



ISSN 1180-4386

**Legislative Assembly
of Ontario**

First Session, 38th Parliament

**Assemblée législative
de l'Ontario**

Première session, 38^e législature

**Official Report
of Debates
(Hansard)**

Thursday 12 February 2004

**Journal
des débats
(Hansard)**

Jeudi 12 février 2004

**Standing committee on
finance and economic affairs**

Pre-budget consultations

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

Consultations prébudgétaires

Chair: Pat Hoy
Clerk: Katch Koch

Président : Pat Hoy
Greffier : Katch Koch

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Copies of Hansard

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Exemplaires du Journal

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.

Hansard Reporting and Interpretation Services
3330 Whitney Block, 99 Wellesley St W
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
3330 Édifice Whitney ; 99, rue Wellesley ouest
Toronto ON M7A 1A2
Téléphone, 416-325-7400 ; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS

Thursday 12 February 2004

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Jeudi 12 février 2004

The committee met at 0900 in the Four Points by Sheraton, Kitchener.

PRE-BUDGET CONSULTATIONS

The Chair (Mr Pat Hoy): The standing committee on finance and economic affairs will please come to order. The committee is pleased to be in Kitchener-Waterloo this morning, and I would invite the region of Waterloo to please come forward.

REGION OF WATERLOO

The Chair: You have 20 minutes for your presentation. You may leave time within that 20 minutes for questions, if you so desire. I would ask you to state your names for the purposes of our recording Hansard.

Mr Ken Seiling: Good morning, and thank you for the opportunity of being here. My name is Ken Seiling; I'm the regional chair for the region of Waterloo. Larry Kotseff is the commissioner of planning and culture and Mike Schuster is the commissioner of social services. I'm going to try to speed through this very quickly, but you do have a copy that we provided for you. You have two things: a copy of my comments and a background document that was passed out to all of you as well.

On behalf of the region of Waterloo, I want to thank you for the opportunity to participate in the 2004 pre-budget consultations. The elections and change in government led to many expectations about the relationship between the province and municipalities and even the federal government. Although there is a message of serious fiscal restraint, I think it is important that we collectively keep our eyes on the future and recognize that much needs to be done to keep this province healthy in every sense of the word. I say that knowing that you're probably looking for cuts, but we're here to tell you what we really think is needed.

There are many areas on which I could touch but I propose to focus on just a few. This is not to say we do not have other interests; we do, and we hope to see many issues addressed in the coming years.

While the information to be presented reflects the specific issues in Waterloo region, I do feel that the general thrust of our presentations would be equally relevant to all of Ontario's major urban areas and probably many of the rural areas.

Our city and regions are acknowledged as the economic engines that drive the provincial and national economy. I would suggest to you that consistent, stable provincial government investment in municipal infrastructure, both human and physical, is essential to support a high quality of life in Ontario cities and maintain Ontario's global economic competitiveness.

It is interesting that many of the needs we have identified for Waterloo region are consistent with needs in other areas and consistent with what I believe are the objectives of the province.

Waterloo region continues to be a fast-growing community with tremendous economic growth within the province. With a current population of about 470,000 the region is the fourth-largest urban area in Ontario. With an annual gross domestic product in excess of \$16 billion, the region of Waterloo contributes a net \$1 billion back into the Canadian economy annually. It is home to one of the youngest and most culturally diverse populations in the country—a population that drives the kind of advanced economy that ensures Ontario's competitiveness in the global marketplace.

This growth and success are not just accidents of geography but the result of initiative, investment, entrepreneurial skill, and a community ready and willing to move with the times. It has faced and continues to face challenges.

Two examples will illustrate how the region has actively sought to meet these challenges through new investments, which also have the benefit of aiding the provincial and national economies.

The region is spending \$25 million over the next 10 years to improve and expand the region of Waterloo airport, which will provide not only commercial air service to business and industry but will provide regional passenger service. It is a partner in the development of the \$200-million Research and Technology Park at the University of Waterloo with the province of Ontario, the federal government, the University of Waterloo, the city of Waterloo and private partners.

However, if the region is to remain economically prosperous and continue to support a high quality of life and provide funding to the provincial and federal government, a new funding framework is urgently required to address the needs of the community's significant built and social infrastructure, both in terms of enhancement and replacement costs and to minimize the potential burden on the property tax system.

It is neither appropriate nor feasible to continue to rely primarily on the property tax base as the main source to fund initiatives of such important provincial and national benefit. To provide for a measure of predictability at the municipal level for the staging and financing of large infrastructure projects, there is a need for an ongoing federal-provincial infrastructure commitment. I believe that the most equitable and sustainable funding model for such an ongoing program would involve a balanced sharing of responsibility between the municipal, provincial and federal governments.

I would like now to discuss our more specific recommendations regarding the provincial funding commitments required to address service in a number of areas.

At present, the most acute financial pressures affecting the region of Waterloo relate to, first, physical infrastructure—roads and bridges, transit infrastructure including light rail transit, and affordable housing—and second, public health and social services—early childhood education and care, public health and emergency medical services, social assistance and long-term care.

A new funding arrangement is needed to address both growth-related pressures and the maintenance and replacement requirements of our roads and bridges—a network that is essentially the bones of our transportation system. If the network is unhealthy, it can seriously undermine our quality of life and our economic base.

In 1999, a number of provincial responsibilities, including former provincial highways, were transferred to municipal governments without adequate funding arrangements for ongoing costs. The cumulative impact of this downloading combined with municipal budget pressures during the 1990s has compromised our ability to maintain our roads and bridges and has resulted in a significant transportation infrastructure deficit—that is, the accumulation of unmet needs.

In the region of Waterloo alone, this cumulative infrastructure deficit amounts to approximately \$200 million. In addition, we have a current funding shortfall of about \$12 million per year. To attack both the accumulated deficit and the current annual funding shortfall over a 10-year period we will be looking to find a total financial commitment of \$32 million a year if we want to meet these targets.

Assuming a workable federal-provincial-municipal funding program for high-priority projects, we are suggesting that the province should undertake to fund one third of total costs on an annual basis. The region of Waterloo is asking the provincial government to develop a permanent tripartite infrastructure program with a commitment, in our case, of about \$10.7 million per year. A healthy transportation system is essential for strong communities and a strong province.

During its last term, Waterloo regional council undertook a comprehensive planning and public consultation process to develop its regional growth management strategy. The RGMS identifies where, when and how future population and employment growth should best occur in the region of Waterloo. It balances reurbanization with limited new greenfield development while

offering protection for our precious agricultural lands and sensitive environmental areas through the establishment of hard countryside lines.

A key plank in the RGMS—and one that will ultimately contribute to the success of reurbanization—is the development of the central transit corridor, anchored by a higher-order transit system using light rail transit technology.

Since the region assumed responsibility for transit in 2000, our region has aggressively expanded and enhanced our transit services. This has resulted in significant gains in ridership—more than 17% in the system overall in the last three years, with a 52% ridership growth occurring in the Cambridge area alone.

We need to aggressively pursue transit service innovation, enhancements and expansion if we are to successfully implement our RGMS, reduce the growth of automobile usage, and meet Kyoto targets. I hope the province will continue to partner with us in our efforts.

While the details are included in the written submission, I would just like to highlight a few of our transit needs in Waterloo region. In order to enhance transit service, increase ridership and better meet the needs of the community, the region requires significant new expenditures. These expenditures are required to maintain, replace and expand the existing transit fleet, further improve transit facilities and implement transit priority measures and new technologies, including those described in the region's urban transportation showcase program from the federal government, which recently awarded us \$3 million toward this program.

Without additional financial assistance from the provincial government, it will be difficult if not impossible for the region to fund its transit fleet replacement and system expansion needs.

In total, system replacement, enhancement and expansion needs will require a financial commitment of \$120 million over 10 years, or approximately \$12 million per year, for which the provincial government is being asked to contribute one third, or \$4 million.

The region's light rail transit system proposal is a request for a capital infusion of approximately \$87 million from the provincial government to partially fund the first phase of the LRT. For the light rail transit system to come to fruition, federal, provincial and local governments are being asked to share equally in the projected \$260-million first-phase development cost.

0910

The return on this infrastructure investment will be measured not only in terms of ridership but in the more vibrant urban places it helps create, the reining-in of urban sprawl, its contribution to sustaining and protecting our precious rural and environmentally sensitive areas, its support of a stronger economy and improved air quality and citizen health.

Our transit plans and LRT proposal were not developed in isolation but rather are closely integrated with and flow out of our growth management strategy. They also reflect what I believe are the province's objectives in promoting planned or smart growth.

I was reminded last night at regional council that we have a strong interest in the critical capital needs of GO Transit in the GTA. We have been attempting to get some limited GO service to the region but have been consistently told that a major capital upgrade is required within the GTA prior to any system expansion. We understand that the federal government has allocated some funds to this and would suggest that solutions for the GTA GO deficiencies will ultimately make GO expansion possible for Waterloo region and other areas. In the meantime, we believe there are some alternate arrangements which might be provided by GO, if there is a provincial willingness to consider them.

Since assuming responsibility for social housing, the region of Waterloo has been a leader province-wide in the development of new affordable housing. With assistance from our provincial, federal and community partners, the region of Waterloo has gone a long way toward achieving the primary goal of the region's affordable housing strategy—the addition of 1,000 more units of affordable housing by the end of 2005. Currently, there are more than 650 affordable units that have been built, are under construction or are in the planning stages; however, our current waiting list is for over 4,000 units, so we've got a long way to go.

The flowing of federal and provincial funds for current commitments and additional funds for future projects are critical to the ongoing success of our program.

To resolve affordable housing needs in Waterloo region, we need to build on the many initiatives already underway to create new affordable housing while at the same time ensuring that the existing affordable housing stock is maintained at an adequate standard. We therefore recommend that the provincial government first of all allocate further funding for new affordable housing; expedite the flow-through of federal housing funds; implement tax incentives and tax relief for the construction of new affordable housing; and fully fund adequate capital reserves for all existing non-profit and co-operative housing projects. As you're aware, when these units were transferred to us from the province, adequate reserves were not transferred with them, and it's creating a huge issue for municipalities.

The region applauds the provincial government's financial commitment to improve the quality and quantity of early childhood education and care. In particular, we welcome the recent announcement by the Minister of Children's Services that Ontario municipalities will receive \$9.7 million this year to provide one-time funding for minor capital and health and safety issues for licensed child care programs. I'm talking about the whole range, not just our own. Our share of this one-time funding is \$400,000, approximately. It is being distributed to various child care centres this month and will go toward meeting the immediate health and safety needs of the many child care centres in Waterloo region. This is a positive first step.

For our part, the region of Waterloo has been extremely proactive and supportive of early childhood

education. Currently, we're building a new \$1.5-million child care centre in Cambridge, at 100% regional cost.

With respect to ongoing funding for child care, the region of Waterloo is recommending a substantial investment of new funding to expand the child care system. Since 1995, only 44 subsidized child care spaces have been added in the region of Waterloo, and the demand for child care programs for children with special needs continues to grow.

The province is urged to continue to invest in the formal child care system in Ontario by flowing the federal dollars so communities such as ours can address the most pressing issues.

We have been hearing almost daily about the deteriorating level of care our seniors and other citizens are receiving in the province's long-term-care facilities. During the election campaign, and more recently, the Minister of Health and Long-Term Care has stated his commitment to make sustainable improvements in the long-term-care sector. We welcome this wholeheartedly.

In order to bring Ontario into line with the average in other jurisdictions, the region supports the government's initiatives to clarify standards and improve the monitoring system. The region seeks the province's commitment to an operating infusion of \$420 million a year province-wide to address the care deficits in our current system. The region also supports increased provincial funding for home and community care, as this form of care is critical in enabling people to live at home longer and avoid premature admission to care facilities. We recognize that isn't our responsibility, but we still think it's very, very important to the larger community.

The region also encourages the province, in consultation with municipalities, to proceed with the election commitment of increasing social assistance rates to help alleviate the negative impacts resulting from the original cuts.

In order to ensure proper budgeting and planning for social assistance programs, the province must provide more timely information on the projected costs of these programs so that the region's budget is not negatively impacted as it has been in the past. Unilateral, retroactive billing for programs is less than reasonable when it is imposed by one of the partners. The recent \$1.9-million billing we received long after budget is inappropriate relative to the ODSP and, we believe, should have been assumed by the province.

Public health and emergency medical services, with the exception of the Healthy Babies, Healthy Children program, which is 100% provincially funded, are cost-shared 50-50 by the region and the province. These programs, briefly disentangled, were once again cost-shared prior to the 1999 election. I think the year is right.

In the case of EMS, not only were performance measures imposed, which were seldom ever met by the province, but the province has failed to meet its cost-sharing commitments. Until such time as there is a change in funding arrangements, we believe the province must provide its matching funds and approvals in a

timely way. With respect to EMS in Waterloo, we anticipate a shortfall of \$1.2 million in 2004 in provincial funding. Meeting provincial requirements has resulted in new capital expenditures, which the province does not recognize for cost-sharing purposes at all. This places an additional financial burden on the region.

In addition, the province should continue to provide adequate funding covering the full costs of meeting the targets that it sets out with respect to the Healthy Babies, Healthy Children program, which we now see are falling back to us.

Let me briefly summarize some of the key points.

We need a federal-provincial-municipal infrastructure program to address infrastructure deficits and transit programs on an ongoing basis.

We need a strong commitment on the part of the province to assist in public transit, whether it be conventional or special transit, light rail or heavy rail.

We need the province to get back into affordable housing and to ensure that federal money flows readily to housing projects.

We need a renewed commitment to expand the child care system in Ontario and to ensure that any federal funds flow quickly and easily to local programs.

We need the province to work with its service delivery partners and honour its financial obligations

Last, we need the province to review and enhance both the social welfare system and long-term care.

This province's major urban centres accommodate approximately 70% of Ontario's population and are truly the engines of the provincial economy. As such, the important role and partnership with the government to address the critical urban issues that face all of us cannot be underestimated. The region of Waterloo, like other major urban centres, is not in a position to go it alone. Our shared responsibilities require the level of partnership we have outlined today.

We are asking for a new funding partnership with the provincial and federal governments that will ensure that the region of Waterloo and other communities can provide the physical and social infrastructure needed to help it fulfill its and Ontario's potential on the world stage.

Thank you very much for this opportunity to address you and thank you for considering our requests.

The Chair: We only have time for one question, about three minutes. In this rotation we'll go to the official opposition.

Mr Ted Arnott (Waterloo-Wellington): Thank you, Mr Seiling, for that excellent presentation. I think you've highlighted the infrastructure needs of Waterloo region very effectively. You know you've had support from the local MPPs in the past on that issue and you can be certain that you'll have it in the future.

It was recently reported in the Kitchener-Waterloo Record that the region of Waterloo area has one of the lowest unemployment rates in the country. We've enjoyed considerable economic success in recent years, and that's due to a lot of factors. I think we have an

outstanding work ethic, we have a strong community that cares about its citizens, and we've had good government policies, by and large, in recent years, which have encouraged those kinds of economic developments. We have extraordinary synergy between our universities and community colleges with the business community—all those factors.

What do you think are the most important factors that have contributed to our economic success in recent years in Waterloo region, and how can the provincial government look at that success and seek to improve economic policy across the province?

Mr Seiling: I think there are a number of factors. In this community, obviously, there is a very high degree of entrepreneurialism. It's very historical and has helped this community, but also the presence of the two universities and the willingness in the community to go above and beyond what others might have done in terms of local investment and opportunities.

This is probably not unique to this region, but if you take a look at potential property tax increases across the province right now, what has happened over the last 10 or 12 years in Ontario is finally coming home to roost with municipalities. The cost of sustaining all of this, not only for us but for others, is falling down at a lower level. If you read the papers now, you'll find that virtually no municipality in Ontario is proposing a property tax increase of under 5%; most of them are in the 10% to 20% range this year.

Falling out of all of this is that the kinds of human infrastructure and social and physical infrastructure needed to sustain the Ontario economy—our economies, which are the Ontario economy and which drive a lot of the country's economy—really need help. We cannot continue to absorb everything that has fallen down as each of the levels of government has successively cut back.

We've been very successful, but to maintain that success and the success of the country, we really need to find ways of financing the infrastructure that supports these kinds of vibrant economies.

The Chair: Thank you for your presentation before the committee this morning.

0920

WILFRID LAURIER UNIVERSITY

The Chair: I call on Wilfrid Laurier University. You have 20 minutes for your presentation. You may leave time for questioning within those 20 minutes if you wish, and I would ask you to identify yourselves for the purposes of our recording Hansard.

Dr Richard Walsh-Bowers: Dr Richard Walsh-Bowers.

Ms Allison Baxter: Allison Baxter.

Ms Seema Aggarwal: Seema Aggarwal.

Ms Jessica Vinograd: Jessica Vinograd.

Dr Walsh-Bowers: Good morning. My name is Dr Richard Walsh-Bowers. I am professor of psychology at

Wilfrid Laurier University and coordinator of the graduate program in community psychology at Laurier.

Community psychologists, like all scientific and professional psychologists, are ethically committed to promoting human welfare. As psychologists, we have a special responsibility to contribute to the development of public policy that advances the well-being and quality of life for all people, given the uniqueness of our knowledge base and professional expertise.

Community psychologists have a particular contribution to make to public policy because we are concerned with preventing environmental, economic, social, health, and mental health problems; improving the quality of life and well-being for all, particularly for marginalized individuals and groups in society; and building the sense and reality of community. In short, we strive to foster healthy families in healthy communities in a healthy environment.

Joining me today are masters students from the community psychology program at Laurier, who are concerned, as I am, about public policy in Ontario today in light of the Liberal government's spending pledges on the one hand and the budget deficit on the other hand. These women are taxpayers and they have a strong investment, literally and figuratively, in the government's priorities, and they vote.

In our recommendations today, we employ the framework of what's best for the well-being of all Ontarians, rather than what's best for the most privileged. As most young people realize, Ontario is in a perilous state environmentally, economically and socially, when we consider all levels and aspects of society. Consequently, effective plans are essential to produce long-term money-saving measures. But in the short term, we urge you to take back the tax cuts from the well-to-do and from the top corporations. You are responsible for everyone in Ontario, not just the Canadian Taxpayers Federation. If you adopt our recommendations and take back the tax cuts from the well-to-do and from the top corporations, you will have the revenue you need to nurture community well-being for all.

In the following presentations, we cannot possibly cover all the environmental, economic and social problems that beset Ontario today. Instead, we will focus on three main points. Allison Baxter will address environmental accountability, Seema Aggarwal will discuss the status of children and child care, and Jessica Vinograd will address health care.

Ms Baxter: Under the Environmental Bill Of Rights that came into effect in February 1994, the provincial government has the primary responsibility to protect, conserve and restore the natural environment of Ontario. Furthermore, this bill stipulates that Ontarians have the right to participate in government decision-making about the environment, and have the right to hold the government accountable for those decisions. We are here today to exercise our right under this bill.

You must invest in the environment now. Your policies must protect it and recognize its fundamental

value in the lives of Ontarians. We think that you have a responsibility not only under the Environmental Bill of Rights, but also as citizens of the province of Ontario. Investing in the environment is investing in the future, because without it, we have nothing. It is the foundation that sustains us. You need to put the environment first, not only because it is our future, but because it is an investment in the health of Ontarians.

An Ontario Medical Association cost analysis reported that in the year 2000, air pollution led to the premature death of 1,900 people, 9,800 hospital admissions, 13,000 emergency room visits and 47 million minor illness days in Ontario. When considering the costs to the health care system, to employers and employees and to the people of Ontario, the total annual economic loss due to air pollution is approximately \$10 billion. This cost analysis forecasts that the economic loss will increase to \$12 billion by the year 2015 if this issue remains un-addressed. Without a doubt, government funds would be better utilized if they were directed at preventative environmental solutions.

The environment needs to be a top priority during your term. You made a promise to the people of Ontario that if elected you would shut down Ontario's coal-burning power plants by the year 2007 and replace them with cleaner sources of energy. We support you in this endeavour and challenge you to follow through on your promise. If you focus on introducing renewable sources of energy into Ontario's energy strategy, you are in a position to set the standard for other Canadian provinces and territories. This need not start as a big endeavour. Small steps and investments are significant and important, as action is needed now. The Environmental Task Force of Toronto advocates that this can be as simple as putting solar panels and wind turbines on rooftops and buildings. It is time for you to take leadership and have a positive impact on the future of Ontario's environment.

We recommend that the government of Ontario focus on wind energy because of its enormous benefits. Wind energy is an investment in the environment, the people, and the economy of Ontario. It provides clean energy and reduces the need for non-renewable energy sources. It puts health first by reducing air pollution. It is cost-effective. It creates jobs and promotes capital investment, especially in rural areas.

Furthermore, the Canadian Wind Energy Association asserts that it can provide a reliable source of electricity within a short and flexible timeframe. Thus, by investing in wind energy now, you, the Liberal government of Ontario, have the opportunity to make a significant and lasting impact on the quality of life in Ontario during your mandate. Do not miss this opportunity.

It is your primary responsibility under the Environmental Bill of Rights to protect, conserve and restore the natural environment of Ontario. It is your duty, as the government, to take immediate action to address environmental issues in this province. Clearly, you cannot afford to ignore the damaging effects of air pollution on the health, economy and natural resources of Ontario. The

time for you to act in the name of current and future generations is now.

Ms Aggarwal: We appreciate the opportunity to discuss our concerns regarding child care in Ontario. Ontario's new Minister of Children's Services, Dr Marie Bountrogianni, made the following statement: "After years of neglect, it is time to repair the foundation of child care across Ontario.... We know that if children experience high-quality early learning and child care, they are better prepared to succeed in life." We support her statements and applaud your recent investment of \$9.7 million in provincial funds to non-profit, regulated child care centres for capital repairs and upgrades. However, it is important to note that our efforts in this endeavour must be broadened. We believe that child care in today's society is not only essential in providing support to parents, but also benefits the development of Ontario's children.

Currently, according to studies done by Campaign 2000, a national initiative that aims to build Canadian awareness and support to end child poverty in Canada, regulated child care spaces meet the needs of less than 9% of children under 12 in Ontario. Furthermore, there has been a reduction in investment in regulated child care in Ontario of more than \$160 million since 1995. These funding cuts, as well as downloading the responsibility for child care on to cash-strapped municipal governments with no commitment from provincial levels of government, have led to this severe shortage of child care spaces. Consequently, Ontario has the highest monthly fees for full-time, centre-based child care in Canada.

Although there are child care subsidies that exist for families on low incomes, funding cutbacks have resulted in such long wait periods that tens of thousands of families are not benefiting from this subsidy program. For example, in Toronto there are 13,000 families on a waiting list for subsidized child care spaces.

0930

Given this situation, our recommendations are as follows.

First, implement a universal, accessible, first-rate early learning and child care system in Ontario that is available to all families regardless of their economic, cultural, educational and regional circumstances.

Second, establish ongoing evaluation of current and newly established child care centres that would determine their impact on the development of children. The results of these evaluations should shape the creation of policy with regard to child care issues.

Third, provide funding to assist school boards to establish day care centres in existing schools as well as in any new school built in Ontario.

Fourth, the time has come for you, the provincial government, to take a leadership role in the development of a national child care strategy. Ontario has the resources and expertise to be an innovator among the provinces and territories in the area of child care. We can't pass up this valuable opportunity to be on the leading edge of change in our country.

We acknowledge the financial commitment that is necessary to implement these recommendations. However, the long-term social and economic benefits of early learning and child care far outweigh the short-term costs. Referring to the latest speech from the throne, we agree: Prevention is the best cure. For example, Canadian economists have calculated that every \$1 invested in child care brings \$2 in future social and economic benefits, such as greater employability for parents, higher income taxes paid by parents and savings to the social welfare system. In the long term, effective early childhood education is linked to academic and career success, as well as a decrease in both psychological and physiological illness and behavioural distress in children.

In closing, we are encouraged by your initial investment in Ontario's child care network. However, we urge you to not only see the value in our recommendations but challenge you to take action. We need to put child care in the forefront of our provincial agenda.

Ontario's children are our future. They deserve the best possible start in life that child care in Ontario aims to provide.

Ms Vinograd: As community psychology graduate students, we would like to briefly summarize for the government a more appropriate definition of health and what we believe is the best model within which to address health care issues. We would also like to give a synopsis of just one feasible reform to the delivery of primary care in Ontario that will save the government of Ontario, now and in the future, millions of dollars.

If we are to encompass a better vision of health care delivery, we need to broaden the definition of health. Past governments have addressed health as being the absence of disease. In conjunction with health psychologists, we would like to propose a more appropriate definition of health as "a state of being with physical, cultural, psychosocial, economic and spiritual attributes," not simply the absence of disease.

In conjunction with this better definition of health, we propose an improved framework for considering the broader determinants of health, commonly referred to as the population health promotion model. This model addresses the broader determinants of health, taking into account the social factors that affect health status and outcomes, including employment status, income, level of education, housing, accessibility to nutritious food, and state of the environment.

The best service delivery model that addresses the broader determinants of health is the community health centre. Not simply a health clinic, the community health centre specializes in primary care services and features multidisciplinary teams of nurses, nurse practitioners, physicians, nutritionists, family counsellors, other health care professionals and often social service workers. All staff is on salary, including doctors, rather than fee-for-service, and the community health centre is governed by a community board. The focus is on health promotion and on the prevention of disease.

Community health centres are cost-effective. According to the Association of Ontario Health Centres, clinical

patients see doctors less often than they see nurses or other health care staff, fewer prescriptions per patient are written, patients use hospital emergency rooms less often, and community health challenges are tackled through the centre.

In 2002, the final report of the Romanow commission recommended funding for community health centres. Romanow is quoted as saying that community health centres are “a major breakthrough in primary health care [which will] transform Canada’s health system.”

In May 2001, the Ontario Ministry of Health and Long-Term Care commissioned a study entitled *A Strategic Review of the Community Health Centre Program*. According to the researchers of this study, Shah and Moloughney, community health centres are extensively involved in improving the capacity of individuals and communities. This includes minimizing the impacts of poverty in accessing health services; improving language and employment skills; finding, maintaining and improving shelter; increasing access to nutritious foods; supporting healthy child development; and increasing community involvement and leadership.

While there has been much discussion and recognition of the importance of health determinants over the past several years, community health centres actively demonstrate a comprehensive population health approach to service delivery.

Until the government of Ontario incorporates a vision of the future into strategies to deal with the costs of our health care system, the government will continue to inherit deficits. Health psychologists, academic researchers, the Romanow commission and health care providers across the country agree with us: A change in philosophy of service delivery is required in Ontario, one with a proactive emphasis on prevention—a philosophy that situates the community health centre as the main delivery mode of primary care in our province. The government of Ontario is presently in a unique position to be able to take the leadership necessary in implementing health care reforms, while serving as a positive role model for the other provinces and territories of our country.

Dr Walsh-Bowers: These three graduate students, who are among the future leaders of Ontario, as I’m sure you recognize, could have addressed many other current issues, such as the dire need for energy efficiency, the housing and homelessness crisis, the wisdom of crime prevention and community safety, and of course the crumbling status of post-secondary education and the high cost of such education. But selflessly, they chose to focus on three equally important concerns. You’ve heard their thoughts and recommendations, and their message to you, as is mine, is: Get your priorities straight. Everyone benefits from an equitable, environmentally sustainable society, and Canada could see Ontario as the leader across provinces and territories in fostering healthy families, in healthy communities, in a healthy environment.

In conclusion, we want to emphasize that the students and I can see through the phony dilemma you’ve created by pitting the budget deficit against spending needs.

Sooner or later, the majority of the electorate will recognize, “What’s wrong with this picture?” So, fully commit yourselves to the citizens of Ontario and break your deal with the Canadian Taxpayers Federation. Take back the tax cuts from the well-to-do and the top corporations and invest in prevention measures for the environment, child care and health care. All of these will bring well-being to all Ontarians and produce budget savings at the same time. You know, fiscal responsibility and social responsibility go hand in hand.

The Chair: We only have time for one question, and it will go to the NDP. Mr Prue, about two minutes.

Mr Michael Prue (Beaches-East York): Two minutes. Where do I start? I’m going to do child care in two minutes. You want Ontario to be a leader in child care. I put it to you that probably Quebec is already the leader in child care: \$5-a-day child care, hardly any waiting lists and a well integrated program. Would you not think it better that we follow the Quebec model?

Dr Walsh-Bowers: We are impressed by the Quebec model and we’ve given it consideration, Michael. In preparation for this presentation today, we thought it wiser to focus on the particular points that Seema Aggarwal has noted in her presentation. We are aware of the Quebec model, and we’re also aware that during the most recently concluded provincial election of 2003 one particular party—I believe it was your party—advanced a policy of \$10-a-day child care. We’re acutely aware, also, that the so-called Liberal government in Quebec is retreating on its commitment to child care, and we’re very concerned about Quebec being, at this point in time and for the immediate foreseeable future, a model for the rest of Canada.

0940

Mr Prue: My second question, because I have time, I will then spend on the health centres. I agree totally with you that the health centres are the way to go. Are you suggesting in your deputation that we funnel more money to health centres and, as a result, less to hospitals? We’ve had arguments like yours before. Health centres, community care, work in the home, visiting nurses are all much cheaper than hospitals. Are you suggesting that the money not be given to the hospitals and instead to the health care, or are you suggesting that the money be given in addition to the health centres?

Dr Walsh-Bowers: What we are recommending is the phase-out of the huge investment in the mega-institutions known as hospitals, which frequently function, pardon the expression, as houses of death because they are also primarily the greatest sources of air pollution in local communities, by the way, and increasing the funding that would go to community health centres, locally based services, home care and so on.

The Chair: Thank you for your presentation this morning.

ONTARIO FEDERATION OF LABOUR

The Chair: I call on the Ontario Federation of Labour. You have 20 minutes for your presentation. You

may leave time within that 20 minutes for questions, if you wish. I would ask you to state your names for the purposes of our recording Hansard.

Mr Wayne Samuelson: Wayne Samuelson. I'm president of the Ontario Federation of Labour.

Mr Chris Schenk: Chris Schenk. I'm the research director at the Ontario Federation of Labour.

Mr Samuelson: Let me begin by saying how pleased I am to have some time to talk about our views around the finances of the province. I should also say that we have taken a serious interest in this. We have, as you are probably aware, tried to monitor these hearings and to get some sense of what people are saying. This process, I have noticed, has not been marked with some of the behaviour that might have gone on during the time of the previous government. I note that all and suggest to you that when you read our presentation, you will see that we have tried to be realistic about what we think needs to happen. I'm not going to go through my presentation. I'm not going to read it to you. As a matter of fact, I think what we are saying is somewhat consistent with what you may have heard in other communities.

Instead, I want to try to deal with two issues that are current, I think, in this community. As some of you will know, I was born in this community and lived here and served as a local union president here and as a member of the local city council. As I was driving down here last night, I started to think about what has gone on in this community in the last 20 years. I think it points to an issue that I've been dealing with on a province-wide basis for the last number of years: the decimation of our industrial base. It is incredible in this town. You talk about the synergies between the universities and colleges and the low unemployment rate. You also need to know that I served some time as the chair of the local food bank. This is also a community with increasing poverty and a whole range of challenges.

I left a local high school here a little bit early, somewhat quickly, a long time ago. I got on a bus, and I applied at six plants in this community. I ultimately picked the BF Goodrich tire plant because it paid \$3.40 an hour and was the highest. Had I gone to any of the other five, those plants are all gone today. I don't have to tell you. You heard yesterday about the situation in Hamilton around Stelco.

I want to suggest to you that Sault Ste Marie, Sturgeon Falls and communities right across this province are facing a real challenge. You will hear some say that it's really all about taxes and people will locate their plants here because of taxes. You've heard about the auto policy.

I want to suggest to you that it's also about the kind of economy and society we have. Building an industrial base and an industrial strategy, while things like auto policy are important, an industrial policy that talks about a health care system that's efficient and works for people means a lot. I can tell you that, by far, the biggest reason you see strikes in the United States is around health care costs and legacy costs for retirees. Education, training

and housing play a role in the kinds of communities we have and whether we're going to have an industrial base in a community. I want you to think of those kinds of issues in the context of the challenges we face in ensuring we have a strong social infrastructure.

The other issue, which will not surprise you—and I want to try to leave some time for questions—is these bizarre statements coming out of Queen's Park yesterday. From what I can gather, the Premier and Gerry Phillips, in a scrum, for whatever bizarre reason, failed to rule out so-called Dalton days or wage freezes. Frankly, in doing so, they infer that the government is not ruling out interfering in free collective bargaining. I know there is a former Minister of Labour here, whom I certainly did not get along well with in the government, or some other people, but they certainly did—

Interjection.

Mr Samuelson: —I certainly wouldn't refer to you, John—involve themselves in free collective bargaining.

Let me be clear, it's not uncommon for an employer to say, "We have no money." Right? As a matter of fact, I can't remember the last employer who said, "Oh, Jeez, we've got lots of money. We can't wait to bargain." It's no surprise that workers would say they think they deserve more, and they probably do. But to start bargaining off by leaving on the table the suggestion that there could be legislation is absolutely ridiculous. I don't think those people who are sitting over here with the Liberal Party ran in the last election with the view that that's how you were going to deal with the finances of the province. I know that if a motion was made at this committee that said you were not going to betray the trust that people gave to you and interfere with free collective bargaining, you'd all support it.

Mr Prue: I'll make the motion then.

Mr Samuelson: I've got to tell you that it leads to the failed policies we've seen from various political parties over the last two decades in this country, and that is putting the blame or the suggestion that the problems we face are because of workers and their salaries. It's absolutely ridiculous. I can't help but point to the hypocrisy of this coming out of the Ontario Legislature, which tried to vote themselves a 25% increase not all that long ago.

I have to suggest to you that anything you can do to convince the Premier to have some commitment to the cornerstone of democracy, which is free collective bargaining, would be, I think, in your best interests and would remove from the table a whole lot of unnecessary conflict.

I know you will notice in our brief that we do call for some increase on the revenue side in tax increases. But you will also notice that, unlike we may have done in the past when we've suggested these increases should come from people we've never met, we actually recognize that because the cuts on the revenue side have been so dramatic, unless there's a real debate around recovering some of those tax increases, there is no way you are even going to be close to living up to your commitment to rebuild public services. I'm going to stop now, Mr Chair,

because I know there will be some interesting questions from the panel.

0950

The Chair: Thank you. We have about four minutes per party for questions, and we begin with the government and Mr Peterson.

Mr Tim Peterson (Mississauga South): You live in a city that has been able to make the transition from old-world economies to the brand new economies. I think of RIM and the other high-tech companies that have done a fabulous job at developing and sustaining export business and transferring people to the new economic realities. But there are still a lot of people who are only employable in the older economies. We had other labour groups suggesting to us that the free trade agreement has made them extremely subject to the low labour rates of China and Mexico. Do you have any sense of whether that is a factor in terms of the people who were once employed here in the knitting mills and the woodworking mills?

Mr Samuelson: It certainly is. I should tell you that I no longer live here, although my family still lives here. I now live in the great city of Toronto. However, I do know a lot about this community and I know a lot about that issue.

During that debate in the early 1980s, I was president of the labour council here and the president of the local union at the tire factory. I can remember many debates, with the employer community arguing how this free trade agreement would lead to more jobs in the manufacturing companies and this plant. There is probably about 60% as many jobs in the tire industry in this town now. Those plants have moved to other countries. Drive into Cambridge. Cambridge was a famous centre, frankly, in the shoe industry, other industries. All gone.

Clearly, I could point to trade policies that have gone on at the federal level. I don't know if that's a debate that we need to have right now. I think we need to look at what we're going to do. We need to figure out ways to bring people to the table to look at what the factors are when it comes to an industrial policy. Some of it has to do with making sure the plants are attracted here. Some suggest some kind of financial incentives. I think the whole role of our social safety net is important. I think getting people at a table to develop an industrial strategy—many countries in the world have industrial strategies that look at how you maintain these plants.

You refer to them as “old” jobs and “new” jobs. My point of view is that they were high-paying, good, long-time, secure jobs. The plant I worked in, which luckily is still here, has probably an average age of somewhere in the 40s—those people have raised kids in this community—and provided a pretty sound, secure employment; any of those other plants that have gone would have too. Those people may still be in this community. My guess is that many of them are working for half the salary in some kind of service sector job.

Mr Peterson: When I said “old” jobs and “new,” I meant old economy and new economy jobs, the higher technology. A previous person from the labour area said

to us that manufacturing jobs were much higher paying than the new high-technology jobs. Do you have any experience with that?

Mr Samuelson: In this community, Uniroyal Goodrich, 1,300 good-paying jobs; Marsland Engineering, 1,400 good-paying jobs. Budd Canada employs today half of what they did 15 or 20 years ago. Lear Siegler had plants all over this community: union, good-paying, solid jobs. They're probably down to around 1,000. I worked at Electrohome for a summer when I was a kid, at plant 6; a huge employer, gone. Those were good-paying, long-term jobs that were there for many generations, frankly. It's no longer like that, and I think we need to try to do things to make sure we keep those plants there and we encourage those plants to come, because they provide stability. There are whole neighbourhoods in this province where generations of people worked in plants in that area and built those communities.

Mr Peterson: What are two or three most revealing factors to losing those?

The Chair: Thank you. We'll move to the official opposition.

Mr John O'Toole (Durham): Thank you, Wayne. Good to see you. I hope you enjoyed your time in Timmins. Anyway, we did.

Mr Samuelson: Yes, Timmins was wonderful.

Mr O'Toole: I just want to put a couple of things to rest. I've been very supportive in all the destinations of the finance and economic affairs pre-budget consultations of the paper submitted by Hugh Mackenzie, which I'm sure you're familiar with. You may have helped him write it. But he unmasks and disrobes the—I hate to use the word “deception”—

Mr Samuelson: No, I know you wouldn't do that.

Mr O'Toole: —but I will. Their promises, the 231 promises, amounted to about \$6 billion, all the time knowing there was a \$5-billion hangover of some sort. That may or may not be the case, so I'd encourage everyone to read Ontario Chose Change, the alternative budget issue, because he actually has some very good arguments—not that I agree with him totally, but he does tell the truth.

What also needs to be on the record clearly is, when you said there has been a loss of revenue—we've heard it from almost all the labour councils—I want to report to you that in their document—it's not ours; it's theirs, so it's got to be honest, I think—in 1994-95, the revenue at that time was \$46 billion. The revenue outlook for 2003-04 is \$69 billion. That's an increase of \$23 billion in revenue. So the revenue isn't down \$13 billion; it's up \$23 billion. That's where the whole issue of proper tax policy is so important if you're going to grow the economy.

Bob Rae, a good friend of yours—I know you worked with him; maybe you worked too hard for him, because he's not here any more. But I guess the key is that, quite honestly, there's a relationship: He raised the taxes and he reduced the revenue. So you've got to follow this.

The program spending has actually increased from \$44 billion to \$62 billion. That's up \$18 billion in pro-

gram spending. If you read the clippings in the papers the last few days, health is up \$10 billion. Now, whether it's doing the job is up to them to decide.

My question to you is, I was there yesterday when Dalton's mouth was moving but Bob Rae's voice was coming out on Dalton days. We saw that; it's true. It was like a puppet. Bob Rae tried to get the labour movement of Ontario onside. It was a pivotal point in history, and arguably the end of the NDP. But the social contract was a tough pill to swallow. He tried to get you and other leaders—Gord Wilson, Sid Ryan, Leah Casselman and the rest of them—around the table.

Of \$70 billion, 80% of it is wages and benefits, Wayne; 80% of all the money, whether it's us or the municipalities or the hospitals, the universities, the schools, is wages and benefits. What choice does he have to hold the line, outside of dealing with the whole bundle of wages and benefits? I'm not saying whether it should be up or down or frozen. What choice does he have? What else could he do?

There were 231 promises. There's one there, the signing, the big photo op with the taxpayers where he signed this "I will not"—remember the TV ad? "I'm not going to raise your taxes, but I'm not lowering them either." What theatre.

What choice does he have, going forward, to balance the budget as he promised? What choice does he have?

Interjections.

The Chair: Order. Order in the room, please.

Mr Samuelson: I must say, when I come back to this committee, it's so enlightening to listen to Mr O'Toole. His observations are always interesting. I'm especially struck by his new-found commitment to progressive people like Hugh Mackenzie.

I should indicate to the committee that I think the suggestion that somehow comparing simply the revenue side without looking at the expenditure side, the growth in population and all of those issues, is somewhat simplistic, and I think most people on the committee recognize that. The fact of the matter is that on the revenue side, the previous government took too much out. You don't have to take my word for it. Go to Walkerton. Talk to the people who drove around in the back of ambulances in the city of Toronto. Go across the street to the House of Friendship. Go up the street to the food bank. Talk to people there. They'll know it. So I think it's a bit simplistic, but I do respect you for trying to enlighten all of us. I look forward to it.

The Chair: Thank you. We'll move to the NDP and Mr Prue.

1000

Mr Prue: I'm going to try to get three or four questions in here.

The first one is the decimation of the industrial base. Canada probably has fared better than some countries but not as well as others in protecting its industrial base. But where I see the most successful countries is where the countries themselves go out and try to bring in new industry, bring in new commerce, and they take a share.

Quebec is doing that—taking a share. When they're putting up the capital or the guarantee, they take a share of that. Do you think that Ontario should adopt a similar policy?

Mr Samuelson: I think Ontario needs to be aggressive in this. Believe it or not—this may surprise you, as a union kind of guy—in the early 1980s I served on economic development when I was a municipal politician. I did some work trying to get companies to relocate or locate here in Kitchener. There are all kinds of things that have changed in the last 20 years. The reason I raise it is because as I was driving down here last night I called a friend who had been here and had worked in one of these factories and been laid off. He's been trying to find a job and had gone from service job to service job—48 years old. I deal with it every day. I get calls at my office from around the province, where I've got to go and try and help unions, believe it or not, secure venture capital funding to keep operations open. We have a little bit of a period of calm in the province, depending on where the Premier goes with this stuff he said yesterday. I think all the players need to start to work on this. We need to get ahead of this one because we're losing those plants. Many countries do this.

I also make the argument that our social infrastructure is an important part of it. There is a major tire factory here. There's bargaining going on right now with the major tire industries in the States. The number one issue is legacy costs for retirees, especially because of their health care system and health care. So we need to protect those and build on them for seniors to protect us in our competitive advantage.

Frankly, we need to get training on to the front of the agenda. We need to all get at a table and roll up our sleeves and start to get serious about this.

Mr Prue: My second question has to do with collective bargaining, but it's not so much a question; it's just a reminder. Although most of the members of the previous House voted for 25%, it was rescinded, but what wasn't rescinded is that on April 1 we all get another 3%. Do you think, if we can get 3%, that is a good starting point for the members of the Ontario civil service?

Mr Samuelson: I would actually go the other way. It's interesting you would say that. I've looked at your salaries since 1995, and frankly you haven't done bad. I think you took a little bit of a freeze there for a couple of years but you've received salary increases, a restructuring. If people on social assistance who suffered a 21% cut had gotten the salary increase you did, they'd probably be able to feed their kids much better.

Mrs Elizabeth Witmer (Kitchener-Waterloo): We didn't get it.

Mr Prue: Not the 25%, but we're getting 3%.

Mr Samuelson: You didn't get 25% but you've been getting increases since 1995.

Anyway, my point is, if you look at the salary increases over the last 10 years in the public sector and the private sector, they've been about equal, with a period where they were much lower in the early 1990s,

for reasons you all know about. But they've been consistent with inflation and they've been consistent between the private sector and the public sector. Frankly, to go out there and make these kinds of statements and not be willing to make it absolutely clear that you're prepared to sit down and bargain the way the previous government did—I would hope a little bit more respectfully. But certainly, as I indicated when Mrs Witmer was out of the room, at least the previous government, with all the problems we had, bargained and didn't bring in the kinds of legislation we've seen in other parts of the country. I think it feeds into the suggestion that all of the problems of the government's finances are because a nurse is trying to get inflationary protection in her wage package. Basically, looking at the history, that's been where the settlements have been for quite some time.

The Chair: Thank you for your presentation this morning.

INTERFAITH SOCIAL ASSISTANCE REFORM COALITION

The Chair: I call on the Interfaith Social Assistance Reform Coalition.

Rev David Pfrimmer: Thank you very much. Welcome to Kitchener. It's nice to see you here again. My name is David Pfrimmer, and with me is Brice Balmer. We're with the Interfaith Social Assistance Reform Coalition.

We're here today to participate in what we hope will be a truly open and full debate about the future of public services in Ontario. That debate cannot happen without looking at both the revenue and expenditure side. To date, the debate has been restricted by the government's insistence that it would not raise taxes.

During 2003, ISARC, in partnership with community organizations, conducted a community-based social audit in some 13 centres across Ontario that involved over 1,500 people. I might just say, there is a correction in the appendix to this, where it mentions 1,200—that was a typographical error. This audit reviewed the situation facing low-income people and the agencies that serve them. Special “rapporteurs” visited each of these communities and listened to the testimony of those affected by provincial policies and their ideas on how to improve life for the neediest and too easily forgotten people in our communities. The testimonies and full set of recommendations will be released this spring with the publication of *Lives in the Balance: The Report of the ISARC Community-Based Social Audit 2003*.

Rev Brice Balmer: We would like to affirm some of the actions taken by the current government recently. It was very important to us that the end of the lifetime ban against welfare recipients was stricken; that there's been a modest increase in the minimum wage to \$7.15 an hour on February 1 and to over \$8 an hour hopefully in the next four years; and that \$9.7 million in funding was given to not-for-profit child care centres and also to make

sure the child care centre people tell us that \$9.7-million increase in funding is actually going to daycares.

These all represent very important first steps. While important, much more is required to address the misery and hardship facing so many of our Ontario people.

Rev Pfrimmer: We have attached The ISARC Priorities for Action 2003-2004, which includes many details of the further recommendations from our audit process. Today we wish to very briefly highlight just some of the issues of immediate concern based upon the testimony and recommendations made at those sessions.

(1) Since 1995 there has been no increase in assistance rates for those on Ontario Works and Ontario disability support program. Inflation has eroded the purchasing power of these benefits by 35% to 45% and rental rates have soared, creating a desperate situation. OW and ODSP rates must be raised substantially, and further increases should be made annually.

(2) Lack of access to affordable and safe housing is a major cause of homelessness and poverty in Ontario. The provincial government should establish a housing ministry and develop a provincial housing strategy to ensure people have a place to call home. Second, the provincial government should immediately proceed with the pilot projects already approved using federal monies already designated for affordable housing.

(3) Public stewardship recognizes the need to address the \$5.6-billion financial deficit. Public responsibility, though, requires that the government review all its policies, including their election promise not to increase taxes, before undertaking the very actions they campaigned against in the 2003 election. ISARC supports proposals by the Ontario alternative budget process for increasing government revenues by \$3.5 billion to \$4 billion. We think it would be irresponsible to ask low-income people, children, and those relying on our health care system to shoulder responsibility for the deficit. Public services in Ontario are in desperate need of rebuilding. More cuts are simply not possible. The people of Ontario understand this. Therefore, the public debate must include increasing government revenues, not just cutting expenditures. Many people in Ontario are willing to pay the OAB's estimated \$2.50 per week to ensure the well-being of all people. Such revenue increases should be accompanied by a social audit to ensure an improved quality of life for all Ontarians.

1010

Rev Balmer: We are also deeply concerned about the ability of charitable organizations to meet the continuing demands to respond to the needs of people. Without being overly dramatic, many of these organizations have struggled to keep pace with the demands for their services in very difficult circumstances over the past nine years.

We agree that investing in the social sector is an effective and important measure to improve the quality of life for our communities. We need to ensure that these voluntary organizations are supported and recognized for their important contribution. We need to talk about the

very best ways to proceed. We are also aware of the difficult choices you face. We thank you for your willingness to serve in public office and we assure you of our prayers from our communities.

Rev Pfrimmer: Thank you very much. We are now open for your questions.

The Chair: Thank you. We have about four minutes per caucus, and this rotation, we begin with the official opposition.

Mrs Witmer: Thank you very much, David and Brice. I know that you and the coalition have done a lot in our local community to raise awareness of the need to help those individuals who are suffering from hunger and poverty and homelessness. I appreciate what you've done and what others have done.

I take a look here at what you're affirming to have happened by the government. Then you've got some recommendations here. I'd like to focus on the housing. In fact, as I look at what you're saying, I would agree with you. There is a need to increase the rates for people on Ontario Works and disability. I also agree that we need to do more to make sure that we have decent housing for individuals.

How do you think the government should move forward? We heard from the regional chair that there are about 1,000 housing units under construction at the present time, but that we need 4,000. What can we do? Because I do agree that this is an urgent need. People need homes.

Rev Balmer: I think there are several ways we can approach it. One is that we can increase the shelter allowances under the Ministry of Community and Social Services. I think our regional chairperson has said, and I think he would be an example of other places in local government that—when you have rents in the Waterloo region that are \$1,000 a month for a one-bedroom apartment and \$1,500 a month for a new two-bedroom apartment, and then you have families who need three- and four-bedroom apartments, you just can't subsidize \$1,000 a month per family.

So we have a crisis in terms of how we get the shelter allowances up there, but I think we need to work at increasing shelter allowances so people have a fair shot. I think it'd be good if they were regionally adjusted with Canadian Mortgage and Housing rates, so that Woodstock or Ottawa or Toronto or Kitchener or North Bay would probably all have different average rental rates. So we need to help people individually to have the money to do it.

The second thing I hope happens is that the province not only takes the federal money and passes it through to regions that are ready to go, but that they also match the federal money and that we do have enough money here.

One of the things I think that's very important to note—that's why we talk a lot about the voluntary sector—is that the faith community in this region has raised well over \$1 million or \$1.5 million just to put together the units that we have ready to go or are being built. So I think, in fact, it's probably several million

dollars, because we have to take federal money and very, very little provincial money, and then lots of regional money and charitable money to put up these housing—but I think we need to have housing of all kinds that is affordable for people, as well as increase shelter allowances.

Rev Pfrimmer: I'd just also say that there's some more detail in the appendix, which is our priorities for action, which gives some ideas, because our experience has been that no one strategy is going to do it all. But the provincial government does need to take the lead and mobilize the amounts of capital necessary to build affordable housing, and also, on the other side, to look at some kind of rent control so that it doesn't merely flow through to landlords who raise rents. This was a common kind of problem that some of the people who testified at the audit told us of.

Rev Balmer: I think one of the things that we're asking is that housing actually be a very high priority and that it be under one ministry. Right now, it's under at least four ministries: Health and Long-Term Care, Comsoc, Municipal Affairs and Housing, and Public Infrastructure. So to have it spread out all over, do we really get a fair shot?

The Chair: Thank you, and we'll move to the NDP.

Mr Prue: I'm going to try to get three questions in.

First, we heard from several presenters that the single best thing we can do for people on ODSP and for those on Ontario Works, for families with children, is to immediately end the clawback. Could you comment on that? If this government can only do one thing, do you agree that the single best thing we can do for children, at least those on social assistance, is to end the clawback and let them keep the federal money?

Rev Balmer: My concern, Michael, would be that at the end of the day families with children have more money, more buying power. What's happened is that because we have a clawback, those who are on social assistance get worse off and worse off and don't have any economic stability. It's going to take a lot of negotiation between the regions and the province, because we have some support services here that are now funded by NCB monies, and some of us need those community support monies for core funding and the voluntary sector. My major concern is that if you're a low-income mom or dad, or mom and dad, what you need right now is a lot more buying power. People on social assistance and ODSP have not had any increase for nine years.

Rev Pfrimmer: There's one other thing, though—it's also in the appendix—and that is regarding the allowances of what people can earn and what they can have and around houses. These are not monetary transfers but these are very important things that have been very punitive to people. Those are very important too.

Mr Prue: Anne Golden, in her report dealing with poverty, suggested that there should be variable rates and that the welfare component, the ODSP component, should include at least 85% of the average cost or the median cost of housing in a particular community. Would

you agree with that? That would set different rates across Ontario.

Rev Balmer: I think I answered that when I answered Elizabeth's question. The rates for shelter allowances ought to be adjusted based on the real rents in each of the regions, and 85% sounds fair.

Mr Prue: I'm just going through all your stuff here. "ISARC supports the provincial government's intention to proceed with implementing real rent control." In fact, the Liberal platform said that rent control would be lifted when vacancy rates went above 3%. Do you think they should abandon at least that part of their platform so rent controls are kept in place, even in instances where vacancies go above 3%? Quite frankly, we're seeing, at least in Toronto, that the vacancies are primarily in those apartments and townhomes that rent between \$1,500 and \$2,000 a month. There is no vacancy rate at all at the \$800 and \$900 level.

Rev Pfrimmer: I think we do need to take a more serious look at rent control in terms of how people have access to affordable housing, particularly more accessible and affordable housing. What we were saying in terms of the hearings and what we heard at the audit was that people said there needs to be some control on this. The actual details need to be worked out a little more clearly.

You're probably very right, that if it's merely because there's a lot of high-end housing available, that's not going to help low-income people. That's part of what the social audit is all about. I think the Liberal Party supported this when they were in opposition, that they would monitor the impact of these policies and say, "Yes, they're doing what we want them to do." So you're right, we do need to take a look at this in a little more detail. It may not be feasible the way it's proposed. But I do think we need some assurances that people can get access and that they won't get their rents raised so their houses are taken from them.

Mr Prue: Do I have more time?

The Chair: No. We'll move to the government.

Mr John Milloy (Kitchener Centre): I want to thank you for your presentation today and pick up on your conclusion, where you talk about the voluntary sector and how much they've suffered over the past several years.

We've had the benefit of meeting many times, being a local organization. I want to pick up on a theme we've discussed, and that is the whole issue of funding of voluntary organizations. One of the criticisms I've heard of the present system is that so many of these organizations have to go for their so-called one-time-only grants and they spend their whole life trying to come up with a new public relations or promotion scheme, a new initiative, a new case study or a new pilot project so they can get money just to keep going. I wanted to ask you to comment a bit on that, but at the same time to challenge you to put yourself in the government's shoes here, in that if that model isn't working, and I'm hearing that consistently across the board, how does one bring in a better model? It becomes a matter that if you spend a dollar, then that dollar is spent every single year if it's

given to a certain voluntary group, and you start to see duplication and new groups coming forward. I've been struggling myself, when I've met with groups like yours, with ways in which a government could better deal with this so you don't spend all your time trying to come up with study number 322.

1020

Rev Balmer: The project I would be most familiar with, which goes along with some of the priorities of this government but is also an innovative project here in the Waterloo region, is the restorative justice approach to elder abuse, which initially had Trillium funding. Then it went to get Trillium funding again through emphasizing the multicultural work we've done to get elder abuse questions into the multicultural community. Now it's up again for another Trillium grant to rewrite the whole thing. How do we do restorative justice again?

The restorative justice approach to elder abuse is a basic service needed in the Waterloo region so that we do not use police dollars and do not use social service and health care dollars, and we solve problems in a whole new way and also make families more stable. What happens is that we constantly drift back and forth and are writing all kinds of programs.

The same thing happens in community centres. How do we want to have healthy, viable neighbourhoods with a community centre and help people break the cycle of poverty? It seems to me that is a function that needs to be a part of the whole community to do. It's not a function that's going to be here today and gone tomorrow. What some of the people I work with are constantly doing is writing a summer grant and then writing a grant for people to use the computers. Then after a while, we have the computers but we don't have any people to train the people to use the computers, so then again we're trying to write another grant to use the computers. We have an established service in the community and we can't keep it going. We can't help people move forward and help the community centres actually service the community and help people break the cycle of poverty. That's the kind of struggle we're in.

There have been several national studies, I think three—and I can give them to you later, John—that have shown that voluntary services are losing some of the morale and the highly qualified people working for them; that there's drift in terms of their organizational mandate. Many of these voluntary organizations are closing down because they don't have the dollars and can't keep up this kind of game we're playing.

How do we solve that? I think we need a major consultation, not just with the provincial government but also with the United Ways and with regional and federal governments, about how do we actually maintain the essential community services we need to make sure that people are healthy and that our communities have viability? We can do things in the voluntary sector that cost the government a lot more to do if you have to do it with government workers, because we get volunteers and we get all kinds of people energized. How do we keep

that viability in the community? It's been one of Canada's strengths. We're in danger at this point, and I don't know how to—

Rev Pfrimmer: One of the studies that Brice is referring to is the voluntary sector round table that's taken place at the federal level, and I'd commend it to you to take a look at.

One of the things we need to remember is that we need to invest—there's a lot of talk about public-private partnerships. I think the outcomes of these are very dubious, and we've seen that some of these things have been colossal disasters. But one of the things that Canada has a long history in is public-voluntary sector partnerships that have worked very well and have in fact delivered a tremendous amount of services. The idea that the state, for example, has to deliver all the services is not true now; it's changed. There's a very vibrant voluntary sector, and the voluntary sector is in effect a creator of jobs. It creates wealth in communities. It does a whole lot of things. It's not a net economic drain.

What would probably be useful is to have a broader discussion within Ontario about what role the civil society sector, the voluntary sector, can play in this regard; looking at what core funding is needed, because a lot of the core funding that went to these groups has been eliminated, as you say, and we went to project funding, which means you chase dollars; and as well, what role those organizations have in fundraising in their own communities, as you look at what's been done in hospitals and elsewhere, because people do donate to causes. How can we look at those three aspects, that they come together in a sustainable way for many of these organizations that are so crucial to our communities?

The Chair: Thank you for your presentation. If there is any information requested or that you want to give to a member, I would ask that you give it to the clerk so that all members can share in that same information.

GREATER KITCHENER WATERLOO CHAMBER OF COMMERCE

The Chair: I call on the Greater Kitchener Waterloo Chamber of Commerce. You have 20 minutes for your presentation. You may leave time within that 20 minutes for questions if you wish. I would ask you to state your names for the purposes of our recording Hansard.

Dr Scott Carson: Good morning. My name is Scott Carson. I'm the chair of the Greater Kitchener Waterloo Chamber of Commerce and dean of the school of business and economics at Wilfrid Laurier University. I'm joined today by Todd Letts to my right, who is the president of the Greater Kitchener Waterloo Chamber of Commerce, and Linda Korgemets to my left, who is the chair of our federal and provincial affairs committee. Linda is the senior manager of taxation for PricewaterhouseCoopers.

We have provided you with a copy of our submission, and a summary of the recommendations is found on page 4. Today's submission is essentially comprised of three

parts. I will provide an overview context of the strength of our local economy and its contribution to Ontario's economic health, Todd will outline the specific actions the provincial government can take so that the greater K-W area can further boost Ontario's economy, and Linda will outline the key fiscal parameters needed to ensure a strong foundation for future economic growth.

Let me begin by stating that as Ontario's second-largest chamber of commerce, the Greater Kitchener Waterloo Chamber of Commerce serves more than 1,650 members, representing all sectors of the business community. Our membership includes small, medium and large employers who provide over 55,000 jobs in one of Ontario's most progressive and economically productive regions.

Our key message to you today is that the greater Kitchener-Waterloo area is playing a vital role in both the economic and social health of Ontario and, with a few key actions that will start with the 2004 budget, the greater Kitchener-Waterloo area can even further boost the health and prosperity of our province.

The results of some recent studies provide the context that illustrates this point. The greater Kitchener-Waterloo area, with a labour force now numbering more than 270,000, is an important engine fuelling Ontario's economy. With a regional GDP of \$16 billion, it is interesting to note that this area contributes almost \$1 billion more annually in provincial and federal taxes than it receives by way of provincial and federal transfers.

Waterloo region's economic prosperity is a key contributor to the province's overall health. In a report published by the conference board, it was noted that the region is one of the premier leaders for economic growth in Canada. In fact, with a population of almost half a million, Waterloo region is one of the fastest-growing urban regions and it now ranks as the 10th largest census metropolitan area in Canada.

Recognized as one of the three pre-eminent technology centres in Canada, the region boasts more than 450 high-tech enterprises. Key firms include Research in Motion, Open Text, Descartes and many others.

Not only a high-tech centre, Waterloo region has a very diversified economy. In terms of education, our local economy is home to two outstanding universities and Ontario's number-one-ranked college. In insurance, the head offices of Clarica, Manulife, Equitable Life, Economical Life and other important firms make our region an important insurance and financial services centre. In terms of auto, the region is home to Toyota's Canadian operations and more than 270 auto and transportation-related companies. In food manufacturing, with companies like Schneiders, Pillers and Dare Cookies, it is also a key industrial sector.

Through Oktoberfest, the Elmira Maple Syrup Festival and its many community festivals, Waterloo region's tourism economy is also very vibrant. St Jacobs Country, one of Ontario's finest tourism destinations, welcomes more than three million visitors each year.

Notwithstanding the challenges facing the province in establishing priorities for the 2004 budget, the Greater

Kitchener Waterloo Chamber of Commerce is confident that a plan of strategic investment in municipal and provincial infrastructure, health care and skills training, combined with prudent fiscal programming in this year's budget, will set Ontario on a rejuvenated course of prosperity.

I'd now like to ask Todd to elaborate on how specific initiatives in this year's budget can help our region further boost Ontario's economy.

1030

Mr Todd Letts: One of the key areas of interest and concern of the business community of the greater Kitchener-Waterloo region has been the reports and great research that the province's Institute for Competitiveness and Prosperity has been undertaking. One of the areas of concern in the report says that although Ontario is doing very well internationally, benchmarked against other countries, when we benchmark ourselves against peer groups in North America, in fact we rank 13th or 14th out of 16 comparable states. What that means to you and I and the citizens of Ontario is that families here, households, have a prosperity gap of approximately \$10,000 less in disposable income in Ontario compared to our peer group in the United States.

This fact has been something that the business community has really spent a lot of time on in the last year. We formed a prosperity council to take a look at what initiatives we can take to address that prosperity gap. Just in terms of context for you, not only are there benefits for individual families in addressing this, but if we were to close that gap, it would generate an additional \$11 billion in provincial tax revenue and about \$13 billion to the feds.

In that context, our recommendations today—and as Scott mentioned, this region is a net contributor to Ontario and Canada, and we want to ensure that that continues and that we can contribute more to the needs of our province.

One way that you can help in the 2004 budget is an emphasis on regional infrastructure investments, investing in municipal competitiveness, such as pipes, sewer extensions etc. The government's promise in the past election to assist municipalities, in particular older municipalities, is something that's very welcome.

As well, on the transportation infrastructure, more specifically, budgeting for and implementing construction of the new Highway 7, the link between Guelph and Kitchener-Waterloo is very important. We have over 11,000 daily trips from K-W to Guelph and almost 8,000 from Guelph to K-W, all in this one narrow strip. Not only is having that investment in a new alternative route good for the economy in terms of mitigating lost productivity and the flow of goods, but also there have been a number of fatalities; it's a dangerous strip. We certainly encourage the province to budget for that highway, that new alternative route, as soon as possible.

There is a strong link to Toronto in this region, and establishing GO Transit, extending it 16 kilometres, from Milton to Cambridge, is also something that we strongly

recommend. It will have a big impact on reducing 401 congestion.

As you are probably aware and heard from the regional chair this morning, we have an LRT proposal in front of both the federal government and the province. We have a unique opportunity here in that we have the most contiguous, longest central transit corridor in Canada. Through a tripartite agreement with the feds, the province and local governments, a one-time investment of \$87 million could have a very high return on investment for this community, as we've seen in other communities across North America that have adopted this mode of transit.

Employment lands: Respecting our environment, reclaiming some of the core area employment lands is something that's very important as well, ensuring that the amendments that are occurring to the four or five acts associated with brownfields legislation is also very important. Backing that up with perhaps pilot projects so that we can learn efficiencies here in Ontario and how to develop brownfields I think would also be a very good use of investment for this year's budget.

Perhaps one of the biggest opportunities in terms of intergovernmental relations is the importance this community puts on skills development and the need for Ontario to have a labour market development agreement with the federal government. We are the only province in the federation that does not have a labour market development agreement with the feds. What that means is that we're not sure we're getting our fair share of federal dollars for skills training and we're not sure it is being adequately appropriated toward new machinists, new plumbers etc, focusing on outcomes. Without an agreement, without the strategic context, the distribution of these federal dollars is more dependent upon the discretion of local MPs. Given that we have governments of the same stripe now provincially and federally, we hope this is an area that we can see agreement on relatively quickly. It would mean about an additional \$20 million in investment in skills funding to our community, from our estimates.

Improving Canada-US border infrastructure is very important. More than \$8 billion is exported from this region. Huron Church Road improvements and alternative crossings are very important to this economy and developing a competitive provincial auto strategy working with the federal government. Again, insuring that we have an attractive environment to attract OEMs and suppliers is something that's very important. We have over 270 auto- and transportation-related firms in Waterloo region. That's very core to the future success of our economy.

With future recommendations with respect to the fiscal foundation, I'd like to call on Linda Korgemets to provide her recommendations in that regard.

Ms Linda Korgemets: Thank you, Todd, and good morning. So it's all about money, isn't it? Where does the money come from for all of these things? First of all, as a chamber, we are very firmly behind running a

balanced budget. We've said this to the previous government and will continue to say this to this government.

We recognize that in the current year we're in, which is a year of transition between governments, there will most likely be a deficit. We know there are big numbers out in the media, from the previous auditor of what this deficit could be. We'll wait and see what the current year results are, but, as a chamber, we do not want to be in a deficit in the next financial year. What we're saying is, in the current year we're in, a deficit is acceptable under the circumstances, but you've got to get your act together next year.

How do you achieve a balanced budget? Interesting question. Let's talk about how you don't achieve it. You don't raise taxes—that's this chamber's view—and you don't borrow. So where do you go, if you don't do those two things? You are going to have to look really hard and long at your spending envelope, and you're going to have to reallocate monies within that envelope. I don't know how to do that, and I don't think the chamber necessarily knows how to do that, but we're hoping the people in fiscal responsibility of the government know how to do that. It's a matter of looking at inefficient expenditure and almost going back to basics and saying, "Where is our money making a difference, and where is it not making a difference?" That's a huge task, but we truly believe that the only way we're going to get more dollars allocated to things like health, more dollars allocated to things like municipal infrastructure and brownfield development—employment lands—is by going back into the existing envelopes and saying, "What aren't we doing well? What do we really need to focus on? What are our core priorities? Do we sell assets?" We don't address this in our submission. I know that there are town hall meetings coming up where this will be addressed. We'll be participating in those. The bottom line is: no increase in taxes, no borrowing.

Once the budget is balanced again—we will get in balance, and we know that we will—spending increases have to be severely limited to growth in inflation and growth in population. We just can't have 8% expenditure increases year after year. We have to be looking at expenditure increases, when we're in a surplus, of about 3% to be viable.

One of the most important things that we spend money on in this community and this province is health care. It attracts a lot of interest. We have three points we want to raise on health care. We believe that money could be saved in health care if we could determine how to more efficiently deliver the product. How do we do that? We believe that doctors aren't necessarily to be the gatekeepers to the system. We believe there are other alternative medical practitioners, nurse practitioners, nurses, physiotherapists and alternative medicine providers who should be the first point of contact with a lot of people in the community when they are ill. That is a cheaper way than putting them through the doctor as the first point of contact or the hospital. I think a lot of people are using the emergency system, which is a very expensive system,

for things that should not ever be in emergency. They are just there because they are frustrated because they can't find a health practitioner to help them.

We need to address the physician shortage in this community. This chamber has been active in doing that, in attracting new doctors into the community. We also need to streamline and do more work on re-certifying foreign-trained doctors, of whom there are many in this community who cannot practise in their field.

We also are aware that the Ontario government has a goal of having more neurosurgical doctors in the province. Apparently, we are under-sourced by about 50 doctors in the province. Last month we had a great opportunity that could not be acted on quickly enough where this community, had we been able to secure the services of four neurosurgeons, who were very willing to practise in this area if the funding were available—they would have come here to use the already existing services at Grand River Hospital. We have a neurosurgical area in our existing hospital that's not being used. We need the resources, the doctors, to be able to expedite that service in this area, so we recommend that funding for these three to four doctors be provided for this area.

The next point is the debt reduction plan. Can we talk about that? We have to keep talking about it, right?

1040

Mr Arnott: Yes.

Ms Korgemets: Yes. We spend \$9.7 billion on interest every year, and it will be higher.

Interjections.

Ms Korgemets: We'll take your questions later. You can't throw me off my pace here, guys.

We need a debt reduction plan, and obviously this is not going to be a short-term plan, but a medium- to long-term plan. We really challenge the government to take this under consideration and find a way in the future and take a leaf out of the federal government's book on getting the debt down. That frees up money from interest expense and gives you a kind of yearly annuity to spend more money on things that are strategic that you need money for. We have to get the debt down so we can get the interest costs down.

Let's be honest, demographics are not helping us in this. We are going into the baby boom retiring and fewer workers to support those of us who are retired. There is such a short window of opportunity demographically to deal with this debt burden for the future generation and we really do have to have that tabled as something that needs to be looked at.

Tax relief, personal and corporate: Is this the time to look at that? Not this year? Next year? Probably not. But as soon as we get into a surplus, we have to start thinking about what we use our surplus for. Yes, we'll spend more money, but we have to pay down debt and we have to think about bringing taxes down as well. You heard this from the Tax Executives Institute yesterday in their submission, and we support their view that capital taxes are non-competitive. They have to go away—the Ontario

capital tax. There is a slight reduction in capital taxes currently and that has stayed in the law, as I understand it, but those taxes have to be removed.

The Chair: You have about two minutes left.

Ms Korgemets: OK, we're doing well. I have half a page left. Thank you. Definitely, tax relief has to occur in the future when we can afford it.

Electricity—a big area, a big debt issue: What do we do? We need conservation. We need people to know that this is an area we can invest in, which means we have to go to a fair market value rate for hydro. We understand that you're doing that through this interim pricing, which we totally support. But we have to make sure we get to the fair market value of the resource, whatever that number is. That's what's going to attract investors into this area to give us alternate types of supply that we need so that we don't have brownouts, blackouts etc.

You're going to have low-income consumers who are going to have difficulty dealing with price increases, so you do have to find a way to rebate them so they are not at risk of not having this resource. They do need hydro.

At the same time, you have to bring in a conservation and education program so people understand what the limits are to the resource and how they can use less of it and still live a good life.

There are recommendations out in the public domain from the electricity conservation and supply task force to review the mandates of all the participants in hydro, which are the IMO, the Ontario Energy Board, the Ontario Power Generation group and Hydro One. Those recommendations should be acted on. Similarly, there are recommendations out there on how to get Pickering operating properly at full capacity in a cost-effective and timely manner. Those recommendations should be acted on by this government. We really do have to deal with the problem, and it's unfortunate that the last government did not deal with this problem, because we're now sort of two years behind. Thank you. Questions?

The Chair: We don't have time for questions. You did very well using your 20 minutes, and the committee appreciates your presentation today.

HAMILTON AND DISTRICT LABOUR COUNCIL

The Chair: I would call on the Hamilton and District Labour Council. You have 20 minutes for your presentation. You may leave time for questions if you wish within that 20-minute period. I would ask you to state your names for the purposes of our recording Hansard.

Mr Wayne Marston: I'm Wayne Marston. I'm president of the Hamilton and District Labour Council.

Mr Bob Sutton: I'm Bob Sutton, vice-president of the labour council.

Mr Marston: Thank you very much. I just want to comment that it's nice to have some semblance of democracy back after eight long years. The Hamilton and District Labour Council, of which I'm president, has 102 affiliated local unions. There's a typo in our brief here.

It's over 35,000 members with their families that we represent in the Hamilton area. I prefer usually to just talk to people about things, but I'm going to go a little bit from the text. I'll drop in and out of it as we go.

Interjection.

Mr Marston: That's interesting. I guess I scared him off.

We are here today to participate in what we hope and expect will be a truly open and full debate about the future of public services in Ontario. That debate cannot happen without looking at both revenue and expenditures. To date, the debate has been restricted by the government's insistence that it would not raise taxes.

Public services in Ontario are in desperate need of rebuilding. More cuts are simply not possible. The people of Ontario understand this and they also accept it. They know they may have to pay higher taxes, taxes that will support better public services.

We are not prepared to base our submissions today on the assumption that the people of Ontario are not prepared to pay for better public services. We're also not prepared to base our submissions today on the assumption that every dollar more that we succeed in getting for public services in Hamilton is a dollar less for some other part of our community.

Under revenue generation, deficit and taxes:

We believe that the people of this province value public services and are prepared to pay for them. That was the change they thought they had voted for in this last election. They voted for an end of cuts, and new investments in the Liberal platform of \$5.9 billion toward services renewal.

If the government persists in its stated goals of eliminating the deficit next year and not raising taxes, it will not be able to deliver on its promises to renew those services. It simply will not add up. The previous government reduced our ability to pay for public services by nearly \$14 billion in annual revenue. Recovering as little as 25% of that amount would enable the government to deliver the services renewal it promised and balance the budget in the last year of its term in office. It can be done, the public would accept it, and it would put this province on the road toward a more healthy system of public services.

We urge you to consider ideas for revenue recovery that would enable the government to deliver on its promises to renew public services. We are not going to pretend that this is easy. And you are not going to hear from us that we can rebuild public services by getting someone else to pay.

Everyone in this province benefits from high-quality public services, and we believe that everyone in this province is prepared to pay their fair share.

The Ontario alternative budget has put forward a plan to raise an additional \$3.5 billion a year, maximizing the revenue we get from our current tax system by closing tax loopholes and tightening up tax enforcement, and recovering a portion of the revenue forgone in the eight years of Harris-Eves government income tax cuts. The

OAB estimates that an increase of only 2% in tax rates across the board would generate an additional \$1.25 billion in personal income taxes and \$200 million in corporate taxes.

This would recover approximately 10% of the revenue forgone through tax cuts. Closing loopholes in the corporate income tax and the employer health tax would generate almost \$2 billion more. Following up on studies by the Provincial Auditor on tax administration, the OAB estimates that the revenue from all taxes could be increased by at least 1% through better administration.

If everybody pays a modest amount, or if everybody pays their fair share, we can be on the road to recovery.

1050

Of course, no one suggests that taxes be increased just for the sake of increasing taxes. There must be a benefit to the community.

The whole point of what we have to say here today is to get away from the idea promoted by the previous government that taxes are a burden imposed on us for no good reason. We pay taxes to buy good public services.

The case for increasing Ontario's revenues must be rooted in the need to renew our public services. We're here to talk to you about what that means to Hamilton.

Let's talk about health care. It's easy, when you're talking about the billions of dollars we spend on health care, to lose track of what it actually means to people. In Hamilton, cuts to home care have meant that seniors are not getting the support they need. The end result of this is seniors not having the support to remain in their own homes and having to go into long-term-care facilities much earlier than they should. This is at a far greater cost to the community, to our budget and to the seniors.

Under Canada's medicare system, hospitals and hospital services are paid for from the public purse regardless of their financing and ownership regimes. In our publicly funded health care system, the real question isn't who pays, but rather how much, and there is simply no justification for paying the additional costs associated with the so-called public-private partnership or P3 model. It has been estimated that such private models can be expected to cost at least 10% more than their public sector equivalents. So in addition to the evidence from other such experiments that suggests P3s would include a deterioration in hospital services and diminished accountability, Ontario simply cannot afford a private health care system. It puts the public too much at risk.

Before I go into the next part, which is education, I have to tell you that I also happen to be a school board trustee at the Hamilton-Wentworth District School Board. I'll just read from the text again.

People talk in the abstract about the billions involved province-wide in implementing the recommendations of the Rozanski report on education funding. According to the widely accepted analysis of education funding in Ontario conducted by the Canadian Centre for Policy Alternatives, the Hamilton-Wentworth District School Board, in 2003-04, was \$34.1 million short in funding compared with what was recommended in the Rozanski

report. The Hamilton-Wentworth separate school board had a \$20-million shortfall. That's \$644 per student in the public system; \$712 in the private system.

The trustees of the Hamilton-Wentworth District School Board found the shortfall so untenable that they passed a deficit budget in violation of the Education Act. The school boards in Toronto and Ottawa felt compelled by their funding shortfalls to take similar action.

Before I read, this is a point I want to state for the record. It is stated many times in Hamilton that the school board could not balance its budget. Let's be very clear: We chose not to balance our budget. We chose that because we would have had to cut too many teachers, too many educational assistants, and it wasn't tenable to us to do that.

Interjection: You broke the law.

The Chair: Order. You may continue.

Mr Marston: The compliance budget rejected by Hamilton trustees was for some \$363 million. We had recommended in excess of \$380 million, which was what was needed. Lo and behold, under the stewardship of the government-appointed supervisor, the actual expenditures of our school board were in excess of \$380 million, as we said they needed to be. That was confirmed by the government of the day because they gave them the money.

I'd better relax just a little bit.

As far as your comment about breaking the law: There are some times in this world, for people who are ill or for children, that you will have to do those kinds of things, especially when you have the tyrant type of government we were facing.

There are three Rs involved here that I'd like you to consider: Romanow, Rozanski, and it's damn well right. Those are the three Rs we've got to live with these days.

I'll turn the remainder over to Bob.

Mr Sutton: Social services in Hamilton: I'm going to start off with affordable housing. Until last June, for 10 years, I'd been the secretary of Local 1005 Community Homes, 75 geared-to-income units on Hamilton Mountain. In 1995 we were also starting a second project. The second project was really exciting because it was retrofitting two existing apartment buildings. We had the support of all the tenants who were living there. They were all going to move into one unit. We were going to have new construction plus retrofitting. It was really an exciting program. It was instantly cut, along with a lot of other units.

For people trying to get into geared-to-income housing in Hamilton, for our units there was a six-year waiting list when I left the board. Even at that point, because there are emergencies and other things that come up, housing was not available to families waiting for housing.

Of course, as everyone is aware, the cuts to welfare: In 1995, they cut social assistance by 22% and froze it.

The one that I find particularly tough as well is the Ontario disability support plan. It hasn't had a raise since 1993; \$930 a month. It's interesting that old age security has had 36 increases during that period.

Let me tell you a story about a couple of women I've met. I met one in October. I also work for the United Way in Hamilton. She has one arm and is on disability. I went to her apartment on my lunch hour because I got a call. Here she is, with one arm, babysitting in her apartment. She has her two kids and three others she's trying to look after in order to make enough money to basically pay her apartment building rent. She was exhausted at lunchtime and she probably had these kids for another four or five hours. It's absolutely absurd that we've put somebody in that kind of position.

Yesterday, after I left work, I stopped by a woman, again on disability. She's living in a dump, actually, in Judy's riding. But she has to move out and she has to move out by Sunday. She's looked around for the last month and a half because the house she was renting an apartment in is sold. She has finally decided she's going right across the street from where she lives, because it's the only place she could find. It's over \$600 a month plus utilities. I knew where she could get some volunteers to help her fix the place up to make it livable, because it's an absolute dump. It's disgusting that anyone has to live in a facility like that. Plus she was looking for some help, if there were people available to help her move across the street. It's awful when you have to go and meet people like this, and they're everywhere.

We also have a lot of food banks in Hamilton, and they're busier than ever. We've got homeless people living on the street. Working people are trying to cope with the stress of trying to survive. Sometimes they've got multiple jobs with little or no support in the form of child care.

Last year Greater Hamilton Food Share was able to increase its donations by 47%. That's an increase of 621,626 pounds of food. It still wasn't enough to meet the demands of the food banks in Hamilton and, in some months, St Matthew's House was out.

Time and time again, the previous government refused to respond to the pressures for better public services, instead, dumping responsibility down on to local governments. The result is that local services are suffering everywhere in this province. They're always saying, "There is more to do, but we've got less money to do it with." We see that every day, because local public services are the most immediate and the most visible to people like me. We see that every day.

There has got to be a new deal for municipal governments, especially in the biggest cities. Again, with Hamilton, social services are dumped down on to the city. Hamilton doesn't have any program where we can share the cost of our social services with other communities, unlike Toronto. It's a lot tougher because a lot of people move to Hamilton for help. We just don't have the ability to help everyone who is there.

In Hamilton, because of the downloading, we've had property tax increases for the last three years in a row. This year, at the city meeting I went to, we're talking an \$81-million deficit and we're looking at tax increases—different numbers are thrown out—of around 13%.

Again, we've got a lot of seniors, particularly living in the east end of the city and a lot of seniors downtown. A lot of them are going to be driven out of their homes because they're not going to be able to pay property tax increases.

What we're saying is that the role of this government needs to change. We'd like to talk about the need to renew Ontario's ability to regulate in the public interest. New governments often want to change or reinvent the ways things are done. This is understandable, but deregulation and privatization are not the kind of change the people of Ontario voted for or want.

1100

We don't need the high-profile events like Walkerton, the epidemic of deaths among young workers, the crisis in long-term care and the increasing encroachment of for-profit hospitals in our health care system. When we talk about health care, we've got a good system in Ontario and we certainly don't want to lose it. It's more efficient and it's far better than anything they have in the States, where there are 45 million Americans with no coverage.

Last week I met two people who lost their jobs when Bethlehem Steel closed. One fellow is 41 years old; he has a couple of crushed vertebrae in his neck. He has a wife and three kids. His health care in American dollars now costs him \$760 a month. This is buying into the program that he had when he left Bethlehem, so he's still getting the group rate.

Of course, it's a good deal for companies in Canada. When you pay for health care in the United States as an employer, you're paying for doctor visits; you're paying for hospitals. OHIP is a good system as long as it remains public and we stay away from for-profit.

But we have a weakness in our health protection system, and SARS was a good example of it; the number of smog alert days in the summer, the closing of public beaches and the serious problems in our education system. Every one of these headline stories stands as a symbol for countless other stories of failure to regulate in the public interest.

The previous government turned this province into a happy hunting ground for those who seek to enrich themselves, for private interests at the expense of the public interest. It has got to stop.

It is our view that the people of Ontario don't want to sell off public services to enrich private interests. We don't agree with selling Hydro or the LCBO, delisting services such as hearing aids, destroying the universality of seniors' benefits, selling TVOntario or attacking public sector workers under the guise of reinventing government.

One just has to look at the fiasco with Highway 407: selling a major public asset to a private company that puts profit far ahead of public service. The ever-increasing tolls would have done far more for this province than the original selling price.

The damage caused by Ontario's anti-government since 1995 is not going to go away overnight. It took the Harris-Eves era eight long years to bring public services

in this province to their current state. We feel strongly that the current government must follow through on the first steps toward services renewal that it promised in its election platform, and that will only be possible if the government shows some courage and demonstrates some faith in the goodwill and good sense of the people of this province.

We know that Ontario's public services need substantial new investment. We know that the province's fiscal position is weak, undermined by years of ill-advised tax cuts that we could not afford. It was interesting on Monday night when we were at the hearings for the Hamilton budget, where our new mayor, Larry Di Ianni, agreed that the tax cuts of the province were ill-advised. I was surprised to hear him say that.

We know that the government cannot deliver on the public services renewal we so badly need without increasing revenue. Ontario faces a revenue problem, not a spending problem. Don't let the commitment to the right-wing taxpayers' associations take precedence over the promises to the people of Ontario.

We're prepared to do our part. The stakes couldn't be higher, because if the Liberal government persists in its pledge not to increase taxes it will be making public services renewal impossible. At the end of its term in office, its only accomplishment will be to have cleaned up the fiscal mess created by the Tories just in time for the Tories to be re-elected to start the process all over again.

We need a real debate about Ontario's future, a debate that puts everything on the table.

Mr Ted McMeekin (Ancaster-Dundas-Flamborough-Aldershot): Everything?

Mr Sutton: Everything.

It's time to start hoping again. It's time to reinvest in Ontario.

Thank you very much.

The Chair: Thank you. We only have time for one question, about two minutes. In this rotation it goes to the government.

Ms Judy Marsales (Hamilton West): Welcome, gentlemen. It's lovely to see someone here from Hamilton, and we really appreciate your presentation.

I think you would agree that Hamilton is the perfect example of a city in transition from the old-world industrial heartland of the turn of the century to today and the new realities of work needs. Industrial plants have some challenge and so on. But I think you'd also agree that if we're going to make this work, we're going to have to design a model where we learn to work together to make Hamilton the community that it needs to be.

You've mentioned a lot of things around the social services side which I totally agree with, and the needs of Hamilton. What one recommendation would you make as a model of this design to work together for a stronger Hamilton?

Mr Marston: Very clearly, when the province down-loaded social services to the city, that proved to be a disaster. They have to take them back.

Ms Marsales: Is there a shared sense of purpose that you can give us as an example of a direction?

Mr Marston: Not directly. If you're talking about a shared sense of purpose, I'm not so sure the Hamilton labour council has a shared sense of purpose with any particular government. The reality is that we're there, in our opinion, to challenge the authority of the government, to draw their attention to shortfalls in their planning from our perspective. We're certainly willing and prepared to work with government on a committee basis like this to bring and express our members' concerns to you. That would be as close as we would get on that.

The Chair: Thank you for your presentation.

Mr O'Toole: Point of order, Mr Chair: I just want to make clarification, if I could. I understand that the presenter admitted here in public that he chose to break the law by having—

The Chair: That's not a point of order.

Mr O'Toole: I just want to make sure I have it—

Mr Marston: I'll give him as much attention as they gave us.

Interjections.

The Chair: Order, please. There are no demonstrations allowed in the room. Committee members ought to know that.

ST MARY'S GENERAL HOSPITAL

The Chair: I call on St Mary's General Hospital. You have 20 minutes for your presentation. You may leave time for questions within those 20 minutes if you so desire. I ask that you state your name for the purposes of our recording Hansard.

Ms Norma Davis: My name is Norma Davis. I'm the transfusion nurse coordinator from St Mary's General Hospital.

Ms Katherine Luke: I'm Katherine Luke, and I'm the project administrator for the ONTraC program.

Ms Davis: Thank you for the opportunity to make this presentation regarding the value of continuing the provincial blood conservation program called ONTraC.

Canadian Blood Services normally collects about 17,000 units of blood a week. That's with only 3.5% of eligible donors giving blood. The demand for blood often outweighs the supply. There is a 4% increase annually in donations versus an 8% increase annually in demand. The rising demand is being driven by population demographics that are not unique to Canada. Red blood cell shipments for 2002 increased 7.4% compared with 2001. The highest rate of increase, 9.7%, occurred in Ontario.

Aside from demand outweighing supply, the risks associated with blood transfusion are very real. The infectious risks of blood transfusion listed on this slide are those we hear about in the press and on the news, such as hepatitis and AIDS. In reality, our blood supply has never been safer with respect to known pathogens. It is the emergence of new and unknown pathogens that will not allow us to be complacent. The West Nile virus is an example of such a pathogen.

The non-infectious risks of blood transfusion, such as transfusion reactions, heart failure and lung injuries, are not well known in the general population. As well, clerical errors may result in a patient getting the wrong blood, which can have very serious consequences.

Ten out of 16 observational studies and four out of five randomized trials showed a statistically significant reduction in infections after surgery with autologous—that is, blood pre-donated by the patient and used for themselves as a blood conservation strategy—versus allogeneic, or random-donor, transfusions.

Immune modulation resulting from allogeneic blood transfusions have been linked with increased infection rates in people having surgery. In various surgical settings, no variable was more consistently associated with infection after surgery than perioperative, allogeneic or random donor transfusion. For each unit of allogeneic red cells given, there was 1.5-fold increase in the infection rate. This translates into potential morbidity, mortality, increased length of stay and increased costs.

1110

Because all Canadian blood donors are volunteers, there is a perception that blood is free in Canada. Ontario receives all of its blood components and products from Canadian Blood Services, which is funded by the provinces and territories. Canadian Blood Services' annual budget last year was \$740 million. It is estimated that the cost of a single unit of blood in Canada is between \$400 and \$550 dollars. This is a very conservative estimate. Clearly, blood is not free in Canada.

When we reflect on this information three things become clear:

The demand for blood outweighs the supply;

There are real risks associated with blood transfusion; and

Blood is not free.

Hence, the concept of blood conservation was born. Blood conservation programs have two primary goals: allogeneic or random donor transfusion avoidance and overall transfusion reduction.

Bear in mind that if patients are anemic, meaning that they do not have enough red blood cells, morbidity and mortality rates increase. Therefore, blood conservation's primary goals of avoiding allogeneic transfusions and reducing transfusions altogether, must be accomplished without harming the patient by letting their hemoglobin—which is the part of the blood cell that carries oxygen—level go too low. Attempts are made to do this before surgery and during the operation.

Many practices have been established that help lessen reliance on allogeneic transfusions in surgical patients. Autologous blood via pre-donation, self-salvage and acute normovolemic hemodilution are all ways of utilizing the patient's own blood. Erythropoietin, a hormone that stimulates the bone marrow to make red cells, may be administered weeks or days ahead of surgery to increase the number of red blood cells the patient has before their operation. Nutritional supplements such as iron, folate and vitamin B12 help increase red cell mass

as well. Other pharmacologic or medications improve the blood's ability to form clots and prevent bleeding during and after an operation. Fibrin glues are used to seal bleeding areas during operations as well. Controlled hypotension, or lowered blood pressure, and positioning of the patient in specific ways during the procedure can also lessen blood loss.

The transfusion trigger, which is the hemoglobin level that is associated with transfusion, must be determined carefully on a patient-to-patient basis. Blood conservation strategies that take place outside of the operating room require a lot of coordination. They vary from patient to patient and sometimes need to begin weeks or months before surgery. As a result, they are not widely and consistently used.

A plan was developed to increase their visibility and make them more accessible to patients, a three-year pilot provincial blood conservation program. It is called ONTraC. We are currently ending the second year. Transfusion nurse coordinators were hired and trained to become a clinical bridge between transfusion service and the rest of the hospital. We also function as hospital-wide educators on transfusion-related issues. Our job is to interact with physicians, nurses and especially patients to promote blood conservation and increase access to alternatives to allogeneic transfusion.

The anticipated outcomes of such a program were to promote quality decision-making regarding transfusion, improve patient access to transfusion alternatives and reduce allogeneic red cell use by 5% to 10%.

We coordinate the pre-operative blood conservation plan. We call or see the patient pre-operatively and offer them strategies for transfusion avoidance. We work with their surgeons, family doctors, pharmacists and laboratories to implement the planned strategy. We follow the patients once they are in hospital and make sure they are aware of what has transpired during their stay. For example, we make sure that if they had a transfusion while they were in the operating room they are aware of it. We provide education for all health care providers regarding transfusion safety. We document our activity and we submit that on a regular basis to measure our success. We are agents of change, constantly multi-tasking to accomplish all of these things while also allowing time for program growth.

We are based in 23 hospitals based on their blood utilization and geography. Our hospitals are comprised of a combination of university teaching hospitals and community hospitals. St Mary's hospital in Kitchener was one of the chosen sites. Coordinators were in place by April 2002. We received five days of intense training regarding blood conservation and ways of becoming agents of change. Over the next two years we have added to that knowledge base considerably. A network has developed and we support each other as we go to our respective sites to begin our challenging new roles.

A database was developed and we submit data to the ministry on a regular basis. So far, we have submitted one retrospective and two prospective data collections.

The second prospective collection is currently being analyzed.

Certain procedures were targeted for data collection. They had two key features: They are all high-blood-loss procedures, and in the case of total knee replacement procedures, the blood loss is very predictable, approximately 40 grams of hemoglobin. They are also elective procedures, although occasionally the AAA or aortic aneurysm repair surgeries are done on an urgent basis. An elective procedure allows lead time to implement strategies. St Mary's hospital in Kitchener submits anonymous data on patients who have had total knee replacements or revisions along with 18 other hospitals. Some of the sites collect data on more than one targeted procedure.

These are the results of 12 months of the hospitals collecting data on knee surgery patients. You can see that there is a large variability in the likelihood of transfusion at the different hospitals in the province. The vertical axis is the percentage of patients receiving allogeneic transfusions and the horizontal axis represents the individual hospitals. Blue is the baseline data and red is the data at 12 months. With aortic artery surgery we again see the considerable variation in transfusion rates among hospitals in the province. Similar trends were noted in coronary artery bypass patients. Cumulatively, the ONTraC program has resulted in a 24% lower transfusion rate for patients undergoing the targeted procedures. Even at 12 months we have exceeded our anticipated 5% to 10% reduction for the program. We expect that there will be even further reductions as the program takes hold now that we have implemented considerable education of doctors, nurses and, in particular, patients.

As expected, the ONTraC data associates allogeneic transfusions with higher infection rates after surgery as a result of transfusion-induced immunomodulation. When taking into account many factors such as age, comorbidities, hemoglobin levels etc, allogeneic transfusion was an independent variable for increased length of stay, as we can see on the next slide. Therefore, the ONTraC data shows that allogeneic transfusion alone is associated with a significantly longer length of stay for patients. Of course, this is very expensive and an important component of overall health care costs.

All of the ONTraC coordinators were challenged to develop transfusion safety and blood conservation committees at their sites as well as introduce informed consent for transfusions. You can see on the slide that at the baseline only 20% of hospitals had informed consent but by 16 months, 60% did. Similarly, there was a marked increase in hospitals having a transfusion committee and a blood conservation committee. Currently, even more sites have implemented informed consent in accordance with the Krever recommendations.

As an example of what can be achieved by a well-established blood conservation program, I will show you some data on cardiac surgery. At St Michael's Hospital, the cardiac surgery patients with the lowest transfusion rates and lower numbers of units transfused are those

patients who are able to utilize a multi-modal approach to blood conservation, a combination of increasing red cell mass, pre-donating their own blood (PAD), and inter-operative techniques that limit blood loss during the procedure itself.

This chart represents many hours of work. Our project director, Dr John Freedman calculated these estimates based on the total number of targeted procedures—so that's total knee replacements, aortic aneurysm repairs and coronary bypass surgeries that take place province-wide. He calculated with the estimated cost of blood at \$400 per unit and with an estimated cost of blood at \$550 per unit. He calculated a saving of over \$8 million in reduced use of red blood cells alone and a savings of over \$5 million in reduced length of stays associated with fewer transfusions. He calculated a \$650,000 savings in reduced work in hospitals crossing and typing blood, drawing blood samples, these types of things, as well as the nursing care for patients receiving transfusion, because they need to be monitored very closely.

The thing that's not measurable on this chart is the greater degree of patient satisfaction and greater degree of patient safety.

The cost of the ONTraC program start is between \$1.8 million and \$2 million a year. You can see that this program can yield very significant savings to the province. When the same blood conservation strategies are applied to more procedures in more sites, even greater savings would result.

1120

In conclusion, I would like to provide a few relevant comments from a recent editorial that summed it up very nicely:

“Why ‘bloodless medicine’?”

“There are many bloodless medicine programs ... and the number is growing. Even in remote areas of Siberia, physicians and patients know about bloodless medicine.

“If one types ‘bloodless medicine’ into an Internet search engine, over 12,000 hits are obtained.”

Bloodless medicine, or blood conservation, requires coordination of services across a variety of departments, which include co-operation between outpatient scheduling, surgical and anaesthesia physicians and their clinic personnel, operating room, scheduling, intensivists and haematologists, everything required to get the patient prepared for surgery. This is in contrast to a transfusion, which can usually be accomplished with one phone call.

Some institutions market their bloodless medicine programs by pointing out the complications and adverse effects of allogeneic transfusion as a way to lower hospital expenses or length of hospital admissions. This may be so, but careful outcomes research is needed before making this the only argument to establish bloodless medicine programs.

The strongest argument for having a bloodless medicine program is to respect the rights of patients based on the ethical value of autonomy or self-determination. Medical institutions have a responsibility to respond to this need.

A plethora of new techniques and therapies are available and their relative merits, alone and in combination, still need to be investigated, but it is becoming standard practice.

I hope that I have shown you the benefits of the Ontario transfusion coordinator program. Patients are very anxious to participate, as they strongly prefer not to have a random donor transfusion if they can help it. In addition to patient satisfaction, there are clear benefits of the program for patient safety and for cost savings. Since Ontario's contribution to the blood budget is hundreds of millions of dollars, even a 10% to 15% reduction is representative of significant cost savings.

For these reasons, I urge you to continue to support the provincial blood coordination program in the 23 hospitals currently involved and perhaps even expand it to more sites. Funding is urgent, as we've had no notification of funding approval for the third year, and it was started as a three-year initiative. There are only four weeks of funding left for the salaries of the 23 nurses in the program, and if there is no funding to maintain and consolidate our gains, it will be very difficult to resuscitate the program. All the people are in place, the programs have been started and the training has been completed.

Thank you for your consideration and the opportunity to present our case to you.

The Chair: Thank you. We only have time for one question, about three minutes, and this will go to the official opposition.

Mr O'Toole: Thank you very much for your presentation. Actually, it's the very first time we've heard this during the roughly 14 days of hearings. It's quite a unique program, the ONTraC program. I would say, even though I was in the Ministry of Health when we were government, I had not heard of it, so I appreciate being informed. It was one of the many good things we did, obviously. I want to get that on the record.

I need a bit of clarification, and I'm being quite genuine in this. I wasn't sure—autologous is actually self-donated?

Ms Luke: Yes.

Mr O'Toole: So you're really espousing self-donated blood?

Ms Luke: Patients usually have to meet certain requirements to be able to self-donate their own blood.

Mr O'Toole: That's interesting, because I don't think the general public is aware that there are these other risks that you attribute to the randomized blood donation—not to criticize it.

The other part of this is—again, it's been quite an informative presentation and I thank you for it. I've heard just marginally about bloodless medicine. There is a lot of day surgery and laparoscopic surgery today that is really quite uninvasive or unintrusive.

For the benefit of all, you could probably help to inform us because we're really, at the end of the day, just citizens, some more closely than others. That's the rule today: day surgery. It's elective surgery in many cases. If

I were to pre-donate, how much in advance would I have to coordinate this where I could donate my own blood? I'm a big supporter of that idea, the way you've presented it.

Ms Davis: Pre-donation of blood is appropriate in some cases, not in all cases, and that's why it's very important to have a person like myself help assess the patient.

In some situations it's suitable because the patient will probably need the blood back and won't be harmed by pre-donating it to begin with. In other situations they'll pre-donate the blood and it will be discarded because they won't need it. So it's very individualized. It's very patient-specific, it's very case-specific and it's very surgeon-specific.

Mr O'Toole: I see, and some of the surgeons culturally are kind of adverse to this donating your own. If my wife were having a child or something, if she could pre-donate in case there was a problem—would that be something that people should consider?

Ms Davis: It probably wouldn't be an appropriate thing for a woman who's expecting a child to do.

Mr O'Toole: Like she could do it eight months in advance or something.

Ms Davis: No. It has to be done within 30 days of the surgery.

Mr O'Toole: Oh, it does. OK.

Ms Davis: The perfect example that I like to use for this is elective joint replacement surgery, because demographically we'll be seeing more and more of those.

The hemoglobin drop with a knee or hip replacement is significant: 40 grams. The average hemoglobin for a woman is about 115 or 120 grams. If that drops 40, they are well below 100, and a standard transfusion trigger in a hospital—it's very sensitive about transfusion—is 75 or 80, depending on the patient's symptoms.

I did a survey, actually, of nurses in St Mary's hospital—actually of women, not just nurses—working at the hospital and 45% of them had a hemoglobin below 130. So 45% of them would be at risk for transfusion with a knee replacement, which is considered a fairly benign procedure. Those same women, if we had enough lead time—say, four to six weeks—could start an iron supplement and prevent a transfusion.

The Chair: Thank you for your presentation this morning.

CANADIAN MENTAL HEALTH ASSOCIATION,
WATERLOO REGIONAL BRANCH
AND WELLINGTON-DUFFERIN BRANCH

The Chair: I call on the Canadian Mental Health Association. You have 20 minutes for your presentation and you may leave time within those 20 minutes for questions, if you wish. I would ask you to state your name for the purposes of our recording Hansard. You may begin.

Mr Don Roth: Good morning. My name is Don Roth.

Ms Lisa Gammage: My name is Lisa Gammage.

Mr Roth: I truly appreciate the opportunity to come before you and speak this morning. I hold the position of a director with the Canadian Mental Health Association, both the Waterloo regional branch and the Wellington-Dufferin branch. Here with me is Lisa Gammage, who's the executive director of the local Self Help Alliance in our district.

Our local branches provide a range of important community-based services in housing, case management, crisis support as well as community development and educational services. We've been around for over 40 years. I've been in this business for a long time and provide a range of services to children, youth and adults. We make necessary and important connections with our community partners in mental health as well as the generic community support systems that are created in the province. We're an active member of the provincial association, the Ontario division of the Canadian Mental Health Association, as well as our national division.

I wish to share with you this morning some information from a forum that was held last week by our local district health council here in Waterloo-Wellington-Dufferin. Mental health planners Grant Hollett and Harriet Lenard had surveyed and provided some feedback on agencies' operating pressures and issues faced by 15 local mental health organizations. So they went broad-based with their information gathering and presented back to the community. They received a lot of agreement and applause to their summary. The essence of that I'll provide to you right now.

The two key features they highlighted were (1) that their geographic areas experienced tremendous population growth, and (2) that the complexity of support needs that people are experiencing in the community has tremendously increased. So in that context, there also has not been a base budget increase in mental health organizations for over 10 years, I'm sure you're well aware. The basic costs of maintaining these very important operations have increased dramatically—necessary costs: things like renting utilities, computer networks, and many other kinds of administrative costs.

Additional funding for new programs without administrative management and capital funds has assisted in meeting some community needs. However, these enhancements, without increases to the base budget, have also increased the instability of organizations.

Thirdly, a lack of salary increases in the community sector has added to the extreme difficulty we now experience in both attracting and retaining qualified candidates for positions to support people in the community.

1130

Their summary went on to indicate that the impact of these realities continues to manifest in a number of negative ways. What we're seeing now is a loss of staffing positions and reductions in the amount of service that can be provided. We're seeing a lot of staff turnover and poor organizational morale. In fact, a greater demand for hospitalization is now being experienced as the necessary supports and services have not been created in

the community that were outlined and intended in very well written policy documents, dating back to Putting People First, the Graham report prior to that, and of course Making it Happen, and the excellent work done in the province over the last year with the task force reports.

We have waiting lists in the community sector now that can no longer be managed. We have people not receiving services.

We have agency competition for scarce resources and we have agencies that need to pursue funding sources outside of the provincial government, whether that be at federal levels or other programs. This results in more fragmentation of the system as we get time-limited funds to start necessary services and then we have to stop and start again at some point in the future.

These are very important realities. In spite of that stress, we're very grateful for the service networks that we have in our local area and proud of the leadership we've experienced in our collective efforts to build a mental health system.

At the forum, the local network was united in the hope that you might receive this one message, and that message would be that there are no efficiencies left in the community sector. It is on the threshold of a fundamental shift where services that have been in place for a period of time are beginning now to disintegrate. There are very clear signs of that. The base budget issue needs to be addressed now as a priority area to preserve the current services that exist. This was the message they both requested and pleaded with us to make to you today.

You've also received a presentation by our Ontario division, our leadership at the provincial level. They have echoed these sentiments with a three-point plan, along with specific recommendations on different allocations.

The first of their recommendations was, build system capacity now by investing in services and supports for people, including a base budget increase for all mental health organizations, enhancing the capacity of consumer and family initiatives and funding for employment, housing and early intervention supports.

Secondly, invest in supports for the mental health system itself, including an investment in front-line services that will enable information services to be provided to the community and investment in data collection technology.

Thirdly, identify and reward mental health programs and partnerships that work. Create an innovation fund to support the development and implementation of service integration models and a fund to support the evaluation of them.

These are issues and items that I'm sure you're familiar with. Somewhat ironically or paradoxically, what I came to represent and to speak with you about is not our desire to provide more and better services. Our organization believes that this need is actually quite clear. The evidence is already present among us.

I also did not come to plead for a salary increase, as alluded to previously, although I would wish for equity between the community and hospital sectors to address

this important issue for the front-line staff of our organizations.

What I came to share with you is a vision and a passion that we have to create an inclusive community. We believe in a community where all people are valued and have equal opportunities to participate in all aspects of life. I want to talk to you a little bit about what that means. It's actually a real home that a person will own and manage. It's not a social service group home, it's certainly not a mat on a floor and it's certainly not a bed in a hostel.

A community is a place where people have a real job that provides a valuable good or service and they receive a fair living wage, and they also have a few really good friends and maybe even a life partner they would choose.

What I want to share is that people who experience mental health issues are not so different in what they want; it's really the opportunity and support necessary to create and direct their own lives. This goal is not beyond our society. In fact, it is entrenched in our Canadian charter in the "right to life, liberty and security of person and the right not to be deprived thereof except in accordance with the principles of fundamental justice." I'm here to tell you that our organization sees this right being denied people on a daily basis in our province.

Our mission is to work with the community to provide opportunities for individuals to enhance their mental health, to help people to improve the quality of their lives, to eliminate bigotry, prejudice and the resulting stigmas that prevent full participation in community life. You are charged with difficult decisions to make the right funding choices that will definitely help define our society. I ask that you make those changes that you can to eliminate the prejudice and to eliminate the need to blame and punish people. I'd like to outline a few of those for your consideration.

Many improvements have been made to the Ontario disability support program. We experience great staff and management in this program in our region, but here is one important item on the agenda of all people with mental health issues trying to work. It will cost nothing to eliminate the cap on earnings for people who are eligible and receiving this pension. We debate and generally agree in the service community that the cap should not be \$160 that people living in poverty are allowed to earn before they receive heavy deductions to this income. Some of us have argued that the cap should be double and some of us argue that there are different ways of doing the formulas around it. I'd like to share that we believe that maybe it's time to eliminate this cap. We don't need to spend anything to do true justice with this issue. We need more than a good employment policy from the provincial government, which we do have. We need this cap removed and we need funded support services on employment to help people with this problem.

I also wanted to highlight that we often speak about wanting to solve the homelessness problem. You're all aware that shelter allowance has not been increased in a decade. In fact, the funding formula used by Ontario

Works clearly does not work. For evidence of this, you need only speak to anyone in housing services across this province about the availability and affordability of market rent units. It's quite clear.

I ask that you don't fund more bureaucratic governance structures in making your choices and I ask that you stop increasing funding to more control measures such as those represented by community treatment orders. These do nothing to ensure the quality of life for the vast majority of people with significant mental health issues, including those with the most serious challenges that we have been supporting over many years.

What I ask is that you fund services that support people to live a decent quality of life, no different than your own. I ask that you recognize that we all take different paths to design what that chosen life might actually look like, but more legislation and resources to force treatment and those that maintain people in a life of poverty will never lead us to the kind of world we're trying to create for each other. I ask that you choose to end poverty for people.

In our forum, mentioned previously, our current system was described as "a factory for manufacturing increasing levels of acuity and crisis." This is a summary that was agreed upon by the 15 organizations. All of the work they do leads to this cumulative result, that we actually work to increase levels of acuity and crisis in people's lives. We do this through a number of means that I won't detail, given our time constraints.

I ask that you fund a range of effective support services with the capacity to ensure a quality of life and that you recognize that this is the critical piece needed to accomplish the vision of a truly community-based mental health system.

I'll ask Lisa to share.

Ms Gammage: My name is Lisa Gammage. I was diagnosed with my first depression in 1989, and since that time I've had four different episodes. I was diagnosed with chronic major depression and experienced my last episode in 1996. At that time, my depression was so debilitating that I required assistance from my parents to bathe and wash my hair. I was given dire predictions by psychiatrists, support workers and family members, who said I would be on medication the rest of my life, that I would never be able to hold down a job and that I would always need support to live. I am here before you today to tell you that I'm living proof that I've recovered from my illness and, with great assistance from my family and friends, I've been able to slowly rebuild my life.

I currently hold the position of executive director for four partnering consumer-survivor organizations with a combined membership of approximately 1,000 people within Waterloo region, Wellington and Dufferin counties. "Consumer-survivor" is a term used to describe people who have had to deal with the mental health system, and consumer-survivor initiatives are organizations run by and for people with mental health issues.

One of the few differences between me and countless others who require assistance from the mental health

system is that I had a tremendous informal support network that allowed me to recover at my own pace. Unfortunately, most people who are diagnosed with a mental health issue do not have friends and family who are both financially and practically able to support them, and as a result they need to rely on service providers to fill that void.

As talked about in the material that Don presented, the mental health system is currently in a critical state. Mental health organizations within the community have not had an increase to their budgets in 12 years and this has seriously eroded their ability to provide effective and often necessary supports to consumers. In fact, the situation has become one where the system once designed to help people is, in reality, becoming one that perpetuates a life of despair.

1140

Due to the consistent lack of funding, consumers have been and continue to be subjected to increased waiting lists for services, stricter criteria for involvement, services that only deal with the crisis and don't address the situations around daily living, and services that are unable to invest in the long-term improvement of their overall quality of life.

Because of these conditions, we have seen an increase in the amount of unnecessary police involvement in incidents related to mental health and an increase in the need for people with mental health issues to access the overcrowded and understaffed emergency rooms, looking for support. These measures do not come without significant financial cost as well as a detrimental human cost, as people are left feeling isolated, unsupported, criminalized and rejected.

For many decades, people with mental health issues have been treated with disrespect and disdain and have been removed from active society in an effort to minimize their impact on the rest of the population. Although we've made great gains in terms of releasing people from their caged lifestyles of institutional living, we have not provided the means by which they can take ownership over their own lives and actively engage on a pathway to recovery. Due to the continued lack of investment of funds toward the mental health system in Ontario, consumers are unable to access the supports they need in order to reclaim their lives. They are part of a system that most often only responds during a crisis period and leaves them to struggle in lives of poverty and isolation, with little hope of recovery.

A majority of consumers rely on Ontario disability support program benefits on which to live. The average single recipient receives \$930 per month to cover rent, food, transportation and in fact all living expenses. This program has not seen a cost-of-living increase in the past 12 years. Individuals are forced to rely more and more on local food banks, soup kitchens and charitable institutions for their daily survival. There is very little available in the way of affordable housing and much of ODSP's monthly benefit is spent on rent alone. People are forced to live in bug- or rat-infested conditions in order to keep a roof over their heads.

Did you know that ODSP considers a telephone to be a luxury? Just imagine being someone who is diagnosed with a social phobia and is terrified to leave their home but is unable to connect with the outside world because a telephone is considered to be a luxury. I'm not sure what kind of message we're sending to people.

It's a known fact that 85% of people with mental health issues are unemployed. A recent needs assessment related to employment was carried out in the Wellington-Dufferin areas and found that only 2% of the respondents stated that they didn't want to be employed in any capacity. For the 98% of participants who said they did want to work, there were two main obstacles: one was the fear of not being able to get back on assistance if they needed to, if they lost their job, and the second was a fear of losing money or drug benefits from the government.

Benefits received through ODSP have trapped people in a cycle of crisis, with little to no chance of escaping. Coupled with the lack of available mental health services, consumers are sentenced to enduring a continued life of poverty and isolation.

As the state of the overall health care system has declined, consumers have had less access to primary physicians, publicly financed therapy and treatment alternatives, and long-term services that invest in individual recovery. Instead, they are subjected to services that look at the most cost-efficient, immediate solution. The system itself has become dysfunctional and more pressure is put on the most invasive types of services like police or institutions as opposed to the least intrusive, which are much less costly overall solutions.

Many organizations have taken extraordinary efforts to streamline their expenses and minimize administrative costs over the past several years and are no longer able to sustain their level of service and operations. The result is that people with mental health issues will have little to no chance of improving their living conditions and achieving a level of recovery that enables them to participate fully in the community.

As someone who has needed to use the mental health system and now as someone who works with people who do, I understand the insurmountable barriers that stand in the way of reintegrating into the community. People must continually face the effects of the illness itself, the debilitating side effects from medications, the prejudice and bigotry that runs rampant in our society today, and now must also live within a system that perpetuates the cycle of crisis because it's drastically underfunded. The actions—or should I say lack of actions—by past provincial governments have only served to reconfirm the prejudicial view held by many people in society that those with mental health issues have little or no value within our society.

Unfortunately, we're all aware of the difficult challenge this government is facing in dealing with the inherited debt, but it's clearly obvious to those of us who work with consumers on a daily basis that the mental health system has no flexibility left and it's in a state of crisis. Enough money has been spent on assessing and

reviewing the system and it's now time to make some changes that will affect the lives of the individuals who require support from the mental health system. Each report or assessment has recognized the imperative need for funds to be injected into this system, yet consumers have still not seen any improvements in their personal situations.

I ask you on behalf of consumers across the province today to please invest in individuals and in services that support people to rise to their fullest potential. Perhaps now you can understand why some people see themselves not only as survivors of their mental health issues but also of the mental health system.

Thank you very much for your time.

The Chair: We don't have time for questions but we appreciate your presentation.

WATERLOO REGIONAL LABOUR COUNCIL

The Chair: I call on the Waterloo Regional Labour Council. You have 20 minutes for your presentation. You may leave time within that 20 minutes for questions if you wish. I would ask you to state your names for the purposes of Hansard.

Mr Len Carter: My name is Len Carter and I am with the Waterloo Regional Labour Council.

Ms Sandi Ellis: My name is Sandi Ellis and I am the regional representative in this area for the Canadian Labour Congress.

Mr Carter: As I just mentioned, my name is Len Carter and I am a member of the Waterloo Regional Labour Council. I am also a governor of Conestoga College and one of the co-chairs at the Waterloo Wellington Training and Adjustment Board. These activities may well colour the issues that I will address.

I'd like to thank you for the opportunity to make this presentation on behalf of the union members in this area. We represent working people in both the public and private sectors. Our labour council and its members have a very long history of community involvement and social and political activism.

We are encouraged that the Liberal government has invited us here for some open discussion about improving this, the lot of all of its citizens, and not just the special interest groups of wealth and privilege. This is a positive and appreciated change from the Tories' open animosity and scorn for those who disagreed with their direction.

The question that needs to be addressed is not whether there is a deficit but rather why there is a deficit. If we are to address what Premier McGuinty describes as a structural deficit, we must also examine the economic foundation of the structure, identify its bulwarks and architects and put forward a solid plan for change.

Now, I don't want you to think this is a tax-the-rich rant, but I do and will, in this presentation, ask, request, even demand, that all parts of our society pay their fair share. The Liberal government has identified \$3.5 billion

in annual wasteful spending carried out by the Tories. Therefore we can make a rational assumption that Premier McGuinty and Finance Minister Sorbara will not be wastefully spending that \$3.5 billion a year. This brings the deficit down to \$2.1 billion, but what is a couple of billion between friends when we're talking deficits? So we'll play along and call it \$5.6 billion after all. You, the Liberals, are new at this and we understand that. We don't blame Premier McGuinty for the mess we're in.

So what did cause the estimated \$5.6-billion deficit? We have the Tory excuses of 9/11, SARS, mad cow and a sluggish US economy—I don't understand US and Ontario, because there's a difference here—since Bush was elected. These events did not cause the deficit, although they may have had a slight effect—but only a slight effect. Profits are growing; people are working, often too much overtime; jobs are being created, although not as fast as we would like; some industrial plants are even expanding; part-time jobs are starting to be converted to full-time jobs. In short, the people of Ontario have seen much growth, but we have also seen and felt the destruction of a monstrous set of government policies directed at the general public.

1150

What are we facing today? It's not an economic crisis but a growing crisis of confidence of working people in the future direction of capitalism. In today's Ontario, we can see the rapidly expanding gap between rich and poor, the stagnation of real income of the middle class, the erosion of public services and the unabated degradation of our environment. We see non-productive organizations like banks and insurance companies making obscene amounts of money, called profit, without adding one cent of merchandise to Ontario's gross domestic product. These same companies often pay little or no provincial taxes due to the multitude of tax loopholes. They even employ whole departments of accountants to find those loopholes. I tell you, I can't afford a department.

The optimists among us look to government to balance the legitimate interests of the majority against the might and power of capital. Unfortunately, there has been an enormous and undemocratic shift in power to corporations and financiers. Our citizenry has been told they must buy into the new reality of the sanctity of the bottom line. We ignore the productive potential of our society and look only to restraints and cutbacks as a short-term means to solve the problem of deficit and feed the false gods of profit and productivity. I say "false gods" because profit requires only more profit regardless of the human consequences. Productivity means doing more with less, creating higher levels of profit. These artificial gods are never and will never be satisfied.

In October last year, the majority of voters in Ontario rejected the notion that it would be a better place if we reduced our personal income taxes and cut our corporate taxes. The real agenda of the Tories' Common Sense Revolution was to starve government by limiting its ability to raise revenues. This manufactured crisis in our

schools and hospitals led to the conditions for private sector takeovers.

From 1995 until the end of fiscal 2000-01, the Tory government reduced public revenues by a combined total of almost \$33 billion. The amount of debt directly attributable to Ontario's tax cuts ballooned to \$14 billion. The carrying cost for this portion of Ontario's debt is estimated to be in excess of \$800 million.

The Tory tax cuts have resulted in an annual reduction of \$9.5 billion in personal income tax revenue and \$2.6 billion in corporate tax revenue. The present \$5.6-billion deficit is small when compared to the money lost to tax cuts. We don't have a problem with the deficit. We have a revenue problem.

This leads us to the reason we are here today. We are not here to solve the deficit problem; we are here to assist the government in resolving its political problem. The dilemma faced by the provincial government is largely a political one. Last fall, the Liberal Party won the election by campaigning on a platform of change. Promises were made to invest in health care, education and infrastructure. During the campaign, Mr McGuinty signed a pledge with a right-wing fringe group promising not to raise taxes. What an unreasonable pledge, or demand, that was. You don't buy a pig in a poke without knowing the cost.

Following the election, Premier McGuinty resorted to the age-old tactic of every incoming government in the last 20 years and professed not to have known the cost of the mess they'd inherited. The people of Ontario don't believe it any more. Working people have a term for that.

Commitments to rebuild the province after eight years of destructive policies are set aside. A consultation is launched but the terms of reference reported in the media are that we must decide what programs and services should be cut first. How can we increase government revenues? What user fees—taxes—can be imposed or increased? What can we download to the municipal government?

Now, who pays municipal taxes? Are we fools to say that I'll give you the money you put in my left hand with my right hand, and a couple of bucks more from my pocket? It's all taxes.

The previous government created a shortfall in revenue. This shortfall in revenue was created through tax cuts. These tax cuts had a disproportionate benefit to individuals with high incomes. Since 1995, 18% of the highest income earners have received half the benefits of the income tax cuts. Taxpayers with incomes in the range of \$150,000 to \$250,000 saved approximately \$15,000 annually. For most working people, there is very little difference in our standard of living. My question to the Liberal government is, shouldn't the people who derived the greatest benefit over the last eight years of tax cuts now assume their fair share of this burden? Everyone should pay their fair share.

The alternative of cutting funding to more public services is not the road this government should take. We have tried the medicine of slash-and-burn politics, and it

doesn't work. We are left with a serious revenue shortfall: a shortage of affordable housing; inadequate, even criminal, neglect of our elderly in long-term-care facilities; a shortage of doctors in our communities; a hydro system in chaos; an epidemic of homelessness; a dramatic increase in food bank usage; and the very safety of our food and water at risk.

The legacy of tax cuts has caused the deficit, cutbacks and restraint. Why would any government with a mandate for change choose to continue the intellectually corrupt policies of the past government? If the objective of the government is to improve the economy and reduce the deficit, the first item that needs to be addressed is the issue of wealth redistribution. It's time to restore levels of fair taxation that ensure essential public services are maintained. If government is serious about wanting to stimulate the economy, raise the minimum wage to \$8 now—not in a year or two, but now.

In the package you'll find that there is a quote from the Liberals during the election. The bottom line of it says, "We will raise the minimum wage to \$8 an hour." Index that amount to inflation and increase the social assistance rates by 30%, and you'll cut food bank use and health care use and take some of the burden off our charities and community service providers.

Increase the funding to colleges. An unbiased economic assessment was done by Larry Smith, the leading economics professor out of the University of Waterloo here in the Waterloo region, and he found that fully 50% of all individuals had had direct use of the college and the courses offered. We found that the annual economic impact of the college was greater by far than any other academic institution in the area. Yet the colleges of this province receive less funding per student than any other level of educational organization, from grade schools to universities. A tuition freeze may be fine, but the costs of an educational institute will still grow and the underfunding of provincial colleges becomes exacerbated.

Allow our apprentices to be fully trained and educated. Don't have them trained for parts of their professions. Let them become true journeypersons in their chosen fields. Change and ensure that the legislation is written for those individuals to become full partners in their fields of endeavour.

If you want to stimulate the economy and not cost the government a dime, restore indexing to injured workers with workers' compensation pensions. Once again, a quote from the Liberal promises: "Injured workers and their dependants should not have to rely on their pensions being topped up by welfare payments." The full quote is there. These are the people who spend every dime that they get in the community. These are people who pay PST on everything from diapers to doughnuts. These are the people who need change the most.

The government's recent commitment to increase funding for ESL students is wonderful. We'd like to see investment in all levels of education. It will pay off by attracting companies here that are looking for skilled and educated workers. Once again, your promise during the election is quoted there.

Since NAFTA and the end of the Auto Pact, Ontario has lost nearly 250,000 industrial jobs. Many of those jobs have been in the auto industry, in auto assembly and parts jobs. With one in six jobs in Ontario reliant on the auto sector, government needs to be proactive in attracting investment and providing incentives for research and development of new technologies, especially as they relate to the development of eco-friendly products. We understand the importance of the government playing a robust role in strengthening our industrial base. Our agreement cannot be underestimated. We hope that the commitments made by this government are not forgotten.

Please be assured that labour remains committed to working with all levels of government to retain and attract good-paying jobs to Ontario. As workers, we understand the motivation of the private sector. The most committed cost-efficient provider of essential services is the public sector. The private sector has an economic obligation to investors that takes priority over social obligations. This government will find widespread opposition to any agenda of privatization and P3 partnerships. I call them P4s because, to tell the truth, it's public and private partnerships for profit. The last thing Ontarians want or need is multinational corporations taking profit from our essential services and out of our pockets. Take a look south of the border if you want an estimate of the enormous costs, massive inefficiencies, special treatment for the rich, and no service for those who can't afford to be sick.

Your promises during the election included this small line: "We've seen no evidence that private care is any cheaper, but plenty that it's more expensive." It's time to address the needs of all Ontarians, not just the wealthy and privileged. That would be a change that we would welcome and appreciate.

On behalf of the Waterloo Regional District Labour Council, I thank you for the opportunity to make this presentation.

1200

The Chair: Thank you. We have two minutes per party, and we begin this round with the NDP.

Mr Prue: I think you've said it all very well. There are a couple of things I'd like you to expand on here. The first is, we had a deputant just before you who was talking about ODSP, and I would think also we could include welfare rates. Do you think the cap should come off so that those people who are on Ontario Works or ODSP would be allowed to have a job as well in order to augment what is indeed a very, very meagre income?

Mr Carter: There's no question that there should be no cap. From our viewpoint, those people should be allowed to make a living. What we would like to see is that every person who wants to work has the opportunity to work. As the previous delegation said, 98% of all of those people want to work.

Mr Prue: And it wouldn't cost the government a dime.

Mr Carter: Not a nickel.

Mr Prue: Not even a nickel. That's even better.

In terms of housing, you didn't really deal too much with this. Can you outline the need for affordable housing in this community and whether the private sector has been doing enough to build rental housing? I note that this afternoon we'll have a group that will come here and tell us again, for the umpteenth time, that the private sector is building rental housing, although they can't tell us where any of it is.

Mr Carter: Having sat at city council, I can tell you that the city has sponsored some affordable housing—I wouldn't call it affordable housing; it's housing geared to income. What they are doing is they're displacing a lot of less expensive housing. The result is that we'll have 100 people living in one space where we had 400 people before. They had housing. They can't afford the new housing. Many of them are homeless. Many of them are persons who are ill. Many of them are persons who can't afford to live in a nice, fancy, new apartment building.

Ms Ellis: And many of those new, fancy apartment buildings are being converted to condominiums, where in fact they can make more profit by selling them. So we end up with a lower level, on a percentage basis, of any kind of housing that's rental housing, but dramatically more so where the affordable housing limit is put.

The Chair: We'll move to the government and Mr Wilkinson.

Mr John Wilkinson (Perth-Middlesex): Thank you for coming this morning. This is the last day of 12 days where we've been right across the province. The fact that you've been able to come—and we've heard, obviously, a consistent message. I can understand why you have fear. We are, as you've outlined, on the horns of an exquisite dilemma, because we don't have just a fiscal deficit; we have a social deficit; we have an infrastructure deficit. We have all of these types of deficits. We have a surplus of deficits.

It was interesting that even Mrs Witmer decided today that really we should increase ODSP and OW, which was quite revealing here. The road to Damascus leads through Waterloo for some Conservative members.

But what I find interesting and I think we have to understand is that we have found that the system is so warped now that we have to be very careful that we don't throw money—I'll give you an example. We've been told by people that we don't spend \$400 a month to keep seniors in their own home, but instead, by failing to do that, we end up spending \$27,000 a month to have them in hospital. So when we talk about how we need to restructure government, you've come and helped us see these places where we're spending money, but we're not spending money efficiently; we're not spending it correctly.

We have to allocate, and so my question to you is, do you feel that you can work with our government to help us see these inefficiencies so we can get it redirected?

Ms Ellis: Only if you can actually see what we're telling you. If you put the blinders on, it isn't going to be anything but the kiss-off that lots of governments give to labour when we talk to them.

When we talk about health care, and you've talked about seniors in their home, health care in this province, in this country, is a right of individuals. Let's not commodify it. The chamber was up here talking about health care as a product that needs to be more efficiently delivered. It's not a widget; it's a right. If we want to commodify everything, is one to assume that eventually someone out there will attempt to commodify the air that we breathe and we will then have to pay for that? We can go to extremes and become totally ridiculous. Health care is a right of every individual in this country under the Canada Health Act, and we need you to guarantee to us as well that you're going to maintain the Canada Health Act and make sure that none of these P4s get built in this province.

Mr Carter: Just to add to that, I commend you for recognizing the fact that we have a social deficit that was created by the Tories and you're stuck with it. The time to fix it is now, and the best advice I can give you is, don't be Tories.

The Chair: We'll move to the official opposition and Mr Arnott.

Interjections.

The Chair: Mr Arnott has the floor.

Mr Arnott: Thank you very much for your presentation. I just want to say to you that I don't agree with everything you've said, but certainly we do respect your opinions and you have every right to come here and express them. I must say that I felt that some of your language was quite extreme, almost Marxist, and so I would say that I disagree with much of what you said—

Ms Ellis: It is not an odd comment, coming from you.

Mr Arnott: —but I found something I did agree with, and that is, we need to do more to encourage our apprenticeship programs.

Mr Carter: Absolutely.

Mr Arnott: Conestoga College is an excellent institution, and I'm glad—

Mr Carter: Best in Ontario.

Mr Arnott: I think so too, and all kinds of objective indicators seem to show that.

But there's one thing I have to ask you. You talk about profit and productivity being false gods. I completely disagree with you. In an economy—

Mr Carter: Well, I've experienced it. My employer was the Canadian Broadcasting Corp, and we were involved in cuts and productivity increases from 1984 until I left in 2002. It didn't help any. They just took more and more and more, and there was more productivity required, but it did us no good.

Ms Ellis: I come from Canada Post. It used to be a service and it is now—

Interjections.

The Chair: Thank you for your presentation this morning.

Mr O'Toole: On a point of order, Mr Chair: I'm seeking unanimous consent to introduce, with very little debate, some 25 motions. It would be the agreement of

the committee to two minutes to respond to 25 motions; I'm seeking unanimous consent for that.

Failing that, we would be required to read them into the record, which I don't want to do, using all of the lunch period to do that. I'm not trying to hold you over a barrel on this.

The Chair: Could we have clarification on what you meant by the two minutes?

Mr O'Toole: Two minutes for each side to respond to the general themes of the motions, which were distributed yesterday.

Interjections.

The Chair: Wait a minute. We want to be clear about this; the Chair wants to be clear.

Mr Prue: On a point of privilege, Mr Chair: Nothing was distributed yesterday. I do not have any of those.

The Chair: That's why I'm trying to be clear here.

Mr O'Toole: I'll clarify that. If one was to reflect on the record yesterday, I gave notice that I was going to be introducing a number of motions. Unfortunately, the last presenter yesterday cancelled while I was out of the room engaged in a conversation with one of the previous presenters. Subsequently, you moved to adjourn and pre-empted that. Respectfully, these 25 motions are part of the response to public input. Rather than consume the time of all of the presenters and the members here with debate, I now want to present these motions and table them for consideration during the report-writing period. That's what I'm seeking.

The Chair: You're seeking unanimous consent to table 25 motions to be dealt with at the report-writing stage.

Mr O'Toole: And two minutes to talk about them.

The Chair: Two minutes only to talk about those 25 motions in total.

Mr Mike Colle (Eglinton-Lawrence): Agreed.

Mr Prue: I would agree to that, provided that it is dealt with this afternoon. I would like to read the 25 motions because if I have to respond to them, and I'm given only two minutes to do so—

Mr Colle: But he's tabling them so you could respond to them at the report-writing stage; all he's doing is tabling.

Mr Prue: I do want to speak against some of them. I would like an opportunity. I'm not saying I'm in disagreement. I will do it, I will vote for it, provided we do that at 4 o'clock this afternoon and not right now. If not, I'm going to say no.

Mr Colle: Either way, OK, that's fine.

The Chair: I'm required to put the question.

Mr Prue: If the question is, he's going to give me those now and we respond at 4 o'clock, I will vote yes.

The Chair: Is there unanimous consent? Agreed. We're going to deal with these motions as stated at 4 o'clock, or at the time of the last presentation today.

Mr Colle: I move recess.

Mr O'Toole: No, no. I'm just responding. These are the motions I've now given to the clerk. They were given

to him yesterday because of procedural things. The two minutes I have now is to say—

The Chair: No. We're going to deal with them at 4 o'clock.

Mr O'Toole: I said I was going to speak for about two minutes and then we would do it this afternoon. The general theme we had today—

The Chair: No. We'll have the two minutes at 4 o'clock.

Mr O'Toole: The motions we're moving—

The Chair: No, Mr O'Toole, everything will occur at 4 o'clock, including your two minutes. The Chair will ensure that you have that time.

The committee recessed from 1212 to 1301.

WATERLOO REGION HOUSING COALITION

The Chair: The standing committee on finance and economic affairs will please come to order. I call upon our first presenter this afternoon, the Waterloo Region Housing Coalition. Please come forward.

Ms Gay Slinger: One of our members has just taken leave for a brief moment. She will return shortly.

The Chair: That will be fine. I assume we can begin, though?

Ms Slinger: Yes.

The Chair: OK. You have 20 minutes for your presentation. You may leave time for questions within that 20 minutes if you so wish. I would ask you to identify yourself for the purposes of our recording Hansard.

Ms Lynn Macaulay: Good afternoon. I'm Lynn Macaulay. I am the housing services coordinator for Lutherwood-CODA, which means that I help people find and maintain rental housing within the Waterloo area.

Our presentation today is on behalf of the Waterloo Region Housing Coalition, which is a collective voice on affordable housing within Waterloo region. Our membership includes housing providers, local planners, development consultants, staff from various levels of government and community information services.

Housing is a basic right and need, and as stated by Larry Smith, a University of Waterloo economist, "Housing is the platform, the foundation of any humane, functioning society." As the National Liberal Caucus Task Force on Housing, co-chaired by the Honourable Paul Martin, concluded: "Housing is a fundamental right: All Canadians have the right to decent housing, in decent surroundings, at affordable prices. Shelter is a necessity of life and adequate shelter must be viewed as both an individual and collective right for all Canadians."

The premise of our presentation this afternoon is very simple, and that is that we pay for beds for homeless people now. We pay for them in hospital, we pay for them in jail and we pay for them in shelters. The more cost-effective and humane way is to pay for housing for individuals. My role is to tell you what we already know about the costs. The TD Financial Group discussion paper on affordable housing in Canada identifies that the

"the lack of affordable housing is a problem confronting communities right across the nation—from large urban centres to smaller, less-populated areas. As such it is ... gaining recognition as one of Canada's most pressing public policy issues."

Further, while "we are used to thinking of affordable housing as both a social and a health issue ... working to find solutions to the problem of affordable housing is also smart economic policy."

As we know, there are costs to not addressing the needs of the homeless and the hard-to-house. Conversely, when we address their needs there will be positive economic impacts on many sectors. We know, for example, that in terms of physical health, people who are homeless are high users of emergency health services as their primary health care and they tend to present at emergency with a higher acuity and seriousness of illness for a number of reasons. There are studies that have been done that have shown that "homeless people are admitted to hospital up to five times more often than" their housed counterparts and "stay in hospital longer than other low-income patients."

We also know that "the average mental illness rate of homeless people is ... four to five times that of the general population." This, in turn, increases homelessness and also increases use of emergency services such as police services and the emergency department in order to get assistance with mental health needs.

We also know that the National Crime Prevention Council has ranked inadequate housing conditions as one of the risk factors that contribute to offenders' involvement with criminal activities. We know that studies that have been done of inmates at federal institutions indicate that those who were formerly homeless have a much higher number of previous convictions than their housed counterparts.

We also know that a small portion of adolescents are street youth, but they are "involved in a substantial and disproportionate amount of all crime. Street youth are also, disproportionately, repeat offenders."

We also know that the largest growing segment of the homeless is families. This is seen in a study by the Children's Aid Society in 2000 that found that housing was a factor in one in five children being taken into care. It's a dramatic increase of over 60% from a study that was done in 1992. The lack of suitable housing delays the return of children in care to their homes. The Toronto Children's Aid Society estimates that the annual care for children who could be returned to home but are not because of housing issues costs about \$18 million.

We also know that there is less education achievement among children who are homeless. What we are doing by limiting the education opportunities is creating another generation of those who will be homeless.

We also know that the homeless use a large number of social services, including shelters, food programs, legal services and social assistance, as well as employment and housing supports.

We know that among evictions due to arrears, 50% were for amounts less than \$800. Yet, there are some

studies that have been done that estimate the cost to re-house people once they are evicted is upwards of about \$3,000 per household. We also know there are costs included in emergency shelter stays, in community start-up benefits as well as costs for landlords for the eviction process, the storage of furniture and moving costs.

This is really what we know. This is what not having adequate housing is costing Ontario on a daily basis.

Ms Deborah Schlichter: My name is Deb Schlichter. I'm with the House of Friendship, and I'm going to outline two areas of concern we want to address with you today and some suggested solutions to those areas of concern where we think there are some cost savings in the long run.

The first area of concern is that there needs to be enough supply of affordable housing to meet the demand. In our area, and in most communities, the demand far exceeds the supply. When we talk about affordability we're looking at the Canada Mortgage and Housing Corp measure, which is the 30% rule. We have some stats in our presentation. The number of people who are paying in excess of 30% is at 42% of renters in Ontario, and 20% of households are paying 50% or more. Those, of course, are not in affordable housing situations.

1310

The common assumption is that people who are on social assistance must be living in subsidized housing. We also know that that's not true. About 17% of people on Ontario Works are actually in subsidized housing. The rest live in private rental and struggle to meet their rental costs.

In our region, we have a coordinated access system, and the numbers on that system as of December 31 are 2,809 active cases. There are a number of other applications in process, so that's an underreported number. So we have a high demand from people looking for affordable housing. At the same time, we have a supply problem, where we have a loss of affordable housing units through either demolition, condo conversion or fires. As you may know, just recently, a couple of days ago, we had a fire in a rooming house and lost some more units of affordable housing.

In our area, the vacancy rate is less than what we consider to be a healthy vacancy rate of 3%. In our area, if you look at the affordable housing units, between \$450 and \$650 a month, the vacancy rate is between 1% and 2.6%, just lower than what is the good, healthy rate. Even though you heard earlier this morning the presentation from the region of Waterloo, where they have an affordable housing strategy to put in 1,000 more units by 2005, that number will not meet the demand that we currently have or will have in the future.

We have some suggested solutions. We want to encourage the government to maintain and grow the supply of affordable housing. We think both are important: to maintain what we currently have and add to what we currently have.

The first bullet: We know that the service manager is responsible for affordable housing, but when affordable

housing was transferred, the capital reserve amounts were not adequate. We know there have been studies done across the province as well as in our own area that show that capital reserves are under the level they need to be to cover our costs for the future.

We also are aware that with transferred housing that went to the Ministry of Health and Long-Term Care or to the Ministry of Community and Social Services, they are not getting regular cost increases to their base. It's very difficult to run and operate housing if you do not have regular increases to cover just cost-of-living increases.

We want to see legislation brought back to restrict conversion and demolition of affordable housing units. This is very important because in our area, we lost units. The supply fell by 339 in a year period, and what's being added to the market is not in the affordable range. So even though there's new supply being built, it's not considered affordable housing.

We would like the government to fulfill their election promises by adding additional units of affordable housing, as well as rent supplements, and we want that to begin right away. It's important that we start now, not wait for a couple of years.

We want to see vacancy decontrol, which allows for unlimited rent increases on a unit when a tenant leaves, eliminated. We want to see rent controls come back on new buildings, because the current legislation exempts buildings that were first occupied after June 16, 1998. We want to make sure that rent controls apply to everybody.

We also want to see the cost-no-longer-borne concept restored to above-guideline rent increases so that one-time expenses such as utility costs or repairs can't be forever included in the rent, even after the expense has been fully paid.

We also want to see minimum wage and shelter subsidies—minimum wage has been increased already, and we want to see that continue to be increased, but it's also important to increase shelter subsidies for people on assistance to actual rates of what the rental housing is. You are fully aware of the cuts that happened in 1995, and there has been nothing since then in terms of increases.

At the same time, the average rent has been going up. We have a chart to show you what the rents are for different size units. We also have a comparison there of what people are actually making on social assistance and what their shelter allowances are, as well as what somebody on minimum wage would be making. You can see there's quite a big difference in what people can afford to pay.

Last, we want to make sure that there is consistent, stable funding for those who work with people to help them find housing. You heard earlier this morning about the non-profit sector and the pressures on that sector. Stable, consistent funding is very important to maintain those kinds of services, especially for those with special needs or those who are hard to house.

Second, we want to make sure that there are supports to housing. While we are providing bricks and mortar—

and it's important to do that—it's also important to have support services to help people retain their housing. We know that for our region there are a number of people on the waiting list, a large number of people who have special housing needs and can't be housed because there is an absence of supports to keep them housed.

We have some suggestions, some solutions, that we think can help provide stable housing for people and therefore reduce the costs that you will be seeing in other sectors as people are not being housed. We want to make sure there is adequate funding for support services that enable those with special needs to retain their housing. One idea that has already been expressed through your election promises has been around a rent bank. There are a lot of good prevention programs for homelessness and we want to see those continue to be funded. But again, the stable, consistent funding is very important. We know that when we do prevention programs we can keep people housed, and rent banks are a very good process for doing that, but instead of providing a provincial rent bank, you can utilize the ones that are already existing in communities. The infrastructure is already there and we think that would be a very cost-effective method.

We also suggest that there should be ways that tenants on social assistance can have their rent paid directly to the landlord. That will help them keep and retain their housing. We want to see additional support service funding added, and this is for the general homeless sector, the hard to house, not just for those with mental health. There needs to be support service funding and there is no place where that is provided right now.

We know, and we've given you some figures here, what the cost of housing somebody in an institution is compared to housing them in the community with supports. You're saving lots of money by doing it that way, not just in human costs but in actual economic costs. We have evidence already that people who are housed with supports do not use the services as much as they did when they were homeless.

Ms Cathy Middleton: Hello, I'm Cathy Middleton with the YWCA of Kitchener-Waterloo. I am to present the story of Eve to you. The story is in your package. I'm very well aware of the time, so I would just like to reference you to the story of Eve. This is a typical story that we see in our community.

The YWCA also operates and owns the supportive housing program through Lincoln Road apartments, which is permanent housing for chronically homeless and hard-to-house women and women-led families—a very successful program.

I would just point out to you very briefly that in order to house someone similar to Eve it costs us \$9.75 per day per unit at Lincoln Road. Alternatively, to house someone like Eve, with her particular situation and difficulties, would cost almost \$60 per day at the homeless shelter Mary's Place. So I would just bring that to your attention.

Overall and generally speaking, Eve's life and her dignity have remained intact as she has become a permanent tenant at Lincoln Road. We believe that supportive housing is certainly a win-win solution.

Ms Slinger: My name is Gay Slinger. I'm one of the staff lawyers at Waterloo Region Community Legal Services. We're the legal-aid-funded clinic here in Kitchener and we do a lot of housing work with low-income families.

In summary, basically what my colleagues have already indicated to you, we at the coalition very well recognize that there are a number of very pressing and important issues that are facing this committee and the government as you set the budget for the upcoming year. But from the information that we have provided today and in the submission that we've filed, we want you to very clearly understand that we must begin now to address the very fundamental and underlying issue of housing.

1320

It is our position, and it's well justified, I believe, by the various studies that are quoted as well in our presentation, that there are significant long-term savings fiscally—financially—but also as a social cost to our community as a whole, to the province as whole. Without safe and affordable housing, as our presentation will indicate, there are tremendous costs to the province, to our communities, in all kinds of various uses of services, be it all the various emergency services we've talked about, from shelter to food to law enforcement to criminal, tribunal, judicial, to child protection services, food services—health care is a major one. If one is very safely and adequately and affordably housed, the use of those various resources can be dealt with much more efficiently and much more cost-efficiently elsewhere.

Let's not just deal with the finances but also with the quality of life of individuals and families who get housed and keep their housing with appropriate supports. That not only benefits those families but again benefits our communities and the province as a whole.

The Chair: I want to remind you that you have about two minutes left.

Ms Slinger: That should be more than enough time, so thank you. We do applaud the government's move recently to try to take different long-term strategies in dealing with a number of these issues; for example, looking to education and conservation and trying to deal with the very costly and limited resources we have in energy and also in health care services, looking again to education and prevention, trying to deal with it on a long-term basis.

We urge you to look at housing in a similar fashion, that rather than using short-term band-aid solutions to deal with housing issues—simply trying to get people off the street and not visible perhaps—in fact by dealing with it appropriately through providing safe and affordable housing now, starting in this budget year, you're going to see significant cost savings within the next three or four years and onward from there. That's truly where the investment is.

Promises obviously were made during the last election dealing with affordable housing and the providing of housing allowances, a provincial rent bank—one of the

proposals here—as well as changes to the Tenant Protection Act. We would very much urge you to begin making good on those promises and those changes now, and those results will be seen in the very near future.

We want your assistance very much in trying to get people housed now and to keep them housed through appropriate supports. It's not enough just to build the housing. The supports are so vital to a number of the very vulnerable and marginalized in our communities to keep them housed, and we urge you to consider that as well in your budget deliberations.

Thank you for your time.

The Chair: Thank you for your presentation this afternoon.

WATERLOO REGION
COMMUNITY SAFETY
AND CRIME PREVENTION COUNCIL

The Chair: I call upon the community safety and crime prevention council of Waterloo region to come forward, please.

Ms Christiane Sadeler: Good afternoon and thank you on behalf of the crime prevention council for inviting us. I realize you had many requests from across the community, so we're pleased to be able to be here. I believe you have in front of you some slides. Please feel free to follow along. I will endeavour to keep my comments brief, and I will refer to the brochure in front of you right at the end of my presentation.

Just to put in context who we are—I'm pleased to see our local representatives here, because they would certainly be very familiar with the work of the Waterloo Region Community Safety and Crime Prevention Council, but for people from out of town, we have been in existence since 1994. We are funded through regional government and we work at arm's length from regional government as an advisory body on issues concerning the prevention of crime. Our current annual budget is \$270,000, which translates into just over \$1 per household in the region, or as we like to think, a cup of coffee per household in the region for long-term investment in community safety.

The crime prevention council is a multi-sector partnership with 25 members, and these members tend to be at key decision-making levels within our community, representing such organizations as education, police, the crown attorneys' office, health, welfare and many others that we believe have an opportunity to deal with the root conditions of crime.

The crime prevention council has four main goals. We like to think of ourselves as a catalyst, somebody that stimulates communities to become mobilized around community safety efforts. Second, we attempt to engage in what we call strategic problem-solving; this might happen in conjunction with police services at the neighbourhood level or it might happen at the planning and policy level regarding the services that we work with. We engage in public education. The somewhat colourful

brochure in front of you is one of these efforts, in conjunction with the introduction of the Youth Criminal Justice Act, that this community engaged in. Finally, our main goal is to enhance the capacity of the community to stop over-reliance on formal services to decrease crime victimization and fear of crime. We work very closely with neighbourhoods, particularly neighbourhoods that have an association or a more formalized body to engage in these efforts.

Today I want to speak with you briefly about the picture of crime prevention in Canada generally. I know you have had the opportunity to hear from Professor Waller, who is the president of the newly formed Canadian Forum for Crime Prevention, in Ottawa, I believe. I see some nods around the table. I share the vice-president position of that organization with Claude Vezina from Quebec. The first-ever forum on evidence-based crime prevention in Canada was hosted here in Kitchener at the Walper Terrace Hotel toward the beginning of December. That's the context.

Then I briefly will speak to you about the municipal crime prevention situation and the kind of issues that services are bringing to us. I particularly wish to focus on observations and experiences as they relate to funding in social-service-type efforts, the implication for the social development efforts and implications for prevention, and then finally I will make some recommendations on behalf of the crime prevention council.

The situation in Canada currently is such—and I apologize if this is a repeat for those who have met with Professor Waller. But very briefly, one in four Canadians will be victimized every year by some form of interpersonal crime. That is an unduly high number and an unnecessarily high number, I believe, for a country of such stature as Canada. Violent crime in Canada is still three times the rate it was in the 1960s. The rates of break-ins and car theft are 30% higher in Canada than in the United States. We like to point down south and say, "This is where all the crime happens," but when it comes to break-ins and car theft, we don't fare quite as well as the US. This costs money. Canada currently spends somewhere in excess of \$11 billion per year on police services and criminal justice. That translates to approximately \$360 per Canadian. I'm afraid I don't have Ontario numbers with me; I can make them available to you, but I believe Professor Waller shared some of those numbers with you when he met with you in Ottawa.

Interpersonal crime costs Canadians \$46 billion each year—this is not counting insurance payouts—and recent estimates from Stats Canada show it could be as high as \$59 billion per year.

Contrary to public perceptions, I think Canadians do believe that the best examples of crime prevention are the following: support for children and families; recreational activities for youth, and by that I think they mean accessible recreation for all youth, even those kids that tend to be on the edge of our communities; educating families on avoiding victimization, including victimization within the home; community policing and similar efforts.

This comes out of research from Ekos Research Associates in the year 2000 and 2003, and our council recently did a region-wide survey which echoed exactly these results. This is what our citizens tell us they want in order to combat crime.

Seventy-one per cent of Canadians believe that crime prevention is more cost-effective than law enforcement. This doesn't mean that they don't wish for law enforcement but that they wish in the long term to see more prevention initiatives. Yet there are very few Canadian crime prevention strategies which receive consistent and effective support from any order of government. There is a National Crime Prevention Centre and there are some isolated municipal efforts such as ours. I know there was an Ontario Crime Control Commission, but I'm frankly not quite aware of where that is at right now. But the efforts tend to be sporadic rather than comprehensive and strategic.

1330

Now I wish to make some observations about funding and resources and their relationship to crime prevention. These are not my personal observations; these are observations that are brought to us by our key partners, whom we try to mobilize to participate in prevention efforts across the community. What they tell us is that cutbacks have left social services vulnerable and unable to effectively provide core programs, let alone prevention efforts, so prevention has dropped somewhat off the social service agenda. Social conditions arising from these cutbacks will likely result in an increase in crime unless we intervene. The majority of social service agencies have not seen an increase in funding in over seven years despite an increased need for their services. This raises some grave concerns in terms of the quality of service that can be provided for crime prevention and our other social development efforts.

What we frequently hear about at the crime prevention council table is the high rate of staff burnout and the low staff wages, particularly in the not-for-profit and voluntary sector which, in turn, cause a high turnaround within these organizations and a lack of consistency and sustained leadership. It appears that when it comes to seeking funding in Ontario and beyond, in Canada, most staff resources—and this is probably the most significant point—tend to go into moving from short-term funding to short-term funding. Whereas in the past, we may have been in a situation of seeing most staff allocated to the direct service provision, what we see now is a significant amount of administrative dollars being spent on chasing grants and short-term funding opportunities.

People tell us around the council table that accountability appears to be somewhat one-sided. There are very cumbersome reporting requirements for most ministries, application processes tend to be very elaborate, yet there is very little access to the decision-making tables in order to say, "Maybe we can collectively evolve a somewhat easier process." Grassroots initiatives are being depleted because of their lack of capacity to access funding. Filling in, frankly, some of the funding applications from

some ministries for a small neighbourhood group is almost impossible unless they can afford to hire a consultant to do so, which they cannot.

Funding appears to be driven frequently by perceived topical pressure, not so much core values of social justice or, if you wish, social development or quality of life. In the search for new models—and this is what we always hear about in funding guidelines—we have created a disjointed array of short-term projects without a solid foundation or an infrastructure to support these projects. The meaning of partnership, which is mentioned in just about every funding application you could possibly ever wish to complete, has become somewhat diluted because now it's partnership based on funding. Let's partner in order to get the money, not the true sense of partnership by way of building a strong community, as maybe it should be.

Now I wish to briefly turn to "What resource approach creates safe and healthy communities now and in the future?" This is our vision. We believe that we need to balance spending and saving with investing. For a committee on finance and economic affairs, this would probably be a constant resonance, I would hope, around the table. Yes, we need to spend. We certainly need to save for rainy days. We also need to invest in the future. We do this in our personal lives—I know I do; I think we need to do so in government.

Defining social services as key contributors to the quality of life in the community needs to happen, not just as a service to the underprivileged. Social services are part of what happens in our communities. We are all consumers of social services to some degree or another. We need to support the voluntary non-profit sector for its significant positive impact on the health and safety of communities. There are more than 900,000 Canadians employed in that sector. We need to decentralize services for increased efficiency and effectiveness. Much of the administration appears to be at higher orders of government when the actual service provision happens at the grassroots community level. That may not be our most cost-effective and efficient way of delivering services. Finally, we need to develop universal programs which clearly strive to be accessible to at-risk populations. If we say "universal" and we're not accessing the people who are most troublesome to our communities, then we are not truly universal.

Here are our recommendations. We hope that your government will see its way to reinstate a very clear provincial prevention agenda right across ministries, based on what we know to work and what is promising, not a guessing at what might work agenda, but there is ample evidence to show these things will pay off in the future if we implement them now.

We want you to consider implementing the funding guidelines of the Agenda for a Safer Canada to the tune of 5% within five years at all orders of government, and that includes municipal governments. I certainly challenge my local government to do so regularly and so far they've been great.

We hope you will monitor spending and policies for their impact on community safety, victimization and crime rates based on evidence-based knowledge. What that means is that you make decisions as government all the time, in all kinds of areas of spending and policy, which you may not directly connect with crime prevention and community safety immediately, but often they are connected. When we think about the root conditions of crime and the decay within communities that directly relate to those decisions that you take, we hope you will always bear community safety in mind.

We want you to support comprehensive crime prevention initiatives at the municipal level, such as the one in Waterloo region, and these must include an assessment of risk factors, community capacities and action plans. The Waterloo region has frequently been used as a model, and we're certainly willing to share with other municipalities. The requests, I can tell you quite frankly, in Ontario are phenomenal from other municipalities to speak to us. We can barely meet these requests. We hope that the Ontario government can meet the request to begin to put this information out there for them.

We recommend that you provide core funding for core services so that these services can plan ahead and maximize their resources—not three-year funding, not five-year funding, but core funding for what we know to be a service within our community that is needed.

Finally, we hope that you will revitalize the voluntary sector—and I realize this needs to be very much a federal-provincial kind of joint initiative—through stable funding to prevent a constant state of uncertainty and vulnerability of these very worthwhile efforts within our community that contribute to the quality of life.

There are a couple of quotes that I'll let you read at your own leisure.

Finally, I would then like to refer you to this pamphlet, which is one of the initiatives that we launched in conjunction with the start of the Youth Criminal Justice Act. Waterloo region is part of a broader campaign, and within the pamphlet, on the second panel, I would like to refer you to where it says "Crime prevention that works," and what the committee said at the time and still strongly believes, which is that "One of the best ways to do this is to channel energy and resources into removing the factors that contribute to crime—long before anyone becomes an offender or a victim." We believe that collectively across all orders of government we have the opportunity to do so. We hope that you come on board with initiatives such as the Waterloo Region Community Safety and Crime Prevention Council and the Canadian Forum for Crime Prevention in joining this effort.

Thank you for your time. I think I'm within time, if you have some questions to ask.

The Chair: There is a bit of time left. We have time for just one question, and in this rotation it will go to the NDP; about three minutes.

Mr Prue: There are some initiatives that are taking place across the country. I think about the native community that often brings young offenders before them,

rather than go to the court system, where the elders sit, they counsel the young offender, they make them work within the community and they give them tasks to do so they can understand the errors of their ways.

I also think of my own community, where they're doing something somewhat similar for young offenders, those who have petty criminal activities, usually mischief to private or public property, petty shoplifting, graffiti, that kind of stuff: They sit them down with the victim, and the community and the people there counsel the young offenders.

There are a couple of things: It takes out of the court system the expense of lawyers, all the stuff that's involved, but I think more important is the fact that the recidivism rate is markedly lower than if you deal with them in a court system and hugely lower than if you send them to jail. Is this something you or your group would recommend doing as a way that we could help save money from lawyers and police and criminal justice and courts and jails? We're all trying to save money. Will this work?

1340

Ms Sadeler: I'm so glad you asked that question. Sometimes you get scared of questions without being asked. Yes, restorative justice and victim-offender reconciliation is something that the council has supported for a long time. The reason I wanted to alert you to this pamphlet is that when the Youth Criminal Justice Act was put in place, we put in place a 30-person, service-strong, collaborative initiative to monitor its impact on our community. What we're being told is that we're seeing a reduction in the need for custody beds, but what we don't find is that any of those potential savings are being provided to diversionary and restorative-justice-type programs. We fully agree that they are programs that tend to be highly effective, efficient, probably more meaningful in terms of long-term reintegration and rehabilitation and should really see increased support as we're seeing a decrease of need to invest more at the incarceration end.

The victim-offender reconciliation program actually was born right in this community, in Elmira, and has travelled across the country. We have four directions. We have supported the aboriginal restorative justice program. What we're finding is that all of these programs fall within the category of what I called earlier the voluntary, not-for-profit sector. They are really hopping from funding source to funding source. It is still not being acknowledged as a true alternative core service in the area of crime prevention. We would hope that as the implementation of the YCJA finds its way in Ontario, there is increased consideration given to the kind of programs you're talking about across the country.

Mr Prue: If there is more time, can you estimate or can you give us any kind of ballpark figure—I know it's tough. If we were to spend \$1 million or \$5 million this year, what kind of savings could we expect on that expenditure from the court system?

Ms Sadeler: If you were to expend it on diversionary programs?

Mr Prue: Yes.

Ms Sadeler: I can give you a very rough guess. It costs approximately \$100,000 to incarcerate a young offender within a provincial institution, give or take, if we consider some of the expenses to reintegrate them from within the institution. A diversionary program such as—for example, the John Howard Society comes to mind as a local program which can see anywhere up to, I believe, 300 youths with one staff member, the salary of whom probably would be in the range of \$50,000. I don't know if you can do the numbers as quickly as I can—

Mr Prue: It's 600 to 1.

Ms Sadeler: —but one offender saved essentially could pay for two of those staff people, seeing 600 to 1. The success rate of these programs is exceedingly high. There are failures, but there are certainly significant failures within the incarceration methods as well and those are far more costly, in human and harm terms as well as in financial terms.

Mr Prue: A terrific presentation.

The Chair: Thank you for your presentation this afternoon.

UNITED WAY OF CAMBRIDGE AND NORTH DUMFRIES

The Chair: I would call on the United Way of Cambridge and North Dumfries to come forward. You have 20 minutes for your presentation. You may leave time for questions within that 20 minutes if you wish. I would ask you to identify yourselves for the purposes of our recording Hansard.

Mr Ron Dowhaniuk: My name is Ron Dowhaniuk. I'm the executive director of the United Way of Cambridge and North Dumfries. With me as well is Bill Morris, general manager, government relations, for United Ways of Ontario.

First of all, I want to thank you for the opportunity to share with you our recommendations as you prepare your budget. We anticipate some opportunity for questions before the end of our presentation.

The 46 United Ways within Ontario support over 2,000 community-based and social service organizations within the province. This partnership between United Ways and these organizations meets urgent human needs and increases the capacity of our community to care for one another.

United Ways are in the unique position of being at the intersection between business, labour, and health and social services. One of our main strategies is to generate dollar resources to support these organizations. In 2002, \$175 million was generated through United Ways. As we move forward as a United Way, we're looking for opportunities to mobilize the community in a variety of ways, not just for fundraising but in other ways, in order to improve the lives for all, so that we can collectively look at root causes of issues in our communities.

We really wanted to share with you a number of high-impact initiatives that we think are worth considering as

you prepare your budget. These recommendations are in the brief. There are six specific recommendations there. We're going to comment on four of them today. We feel that the type of recommendations we have will require a minimum of resources in the initial years and they are also ones that will leverage additional resources.

Our first recommendation is that the provincial budget include measures to increase benefits for Ontario Works clients. Over the last number of years there has been a significant reduction in income for families that are receiving Ontario Works benefits. In 1995 there was a 21% reduction in welfare rates. Since that time, if you factor in inflation, those individuals and families on Ontario Works have seen their income drop, we estimate, between 30% and 35%. At the same time, the rent increase has been significant. According to CMHC, the average rents in Ontario have risen by 26% over the last five years. So that has really put a significant hardship on families who are with Ontario Works, and a disproportionate amount of their dollars is going toward rent and housing.

What has happened? How do they cope with this? They go to food banks. In Ontario last year, food bank usage was up 4.5%. Certainly in our own community of Cambridge over the last three years, the use of food banks has almost doubled.

In conclusion on this recommendation, we feel that an increase in social assistance is long overdue. This would significantly help vulnerable families to be able to afford food, shelter and clothing and also would help alleviate the growing strain faced by food banks and other community service supports.

The second point we wanted to talk to you about today is enhancing the charitable tax credit. Our recommendation is that the provincial budget enhance the charitable tax credit by reducing or eliminating the \$200 threshold on the lower-tier credit for donations.

The number of donors across Canada has been declining. Figures that we're aware of show that there has been about a 4% drop, in the 10 years between 1990 and the year 2000, in those who are making donations, as seen through their tax filing. Within the community of Cambridge and North Dumfries, we know that the number of donors to our initiatives has been flat or in fact has dropped 2% over the last five years.

Research shows that those who make contributions do so mainly because they want to support their communities, but we also know through some research that donors indicated they would contribute more if there was a better tax arrangement for them. We also know that in recent years a reduction in personal income tax has served to erode the tax incentive for charitable giving, effectively increasing the cost of making charitable donations. For example, for lower- to middle-income earners, the combined federal-provincial tax incentive for charitable donations has declined from 43% in 1995 to 37% in 2001. Under the current two-tiered charitable tax credit, donors are eligible for a tax credit of 6% on donations up to \$200 and 11% on donations in excess of \$200.

Governments at all levels are increasingly looking at the voluntary sector to play a larger role in supporting and meeting the needs of vulnerable groups. Additional tools like this one would help us to do that.

In summary on this one, this measure would encourage more charitable giving, help expand shrinking donor bases, particularly among middle-income earners, and it would introduce greater equity in the treatment of donations.

1350

Mr Bill Morris: I'm going to address two issues: affordable housing and the 211 phone information service.

The housing coalition provided significant data for you about impact, so I'm going to dispense with that and move on to some practical suggestions that we'd like to make with respect to the federal-provincial housing initiative.

As I think members will know, the federal-provincial housing initiative was introduced a number of years ago as a cost-shared program, a 50-50 deal between the federal government and the province. We think the program had some very significant shortcomings and we'd like to address those with a couple of recommendations.

First, the program really didn't result in the kind of cost-sharing that everyone expected; that is, the provincial share was never committed to. Essentially, that was passed over to municipalities and the province only committed to forgoing about \$20 million on PST. By doing that, of course, we reduced the number of units that could ultimately be produced through that program and shifted the burden to municipalities.

We think there are a number of initiatives that would allow the province to match those dollars. I know the Liberal government was elected on a platform that included matching those dollars and we'll suggest a couple of ways that we think those matching dollars could be made to improve this program.

First of all, rent supplements: The program did not have any rent supplements attached to it. That meant the housing that was to be produced unfortunately would not be affordable to vulnerable and low-income people. So we'd be having a government program that we were making taxpayer dollar investments in but the people most in need would be unable to access that housing. Rent supplements have been used for many years, both in the private sector and in the non-profit sector, as a way of effectively addressing affordability by providing subsidies directly to low-income individuals and families so that they could afford the housing that was created. We'd strongly recommend that in terms of the provincial matching you consider rent supplements as a way of doing this.

Second, the program did not include any support dollars, and as the coalition mentioned in its presentation, there is a desperate need in terms of supportive housing, particularly for the most vulnerable people in our communities, who don't just need housing but need support services in order to retain that housing and in order to

become more self-sufficient and more contributing to our society. Again, those dollars, we believe, would be a good investment and ensure greater equity in terms of the housing that's produced. One of the ways that we think the province could do this would be to waive the land transfer tax on the housing that's produced. We already waive the land transfer tax for first-time purchasers of new-ownership housing. We think that by extending that exemption to the housing created under this initiative, it would be an easy and effective way for the government to get at some of those matching dollars and do so in a non-cash way.

I'd like to just mention, in terms of provincial numbers, we have about 170,000 households currently on the official waiting lists that are maintained by municipal service providers. So certainly the need is there and I'd suggest that that need should be addressed at the most fundamental level and for those who are most vulnerable.

We'd also like to talk just briefly about 211. I know the committee heard from the United Way of Niagara Falls about this. Very quickly, 211 is a three-digit dialling service that, like 911, connects people by simply pushing three digits on the phone. That easy recollection of numbers means that people can connect to a 211 operator. The service is designed to then allow the person to navigate through what is a pretty complex service menu. We have services that are provided by municipal government, by provincial government, by federal government and by a host of community agencies. Quite frankly, it's a very difficult thing for many people, either people who are vulnerable or people who have never attempted to navigate that system, to find where they want to go. I know that MPPs' offices get these kinds of calls every single day, so you know what I'm talking about in terms of people looking for services and hoping they'll find them at the end of a phone line.

In Toronto, 211 has been very successful. It has also been extremely successful in the United States. There are about 70 million Americans who now have access to 211. We have spent the last two years putting together a five-year rollout plan for Ontario to ensure that all Ontarians would be able to have access to 211.

We'd like to point out that in terms of that initiative, we think that it is attractive for a number of reasons. First of all, United Ways and municipalities are already investing in this area. The province got out of this area in 1995. We think that getting back in and partnering with us would enable us to move up to roll out the 211 service in an expedient way.

Second, in terms of cost savings, right now we have a lot of anecdotal evidence about the kind of wasted time that takes place in every government office in this province by people answering the phone for the call that says, "I don't know whether I'm calling the right number, but," and it goes from there and then someone tries to provide service. By diverting those calls to people who in fact know where to direct people, we can make some significant savings. Of course, the province itself has a number of organizations within its ranks that collect data,

each individually, I might add, and we'd like to suggest that by partnering with us on one good data collection that's done professionally, you have some significant areas of savings that you can look at there.

Advertising is the other area where we have to spend a great many provincial dollars to advertise new and existing services so that the public knows about them. By providing one pathway, we'd suggest that you could look at some savings in that area.

Again, this initiative levers dollars. We think it saves dollars and we think that it provides excellent community service, excellent public service, because it connects people to the services that they are looking for.

I wanted to just add that I know Mr Wilkinson asked a question about where that money might go. This past fall we met with Tony Dean, the secretary of cabinet, to try and get 211 assigned to a ministry, and it was assigned to the Ministry of Citizenship and Immigration. So there is a home for it, and I just wanted to mention that.

We'd be happy to answer any questions that you have on our presentation.

The Chair: Thank you very much. We have about three minutes left, so it will go to just one party, and in this rotation it goes to the government.

Mr Wilkinson: It's good to see you. Thanks for letting us know about that.

The previous government instituted the regional business offices. Are you aware of those?

Mr Morris: Yes.

Mr Wilkinson: If we went to 211, would we keep those offices, in your view of government services, and then redirect people there, or would that make those offices redundant?

Mr Morris: No, we don't think it does. We've met with the government information offices run by the Ministry of Consumer and Business Services, and certainly they don't feel a threat either. They provide a very vital service in terms of provincial services. We actually work very closely with them in terms of the Toronto 211 service and cascading people to that when it's appropriate. Of course, they are only one part of the puzzle, an important part of the puzzle, but they are set up to do a particular service. We think 211 fits nicely and quite seamlessly with it.

1400

Mr Wilkinson: I agree with you, because in a sense, just to get people to understand that there is that office and there is a number and where it is, it would just be so much easier if we went to 211.

When we were in Niagara Falls, they made the same presentation. You want to roll this across the province. They were saying that they're the next logical place for it to be rolled out because I think they have the infrastructure ready to go. What about in this region?

Mr Morris: In this region there has been a planning committee. Ron, I think you can probably speak to it more than I can. I would just say that we have planning groups in place in virtually every region of the province and a model that certainly sees how those would fit into a

seamless system. But I'll let Ron speak to the local situation.

Mr Dowhaniuk: There has been a local committee that has been looking at this. However, I would suggest that probably the best place to look is the 211 report provincially that has just come down—it was released I think in the summer of this year—about a rollout across a number of communities that are ready to go after the initial pilot in Toronto. Certainly Niagara is one of those communities, and I think the Barrie-Simcoe area is another one.

Mr Wilkinson: Just to refresh all of us, what is the amount of money you're requesting on the rollout?

Mr Morris: To mobilize the rollout is about \$3 million in this year. The full cost is what we're looking for in the budget to be put to the Ministry of Citizenship and Immigration. The full cost of a fully implemented service is about \$16 million in our study. We estimate that about a third of those dollars are currently on the table.

The Chair: Thank you for your presentation this afternoon.

TOGETHER IN EDUCATION

The Chair: I call on Together in Education.

Mr Prue: While they are coming up, could I put the Chair on notice that I intend to file a motion this afternoon?

I hope you heard that: just one.

The Chair: Good afternoon. You have 20 minutes for your presentation. You may allow time for questions within that 20 minutes. I would ask you to state your names for the purposes of our recording Hansard.

Mr John Ryrie: My name is John Ryrie. I am currently district president of the Ontario Secondary School Teachers' Federation, Waterloo. With me today, on my left, is Rick Moffitt, communications officer of the Elementary Teachers' Federation of Ontario, Waterloo, and on my right is Bill Brazeau, president of the Waterloo unit of the Ontario English Catholic Teachers' Association. Jointly, our affiliates make up an organization in Waterloo that we have called Together in Education. For about 15 years we have been working together to advocate the concerns of educators in our local publicly funded elementary and secondary schools. We take opportunities such as this one today to convey to government representatives the state of affairs in our schools. We appreciate the time you are giving us today.

At the outset, and on behalf of TIE, I'd like to thank the present government for Bill 2, wherein \$2.2 billion of taxpayers' money slated for corporations will go instead to sustaining the citizens of our province who need it. We are also better off for your decision to cancel the tax credit for private schools. I'd like to thank you as well for committing \$122 million this year to assist Ontario's most vulnerable students. They need it. And I'd like to thank you for scrapping the legislation which would have exempted seniors from contributing taxes toward public education.

It is in this positive context that we would like to outline our concerns.

Mr Bill Brazeau: Thank you for this opportunity to address the following four concerns on behalf of Ontario's teachers and students: EQAO testing, textbook funding, funding for specialty teachers, and technology to support expectations.

The Education Quality and Accountability Office has an assessment advisory committee comprised of trustees, directors, superintendents, principals, teachers and parent groups. Our representative at the Ontario Teachers' Federation, which is the umbrella organization for the various affiliates, advised us at the OECTA council of presidents last week that the committee is refusing to discuss the issues around testing instruments in use for grades 3, 6, 9 and 10 students and around the methodology used in determining the four levels of achievement.

More than \$50 million is being directed annually to standardized testing in our schools. The results do not justify this tremendous expense. The testing does not account for local anomalies in school communities. Quite unjustly, schools are then ranked in local newspapers. Students and staff who are not in highly ranked schools become discouraged and demoralized.

As a province, we would be far better off if the ministry let local boards evaluate and address their success, or lack of it, with sensitivity to and knowledge of their school communities. Local school boards can identify solutions for problem areas and do all of this at a fraction of the cost of standardized tests. We need the dollars in other areas.

Setting aside the financial aspect, our entire revamped curriculum is being dominated by preparation for the tests, administration of the tests and the post-mortems after the tests. This is a gross misuse of instructional time.

This week, we will hear the results of the court challenge launched by parent groups concerned that the grade 10 literacy test is misconceived and discriminatory, especially for ESL students, special education students and students in applied programs. This particular high-stakes test is needlessly adding to the red ink in government books. I have attached to our submission an article by ETFO entitled Talking about Testing.

My second item of concern is textbook funding. Funding for textbooks in the elementary and secondary panels needs to be increased dramatically. When curricula were changed, condensed and relocated to other grade levels, there was not sufficient funding allocated for resources to support the changes.

At the beginning, many texts were not available, and today we still have some courses that do not have textbooks at all. When they began to appear, they were at very high prices. At the same time, the level of funding was dropping and boards were obliged to take money from other funding envelopes.

Now, newer and better, but more expensive, books are appearing, and the original new texts are in need of replacement. The scenario is deteriorating and needs to

be addressed with new dollars, not dollars reallocated from other areas. The large discrepancy in per pupil funding in the elementary panel and the secondary panel contributes greatly to this problem.

Restoration of funding for specialty teachers: Our elementary students deserve to have access to teachers in art, music, physical education, guidance, library and technology. When these subjects are reduced or eliminated in the elementary panel, and when the number of elective courses in the secondary panel is decreased, we are closing doors to viable careers and lifelong interests for the students of Ontario. Most boards have decreased or eliminated their consultants and itinerant teachers in these specialty areas. A significant number of families in Ontario cannot afford to pay outside of the education system for instruction in these very important areas.

Technology support: The provincial report card is dependent upon technology. Boards require adequate funding and annual increases to this funding. We need adequate telephones in workplaces set aside to communicate with parents, and we need computers and Internet services during the workday to do our jobs. This is a matter of quality education, safety and efficiency.

The Ministry of Education also needs to spend significant dollars to address the huge problems associated with its Trillium computerized reporting and timetable scheduling system. Trillium has caused nothing but scheduling headaches and excessive stress for guidance teachers and secretaries, who continue to spend inappropriate numbers of hours to solve administrative problems, especially in August, September and February. Trillium is simply not meeting the needs—such as access to information, reasons for absences, attendance, schedules or behaviour patterns—of teachers or support staff at the local level.

In summary, current funding for resources is failing our students.

Mr Ryrie: I'd like to talk for five minutes about three budget challenges that can or will impact on Waterloo.

First, I'd ask, are you going to support community schools? The current funding model clearly doesn't.

In south Cambridge, we have a fully functioning high school of 1,200 students. By a highly contentious six to five vote last June, our trustees voted to close Southwood Secondary School in June 2006, largely to allow the board to build a new high school in southwest Kitchener and upgrade other secondary schools in Cambridge.

The inherited funding model does not support keeping all five high schools in Cambridge and opening the new one in Kitchener. We have had a fire of controversy over the closing of this school for over a year. The decision-making process has consumed the energy and focus of the school board and the community and has not let up.

At present, we are getting a mixed message. The minister appears open to the possibility of changing the funding model to allow communities to keep open those schools slated to close, but that's not clear. In the meantime, the board can't plan properly for either eventuality, because there is no firmness to either option. The

teachers I represent need to know what is going to happen in 2006. The indecision is an acid that is eating away at the morale of this particular high school, and in turn is not good for students.

1410

The amount of additional money required to keep Southwood open is reportedly substantial; I won't pretend otherwise. It's in the millions of dollars. You need to decide if your commitment to community schools extends this far, or not. Our board is supposed to know by the fall. In our view, that's too late. We need to know much sooner.

The second challenge links directly with the long-term goal of keeping students in an educational program to age 18, which is the Liberal vision. We used to have three streams of students: basic, general and advanced. Personally, I never liked these labels, but they at least recognized that students arrive in high school with a wide range of abilities. We need programs for each group. The previous government decided there were just two types of students: applied and academic. But this simplistic approach has not worked.

To give just one example, 78% of applied students failed the recent grade 9 test, and almost 50% of all grade 9 students failed this test. There isn't that much wrong with our students. There is something very much wrong with our curriculum.

The one-size-fits-all approach to curriculum is also reflected in the grade 10 literacy test that Bill's already mentioned. There are 28,000 students who are presently at risk of not graduating this year, even though they will have passed 30 ministry-approved courses. Most of these students come from disadvantaged backgrounds. We will not keep these students in school to age 18 if we don't give them school work they can handle, and fair assessment. The challenge for you is to put resources from your budget into revising courses of study, and reinvesting in resources such as shops and apprenticeships so that our less able teenagers are genuinely served by their schools.

The third challenge is possibly revenue-neutral, or a savings in transportation costs. This challenge is to give educators the time to do their jobs. Bill 160 took professional activities away from all educators and took exam days away from high schools. The result has not been beneficial to students, parents or teachers, and here are some of the consequences. The massive curriculum changes were poorly supported, rushed, inconsistent or confusing because no time was given in the school year to in-service the changes. Elementary teachers and parents have been given less opportunity to discuss student progress, which is inherently counterproductive. Additional days for curriculum instruction have been clawed back by days of standardized testing and preparation for the test that Bill talked about. That's a zero-sum game. You gave us more instructional days, but you took them back through the testing, and our students are not better off. Virtually no secondary school has been able to squeeze all of the necessary work associated with the biannual exams into 10 days—and I invite you to talk to

any semestered school and check that out—nor have students been well served by this structure. Semestered schools right now, because we just started, are building the plane as it takes off in coping with and accommodating student results from the first semester. It's not a good way to set up our system.

We need some of the lost days back. We think you could restore four or five of these days, and contribute a lot to students by supporting the educators who need the time to do what you want, which purportedly is excellence for all.

In my last 60 seconds, I'd like to make an editorial comment. I think it fits with some of the other comments you've heard as you've gone around the province. I find it very curious that, for all of the consternation about raising taxes, no one, to my knowledge, has been able to make the claim that upper-income Ontario citizens really suffered from those higher taxes they used to pay, that they went unfed, unclothed, unwashed, undiagnosed, unhoused or unschooled. I include myself in this group of taxpayers.

In contrast, we know that we have never had so many homeless, or had so many children relying on food banks, or had the lineups for help for special education students, or the long waits in emergency departments, that we have had since we cut these taxes. Ironically, though they don't want more taxes, the people of this province are prepared to give up billions of dollars for their legalized gambling.

I think we've got our priorities wrong. There is a cost to having a civilized society, and the cost is taxes. I think we have helped the wrong people for eight years, and it's time to clean up the mess.

Mr Rick Moffitt: As Mr Ryrie indicated, Together in Education represents over 5,000 teachers in the Waterloo region, and we teach approximately 80,000 students in 150 schools locally. TIE members are passionate about providing an excellent education to our students. We are proud to be teachers, and are committed to being the best teachers we can be.

The starting point for any meaningful discussion is the Rozanski report and its recommendations. These are not the end point for discussions, however, for while admirable in identifying the inadequacies of the funding formula, the recommendations do not speak to the quality of education we wish to see our children receive. The recommendations do not speak to how we ensure that students receive the best possible education. Simply put, the Rozanski report says we need \$1.8 billion in education to repair the inadequate levels of funding experienced in the last five years of Conservative government.

To know where we are really going, both educators and students need to see a schedule for implementing—

Interjection.

Mr Moffitt: Listen; I didn't expect you to listen now. You didn't listen when you were the Minister of Education, Liz—the Rozanski recommendations as promised by the Liberal Party during their campaign.

The school system of our students also needs to see a mechanism that will make automatic adjustments for in-

flation, because without this protection Ontario's students will again experience an erosion in funding like they experienced in those five years prior to the release of the Rozanski report.

We need to see a funding announcement for the 2004-05, 2005-06 and 2006-07 school years that will allow school boards to negotiate viable three-year contracts as required by legislation. If the Liberal government is serious about its desire to have a stable educational environment for students and to rebuild teacher morale, this announcement must be made soon.

For a number of years, elementary teachers have been advocating for a reduction in elementary class sizes similar to the levels currently funded for secondary schools. The new Liberal government intends to cap primary classes at 20 students, and we urge you to move on this as soon as practicable. Working with teacher federations and school boards, we can overcome obstacles to the implementation of these smaller class sizes. We hope too that the government will follow this up in the near future with a reduction in class sizes at both the junior and intermediate level as well.

As many of the committee members may be aware, Bill 160 intended to provide 200 minutes of preparation time per week for teachers in the elementary panel. However, there has not been a corresponding connection between the funding formula and the legislation. The current funding provides school boards with the means to cover the cost of less than 140 minutes of preparation time per week. Teachers need the time to prepare for classroom duties, meet with parents, meet with their colleagues, other professionals dealing with their students, prepare report cards etc. Our teachers and our students are being shortchanged by the current funding for this.

An area partially addressed by the Rozanski recommendations is funding for elementary school principals. We hope the government will make a financial commitment to having a full-time principal in all schools. Every school also ought to have both a secretary and a custodian. The school-day presence of these adults is more crucial than ever before in ensuring the safety of school premises.

For special education, the previous government added \$250 million in the immediate aftermath of the Rozanski recommendations, but at least another \$100 million must be added to the funding formula to maintain ISA funding at the current levels. Previous funding was inadequate. Without this funding, our students will once again find themselves languishing on waiting lists for special education. We can't paper over student needs by substituting education assistants for teachers who are specialists in the special education area.

ESL students in Waterloo are also having some difficulties. We need to look at ESL funding. We have four difficulties in this area. Immigrant children arrive from stable countries but speak no English. We have children in our Mennonite communities here in the Waterloo region. We have immigrant children who arrive after

spending one or more years in Quebec. We also have a large number of immigrant children who are from refugee camps and have no school experience whatsoever. For ESL funding, we need to return to the five-year funding model. The three-year funding model is not sufficient time for these students to become competent and we need to attach funds to real students, not according to formulas.

I'd like to conclude with some commentary. We seem to have some real or imaginary constraints on funding. It relates to the revenue-expenditure relationship that the government has been talking about a great deal and continues to talk about. We desperately need to rebuild government services after years of chronic underfunding by the previous government. The citizens of the province are aware of this and it's clear that the voters did in fact choose change. We'd like to see change. It's unacceptable for the Liberals to contemplate giving us the same style of government as the recently defeated regime did. Tax revenue must be increased. Our expenditures can't be shrunk any more than they have been shrunk by the previous government. Those who benefited the most from the unjust distribution of tax cuts from the previous government must be prepared to help restore existing services and emerging services. We all understand that being a citizen involves having responsibilities as well as rights. We are citizens who pay taxes; we are not taxpayers who happen to be citizens.

It strikes me that some of the announcements and newspaper reports that we've seen in the last day appear to suggest that those involved in public service somehow are going to be asked to once again fund the government's public costs. The reality is that when those cuts were made, those dollars and cents did not flow to your public servants. Teachers didn't receive huge pay raises; none of the public service did. In fact, that money flowed to large corporations and to people who had higher incomes. Quite frankly, that's the group of people that needs to make a contribution toward moving our services back to where they were.

I'd be happy to take questions.

1420

The Chair: We don't have adequate time for questions and answers, but the committee thanks you for your presentation today.

WATERLOO REGION HOME BUILDERS' ASSOCIATION

The Chair: I call on the Waterloo Region Home Builders' Association. Good afternoon. You have 20 minutes for your presentation. You may allow for questions within that 20-minute period. I would ask you to identify yourself for the purposes of Hansard.

Mr Scott Gareau: Good afternoon. My name is Scott Gareau. I am president of the Waterloo Region Home Builders' Association.

I appreciate the opportunity to speak with you today to deliver an important message from our local residential

construction industry. I would like to talk to you about the key issues our industry feels are important for the provincial government to be aware of and work with us on. Before I begin, I'd like to tell you a little about myself and our association.

I've been involved in the residential construction industry for nine years and am president of Trillium Estates Ltd. We have been developing communities since 1983, and our firm is proud to have developed two distinct communities in Waterloo consisting of over 2,000 homes.

Our home builders' association has three distinct levels: the local association—in our case we represent the Waterloo region—the provincial level, and the national level. My volunteer involvement in the industry has provided me with the opportunity to represent our local home builders' association on the board of directors of the Ontario Home Builders' Association and the Canadian Home Builders' Association, as well as being a member of the Canadian Home Builders' Association's urban council, which was formed to focus on issues unique to large urban centres across Canada.

The Waterloo Region Home Builders' Association is the voice of residential construction in this region of the province. Our association includes 211 member companies involved in all aspects of the industry, professionals that include financial services, surveyors, planners, engineers, marketing firms, suppliers, manufacturers, trade contractors, renovators, developers, and, as the name says, builders. Our local association is the fourth largest of 31 that together form the Ontario Home Builders' Association.

As a group in town here, we have strong relationships with the local municipalities and regional governments and the Grand River Conservation Authority. We have long-standing liaison committees working together on areas we can collectively improve.

A bit about our industry and its impact on the economy: We have estimated that our industry directly employs over one quarter of a million people and contributes about \$30 billion to the province's economy every year. It's estimated that each average housing start generates approximately 2.8 person-years of employment. With 85,000 housing starts last year, Ontario's new-housing industry provided 238,000 person-years of employment.

Locally, our housing market has continued to be one of the key economic engines for the region of Waterloo. The Kitchener market averaged over 4,000 starts in each of the past two years. This represents about 11,000 person-years of direct employment from last year's starts in this region. In addition, obviously our industry supports hundreds of jobs indirectly. In Ontario, it's estimated that each new house generates \$40,000 to \$50,000 in taxes and fees—

Mr Colle: On a point of order, Mr Chair: Did we get a copy of the presentation?

Mr Gareau: No, sorry. I didn't have one. I'll leave some speaking notes. I apologize. I should have—

Mr Colle: I'm trying to keep some of those stats—

Mr Gareau: I apologize that I didn't bring them. I'll leave the speaking notes, so you will have them.

Mr Colle: That would be fine. Thanks.

Mr Gareau: I'm sure you'll hear them from other delegations.

Mr Colle: It's just that I was interested in the Waterloo numbers.

Mr Gareau: Absolutely.

I was saying that each house generates \$40,000 to \$50,000 in new taxes and fees collected from all three levels of government on the purchase price alone. Again, from our area's 4,000 starts, that is over \$160 million in tax revenue to governments from our construction, as well as the ongoing property tax revenue.

At first glance, you may think our industry is a healthy, vibrant one that does not need much attention from our provincial government. Yes, our industry experienced a record number of starts last year, but there are some real underlying issues that haven't been addressed for a number of years, and they will have an impact on the industry's performance in a very real way, which will have a direct impact on the economy.

I would like to speak to you on four key issues of importance to our industry, and comment on a couple of existing programs. The four key issues I'd like to cover are infrastructure investment, growth management, skilled labour shortages, and taxation, everybody's favourite.

I'll start with infrastructure investment. The fact that there is now a Ministry of Public Infrastructure Renewal is positive news to our industry. It's a recognition from the provincial government as to the importance of infrastructure investment.

Our region has grown tremendously, and our infrastructure investments have not kept pace. When we look at the area of transportation, our region requires a long-term investment commitment. The new interchange that's under construction at Highway 7/8 in Kitchener is an example of a project that is long overdue and so much needed in our region. The entire link from the 401 to our community is at a level that is impacting the quality of life by increasing the amount of time that people take to move around in our community. Transportation links are extremely important in achieving balanced growth. It is critical that the government ensures efficient transportation links between neighbouring communities—for example, between our region and Guelph, which is a critical one—as well as that mass transit is reasonably priced. Our region's transportation network within the region and the links to the Toronto region are in need of infrastructure investment in order to maintain a balanced level of growth and quality of life.

With regard to the province's investment into infrastructure, I ask that you recognize the importance of our region's economy and commit an investment level that's on par with other communities. I respectfully ask that the Ministry of Public Infrastructure Renewal not focus solely on the greater Toronto area and ensure that investments are made in our region.

The Waterloo Region Home Builders' Association is also in full support of the government's promise to allocate two cents per litre of the existing gas tax toward transportation infrastructure. While we understand that the government has tough choices to make with regard to the \$5.6-billion deficit, we urge the government to go ahead with this promise as soon as possible. We further recommend that if the full two cents per litre cannot be allocated this year, it be phased in over time.

I'd like to now talk a bit about growth management. As our community has grown over recent years, the issue locally of growth management has come to the forefront. Locally, the regional municipality of Waterloo has developed a growth management study that has already had an impact on our local industry in that it has limited the amount of residential land. With this restricted supply of residential land, we are concerned about the affordability of homes in the region. One of the most attractive characteristics of living in our community is the affordability of homes and the quality of life that comes with it.

One of the central components of our region's growth management plan is the goal of intensifying downtown core areas. Building residential construction downtown, which is typically high-rise buildings and typically on brownfields, is challenging. Our industry is committed to working toward adjusting to being able to undertake these types of projects. Predominantly in our area, we are residential builders. We will need the commitment of the provincial government to work with ourselves and the regional and municipal governments as a collective group to change the way we all operate in order for these types of lands to be developed successfully. We are very willing to offer consumers a wide range of housing choice, given the practical capacity to do so.

Now I'd like to talk a bit about the skilled labour shortage. The shortage of skilled labour is a major concern for the construction industry in Ontario. It has been a top concern for our members over a number of years. The number of young people entering the industry is not offsetting the increasing number of skilled tradespeople who are retiring. Informing and educating the public about opportunities available in the construction industry, as well as dispelling some of the negative stereotypes associated with skilled trades, is a major challenge for the industry and the government.

Our association locally is proud to have five of our builders working with the local school boards on programs to help introduce students to the residential construction industry. Each of these builders is having homes built by students. Working right alongside the actual tradesperson, the students are hands-on and building these homes from the ground up. Students in their first year of the program work on all aspects of the house and then later on they get to choose which specific trades they're interested in.

1430

This local program is working and has grown over a number of years. However, a larger effort is needed in order to solve the skilled labour shortage that the industry

is facing. We're asking the province to make this a priority and do what it can to help solve this problem. This is one of the problems I talk about. While today it seems fine, guys are building—we're building 85,000—believe me, to anybody you talk to in this industry it's a real problem that is going to turn around, and we're not going to have the capacity to carry on building. It's a real issue that has got to be addressed.

Taxation: New housing is the highest-taxed industry in Ontario after tobacco and alcohol. Excessive regulation and over-taxation in the home building industry have pushed the price of new homes higher and higher, which in turn has put home ownership out of the reach of many families. Total taxes, fees and charges paid by the home-buyer can be up to 30% of the cost of a new home. Our industry cannot absorb any further taxation. Just so you know, there are fees for when the applications are made for plans, you've got development charges, you've got taxes, you've got all the GST. There are taxes throughout there. When you think about the taxes and fees, they're everywhere.

We understand that the provincial government does not support further tax reductions at this time. However, there is one tax that is very onerous. It's the capital tax. The capital tax punishes investment, costing jobs and deterring investments and innovations. Capital taxes are punitive and unfair, as they do not reflect profitability. Asset-intensive industries like real estate are severely penalized. The previous government's commitment to eliminate the capital tax sent a positive message to the business community, and this commitment should be kept.

There are two other programs I'd like to talk about which we feel should remain as they are. One is the Tenant Protection Act. In the past year, Ontario has finally turned the corner in the production of private rental housing. Investors are returning to this market, and private rental construction of new units is increasing. Since the Tenant Protection Act was introduced in 1997, private rental starts have increased by 400%. In addition to this new supply, landlords have invested over \$1 billion per year on upgrading and maintaining existing rental properties across the province.

From 1999 to 2001, our local market had one of the lowest vacancy rates in Ontario. It was less than 1%. It was leading the country, up there with Toronto and Ottawa. Now, for the second straight year in our area—the Kitchener CMA rental area—the market has eased significantly. The 2003 apartment vacancy was 3.4%, which is up sharply from 2.3% the year before, in 2002. This is proof that the Tenant Protection Act is working. The proposal by the provincial government to repeal this act would have devastating consequences on the new rental construction industry.

The final program is the land transfer tax rebate. We're concerned about the potential changes to the land transfer tax rebate for first-time buyers of newly built homes. Since its introduction in 1996, rebates totalling approximately \$196 million have helped more than

135,000 Ontarians purchase their first home. This has certainly contributed to the strong growth experienced in the new housing market. Our association supports provincial initiatives to target growth toward brownfield and infield sites—that's great—but our membership is concerned that any changes to the land transfer tax may place new housing out of reach for many young families. We recommend that the province investigate other means of either providing consumers with a tax break for purchasing in new housing target areas and targeted growth or providing builders with incentives to build in these target areas of the province.

That concludes my presentation today. I'd like to thank you for your attention and interest in our presentation. I look forward to hearing any comments, and I'm happy to answer any questions.

The Chair: We'll begin with the official opposition, and we have about two minutes per party.

Mrs Witmer: Thank you very much, Mr Gareau, for that presentation. I'd just like to take another look at the skilled labour shortage. I know the builders in this community have done an outstanding job of partnering with the schools. Is there more that you think we need to be doing at the provincial level in order to respond to your need in the homebuilding industry for skilled tradespeople?

Mr Gareau: I've had experience through OHBA and CHBA, talking to folks. You say, "This is what we're doing about skilled labour in our area," and other people say, "Yeah, we're trying to get a program off the ground as well," or "We don't know how to address it," or "We're not dealing with it." From the provincial level, there's obviously not an initiative or support. It's very grassroots. Perhaps our board is very motivated toward that, whether it's teacher-driven, saying, "I want to get kids involved." It seems like it's haphazard across the province. It's certainly not a coordinated effort province-wide from education. Education is one aspect. The other aspect of the problem that we're dealing with federally is the immigration side of things, to get more people here.

Mrs Witmer: What are the areas right now where you're suffering a severe labour shortage?

Mr Gareau: I think bricklayers is one area. I'm not a builder, so I'm not hiring these guys day to day, but bricklayers, drywallers, framers. It's pretty much across the board. I know bricklayers are always the key ones, but it's across the board, and it's the perception of what trades are. When you get into it, it's a great industry. Anybody I've actually met who's involved in it, they're all entrepreneurs. It's more than just swinging a hammer, which is the perception of it.

Mrs Witmer: I had a chance to visit, and the students are thriving in that environment itself.

Mr Gareau: Absolutely.

The Chair: We'll move to the NDP.

Mr Prue: Of the 4,000 starts you've built in this region in the past year, how many of those were rentals?

Mr Gareau: I don't know off the top of my head.

Mr Prue: Is it safe to say it's about the same as the rest of the average in Ontario, about 3% or less?

Mr Gareau: I would think we're probably higher over the past year because there have been a number of rental projects built, as I indicated. You can tell by the vacancy rate that there have been—

Mr Prue: No, the vacancy rate has nothing to do with that. Don't give me that. You don't know how many?

Mr Gareau: I don't. Sorry.

Mrs Witmer: It probably is higher.

Mr Gareau: I would think it's higher, just by driving around and looking at what's under construction.

Mr Prue: So it could be 4% or 5%. You could have built up to 200 units. How many units of rental property were taken out of the system in that same time through condominium conversion and demolition?

Mr Gareau: I'm not sure.

Mr Prue: Today we heard there was a net decrease in rental properties in this region by 338 last year. Obviously you didn't build very many.

Mr Gareau: I can't comment. I don't have the stats.

Mr Prue: OK. Why would you think the Tenant Protection Act, which does nothing to protect tenants, is working? Is it simply on the basis of the vacancy rate or is it based on anything else, like the eviction rate?

Mr Gareau: My thoughts on it are that it's from—

Mr Prue: There were 228,000 applications for eviction last year in Ontario.

Mr Gareau: OK. I'm not going to challenge you on this.

Mr Prue: It's not because you're building any properties or because that act helps you build those properties. That's a non-factor, is it not?

Mr Gareau: No, I think the fact that there is an opportunity, from a business case, for somebody to invest, purchase land, buy and build rental projects and operate rental projects on an ongoing basis—that act has changed to make the economics work a bit better in order for somebody to go out and build a new rental project.

The Chair: We'll move to the government.

Mr McMeekin: As I listen to various presentations in committees like this and in my own riding, I'm trying to get a feel for the balance. I heard a lot about profit; I heard a lot about conditions. If the good Samaritan hadn't had money, no one would have remembered him, I suppose. But all of that aside, I was listening closely to hear anything about social responsibility, social housing and whatever commitment the home builders might be prepared to make. Specifically, in fairness, what conditions, what initiatives, what sort of programs or incentives can government be working with you and other associations to put in place so that we could partner together to meet some of the social housing needs that exist in the community? I think Mr Prue was beginning to get at that, but let me ask it directly. What sense of social responsibility does your association have, and do you have any suggestions for us as to how we can partner to advance that particular aspect of the housing market?

1440

Mr Gareau: To answer the first question, I think if you get to know us there's a social conscience. I'll use an example in the region of Waterloo.

Mr McMeekin: I'm sure there is one. I just didn't hear it.

Mr Gareau: No, but there is one. There are subsidies, grants and incentives that are there from the province and the regional governments that make up X amount per unit and it's based on having the builder commit to a reduced rent. Those programs are there. I'll give you an example of one: Cook Homes. Ian Cook got into that program and has built some homes. He has worked with the region on it and there are programs out there that he has actually taken advantage of and is building.

What I think needs to be done is let's roll up our sleeves and get down to it. Our builders are capable if given the capacity to do it. Let's roll up our sleeves, look at the numbers and get builders in place. Yes, there has to be economics. There are risks and costs to constructing things. We're not here looking for a handout to do it. We're happy to sit down and roll up our sleeves. I think our organization has approached the government. The Ontario Home Builders' Association certainly has, in terms of working, and the Canadian home builders' is certainly willing to sit down and work to solve these problems.

The Chair: Thank you for your presentation this afternoon.

INCOME SECURITY WORKING GROUP

The Chair: I call on the Kitchener Downtown Community Centre Working Group. Please come forward. I'm sorry—I'm out of order myself here. The Income Security Working Group, please come forward. You have 20 minutes for your presentation. You may leave time within that 20 minutes for questions if you wish. I would ask you to state your names for the purposes of our recording Hansard.

Mr Murray Lumley: My name is Murray Lumley. These are two friends and neighbours who are with me. I'll try to go through my part as quickly as possible because I want to give them the bulk of the time. My little presentation is called Enable People to Pay the Rent and Feed the Kids. The other document that goes with that is a separate document that is stapled and is called the Income Security Working Group of Hamilton Statement of Goals: Campaign for Adequate Welfare and Disability Benefits.

Thank you to the members of the Ontario Legislature's standing committee on finance and economic affairs for providing us with the opportunity to speak to you about a matter of much gravity to the well-being of many Hamiltonians and Ontarians. I recognize my MPP Ted McMeekin and Judy Marsales from Hamilton. We've met before. I'm not sure if I've met anybody else. I'm accompanied, on my left, by Carol Ann Nelson of Freelon and, on my right, by Darlene Burkett of Dundas.

We're all members of and represent the Hamilton Income Security Working Group's campaign for adequate welfare and disability benefits, which we want to tell you about.

We've been meeting and working biweekly since last March to produce the statement of goals that you have before you and I'll refer to briefly in a moment. Campaign membership is diverse and includes our friends and neighbours who find it necessary to be on social assistance. Other citizens have joined in this campaign out of concern for the suffering we see all around us. These include members of the provincial Interfaith Social Assistance Reform Coalition (ISARC), which I'm a member of, which has conducted social audits in Ontario communities including Hamilton in 1997 and 2003; members of legal and community clinics; the Hamilton Social Planning and Research Council; members of helping agencies such as Good Shepherd, Welcome Inn community centre, Wesley Urban Ministries; church groups such as the School Sisters of Notre Dame, the Catholic diocese of Hamilton, the Unitarian Church, the Christian Reformed Church and members of other churches and faith groups. All of us are speaking out on the extreme poverty in which our friends and neighbours find themselves due the inadequate food, personal and shelter allowances provided by Ontario Works and the Ontario disability support program, and the low level of the minimum wage. Thank you to the new government for beginning a sequence of raises to the minimum wage. As you know, welfare rates were cut by 22% in 1995 and there have been no increases for inflation despite ever-rising costs of living.

I now refer you to the Statement of Goals, the stapled two-page document you have before you, which represents the distillation of five months of discussions at our biweekly meetings. This statement is primarily directed at the levels of government that provide the funding for social services. We're very aware that municipalities like Hamilton have had much of their social services responsibilities downloaded on to them by more senior levels of government, such as the province, and that is why we are here, while also appealing to you. I presented this to the city too and I think that line is still directed to the city of Hamilton.

Our Statement of Goals begins with an appropriate preamble entitled "Let's Care for Each Other." Under the heading "Framework for Reform," is mentioned the inadequacy of the previous provincial government's service delivery model which we know by the documented experience of those served is more bureaucratic and less helpful than it should be, resulting in some leaving the system for the street.

This heading is followed on page 2 with our long-term goal, and I'm not going to read that. I'm want to save time, so I'm going to skip that little part of the paragraph that you can read for yourselves.

Then the long-term goal is followed by short-term goals for Ontario Works, for the Ontario disability support plan, and some goals that apply to both OW and ODSP.

Joanne Santucci, a resident of Hamilton, is the director of the Hamilton Food Share program and she has come to speak to our group as well. She has said in the Hamilton Spectator that an average of 15,000 Hamiltonians visit our seven food banks per month. Hamilton's social planning and research council reports that over 100,000 people, or more than one fifth of Hamilton's population, are living below the poverty line, and ever-growing numbers of these have no alternative but to augment their food requirements via food banks.

We hope you agree that more than one fifth of Hamilton's population living under these conditions is an unconscionable and intolerable situation. The campaign calls on the new Liberal government of Ontario to seriously examine the goals we have spent so much time producing and to act on behalf of the most vulnerable of our citizens, who have been so shabbily treated over the eight years of the previous Ontario government.

We think there is no other solution. I'm sure you are aware that Canada has signed on to the United Nations Covenant on Economic, Social and Cultural Rights, as well as the UN's Universal Declaration of Human Rights. Both documents guarantee citizens the right to shelter, adequate food, and other social and cultural rights. Right now, many of these basic rights are being denied to a huge Hamilton and Ontario constituency. We call on Ontario's elected Legislature to make one of its priorities over the next few months the adoption and promotion of the set of goals created by citizens of Hamilton and Ontario.

Thank you. Should we just carry right on through the three of us?

The Chair: Yes, please.

Mr Lumley: OK. I'd like to give the time to Darlene.

Ms Darlene Burkett: Our heading, "Let's Care for Each Other": It is disturbing that our cries cannot be heard at the federal or provincial or city levels of government.

In 1994, I was involved in my second car accident. I was left with no social supports due to no-fault insurance. I had no family.

In 1994, I managed to pick up a few computer courses and a co-op job placement at St Mary's High School. I took out bank loans to consolidate credit card debts. I paid up loans and was financially in good credit standing.

In 1995, when the cuts to welfare family benefit allowances were implemented, I was breast-feeding a newborn, but I was only eating twice a week; in good times, once every two days. To do laundry, I boiled clothes in a pot over the stove. Feeding my family of three was very difficult. Food from the food bank was past the expiry date most of the time, including baby food cereal. It was quite a parental moral decision to make. I was forced to max my credit cards to cover diapers and food for my family. I lost my good credit rating.

My health deteriorated severely, so I applied for the Ontario disability support plan or ODSP. My application, of course, was denied twice. At this time, I had fibromyalgia, which is a muscular disease, severe arthritis in

my right hip, moderate disk generation in my spine, and moderate depression and chronic pain.

Only after the third application and with the help of the legal aid clinic and my MPP in Dundas was I able to receive my ODSP benefit. I shared an asthma medication inhaler with my four-month-old daughter. This was considered appalling by the MPP's office staff, and unacceptable to all.

1450

This system, as it remains to this day, not only affects myself but my children as well. It is difficult to tell my children they cannot partake in school trips, hot dog days or pizza days because there is no money. Being socially excluded and isolated from other children, it is hard for them to bear the stigma of poverty, which is difficult to hide from.

My son often asks me, "Why should I try at school, Mom, when we can't afford to send me to college or university? My teacher says I have great potential." What is a mother to say? Our lives have been potentially destroyed by the Social Housing Reform Act of 2000-01. I challenge all of you here to look into this act to see how potentially harmful it is to families and to the future of children.

I would like to emphatically state that my case is not an exception. There are tens of thousands of families who are being oppressed by this system, and 400,000 children are living in poverty in Ontario. The percentage of child poverty in the Hamilton area alone exceeds the national average.

What can be implemented throughout children's lives to help them continue their education and become responsible citizens? Do the children get rolled over to the next generation of hardship? Are we a caring community? Are we a caring government at all levels?

Ms Carol Ann Nelson: I'm a very analytical person. I was an accountant by trade, so what you've got before you is very detailed.

You wonder why food bank usage is on the rise. This is the very reason: Rents in Ontario under the Tories skyrocketed nine times, between 2.9% and 3.9% yearly. That means 27% to 32% more on our budgets was not implemented.

Many of those people who were on Ontario Works were untrained. You do not have the proper supports around them. Many ODSP recipients are being evicted from their homes. Sometimes it is due to not having the minimum incomes to cover the average Hamilton rents of between \$472 and \$713, according to the stats of the Social Planning and Research Council of Hamilton-Wentworth, while the government helped itself in the previous election to a 25% increase. Some time in the future, your Ministry of Housing could devise a standard tenant application and renewal free of discrimination for all Ontario tenants.

How has the Progressive Conservative government used the 22% clawback it took from the poor in 1995? They gave themselves a 25% raise.

As you see in the detailed sheet, cuts to welfare rates in 1995—for a single person, the rent allowance was

\$325. Compare that to a bachelor, at \$472. It does not match. I've given you some specific details there.

If the government will not take the 25% back off the government employees, consider restoring the 22% to the Ontario Works and the Ontario disability programs and increase the living allowance according to the standard-of-living increase, which is about 13% from the time the Tories came to government in 1995 to 2004. The total increase is about 35% from 1995 values to 2004 standards, possibly payable over the next three years.

Clients of residential care facilities should have an increase in their allowance of at least \$50 a month, which they are able to keep and spend on personal needs. All residential care facilities should be 100% subsidized. Raise the rent allowance to meet the Ontario Mortgage and Housing standards of Hamilton, or whatever model city in Ontario you choose, so people do not use their food allowance to keep a roof over their heads. Raise the rent-g geared-to-income apartment quota to meet the demands. The last government clearly stated it was not in the housing business, and we have fallen behind in building low-income housing these past nine years.

ODSP clients receive two parts of their cheque monthly: the shelter allowance, which should reflect the actual rent including hydro, heat, car insurance, apartment insurance and parking. The other basic needs should be spelled out—how the government expects a person to spend that budget. In your packet there you have a budget near the end there. It shows you the different breakdowns of how the spending could be implemented. Explain to us how you expect us to spend \$420 or \$416 on those basic needs.

Child care subsidies in unlicensed care facilities should be from the \$390; from zero to five years; up to \$450. Those that are aged six months to 12 years should be up to \$400.

I'm skipping because I know we're out of time here. Yes, we all need to pay for elected officials, roads, health care, child care, environment, agriculture, correctional facilities, new energy resources, home care and policing. Even insurance should be under the control of the government. But not to provide for the poor of this country is very disgraceful.

If people are unemployed due to downloading or their jobs are taken from them due to free trade and the companies leave the country, the unemployment insurance should bring back the old Manpower retraining program. Work with the federal government to reinstate the old Manpower retraining program with the funding from the unemployment insurance which people have paid in to for years. There was a surplus in that department for a number of years. The actual training will bring into play the assessment of skills of people and actually give them a better advantage in getting a job in the future. In our lifetime, computers have taken over many jobs, yet the people of Ontario have never had any training in this area. You can't expect people to apply for a job they don't have the training for.

No person should have to get permission from the social workers in Ontario disability and Ontario Works

before they can attend medical appointments that a physician or other medical personnel sends them to, nor get permission to be taken in an ambulance. Mandatory special necessity benefits should be reinstated with new principles. Remove the mandatory special necessity forms and let the physicians give their prescription pad notes to OW and ODSP for special necessities such as Ensure, needles for diabetics and special medicines. The word "mandatory" should not be in the vocabulary of the Ontario government.

Eliminate the mounds of paperwork ODSP recipients have to file. Some people who are receiving Ontario disability have very little education, some are illiterate, some are physically or mentally challenged, and they should not have to supply all the paperwork that is now mandatory to receive benefits that they are entitled to as Canadian citizens. They are medically disabled for reasons their physicians have deemed necessary, not the social worker, who does not have the medical background to overrule the doctor. Since when did the social workers have a degree in medicine? Under the Tory leadership social workers in Ontario Works and Ontario disability programs have been given far too much power that they do not have the education for.

Restore the travel allowance to the Ontario disability support programs from the increase of 18 cents to 30 cents per kilometre for gas, repairs and vehicle insurance, which have risen since 1995. City bus passes or tickets should be given to every Ontario disability and Ontario Works client if they are using public transportation. Please use one half of one per cent of the gas tax for those who need the car allowance or public transportation so that this cost can be on the province, not on cities.

Further, people on Ontario disability have been told that they have not been able to get some of their prescriptions because they are not on the approved list. Some are not receiving dental care.

The Chair: You have about two minutes left in your presentation.

1500

Ms Nelson: OK. Winter clothing allowance should also extend to parents and children who already have a clothing allowance for the winter. Single people do not have enough money to purchase new things and must resort to second hand clothing. Please allow \$200 per adult, and for the children, which can be paid in August and October for the winter supplies.

This is a very sore spot for us, because we live in the rural area and Hamilton has only subsidized homemaking in Hamilton if you live 15 minutes from the downtown core—I live 40 minutes away. We need the province to reinstate their 80% goal to help match the 20% our city has for housekeeping. A lot of us are not under the new community care access mandate, because we don't need personal care.

Please give some training in medical disabilities to social workers at Ontario disability and Ontario Works. Most don't understand what we have to put up with on a daily basis. Then we get deplorable and discriminatory vocabulary thrown at us when we come and ask for help.

Lastly, with regard to tenant applications and renewals, no tenant should have to surrender income tax information to a property owner or manager. Income tax is a federal jurisdiction, and the province under the Tories has violated the Privacy Act by requesting that this information be submitted as part of the rent-gear-to-income application. Ontario Works and Ontario disability clients report all income to their workers monthly, and it should only be they who give the verification for their clients. A social insurance number is a private matter between the income tax department and an individual person. Please remember that those receiving Ontario Works and Ontario disability support payments give back to their community by spending practically every cent you invest in them. So we are supporting our local economy.

The Chair: Thank you for your presentation this afternoon.

PAY THE RENT AND FEED THE KIDS WORKING GROUP

The Chair: I call on the Kitchener Downtown Community Health Centre working group. You have 20 minutes for your presentation, and you may leave time within that 20 minutes for questions if you so desire. I would ask you to state your names for the purposes of Hansard.

Mr Charles Nichols: My name is Charles Nichols.

Donna Marie: My name is Donna Marie.

Ms Christine Traves: I'm Christine Traves.

Mr Nichols: For the record, we are the Pay the Rent and Feed the Kids Working Group, which operates within the Kitchener Downtown Community Health Centre.

I'm not going to regurgitate our written document. Our recommendations are there for you to see. You've heard them from other people pretty much all day, I imagine: Raise the amount for OW, ODSP, the minimum wage.

We come at it from a different view, though. Most of the people you've heard today work for agencies. We don't. We're volunteers. The agency works for us, actually. We're the poor. We're the ones trying to fight and find a way to pay our rent and feed the kids. We live with the consequences of your decisions. We're the ones stuck trying to figure out how you make an OW cheque last all month. The last time I checked, it just isn't possible.

I hope you were listening to the two ladies who spoke just before me. I think they said it very eloquently. Please remember how you felt listening and, if you can, put yourselves in their shoes and communicate that back to your fellow legislators. When you put that knowledge and that heart into creating a budget, I feel fairly safe that this community, the coalitions that serve the poor and the poor themselves will be content with your budget.

If you have any misunderstanding, let me make this perfectly clear: Being poor sucks. That is our nightmare. I've slept under a bridge. I don't ever want to have to go

back. I spent 18 years on ODSP, and I finally found a way to get off; I finally found someone to hire me. But it was a government-funded job. When the funding ended, so did the contract. Now my EI is gone, very recently. Folks, I'll die before I go back on ODSP. I'm not going through that hell again.

There are a lot of things you can do that will make life better for the poor. I know you've got some tough decisions to make. Everybody wants a bigger part of the budget: more money for health care, more money for housing and education and, God knows, that deficit thing. Tough decisions. We can relate to you. I know a bit about deficit financing too. I've got the credit card bill to prove it.

We're willing to partner with you. Throughout the election I heard Liberals saying, "Choose change." Ontarians did; we chose change. I heard the Premier say, "We want to work with communities." We are the community, and we'd welcome a chance to work with you people. We will invite our local representatives to our meetings, sit down and get acquainted. I think the most we can do is let you know what it is like to live in Ontario.

Ladies, have you got something you want to add, or do we open this for questions?

Ms Traves: One of the things Charles brought up that I thought was really important was that other groups have recommended more interest in health care. Because we are volunteering with a health centre, we've really become aware of determinants of health, such as housing. If you don't have a roof over your head, you're not able to get your children or yourself in a situation where you're going to succeed and have a good future, and a lot of parents try very hard.

Social programs are good. Most Canadians have voted that they do approve of social programs. Here we have a comment from number 5 of our requests, which is to stop clawing back child tax benefits from parents on social assistance. As a single mother in our group told us, "I have \$226.40 clawed back every month from my child benefits, so I think I contribute more to social programs than the average taxpayer!" This is an adult in this community with two children who is living with \$550 a month for rent. While you're in town, feel free to get the classifieds in the paper and look at apartment costs. It's pretty tight. If that mother had that \$226-a-month clawback, it would really improve housing substantially.

Another comment from our group that I really think we should be highlighting—Donna, are you interested in talking about this?

Donna Marie: There's a comment here, and I'll just read it: "I don't want to blame anyone, but the government is responsible for policies that are horribly neglectful. It hurts. It hurts bad." I guess I'm not reading it exactly, but it really hurts.

I don't know if you know what it's like to try to make ends meet with not enough money. You have what looks reasonable to your mind. You're sort of a budget master after you've been on any kind of system, or you think

you are or try to be. How do you find housing within the rate? If you do one thing, I hope you will provide a reasonable amount of housing for people to be able to live. How does somebody on social services find housing for \$325? Where do you find that? How do you find that? What if you can't find people you can live with?

The only way you can find it is by living with people, some kind of arrangement. If you are trying to actually get your needs met, you're going to try to make an arrangement with somebody who has a little bit more than you have, maybe a generous family. But then you are in a subservient position again. You're always on the bottom and you're always fighting and striving and trying to just make ends meet. If there could just be enough to meet your housing, food and basic needs, if there could just be a little bit more, a person could manage a budget.

1510

I'll be honest; I was on social services for a few years, and all that time I was working part-time, trying to do my best. In that time period I had an injury that made it necessary to apply for ODSP and it was extreme bureaucratic BS. It was really difficult to get on and really difficult to find a way to work the system. I had people really rooting for me, a variety of different people, but it's so incredibly hard. It's embarrassing, it's humiliating and it feels like somebody has always got their hand on top of your head and you can't look up straight. There's never quite enough, and somebody bigger than you is always ahead of you out there. I'm sorry, I feel like I could be explaining myself better. It's very oppressive; it's very difficult. It's hard to explain. You'd really have to be there.

I just hope that everybody who takes this concern seriously will take a bit of time and talk in more detail to at least one person who has been on social services. I hope that you will have compassion and realize that it's extremely difficult and it's humiliating. Your health goes down. I guess I should just read this directly.

Before the Harris government, I never struggled with serious thoughts of suicide. After they were elected, I started to be afraid that I would really act on my suicidal feelings. I never felt tempted to lie or steal or compromise my values, but when you're on the bottom, it's like standing on a stepstool. Before Harris, I felt I could just reach what I needed to meet my basic needs. Then they kicked the stepstool out from under me and I couldn't reach things any more. It's like you're jumping and jumping, and just when you think you might reach it, they jerk it away again.

That very closely reflects how I feel and how others feel as well. I don't know what more to say. I want to have time for people to ask questions.

The Chair: Thank you very much. Is your presentation complete?

Ms Traves: We're done.

The Chair: I just wanted to ensure that. We have about three minutes per caucus and we'll begin with the NDP.

Mr Prue: I should let you know I moved a motion last week, after hearing similar talks, about having the claw-back restored to those who deserve it. I hope the committee will agree. We'll vote on that on March 10 and send it to the finance minister.

Having said that, we've had a number of deputations come forward, and I'd just like to hear your views on this, in terms of ODSP, and possibly Ontario Works as well, that would allow people to earn money while they're on that system. Right now there's a cap of \$160 for ODSP per month. It has been suggested that the cap be removed, or doubled or tripled or some amount. Can you tell us what that would do to a person on ODSP, if you were allowed to earn, say, an extra \$500 a month? How would that affect your life?

Mr Nichols: My gut says that I'd want to go earn that money. We don't want to be on assistance. Most of us are there through no fault of our own. I'm legally blind and I found a way to get a job, but it took putting in a lot of volunteer hours. If I'm willing to work for nothing, then if somebody will hire me, hire me for a part-time job. I'll work part-time. But when it's at \$100-whatever a month, it's still worth the employer's time to hire me. That's like one or two shifts a week.

Mr Prue: If I could add, they've also told us—

Donna Marie: Could I answer that too?

Mr Prue: Sure; absolutely.

Donna Marie: I was just talking to an employer. I'm on ODSP and I try to work to be able to afford my housing. My housing is more than \$100 over what I'm allowed. I think if a person is on ODSP, their housing costs need to be covered, within reason. If I'm getting a \$1,000 one-bedroom apartment, maybe they don't have to pay all that, but the market rate cost of housing needs to be covered. As well, you should be able to work, if you can work. If you're on ODSP, you're on ODSP because you're not in normal functioning gear to be able to work, or at least to be able to work full-time. I don't feel I should be forced to work if I'm on ODSP; if I can, yes, but I shouldn't have to do that to be able to have housing and food if basic housing costs can be covered at a reasonable rate.

Also, a person should be allowed double or triple so they can cover the extra costs of their medical situation. The government doesn't deal with nutritional problems and they don't cover the cost of vitamins and nutritional things and sometimes that's the only thing that actually works. Instead of medication, a person may need a chiropractor, and that's not covered. There are all kinds of people with back and neck injuries and you have the extra expense of physiotherapy, of the gym, of a chiropractor and things like that. Other people with other disabilities have extra costs that the government does not pay for.

If they can work, I think it's good. They should be able to make enough to cover their costs, at minimum, and to be able to afford a new set of clothes sometimes instead of trying to find it where you can get it free or for two bucks and not really finding the right thing, throwing

it away and needing to go shopping somewhere else. You begin to not have control even of your time. It's chaos.

The Chair: Thank you. We'll move to the government.

Mr Peterson: Thank you for your personal presentation and your personal examples. It's been said that a government will be measured by how it looks after its disadvantaged and poor. I hope this government has more sympathy than the last one.

Interjection: It would be hard to have less.

Mr Peterson: My question to you is one of ignorance because I haven't lived in your shoes. If we got you to this minimum level of sustainment and we got back to the funding prior to the Harris days, what is the next step in terms of assisting both your self-esteem and your ability to function in the economy? By the way, sir, I compliment you on what you've achieved against all difficulties. Thank you for telling me your story. If you have any other suggestions on how we can go to the next stage, I'd appreciate hearing them.

Mr Nichols: Let's get you through the first one first. I can poke lots of lines at the Harris government. Right now, we appreciate what the Liberals have done up to this point. It's been October to February; it hasn't been a lot yet. We do appreciate the little bump in minimum wage and we're looking forward to having more. The next step, after having enough to live on, would be housing, seriously invest in building homes.

Mr Peterson: Is there any specific type of training or any specific type of access to things that are being cut off from you because of the discrimination against the poor that would assist you?

Mr Nichols: Training helps. It depends on how you do it, how it's delivered. There are training programs out there right now. Even the ODSP had one. Maybe it still does; I don't know. It's not very flexible, like trying to put a square peg in a round hole. We want responsive supports and we're working with community agencies to get them so that we're not forced to fit your idea of what we ought to be.

Mr Peterson: So there's no empathy in the delivery of service in terms of helping you and helping individuals?

Mr Nichols: I've rarely met anyone with empathy that works in a government office; I'm sorry. Actually, I'm not. I just wish you'd hire better people. I'm available, by the way. My resumé will be sent to you.

The Chair: Thank you. We'll move to the official opposition.

1520

Mr Arnott: Thank you very much for your presentation. I think you've made a very good case for the concerns you have and you've expressed them extremely well. I appreciate the contribution you've made to this committee. You've laid out some of the recommendations that you feel need to be acted upon by the government. Certainly the new Liberal government has an obligation to follow through on the commitments that it made during the election campaign, and now that our

party is in opposition, it's part of our responsibility to attempt to hold them accountable for the commitments they've made.

You mentioned the minimum wage, and of course it was \$6.85 for quite a long time. I was always of the opinion that the minimum wage needed to be a living wage, but at the same time we needed to be competitive with competing jurisdictions so we didn't lose jobs. But recently it has come to my attention that most of the jurisdictions that we compete with in terms of investment, whether they be other provinces in Canada or the neighbouring United States—it is time for an increase in the minimum wage and it's something that I have supported.

The increase is about 30 cents an hour, if I'm not mistaken. So if you assume somebody works eight hours a day, it's still only \$2.40 a day more than what people were making under the previous minimum wage. I know it's the commitment of the government to move toward \$8, but I guess we also have to be concerned about the ability to create jobs.

I'm sure you're aware that under the previous government, about a million new jobs were created. That created opportunity for a lot of people and it's something—while I would never say our government was perfect—I think we are all quite proud of. The success of the province has been something that I think we can all, including the newly elected Liberal members, be pleased with, because without a strong, vibrant and growing economy, people don't have the opportunity.

Mr Peterson: Do you have a question?

Mr Arnott: I wanted to express my appreciation for your presentation. Thank you very much for coming.

The Chair: You have about a minute, if you care to respond.

Mr Nichols: I wonder how many of those jobs you created went to people who are poor. I would say this to every government at every level: What jobs did you create? Where were they? I'm not an economist. I'm not sure which jurisdictions we do directly compete with, but I think the minimums, whether it's minimum wage or OW or ODSP, have to be indexed.

I would favour a progression to where we get not just \$8 an hour but a little beyond. We've recommended \$10. I'd have to talk to some professor at one of the universities to ask, "Where's the point of diminishing returns? Where is that point that it starts slowing down the economy?" I haven't heard anybody yet tell me, "Because of that 30 cents an hour, I'm not going to hire somebody."

The Chair: Thank you for your presentation.

Mr Nichols: Thank you for having us. We look forward to the budget.

ONTARIO ASSOCIATION OF ADULT
AND CONTINUING EDUCATION
SCHOOL BOARD ADMINISTRATORS

The Chair: I call forward the Ontario Association of Adult and Continuing Education School Board Adminis-

trators. Good afternoon. You have 20 minutes for your presentation. You may leave time for questions within those 20 minutes if you wish. I'd ask you to state your names for the purposes of Hansard.

Mr David Neumann: Dave Neumann.

Ms Brenda King: Brenda King.

Ms Slavica Veletanlic: Slavica Veletanlic.

Mr Ken Leppard: Ken Leppard.

The Chair: You may begin.

Ms King: My name is Brenda King. I've travelled to Kitchener from Cornwall, Ontario, where I am the principal of adult alternative and continuing education for the Upper Canada District School Board.

Today I come to express to you concerns of the Ontario Association of Adult and Continuing Education School Board Administrators. I presently serve as the president of CESBA. This is an organization which represents educators in the public, French, Catholic school boards. They are a very inclusive organization.

I'm particularly pleased to have with me today Slavica Veletanlic. She is an adult learner and will serve as both my expert witness and my evidence today as I speak to you.

I also have Ken Leppard with me. Ken is the principal of adult programming in this community, in Kitchener. So it's nice to have a local person with us. And I have Dave Neumann with me, who is the executive director of CESBA. Many of you will know Dave from his years in the provincial Legislature.

Mr Colle: And the former mayor of the great city of Brampton.

Ms King: We have provided you with a brief entitled *Achieving Our Full Potential*. It is not my intention to read the text to you. I have been a teacher for many years and I discovered that hardly anybody ever learned from having someone read to them. However, I do draw your attention to a number of the items in this brief, particularly who we are and the number of programs that continuing education programs offer in school boards. Those include adult basic literacy, adult English as a second language, a secondary credit program for adults as well as extensive programming in employment preparation to get people back to work and retrained. As well, we work on system-focused projects such as after-school literacy, family literacy, summer school—projects that assist the traditional learner in the mainstream schools.

I would want you to understand as I go into this presentation that our delivery in adult and continuing education is cost-effective, highly accessible, creative and entrepreneurial.

Last night I read in Hansard that the challenge Minister Sorbara issued you as you initiated your task was to envision a cornerstone of a long-term approach to government, and that was apparently to focus on excellence in schools, health, and ensuring that Ontarians achieve their economic potential by building a highly skilled workforce. I am pleased to tell you that adult and continuing education is indeed part of the solution you seek. I am here with a message of hope. I am here with a

message that things will improve and we are there to help.

We know that children are better able to be academically successful with parents who are literate, stable and employed. I've just had an opportunity to listen to Dr Mustard and his presentation recently that reinforces that idea. Educated adults are informed adults, and as such are better equipped to deal with the challenges of today's health care system.

Ontario has a workforce. In some cases, this group only needs to retrain, retool and become educated and then indeed they will be the highly skilled workforce we are looking for. We need to break down language and academic barriers that prevent Ontarians from achieving our full potential.

At present, the Ontario government provides less than half the funding to adult secondary students that they do for their younger counterparts in the mainstream schools. I respectfully appeal to your sense of logic. It does not cost half the amount to purchase computers, textbooks and learning resources. Teachers do not accept half the pay to teach adults. Heating and maintaining our buildings is not half of that which is incurred for youth. Last week I paid the snowplow bill for one of my adult learning centres. The fellow didn't say, "It's OK, Brenda, you just have to pay half." He wanted full payment for his work.

Adult secondary school was fully funded until 1995. I'd like to suggest to you, bold as it may seem, that 10 years have gone by and it's not too late for us to restore equity to that area. What a wonderful celebration it would be 10 years later to say, "We made a mistake. It's not too late to fix it. Let's get our adults trained and give them the same level of delivery as young people."

1530

I also request that your committee hears from CESBA about adult English-second-language programs. They are fast approaching a crisis situation in this province. Currently, school boards are the primary deliverers of adult-second-language instruction. In fact, where I come from in Cornwall, which is a secondary immigration centre and we have an enormous number of new Canadians join us in that city, we are the only deliverer of English-second-language instruction.

Adult not-for-credit English second language is the only educational program in the province of Ontario that receives no accommodation grant. What I mean by that is that schools and organizations get the money to pay to house their programs. English second language receives none of that. It is a serious concern these days because our mainstream schools no longer have space. They no longer have space for the adult English-second-language learners to have classrooms there. I am leasing space for those learners, as are my counterparts across the province. I ask that you would reconsider this. I ask that this budget would at least make an attempt to find some sort of equitable solution for our new Canadians.

Every day I work with new Canadians who were skilled tradespeople and professional workers in their

home countries. Getting these people quickly back to the workforce would go a long way to achieving our full potential. We must give our new Canadian immigrant and refugee population the language skills to be full partners in their children's education if our future does depend on Ontario kids meeting high standards.

Earlier I introduced you to Slavica. She has a wonderful story to share. It's a story of courage and it's a story that I hope will contextualize the message that I have shared with you.

Ms Veletanlic: My name is Slavica Veletanlic and I have lived in Canada for three years. I'm currently a court agent or office clerk and I have been interviewed for a courtroom clerk position with the Ontario Superior Court of Justice in Kitchener. My family and I have completed our Canadian citizenship classes and have passed all necessary tests.

I am an Ontario secondary school graduate with high honours and was the recipient of the principal's award and received an administrative assistant internship certificate from the Waterloo Region District School Board's Open Door Secondary School for Adults.

If someone had told me 14 years ago that I would be addressing a group of dignitaries representing the parties of the Ontario government to extol the value of adult education in Ontario, I would never have believed it. But I am here before you today to give you a brief glimpse of my past and to demonstrate the value that our adult education programs in Ontario have had for me and my family.

Prior to coming to Canada, I lived in Yugoslavia. Both my husband and I were successful in our professions. I was a criminal and corporate lawyer and my husband ran his own business selling small agricultural equipment. Life was good and we had everything that life could provide. However, war soon destroyed our lives. My husband and I are from varied ethnic backgrounds and new ideas of ethnic cleansing dictated that this was no longer acceptable. Friends mysteriously disappeared, homes were bombed and raided. It became apparent that we would be next.

Under the pretence of a family trip to the country, we fled to Germany with our seven-year-old with just the clothes on our backs and our lives. We lived in Germany for six years and were just beginning to rebuild our lives when we were told the war was over in Yugoslavia and that we had to return to our country. Although the physical war was over, the hatred, intolerance and prejudice were very much alive. Shortly after our return, my daughter's life was threatened and the police officials would do nothing to protect us.

We left again, this time never to return. We came to Canada to rebuild our lives with nothing but memories, a few treasured possessions and a handful of pictures of family and friends from the past.

Just for one moment, close your eyes and imagine losing everything: your homeland, your property, your career and your success, everything except your family members. After all of that, imagine coming to a new

continent where you are supposed to start a new and different life. You are not able to speak English. Your diplomas and education are not recognized and you must live on social assistance. As a consequence of the difference between my successful past and my new way of life, my early days in Canada were very dark and I was depressed all the time.

I then enrolled in the adult ESL program at the Kitchener Waterloo English School. At first I cried a lot, thinking that my life was over and there was no hope of a future for me here in Canada. But, within a short period of time I was able to speak, read and write the language quite well thanks to the dedicated staff and the programs offered by the board of education and the Kitchener Waterloo English school.

I then made the transition to the Waterloo Region District School Board's Open Door Secondary School for Adults, where I continued to gain valuable skills and credit courses that would allow me to enter the Canadian workplace. I studied for more than a year to gain up-to-date computer skills, business English, and accounting skills. I was able to obtain an Ontario secondary school diploma, which demonstrates my success in the Ontario educational system. My studies ended with a five-month co-operative work term at the Ministry of the Attorney General's office as a court office clerk.

You cannot imagine the joy this brought to my life. When I first spoke with Karen Heipel at Open Door I had given up all hope that I would ever work in the legal field again. I didn't even want to consider the possibility for fear that my hopes would again be crushed. However, now I was able to return to my field of expertise and able to rebuild my career in the field in which I so passionately served in the past.

When I came to Canada, my family and I survived from month to month with the money we received from the social services program. In addition, we had loans that the Canadian government gave us to pay for our plane tickets, health checks and all other costs to establish our lives in Canada. Since we did not have the money to pay for costly education, I would never have been able to start to work so quickly and to become a productive member of Canadian society without having this great opportunity given to me by the programs offered by the board of education and supported by this province.

One month after I started to work in my co-op placement I was offered a contract position and was able to support my family without the help of the social assistance program. Thanks to our provincial educational programs for adults I have been able to move forward with my life in my profession and to completely pay back my loans to the Canadian government ahead of time.

My dark days are now behind me, and my dream to be back in my profession has become a real possibility. The future again looks very bright and full of promise. My five-year career plan is to become a justice of the peace.

I highly appreciate the chance that was given to me by the Ontario government and I'm very grateful for the

government's support of these adult programs. Thank you very much for your patience and thank you for tolerating my accent; it still needs to be improved.

1540

Ms King: Last week Slavica became a Canadian citizen.

We have more that we could speak about. You have our brief. I'd be pleased if you had any questions for us. I also want to say that I'd be very pleased if any of you had a thought as we spoke and would consider contacting me to discuss and find out more about how it can be that these people, who do such a great job, get such inequitable funding.

The Chair: We only have time for one question, about two minutes, and it goes to the official opposition.

Mrs Witmer: Thank you very much, Mr Hoy. I feel really privileged to have that one question.

I want to begin by congratulating you, Brenda, and all of the people at the table.

I had the good fortune to be involved with CESBA and I visited many of these adult learning programs. I'm quite familiar with Open Door, and I would just encourage the government members to take a look at the requests that are being made. I can assure you the money is being put to tremendous use—people who are coming from other countries, people who want to get their education. It really does allow them to move forward with their lives. It allows them to start providing for themselves and for their families. If there's one thing I'd leave you with today, it's please, please seriously consider these recommendations and do what you can to provide the appropriate level of funding.

The Chair: Thank you for your presentation.

ONTARIO ASSOCIATION OF HOSTELS

The Chair: I call on the Ontario Association of Hostels. Good afternoon. You have 20 minutes for your presentation. You may leave time for questions within those 20 minutes if you wish. I ask you to identify yourself for the purposes of Hansard.

Mr Martin Massey: My name is Martin Massey. My vocation is with the Salvation Army. I am an executive director with the divisional headquarters of southwestern Ontario, and I operate a shelter and counselling division within Brantford in Brant county.

I first offer my apologies that my colleague Mr Fred Hagglund, who is an executive director with Mission Services, could not be with us today. In our front-line work, sometimes your schedules get changed very fast, and that happened today. I also apologize that I did not bring enough copies, I believe, for everyone. However, in saying that, as I sat back and looked, I didn't know I was to have such a large and attentive audience. I only wish I had that at my morning chapel services. So I thank you.

As I've sat here this afternoon, I've seen you attentively pay attention to people. There are certain people I have listened to this afternoon who have spoken volumes to you. They spoke from the heart. We at the Ontario

Association of Hostels have a membership of 125. That's not people; that's centres that belong to our organization. We go from Thunder Bay to Ottawa to Windsor and all points in between, and we're very closely aligned and collaborate with OMSSA, the Ontario Municipal Social Services Association. Many of you, as I looked around this afternoon, have attended our conferences, and we appreciate it.

That is the essence of my talk with you this afternoon. I would very much like to speak from the heart, but prudence tells me to follow the directives in front of me, which has been put together collectively by our members and the support we hope to have.

Hospitality: It sounds like a five-star hotel ad for a great weekend or vacation package, and if this were true, I am sure that you can immediately see the link with the economics of our province. However, as a provincial association representing hostels and outreach services to the homeless of our province, our presence here today may seem further afield from the realm of finance and economics.

The word "hospitality," however, which has its roots in the nomadic lifestyle of the Middle East, is a reflection of practices and an attitude of life that would open a little oasis in the sea of inhospitable surroundings as a place to find refuge and comfort. Hospitality was vital in such a hostile desert and desolate environment. It was a shared experience, a coming together of a host and a guest. The guest provided news of the outside world and the host offered protection and food.

The English word "hospitality" comes from the Latin root "hospitium," which in turn comes from the word that carries the meaning of both guest and host. The words "hospital," "hospice" and, yes, even "hostel" come from the same root. It is no wonder, therefore, that many hostels now refer to the homeless men and women and children who arrive at their door as guests.

Just a mere two years ago, in 2001, the Ottawa Mission, which is a member of the Ontario Association of Hostels, opened the first Ontario hospice centre as part of the shelter for those homeless who are in the last stages of life.

Recently, CBC ran a documentary on a guest of that mission, entitled *Glen's Story*. I think many of us have seen that. It touches the heart. This 15-bed facility has seen 34 guests who have entered into their final stage of life and died while surrounded by hospitality, and Glen is one of those.

In the latter part of 2000, a listing of hostels in Ontario was compiled by the social services department of the region of Ottawa-Carleton, listing some 86 shelters operating throughout Ontario, from Thunder Bay to Windsor, then back over to Kingston.

In Toronto alone, there are some 32 shelters operating. Today, Toronto supports far more shelters and hostels that are city-funded alone.

The Ontario Association of Hostels has grown; I have already referred to 125 shelters, plus liaison with some 30-plus other shelters and homeless outreach programs.

Just within the last few months, communities such as Elliot Lake and Red Lake have contacted OAH, because new shelters are being established within those communities for the very first time.

In London, as part of their community plan on homeless issues and to meet the need of the homeless, they are currently seeing an expansion of the Men's Mission shelter operated by Mission Services of London, from 79 beds to 164. The Salvation Army Centre of Hope is replacing our facility, which is very aged, of 100 beds with a new facility of 234.

Shelter capacity over the last five-years-plus has gone through the roof. It is not untypical to see occupancies at 124% to 133% over capacity. Mission Services of London's Men's Mission and Rotholme Women's and Family Shelter have last year operated on an average daily occupancy of 133% and 130.3% respectively. The Men's Mission has experienced a 63% increase in demand for shelter beds over the last six years. There is an appendix which goes with that.

1550

Likewise in my community of Brantford the demand for shelter and support services has increased 114% in the last three years. Compared to our sister cities, our community is much smaller and we do not have the multiple resource systems. There are only three shelter operators—the Salvation Army, St Leonard's and Nova Vita. The main problem is educating the community. Smaller communities tend to believe that homelessness is only a big-city problem. In essence, as the malls here are situated on the city limits, as persons walk through the malls they do not see the homeless. Likewise in the downtown centre of Brantford, the retail stores have moved away from the downtown into more profitable areas. We can assure you that for the homeless this is not the case. Many homeless people and those at risk gravitate to the smaller communities searching for help. Research has shown that persons feel that they are lost in the larger community. They are what is termed "fallen through the cracks" of our society and are often denied services. Therefore, they migrate to the smaller communities, such as mine, hoping for more immediate help with their life and social issues.

Having worked in Hamilton, I know they, too, suffer the same logistics that are contained within this report. The Salvation Army Booth Centre in Hamilton has increased its ratio from 72 beds in 1997 to 105 beds in 2001 and have recently added 30 more emergency beds. Mission Services, Good Shepherd and the Wesley Centre have recently followed suit. These centres, including our own, have initiated social work and support services, to include intense case management, intake, assessment and referral to assist those people who come to us in need. In this we hope to stem the tide of those who are continuously homeless. These people have a right to affordable and safe housing with support services. The days of the hostels being recognized as "three hots and a cot" are long past. With closing of programs due to lack of funding, we are the new institutions. Many centres,

including my own, experience great difficulty in attaining sustainable funding for our programs. Therefore, we rely heavily on municipal and community awareness and funding initiatives.

What is not included, not only in the Brantford report or this report in general, are those at risk. There are many people, families and single parents within the communities who are considered at risk. These persons often earn minimum wage or are on social support systems. Many of these families and single people pay approximately 80% of their income on shelter and utilities. This leaves them then with very little for food. The Salvation Army, where I am, has initiated a community meals program and raised my food budget from \$18,000 a year to \$60,000 a year. I used to have—just as a side note—when I first went there three years ago, maybe 10 walk-ins a week from the community, asking for a meal. I now feed 50 a day. A lot of those are young families with children. It breaks your heart to see them. Added to this is a bag lunch program. We do that through CMHA and Ontario Works. They are for families that have been placed in motels under the emergency housing act, persons who are travelling beyond city limits, and children who are attending schools who are in the emergency housing program.

Also, what this report does not contain or take into consideration are the out-of-the-cold programs that are run and operated by private organizations—for example, churches which open their doors to take in those who do not have shelter in the severe cold and the severe heat, I might add. Nor does the report contain statistical information on emergency beds, respite beds, drop-in centres, VAWs or special care centres for those who suffer from physical or mental health issues, who include those suffering from concurrent disorders who are awaiting treatment or transfer to detox centres.

We have not even begun to tackle the numbers in Toronto. I'm sure, ladies and gentlemen, in your travels you've heard the stories, and I don't need to reiterate. Our representative in Toronto informs that there are 66 shelters that are city-funded and -operated. Again this number does not include any of the aforementioned emergency services.

There are many parts to homelessness: education, skills training, mental health issues, immigrants—new Canadians, I should say—and, yes, economics. The challenge of a family trying to move out of a shelter and back into the community on the existing Ontario rates is often a long shot at best. Market rates for housing combined with too little affordable housing or rent-geared-to-income housing make this an economic challenge. I might add at this point, which steps a little beyond what is written: Rent geared to income—I run a shelter for single males 18 and older. They come through the reintegration programs or step from institutions to us. Because they are considered homeless, they're not eligible for rent-geared-to-income housing. The simple fact is, they do not have an address and they do not have three pieces of ID. That accounts for a lot of it. A maximum of \$325 for housing and \$195 for personal

needs moves us often into the realm of impossible. The 21% cut in social assistance that occurred under the previous government is still having a tremendous effect. In London, social services are telling us that the OW caseload is continuing to drop, but the shelter caseload, and those individuals coming to our shelter services because they have nowhere else to go for safe housing, is going through the roof.

In the smaller centres such as my own the need for social support is growing. I will add this: that the city fathers, as I've termed them, in Brantford, the Ontario Works and the social workers in Brantford are tremendous. They are trying their best. They're one of the few municipalities that I've had the privilege of working in that pulled people like myself and the Salvation Army and other non-profit agencies, and they bring us to the table, and they make us aware of what has been going on, and they ask us—I've been 30 years in my field—for advice and they ask for help with the new initiatives. I strongly commend them. They're doing a fabulous job with what they have to work with. They rely on people such as myself and many others in the community.

The economic plight of those who are homeless in our communities across the province is staggering, not only to them personally, but also to other aspects of the system. A recent study by the Richard Ivey School of Business at the University of Western Ontario cited "that it must wake up to the problem of homelessness, which steals \$68 million a year from this city in lost economic development and costs to its justice and health care communities and a much higher toll in human lives." If this government is truly committed to a budget that is responsible and clearly addresses the issues of economics, what better place to start than with ensuring that all citizens have adequate housing, food, clothing, education opportunities and health care? What better place to start than taking the position that homelessness is not an option for the people of Ontario?

Shelters across the province and those who are members of the Ontario Association of Hostels have, for years, opened their doors to strangers, to bring hospitality, safety, shelter and food. They have for years rejoiced when individuals and families are reunited into the community that offers them safe and affordable housing. We have also shed tears of disappointment when a Steven or a Sally returns to the shelter because they didn't make it this time, or the heartbreak when you know someone from the shelter dies on the street.

The shelter system in Ontario is your greatest resource, it is stretched to the limit, it feels the pressures of over-occupancy, the lack of funding, yet it creates and will continue to create opportunities such as crash beds, which have been instigated in London, to engage those homeless on the street with mental health issues and more and more individuals who are discharged from the provincial psychiatric units, or the Ottawa Mission Hospice, which gives that final place as a home for those who are dying on our city streets.

We must continue to have an acute awareness of those who have fallen through the cracks within our society.

We must also be cognizant of the severity of a very present and real situation, where the newest generation is being born between the cracks. Young mothers are re-entering the homelessness system, having been homeless themselves either through abandonment or even with their parents. They are now bringing with them their children into the hostels. A child raising a child within the shelter system is difficult for most of our society to comprehend, yet in our world it is very real and is the primary example that pertains to the seriousness and complexity of the word "guest" and the devastating and incomprehensible challenges they face at the hands of the system, and the challenge we face as caregivers.

1600

The Chair: I'd like to interrupt you and remind you that you have two minutes left for your presentation.

Mr Prue: I wonder if we could have unanimous consent—I think he's only about three minutes away—to allow him to finish.

The Chair: Do we have unanimous consent? Agreed. You can finish.

Mr Massey: Thank you so much.

Mr Peterson: With two minutes for questions.

The Chair: No, we're just allowing him to finish.

Mr Massey: May I go directly—

Mr Prue: No, no, finish the whole thing.

Mr Massey: I'll go to the key messages. These are the key messages for the budget consultation.

Every citizen of the province of Ontario has a right to safe, affordable, appropriate, decent and permanent housing. Shelter allowances and/or accessible rent supplements must reflect market rents. There must be timely, easy access to support services needed to maintain independent living; as an example, community mental health workers, addiction treatment and aftercare.

There needs to be recognition of the need for adequate emergency shelter and services until this permanent housing is in place. That means provision of emergency shelter, or separate facilities such as motels etc, should be mandated in all municipalities. The per diem funding system should be reviewed in light of what it really costs to operate an emergency shelter. Just as a note, I get \$38 per diem and it costs me \$45 to house a person. The level of funding should fully support the level of services purchased.

There is a need for all ministries with a mandate to respond to the most significant issues of homelessness to do collaborative planning, funding and monitoring of appropriate services. This includes:

—The Ministry of Community and Social Services for basic emergency shelter and support services for the homeless;

—The Ministry of Health for mental health and addiction services needed by most of the population of the shelters for singles, and for appropriate hospital discharge planning protocol. And that goes for incarceration too and Corrections Canada. It should also be noted that emergency shelters have become an inappropriate default system for many health services;

—The Ministries of Energy and Natural Resources: We respectfully request that emergency shelters be granted a special reduced hydro rate. I understand the deficit of Ontario Hydro, but just for an example, we're capped at 4.3 and my bills have gone from \$1,800 to over \$3,000 a month. We fully understand the Ontario Hydro dilemma in that we have to withstand the increase to alleviate the deficit; however, if the increase is too great, many shelters will close;

—The Ministry of Corrections to ensure appropriate discharge planning for housing and services;

—The Ministry of Finance to ensure the financial resources.

It is with these key messages that we invite you as the standing committee on finance and economics to participate in the hospitality of a great province that can be even greater, a province that truly, through its policies and funding, opens doors of hope for the homeless and disadvantaged of our communities. We, the Ontario Association of Hostels, member shelters and providers across the province are skilled and eager participants to ensure that we meet and maintain those objectives.

I thank you very much for allowing me the time.

The Chair: Thank you for your presentation.

Now, we had notice of motion by the official opposition—

Mr Peterson: Mr Chair, I have been excluded from making a notice of motion—

The Chair: Is that a point of order?

Mr Peterson: Yes, it's a point of order. I've been excluded from making a motion because I have not had a chance to get the floor. I'd like unanimous consent from this committee to have a chance to make a motion today.

The Chair: Do we have unanimous consent? Yes.

Mr Peterson: Thank you.

The Chair: You will follow the rotation on this.

Mr Colle: Can we see a copy of that, please?

Mr Peterson: It will be handed out.

The Chair: We'll return to my original statement that we had notice of motion by the official opposition. There will be two minutes per party in total.

Mr Arnott: As the Chairman has indicated, earlier today the member for Durham, John O'Toole, indicated to the committee members that our caucus has a number of motions that we would wish to table with the committee for consideration while the report writing takes place. While I didn't serve on this committee throughout its public hearings, I have been briefed by Mr O'Toole and some of the other members of the committee. I had a chance to serve on the committee last week in London. Or was it two weeks ago when we were there? Two weeks ago. I'm sure for those of you who have served the whole time, the weeks have gone by. But it's a committee I've had a great deal of reverence for, having served on this committee in the past. I was vice-chair of the committee when we were in government.

The motions are before the members, and I know there are a number of additional motions. We've tabled, I think, 25, and there are another approximately 15 to

come. I'll just very quickly go through the motions for the benefit of the committee members.

We, as a caucus, feel very strongly that we need a balanced budget law.

The Chair: You have about 80 seconds.

Mr Arnott: We need a commitment not to add to the debt. We need to ensure that value-for-money audits are put forward for new program investment. We need to hold the government accountable in terms of its promise to cancel ineffective programs.

We are asking the government to reduce insurance premiums commensurate with its promise. We are asking the government to pay down \$5 billion of debt in this term of office, as they promised. We've asked for an audit of the Workplace Safety and Insurance Board's operations.

We've asked for property tax rates for business properties to be addressed. We've asked for changes to the education property tax that would benefit the people of Ontario and changes to business property taxes that would be beneficial to the economy of Ontario. We're asking that the government maintain the employer health tax exemption at \$400,000 for small business. We're asking that steps be taken to ensure that small business has access to insurance and that more steps are taken to provide immediate relief on escalating insurance costs—

The Chair: Thank you, Mr Arnott. These motions will be dealt with at report writing.

As well, we had notice of motion from Mr Prue.

Mr Prue: No, I would like two minutes on this.

The Chair: I'm sorry. Two minutes for comment.

Mr Prue: I've had a chance to review these recommendations and I really do find that some of them are completely at odds with the others. If you read the first recommendation in particular, it is to hold a province-wide referendum to attain taxpayer approval to institute new programs. Then, on the inside, there is the request that the new programs be implemented, such as hiring 8,000 nurses, such as nurse practitioners, hospitals, money, Ontario drug benefits and schools.

I have to tell you that I find this rather bizarre. I think that by the time we get to March 10, the official opposition should come down on one side or the other. Do you want this government to institute its programs or do you want them to balance the books and keep their commitment to the taxpayers' federation?

We have stated that we think if you're going to break a promise—there are 230 on one side or one on the other—that the issue is clear. The official opposition should be just as clear. You can't tell them to do a whole bunch of things and then tell them they can't do it because they don't have any money and they can't raise the money. I hope to hear which side you're on by March 10.

1610

The Chair: Comments?

Mr Colle: First of all, I want to thank the members of the committee for being on this 14-day excursion across this great province. I think it's been a learning experience for us all. I want to thank the staff—Hansard, research

and everybody—who really help to move democracy along, which is really an important undertaking.

I think the critical thing for us is to base a lot of our recommendations on the deputations made by persons and organizations. I hope we're going to do that. There were some excellent ones right across the board from individuals like we saw today. They were of very high quality, and that's why I hope the essence of our report is based on the deputations. By doing that, we will give more credence to the fact that we were really listening.

A lot of the Tory motions are not based on the deputations at all; they're just gamesmanship. I don't blame Mr Arnott; he's basically following through. I think we listened, and as we go through the report-writing on March 10, I hope we will deliberate on the deputations and go through all the deputations in more detail, because there were some very good ones. We got some excellent background material. I just want to say again that I think it's been a helpful exercise, certainly for me, and hopefully we can come up with a report that will help the Minister of Finance in his budget deliberations.

The Chair: Thank you. The motion will be dealt with at report-writing time.

We had a notice of motion from Mr Prue.

Mr Prue: I would like to move:

That this committee recommends to the Minister of Finance and to the Premier that the new government reiterate its commitment to be fair to the members of the Ontario civil service

(1) By clarifying that the government supports free collective bargaining;

(2) And further, by not legislating unfair and unjust working conditions and pay schedules upon its civil servants;

(3) And further, that this commitment be stated in conjunction with the announcement of the 2004-05 budget.

If I may explain that briefly, for two minutes or less, we heard some deputations this morning. I have only had a brief opportunity to see the television news clippings of yesterday's scum, and it's quite clear that there may be some confusion—at least in my mind and, I think, in a lot of minds—that needs to be assuaged. If the government intends to put in wage and price controls or Dalton days or Rae days or whatever you want to call them—

Mr Colle: We'll call them Kormos days.

Mr Prue: —or Kormos days, that will have to find its way into the budget, because we will know when the budget comes down, if there is not at least a 2% or 3% realization of increase for civil servants, that there is going to be something like that. I think it's incumbent upon the Minister of Finance to make that statement clearly and boldly, either on the day of the budget or in advance of the budget, so we might have a clearer idea of where he is going. I think we, as a committee, need to advise him that the deputations today were strongly in favour of allowing the free process that has taken place in other years to continue.

The Chair: Comments? Hearing none, this motion will go to report writing.

We had unanimous consent for a motion by Mr Peterson.

Mr Peterson: I would like to move:

That the Ministry of Community and Social Services, the Ministry of Children's Services and the Ministry of Finance change their funding formula for the social agencies in the region of Peel to reach the Ontario average within three years.

It is also moved that the approximately \$100 million that is being transferred from Peel to the city of Toronto be reduced by 33% this year and by the same amount the following two years.

This is to correct an imbalance of social funding that's gone on for approximately 15 years, due to the fast growth rate in Peel. The Fair Share for Peel organization, which has all this information, was not allowed to make a submission to this committee and neither was the region of Peel, so I just wanted to get on the record that this information should be noted and that this issue will be coming forward. I would be happy to submit more information to people as to the financial reasons we're so underfunded in the region of Peel.

The Chair: Comments?

Mr Prue: With all respect, I would like some additional information on this well before March 10. I'm not willing, on the basis of this—first of all, if this is social service pooling, it's nowhere near \$100 million. It's nowhere near that.

Mr Peterson: Yes, it is.

The Chair: Mr Prue has the floor.

Mr Prue: Secondly, this was part of the downloaded deal and the city of Toronto being faced with welfare and social services costs that were well above the region. This was negotiated and agreed to by the mayors and by the 905 region people at the time of the download. I would not want us to do this without further consultations with them and input from the municipalities and regions surrounding Toronto. It is incumbent on us to get their advice as to whether or not this is doable. If the city of Toronto is already some \$300 million in arrears going into this budget process, I certainly do not want to saddle them with another \$100 million.

Mr Arnott: Just a point of clarification: I intend to table the additional PC motions with the committee this afternoon.

The Chair: As a point of information, I want to let committee members know that the committee will be accepting written submissions until February 13 at 5 pm.

Over the past three weeks, the standing committee on finance and economic affairs had the luxury of having Ms Lindsey Love Forester, a co-op student from the University of Waterloo. She has been assisting us in our deliberations during the pre-budget consultations. I would like to ask the members of the committee to join me in thanking her for her very good services and wonderful work. I also want to thank all other staff.

We are adjourned.

The committee adjourned at 1616.

Continued from overleaf

Income Security Working Group	F-748
Mr Murray Lumley	
Ms Darlene Burkett	
Ms Carol Ann Nelson	
Pay the Rent and Feed the Kids Working Group	F-751
Mr Charles Nichols	
Donna Marie	
Ms Christine Traves	
Ontario Association of Adult and Continuing Education School Board Administrators	F-753
Mr David Neumann	
Ms Brenda King	
Ms Slavica Veletanlic	
Mr Ken Leppard	
Ontario Association of Hostels	F-756
Mr Martin Massey	

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

Chair / Président

Mr Pat Hoy (Chatham-Kent Essex L)

Vice-Chair / Vice-Président

Mr John Wilkinson (Perth-Middlesex L)

Mr Toby Barrett (Haldimand-Norfolk-Brant PC)

 Mr Mike Colle (Eglinton-Lawrence L)

 Mr Bruce Crozier (Essex L)

 Mr Pat Hoy (Chatham-Kent Essex L)

 Ms Judy Marsales (Hamilton West / -Ouest L)

 Mr David Oraziotti (Sault Ste Marie L)

 Mr John O'Toole (Durham PC)

 Mr Tim Peterson (Mississauga South / -Sud L)

 Mr Michael Prue (Beaches-East York ND)

 Mr John Wilkinson (Perth-Middlesex L)

Substitutions / Membres remplaçants

 Mr Ted Arnott (Waterloo-Wellington PC)

 Mr Ted McMeekin (Ancaster-Dundas-Flamborough-Aldershot L)

 Mr John Milloy (Kitchener Centre / -Centre L)

 Mrs Elizabeth Witmer (Kitchener-Waterloo PC)

Also taking part / Autres participants et participantes

 Mrs Elizabeth Witmer (Kitchener-Waterloo PC)

Clerk / Greffier

 Mr Katch Koch

Staff / Personnel

 Ms Heidi Clark, research officer,
 Research and Information Services

CONTENTS

Thursday 12 February 2004

Pre-budget consultations	F-703
Region of Waterloo	F-703
Mr Ken Seiling	
Wilfrid Laurier University.....	F-706
Dr Richard Walsh-Bowers	
Ms Allison Baxter	
Ms Seema Aggarwal	
Ms Jessica Vinograd	
Ontario Federation of Labour.....	F-709
Mr Wayne Samuelson	
Mr Chris Schenk	
Interfaith Social Assistance Reform Coalition.....	F-713
Rev David Pfrimmer	
Rev Brice Balmer	
Greater Kitchener Waterloo Chamber of Commerce.....	F-716
Dr Scott Carson	
Mr Todd Letts	
Ms Linda Korgemets	
Hamilton and District Labour Council	F-719
Mr Wayne Marston	
Mr Bob Sutton	
St Mary's General Hospital	F-722
Ms Norma Davis	
Ms Katherine Luke	
Canadian Mental Health Association, Waterloo regional branch and Wellington-Dufferin branch	F-725
Mr Don Roth	
Ms Lisa Gammage	
Waterloo Regional Labour Council	F-729
Mr Len Carter	
Ms Sandi Ellis	
Waterloo Region Housing Coalition.....	F-733
Ms Gay Slinger	
Ms Lynn Macaulay	
Ms Deborah Schlichter	
Ms Cathy Middleton	
Waterloo Region Community Safety and Crime Prevention Council.....	F-736
Ms Christiane Sadeler	
United Way of Cambridge and North Dumfries.....	F-739
Mr Ron Dowhaniuk	
Mr Bill Morris	
Together in Education	F-741
Mr John Ryrie	
Mr Bill Brazeau	
Mr Rick Moffitt	
Waterloo Region Home Builders' Association.....	F-744
Mr Scott Gareau	

Continued overleaf