



## PRE-BUDGET CONSULTATIONS

MINISTRY OF FINANCE

January 21, 2019

### Ontario Co-operative Association

Thank you for the opportunity to speak today. My name is Peter Cameron and I am the Acting Executive Director of the Ontario Co-operative Association.

We represent and advocate for over 1,500 co-operative enterprises in the province of Ontario employing 57,000 people and generating \$6 billion for the economy every year.

Our sector would like to start by thanking the Conservative Government for initiating the consultations to modernize the 44-year-old *Co-operative Corporations Act*. Our goal is to level the playing field and eliminate red tape to create thousands of new jobs in our province.

Co-operatives are part of the fabric of rural and northern communities in Ontario. The co-operative business structure means community members agree on a business solution to their needs, design and build the business from the grassroots then patronize and govern the business to ensure it continues to meet the needs of community members over time.

The model is extremely successful at addressing community based needs with community built solutions without the need for ongoing government funding. In fact, co-operative businesses are twice as likely to remain in business after ten years, as compared to other types of business.

We believe community-designed solutions that are structured to return on a co-operative's triple bottom line, are the best way for communities and government to partner to address some of our largest social challenges.

In order to pave the way for this future of community ownership and mutually beneficial solutions, the co-operative sector is advocating for a reduction of red tape and improved efficiencies, through changes to legislation in three areas.

1. The co-operative sector is requesting the elimination of the requirement to do 50% of business with members. In its place, allow the members of co-operatives to set their own bylaws determining the percentage of business with members required by their individual co-operative businesses.
2. We request audit requirement parity with co-operatives in other Canadian jurisdictions.

#### LEAD, CULTIVATE AND CONNECT

Co-operatives are a *different* kind of business model that are driven by people, planet and profit. The Ontario Co-operative Association (OCA) supports, develops, educates and advocates for Ontario's 1,500+ co-operative businesses.



3. Finally, we must increase our offering statement thresholds, which are over 25 years old, and not high enough in 2019 dollars to raise the funds required to capitalize a business.

With the modernization of our legislation, our success will most significantly be measured in economic impact. We estimate, based on the impact modernization has had in other provinces, that we will see a 10-15% annual growth in our sector. We estimate that this growth will create 5,000 new jobs and \$250 million in revenue per year in Ontario.

Our sector is looking forward to the update to the *Co-operative Corporations Act* as a result of the current consultations and a positive, co-operative future with government.

Thank you for your time.

Peter Cameron

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## ADDITIONAL INFORMATION ON THE CO-OPERATIVE SECTOR

The Ontario Co-operative Association represents over 1,500 co-operative enterprises in the province of Ontario. Co-operatives are a *different* kind of business model that is driven by people, planet and profit. They are rooted in collective and community ownership and prosperity.

### Co-operatives in Ontario:

- 57,000 direct and indirect jobs
- \$3.3 billion in income created for Ontarians
- \$6 billion in value add created in the economy
- \$1.3 billion generated for government services
- 49,000 volunteers
- The oldest co-operatives in Ontario, Vineland Growers Co-operative and Guelph Campus Co-operative, were formed in 1913 and still operate today
- Twice as many co-operatives remain in business after 10 years as other business enterprises

### Some of Ontario's most successful co-operatives:

- The Co-operators insurance company is our largest member, founded in 1945
- The 167 credit unions in Ontario earn \$1.4 billion in revenue annually
- In the agricultural sector, Gay Lea Foods Co-operative, GROWMARK, Inc. and Hensall District Co-operative have all operated for over sixty years in rural Ontario
- There are over 500 housing co-operatives in Ontario, providing 44,000 units at an operational cost below non-profit housing with one third of members paying a monthly charge geared to income
- Over 130 co-ops operate in health care and social assistance providing solutions to many groups of marginalized Ontarians
- Retail co-operatives like Mountain Equipment Co-operative (MEC), The Big Carrot grocery store and Urbane Cyclist contribute over \$300,000 million in revenue to the province

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## COMMUNITY-BASED CO-OPERATIVE SUCCESS STORIES

1.

 Y's Owl Maclure  
CO-OPERATIVE CENTRE

### Disabled Worker Co-operatives

Y's Owl Maclure is a worker co-operative for members with disabilities. It gives their members a voice in the organization and operation of the business. Y's Owl has 240 members, serving 400 people with disabilities including autism in the Ottawa region. Service revenue is collected, in part, through café and social enterprise sales that substantially augment government funding. Disabled workers receive qualifications through training, enter the workforce as productive citizens and graduate to independent living. Learn more at [www.ysowlmaclure.org](http://www.ysowlmaclure.org).

2.

 TREC

### Renewable Energy Co-operatives

An area of opportunity for innovation for co-operatives is renewable energy. Renewable energy is an opportunity in this province that is expected to grow as new technologies like electric cars increase our energy demands. Energy cooperatives like TREC allow members to buy shares that fund the development of renewable energy projects and then benefit from the sale of the energy when it is returned to the grid. For more information visit [www.trec.on.ca](http://www.trec.on.ca).

3.

### Health Care Co-operatives

Co-operative innovation can help to meet one of the great challenges facing our health care system – addressing the growing demand that comes with Ontario's aging population. The availability of Personal Care Workers or PSWs and Disability Care Workers or DSWs is a particular concern with a cooperative solution. A new cooperative is in development at Algonquin College where the PSWs and DSWs will own their own cooperative – one that will ensure patients are well cared for and workers earn a living wage. This model can be seen in an American example with a Women's health care co-operative ([www.chcany.org](http://www.chcany.org)) that has been running since 1985.

4.

 hay  
communications  
co-operative limited

### Telecommunications Co-operatives

In many rural and northern communities, there is still a need for telecommunications infrastructure. There are seven successful telecommunications co-operatives in Ontario, owned by community members that are laying the fibre to connect their community to the world through high-speed internet. One of the larger telecommunications co-operatives in Ontario is Hay Communications, located in Huron County. Co-operatives like Hay make investments in telecommunications infrastructure that meet the current and future needs of individuals and businesses in the communities they serve. Additionally, profits are returned to the members as patronage dividends to help reduce service costs to their members.

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