SOCIETY of UNITED PROFESSIONALS
IFPTE 160

ONTARIO BUDGET SUBMISSION

SUBMITTED ON BEHALF OF THE SOCIETY OF UNITED PROFESSIONALS

JANUARY 20, 2022

INTRODUCTION

The Society of United Professionals ("the Society"), Local 160 of the International Federation of Professional and Technical Engineers, is a union of more than 8,000 professionals working in the public, private, regulatory and not-for-profit sectors. Our members are engineers, legal aid lawyers, scientists, accountants and other professionals. Decisions put forward in the Province's annual budget can have a direct impact on the working conditions of the majority of the Society's membership that work in the broader public sector, and will have a direct impact on the lives of all Society members and their families.

The Society believes the 2022 Ontario budget should address the following priorities:

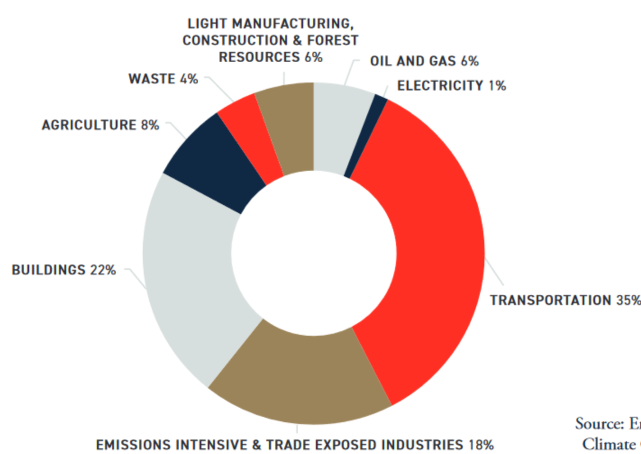
ELECTRIFY THE RECOVERY AND INVEST IN LOW-CARBON POWER

While the pandemic caught the world by surprise, it is not the only or even the most significant crisis humanity faces. Scientists began issuing warnings about climate change in the 1950s. Efforts to suppress climate science and delay climate action succeeded for more than half a century. Today, we are in the midst of a climate emergency that demands action and a response on the scale we have seen in response to this pandemic.

As fires and floods ravage so many precious regions of our planet, species become endangered and extinct, and livelihoods dry up, it is clear that in many respects we are already too late.

Though the best time to act would have been decades ago, the second-best time is now. We must act urgently, as though our kids' and grandkids' lives and livelihoods depend on it — because they do.

The next budget provides the province with an opportunity to make investments that will provide needed economic stimulus during the recovery from the pandemic, while also reducing carbon emissions and helping meet our climate targets.



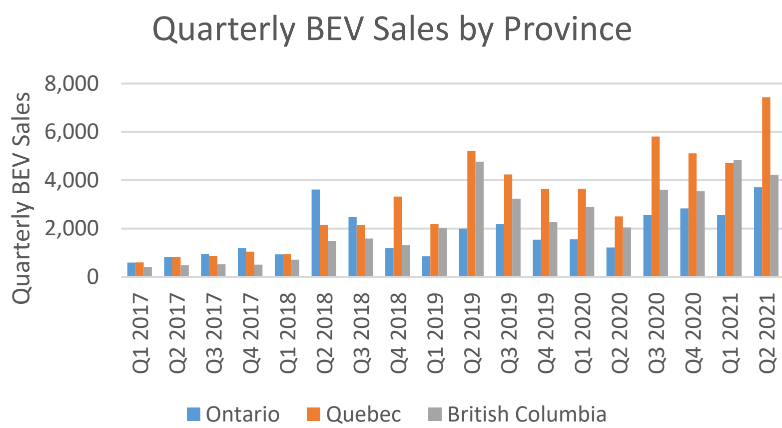
Source: Environment and Climate Change Canada

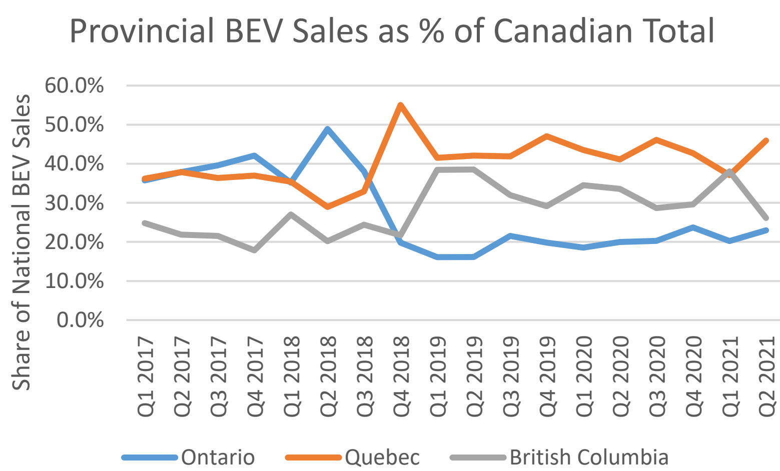
The transportation sector contributes 35% of Ontario's greenhouse gas emissions. More than half of those emissions are from passenger cars, trucks and motorcycles[1]. Supporting a

[1] Environment and Climate Change Canada, 2019. "Canada's Official Greenhouse Gas Inventory" https://open.canada.ca/data/en/dataset/779c7bcf-4982-47eb-af1b-a33618a05e5b

shift towards electrification in transportation is a necessary action in the province's fight against climate change, while also providing a crucial boost to the province's manufacturing sector during the economic recovery.[2]

Ontario is falling behind other jurisdictions in Battery Electric Vehicles (BEV) sales, and the Auditor General has stated that the province is unlikely to meet its target of 1.3 million electric vehicles in Ontario by 2030[3]. While the technology evolves and the market shifts, electric vehicles remain relatively expensive. Subsidies and tax rebates for new commercial and passenger BEVs not only incentivize the purchase of new vehicles – many of which will be made in Ontario, thanks in part to recent government investments – but also help create a robust secondary market for used BEVs in the next 3-5 years, making emission-free vehicles affordable for more families.





The Society would like to see the government support consumers in purchasing new electric vehicles by restoring the cancelled Electric and Hydrogen Vehicle Incentive Program (EHVIP), which provided rebates for the purchase of electric vehicles. The cancellation of the EHVIP rebates are partly responsible for a decrease in sales of electric vehicles in Ontario[4]. Once a national leader in battery electric vehicle sales, accounting for almost half of all reported BEV sales in Canada at its peak, Ontario immediately fell behind Quebec and BC – both provinces offering BEV rebate programs – when the EHVIP program was cancelled in 2018.

The Auditor General has indicated that meeting the province's target of 1.3 million electric vehicles in Ontario by 2030 is dependent on the cancelled EHVIP program, and the Government has not identified any similar initiatives that will help them achieve this target[5]. While general market forces are shifting demand for electric vehicles and major manufacturers committing to announcing their intention to

2 https://www150.statcan.gc.ca/n1/pub/71-607-x/71-607-x2021019-eng.htm

3 Auditor General of Ontario, 2019. "Annual Report 2019: Reports on the Environment" http://www.auditor.on.ca/en/content/annualreports/arreports/en19/2019AR_v2_en_web.pdf

4 CBC News, 2019. "Electric Vehicle sales stalled after end of provincial rebates" https://www.cbc.ca/news/canada/ottawa/electric-car-sales-ontario-drop-cancellation-rebates-1.5223071

5 Auditor General of Ontario, 2019. "Annual Report 2019: Reports on the Environment" http://www.auditor.on.ca/en/content/annualreports/arreports/en19/2019AR_v2_en_web.pdf

produce more BEVs, in order to maximize carbon emissions and smooth the transition, government intervention is still needed to encourage early adoption now.

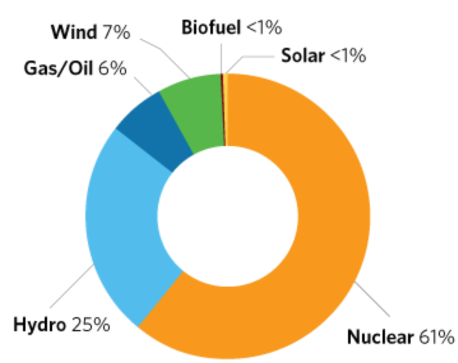
The Society also recommends that the province introduce a robust rebate for commercial electric vehicles, to incentivize upgrades to zero-emission fleets. The BC government's Specialty-Use Vehicle Incentive (SUVI) program provides a model worth replicating. The SUVI[6] program provides a 33% rebate for the purchase of medium- and heavy-duty commercial vehicles, to a maximum rebate of $100,000 per vehicle. The SUVI program also provides businesses in the hospitality sector, heavily hit by COVID-19, a 66% rebate on the purchase of medium- and heavy-duty commercial vehicles, to a maximum of $100,000. A similar rebate in Ontario would subsidize 66% of the purchase of zero-emission tour busses and shuttle vans for the province's struggling hospitality and tourism sector.

Expanding Ontario's electric fleet will require the construction of supportive infrastructure. With the federal government announcing an end to the sale of internal combustion vehicles by 2035, projections suggest that there may be upwards of 6.6 million electric vehicles in Ontario by 2042[7]. A crucial early step toward transitioning towards adoption of EVs in Ontario by 2030 is creating a network of charging stations that make choosing an electric vehicle a viable option for every Ontarian. Society members are contributing to this work directly through the partnership between Ontario Power Generation and Hydro One to build fast-charging stations across the province. The Society commends the government for its recent announcement that Ivy charging stations will be placed in ONroute fueling stations across Ontario.

Additionally, the government needs to plan now to meet future transmission and distribution needs associated with increased electrification. Working with partners at the IESO, Hydro One and local distribution companies, the province should prepare for the unique demands future electrification will place on the transmission and distribution system and prepare to invest in necessary upgrades now.

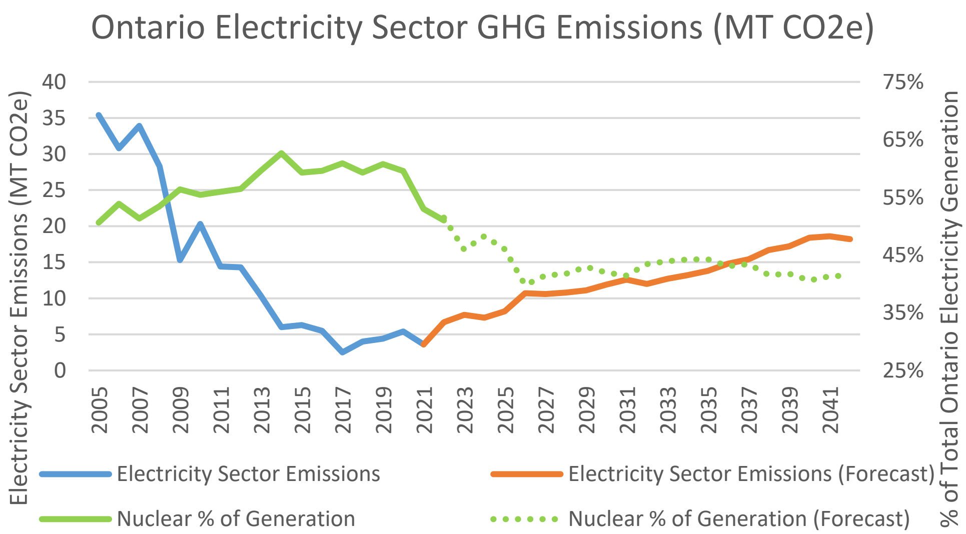
The Government, in the Society's view, should focus on achieving net-zero greenhouse gas emissions through a fair and just transition for all communities and workers. The Government can achieve this in part by supporting a shift towards electrification in Ontario, powered by greenhouse gas emission-free nuclear, hydro and renewable electricity. Currently, approximately 93% of Ontario's energy output comes from these three GHG-free sources. However, the end of operations at the Pickering Nuclear Generating Station (PNGS) will reduce the province's baseload energy capacity by 3,100 megawatts. The Society is concerned that without a long-term plan to replace the lost baseload power with a new nuclear generating station, Ontario will have to increase its reliance on carbon-emitting natural gas to meet the province's long-term energy needs.

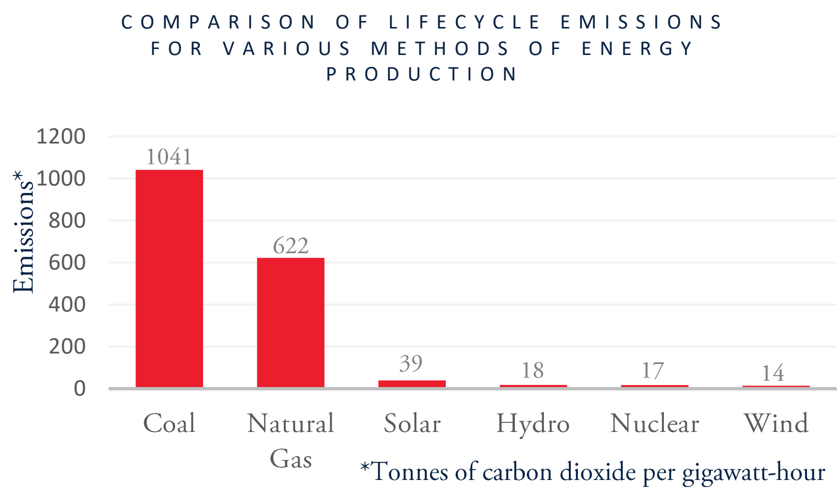
ONTARIO ELECTRICITY GENERATION BY FUEL TYPE



[6] https://news.gov.bc.ca/releases/2021EMLI0002-000037
7 https://www.ieso.ca/en/Sector-Participants/Planning-and-Forecasting/Annual-Planning-Outlook

According to recent IESO forecasts, as PNGS is decommissioned, Ontario will replace the baseload power generated at Pickering with carbon-emitting natural gas. Relying on natural gas for baseload generation will see Ontario's carbon emissions from electricity generation nearly triple over the next two decades, returning to levels equivalent to when the Nanticoke coal plant was still in operation. While natural gas emits only 60% of the lifecycle carbon emissions of coal fired generation, gas generation is still 35-40 times as carbon intensive as the province's other sources of electricity generation.





It should be noted that the loss of emission free baseload power at Pickering will coincide with the expected increase in demand from electrification over the next two decades. The IESO predicts that by 2042 annual energy demand from electric vehicles will rise from 0.60 TWh in 2023 to 24.43 TWh in 2042[8]. By comparison, Pickering Nuclear Generating Station produced 23.6 TWh of electricity in 2019. In short, the province will be adding an entire nuclear generating station worth of electricity demand from electric vehicles alone, while also taking an entire nuclear generating station offline.

The shift towards electrified transportation will make significant progress in reducing Ontario's carbon emissions. The IESO forecasts that if the province reaches the projected 6.6 million electric vehicles by 2042, Ontario could eliminate 22 megatonnes of carbon emissions – a 13% reduction from current emission levels. However, without replacing the emission-free power lost when PNGS is decommissioned, Ontario's electricity sector emissions will rise to 18.2 MT of CO2e, from 3.6 MT in 2021 – an additional 14.6 MT. The net result in provincial emissions is a reduction of 7.4 MT, about 1/3 of the reduction possible if electrification is powered by emission-free generation.

8 https://www.ieso.ca/en/Sector-Participants/Planning-and-Forecasting/Annual-Planning-Outlook

In order to combat climate change, Ontario needs to reduce its reliance on carbon-based energy, not increase it. The Society believes that Ontario should look to replace the Pickering Nuclear Generating with a new, publicly owned and operated nuclear power station in order to support the transition to a low-carbon economy. This is not only the best option to combat climate change, it is also the most cost-effective option. A 2017 FAO report compared the levelized unit cost of different forms of new electricity generation and found that nuclear was the most cost-effective non-carbon emitting source of baseload power[9].

RECOMMENDATIONS:

Recommendation: Kick-start the provincial economy and combat climate change by investing in the shift towards electrification in Ontario.

Recommendation: Continue investment in the manufacturing of electric vehicles in Ontario, and fully phase-out the sale of internal combustion engines for passenger vehicles by 2035.

Recommendation: Restore and enhance the Electric and Hydrogen Vehicle Incentive Program to encourage the purchase of new electric vehicles and to create a robust market of used electric vehicles.

Recommendation: Introduce a commercial electric vehicle incentive program to encourage the electrification of commercial fleets, with additional rebates targeting sectors hardest hit by COVID-19, like tourism and hospitality.

Recommendation: Commence a study of necessary upgrades to electricity transmission and distribution infrastructure to ensure the province is prepared for an electrified future.

Recommendation: Work with OPG to begin the process of investing a new, publicly owned and operated nuclear power station to replace the Pickering generating station.

[9] https://www.fao-on.org/en/Blog/Publications/FAO-NR-Report-Nov-2017

RESTORE LEGAL AID ONTARIO FUNDING AND ENSURE ACCESS TO JUSTICE

REVERSE THE CUTS AT LEGAL AID ONTARIO

In its 2019 budget, the Ontario government announced $164 million in cuts to Legal Aid Ontario. This included $133 million to be cut immediately with an additional $31 million cut by 2021. These cuts were broadly unpopular across Ontario. The Premier, Attorney General and MPPs were contacted more than 20,000 times on this issue. Public polling showed three-quarters of Ontarians opposed cuts to legal aid, including opposition among all demographics (age, gender, region, political affiliation, etc.). The second cut was canceled in late 2019. The larger $133 million cut remains in place and equates to a 30% cut to the entire budget for Legal Aid Ontario. Combined with a significant drop in Law Foundation of Ontario revenues, due to plummeting interest rates as a result of COVID-19, LAO will be facing a large budget deficit for the foreseeable future. These funding issues will only be exacerbated as court services, specifically family courts, re-open as we move beyond the pandemic.

Prior to the 2019 cut, access to justice was already a major concern in Ontario. First steps toward improving access to justice had only been taken in the years immediately preceding the present government's 2018 election. These preliminary steps included modest yearly expansions in eligibility for legal aid, which at about $17,000 annual income for a single person, still currently sits well below the poverty line.

Additionally, the provincial government has directed that the agency can only use federal funds to support its immigration and refugee law program. The federal government made up some of the shortfall on a temporary basis, but it was not sufficient to maintain the 2018 level of service that was already widely acknowledged to be inadequate before the new funding restrictions took effect.

Immigration has historically been viewed as an area of shared responsibility between federal and provincial governments. While there is not a set formula for which government should cover which costs, this has long been a matter of negotiation between the two levels of government. In contrast to the Ontario government's unilateral approach that ended its support for LAO's immigration and refugee law program, the traditional approach is valued for its relative predictability and continuity of service. We encourage the province to productively re-engage with the federal government in this area of shared funding responsibility.

We quickly saw the negative impacts that these aggressive cuts are having on front-line services, for example:

BAIL REPRESENTATION

Private bar lawyers performed a significant portion of the bail work prior to implementation of the funding cut in July 2019. After the cuts to LAO, bail representation was provided by LAO-employed duty counsel without additional resources to match the increased caseload. Prior to arguing for bail in court there are a number of logistical details that must be organized, such as identifying a surety and securing the resources to post a bond while the accused is incarcerated. Without sufficient resources to perform this work it takes longer to properly prepare an application and therefore more accused remain incarcerated for longer than necessary, which creates further overcrowding in Ontario jails and higher custodial costs.

In response to the COVID-19 pandemic, LAO temporarily returned to issuing certificates for private bar lawyers to perform bail work, due in part to reduced expenditures on trial certificates delayed due to the pandemic. However, as trial certificates return to normal levels, it is expected that duty counsel will again be required to provide the bulk of bail representation. Combined with ongoing COVID-19 related measures, this will result in more delays and a significant burden on LAO duty counsel going forward.

SELF-REPRESENTATION

Due to further restrictions on eligibility criteria for qualifying for LAO services, more Ontarians are unrepresented in court. Self-represented litigants pose a number of challenges to the court system. Due to their inexperience and the nature of self-representation, self-represented litigants take more time to have their matters heard, and in criminal proceedings they cannot negotiate plea agreements with the prosecutor of their case. Additionally, appeals are more common in cases with self-represented people, as are cases of wrongful conviction. The end result is worse outcomes for litigants and higher costs to the province.

The impact of self-representation is especially problematic in plea and Gladue/Indigenous Persons courts. In both instances consequences are severe. Self-represented litigants often plead guilty even when it is not in their interest. In Gladue/Indigenous Persons Courts clients are especially vulnerable, and self-representation compounds the problem of Indigenous peoples being disproportionately represented in the justice system, detention facilities and penitentiaries. Data released in December 2021 showed that 48% of all women in federal custody are Indigenous, despite representing less than 5% of the total population of women in Canada.[10]

These impacts are exacerbated by the complications brought on by shifting court processes to online, remote hearings as a result of COVID-19. Online, remote hearings make everything more difficult for self-represented individuals, many of whom have limited access to technological and internet resources.

IMPACT ON SOCIAL SERVICES

A key function of legal clinics is helping low-income Ontarians advocate for their legal entitlements. This includes assisting people who were unjustly denied social benefits like the Ontario Disability Support Program and workers' compensation, as well as support at tribunals like the Landlord-Tenant Board for people facing unfair eviction from their home. Cuts to clinics mean that they can help fewer people in these circumstances. The result is that vulnerable people at risk of homelessness will unnecessarily lose their housing and place a greater strain on social services as well as the health care system.

The COVID-19 pandemic has made these issues worse, as the number of evictions has skyrocketed, and so too has the number of individuals requiring legal advice and representation.

[10] https://www.oci-bec.gc.ca/cnt/comm/press/press20211217-eng.aspx

In addition to the strain that funding cuts have put on LAO and the court system, COVID-19 has had significant impacts across the system. As a result of COVID-19, courts in some jurisdictions have been sitting until as late as 10pm due to the backlog of cases and because Duty Counsel can no longer provide the assistance it did in the past.

Family law cases have seen a significant increase in volume during COVID-19, but many have not yet been able to access the courts. LAO has increased services for domestic violence matters in response to COVID-19, but as future funding limitations create a squeeze on LAO's resources, they will not be able to continue to provide this level of service on an ongoing basis, leaving those suffering from domestic violence to be forced to self-represent. The low success rate of self-representation will create the risk of homelessness or a need to access other social services. Alternatively, they face an unacceptable outcome: an inability to escape domestic violence.

While LAO has increased services for domestic violence during COVID-19, many of the other cuts to family law services remain even during this pandemic. This has resulted in more individuals self-representing and facing the lower success rates associated with that.

Not only are these cuts directly impacting vulnerable Ontarians, they also represent short-sighted fiscal management. Studies show that, on average, every $1 spent on legal aid ultimately saves $6 in expenditures on other social services[11].

ENSURE STABLE FUNDING

Legal Aid Ontario receives revenue from several sources, with the most significant sources being government funding and payments from the Law Foundation of Ontario. The Law Foundation revenue is derived from interest payments made on mixed trust accounts held by lawyers and paralegals. The two main drivers of this revenue are interest rates and real estate transactions.

In recent years, as interest rates began to rise in Ontario, coupled with a very strong real estate market, Law Foundation of Ontario payments have increased significantly and have provided crucial funding to offset the impact of the government's LAO cuts.

FISCAL YEAR		LAW FOUNDATION FUNDING ($000S)
2012-13	$	22,295
2013-14	$	25,618
2014-15	$	29,179
2015-16	$	25,211
2016-17	$	29,345
2017-18	$	46,916
2018-19	$	79,031
2019-20	$	105,687
2020-21(E)	$	25,454

However, these payments are highly volatile and depend entirely on circumstances outside of LAO's control. In the last decade, Law Foundation payments have ranged from $22.3 million per year to $105.7 million. With interest rates plummeting due to COVID-19, Law Foundation revenue dropped to $25.4 million last year, creating a total reduction in LAO funding of almost $90 million year-over-year.

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[11] Canadian Bar Association, 2013. "Reaching Equal Justice Report: An Invitation to Envision and Act". http://www.cba.org/CBAMediaLibrary/cba_na/images/Equal%20Justice%20-%20Microsite/PDFs/EqualJusticeFinalReport-eng.pdf

In the most recent annual report, Legal Aid Ontario highlighted that this funding reduction led to a $9.6 million deficit in 2020-21. They further warned that, *"If interest rates remain at or near their current levels LAO will experience a funding shortfall. This shortfall will be amplified once the COVID-19 restrictions are eased and eventually eliminated, where the courts can return to normal operations."*[12]

LAO SUMMARY OF REVENUES				
($000s)		2020-21		2019-20
Government of Ontario	$	353,535	$	357,110
Law Foundation of Ontario	$	25,454	$	105,687
Client Contributions	$	5,195	$	9,204
Client and Other Recoveries	$	1,646	$	2,380
Investment Income	$	308	$	795
Miscellaneous	$	568	$	859
Total Revenues	$	386,706	$	476,035

Such unpredictable and unstable funding is not sustainable for LAO, and it is imperative that the organization is able to rely on a predictable funding model for long-term program and service planning.

The Ontario government could provide this stability by offering a funding guarantee to smooth Law Foundation revenues over time. As an example, if the government were to guarantee an annual combined revenue level for government and Law Foundation funding of $480 million (roughly equivalent to the combined funding prior to the recent cuts to LAO), the government would reduce expenditures during periods of higher interest rates and hot housing markets and would increase expenditures during periods of low interest rates or slower real estate transactions.

Such a model, while primarily offering LAO a stable source of guaranteed revenue, would also have the significant benefit to the government of reducing expenditure during periods of higher interest rates allowing it to either reduce the deficit or pay down debt, just as the cost of borrowing is increasing.

KEEP COMMUNITY COURTHOUSES

The government's plan to consolidate justice services at the new Toronto courthouse downtown, and close community courthouses in Scarborough, Etobicoke and North York, is a short-sighted decision that will limit access to justice for participants in our justice system.

Requiring victims, witnesses and the accused to travel downtown to participate in the justice system creates unnecessary barriers to justice and undue hardship like lost wages, travel and child care costs, instead of allowing participants to engage in the justice system in their communities.

Additionally, consolidating all Toronto courthouses downtown will lead to increased costs to the justice system. Police will no longer be able to remain on-call to testify, as officers will not be able to quickly arrive at the courthouse. Instead, police officers will be paid to sit idle downtown, waiting to testify. If witnesses are unable to attend court, cases may be dismissed, withdrawn or adjourned until the witness can be secured, resulting in extended court time and increased costs to the courts. And if accused are unable to attend court, we will see an increase in arrest warrants, which will lead to additional policing costs to execute the warrants, costs to the court system from additional court dates and increased costs to detention centres.

[12] https://www.legalaid.on.ca/wp-content/uploads/LAO-annual-report-2020-21-EN.pdf

The Society opposes the creation of new barriers to access to justice and recommends the courthouses in Etobicoke, Scarborough and North York remain open to provide critical services in their communities.

RECOMMENDATIONS:

Recommendation: The Society of United Professionals calls on the Ontario government to immediately reverse its $133 million cut to Legal Aid Ontario's (LAO) budget.

Recommendation: End the directive limiting LAO to the use of federal funds for immigration and refugee cases.

Recommendation: Introduce a revenue guarantee, smoothing Law Foundation Funding over time

Recommendation: Consolidate only the downtown Toronto courthouses to the new Toronto courthouse, and keep community courthouses in Scarborough, Etobicoke, and North York open.

REPEAL BILL 124

Throughout the COVID-19 pandemic, Society members have been relied upon to provide the essential work of keeping the province's lights on, maintaining the safety of the province's nuclear power fleet and providing essential legal services to some of Ontario's most vulnerable people. Throughout the pandemic, Society members have put their health, and the health of their loved ones, at risk.

The Society is grateful for all of the essential workers – from teachers, to grocery and food workers, to healthcare workers, and every other worker – who showed up to work during this pandemic to provide necessary services for Ontarians.

The Society's members are proud of the work they do and the services they provide Ontarians. All they ask for in return is the right to freely negotiate a fair compensation package for the work they do. For most Society members this right was taken from them when the government passed Bill 124.

The Society views Bill 124 as a circumvention of our statutory rights and a violation of our constitutional rights. Moreover, Bill 124 is an unwarranted and unnecessary interference in free and fair collective bargaining. The Society calls on the government to repeal Bill 124 and uphold workers' rights to free and fair collective bargaining.

According to Bill 124, "the purpose of the Act is to ensure that increases in public sector compensation reflect the fiscal situation of the Province, are consistent with the principles of responsible fiscal management and protect the sustainability of public services." The reality is that removing the biggest tool available at the bargaining table – wage and compensation changes – the Government has limited both employers' and unions' ability to negotiate fair deals that are mutually beneficial to both parties.

Throughout this pandemic, public sectors workers have been there to provide the vital public services Ontarians rely on. The government has rewarded their service with a mandated 1% wage increase – at a time when inflation in the province has reached as high as 5.2%. If the government truly values the commitment these essential workers have made to providing these services it would immediately repeal Bill 124 and allow public sector workers the right to free and fair collective bargaining.

RECOMMENDATION:

Recommendation: Repeal Bill 124 and allow broader public sector unions to bargain fair collective agreements.

CONCLUSION

The Society appreciates the opportunity to consult on the upcoming Provincial budget and would welcome any opportunity to discuss the recommendations proposed in this document, or any other issues affecting Society members, in greater detail with the Government and members of the Standing Committee on Finance and Economic Affairs.