons qu'on peut améliorer les services de santé en français pour tous les Franco-Ontariens?

M. Carol Jolin: Bien, pour un, ça va avec l'offre de service, et je crois que le travail des entités de planification est extrêmement important. D'ailleurs, le travail qu'ils ont fait jusqu'ici a permis justement des avancées importantes dans la livraison des services en français.

La question des services en français au niveau de la santé, ce n'est pas une question identitaire; c'est une question de sécurité, d'avoir les bons diagnostics, d'avoir les gens qui ont les bons médicaments et qui sont envoyés à l'hôpital pour la bonne chose. On sait que dans certains milieux, ça a été plus difficile, et ça a occasionné des erreurs. Ce sont des erreurs qui coûtent cher à la province, et ce sont des erreurs qui peuvent coûter cher humainement aux personnes. Donc, pour ça—

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

M. Carol Jolin: Pour ça, au niveau des services de santé, c'est important de maintenir le travail avec les entités de planification, et puis en travaillant avec la restructuration que vous êtes en train de faire, c'est une occasion justement de donner plus de possibilités aux

entités de planification de faire leur travail encore mieux. Pour ça, c'est important de maintenir leur gouvernance et leur structure comme telles.

M. Peter Hominuk: Je voudrais peut-être juste ajouter que quand vous avez des programmes que vous voulez faire offrir par des tierces parties, les organismes francophones sont toujours une façon très efficace d'offrir ces services-là. Entre autres, il y a plusieurs pourvoyeurs de services qui sont des organismes francophones, et parce que les gens sont plus à proximité, sont plus proches des gouvernements, ça coûte moins cher, et ça devient beaucoup plus efficace et puis tu as un service de meilleure qualité.

M. Jeremy Roberts: Fantastique. Merci beaucoup.

The Chair (Mr. Stephen Crawford): Okay, thank you. We will go to the opposition side. Mr. Harden.

M. Joel Harden: Merci, monsieur Hominuk et monsieur Jolin, pour votre présentation et aussi pour votre travail pour les francophones et les francophiles.

Franchement, pour commencer, c'est important pour moi d'en connaître plus sur la situation en ce moment avec l'université francophone. Voilà les nouvelles aujourd'hui au niveau fédéral—ce sont des nouvelles pour moi—pour chercher des fonds. Mais du côté de la recherche, là, pour cette université, c'est quoi—pour nous autres ici, comme politiciens, à savoir le rôle joué par cette université, pas juste pour les francophones et les francophiles, mais pour l'Ontario—les questions des impacts économiques et des impacts sociaux?

M. Carol Jolin: Pour un, c'est extrêmement important que—on a besoin d'une université dans la région de Toronto sur le plan démographique d'ici cinq ou six ans. La plus forte concentration de francophones va être dans la région de Toronto. Ça ne sera plus dans l'est de l'Ontario. Comme c'est là, les jeunes qui graduent des quelques 40 écoles secondaires du centre-sud-ouest ont accès à 3 % des programmes en français. On sait très bien qu'ils ne viennent pas à Ottawa et qu'ils ne vont pas à Sudbury. C'est une question de distance, et encore, ils n'ont pas la garantie qu'ils vont pouvoir poursuivre toutes leurs études en français.

C'est important qu'on puisse offrir ces services-là à Toronto, parce que ces jeunes-là s'en vont dans les universités anglophones et finissent par être totalement assimilés du côté anglophone et cessent de travailler et de continuer leur vie en français.

Maintenant, une université a un impact économique sur une région quand elle arrive. Un milieu comme Toronto, également, va attirer beaucoup d'étudiants internationaux qui vont venir poursuivre leurs études à Toronto et qui amènent les fonds internationaux qu'on connaît, pour les jeunes qui viennent de l'extérieur. D'ailleurs, il y a une étude, la semaine dernière, qui disait qu'il y a plus de jeunes au Québec présentement qui viennent de l'international parce qu'ils ne vont plus aux États-Unis pour toutes sortes de raisons. Donc, c'est une belle occasion, encore, d'attirer des gens.

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Ensuite, il faut dire qu'à Toronto, il y a 150 000 jeunes qui sont inscrits dans des écoles d'immersion. Il y a des

écoles secondaires d'immersion et il y a plusieurs de ces jeunes-là qui seraient intéressés sûrement à poursuivre leurs études en français, et ils n'ont pas cette possibilité ou ont très peu de programmes disponibles pour le faire.

Mais c'est certain qu'une université dans un milieu a un impact économique. Je sais, par exemple, que le Collège Boréal va emménager dans la section de la distillerie à Toronto, et les gens d'affaires sont extrêmement excités d'avoir le collège qui vient s'établir dans leur région, parce que d'ici quelques années, ça va amener quelque 1 000 élèves et plus dans la région.

M. Joel Harden: Merci. Quand il y a des personnes qui disent : « Bien, on a déjà l'Université d'Ottawa. On a déjà le Collège Glendon. On a déjà le Collège Boréal. Ce n'est pas nécessaire. » C'est quoi votre réponse?

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

M. Carol Jolin: Bien, pour un, les cours qui sont offerts—premièrement, c'est une question de distance. Les jeunes ne partent pas de Windsor ou bien de Hamilton pour venir étudier à Ottawa ou venir étudier à Sudbury. Surtout, pour dire : « Je veux étudier en français. » Je connais de nombreuses personnes qui sont venues à Ottawa qui ont dit, « moi, je m'en viens étudier en français », puis la deuxième année, la troisième année et la quatrième année de leur formation, la plupart des cours, sinon tous les cours, étaient rendus en anglais. Donc les universités bilingues ne peuvent pas garantir, d'un bout à l'autre, que les cours des jeunes vont être en français. Et ça, ça vient répondre à pourquoi les jeunes ne viennent pas à Ottawa et ne vont pas à Sudbury.

Glendon à Toronto est une université bilingue qui offre quelques programmes en français, mais ça ne suffit définitivement pas à la demande ni à la demande du marché de Toronto, qui a une très forte demande de jeunes qui sont capables de parler les deux langues officielles.

M. Peter Hominuk: En effet, le gouvernement de l'Ontario a lui-même de la misère à remplir tous les postes désignés bilingues à Toronto et dans les autres régions. Donc l'université devient un des outils importants pour pouvoir combler votre propre pénurie d'employés francophones bilingues.

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

M. Carol Jolin: Merci.

OTTAWA COMMUNITY FOUNDATION

The Chair (Mr. Stephen Crawford): We'll move to our next presenter. It's the Ottawa Community Foundation, and they're on teleconference.

Are you able to hear us right now?

Mr. Marco Pagani: I am. Thank you very much.

The Chair (Mr. Stephen Crawford): Okay. Thank you. Welcome to our committee. If you could just state your name for the record, speak loudly and you'll have up to seven minutes to present. I'll give you a one-minute warning when there's one minute left, and then we'll go to questions.

Mr. Marco Pagani: Fantastic. My name is Marco Pagani. I'm the chief executive officer of the Ottawa Community Foundation here in the city. The Ottawa Community Foundation is one of the largest funders of the charitable sector in the city and the only funder that covers the full spectrum of causes. We provide grant money to charities and we're also a world leader in something called impact investing, which includes making debt financing, so loans, available to both charities and not-for-profits.

I guess I'll just dive right in: The Ottawa Community Foundation brand promises to be seen in the community as a most-trusted partner, to fulfill what we refer to as impact philanthropy. We define that as philanthropy that delivers positive, systemic, sustainable change. We work with philanthropist donors to acquire dollars and we work with the 1,800 hundred charities in the city to disperse dollars, hopefully dispersing dollars in a high-impact way in order to deliver positive, systemic, sustainable change.

I think everybody acknowledges the existence of two sectors, the private sector and the public sector. I'm going to suggest there's a very significant third sector that I refer to as the third P, the philanthropic sector. In Canada, that includes 170,000 organizations, 86,000 of which are charities; the rest are not-for-profits. That's two million employees, that's about six million volunteers and that happens to be 8.1% of the GDP in Canada. So I think it's important to acknowledge that that third sector exists and it's pretty significant.

At the Ottawa Community Foundation we have three guiding principles in order to facilitate movement towards positive, systemic, sustainable change. Evidence-based decision-making is the first. The second is using systems approaches to solving problems in order to facilitate repeatable successes. The third is formalizing cross-sectoral partnerships, public, private and philanthropic partnerships.

I already mentioned there are 1,800 local charities, and the philanthropic sector in general does really, really excellent work. It's very inspirational. I consider myself in a vocation, being a former business person, and the sector does stuff that nobody else does. The sector has intimate knowledge of the community. The sector is connected at the citizen level. I believe the sector needs to drive the bus in the cross-sectoral systems approach to driving socio-economic indicators in a positive direction.

I'm going to give you a couple of statistics for the Ottawa region. In Ottawa, we have 6.5% of households which are moderately to severely food insecure. When you add all categories of food insecurity, that's a total of 60,000 households. We have 10,000 households waiting for affordable housing. We have 7,500 annual users of emergency shelters. Youth unemployment is at 13.1%, the worst it's been in about 10 years. We have entire neighbourhoods where over 50% of the children are growing up in poverty; 25% of seniors are in poverty; and neighbourhoods where over 50% of seniors are living in isolation.

We believe that the sector, as I said, has an opportunity to drive the bus in a multi-sectoral approach to driving these numbers toward zero. We believe we should aspire

to live in cities in our country where these numbers are trending toward zero, and we believe that none of us should rest until those numbers are zero, because behind every number is a face, is a heart, is a soul.

Although we are inspired and we see wonderful work from the sector every day, there's an opportunity—because our sector sometimes is wrought with perpetual firefighting—to inject a sustainability element, which is a paradigm shift from the modus operandi that we operate under typically.

The sector is primarily totally dependent on grant money. We believe we need to invest in what we refer to as social infrastructure to facilitate an alternative to dependence on grant money. We think the alternative to grant money is earned revenue. We think the answer to earned revenue is social enterprise. Social enterprise is any entity that applies business principles in order to further a social good. We believe the answer to social enterprise is investing in social infrastructure in order to facilitate instantiation, building and, ultimately, scaling of sustainable social enterprises with the sector, which translates to sustainability of the sector, which leads to the ability of the sector to drive the bus in a multi-sectoral approach to drive numbers to zero.

We have an innovation centre in the city, the innovation centre at Bayview Yards. I think everybody there is familiar with it. It took three levels of government financing to a goal of \$33 million to build it. Through the leadership of the Ottawa Community Foundation, we have a one-stop shop which is a gateway to an ecosystem at that innovation centre in order to facilitate social enterprise development within the sector, where charities can get microfinancing, business case development support, marketing and branding, access to selling, access to tactical information, policy management, and an incubation space for social innovation.

We think there's an opportunity to crystalize that, to grow it, to ready it for prime time in order to facilitate the paradigm shift within the sector. We think it's an opportunity to inject economic development within this sector and other sectors. We believe that through that economic development and that infrastructure investment, we can facilitate the opting in of other sectors to do social good.

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

Mr. Marco Pagani: Conclusion: It's a fantastic sector. We're all for appreciating fiscally responsible approaches to budgeting and spending. I think there are two kinds of charities, those that give out fish and those that help people learn how to fish. What we're talking about is helping people learn how to fish. It probably doesn't make a lot of sense, in our view, to cut prior to providing opportunities to learn how to fish. The idea here is to help people learn how to fish through investment in social infrastructure, before we start cutting access to the fish, so that we can drive numbers to zero.

That's it for me.

The Chair (Mr. Stephen Crawford): Okay, thank you very much. We appreciate that. We're going to go to questions now. We're going to start with the opposition side. The first one comes from Ms. Shaw.

Ms. Sandy Shaw: Thank you very much. In Hamilton, we have a very robust community foundation, and I'm familiar with the work. They were, in fact, one of the co-founders of—what we have is a poverty round table.

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Mr. Marco Pagani: Yes, we're familiar with Terry and his work. I was very impressed with it; absolutely.

Ms. Sandy Shaw: Yes, exactly. So we've done a lot of work in Hamilton to address, from many fronts, the issue of poverty reduction.

I'm going to ask two questions. One is about the notion that there are many ways to address poverty reduction. I appreciate your idea that we need to give people the skills that they need and assets so that they have some sort of resilience against poverty.

One of the things in Ontario, and in Hamilton, was the Basic Income Pilot. I know that the community foundations are research-based, evidence-based organizations. The Basic Income Pilot was a research program. It was almost two years in, and it was showing much promise. In fact, it was lauded by people who are trying to address income inequality and poverty reduction all across, really, the world. I was at a conference where there were people from all over the world who were looking forward to the results of the studies. This was cancelled abruptly—in fact, so abruptly that some of the participants who, in good faith, enrolled themselves in this program were left stunned and in some instances were left in worse situations than they were in before they enrolled in this program.

Can you talk a little bit about, from a research-based, evidence-based approach to poverty reduction, what the cancellation of the Basic Income Pilot means for your sector?

Mr. Marco Pagani: First of all, I think we need to acknowledge that all social issue areas are interconnected in a very complex way. You can't talk about poverty reduction without talking about food insecurity, without talking about unemployment, without talking about basic income, without talking about mental health, or without talking about addictions and homelessness etc. This is a very, very complex beast.

This sector is responsible for literally trying to solve world hunger problems. I don't believe you can take an approach where you look at an individual component of a complex system and make a judgment on whether injecting or reducing resource allocation in a particular issue area—what the spillover effect is—without having a systems lens approach to the big problem. That's a very complicated thing to do, and very, very few people are equipped to do that.

There's no question in my mind, like I tried to say earlier, that cutting before we have alternatives—once the ship has left the dock—is probably not an intelligent thing to do. Again, we appreciate fiscally responsible approaches to solving problems. But taking a systems lens and understanding that cross sectors have to participate at a level that facilitates solutions is kind of where we're at.

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

Ms. Sandy Shaw: Thank you.

Sol? We've got one minute.

Mr. Sol Mamakwa: I'm just interested in if there was any funding with the Ontario Trillium Foundation.

Mr. Marco Pagani: We're very familiar with the Ontario Trillium Foundation. I think the announcement was a \$15-million cut. Again, without having alternative plans to address issues that these financial resources were intended to address, it doesn't make sense to us.

Trillium does really good work. A lot of funders do really good work. As a sector, we could be more co-ordinated and synchronized at a systems level. Again, that's the main message here. Until we have those systems-level infrastructures in place, it seems irresponsible to me to slash and burn without having alternatives. Again, can you get rid of the fish before we help people to learn how to fish? That's the way I would respond to that.

The Chair (Mr. Stephen Crawford): We're now going to go to the government side for questions. The first one comes from Mr. Downey.

Mr. Doug Downey: Thank you for your presentation. I sat on a community development corporation and worked with a foundation. It sounds similar to what you do.

I want to see if you have an opinion on social impact bonds.

Mr. Marco Pagani: Sure. I have an opinion on social impact bonds. In fact, we have opinions on social financing in general. The idea of social impact bonds and other social finance vehicles, for those who don't understand, is making public and private financing vehicles available to the charity space, or the not-for-profit space, in order to further social good. There's no question that an investment that yields a financial return and can also yield a social return is really, really important.

The message that I've provided people at the provincial, municipal and federal level is, before we make financial resources and associated vehicles like social impact bonds available, I'm a strong believer in injecting a readiness within the sector so that we can more intelligently consume these financial resources in a needle-moving kind of a way.

For example, we offer debt financing to this sector. There is a lot of hand-holding required before charities and not-for-profits understand, at a business-case level, why debt financing makes sense. So, investing in the building up of the capacity to be business-case aware, to understand a return on investment, and to be better at measuring impact results will make social impact bonds and other social financing vehicles much more useful. But putting the cart before the horse is kind of my message. It's probably not the best thing to do.

Mr. Doug Downey: Do you have any direct experience deploying social impact bonds?

Mr. Marco Pagani: We are working with people at MaRS in Toronto, and there are some really cool things happening in BC, so we're familiar with the implementation of social impact bonds.

The two primary issues of social impact bonds are—the first one: A social impact bond only pays out when there is a measurable impact made—for example, the reduction

of children in foster care, to pick an example. Measuring those population-level things is difficult, so ensuring that we're better at measurement is a first comment.

The second comment is having somebody backstop the initial investment from investors like foundations. I'm a proponent of getting governments to actually be that first-loss capital insurance so that when investors like foundations and others put money into a social impact bond or another social finance vehicle, if that initial investment doesn't yield the results and therefore there's no payback, the principal isn't lost. It's protected by governments so that you can reinvest it in the next social innovation.

Mr. Doug Downey: Yes, MaRS seems to come up on a regular basis when I talk about them.

Last question—

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

Mr. Doug Downey: One minute?

You talked about partnerships. Do you have any partnerships with Indigenous communities?

Mr. Marco Pagani: Yes, absolutely. We're partnering with a number of Indigenous communities on a couple of things, including formalizing—locally, in the school boards—reconciliation curricula for elementary and high schools. Indigenous elder-led content creation, Indigenous-delivered workshops, and engagement of students and teachers in school boards is one area.

As we all know, the federal government has set aside a number of dollars for Indigenous-led clean energy projects, primarily on-reserve, but some off-reserve stuff. We're working with intermediaries on establishing social enterprise paradigms, including debt financing and granting, in order to get some of these clean energy programs off the ground.

Mr. Doug Downey: Thank you.

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

Mr. Marco Pagani: Thank you, everybody. Have a good day.

REGISTERED PRACTICAL NURSES ASSOCIATION OF ONTARIO

The Chair (Mr. Stephen Crawford): I would like to call up our next presenter. It's the Registered Practical Nurses Association of Ontario. Welcome to our committee. If you could just state your name for the record, and you can start proceeding with your presentation. I'll give you a one-minute warning.

Ms. Dianne Martin: Good afternoon. Thank you very much for the opportunity to speak with you today. My name is Dianne Martin and I am the chief executive officer of the Registered Practical Nurses Association of Ontario, or RPNAO. I am also a nurse and have the privilege of standing up for nurses every day.

RPNAO is a professional association, not a union, that provides the voice for 43,000 registered practical nurses, or RPNs, providing excellent care to patients across every corner of this province.

Ontario's RPNs are knowledge-based health professionals who combine skill, judgment, passion and compassion on the front lines of health care. We provide care in a variety of settings, including hospital, long-term care and patients' own homes.

At RPNAO, we are pleased that this new government is committed to really listening to the people on the front lines. RPNs know from experience where our health system is doing well and where it can be improved. Today, I am here to share some of the practical, low-cost ideas from the front lines of care that we believe will help the Ontario government end hallway health care.

First, if our health system is going to be sustainable and patients are going to get the excellent care they deserve, we have to make sure that all health professionals are putting their education and experience to best use. We need to be building high-functioning, well-integrated patient care teams that empower all team members to deliver care to the fullest extent of their expertise. This means ensuring that those with specialized knowledge are focused where they will have the most impact, rather than performing tasks that could be done by another member of the team.

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To help achieve this, we have proposed four modest changes to the RPN scope of practice, outlined on page 8 of our submission, to bring better care to our most vulnerable people and better value to our health system. Over the past several years, RPNAO has worked with the Ministry of Health and Long-Term Care, the College of Nurses of Ontario and other stakeholders, through a robust consultation, to arrive at these common-sense proposals that put patient safety and care above all else. These are things that RPNs perform every day. However, they can only do so after being instructed by a registered nurse, nurse practitioner or a physician. We suggest that rather than waiting for an order, in the right circumstances RPNs be given the authority to independently decide and initiate these common practices, which include wound care and IVs. Patients who are in urgent need, including in emergency situations or in rural and remote communities, don't have time to wait while an educated and competent registered practical nurse seeks permission to provide the care that she or he is qualified to give. We are confident that these changes will remove barriers to high-quality, timely care on the front lines and give patients and their loved ones more confidence in the care they are receiving.

Secondly, we are proposing that the government take steps to make sure that we have nurses where we need them. RPNAO believes that if Ontarians are going to get the best-quality health care they deserve, they need experienced, compassionate, knowledgeable professionals at the bedside. In many cases, that professional is and should be an RPN. In fact, the role of RPNs is growing ever more crucial as our population ages and growing numbers of older Ontarians need care at home, in the community and in long-term care. At the same time, we know that there will always be some patients and situations that call for the skills and training of an RN.

Right now, we're seeing significant changes in health human resources. While we have done a good job recruiting RPNs, and we expect those numbers to grow, we are seeing a decreasing supply of RNs, with many more expected to retire over the coming decades. Without enough health professionals on the front lines, hallway health care is bound to get even worse. But we believe RPNs can be part of the solution. Given their existing knowledge, skill and experience, RPNs who wish to do so are well placed to career ladder to RN. RPNs only require one bridge year and two regular academic years of education, as compared to the four years required to educate new RN students. By expanding education and supports for career laddering, the government can accelerate the pace at which the province can create new RNs and reduce the required investment in tuition.

While we know that the majority of RPNs are dedicated to a rewarding career in practical nursing, many are interested in exploring other opportunities in nursing. Right now, hundreds of RPNs pursue career laddering each year. However, there are several barriers that currently prevent larger numbers of RPNs from choosing this path: It can mean taking several years off work, giving up salary and paying expensive tuition to go back to school. But with the right supports, we believe many more RPNs would choose this path.

A modest investment in education grants to RPNs enrolled in BScN programs is the most cost-effective strategy for tackling Ontario's growing RN shortage. It would help retain more nurses in the system while more quickly increasing the number of RNs.

There is an additional benefit: that increased RN salaries would also generate additional tax revenue for the government, potentially over decades. A recent Conference Board of Canada report examining a similar initiative for training internationally educated nurses found that the government earned an average of \$9 for every \$1 spent on bridging education to create new RNs. That's a pretty significant return on investment.

At RPNAO, we share the government's priority to ensure that patients across the province receive the best possible care. We believe that the ideas I've shared today and others contained in our pre-budget submission will move us closer to achieving that goal.

We look forward to continuing to work together to strengthen Ontario's health system. I want to thank you again for the opportunity to present to you today, and I look forward to your questions.

The Chair (Mr. Stephen Crawford): Thank you. We're going to start with the government side right now. Ms. Skelly?

Ms. Donna Skelly: A quick comment: We've been looking for this type of information—I think it's appendix 1, on page 8. It's very, very helpful.

Ms. Dianne Martin: Thank you.

Ms. Donna Skelly: I'm not even going to take up any time, because I know my colleague at the very end of the row is anxious to probably grill you on some of the—

Mr. Stan Cho: Not grill. Not grill.

Ms. Dianne Martin: You can go ahead.

Ms. Donna Skelly: So I'm going to pass it over to MPP Cho.

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

Mr. Stan Cho: Thank you very much, Chair, and thank you, MPP Skelly.

Thank you for your presentation, Ms. Martin.

Ms. Dianne Martin: Thank you.

Mr. Stan Cho: It's very thorough. I echo MPP Skelly's comments in saying these are exactly the kinds of things we need to hear. I'm looking at the appendix as well; it's very detailed. But there's no way there are only four services that you believe RNs are capable of fulfilling. Are there others you would like to—

Ms. Dianne Martin: RPNs. Those are the issues that are legislative.

Mr. Stan Cho: Okay.

Ms. Dianne Martin: Just a quick explanation: The legislation, the Nursing Act of Ontario, was created before we actually had the education to do just a few things. There are just a couple of things in the regulations that need adjusting. Other than that, the same rules of the game apply to RNs and RPNs, and that's why there are not more.

Mr. Stan Cho: Gotcha. I'm wondering if we can chat a little bit outside of the box, I guess, so to speak. Obviously, RPNs have a lot of experience in our health care system. Health care is the biggest expenditure in our budget, and it's really where, at Treasury Board, we're focusing a lot of our efforts, not just to maximize value for money but to look to innovation and technology to help us as well.

Part of the discussions we're having is, are we getting the best value for money on some of our health care equipment and technology? In your experience, maybe with your members, have you experienced any frustrations with technology, with equipment? Do we have the best available? What's the reporting mechanism if it's not, or if it is?

Ms. Dianne Martin: We're probably lagging behind what we could use for technology. At RPNAO, where I work, we have an entire innovation and technology department where we are investing funding ourselves to look at how we support the best technology and make sure our nurses are ready to use it.

We've visited lots of organizations that are talking about robotics and that sort of thing. We're talking in our organization about where that has a role, and yet keep the piece of nursing that can't be replaced by technology.

Yes, there are lots of new areas, lots of places in Ontario. We visited IBM in Hamilton. There are lots of places where the technology is being developed. We just need to catch up and make sure we start using it. I think it will actually put nurses closer to where they need to be.

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

Mr. Stan Cho: I know we're running out of time. I'm wondering, too, if you could speak to some of the other jurisdictions—

Ms. Dianne Martin: Yes. I have recently done a project where I went to many jurisdictions and looked at

how the second category of nurse works in those jurisdictions, and I found some amazing places. The three countries that do it best are Finland, Australia and New Zealand. They really do a good job of identifying exactly where we need registered nurses—which is what we’re trying to address—and where practical nurses can provide care, and how best to have that integration of collaboration that allows the right knowledge to get to all of the patients who need it.

It’s kind of like back in the days when we went from physicians, to physicians and nurse practitioners, or physicians and midwives. It’s starting to look at things through that lens.

Mr. Stan Cho: Thank you very much.

The Chair (Mr. Stephen Crawford): Thank you very much. We’ll now go to the opposition side for questioning. Mr. Harden?

Mr. Joel Harden: Thank you for the work that you do, and thank you for the work your members do. There are a bunch of questions that come to mind. A lot of people in my family are nurses.

The issue that gets brought to our office a lot—I’m the critic for people with disabilities and the critic for seniors. There’s an ongoing concern that has been voiced here in Ottawa and across the province around issues pertaining to putting health care workers—nurses among them—and patients in difficult situations. I’m thinking particularly of the demand that many folks have to age in place, and how we fund RNs, PSWs and others to visit seniors particularly, or people with disabilities, in their homes.

1530

Here in Ottawa, the local LHIN folks whom I’ve gotten to know are affable. Nonetheless, the metric is, 15 minutes to give a senior a bath from the time you knock on the door to the time you leave. By the time you take off your boots and hang up your coat—essentially, care providers—nurses, PSWs—are being encouraged to think of other services they can provide a senior in 15 minutes.

For the people who built the country and for the workers who are doing the work that you’re talking about, I think we could do a lot better. I’m wondering about the extent to which you’re also following issues with respect to workload and understaffing. Could you explain some—

Ms. Dianne Martin: Really closely, actually. I try to put a uniform on and go out with a nurse on a regular basis. The last time I went out with a home care nurse, I said, “What are we going to do? See eight or 10 patients?” She said, “We’re going to see 18 patients, and we’re going to drive between their homes.” When you’re from rural Ontario, which is my roots, you’re talking about driving through farmland in the middle of winter. It is a real challenge. If you arrive at someone’s home and they are not in the expected condition that you thought they were going to be, you’re going to be there for an hour and you’re going to fix that. Then you are going to be finishing your day, with no extra pay, at 10 o’clock at night.

Workload is an issue, and working conditions are. I’m as puzzled as you as to why we’re not getting more traction on solving this. I’m hoping that now we’re going to. I’ve

been at this job for a really long time. It’s so much cheaper to care for people in their homes, but what we need is a coordination that will provide us with real integration across sectors so that when someone leaves the hospital and moves to home, or if they’re waiting for long-term care, there is great integration. That’s number 1.

Number 2: We have to make sure that we recognize that the more money that we invest in those cost-effective services and cost-effective care providers, of which practical nurses are one, the more we can maintain our quality of care and yet have a more sustainable system that provides a greater amount of care.

Mr. Joel Harden: Thank you for that. The question that also gets brought up with me—I consider nursing and PSW work to be an elaborately skilled trade. We’ve had discussions on the skilled trades in the province of Ontario. But caring work is hard. How do we incentivize people to get into caring professions like yours? Do you think that’s an issue?

Ms. Dianne Martin: No, I don’t think it is. I think that getting people into the profession isn’t a real challenge. People feel it and go in. I mean, that’s why we have entire families of nurses. My mom was a nurse. My daughter is a nurse.

Our challenge is keeping them there these days. That has not been a challenge in the past. Keeping nurses with our current working conditions in nursing has become a real challenge and one that we also have lots of ideas on how we can improve. There was a study that happened recently in Ontario that I just read about yesterday, that registered nurses who work—I’m a registered practical nurse—in intensive care situations are so short-staffed that 10 hours of overtime work—at time and a half; very expensive—results in an additional 3.3 hours of sick time per nurse. So we have no choice but to deal with these issues.

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

OTTAWA REAL ESTATE BOARD

The Chair (Mr. Stephen Crawford): We’ll move on to the next presenters: the Ottawa Real Estate Board. Good afternoon. Welcome to the committee. If you could please just state your names for the record, you can get right into your presentation of up to seven minutes.

Ms. Jennifer Morley: Good afternoon, Chair and members of the committee. My name is Jennifer Morley, and I am a sales representative with Royal LePage Team Realty here in Ottawa. I am chair of the government relations committee for the Ottawa Real Estate Board. Joining me today is David Oikle, a real estate broker at Royal LePage Team Realty and provincial director for eastern Ontario for the Ontario Real Estate Association.

The Ottawa Real Estate Board is the industry association that represents approximately 3,100 registered brokers and salespeople in the Ottawa area. Our members work, volunteer and raise their families in every riding in Ottawa and the surrounding area.

We are here today to urge this committee to address what we believe is a serious issue facing families not just here in Ottawa, but across Ontario. The issue is the affordability of home ownership in Ontario. The lack of supply of homes and the subsequent impact on price has meant that the dream of home ownership is out of reach for too many Ontarians.

The Canadian dream of owning a home is a pillar of our province. Not only does the housing industry drive our economy, it contributes to strong, stable communities and civically engaged citizens. Today, across Ontario, hundreds of young couples will start a search for their first home. Unfortunately, many will discover that, for them, the Canadian dream is moving further and further out of reach.

This is a problem for us right here in Ottawa. The average sale price of a residential-class property sold in December in the Ottawa area was \$453,000, an increase of 4.7% over December 2017. And while the number of home sales are down compared to a year ago, this continues to be a reflection on the lack of supply that exists in our communities. What does this mean? It means that young families, particularly millennials, either cannot afford to enter the housing market or they are forced out of the city, into Kanata and Carleton Place and Orléans, where they are able to find affordable homes that meet the needs of their growing families.

Anyone from Ottawa can tell you how frustrating it is to be stuck on Highway 417 during rush hour, trying to get to and from work each day. On some days, it can be hours in traffic, which is time spent away from families and loved ones. We owe it to our young people, and to all generations that follow, to take bold action to address the issue of housing supply and affordability here in Ottawa and across the province.

Realtors believe that addressing affordability starts with increasing the supply of homes. That is why we applaud the government's decision to launch a Housing Supply Action Plan. To that end, the Ontario Real Estate Association was happy to participate in consultations that fed into that plan, and will be releasing their recommendations publicly later this week.

One solution realtors would like to discuss with the committee is targeted infrastructure investments to bring new houses onto the market. For example, we encourage the government to make strategic investments in local transportation infrastructure, to allow for the orderly movement of people coming in and out of our downtown core.

Most are aware that the Ottawa region is home to thousands of people who commute into our core to work in various industries, including the federal government. As we build the homes of tomorrow in Ottawa and surrounding communities, these people need to be able to rely on a transportation corridor that can get them home from work and back to their families in a timely way. We should be focusing on increasing housing along these transit corridors so that the homeowners of tomorrow are not contributing to the traffic congestion of today.

While we support investments in light rail, we must not forget about subsequent investments to support infrastructure in suburban communities, where much of the new growth is expected to take place. Moreover, realtors are strong supporters of provincial policy that mandates the intensification of housing along major transit corridors so that the homeowners of tomorrow are not also commuters.

Mr. David Oikle: Our final recommendation to the committee for inclusion in the 2019 Ontario budget is to cut red tape on real estate small businesses by removing the regulatory barriers standing in the way of personal real estate corporations.

Currently, outdated rules and annoying red tape in the Real Estate and Business Brokers Act prevent real estate salespeople and brokers from self-incorporating. Forming a professional corporation is a tax structure that is available to many professionals, which encourages them to reinvest in their companies, hire staff, purchase new equipment and provide better service for their clients.

In terms of the impact on the provincial treasury, as these corporations wind down, they repay their reinvested deferred tax back to the province in personal income tax. As a result, we estimate that over a 10-year time frame, this proposed change will cost the province nothing in terms of lost tax revenue.

This is the issue that MPP Bob Bailey has championed through the introduction of Bill 38, Tax Fairness for Real Estate Professionals Act, 2018.

In addition to cutting red tape, this issue is also about fairness, since most other regulated professionals, including chartered accountants, lawyers, health professionals and others, can form personal corporations.

Our recommendation and our hope is that the government make the necessary legislative change, either through the budget bill or another piece of legislation, that will allow realtors to form PRECs.

Ottawa realtors take pride in assisting—

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

1540

Mr. David Oikle: Thank you.

Ottawa realtors take pride in assisting members of our community when they are making the single biggest purchase of their lives: a home. But the dream of home ownership is becoming increasingly challenging to achieve. To be blunt, Ontario is facing a housing-supply crisis.

Ottawa realtors support the province's Housing Supply Action Plan and encourage all parties to rally around the thousands of young families who today are struggling to do what generation after generation of Canadians have enjoyed—that is, owning a home.

Thank you, and we're happy to answer any questions you may have.

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

Ms. Sandy Shaw: Thank you for your presentation. I would have to say, we've been in a number of other cities, and the issue of housing comes up—not just home

ownership but housing in general. I want to focus a little bit on the idea that—we absolutely understand that we need to increase housing supply. But I think what we feel is important, in terms of good planning and making sure we have communities where everyone can live, is that we want to have a real continuum of housing—not just home ownership, but affordable housing in general.

Can you talk a little bit on how you see your piece of the supply of homes fitting into a continuum where we want to make sure that there's housing for everyone in Ontario?

Mr. David Oikle: We were here earlier, and the folks from the home builders' association. That discussion is very, very important. Our responsibility is to the buyers and sellers who are in the marketplace, so we're not the people, like the home builders—

Ms. Sandy Shaw: Who build the homes.

Mr. David Oikle: —who are doing that policy-setting. I think that that's probably where the greater impact would be, rather than in our responsibility. I'm not sure if that's helpful.

Ms. Sandy Shaw: Yes, that's fine. I guess it wasn't in your presentation, but something that I'm curious about is, people talk about why housing is so unaffordable for average young couples or people or seniors. Owning a single-family home is really very difficult for people. You talked about the prices of homes. The lack of supply is just one of side of it. Can you talk a little bit about some of the other economic conditions that have gotten housing to the point where it's so unaffordable for people?

Mr. David Oikle: I've been a realtor for 15 years. This is actually the first time in my 15 years where the supply problem has been as acute in the Ottawa market as it has been, which has caused the increases over the last couple of years.

If you talk to people in other parts of the province, \$453,000 for a single-family home is a pretty good number.

Overall, the supply has been the big thing. We had talked about the development charges and other elements that contribute to the cost of new construction. The demographics are causing a lot of people to move into the city, into Joel's riding. I'm one of those, in 401 Golden. A lot of those prices are increasing because people want to shorten their commute. Everything inside the greenbelt has become much more expensive in the last couple of years, because clients don't want to do what Jennifer referred to, which is the commute in from the communities. So everything inside the greenbelt—a 5% average, but probably more like 10% inside the greenbelt, because the location premium is really impacting the people inside who want to be closer to their jobs. That's where a lot of the impact is.

Ms. Sandy Shaw: Thank you.

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

Mr. Ian Arthur: Thank you very much. My riding is Kingston and the Islands, which currently has the lowest vacancy rate in Ontario and the second-lowest in Canada.

Can you very quickly speak a bit more towards the ongoing infrastructure spending that you talked about,

needed along these major transportation routes, and the need to concentrate housing in those areas?

Ms. Jennifer Morley: Certainly. It is part and parcel of the development fees and so forth. Obviously, there's land in suburbia to develop; there is room for growth. But trying to catch up with infrastructure, and to allow for that, is a monumental task.

It would definitely be a recommendation to work with the city to figure out the solution. As a realtor, I'm not a city planner. I'm not going to be able to offer an infrastructure suggestion, necessarily. But currently, there are issues in Ottawa with the number of buses getting to downtown, and timing. It's all over social media. If you could speak to local councillors, they're definitely bombarded with that.

The Chair (Mr. Stephen Crawford): We have to move on to questions from the government side. Mr. Cho.

Mr. Stan Cho: Thank you very much for your presentation. Please tell Kent Browne I send a message, which is "Go, Leafs, go." I'm sure he'll love that.

Mr. David Oikle: I knew that was coming.

Mr. Stan Cho: You knew that was coming, did you, David?

Interjections.

Mr. Stan Cho: Thank you for that. I'm getting heckled by my own colleagues over here.

I obviously have a lot of questions. This is my old industry. I understand the challenges that you've presented in front of us here today.

Ms. Morley, you talked about intensification around transit lines. Of course, I am fully supportive of that idea, but I'm wondering if you have an idea of what that may look like or of other jurisdictions we can look to as examples.

Ms. Jennifer Morley: Certainly, you've got development in Toronto—the recent announcement about the revitalization of the Mimico GO station and the creation of new housing surrounding that station. This intensification along the transit corridors with approved, planned and upgraded zoning certainly allows for that missing middle housing supply.

Ottawa would be a similar subject to Toronto for that purpose, where there's a need for transit intensification and housing supply directly around those areas.

Mr. Stan Cho: You mentioned some of the regulatory burdens that realtors face—obviously, we have MPP Bailey, who has presented the private corporations issue already. Are there others, and would you like to speak to them? I might be putting you on the spot a little bit—I know this is for the 2019 budget—but maybe moving forward, you might have some other ideas for us to work on.

Mr. David Oikle: The Real Estate and Business Brokers Act is, give or take, 17 or 18 years old. It's due for an overhaul. The process got under way with the previous government. We hope that it will continue with this government. There were some issues that came up this year, where people had to be registered under the travel industry in order to do some—so there's some overlap

there. That issue got put aside, and hopefully that will not be an issue going forward. Overall, the modernization of the act is an important thing. Increased fines for people who don't perform well—that's an important element of it. It's not a regulatory burden, Stan, but it is something that we encourage and that OREA is strongly supportive of. I know that you guys have seen some of the work we've done.

The Real Estate and Business Brokers Act getting updated this year is an important goal, and we look forward to working with all members to make that happen.

Mr. Stan Cho: Time check, Chair?

The Chair (Mr. Stephen Crawford): A minute and 10 seconds.

Mr. Stan Cho: Maybe you can help me out and chat about some of the local Ottawa issues that Toronto people may not be aware of. I know there are some similarities, but are there ones that are unique to Ottawa that we can go back and think about?

Mr. David Oikle: Ottawa has been so very fortunate as a stable environment for so long. We just released our statistics—22 years in a row where the prices have gone up. It's a wonderful market on an average pricing perspective.

Like I said, this is the first time we've had the supply issue on the transactions, which has leaked into the rental market. So it's very, very tough to get a rental property, and it's expensive. Everything is higher. The people who can afford it are okay, but the people at the lower end are having a very difficult time finding an affordable place to live. The questions that were asked earlier—it's a very, very important problem.

Mr. Stan Cho: You can say that the supply-demand imbalance here is actually affecting the lower-income families the most.

Mr. David Oikle: It absolutely goes all the way down, Stan. The people who, four years ago, would buy are forced to rent now. As a result, the supply problem becomes more acute at all levels.

Mr. Stan Cho: Thank you, David. Your points are well received.

The Chair (Mr. Stephen Crawford): We appreciate your presentation.

Mr. David Oikle: Thank you very much. Have a super day.

1550

OTTAWA HEALTH COALITION

The Chair (Mr. Stephen Crawford): I will call up our next presenter: the Ottawa Health Coalition.

Good afternoon. Welcome to our committee. If you could just state your names for the record and please move right into your presentation. We'll give you a one-minute warning.

Mr. Albert Dupuis: Hi. Thanks very much. I'm Albert Dupuis, co-chair of the coalition. To my left is Mary Catherine McCarthy, our outreach coordinator and communications coordinator; and Nancy Parker, our administrative officer.

I'll begin very quickly. We are an organization that advocates for publicly funded and administered health care and universal access to all health care as a matter of meeting a basic human need. It should be accessible on the basis of need, rather than the ability to pay.

Our concern—I'm going to speak very briefly to the money side of this. Ontario right now, and for the last little while, has been under a very serious funding crisis. Our hospitals and our health care, generally speaking, are funded far below the national average: about \$550 per person less than the average of the other provinces. We've been asking the finance committee over the last few years that that be brought up to the national average so that the crisis in our hospitals, which has been acknowledged by every political party over the last little while as being a crisis, can be addressed—the crisis in long-term care etc.

I want to give this over to Mary Catherine, who is going to speak to the issue of long-term care in particular right now. The other numbers are in our document, which has been emailed to you digitally, where you can access additional information by way of the links. Thanks.

Ms. Mary Catherine McCarthy: Hi. Long-term care is a major issue. It has been in the news a lot, and everybody has some experience—often not good experience—with the long-term-care system in Ontario. We think it's time to address the fact that Ontario has the longest wait-lists for long-term care in the country and we need to increase the number of beds even beyond the 30,000 promised over the next 10 years, including 5,000 over the next five years.

Research has shown that publicly owned homes have superior staffing and care levels and more accountable care, but they didn't receive any of the additional new beds that were recently announced, I think this summer. The 222 beds promised for Ottawa did not even come close to addressing the wait-list of approximately 3,400. We recommend that the Time to Care Act, Bill 13, be passed as soon as possible, as it had the unanimous support of the Legislature prior to the election in 2018. We request that the budget provide the funding required for implementation of the legislation in this year's budget.

Specifically, we request a few things I'll mention here: that the care hours be up to four hours per resident each day, adjusted for acuity and case mix. Just to note that from 2014 to 2017, the care hours went from 2.65 hours to 2.71 hours of direct care—not even close to what is needed for a minimum care standard.

The public funding for long-term-care homes must be tied to the provision of quality care and staffing levels that meet this legislative standard. The city of Ottawa commissioned the Fougere report of 2018 to investigate claims of violence. The report called for increased staffing and staff training, among other recommendations. The city responded and increased staffing in the city municipal homes. Because of the increased accountability, problems in municipal homes that are brought to light are dealt with, and the community is informed and kept apprised of the implementation of recommendations. Public accountability is possible and must be implemented system-wide.

One other point I want to make is that the province must stop closing complex continuing care beds and alternative-

level-of-care beds in hospitals to end the downloading of hospital patients with complex medical conditions to long-term-care homes. Ottawa now has only one complex continuing care facility at the Bruyère Saint-Vincent Hospital with 330 beds, so there definitely needs to be more investment in long-term care.

Just a note on home care: With the elimination of the CCACs and proposed elimination of the LHINs, our fear is that home care will be left to the private providers without government oversight and accountability. It's time to reinvest in this health care.

Ms. Nancy Parker: Hi, there. I'm here today to share some very personal family experiences. While it's difficult to share, it's important to me and my family that you hear them. We want you to understand what can happen when you are in need of medical care and it's not there for you.

Longer wait times, staff shortages and delays in the delivery of the health care services we need can have devastating, life-changing effects. I know this—

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Ms. Nancy Parker: —because of first-hand experience.

In 2014, after suffering a serious heart attack, my husband waited more than three days in emergency before a bed opened up in the cardiac unit. He developed serious complications that brought us back to the emergency on many occasions. In November 2017, he underwent another stent procedure.

As we sat together in the open recovery room that was filled to capacity, we couldn't help but overhear the nurses advising patients at the end of the day that they would be sent home without their scheduled procedures because delays had happened throughout the day. Although patients were prepared and ready and had been waiting hours, in some cases, their procedures would have to be rescheduled in the new year.

My 55-year-old sister-in-law had a similar experience. After waiting all day in hospital for a procedure to implant a stronger defibrillator, she was sent home that afternoon. Her appointment was rescheduled for two weeks later. She died at home the morning of her—

The Vice-Chair (Mr. Jeremy Roberts): Thank you, Mrs. Parker. We'll have to move on to questions. We're going to start four minutes on the government side. Ms. Skelly?

Ms. Donna Skelly: I'd like to give my time to you to complete your story.

Ms. Nancy Parker: Thank you.

She died at home the morning of her rescheduled appointment. She left behind her elderly parents who relied on her as their main caregiver, a daughter, and a son who was doing his best to cope with mental health issues. He struggled with her sudden death. She was an important part of his support network. He began to have difficulty holding a job, going from one minimum wage, precarious job to the next. He struggled financially with his student debt and continued to withdraw. His mental health issues were getting worse.

My nephew ended his pain this past year by taking his own life. This had a devastating effect on our family. One of my sons in particular was having a very difficult time dealing with the loss. He turned to cocaine and alcohol to try and cope.

When approached about counselling, he was reluctant. In the early months of a new job, he didn't feel safe to ask for time off to get the help he needed. The job is not a 9-to-5 job, and he is often out of town without a lot of notice. He was anxious about the high cost of counselling because he doesn't have any health care coverage and he was already feeling stressed about meeting his payments for student loans.

This past holiday season, my brother-in-law suffered a stroke. He waited three days in emergency before a bed finally became available for him in the ICU stroke unit. The level of care needed in the ICU stroke unit is high. There is one nurse for every two patients. He has since been moved out of the ICU to a regular floor, where the ratio of patients to nurses seems to be somewhere around eight patients to one nurse. With so many patients in their care, responding to a call button, as you can imagine, sometimes takes some time. My brother-in-law fell to the floor with his bedside table crashing down on him after a long wait for his nurse. On the day of the code orange that was called here in Ottawa, staff cautioned patients that there would be fewer staff on the floor because they were being called to other departments.

After many years of cuts and threats of more to come, it seems that the plan for managing our health care system is to neglect one patient to meet the needs of another. I want you to understand that this can and does have life-changing effects on patient health care outcomes, people's lives and the lives of their families.

I also want you to understand that privatization is not a solution. Our children and grandchildren go from one minimum wage, precarious job to the next without health care or pensions. They struggle with student debt and rising rent costs. They are already neglecting their care because they can't afford the services of practitioners, prescription drugs or dental care. And they're not alone.

1600

Quality health care benefits are being replaced with new, innovative spending account-type models, as employers squeeze whatever they can out of their benefit cost budgets. These plans leave plan members to fend for themselves, often at times when they're having to deal with more serious health care issues and their spending accounts have been depleted.

Poverty among seniors is on the rise. Ability to pay can't be a barrier to access. The situation is dire for many, and our system is failing us. There is an absolute need for increased funding and expansion of our public health care.

Please consider my story and the story of others as you set out your budget. Thank you.

Ms. Sandy Shaw: Point of order, Chair.

The Vice-Chair (Mr. Jeremy Roberts): Ms. Shaw.

Ms. Sandy Shaw: I think that given the time remaining, I'd like to propose that the time remaining be

shared equally between the government side and our side now.

The Vice-Chair (Mr. Jeremy Roberts): Unanimous consent? Yes? Excellent.

Ms. Skelly.

Ms. Donna Skelly: Thank you. On behalf of everyone around this table, our condolences and our sympathies for you. Please pass that along to your family.

Ms. Nancy Parker: Thank you.

Ms. Donna Skelly: I have a quick question. I'm not sure who wants to speak to it. I'm from Hamilton and recently had an opportunity to meet with the health care providers at St. Joseph's hospital. They have created a pilot project that the hospital associations are really looking at. It's called the Integrated Comprehensive Care pilot project. What they are doing is setting up a one-stop shop for people who are entering a hospital system. In essence, if I could just read from what this means, it means "the patient isn't being handed off from one part of the system to the other, making points of transition in care seamless and less confusing for everyone."

Planning for home care after discharge from hospital starts before the patient arrives at the hospital. The team is put in place. The CCAC is bypassed, the LHIN is bypassed, and they actually put a team in place so that the home care is seamless from the minute they arrive at the hospital. Any person who is given permission is given a 1-800 number they can call to track this person.

I'm just curious if I could get your thoughts on that type of a change to the system.

Ms. Mary Catherine McCarthy: It certainly sounds like a good idea to have a system that's integrated and responsive to a patient and the family needs.

Years ago, I used to work in a hospital where home care was part of the discharge planning from hospitals with some non-profit organizations and public health programs in the city. Most of those non-profits are gone, bought out by for-profit home care agencies.

Our concern is that the system needs to be more comprehensive in terms of the government oversight. It needs to be public so that it can be not only affordable but also accountable to communities, like the example with the problems in long-term-care facilities.

But I think people are open—right now, there is the opportunity with home care having been taken from the CCACs and it being operated out of the LHINs. Like one of the previous people mentioned about—

The Vice-Chair (Mr. Jeremy Roberts): Ms. McCarthy, just so that we can make sure that we get in questions from the opposition as well—is there somebody? Yes, Mr. Harden.

Mr. Joel Harden: I just want to also say, Nancy, Mary Catherine and Albert, thank you so much for being here, particularly Nancy for sharing your stories. We worked together for so many years in research. Thank you for having the courage to do that.

Through you, to all the people you represent in the health care sector, thank you as well. We went through that code orange, and our city became a hive of activity. All

the first responders did what they did, but it was often the people working on the other side, treating the wounded, who weren't talked about enough. I direct my colleagues to a story by Andrew Duffy, in the Ottawa Citizen, who talked about what the civic hospital and other hospitals looked like.

I think that too often when we talk about innovation in the health care sector, we don't realize how workers in the health care sector are maxing themselves out to make the status quo happen. I was wondering if you could just talk a little bit more about that.

Mr. Albert Dupuis: You certainly see it at work. People like their jobs. I think they care about the system, but people are pushed to the limit right now. It's not even just so much about what you see going on; it's what you don't see—maybe when people leave their jobs, where they find that they're burned out or they're really tired. If you're a conscientious person and you see people who are needing care—

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Mr. Albert Dupuis: —and they can't get it, or you can't give it to them because you need to be somewhere else—

Mr. Joel Harden: Right. You bring that home.

Mr. Albert Dupuis: It's not good for people.

We have the lowest staffing levels in the country for nurses, and our hospitals are really working right at full capacity all the time. It's not a good situation, nor do we believe it's necessary. Other provinces do better, by far, in many cases.

The Vice-Chair (Mr. Jeremy Roberts): Thank you so much. We appreciate your presentation.

MR. STEPHEN TUDOR

The Vice-Chair (Mr. Jeremy Roberts): We'd like to call up Stephen Tudor.

Mr. Tudor, please state your name for the record, and you'll have seven minutes to make a presentation. I'll warn you at the one-minute mark.

Mr. Stephen Tudor: My name is Stephen Tudor. I'm not representing any association or any other organization. I am simply a concerned citizen who would like to speak about the looming skills gap in Ontario and the one that we're already encountering. Thank you for inviting me to participate today.

The Conference Board of Canada, back in 2013, estimated that the current skills gap will cost Ontario \$24.3 billion in GDP. That results in \$8.1 billion in a tax shortfall between the feds and the province. Mismatches—i.e., people who are trained for a role that they may be overqualified for—will result in a further \$4.1-billion shortfall, and \$1.374 billion in taxes. That could result in as many as 560,000 unfilled positions by 2030.

The Ontario Chamber of Commerce, in its 2017 report Talent in Transition, said that 60% of employers responded that finding an individual with proper qualifications was one of their top challenges in 2017.

Some of the key reasons—you're heard them, mostly:

- the workforce is aging and exiting the marketplace;
- private sector businesses are spending less on training programs, not more;
- employees are not managing their own careers;
- secondary schools and higher institutions of learning are focused on teaching/learning in the wrong areas; and
- governments, generally, have been ineffective in intervention and skills retraining programs.

It's acknowledged that small and medium-sized enterprises account for 95% of all employers in Ontario. Some 28% of the Ontario workforce is employed by small and medium-sized enterprises. Interestingly, more SMEs are started by seniors than millennials. Many SMEs do not have in-house training capability, which is one of the reasons that the records say their training dollars are dropping—yet they do not formally track the training to employees. But 94% have reported that they provide either formal or informal training to their staff.

Unfortunately, SMEs' biggest competitor for skilled and unskilled resources is the public sector. I'll cover more on that later.

There's a real need to shift from “training for employment” to “training for employability”—to go from one lifelong job to one of a life of being employed.

In the Auditor General's report of 2016, she reported that following a certified course of training less than 15% of graduates found jobs in the fields for which they had been trained. Only 38% found a full-time job—not necessarily within their field of training—and many found their acquired skills did not match employers' stated needs. And educators believe that there is a real need to institute an industry-driven workforce—so consultation with them.

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What's unique is that the government is now a competitor for capable and skilled resources. It competes with the private sector across a broad range of sectors, from labourers to skilled technicians to professionals. It is the 100% owner of human health resources, if you think about it.

From 2003 to 2013, the public sector, which represents 23.2% of employment in Ontario, grew 16%. In 2017, the salary differential between public sector and private sector was 10.6%, and 81.9% of public sector employees enjoy pension benefits versus 25% in the private sector. Job loss in the public sector reached 0.5%; in the private sector, 2.5%.

The public sector is still outpacing the private sector in employment growth. In 2017, it was 6.9% while the private sector was 0.4%. The self-employed sector was 0.8%.

Training and assistance programs offered by Employment Ontario tend to be oriented toward those who are the hardest to employ, not toward increasing the most-needed skills. In all the reviews that you can find, there's a senior talent pool whose age and experience is being undervalued as a marketable skill. Training for seniors—dollars—in Ontario is only available to those laid off in communities

of less than 250,000 people and that have high unemployment or are single-industry domains, and it's only available for those 55 to 64. Essentially, you're telling anybody over the age of 64 years, “Get out of the workforce. Don't retrain. Don't do any of that kind of stuff.” There's a growing pool of talent and expertise that is being overlooked by those examining the capabilities demanded by the new economy. There are significant monetary and social returns to Ontario from this demographic group: independent living, deferred use of pensions and senior support programs, continuing taxable incomes, and lower health-related costs from people who keep active.

So if we believe that small to medium-sized enterprises are the key driver of a healthy future economy in Ontario and that lifelong learning for employability is an essential component of business growth and prosperity, training for a job does not support the employment flexibility now demanded by employers.

The Vice-Chair (Mr. Jeremy Roberts): One minute.

Mr. Stephen Tudor: Perhaps we can consider the following:

- incent seniors to stay in the workforce;
- change the secondary school curricula to include full-course mandatory financial and employment skills;
- since approximately two thirds of the funding for Employment Ontario is a federal transfer, pursue Ontario's fair share with the government of Canada;
- encourage small to medium enterprises to train through tax credits and sponsorships, some of which are going on now but need to be increased;
- continue to reform apprenticeship programs through industry leadership and ownership;
- stop training for jobs that are not there—look at the AG's report;
- collect the money from those who are paid it undeservedly for training, some \$28 million; and
- physician, heal thyself: Focus on resolving the skills gap in areas where government has all the data and control, such as education and health. You have all the levers.

The Vice-Chair (Mr. Jeremy Roberts): Thank you, Mr. Tudor.

We'll have to move to questions now. We'll start with four minutes from the opposition.

Ms. Sandy Shaw: Have you completed your—

Mr. Stephen Tudor: No, but I'm fine.

The Vice-Chair (Mr. Jeremy Roberts): Mr. Harden.

Mr. Joel Harden: I always salute folks who, just by their own conviction and interest as private citizens, take an interest in these processes, so thank you very much for that.

I did have a thought, though, as you were talking about the divergent trends in the employment markets between the public and private sectors. I sometimes worry that our employment strategy, our labour market strategy, is encouraging a bit of a race to the bottom. So while I acknowledge that there are divergent experiences between the public and private sectors, I wonder at the extent to which we as legislators and the government can encourage small enterprises—I was raised in a family headed by a

small-business person—to have the kinds of benefits that are available in the public sector. For example, for years it has boggled my mind that the Canadian Federation of Independent Business has never themselves started up a provincial or national pension plan or a provincial or national benefits program to help their members like my father provide opportunities for their employees and retain workers. What do you think?

Mr. Stephen Tudor: I think that pensions are a whole separate topic. In many cases, many of the issues around pensions could be solved with a simple change to the legislation that puts people who have removed their pension to the front of the line, ahead of other creditors.

Mr. Joel Harden: Oh, yes. You're speaking my language now.

Mr. Stephen Tudor: I think that to say, "Well, it's your fault you didn't do a pension etc."—I'm simply trying to identify in that process that the public sector pension is now pretty much out of control.

Mr. Joel Harden: I've been part of the pension debate for many years. The thing that I've always remarked is that our grandmothers and grandfathers created this thing called the Canada Pension Plan, which is the biggest defined benefit pension plan in the country. It applies to everybody—union and non-union. It's the only thing that my father, in the business that he and his brothers and my grandparents created, was able to offer to their employees.

But do you know what? At critical growth stages, when small businesses are trying to start up and be effective, it seems to me that we as legislators can encourage organizations like the CFIB and others to create opportunities. What discourages me is when I hear rhetoric from those organizations talking about tearing down public sector pensions or other pensions. I'm not exactly sure how that helps. In a city like this one, in Ottawa, there is a significant amount of business activity for small and medium enterprises that happens from retirees on public pensions. Their livelihoods went with it.

Mr. Stephen Tudor: I didn't say to tear them down; what I said is, you're competing with small and medium enterprise. You have to realize that every time you give another dollar to a public sector employee, you're taking it away from the tax generator.

Mr. Joel Harden: How much time do I have, Chair?

The Chair (Mr. Stephen Crawford): We have one minute.

Mr. Joel Harden: Okay.

The final question I would have for you then is—intellect to intellect—does this have to be a zero-sum game? For me, just growing up and living in this community, this community wouldn't be what it is—let me use a humorous anecdote: We have the greatest number per capita of microbreweries in the city of Ottawa. I think the reason for that is that we have people who have grown up on great middle-class incomes, who work hard for our federal, provincial and municipal governments and who are discerning consumers. I think we'll see the same in the cannabis industry when that takes interest here. So why tear down the benefits of those employees to help small and medium enterprises? Why can't we as legislators think

of ways to help the CFIB and others build those enterprises up so they can be successful?

Mr. Stephen Tudor: I didn't say anything about tearing them down; what I said is, you need to focus. You've already got an almost impossible situation where you cannot compete with the government if you want to hire, for example, a welder. If you wanted to hire a tradesperson, by and large, it's pretty tough to compete with the city of Ottawa.

The Chair (Mr. Stephen Crawford): Thank you very much. We're now going to move to the government side. We have Ms. Skelly.

Ms. Donna Skelly: I'm going to challenge MPP Harden. I think that the cannabis sector and the public sector are very different sectors when it comes to providing an environment that could sustain small enterprises like the private breweries and microbreweries that our patrons will be visiting.

But anyway, I want to focus on narrowing the current skills gap. As parliamentary assistant to job creation, I have travelled across Ontario, and this is raised with every meeting I have with every single business person across Ontario. They cannot find enough people who are trained to fill the jobs that they currently have posted. One of the things that we've done is change the ratio for the apprenticeship-journeyman program. I just want you to speak to that, if you can.

Mr. Stephen Tudor: I think you should continue that.

Interestingly enough, a personal story: I own a farm. My next-door neighbour to that farm recently went to work for the city of Ottawa—he's a small-engine mechanic—which takes him out of the private sector where he worked for 12 years and obtained all of his training. They paid for additional courses etc. and he's now at the city of Ottawa.

Ms. Donna Skelly: There's also, however, a problem with the actual skill. Apparently, the most sought-after trained-skill position right now is elevator repairman, because they just can't find enough people who would enter that profession. It's not based on concrete data, but I think that one of the problems is that kids aren't aware of the vast array of jobs in the skilled trades sector. Would you agree?

Mr. Stephen Tudor: I would agree, and I would take a look at Employment Ontario's own database. There's a thing in there that says, "Take a quiz." You take that quiz and it gives you 10 job categories that you might be suitable for.

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Ms. Donna Skelly: Ten?

Mr. Stephen Tudor: Ten.

If you fill them all out—I tried this just for fun—and you do everything very well, it suggests that you become a doctor or a general surgeon. That's the top one. If you can't do anything—

Ms. Sandy Shaw: Be an MPP?

Laughter.

Mr. Stephen Tudor: No, that's not in there—a food service employee or a public works labourer. The difference in salary between a food service employee and a

public works labourer: One gets \$55,000, and the other gets \$20,000. How many public works employees do we need, because that's also in the database? About 500 to 800. How many food sector workers do we need? About 20,000.

The Chair (Mr. Stephen Crawford): Mr. Downey, we have one minute

Mr. Doug Downey: One minute.

If you could comment, maybe, on what I called shop classes, in schools—in this area, I don't know—

Mr. Stephen Tudor: I don't think we have those anymore. Do we? They're gone.

Mr. Doug Downey: Yes. Okay. Coming back, I know the answer without asking it, so—

Mr. Stephen Tudor: My automatic answer is, we're not training people to do things that make common sense. Think about it: We talk about huge consumer debt. Does that mean that a smart person sat down and said, "I'm going to borrow so much that I can never pay it back"? Did they get any training about that in school? I don't think so; otherwise, why would they do that? What logical person would say, "I'm going to put myself so far in debt, I will never get out of it, and if the interest rate changes a little wee percentage, I'm really done in"?

Mr. Doug Downey: I just want to thank you again, as Mr. Harden has, for having the gumption to come forward and give us some good material.

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

Mr. Stephen Tudor: Thank you.

PUBLIC SERVICE ALLIANCE OF CANADA,
NATIONAL CAPITAL REGION

The Chair (Mr. Stephen Crawford): Now I'd like to call up the next presenter, the Public Service Alliance of Canada.

Welcome to our committee. If you could please state your name for the record, and you can get right into your presentation. I'll give you a one-minute warning.

Mr. Greg McGillis: Very good, thanks.

My name is Greg McGillis. I'm regional executive vice-president of the Public Service Alliance of Canada for the national capital region.

PSAC represents more than 180,000 workers across Canada, 60,000 of whom live in Ontario. Our members work in the federal public service, universities, security and in the non-profit sector. While many of our members work for the federal government, as citizens, their standard of living and well-being are impacted directly by the policies and decisions of the Ontario government.

I urge you to build a budget that supports all citizens while also addressing the needs of working people. We urge you to reconsider the rollbacks you made to Ontario's employment standards and labour laws through Bill 148. Continue to raise the minimum wage to \$15 so that workers have a fighting chance in this province. We recommend that you reintroduce scheduling rules so low-wage workers can plan their lives; reintroduce equal pay

standards and ensure that they are enforced, with no loopholes; reintroduce the 10 emergency paid leave days—seven of them should be paid without having to require a sick note; and reverse the elimination of paid sick days.

Improving working conditions prevents the lowest-income and most vulnerable workers from having to use food banks or spending nights in hospital in the case of sickness. Ensuring that every worker has access to paid sick days and leave keeps our workplaces and our families healthy.

We recommend the province address the increase in precarious work. Precarious work is hard, stressful and unfair to many workers. Temporary agency workers should be made permanent after three months of employment. Steady work means steady spending in our local economy.

I also recommend improvements on the right to organize and create a union. When a union undergoes an organizing drive, they should be provided access to information about that workplace.

Certain sectors, and where we have members, such as temporary help agencies but also home care, community services and building services, should be extended card-based certification. We need to make it easier to certify a union, especially when the employer has failed to comply with the Labour Relations Act.

We ask that you ensure there are successor rights to all contracted services.

The government should not be interfering in the collective bargaining process by introducing back-to-work legislation if there are strikes or lockouts.

There should be no use of replacement labour, as a matter of safety and to encourage free collective bargaining.

Women in Ontario need support. Women often bear the load for children and dependants as well as face more precarity in the workplace due to the burden of care. Women are left with less economic security, and further less when they begin collecting pensions.

We recommend that the province:

—create an economic strategy to ensure women's meaningful participation in the workforce, one that considers the undue burden of care that falls upon women;

—continue to fund the current evidence-based strategy to expand the number of child care spaces for young children, to make child care more affordable and raise the quality of care;

—contribute and support the inquiry on missing and murdered Indigenous women and girls;

—create a framework to end violence against women and girls;

—ensure an extension of paid leave to 10 days for survivors of domestic and/or sexual violence; and

—reinvest in sexual assault centres as well as re-establish the provincial Roundtable on Violence Against Women.

The issues of workers are our top concern at PSAC, but they are not isolated from how we live in our province. We

need fair taxation and increased resources to our public services. We also need significant investments in public services. This means stopping tax breaks and rebates for corporations, and ensuring that the wealthiest pay their fair share. By investing in public services, Ontario invests in our families and democratic institutions, and can support universal and robust public services.

Stopping the current privatization of public assets is also pivotal to the well-being of our province. Hydro One, Ontario lottery and gaming, and the liquor control board as well as others should remain in the public domain.

Lastly, we need to protect our universal system and say a strong no to American-style, two-tiered health care.

As a union that speaks for a large and diverse cross-section of Ontarians, we know that helping working people to have a fighting chance in this changing economy is one of the best ways to continue to build our people and support families, through the measures we have identified. This government has within its grasp an opportunity to show that it is indeed a government for the little guy, as we have so often heard.

Thank you. I will take questions now.

The Chair (Mr. Stephen Crawford): We'll start questions from the government side. Mr. Downey.

Mr. Doug Downey: Thank you for your presentation. I want to preface my question: My father was general chairman for B. of L.E. He drove trains for a living. I remember growing up, and him and his colleagues sitting around having discussions about the revitalization of railways. But they never asked the front-line worker; they just never did.

When I had an opportunity later in life—I led the review on the Trent-Severn Waterway, to advise the government on how to do that. I was chair of that program.

I said to an individual, "I want to talk to the people who actually turn the wheel on the system." I was told there were reasons I couldn't, and whatever. I said, "I'm going to do it anyway, so either we set it up or we don't." I can tell you, it was the best meeting we had. It was a room like this, and there were people from all across the system. We found nuggets like the retirement rate in the very specialized trade shops, where we were going to hit a wall, and I don't know that that had filtered up. We've had a whole bunch of things like that.

My ask of you is if you will work with us to find those nuggets. I've made notes of all the issues. Nothing, to be honest, surprised me. But I want to go a level deeper. I want to find actual solutions to things we agree on, to find those bridges. I don't know if you have an internal process for that kind of feedback.

Mr. Greg McGillis: My internal process is that I can give you my card and we can definitely start the discussion. To an MPP, I would be very easy to get, but even for a regular member, my solution is I give you my card and you call me.

I have to say that I've learned from some good people in my life who take that approach. Basically, I want to find out what's really happening—so, respect for that. Thank you. I appreciate it. Also, definitely, I'll make myself available for that.

Mr. Doug Downey: I'd love to have that conversation.

Mr. Greg Gillis: That would be great.

Mr. Doug Downey: Thank you.

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

1630

Mr. Joel Harden: Greg, it's great to see you.

Mr. Greg McGillis: It's great to see you, Joel.

Mr. Joel Harden: We're in Ottawa, and this is our town, so I have to crow a little bit. If you've had a plane that has landed safely, if you've eaten meat today that wasn't contaminated, you have to thank members of Greg's union. This is what built this town—not only folks who work for the public service, but folks who do. I often like to think of you as the firewall for our democracy. For good or for bad, for whatever we like of our politicians or not, they're guardians of the system, and you work for them. Thank you, and through you, thank you to all those folks.

I also just want to draw the attention of all of my colleagues to what you said. I wasn't keeping a scoresheet—maybe MPP Downey's sheet is better than mine; you looked like you were taking close notes—but I'm going to estimate that three quarters of the demands you put on the table here have nothing to do with the collective bargaining process; they have to do with employment standards, security, particularly for women—

Ms. Sandy Shaw: Justice.

Mr. Joel Harden: Justice. That, to me, is the union story. We have a job to do—I say "we"; I'm an employer now, but I spent years in the union movement—to look out for our members. We care about bringing the bottom up. So I want to thank you for that emphasis in your presentation today.

I want to try to focus my question on one particular aspect of your demands. My colleagues and I will disagree about Bill 148—but you mentioned the 10 days' paid leave for people fleeing gender-based violence. We've had this argument in the Legislature, and the government made the decision it made, but from your perspective as a union activist, why is this important to you? Why did you decide to spotlight that today?

Mr. Greg McGillis: In our union, for more than 10 years, it has been a standing policy resolution. It has been something that we've been working toward both at the federal and provincial level and something we have in our brief; you're right. With many of these things, if we want them for ourselves, we want them for everyone. We believe that an equitable society will be a much better society. That's part of the tradition of the PSAC.

I'm proud to say that, in this case, this particular position is—especially because of the stories we've heard. People have gotten up at conventions to tell their very painful stories. One of the reasons why I'm happy we have this in here is that the destruction to families, the wake left behind of addiction, of substance abuse, of further violence is almost—and we know some of the things that

can help, but even in the midst of these things, we're doing the things that we know don't help.

I just came back from talking—we have a great agreement with Amethyst that we just announced. It's actually not ratified so I shouldn't have mentioned it, but we're really happy about it. But we just found out about the closure of a women's shelter. Even as we're building up this other institution, we found this other institution—it's economics, and its grant with the government wasn't working.

As someone who has experienced the effects of domestic disputes in my own life—my dad was shot, as a policeman, in a domestic dispute when I was little. That violence had a huge effect on our family. I live with that every day. The minute that violence begins, it has massive effects on the community around it, and I think one of the things that we can do at the very least is help the women who are suffering from it, who are in the situation, to extricate themselves, to find a way out. They need that time to seek help, and they need time that they don't have to justify—that was the major problem we were seeing in the workplace—to the boss, to the manager or to the supervisor, that they need to go. It's basically, "I'm taking the domestic violence leave," and that's something—

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

CANADIANS FOR PROPERLY BUILT HOMES

The Chair (Mr. Stephen Crawford): We'll call up our next presenter: Canadians for Properly Built Homes. Please state your name for the record, and you can get right into your presentation.

Ms. Karen Somerville: My name is Karen Somerville. I'm the president of Canadians for Properly Built Homes, which is a national consumer advocacy organization. I'm here today with three recommendations for your consideration.

The first one concerns the Tarion Warranty Corp. and its equity—over a quarter of a billion dollars as of the last financial statements. As a result of his Tarion review, Justice Douglas Cunningham made 37 recommendations to the Ontario government in December 2016, including ending Tarion's monopoly and introducing a competitive new home warranty model, similar to what most of the rest of Canada enjoys. Justice Cunningham did not, however, make a recommendation regarding what to do with that more than a quarter of a billion dollars of equity that Tarion currently holds. That's obviously a significant amount of money.

The Ontario government is currently studying what to do with Tarion, and Ontario government officials recently advised us that these changes to Tarion overall are considered urgent and a top priority. We appreciate that.

Our recommendation is that if it is decided to end Tarion's monopoly, once Tarion's financial obligations have been satisfied, the next priority use of Tarion's equity should be given to homeowners who have had their claims

denied by Tarion. They should have an opportunity to resubmit their claims for consideration by an independent body. That's our first recommendation.

The next one is mandatory oversight fees paid to the Ontario government by administrative authorities. As you probably know, about a decade ago, the Ontario government implemented mandatory oversight fees for administrative authorities, previously known as delegated administrative authorities. As you undoubtedly also realize, there are a number of DAAs operating in Ontario. For example, between 2009 and 2018, we estimate that Tarion paid between \$2 million and \$3 million to the Ontario government for oversight of Tarion. A number of people, including former PC critic MPP Pettapiece, have tried to ascertain precisely what these fees have been used for, but the responses from the Ontario government have been very vague. We understand that there is no specific budget allocation or reporting to ensure that the mandatory oversight fees paid by an administrative authority are actually spent on overseeing the administrative authority.

We also understand that a considerable amount of these fees paid by Tarion for oversight of Tarion has been spent by the Ontario government on expenses unrelated to Tarion.

It's also important to note that for decades now, DAAs have been strongly criticized by many, including MPP Jim McDonnell, who in 2016 introduced Bill 58, the Delegated Administrative Authorities Accountability and Transparency Act. In a June 2018 email from MPP McDonnell, he said, "When the previous minister admitted Tarion had drifted too far away from government, we agreed and highlighted the issue wasn't just for Tarion, but the entire DAA model. Accountability and transparency remained a key plank in our election platform and will form the basis of future PC government policies."

We have written to Minister Walker and asked him what he plans to do to address the serious shortcomings of the DAA model and we are awaiting Minister Walker's response.

Our recommendation here is that as long as DAAs remain, there should be transparency in the budgeting process concerning these mandatory oversight fees, as well as transparency regarding how these oversight fees are spent by the Ontario government.

Our third recommendation relates to costs for special reviews, such as the Tarion review. Our organization has repeatedly requested information about the total cost of the Tarion review that commenced in November 2015 and concluded in December 2016. We were advised by government officials that this information is not available. It appears that this Tarion review was not budgeted. Documents obtained via freedom of information and other related estimates suggest that the total costs for the Tarion review were in excess of three quarters of a million dollars, which is obviously a significant amount.

Our recommendation here is that there should be transparency in the budgeting process concerning special reviews, such as the Tarion review, as well as transparency regarding the total costs—both internal costs and external

costs, for example, to consultants—that were spent for such special reviews.

That concludes my comments and I'll be happy to take your questions.

The Chair (Mr. Stephen Crawford): Thank you very much. We'll start questioning with the opposition side first. Mr. Harden.

Mr. Joel Harden: Thank you for the work that you do for homeowners. It's been a pleasure to meet you privately here and in our community office.

I'm wondering if you wouldn't mind—just because I often find stories are as compelling as historical facts and records. I'm wondering if you could bring to light for my colleagues some of the stories that you've raised with me from the Orléans area and how those homeowners have had to struggle significantly without Tarion's help.

1640

Ms. Karen Somerville: Absolutely; I'd be happy to do that. In addition to doing things like this, we spend a lot of our time—we're all volunteers, by the way. I'm taking time out of my business today to be here. Nobody gets paid a penny in our organization. We travel around Ontario and, indeed, in some cases, across Canada for this work.

I would say that our most important work is meeting directly with homeowners. This is important, obviously, but it's meeting with those homeowners to find out their stories that MPP Harden is talking about.

Last summer, our organization was approached about this situation in Orléans, east of the city of Ottawa. We were invited to a meeting of homeowners to hear their situation. In a nutshell, there were over 50 people in the home. You can imagine what that's like, going into a home with 50 people—standing room only. We heard very serious stories about serious construction defects, Ontario building code violations—and, as I'm sure you're aware, when we get into OBC violations, we're talking, in many cases, about health and safety.

We heard many stories that evening about health and safety issues. In particular, one that we often hear about a lot is mould. Once you have water coming into your home, you have a high risk of mould. There were people there who had been suffering from mould health effects already. There was one gentleman, in particular, a senior citizen who is recovering from cancer, who is fighting this as well—mould in his home.

These are very, very difficult situations. They had been working for years trying to work with their builder, and then bringing in the Tarion Warranty Corp. as well. At that point last summer, they were not getting a lot of assistance from Tarion, was what we had been told. So we engaged with them, and we're working with some of them on an individual basis. In fact, I have one of those families—two people—coming to Queen's Park with me next week to meet with Minister Walker.

The stories are often devastating. I think it's really important to stress that. People don't come to CPBH when they've got flaking paint; they come to CPBH when they're in serious trouble. So we have got very serious situations across the province. We have been engaged in

discussions with Minister Steve Clark. He has invited us to his meeting next Thursday. We will be there. I am taking three days out of my business next week to do this, it's so important.

But for us, it brings it down to that individual level, so I really appreciate the question and I hope I've done it justice in my response.

Mr. Joel Harden: You have. Thank you.

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

Mr. Joel Harden: Colleagues?

Mr. Sol Mamakwa: No.

Ms. Sandy Shaw: No.

The Chair (Mr. Stephen Crawford): Okay. We will move to the government side. Ms. Ghamari.

Ms. Goldie Ghamari: I don't have any questions, but I actually sit on the Standing Committee on Public Accounts. So I work with the Auditor General and we audit different organizations. I just wanted to bring to your attention that back in March of 2018, the committee passed a motion for the Auditor General to conduct an audit of Tarion Warranty Corp., and that report will be tabled in 2019.

Ms. Karen Somerville: Yes. Thank you for raising that. I've actually travelled to Toronto to participate in that. I've met with the auditors there, as well as the Auditor General in the hallway. We're very pleased that that's happening.

But in the meantime, we're also encouraged to hear Minister Walker and his predecessor, Minister Smith, and PA MPP Bailey talk about the urgency of this. Of course we're looking forward to the Auditor General's report, but we're hoping to see action before then.

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

Mr. Doug Downey: Yes, thank you. I was one of the panellists on the expert panel on regulation of home inspectors and the development of that potential DAA, so I understand the model and the background on that. It was a volunteer thing for about six years, it worked into.

I'm a real estate lawyer by trade. I'm a certified specialist, one of 24 in Ontario, so I've dealt with Tarion a lot. I just want to let you know that there are people at the table, when that report comes out, who have an understanding of the mechanics on the ground of what works and doesn't work.

If I could have your comment on the split of the Tarion duties that was envisioned by the Liberals—if I could have you comment on that.

Ms. Karen Somerville: Yes, for sure. That was one of Justice Cunningham's 37 recommendations. We were pleased to see that bill go forward in terms of that particular aspect. Obviously, we would have liked to have seen many other of Justice Cunningham's recommendations go forward, but it's absolutely critical to separate the role of the regulator from the warranty provider. I would go even one step further in terms of the governance of Tarion. Many of your colleagues are on record talking about this as well, about the very heavy influence of industry on the Tarion board.

In a nutshell, we applaud the efforts to separate those responsibilities of regulator and warranty provider, but we understand that that's all on hold right now because the government is considering what it's going to do with Tarion.

Mr. Doug Downey: Well, we'll get the report sooner than later.

Ms. Karen Somerville: Right, yes. We think that's a good start, but there's much more to be done. In particular, as Justice Cunningham recommended, ending Tarion's monopoly and introducing a competitive model, which is what Premier Ford has talked about in terms of monopolies generally: We are totally in line with that, and we're very anxious to see Tarion's monopoly ended, like most of the rest of Canada enjoys.

Mr. Doug Downey: Thank you. I just wanted to get your comments on the record.

Ms. Karen Somerville: Thank you.

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

Mr. Doug Downey: That's fine, thank you.

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

Ms. Karen Somerville: You're welcome.

OTTAWA NETWORK FOR EDUCATION

JUNIOR ACHIEVEMENT OTTAWA

The Chair (Mr. Stephen Crawford): I'd like to call up our last presenter of the day, the Ottawa Network for Education and Junior Achievement Ottawa. Welcome to our committee. If you could please state your name for the record, you can get right into your presentation for up to seven minutes. I'll give you a one-minute warning.

Mr. Albert Wong: Okay. Hi, everyone. My name is Albert Wong. I'm representing the Ottawa Network for Education as the director for Junior Achievement Ottawa.

Committee Chair, MPPs, parliamentary assistants and guests, thank you for the opportunity to present Junior Achievement to the committee. I know you had the opportunity to hear from several of my JA colleagues across Ontario, but JA welcomes and applauds the government's priority to improving math scores, strengthening STEM disciplines and, most importantly, ensuring that financial literacy is included in the educational curriculum. Unfortunately, we know that our students are lagging behind in these areas.

Premier Ford tweeted about financial literacy on August 22, 2018: "Financial literacy is an essential life skill that will benefit students for years beyond the classroom. Our consultations on education will include adding practical and valuable knowledge to the curriculum to help prepare students for success in the real world."

As I know you've heard from previous presentations, JA has a strong and proud history. For 50 years, JA in Ontario has taught students financial literacy, work readiness and entrepreneurial skills. JA is a global brand, existing in over 100 countries and reaching 10 million

students annually. This year, JA Worldwide will celebrate 100 years in educating youth. JA Canada is Canada's largest youth business education organization, and we reach more than four million Canadian young people.

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, start companies, develop career plans and express their innovative spirit. We're a not-for-profit organization that relies on funding and volunteers from our corporate community to deliver experiential learning inside and outside of classrooms to students in grades 4 through 12.

JA serves as the bridge between the business community, the education sector and students. Our corporate partners enable us to effectively execute our mission. We're proud of the private sector support for our mandate, and we're committed to continuing engagement with local businesses to implement our programs.

Our key value proposition is that we don't simply provide a curriculum and ask the teachers to deliver it. We recruit and train volunteers from the business community and the community at large to go into the classrooms and teach our programs with hands-on activities. Locally in Ottawa, we engage a lot of volunteers from our post-secondary institutions: students from Carleton University, the University of Ottawa and Algonquin College. This community engagement strategy allows significant positive outcomes on the part of both students and volunteers.

JA in Ontario adheres to the highest standards of operations related to not-for-profit organizations, including fundraising, staff and volunteer management and financial transparency. We're an organization that you can trust.

JA has a track record of delivering outcomes from a menu of programs we offer. Programming targets students from grades 4 to 12 and covers topics from financial literacy to entrepreneurship, and ranges from one day in the classroom to an 18-week program to start businesses.

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Research undertaken by the Boston Consulting Group on its program menu confirms our impact. JA alumni are three times more likely to hold senior and middle-management positions in their respective organizations; they earn 50% more, on average, or more, than those students who did not take the JA program; and most importantly, they save money, they borrow less and they're less likely to be on social assistance.

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

Today, I'm here to talk about the opportunity for JA to scale up its grade 4 More than Money program, which focuses on financial literacy and entrepreneurship for youth. This program addresses the need for students to learn how to manage their money, and cultivates an understanding of the world of business. Students will develop a

business plan in the process, and they're taught how to navigate their personal finances and spark their entrepreneurial spirit.

We believe that this grade 4 program can deliver on the government's mandate to bolster financial literacy at an early age. The JA More than Money program was piloted here in Ontario and is now a global success story, implemented in many countries and different languages around the world.

As my colleagues have shared, our request for the government is for a consideration of \$12 million over five years. This funding will allow us to reach just under 600,000 students at a cost of \$20 per student. This investment can ensure that Ontario students are given a strong start to their required financial literacy foundation.

Let me add that we applaud the 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 that applies to individuals, businesses and government, and, ironically, that's what we're teaching. It's for that reason that we're not suggesting any new money be found to support the request. It's our suggestion that funding for this work be repurposed from existing budgets already in place for similar outcomes.

With a commitment from the government to fund More than Money, JA can deliver its research-proven model to each and every grade 4 student in Ontario by year 3 of the funding, and continue for two years afterwards. The request includes costs related to materials, volunteer recruitment and training, program evaluation and project management. Resources will also be allocated to develop a digital version of the program, which will guarantee delivery to communities in remote areas of Ontario.

The Chair (Mr. Stephen Crawford): One minute—or are you completing—

Mr. Albert Wong: One more minute is perfect.

In summary, our province needs to raise a new generation of fiscally responsible citizens. Household debt is at an all-time high, and youth unemployment continues to be a challenge. For \$20 per student, this government can create action around their stated priority of improving financial literacy skills of students in the province.

Our 50-year history, and our expertise and reach will position JA to be a successful partner for the government. Together, we can proudly impact the next generation. JA will be submitting a fulsome budget as part of this written submission, prior to the upcoming deadline.

Thank you for your attention. I'm open to any questions or comments.

The Chair (Mr. Stephen Crawford): Thank you. We're going to start with the government side. We'll start with Mr. Cho.

Mr. Stan Cho: Thank you, Mr. Wong, for your presentation.

Nine hours: That's how long it takes to fund the program money you're asking for. That's what we're paying on the interest on our debt. Financial literacy is certainly desperately needed, and I believe it does start with our youth.

I do want to point out that Ms. Eisbrenner presented in Toronto last week, and Minister McNaughton and myself are both graduates of the Junior Achievement program, so I understand what it has to offer students. Thank you for being here today.

I want to ask a little bit more about your grade 4 program, More than Money. I went through the 18-month program. I created the best invention for sale ever, by the way, so that was—

Ms. Sandy Shaw: What was it?

Mr. Stan Cho: I'll tell you all about it later, Sandy.

I'm wondering if you could just tell us a little more on the details of that program and what it entails.

Mr. Albert Wong: Certainly. I have a one-page document, and I can quickly go over the key outcomes of the grade 4 More than Money program.

In this interactive classroom program—they all have to do with activities—students will use games and multimedia to identify the role of money in everyday life; explain the benefits of using a savings account; define business goods and services; identify businesses they would like to start themselves; identify some steps for starting up a small business; develop a basic business plan and a target market; and explore reasons why businesses import and export goods.

Mr. Stan Cho: Wonderful. You touched on something earlier too, talking about the burden of debt. We've been in discussions, talking—there are some conflicting opinions on debt. I'm wondering when you introduce the notion of debt in your program, and describe it a bit.

Mr. Albert Wong: I think that youth are very inquisitive, starting at the ages of five, six, seven, in terms of money. Some students will be asking, "How much does it cost to purchase this?" So I think that the earlier you start youth—it's really the foundational piece. As long as they become aware of what savings mean and what the hazards of overspending are—I think it's important. So we should start early.

Mr. Stan Cho: As early as possible.

Mr. Albert Wong: Yes, 100%.

Mr. Stan Cho: I know that you've probably interacted with thousands of schools across Ontario. In your experience, have you noticed that there's a gap between the Ontario curriculum and the financial principles of your program?

Mr. Albert Wong: Unfortunately, there is a gap. Prior governments introduced financial literacy into the curriculum, but there was no solid curriculum provided to the teachers. When I'm speaking to some of the teachers, they say that financial literacy is in there but it's very vague in terms of how to deliver it. Many teachers feel that they could use more financial education themselves, and they benefit from the volunteers who go into the classrooms.

Mr. Stan Cho: This is something I've been talking about with PA Oosterhoff, the PA to education, quite a bit: How do we introduce those financial literacy skills in our schools? If you were the Premier today and you could change our education program, what would you do?

Mr. Albert Wong: I would bring community volunteers right into the classroom to deliver Junior Achievement programs. To me, it's the most powerful thing when you have students and people who run businesses and people who work for the government in the classroom delivering programs, teaching students about the fundamentals, and also sharing their personal stories. This is what we hear from students. This is what they get excited about—someone coming into your classroom who's not the teacher. I think we can all remember back to when maybe a police officer came in or a firefighter came in. Someone from the community coming in and showing that they care makes a big difference to students in classrooms. I've seen that first-hand.

Mr. Stan Cho: That's a great suggestion.

The Chair (Mr. Stephen Crawford): We'll go to the opposition side. We have four minutes. Ms. Shaw.

Ms. Sandy Shaw: We've heard from Junior Achievement, as MPP Cho has said. I think what you're doing is very good work. In fact, I would argue that what you are doing really fits in with what this government is proposing: the idea of making students entrepreneurial, understanding their financial responsibilities. I would say that it fits in precisely with what this government is looking for from the organizations that are supporting our youth, so I want to commend you for that.

We want to make sure that all kids have an equal opportunity to participate in Junior Achievement. One of the arguments that could be made is that some of the kids who could most benefit from your program aren't able to participate for different socio-economic reasons. Do you encourage participation from diverse demographic backgrounds—low-income, other demographic differences—and do you track their outcomes in that regard?

Mr. Albert Wong: Thank you for the question.

It's very important that we reach students in marginalized populations, as well. The great thing about Junior Achievement is that we're a universally delivered program. When a grade 4 classroom in any school requests that program—should we have volunteers, we deliver it to all students in that classroom. It does not matter what socio-economic background they're from. The programs are delivered free of cost to the schools, which lowers the barrier to entry so much that we have more demand than we can fill right now, which is why the funding would really help us reach all Ontario students.

Ms. Sandy Shaw: I agree—so that you could reach young kids at an earlier age who really do need these fundamentals, improving the financial curriculum in schools. We're working on the 1998 sex ed curriculum. In fact, there need to be some updates in the curriculum in the

financial world as well. So I do support the idea that this needs to be part of the curriculum in schools.

I do want to say that the request seems pretty modest to me—\$12 million over five years. Have you had any discussions with the government on this being funded in schools—this very specific conversation?

Mr. Albert Wong: This is the first time we're bringing it up here—which is, I hope, the purpose of these consultations.

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

Mr. Sol Mamakwa: Have you done any work with First Nations or Indigenous people?

Mr. Albert Wong: We have. I could speak to different places in Canada, but I know, for example, Junior Achievement in Alberta works very closely with the First Nations community up north and incorporates the respective leaders of the community in order to deliver these programs. In Ottawa, we have delivered some as well to Indigenous youth leaders.

Mr. Sol Mamakwa: Yes, I think that would really help.

From the riding where I'm at, I have 27 fly-in communities. With some of the fuel cost right now, people are paying \$3.05 a litre for gas, \$18 for four litres of milk—

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

Mr. Sol Mamakwa:—and \$7 or \$8 for a loaf of bread. I think it would really help us if you reached out to our riding. It would certainly help us and help our youth.

Even the rate of social assistance doesn't meet the needs of the people. When you actually think about it, it's a losing battle. I think it would really highlight the need for it.

Certainly, I guess the question is: Would you be willing to go up north? Would you be willing to spend time in a community and just kind of see that?

Mr. Albert Wong: Personally, would I like to visit northern Canada or northern Ontario? I would love to visit. We have such a beautiful country. Weather permitting, I would love to go.

In terms of reaching First Nations youth, there are various JA charters across Canada to contact and ensure that programs can be delivered. That's why the digital delivery and online delivery of our programs would be very important to reaching remote locations, because no student should be denied the opportunity for education.

The Chair (Mr. Stephen Crawford): On that note, we'll conclude today's presentations. Thank you very much. We appreciate your presentation.

That concludes our presentations for today. We will adjourn until tomorrow at 9 a.m. in Sarnia, Ontario. This meeting is adjourned.

The committee adjourned at 1700.

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