

Good afternoon and thank you for this opportunity to address your committee on behalf of the Ontario Co-operative Association.

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

The co-operative sector is very pleased with the commitment from the provincial government to modernize the co-operative legislation detailed in Bill 138.

Co-operative businesses in Ontario have been advocating for the modernization of our Co-operative Corporations Act for fifteen years to better meet the needs of communities across the province. The government heard from many of our co-operatives through a consultation process in January of this year and has responded with improvements that will reduce red tape and provide stable jobs to many Ontarians.

Specifically, the improvements to the legislation will eliminate the requirement to do 50% of business with members to allow co-operatives to compete and innovate on a level playing field with all businesses in Ontario.

The updates to audit rules will reduce administrative burdens on community owned co-operatives and allow their income to fund increased services to members.

Moving the Co-operative Corporations Act to the Ministry of Government and Consumer Services will improve ties between our sector and other business sectors in Ontario and allow our businesses to access government programming for business improvements.

With the modernization of our legislation, our success will most significantly be measured in economic impact. We estimate, based on the impact

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modernization has had in other provinces, that we will see a 10-15% increase to 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.

Many of these jobs will be in rural and northern communities across Ontario. The co-operative business structure is ideal for business development in these communities. 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.

The co-operative model also provides an innovative way to raise capital when the business will benefit a community. Instead of angel or venture capital investors, those who will benefit from the goods or services of the business can invest and democratically own it. Statistics show this model of community ownership has a greater chance of success than other start up business models. A community can include towns and villages but can also be people online with similar business goals or skill-based workers caught in the gig economy that could benefit from working co-operatively to share business opportunities. These beneficial changes to our legislation will enable not only new business development but also offer true solutions to societal issues facing our province.

On behalf of Ontario's co-operative businesses, I would once again like to thank you for hearing our need for the modernization of the 45 year old Co-operative Corporations Act and making the necessary changes to improve the business environment for the future of the sector. We would also like to thank the many people within the Ministry of Finance including the Ministers of Finance and the Minister of Finance's office staff, as well as the Ministry of

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Government and Consumer Services and Financial Services Regulatory Authority staff who have helped us over the last fifteen years to make the changes that will position co-operatives for success in the future.

We look forward to a continued positive relationship with government, an improved legislative environment and a successful future of economic growth and improved community access to goods and services delivered through democratic, values-based businesses.

Thank you

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