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ISSN 1180-4386

**Legislative Assembly  
of Ontario**

First Session, 38<sup>th</sup> Parliament

**Assemblée législative  
de l'Ontario**

Première session, 38<sup>e</sup> législature

**Official Report  
of Debates  
(Hansard)**

**Monday 2 February 2004**

**Journal  
des débats  
(Hansard)**

**Lundi 2 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

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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

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

## STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

## COMITÉ PERMANENT DES FINANCES ET DES AFFAIRES ÉCONOMIQUES

Monday 2 February 2004

Lundi 2 février 2004

*The committee met at 0900 in room 228.*

### PRE-BUDGET CONSULTATIONS

**The Chair (Mr Pat Hoy):** The standing committee on finance and economic affairs will come to order.

### ARTHRITIS SOCIETY

**The Chair:** I call forward the Arthritis Society. Good morning. You have 20 minutes for your presentation. You may leave time for questions if you so desire, and I'd ask you to please identify yourself for the purposes of our recording Hansard. You may begin.

**Ms Jo-Anne Sobie:** Good morning. My name is Jo-Anne Sobie. I'm executive director for the Arthritis Society, Ontario division. With me are Denis Morrice, the president of the Arthritis Society; Catherine Hofstetter, a patient and a small business owner who has arthritis; and Ivan Ip, who is vice-president of client services for the Arthritis Society, Ontario division.

Before we start, I would like to just say a few words regarding the relationship between the Arthritis Society and the Ontario government.

For over 40 years now, the Arthritis Society and the Ministry of Health and Long-Term Care have worked together to provide specialized rehabilitative programs for Ontarians with arthritis. Currently we're working very closely with staff, with Deputy Minister Phil Hassen and with his assistant deputy ministers to find some creative solutions.

We understand, coming into these consultations, the real issues that this government has to face by way of a \$5.6-billion deficit. We're very sensitive to that and we want to say up front that our organization is willing and very eager to work with the government to find creative solutions to our health care issues in Ontario in the long run. So please, everything that we say this morning should be taken in light of our willingness to find ways to work within the resources that are available.

We're here today to speak on behalf of the 1.6 million Ontarians who have arthritis to ask you to collectively find the political will to take the actions necessary to address the barriers to care for Ontarians with arthritis. I'd like to outline the challenges that arthritis presents both in financial terms and in human terms.

Arthritis is one of the most common chronic conditions. The term "arthritis" refers to several different diseases—100, in fact—that affect the musculoskeletal system.

Rheumatoid arthritis is an autoimmune disease that involves inflammation and tenderness of the joints. Progressive disease can result in joint deterioration and destruction. It has been estimated that rheumatoid arthritis affects 1% of people in Canada.

Osteoarthritis, or degenerative joint disease, is the most common type, affecting at least 12% of all Canadians. From age 40, changes in the weight-bearing joints occur and symptoms, chiefly pain and stiffness, may begin to appear. Osteoarthritis most commonly affects the knee, hip, spine and hand. It's thought to have a combination of causes, including mechanical stress and biochemical, genetic and hormonal factors.

Other arthritic diseases—there are many, and I'm only going to pronounce a few because many are too hard for me to pronounce—include juvenile rheumatoid arthritis, lupus and gout. Fibromyalgia is also another key disease.

Arthritis is not just a health care challenge, however. It's an economic challenge that's currently costing Ontario billions of dollars a year.

The national cost of musculoskeletal disease, for which arthritis makes up 25%, is over 1% of the gross domestic product, or approximately \$11 billion per year. It is the third-largest contributor of lost productivity and it accounts for almost 40% of long-term disability—\$12.5 billion. Musculoskeletal disease ranks second only to cardiovascular disease as the most costly diagnostic category in Canada.

Some 17.5% of the population of Ontario has arthritis—1.6 million people. This is up 26% since 1992, compared to an overall population increase of 18%. One in five Ontarians with arthritis is under the age of 45. By 2026 it is projected that the prevalence will reach 22% of the population of Ontario.

Arthritis disability has a dramatic impact on people's lives, affecting everything from the ability to take care of day-to-day tasks to maintaining employment. Evidence shows that early diagnosis and treatment, including the use of critical drug therapy, combined with a comprehensive approach to disease management, specialized rehabilitation and patient education will substantially improve the long-term outcomes for people with arthritis. Access to drugs, especially for rheumatoid arthritis, for

people who are under 65 years of age and who are without supplemental health insurance is an important issue.

However, even if drugs are available, not all eligible patients have access to them. Because of the potential for side effects, specialists usually prescribe these drugs. Given the shortage of rheumatologists in Ontario and reported barriers to providing adequate care, access to care is also clearly an issue. The shortage of specialists puts pressure on family physicians who lack the time and specialized training to provide arthritis patients with proper diagnoses, treatment and long-term management of their illness. Even when a patient has a specialist, the time required to complete section 8s to qualify for drug compensation often means the patient suffers without the drugs for long periods while waiting for approvals.

In the traditionally underserved areas of Ontario, people with arthritis are going without the drugs, medical management and rehabilitation they require to optimally manage their disease. Bridging this care gap is a major challenge for the future of arthritis care and one that will require innovative and imaginative solutions in light of a shortage of resources.

Sadly, all evidence points to a widening gap for care of arthritis. Indeed, no vision or plan for health care in Ontario can be considered credible unless it addresses arthritis.

While arthritis drugs can be expensive, the fact is that at least two thirds of the total costs of arthritis are indirect costs of disability, and these provide a measure of lost productivity. The challenge of reducing the overall costs for arthritis then becomes one of reducing the associated pain and disability.

Evidence-based guidelines for the management of arthritis have shown that the following interventions have the potential to reduce pain and disability: treatment of early rheumatoid arthritis, and diagnosis of it, with disease-modifying anti-rheumatic drugs; hip and knee replacement for advanced arthritis; and for the reduction of pain, treatment with analgesics or non-steroidal anti-inflammatory drugs, land- and water-based exercise and rehabilitation.

The delivery of most of these treatments lies within the scope of the health care system, creating the following real dilemma:

To reduce the societal costs of arthritis by relieving pain and suffering in the short run, health care expenditure must increase. The strategic deployment of health care dollars must be made to diminish gaps in care to ensure that people are not unnecessarily disabled.

Primary care reform must ensure access to services, improve diagnosis of arthritis, encourage appropriate drug use and assure timely referral to specialists.

#### 0910

The Arthritis Society, along with the Ministry of Health and Long-Term Care and partners in the health care and chronic disease community, has and continues to undertake innovative patient-centred projects to identify new sustainable models for care.

For example, one model being tested in Timmins uses therapist clinicians to carry out assessments and refer patients to specialists who travel in from Toronto—a triage of sorts.

Another project uses therapist clinicians working with orthopaedic surgeons to provide early rehabilitative intervention to patients waiting for joint replacement surgery. Currently in London, we have a project right now, and preliminary results have shown that, while this is not addressing the unacceptably long waiting periods for patients, it is reducing the pain, stress and anxiety that go along with waiting for up to 18 months for surgery.

Arthritis and related conditions create a large burden of morbidity and disability in the population and consequently represent a high cost to society. The Ontario health care system is oriented to acute care and short-term needs and, as a result, it may not be in the best position to deal with long-term and evolving diseases such as arthritis. As the population ages, this burden can only be expected to increase.

Over the next few weeks and months, reports from the Ontario joint replacement registry and the new ICES Ontario Arthritis Atlas will be released, and meetings will be taking place in Ontario to identify further projects to address the lack of capacity for joint replacement surgery, as well as the lack of access to treatment.

Today, we are asking you to take the brave step to invest in the short term in order to have future health for Ontarians. We're asking you to:

(1) Include all arthritis drugs that have been approved by Health Canada in the Ontario drug formulary, allowing physicians to make well-informed decisions about drug therapies for their patients. In fact, studies have shown that this will, in the long run, save dollars.

(2) Work with the Arthritis Society, continue to work with us, as you have been for many years, and with our partners to find innovative ways to increase the capacity for joint replacement surgery specifically.

(3) Expand funding for the Arthritis Society's community arthritis rehabilitation and education program, to provide specialized patient-centred arthritis rehabilitation in the community.

(4) Support the creation of multi-disciplined primary care groups that can more effectively manage chronic disease in the community.

(5) Provide increased funding for the training of health professionals in all disciplines, especially therapist practitioners who can assist primary care physicians and specialists in the diagnosis and management of the disease.

I would like to remind you that we are facing a critical shortage of health care professionals, as a large percentage of these people will soon be nearing retirement age. If you do nothing, the sheer numbers of Ontarians with arthritis and other chronic diseases will cripple the system, putting the future health of Ontarians at grave risk.

The Arthritis Society wants to work closely with the government to seek long-term solutions to these over-

whelming problems, and we are confident that together, we can make this system work.

I would like, before we open to questions, to ask Catherine Hofstetter to speak briefly about her experience as a person with arthritis and a small business owner.

**Ms Catherine Hofstetter:** Good morning. Thank you for the opportunity to speak to you today from the perspective of someone who lives with severe rheumatoid arthritis and from the perspective of an employer in Ontario.

I was diagnosed almost 12 years ago with severe rheumatoid arthritis, and the onset of my disease was extremely acute. Within just a couple of months of the first symptom of disease, the hallmark symptoms of pain and swelling were presenting in 54 of 68 accessible joints. So I was referred to a rheumatologist and I got in to see that rheumatologist in two months, which was the typical waiting time at that time. Now that same rheumatologist is booking patients 15 months out. So if I had had to wait 15 months, I don't know what I would have done.

As an employer in Ontario, I employ 20 people peak season. I run a small fence contracting company in Scarborough and I employ 20 people peak season. Those men, mostly men, are people with families and homes and mortgages and car payments, and they fully realize that without the medication that I need, I'm going to lose my business. I am a one-man band in my business and I'm going to lose my business. If I go, everyone goes, so we'll all be unemployed at that time.

I assumed when I got arthritis that the biggest problem would be getting the diagnosis. I assumed wrongly, as a lot of Canadians probably do, that whatever treatment I would need would be forthcoming after that. I learned quickly that that just wasn't the case. After nine years of different type of disease-modifying drugs and non-steroidal anti-inflammatory drugs, everything that I had tried failed and I had run the gamut of all conventional drug therapies. So I was prescribed one of the new biologic drugs, which is Enbrel, which has completely turned my life around, but it presented a whole new set of problems for me.

I had lost my medical insurance, and being a small business owner I don't have disability insurance and I don't have any medical benefits. So I applied to Trillium and I was approved for coverage under Trillium, but the biologic drug that I was on also requires a section 8 to get coverage for that through Trillium. It took me five months to get approval for my section 8. It was five months of hundreds of letters and hundreds of phone calls and some very unabashed grovelling. I wish Mr Prue were here, because Mr Prue is my MPP, and he knows me quite well from my fight for my section 8. I did get it, but that approval is on a yearly basis.

What it has done to the morale of my employees is unimaginable, because they know that our business exists not based on the price of steel from year to year but on the price of my medication. My medication does cost

\$25,000 a year, and I understand that is a huge price tag to pay. Last year, I paid \$8,000 of that myself between my deductible and what drugs weren't covered under the formulary. I am willing to accept that, and I do what I have to do to pay that, but the \$25,000, I think, is a very small price to keep me employed and keep me running my business, because after all, what is the cost of the disability?

I also realize that it's going to be a continuous fight, because I don't think that Enbrel, my biologic drug, will work forever for me. I'm only 12 years into the disease, I'm 48 years old, and I know that probably down the line I'm going to need something else and it's going to be newer drugs and they're going to be as expensive if not more expensive. I also understand that I won the battle but I haven't won the war yet, that it will always be a fight for the newest medication to keep me active and keep me employed and keep me contributing to my community.

I do understand that I do need to give back to my community, and there are a couple of ways that I've been doing this. I volunteer with the Arthritis Society in leading their arthritis self-management program, helping people to acquire the skills they need to manage their disease. Working with those people I see faces of people who are absolutely terrified that their disability is going to cost them their job. If it costs them their job and their career, what's it going to do to their family? It has huge impacts. It doesn't just affect the person who has the disease; it affects homes and marriages and families and friendships and all kinds of things down the line.

I also work in a program called Patient Partners in Arthritis, where people with arthritis have been trained to do a full-body musculoskeletal examination. We work with family doctors to help them gain confidence in their skills to diagnose arthritis. We work in 12 of the 16 medical schools across Canada, helping medical students learn how to diagnose arthritis properly and to understand the impact of it, so that people can get a faster referral to their doctor.

I guess the message I really want to leave you with today—above my own that I need to stay employed and keep my people working—is the message from my arthritis community, the people I work with who have arthritis, who live with arthritis: We're a little bit tired of just being part of the problem; we want to work together with the Ontario government to be part of a solution. Thank you.

**The Chair:** Thank you. We don't have time for a full round of questions, but we will have this one question go to the official opposition. You have two minutes, and I would ask you to allow time for an answer. We go to Mr O'Toole.

**Mr John O'Toole (Durham):** Thank you very much for your presentation, specifically your testimony, Catherine. It is quite revealing, and I understand that in your own letter here it describes in some detail your fight for section 8. I had a question and you've answered it—\$25,000 per year is the cost of the medication. What is

the cost of the other one, the one that is listed on the formulary?

0920

**Ms Hofstetter:** There are no biologics that are listed on the formulary.

**Mr O'Toole:** No, I mean the other medication you were on.

**Ms Hofstetter:** The other medications? The disease-modifying drugs? My drugs were probably about \$400 to \$500 a month before the biologic. The biologic itself costs \$20,000 a year, and then in combination with the other medications that I require to keep my disease under control it's \$25,000.

**Mr O'Toole:** I'm just going to ask this in the form of a question. The federal government has asked for years for a national program for pharmaceutical issues. I can tell you I have written directly to the Minister of Health when we were government—in fact, I worked with him—and I feel the whole issue of the federal government approving them and then the provinces listing them or not listing them is kind of like a shell game. We all know that pharmaceutical products are the highest, fastest-rising cost in health care. What are your thoughts in terms of sorting out some of this who-does-what in health care, asking the federal government to look after all the pharmaceutical issues and the provinces look after the rest under the Canada Health Act? What's your response to that? It sorts it out, in terms of blaming each other. It's really not helping you and patients.

**Mr Denis Morrice:** You're right on. We have to stop the blame game. When we're approving drugs right now, in Health Canada we're talking about over 700 days to get a drug that people in Australia and the United States have got access to and Canadians don't. On top of that, right in Ontario itself, after those 700 days, we're talking about another 500 days. So you think, if your child was ill and you're trying to get access to that drug, the frustration that is there, the disability that it's causing.

I agree totally: It has to go into a type of national pharmacare program where everyone can start to understand it, where we can take a good look at the reviews, we can take a good look at the approvals and who has access to those and step it right back to the best practices.

We're very involved with the Cochrane Collaboration internationally and we're saying, "Here's how it should be done." We're very clear on a national pharmacare program and we certainly support that. That blame game really does have to stop.

It's the same with the joint replacement registries—45,000 hip and knee replacements done last year. We have 50,000 people waiting, and those are just the names, never mind the other people where they've stopped taking the names. Without the access to the medication we're causing disability, and that's the bottom line.

**The Chair:** Thank you. I would call forward Canadian Waste Services Inc.

**Ms Marilyn Churley (Toronto-Danforth):** On a point of order, Mr Chair: I just want to say, on behalf of Michael Prue, he regrets he couldn't come this morning.

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

#### CANADIAN WASTE SERVICES INC

**The Chair:** Good morning. You have 20 minutes for your presentation. You may leave time for questions if you so desire. I would ask you to provide your names for the purposes of Hansard. You may begin.

**Mr Cal Bricker:** Thank you, Mr Chair. I'd like to begin by first thanking the committee and you, Mr Chair, for giving us the opportunity to speak this morning. I'm Cal Bricker, vice president of public affairs for Canadian Waste Services, and beside me is Jessica Campbell, who is the director of regulatory affairs and compliance. She's here to help provide some technical assistance. I'm more of a government-relations guy; she has the technical know-how to be able to manage some of this stuff.

We will try to run through this quickly because we know you have a number of folks who are trying to appear before you this morning, so I'll get right to it. What we're going to provide is first a snapshot of waste management in Ontario, some of the challenges we see in front of us; some public perceptions—we have some new public-opinion data that we'd be interested in sharing with the committee; Canadian Waste Services' business in Ontario and what we're trying to do to help manage this waste disposal issue in Ontario; the current log-jam we have in terms of being able to expedite waste disposal in the province; and a simple fix that we believe will help create a real opportunity to create a made-in-Ontario waste disposal situation.

The importance of appearing in front of this committee is really that we see this as a fiscal issue for most municipalities. It's a major expenditure item for all municipalities in the province. A StatsCan survey in 2000 indicated that there was about \$520 million in operating expenditures paid in the province for dealing with waste management, about \$54 million in capital expenditures, another impact based some of the blue box things because municipalities are the ones that pay for blue box, although the WDO is going to be helping out with some of those expenditures; then there is the private sector component to this waste management, solutions that we currently offer, which helps mitigate some of the costs that the municipalities have to bear in this area in the sense that we bear the capital costs on some of the things associated with managing the waste management issue in the province.

In terms of public opinion, Ipsos-Reid did a survey in December 2003 for Canadian Waste, looking at this issue in Ontario. This is an unaided response. I know everybody around the table is pretty familiar with public opinion data. This is a fairly startling number and it surprised me, because I've been doing public-opinion polling for a long time and it was a bit of a shock—but essentially unaided, asking this question about how many people in Ontario see waste management and waste disposal as a real issue. Some 89% identified it as a priority, with 50% seeing it as a major priority. This is lined

up against water, air and a whole bunch of other components of environmental impacts in Ontario. I think one of the reasons that drives this number is really that waste management touches most people at least once a week: They take their garbage to the curb, they have it picked up, and it magically disappears somewhere. Well, it doesn't magically disappear; it has to be managed.

In terms of waste generation in Ontario, here are some of the metrics in the sense of what we're dealing with. The real number to focus on here is the fact that we ship three million tonnes of waste that's produced in Ontario across the border to Michigan, which creates a number of issues. One of the things I'd like to note in making this assertion is that it's important to note that this isn't just a Toronto problem. Only one million tonnes of the waste is solid waste from Toronto. The other two million tonnes come from around the province. For the most part, this issue has been debated as if it was just a Toronto issue only and I'd like to point out to the committee that two thirds of it comes from places other than Toronto.

This number is only going to go up as the population of Ontario grows for the next few years. The fact that we send waste across the border creates a number of risks for the province that we've really seen in a palpable way in the last year.

**Disruption due to weather:** We can't get the waste out of the trucks. It freezes on the trucks, so it sits across the border until it thaws out and we can dispose of it.

**Security and health issues:** As a result of the BSE scare, the mad cow scare this summer, the United States closed the border. We had trucks lined up for miles from the Blue Water Bridge without an ability to dispose of that waste anywhere in the province, because the disposal capacity doesn't exist.

Waste diversion is a laudable goal and we fully support it. I'll talk a bit about that in a second. But we're very challenged in this area to get to the 60% goal that the government has in the next five years, and we can discuss that in more detail if you'd care to.

The big issue is that there is really no disposal capacity in Ontario right now that we can rely on to deal with this three million tonnes of waste. One of the real reasons for that is that the environmental assessment system we have in the province is essentially fractured and doesn't work.

We're helping, I think, to get to the 60% waste diversion target that the government's set for itself. I can go through these metrics, but really the point here is that we're the biggest waste disposal company in North America, we're the biggest recycling company in North America, and we have the technologies and the ability to help manage this issue. In fact, we actually do play a very big role today in helping manage this issue. We provide recycling service to about 2.3 million Ontario homes today. But if you can't divert all the waste you've got to dispose of it somewhere. We're a leading-edge technology in this area as well.

For example, in Quebec last week we announced a partnership with GazMétro and Cascades whereby the gas from a landfill that we operate in a place called Ste

Sophie is tapped and used to power the entire energy needs for our pulp and paper mill in Quebec. So landfills aren't just holes in the ground any more; they're actually energy generation facilities. We have a real interest in starting to introduce some of this technology in Ontario, but we can't do it because we can't get through an environmental assessment in the province.

We have two projects underway right now—Warwick and Richmond. We've been at them for about five years each in terms of public consultation. I can talk to you in more detail if anyone has any questions. That would take out of the mix about 1.5 million of the three million tonnes that we currently have in disposal shortfall in the province.

#### 0930

We've been at these projects, as I said, for five years and we're still no closer in getting them actually on line and operating because, again, the environmental assessment system in the province doesn't allow us to proceed. One of the reasons is that the terms of reference we were using to do this, under the old Environmental Assessment Act, were thrown out in court this summer. So we've got some challenges in this area.

The Liberal government actually had dealt with this problem previously, in 1987. The Honourable Jim Bradley, at the time, had put in place some measures that we think were very good for managing environmental assessment in the province of Ontario for private sector waste proponents like us that we'd like the government to take another look at. I won't go through the details because I know we're pressed for time. But there are some quotes and some provisions from that protocol, I would describe it as, that we think are very helpful and the government should revisit.

In our view, what really needs to be done is to put in place some kind of measures whereby a private sector proponent like us could get through an environmental assessment and actually provide the infrastructural improvements, ie, waste disposal options for the province, because right now they don't exist, and unless something is done to fix this, they won't exist.

With that, I'd thank the committee for listening to our presentation and invite any questions.

**The Chair:** We have about three minutes per party. We'll begin this time with the NDP.

**Ms Churley:** Welcome. I'm a little bit confused by your statement, "The minister recognized inherent limitations of private proponents to consider 'alternatives' to their proposed project." Under the previous Tory government, as you well know, the Environmental Assessment Act was drastically changed so that anybody sent to a full EA could sit down and scope the terms of reference. In fact, having to look at alternatives to the undertaking, alternatives to the site, were two pieces that the previous government withdrew from the environmental assessment. So I'm just wondering: Is what you're saying is there is now just nothing in place for the private sector?

**Mr Bricker:** Essentially, there's nothing you can rely on in terms of understanding what an alternative to your

proposed facility would be. We can look at everything from loading garbage on rockets and firing it to the moon if people want. What has ended up happening is we have these endless debates about what the alternatives to a site are, what the alternatives to technology are. For a private sector proponent, we can really only do the business that we're in. We can't be expected to do other businesses.

**Ms Churley:** Right. So what you're saying is that what you'd like to see the government do is come up with a strong policy on what its waste management policy is and if it wants to—as it should—invest in helping municipalities with composting programs, for instance. They should come up with the policy and then, within that framework, you can operate within that to do the piece that you can do within the framework.

**Mr Bricker:** I don't think I could have said it better. As a private sector proponent, all you really want to know is what the rules are. If you need an alternative in there, we'll take a look at that. If you don't want it in there—and in 1997 they amended the act not to have it in there. We can only deal with the rules that are in front of us.

**Ms Churley:** What's happened with the particular project you referred to that you've been working on? I forget where it is now.

**Mr Bricker:** It was Richmond and Warwick.

**Ms Churley:** Yes. Is that now just dormant? Nothing is going on?

**Mr Bricker:** We hope to be able to continue to press it ahead because I think the province needs them. We've got five years of consultation—probably the most consultation that has ever been put into a project of this nature, that I know of, in Ontario, anyway.

**Ms Churley:** Did the previous government just stop it or what?

**Mr Bricker:** No, there was a court challenge to the terms of reference under which it had taken place in Richmond. As a result of that, the terms of reference were quashed and we couldn't proceed. What's happening right now is we're still in discussions with both municipalities because I think, at the end of the day, everybody's interests are served by having a thorough environmental assessment.

**Ms Churley:** What's the main thing you're asking the committee today? What is your major recommendation?

**Mr Bricker:** The major recommendation would be to be in place a mechanism—very similar to what you just said, Ms Churley—whereby we can understand what “needs” and “alternatives to” need to be. We can put that into a terms of reference and proceed, but right now, today, it doesn't exist, and it's before the courts. We would prefer not to see a court resolution. We'd rather deal with it in a policy sense.

**The Chair:** We'll move to the government.

**Mr Mike Colle (Eglinton-Lawrence):** Thank you, Mr Bricker. Do you have a figure on the cost of exporting three million tonnes of waste to the United States by—I guess it's mostly municipalities, isn't it?

**Mr Bricker:** By municipalities all across the province. Jessica, do you have a sense of that?

**Ms Jessica Campbell:** There would be a large component of industrial-commercial waste in that three million mix. It's not just all residential waste. One million tonnes from the city of Toronto.

**Mr Colle:** How much?

**Mr Bricker:** What's the number?

**Ms Campbell:** I don't have an answer for you on that.

**Mr Colle:** What's the cost of the city of Toronto's and York region's exporting to Michigan, trucking the waste to Michigan?

**Mr Bricker:** It's tens of millions of dollars. We can get a number. We'll get back to the committee with a number.

**Ms Campbell:** We can get that number.

**Mr Colle:** The last time, as I recall, I think Toronto's was costing about \$56 million a year—Toronto alone.

**Mr Bricker:** That sounds right; it's in that neighbourhood.

**Mr Colle:** I'll ask research to get those numbers, the cost of exporting. In fact, I think you should change your name from “waste management” to “resource management.” It might get a little further in terms of making people understand what we're dealing with.

**The Chair:** Mr Racco, you have about a minute and a half.

**Mr Mario G. Racco (Thornhill):** To continue on the same question, I'm interested to know the actual cost to Ontarians for disposal. In particular, I have a question that maybe you can answer.

In your opinion, what is the best way for us to dispose of garbage: by using incineration or by disposing of it?

**Mr Bricker:** In my mind—

**Ms Campbell:** It's a public policy, isn't it?

**Mr Bricker:** It really is a public choice. There are advantages to both technologies. We have most experience with landfills, although we operate a big incineration business in the US. It depends on what you want to do, on where you want to site it and how you want to operate it. I think they're both good technologies.

**Mr Racco:** If you're using both of them, from Toronto's point of view, which one do you think is the best one from an economic point of view?

**Ms Campbell:** From an economic point of view, incineration is much most expensive than operating a landfill with today's standards. One way of looking at that from the public side is that money spent on incineration is perhaps money that's also diverted from recycling initiatives, because it's usually coming from a similar pot. I don't think you could say one is better than the other. Both of them can be run environmentally responsibly.

**Mr Bricker:** It's far more capital-intensive to get it set up.

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

**Mr O'Toole:** Thank you for your presentation. Just a bit of history: You mentioned Mr Bradley's comments on the energy-from-waste initiative, and perhaps my ques-

tion will lead that way. But I think back further when I was a regional councillor and that's when in the government of Ms Churley's time there was the Interim Waste Authority. So garbage has been studied and we've created lots of garbage studying it, actually.

I guess my point is that you're right: The current climate for anyone making a long-term commitment, whether it's for a sustainability argument under energy to waste, is sort of being reviewed in the case you mentioned in the courts. It's going to clearly define, I think—it's too bad it's done in the court. But clearly, no government has had the courage to actually give you a long-term strategy, because it does have great implications for the whole waste diversion issue. If you start to go with the incineration option, then clearly that whole waste diversion organization is in jeopardy because all the stuff is incinerated.

You're professional. Both of you people have training in that area. Energy from waste: In the climate today, whether it's through incineration or through the gas that's recaptured from methane, is that, as you see it, in the future? We on the alternative fuels committee did look at that and found that, even today, there are sites where they are capturing the methane gas to generate. What would you as professionals or scientists like to see in terms of following that course, to provide safe emissions and all the other management of the materials left after incineration? Is that something the government should be pursuing?

**Mr Bricker:** Absolutely. I can tell you the government of Quebec last week—we made a multi-million-dollar investment in this facility. I liked the member over here—I can't read your name, unfortunately—your reference to the fact that it's resource management, because it really is. As hard as it may be to get your head around this, waste really is a resource, and it can be managed in a whole bunch of very positive ways. One of them that we're particularly adept at, and we're probably the leading experts in the world at doing this, is taking that methane, piping it into different facilities, into towns, into things like an entire—it's sort of hard to imagine, but landfill gas from one landfill is powering an entire pulp and paper mill.

0940

**Ms Campbell:** I don't want to interrupt, but the two landfills that we're actually going forward with our environmental assessment of, if they're approved and operated as we would like to operate them, with gas collection systems, combined will generate 25 megawatts of electricity, which will then power homes and offices. Those are the things we would like to do.

**Mr O'Toole:** The broader issue of recycling is important, and it's an important debate to engage the public in that. In my own riding, there is a cement plant. That cement plant is compared to other provinces as an application to burn tires. Apparently, there are more BTUs in a tire than there are in a barrel of oil or coal. Is there technology available to make sure the emissions and the residual ash that's left is safe when compared to the current options of burning coal or oil?

**Mr Bricker:** That's the importance of having an environmental assessment process in place that works, because those are the kinds of issues that you should have to put through the filter and ensure that the public understands what they're buying into in getting a facility like that and ensure that the person who operates that facility knows what they're doing.

**The Chair:** Thank you for your presentation this morning.

#### ELEMENTARY TEACHERS' FEDERATION OF ONTARIO

**The Chair:** I would call on the Elementary Teachers' Federation of Ontario to come forward. Good morning. You have 20 minutes for your presentation. You may leave time for questions if you so desire, and I ask you to give your names for the purposes of our recording Hansard. You may begin.

**Ms Emily Noble:** Thank you very much. My name is Emily Noble. I'm the president of the Elementary Teachers' Federation of Ontario. With me is Ruth Behnke, our first vice-president of the Elementary Teachers' Federation, and our general secretary, Gene Lewis. We also have our staff officer, Vivian McCaffrey, with us.

Thank you very much for the opportunity to present to you. I believe you have copies of our brief.

Who does the Elementary Teachers' Federation of Ontario represent? We represent in the province of Ontario one million students in 38,000 classrooms in the public elementary system across Ontario and 2,600 schools. Ruth and Gene and I represent 65,000 members, educators who work in the public elementary system.

One of our main messages that we want to give to you today is that public services need rebuilding. This is not about a financial deficit. This is about a public services deficit. We're pleased that the new government has in fact brought new hope. The Premier has been very adamant and very vocal, being the education Premier, and we're very pleased about that, that education is a focus. We know that will continue. Of course, our key interest is in terms of the elementary students whom we serve and the teachers and members whom I serve.

I would say that, from my perspective, for so long, elementary has been in fact overlooked. We talk about valuing early childhood education, but we don't necessarily see that translated in terms of money. But along with that, it's very important that this government does recognize that classrooms, particularly in the early years, need to be smaller. That's one of the things that certainly we're going to, in our discussions with Gerard Kennedy, keep the government accountable to. They do have four years in which to bring about that mandate. But it sends a strong message, and we've advocated all along, that an investment in the early years avoids problems and societal problems later. I think that's a fundamental principle, and we finally have a government that says we're going to act on it.

We're pleased that Rozanski indicated that the system needed help. The previous government did start to address that, and we're indicating to this current government that that needs to continue, implementing the Rozanski report. You'll notice in our brief that we quote OISE, Fullan, Leithwood and Watson talking about the opportunity for now in education. There is that opportunity.

People in Ontario voted for change; we have seen some, and we hope that that will continue. We applaud the government for their cancellation of the private school tax credit, the cancellation of the senior credit for education property tax and the cancellation of the corporate tax cuts. The other thing that was very important was the \$9.7 million to municipalities for capital improvements, particularly for non-profit child care. That really says we do value early childhood and care about our young people.

One of our recommendations—and you can see them in our brief—one of the key ones is preparation time. I get calls as president from new teachers, not only our more experienced teachers, but brand new teachers who say, "I want to do my job, and I need the time to do it. I want a quality of professional life so I can talk with parents, I can work with students." So one of our major issues, you'll see in our brief on page 3, is preparation time. Our members need the time and the resources to do an effective job in the classroom.

It's not like the classroom of people that we went to. Some of you are considerably younger than I am, but I've been in the system for 25 years. We didn't have the incredible changes that were brought about over the last couple of years, whether it's downloading of curriculum, report cards, the EQAO that you have to prepare your students for. We now have the three report cards that are very detailed, and they are significantly different from when I started teaching 25 years ago.

What I will tell you about preparation time is that in the legislation it says that we can have 200 minutes; however, only 137 are provided for in the funding formula. So that presents a problem in terms of the board. I think you can see the frustration in terms of members, which leads to trying to get it into collective agreements. That's why there have been some of the work-to-rules and the strikes that there have been in the elementary panel: because my members want a quality of professional life. So preparation time is very key to our working life. It's not always about salary and money. Anyway, the boiling point has been reached, and we are going to be aggressively going after preparation time, because that's what it's all about: It's about time.

As I said with class size, one of the other recommendations, we applaud the current government for a focus on reducing class size. I know that many of you are parents. Anyone who has hosted a birthday party knows that if you're hosting 30 kids at a birthday party, you've got bedlam; if you're hosting seven kids, it's actually, hopefully, quite manageable. I relate that to being able to provide children with the attention they need. So that supports the class size.

On the budget issues, we don't expect everything will happen immediately. The government has a four-year mandate. Certainly, we're willing to sit down with the government to assist them and have some ideas in terms of how that can be implemented over the four years so that children are not put in jeopardy.

One of our other recommendations in terms of budget is the professional development days. Our members certainly believe in accountability, are very professional, want to take courses, and so one of the things we're recommending is that to enhance the new curriculum, enhance the work they do, whether it's with special-needs students, and to get the best assessment strategies—those kinds of things—this government look at implementing and reintroducing back to the boards the opportunity for increased professional development days. I think some of you are aware that we did originally have nine and those were reduced. What I'm recommending, so that my members can do their job, is to give the boards flexibility and increase the number of professional development days. The other thing with the professional development days—I'm from Sault Ste Marie, the Algoma District School Board—is that it does on some PD days help reduce the transportation costs, because you are not busing those days.

Some of you, I know, have families and children who are teachers. One of the other issues that we would like to address and ask you to put your mind around is that we are finding that new teachers—as I said, when I started 25 years ago, I stayed in, but with all the challenges now and the stresses, what we're finding is that there is an incredible turnover in some of the newer teachers.

#### 0950

Their salaries are—well, the son of one colleague in the Soo has a three-year computer degree. He graduated from Waterloo and started at a salary of \$65,000. A starting teacher, depending on qualifications, usually starts at anywhere from \$30,000 to \$35,000 or \$40,000. That needs to be addressed. We need to keep these people in the system. We can't have new teachers turning over on a five-year basis. Some teachers are disenchanted; they're overwhelmed and incredibly overworked with all of these things.

So what I'm asking is that the first three steps on the grid—take a look at those—be eliminated to make teaching a more affordable option for young people, because otherwise they're not going to stay. We have a qualifications grant at the end, there's money for the senior teacher in terms of the funding formula, but we need to put some money in at the beginning, entry level.

Those are basically the four recommendations that we have.

In conclusion, if there is one message, it is that the early years have been overlooked in terms of the practice. We use the verbiage to say that we do value elementary kids, we want all these things, but we haven't, as elementary people, seen the action. One of the things I would say in terms of that is, take a look at the investment. Close the gap in funding between elementary and

secondary. That's not to suggest—secondary needs every cent they can get and more, but the gap between what's funded for an elementary student and a secondary student has widened. It is now up to \$796, as opposed to the 2002-03 year, when it was \$751. So it's those kinds of things that I think this committee has an opportunity to put in place or to recommend.

Those are our closing statements. With that, Ruth, Gene and I are available for questions.

**The Chair:** Thank you. We have about three minutes per party, and we'll begin with the government side.

**Mr Colle:** Thank you for your very comprehensive summation of the impact of some of the changes our government has already undertaken on elementary education and some of the expectations you have.

One of the items that is not mentioned here is the allocation of funds for children at risk, the ESL program that was announced by Minister Kennedy, the \$112 million. Has that had an effect already, or what do you anticipate that doing?

**Ms Noble:** Actually, it has had some effect. On page 2 we refer to it and applaud the government. The government has continued in this direction and added the \$112 million. We applaud the government for doing that. That has started. I think with the whole special-ed/at-risk students, that needs to continue and to build on that. As I said, when I started 25 years ago, the kids were all in together. One of the things that we try to do with education in school is to work toward helping the whole child. It's important that some of the resources that were taken out be put back to support those at-risk students.

There's a perfect example where with the investment in the early years I don't believe the kids would be dropping out in the later years. My nephew wouldn't be saying in grade 12 that he wants to go out and get a job as opposed to going on to college.

**Mr Colle:** The members of the previous government have criticized that \$112 million, saying that it's basically geared for Toronto only. Are there these pressures of at-risk children in elementary schools in other urban centres across Ontario or is it, as they've claimed, just a Toronto problem?

**Ms Noble:** No. I come from Algoma, and Ruth certainly can talk about Lambton-Kent, where she comes from. The at-risk kids are all over the place. There are different needs in different areas, but I believe that money is for everybody. I will also say, however, that a lot of families from where I come from, if they can't get jobs and Algoma Steel goes down, where do they go? They go to the large urban centres to find work, and that puts increased stress on the large area, on the GTA. Ruth?

**Ms Ruth Behnke:** Thanks, Emily. I'd just add that the pressure is all over the province, and I think if any of you were part and parcel of the Rozanski hearings when he was doing his listening before he produced his report, a lot of comments and a lot of concerns and a lot of personal stories were told with regard to the challenges for those at-risk students and children with needs,

particularly in the rural areas. It had to do with busing; it had to do with programs being provided for those students. So it's our hope that this money and more will go to assist those students so every child can have an opportunity for a high-quality education.

**The Chair:** We'll move to the official opposition. Mr O'Toole.

**Mr O'Toole:** Thank you for your presentation. I have a few comments and then a couple of broader questions. I have the greatest respect and appreciation for public education because my wife is an elementary school teacher and my daughter is a secondary school teacher. I have children and I know the value of education.

During the election, one issue was the hard cap on class size. I know my wife is part of a school that has to jockey class sizes because for the most part the area is a mix of urban and rural. There was some support for the class-size issue, but in reality the implications are somewhat staggering, having seen where we are in Ontario in terms of portables and class sizes and split grades and triple splits. I just wondered if you could assign some costs. You have some really solid recommendations. That's really my question.

In your brief you said that the real implication here is about \$3.75 billion. This committee is charged with listening to the Arthritis Society and all of the presenters and coming up with the sum total of what the requests really amount to in terms of dollars, and the choices are then, of course, up to the government. When you talk about salary, professional development and prep time, there are costs associated. You, as a professional organization, probably have the statistics there of the some 60,000 teachers you represent. What are the costs of those two things and what are the really profound implications for the class-size issue in small, remote rural schools? Are we going to have triple and quadruple grades? Maybe you could respond to some of those suggestions on the importance of public education.

**Ms Noble:** You're right on in the importance of public education. Yes, in terms of some of the costs, we see that this government has a four-year mandate and it can be staged in. I do believe with the class size, if you took a look at the statistics, junior kindergarten and senior kindergarten would probably be around that and most boards would be around that level anyway. But it's something that we're certainly willing to sit down and work with the government on, as to how it can be implemented.

We applaud the government because one of the things they're doing to achieve the money would be the tax credit rollbacks, and I think it's important to put money where it's really going to count instead of giving it to the wealthy.

I'll let our general secretary talk about some of the issues around the funding.

**Mr Gene Lewis:** Just to say that like almost anything in life, things that are worth doing cost money and the resources have to be found. I think we would suggest that one way to find some of those resources would be to roll

back to some degree some of the tax cuts of the previous government and to phase in over the term of this government some of the programs; the class size cap, for example, which I think is a laudable initiative on the part of the government.

**Ms Churley:** Thank you very much for your presentation. I'm going to cut to the chase here. I have been told by many school trustees, Cathy Dandy from the Toronto Parent Network and Annie Kidder from People for Education that in fact the \$112 million allocated did not go to kids with special needs and at high risk, that it went to pay the deficit. It was a hidden way for the government to say in Toronto, "Here, we'll help you pay your deficit." So none of that money, I've been told on good authority, went to these kids with special needs. I find it quite regrettable that that's still out there: These kids who desperately need help did not get it. That comes on good authority.

**1000**

The second thing—this is a specific question, and I know it's important to teachers and to kids and their parents in my riding. You say that you understand it's going to take four years for some of this money promised in the campaign to roll out. What I'd like to know specifically, then, is what amount of money you see is necessary to be invested this year. I don't know if you can do kindergarten to grade 12, because you're here representing elementary teachers, but what amount of money do you need to see invested this year as an instalment, and then the previous years?

**Ms Noble:** I just want to go back to the point—I guess it ties in with Mr O'Toole's point about paying the deficit. I think what it does point out is the incredible desperation that boards have that they have been underfunded. I would hope that boards would use it where it counts, in terms of students. But boards—whether it's my board or the Toronto District School Board—have been incredibly underfunded. I think the message is that they need to be funded properly in terms of students.

In terms of what amount we're looking at, I think that on page 8, we're in total agreement with the Ontario alternative budget that a reasoned and reasonable plan to raise an additional \$3.7 billion would assist in terms of education. You'll notice on page 8 that we're not here saying, "Give us, give us." We're willing to give too.

On behalf of my members, I'm willing to say that I believe a modest tax increase is appropriate. I know we can get into political arguments about who promised and who didn't promise what. The bottom line is, we have to look at what's needed in society.

**Ms Churley:** Which is what I'm talking about.

**Ms Noble:** Yes, and we need to put some money into it. On behalf of my members, we're willing to pay for it.

**The Chair:** Thank you for your presentation.

#### UNIVERSITY OF TORONTO

**The Chair:** I would call forward the University of Toronto. You have 20 minutes for your presentation. You

may leave time for questions, if you so desire. I would ask you to give your name for the purposes of Hansard.

**Mr Robert Birgeneau:** My name is Robert Birgeneau, president of the University of Toronto. I'm speaking mainly on behalf of the University of Toronto but also, I think, on behalf of the post-secondary sector as a whole.

First of all, I obviously want to thank the committee for the opportunity to come and talk to you and present to you some of the issues that the University of Toronto specifically is facing, but also Ontario universities as a whole.

In thinking about the University of Toronto, I think it's helpful to think of us as being in some ways two kinds of institution, or a two-part institution. You'll see this written out in the submission I've provided.

First of all, we're an undergraduate institution that teaches, I believe, 16% of the undergraduates in Ontario—a phenomenally large number of undergraduates on our three campuses now, well over 50,000 undergraduate students. These are largely drawn from the greater Toronto area. They're drawn from every facet of Ontario society, and we would like to think that especially for the immigrant population we represent the pathway of new Canadians into mainstream Canadian society. We're very proud of that role, and we think we do that very well in our multicultural environment and that we provide an outstanding education.

At the graduate, post-doctoral and research levels, we not only serve the greater Toronto area; we play a critical role for the province as a whole and indeed for the entire nation. For example, we educate 40% of the PhD students in Ontario. It's from us that a large part of the future faculty, not just for Ontario but, as I'll tell you later, for the country as a whole are drawn.

We have the broadest sweep of professional programs of any university in Canada, and one of the broadest of any university in the world. We educate students in all the major health science disciplines—medical doctors, nurses, physiotherapists etc—engineering, law, business, architecture, music and many other professions. We educate much of the professional class who provide essential support for our society in Ontario.

We are also the largest research university in Canada. We account for 15% of funding overall of research in Canada. An interesting statistic which demonstrates our national impact is that if you go across Canada, all the way from Dalhousie in Nova Scotia to the University of Victoria on Vancouver Island in British Columbia, you will find that one out of six professors in anglophone Canadian universities has at least one degree from the University of Toronto—one out of six across all of Canada. So we really play a national role in education.

If you look at our academic health science complex, with our nine affiliated teaching hospital systems, hospitals that have treated many of us and kept some of us alive, we are one of the five largest health science complexes in North America.

If you look at the total number of research publications, we rank second in North America behind Harvard,

a statistic that often surprises people. In terms of citations, we're sixth in North America, well ahead of institutions like the one I was at previously, MIT. So the University of Toronto has an incredible impact on knowledge, not just locally and not just in Ontario or in Canada, but in the world.

Finally, our library, which is a provincial and national resource, ranks fourth among major North American research libraries, behind those of Harvard, Yale and Berkeley. So our library system, and Robarts Library specifically, plays a fundamental role.

Clearly we are very proud to play such a role in both Ontario and Canada. We make, and we trust we will continue to make, major contributions to the priorities of Ontario, specifically those set out by Minister Sorbara in his remarks to this committee last week, in building a highly skilled workforce in education, in health care and in the environment.

First of all, Minister Sorbara spoke about the need for Ontario to build the most highly skilled workforce in North America. Clearly, with the size, scope and quality of both our undergraduate and graduate programs, the University of Toronto is essential in that.

He spoke specifically about our health care system. Again, because of our health science complex, which I have already talked about, and the large number of nurses, medical doctors, physiotherapists, speech therapists, occupational therapists etc that we educate and the discoveries that they make in health care, the health of the University of Toronto is essential to the health of the province.

We just heard from the public school teachers, and I endorse all that I heard them say. Obviously our educational system, starting from kindergarten all the way through to the PhD, is essential for the future of Ontario. We take great pride at the University of Toronto in the large number of K through 12 teachers that we educate, and also the research we do at the Ontario Institute for Studies in Education, established by Bill Davis's government, in trying to optimize what we do in the classroom.

Minister Sorbara also highlighted environmental threats. Of course, we are actively involved in that, and I invite all of you to come over sometime to our university and to see our Intelligent Transportation Systems Centre and Testbed. You can see displayed on multiple TV screens the Don Valley Parkway at one of its worst times, and attempts to solve the traffic flow problems.

In his presentation, Minister Sorbara also warned that we must live within our means as a province and, most importantly, that we must take the long-term view of our financial situation. We couldn't agree more with this, the importance of a long-term perspective.

#### 1010

Let me just explain some of the challenges that the entire university system in Ontario is facing. As I think many of you are aware, we have not had an increase recognizing the increase in the cost of living since 1991. This means that in real dollars the funding of the university system has deteriorated by about 33%. So,

we've had a decrease in our real budget by a third, our operating budget, and this results in Ontario being in what I view as the embarrassing situation of having the smallest funding per student of any province. We're less than Prince Edward Island, we're less than Newfoundland, and in fact our shortfall from the median is exactly that one third we lost because of previous governments not recognizing the deleterious effects of inflation. We cannot maintain a health university system if we don't recognize the reality of inflation.

In this past year the previous government took the first step to correct that by the creation of the quality assurance fund, to be expended over the next four years. We obviously feel that's a down payment on what has to be a solution to the long-term problems of universities.

Secondly, as you know, part of the platform of the Liberal Party now in government was to freeze tuition fees for two years. I think it's important to explain to you the cost to us in income. In 2005-06, for the University of Toronto the effect of the freeze in tuition is a permanent \$30-million loss in our operating budget. Of that, \$20 million a year goes to operating and \$10 million a year goes to needs-based financial aid to guarantee accessibility. I think that may not have been well understood at the time this was implemented. This means that in order to guarantee accessibility we need, at the minimum, that \$10 million a year replaced permanently for financial aid for financially disadvantaged students and we need another \$20 million a year just to stay even; that doesn't recognize inflation. So a \$30-million cost two years from now is the real cost in perpetuity of the tuition freeze.

It's our view and the official University of Toronto policy that the best way to guarantee accessibility is a very healthy financial aid system. Perhaps you will have heard our announcement last Thursday that we reached \$1 billion in our fundraising campaign. Of our endowment, we currently have \$499 million that is exclusively dedicated to financial aid for financially disadvantaged people. We're very proud of that.

If you look at the actual data on accessibility, what you will find is that we've actually made remarkable progress for people whose income is under \$25,000 a year. It has been going up progressively every year in spite of tuition increases, and in fact participation rates by people whose family incomes are under \$25,000 a year are approaching those of the middle class. However, it's very disturbing to have discovered that participation rates by the middle class have actually declined over the last several years. So the financial burden of the costs of education has hit the middle class actually more than it has people of modest incomes. The reason for that is the OSAP system of the provincial government, which does not extend into the middle class. So middle-class people have to carry the entire financial burden themselves, without assistance from the government, and in our case, unless they qualify for scholarships, our needs-based aid builds on the OSAP system. I know the ministry is looking at this now—I talked to the minister two days ago—but it's critical that OSAP be modified to extend

into the middle class so the middle class are eligible for financial aid when they need it.

Another issue the province as a whole is facing—it's actually a positive issue for the province—is the second pulse of the double cohort. The entire Ontario university system is very proud of the way we accommodated the students this year. One of the interesting things from my point of view is that in all the publicity of great events in the four major newspapers in Toronto, at the end of the year none mentioned the double cohort. I see this as an incredible success, because all of you will have seen all of the advance publicity about what a disaster it was going to be. Frankly, our university system did so well that by the end of the year no one noticed that it had happened. We're very proud of that, and we're actually very proud of this new generation of students which has entered our universities, these 100,000 young people directly out of high school who are enthusiastic and who actually uplifted our campuses. So it's a very exciting time.

Three and a half years from now, these very same students are going to want to go to graduate school, to medical school, to law school, to dental school, and we must prepare in advance to make the places for these new students to enter the graduate and professional classes. You can't just do this at the last minute. You have to plan for this many years in advance. So, as part of our long-range planning, we view it as essential that the government begin planning now for expansion of our graduate and professional schools to accommodate the double cohort and the increased population which is coming from our increased participation rates.

In the short term, in order to manage this we must have more flexibility within our funding envelope. We of course would like additional funding—everyone who comes here is going to ask for more funding, and I'm not going to be an exception to that—but of first order what we need is increased flexibility now to be able to move our resources between undergraduate and graduate students so we can have the graduate students in place who will be the teaching assistants etc.

I might say also that for reforming OSAP we don't need new resources, since all the resources in the past couple of years have not been used. What we need to do is to change the eligibility so that the middle-class people can apply for OSAP funds. Neither of these are hits in the budget. It's within the existing budget framework. We need more flexibility: for OSAP, for the middle class; and for our students, flexibility between undergraduate and graduate schools.

You will have heard from many different sectors about infrastructure and deferred maintenance. I will give you an astounding fact—astounding even to me—that in order to accommodate the double cohort and the increased students in an era of restricted funding, to build residences, laboratories, classrooms and offices for the double cohort and all of the students, because of shortfalls in provincial funding, the University of Toronto between 2001 and 2005 will have borrowed one half a billion dollars; I repeat that one half a billion dollars will

be our capital debt at the end of 2005. Frankly, we had to do this because of social responsibility. Our first responsibility is to the students, and I felt, and our leadership team felt, that we had to meet the needs of Ontario students, and the only way we could do that within the current fiscal climate was to borrow massively in order to provide classrooms, laboratories, offices. This is at the same time that our infrastructure is progressively deteriorating, like many other public facilities, and we estimate that we have a deferred maintenance bill, just to stay even, of somewhat in excess of \$300 million.

There have been a variety of programs like the Ontario Innovation Trust, ORDCF and the Premier's Research Excellence Awards which have been essential to our ability to maintain and build our pre-eminence in research and knowledge creation—knowledge creation that's critical to the economy. Here we simply ask that these programs continue. Again, we'd like to see them increased, but at the minimum we need them to continue in order that we can match federal dollars and continue to support research the way we need to.

Finally, let me make a comment on mandatory retirement, which just came up this week. Again, here the University of Toronto, possibly differently from many other Ontario universities, has not taken what I might call a religious stance against the end of mandatory retirement. We recognize the realities, and we also recognize that there are faculty aged 66 who can make really valuable contributions to our universities, so I'm not going to come here and tell you this is a bad thing. What I am going to tell you, however, is that in order to accommodate the double cohort we and many other universities hired young faculty to teach these people based on the assumption that they were going to take the place of senior faculty who were going to retire. These are called bridged appointments. We increased the size of our faculty to meet the challenge of the double cohort on the basis of mandatory retirement, on the guarantee that there were going to become positions open and that we could manage a bridge for a couple of years. If mandatory retirement ends, if the government decides to proceed that way, then there is a large bill in the university sector—not just us, but everyone else that goes along with that, and you need to understand that because, if professors don't retire, then we have two professors in the same slot and we have to pay their salaries one way or another. We cannot do that by not hiring new faculty. That would be unfair to our students. Our student-faculty ratio is already too high. The university sector is probably not the only sector in this position. As you go forward thinking about mandatory retirement, this committee especially, I urge you to think about the financial consequences of ending mandatory retirement and to plan appropriately.

**1020**

**The Chair:** You have about two minutes left in your presentation.

**Mr Birgeneau:** I think I've made all my points. I had a summary in the end of the points I've made but I think it would be better if I took questions.

**The Chair:** With approximately two minutes left, we only have time for one question. The turn will go to the NDP.

**Ms Churley:** Thank you very much for your presentation. I'm just looking at your summary. I understand that you are not necessarily asking—I just want to be clear on your recommendation—for more funding today, or are you? What are you asking for specifically from this committee today?

**Mr Birgeneau:** Specifically, flexibility with OSAP and how we assign students within our existing budget, and a commitment in the long run to—the most important thing—address the deleterious effects of not getting inflationary increases.

**Ms Churley:** So you're not specifically asking for extra funding today.

**Mr Birgeneau:** Of course we would like more funding, like everyone else, but from what we've heard from Mr Sorbara, what we realistically need is a commitment in the long run.

**Ms Churley:** Because I have so little time left, I'm just trying to figure this out. You did mention the \$30 million lost just due to the freeze on tuition, and I believe that you indicated that you are asking the government to deal with that.

**Mr Birgeneau:** Absolutely; I'm sorry. I thank you for that, Marilyn. Absolutely, we must have replacement money for the missing tuition, otherwise accessibility suffers and the quality of education suffers. That's a minimum. Sorry. Thank you very much.

**The Chair:** Thank you for your presentation.

**Mr O'Toole:** On a point of order, Mr Chair: I read an article and I was wondering if you would support that the University of Ontario Institute of Technology get \$140 million to provide—

**The Chair:** That is not a point of order.

#### CENTRE FOR ADDICTION AND MENTAL HEALTH

**The Chair:** I would call on the Centre for Addiction and Mental Health to please come forward. Good morning. You have 20 minutes for your presentation and you may leave time for questions, if you desire. I would ask you to state your name for the purposes of our recording Hansard.

**Dr Paul Garfinkel:** I'm Paul Garfinkel, president and CEO of the Centre for Addiction and Mental Health. Thank you very much for the opportunity to speak with you today. By way of introduction, the Centre for Addiction and Mental Health was created in 1998 through the merger of four Ontario institutions: the Clarke Institute of Psychiatry, the Queen Street Mental Health Centre, the Donwood Institute and the Addiction Research Foundation.

We are one of nine primary affiliated teaching hospitals of the University of Toronto. We do most of the mental health substance abuse teaching and we're a

collaborating centre of the World Health Organization and Pan American Health Organization.

When we formed, we assumed the various mandates of the four founding organizations; that is, we have a provincial responsibility for treatment and care, research and education, public policy, health promotion and prevention. We deliver these services through our main sites here in Toronto and through 26 satellite locations throughout Ontario. We have made it a priority to promote positive change in government policy for people who experience mental illness and substance abuse.

To begin with, let me say that our community needs are urgent. We understand as well as anyone the fiscal challenges facing government. However, we are in a unique situation, given that we work with the most seriously ill among the most disadvantaged and vulnerable in Ontario, including the homeless. We see the results of lack of consistent funding in mental health and addiction. This has a huge effect on our clients and on the communities we serve.

The people of Ontario pay their taxes with a fundamental expectation that the neediest will be appropriately cared for. Unfortunately, we are less and less able to claim that this is true.

CAMH is prepared to work with government, consumers, families and our partners in health care to ensure that this opportunity is not squandered. People with mental illness and substance abuse cannot afford it.

The impact of mental illness in Canada is staggering. Recent reports from Statistics Canada show that about 20% will experience a mental illness or substance abuse problem in their lifetime. About 1.5 million Canadians experience depression at any point in time. Three per cent of the population experiences severe and persistent mental illness with very significant personal, social and financial consequences. Despite these facts, mental illness and addictions are largely neglected, the orphan fields of medicine.

This situation must change. As we point out in our written document, left undiagnosed or untreated, mental health and addiction problems cause large human and productivity losses. We think it's tragic that this has to be reduced to economics, but the cost to productivity due to lost income, due to absence, due to early death is staggering. The total is about \$32 billion for the Canadian economy. The total due to premature death or disability in 1998 due to mental illness alone was \$8 billion. An estimate of the effect on the Canadian economy of substance abuse—social, legal, health costs—was \$18 billion for 1992, which at that time represented 2.7% of the GDP.

One of the staggering figures about treating people with mental illness and substance abuse is that despite very effective treatments today, two thirds of people receive no care at all. Another staggering statistic is that in the community side of our treatment envelope there have been no increases at all to funding. As a result, over the decade there has been a consistent cutback in services provided. We believe that the lack of attention and in-

vestment in mental illness and addictions is a reflection of stigma and shame. We all grew up with particular attitudes to what these types of illnesses were. Those attitudes were simply wrong. These are not moral problems; these are not problems with not trying hard enough; these are complex illnesses deserving health care, as any other form of human pain and human suffering.

We applauded the government's commitments to invest in mental health and addictions and we urge the government to stand by these commitments. Our mental health and addictions systems cannot wait regardless of the province's deficit situation.

In terms of our recommendations, we've appended them to the written submission that you have in front of you. We know that you are looking for short-term, affordable investments that build toward longer-term goals. We want to remind the government about several areas in which there is broad consensus in our community. This is not just the institutional sector speaking.

The Canadian Mental Health Association presented a brief to you last week. They said that there is urgent need to build capacity in our system by investing in services and supports, including housing for our clients, employment opportunities for our clients and early intervention, because we know we can prevent so many of the consequences with early intervention. We are also talking about investing in supports such as a mental health service registry and a 1-800 number for the system.

We also want to identify and reward mental health programs that emphasize efficiency, partnership and quality.

#### 1030

This is a multi-year program and a multi-year commitment that will be required. Nevertheless, we do feel that the CMHA figure that they provided you of \$150 million to provide better access and quality of care to the most disadvantaged citizens of our province is a very, very good beginning.

I also have to emphasize that there is more than the community side to this puzzle. The community side can't function without the institutional side, and we on the institutional side can't function without the community. We need an entire continuum of services for people who have a mental illness or substance abuse problem. You cannot neglect the institutional side either.

We are recommending that you support our efforts to transform specialty care so that people receive the same standard of care, whether they're treated for a physical or mental health problem.

Currently, CAMH facilities fall far short of the Ministry of Health and Long-Term Care's regulated standards. Just to give you an example, if you toured our Queen Street site, you would see the room sizes for patients are 50% of the regulated standard. Our corridors are too narrow for modern stretchers. We're a disaster waiting to happen. The buildings are poured in concrete. It costs more to renovate than it would to rebuild.

To address this issue of standards, we're proposing a consolidation of our facilities on our Queen Street site

that will prove more effective and less expensive. The proposed redevelopment will allow us to address unmet need through a more effective model of care that will ensure our clients are more able to integrate readily into the community. This has been a huge problem in our system: the silos of care.

I want you to know that our model was developed through extensive consultation with our local community. We've had several thousand people review this. We've had written submissions from about 400. The government has taken this up for about seven consultations as well. We've gotten universal excitement, not just locally but in Europe and Australia as well.

This new development, because of the nature of the phasing of the project over 10 years and because we own the land, the 27 acres on Queen Street, and could eventually sell the Donwood site, our capital outlay is very modest. In the first two or three years, it's about \$25 million, so that it would take us into 2007 with constructing four or five new buildings and the opportunity to receive revenue from selling the Donwood site. This plan will transform how medically necessary care is provided in Ontario. It provides a significant step forward for the clients we serve.

My final comments relate to preserving publicly funded medicare. We agree with the principles and values set out in the government's Commitment to the Future of Medicare Act. We have some concerns about the accountability mechanisms that have been prescribed in this, and we hope to present our views on this shortly. But this government has quite rightly recognized the need to invest in mental health and addictions and to talk about the importance of health promotion, hugely neglected in our health world that emphasizes sickness.

The health promotion work needs to be enhanced, and there are no better examples than those of our substance abuse programs, which have a huge impact on people day to day.

We are concerned, based on media reports and nothing more than that, that the addiction side of our health environment may suffer, treatment may be jeopardized, access to programs may be harmed, and stigma perpetuate. We urge the government not to follow this course. It would be very unfair to discriminate against people based on moralistic views of illness that no longer apply.

It is also short-sighted. Some 40% of the people who have a substance abuse have a serious mental illness. These are the people who have the most long-term difficulties: high suicide rates, disability rates, going on to chronic physical illness and re-hospitalization. These are the people who require our attention in a medical health sense.

To conclude, the Canada Health Act expressly provides that medically necessary care should be accessible and universally available. This is simply not the case for the vital mental health and addiction services required by the neediest in our society. As you consider the recommendations that you, as members of this standing com-

mittee, will make to the government, please do not disregard the need to support Ontario's mental health and addictions community.

**The Chair:** Thank you for your presentation. We have about two minutes per party, and we'll begin with the government.

**Mr John Wilkinson (Perth-Middlesex):** Thank you, Dr Garfinkel, for coming this morning. I just want to pursue two issues. We are always struggling with what we call the negative cost spiral, in the sense that the government doesn't spend \$20 in prevention on something, which results in a \$100 cost, which then multiplies to a \$1,000 cost, which multiplies to a \$10,000 cost. You gave us some data about the economic impact of mental health problems and addiction. Is there more recent information you have statistically that shows the cost-benefit analysis why our government needs to put the money into prevention?

Specifically, the question in your proposal about improved accountability is something we're quite interested in, and about putting consumers and families at the centre of reform. As you were saying, there have been all these studies, but could you tell us specifically what you're trying to get there, or the model you'd like to present to us on that?

**Dr Garfinkel:** First of all, I have a great deal of data on the value of health promotion and prevention. We'd be happy to send that to you.

**Mr Wilkinson:** That would be wonderful.

**Dr Garfinkel:** As one example, for every dollar we spend on preventing and treating addictions, including smoking, drugs and alcohol, we save \$7. That's not a bad investment.

In terms of accountability, we're completely in agreement that our system has not had the accountability that is required in terms of the public view of all health care. We have a model that involves governance by a broad constituency, much as Wellesley Hospital did in the early 1990s. We have about 100 constituents who are members of the corporation, and they elect our board, 30% of whom have to be consumers or family members. So that begins the process. All our program committees have to be fully integrated with staff, consumers and family members.

We're also very concerned about information technology to provide the kind of information that is necessary for balanced scorecards. We have done this, and we're trying to help the community sector, which is often far behind in information technology availability. I think this is a critical shortfall in our health system.

**The Chair:** If you would provide the information requested to the clerk, he will ensure that every member of the committee gets a copy of it.

**Dr Garfinkel:** I would be pleased to.

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

**Mr O'Toole:** Thank you very much for your presentation. I apologize for not being here for part of it, but I have taken the time to look through it.

I'm caught with the regular comment in the media on the relationship between mental illness and homeless-

ness. It's certainly not acceptable in society to find people in that kind of risk situation. I guess my question is very plain: What percentage of the homelessness issue do you believe is actually attributable to mental illness?

**Dr Garfinkel:** The long-term homeless, not people who are transient homeless: about 40%. I think the latest figure I saw was about 45%. It's complicated, because there is a cycle of poverty exacerbating mental illness, so you might even see it higher than that. But you'd be very safe to say 40% to 45%, substance abuse and mental illness.

1040

**Mr O'Toole:** The part that's the transient portion, the shorter-term, the intervening—because of the associated depression and other things that go along with being unemployed and being disconnected for a lot of different reasons—would probably be higher. They may be recovered or treated or find some opportunity.

**Dr Garfinkel:** I don't have data on the short-term, and I understand your reasoning. It may be the opposite, though. They have the social supports that the longer-term don't have. You could have severe depression and be incapacitated, but if you have a community around you or family around you, you could be buffered for six months, and our treatments for depression are very effective.

**The Chair:** We'll move to the NDP.

**Ms Churley:** There's far too much subject matter to cover in a comprehensive way, but I do want to thank you for your presentation, because you're here today representing some of the most vulnerable in our society, usually voiceless. We need your voice and your colleagues' voices on a consistent and persistent basis, because in the whole scheme of things, when governments are making decisions and there are a lot of priorities, your sector gets left out, as you know.

I'm glad that you brought up the problems around substance abuse programs. Again, there's no time to get into it, but it's my understanding from talking to people who work in that sector that, for instance, they haven't received salary increases for many years. They're taking people in and training them, and almost as soon as they're trained they leave for better-paying jobs or whatever; the retention is terrible. That's just another example of how bad things are in that sector that is so vital.

Most people in the media, with the exception of Ian Urquhart from the Star, who was here today, and hopefully others paying attention, are not writing much about this, and there's not a lot of attention being paid to the problems in your sector. Thank you for highlighting these issues.

**Dr Garfinkel:** Thank you for those comments. On one hand, you're completely right: The community side of our field has not had an increase in pay in over 10 years. It had a one-time-only increase of 2%; otherwise, there's been constant erosion. On the other hand—I agree with you; I've been a physician in Toronto for over 30 years—it's only been in the last seven or eight years that

I feel excited about the opportunity to do something in a public, concerted way. I think we have the support of a very committed community. I think Michael Wilson and a number of people who have been helping us really have caught a wave of public concern, and we can do this in a concerted way.

**The Chair:** Thank you for your presentation.

#### ONTARIO SECONDARY SCHOOL TEACHERS' FEDERATION

**The Chair:** I would call the Ontario School Teachers' Federation, provincial office, to come forward. Good morning. You have 20 minutes for your presentation. You may leave time for questions, if you desire. I would ask you to state your name for the purposes of Hansard.

**Ms Rhonda Kimberley-Young:** My name is Rhonda Kimberley-Young, and I'm president of the Ontario Secondary School Teachers' Federation. With me is Dale Leckie, a staff member with us, as well as other staff members who are here today.

First, I'd like to thank you for the opportunity to be here today to speak to the pre-budget committee. The Ontario Secondary School Teachers' Federation was pleased to see the new Liberal government elected in October 2003. We're not interested, however, in the mere optics of consultation to assist the government in formulating ways not to implement its election pledges. Let us be clear: Nothing this government said before or since the October 2 election will speak with as much eloquence about its priorities as this, its first budget.

The Liberal plan for public education, Excellence for All, set ambitious goals and promised to make the necessary investments to achieve those goals to fund our schools for success. OSSTF pledges to work with the government and our partners in education to restore our public school system.

Ontario elected 72 Liberals to Queen's Park—a massive victory. Voters clearly responded to the Liberals' activist agenda: Choose Change. As first minister, Dalton McGuinty has consistently told the people of Ontario he hopes to be known as the education Premier. OSSTF applauds the Premier's goal. The Liberals' first throne speech reiterated this commitment. The new government's "first and most important priority will always be excellence in public education." You must not blame the inherited deficit for failing to implement your political vision for change. If you do, you will have turned your backs on the overwhelming political mandate to improve Ontario's public services and extended the Tory vision for Ontario even though that vision was repudiated on October 2. More than two million voters supported the Liberal vision of a more just and inclusive society.

In the throne speech itself it says, "Your new government was elected to improve our health care and our schools, to build stronger communities and an even stronger economy." The people of Ontario expect the Liberal government to govern based on what was

pledged during the election campaign. You must not allow the inherited deficit to push you off course.

How to begin in terms of choosing change: The voters in Ontario gave the government the democratic authority to implement change. The first act of the newly elected government should be the removal of the fiscal handcuffs put on this government by the previous neo-Conservative regime. Legislation like the Balanced Budget Act and the Taxpayer Protection Act should be repealed. Obviously, the Liberal government has to exercise financial prudence. But what is inherently wrong with raising taxes or running small deficits? Why should any government be held hostage to old arrangements from one particular point of view?

Ultimately, your choices and actions will be reviewed by the people of Ontario in another election. They will want to know, "Did you do what you said you would do? Did you implement as promised, and did you do it in a fair and reasonable way?"

The previous government did little to build up assets; in fact, there was a lack of investment in infrastructure. Liberal leader Dalton McGuinty said in 2001 that the Minister of Education at the time, Janet Ecker, "is admitting what parents have known all along: There's a shortage of textbooks, schools are falling apart and people are fed up."

Sometimes there's a justification for running a small deficit to stimulate growth—when times are bad, for instance. Sometimes governments have to raise taxes to restore services or to protect the public good. The Liberals took a principled stand against further tax cuts which benefited the few at the expense of the many. Ontarians understand that you get what you pay for. They repeatedly support higher taxes if it means improved health care and better public education.

The Harris-Eves Tories were bent on shackling future governments to their vision of a society. They pledged to drive down the debt in the name of restoring a healthy economy, yet neither the Taxpayer Protection Act nor the Balanced Budget Act will ensure future prosperity for Ontario. Over the Mike Harris term in office, the provincial debt was raised by \$21 billion and Bay Street did not utter a murmur of protest. Once again, those changes benefited few at the expense of many.

Today in our presentation you will see a number of priorities that we have. I won't walk you through each and every one, but I would like to point out some key areas in which we believe investment is needed in public education.

First and foremost, the Rozanski report needs to be implemented. After eight years of underfunding of public education, the structural changes to the funding formula recommended by Dr Rozanski must be made. When the previous government implemented the funding formula they based the level of funding, or benchmarks, on a study of 1997-level costs of goods and services. Those benchmarks were inadequate from the outset but they've become increasingly restrictive year after year. The benchmarks should be adjusted to implement year two of

the three-year catch-up identified by Dr Rozanski, and the government should build in an inflationary measure to cover the cost-of-living increases to school boards. Without the benchmark changes to catch up and keep up, there will be insufficient funding in all areas affected by the benchmarks, including staff, learning resources and supplies, computer costs, school operation and maintenance.

School boards and employees continue to negotiate pay equity plans with varying degrees of retroactive costs associated for school boards. The funding formula should allow school boards to meet the obligations they have under the Pay Equity Act. The uncertainty of the process and the lack of funds to meet those obligations extend an already lengthy task, can interfere with the other financial decisions school boards need to make and can slow the negotiating process itself.

#### 1050

Without a legislated requirement for staffing levels in some support staff areas, school boards over time have decreased office, clerical and technical staff as well as plant support personnel. The boards face the constant pressure of balancing the books. There's no dedicated funding for these employees, and both groups are funded by vulnerable areas of the grant structure. Not unlike this structural problem with the funding formula, there is also the artificial distinction between classroom and non-classroom built into the funding formula. It's the view of OSSTF that the whole school is a classroom.

The Ontario Secondary School Teachers' Federation recognizes other areas of the funding formula that are inadequate or which lead to problems. Our brief highlights areas which we see as priorities for the government to address, but our submission also points to areas where we believe savings could be made.

We applaud the government for following through on its commitment to eliminate the private school tax credit and the education tax credit for seniors. The reinvestment of those savings in the public education system, which is universal and accessible to all, speaks to Ontarians of this government's priorities.

The elimination of the arbitrary, expensive and provider-driven professional learning program speaks to Ontario's teachers and demonstrates respect for the profession.

Your government should not be hampered by the previous government's education policies any more than you should by its fiscal policy. There are several areas where the initiatives of the previous government added significantly to the cost of education in Ontario without demonstrating their value.

The expensive testing regime under the Education Quality and Accountability Office is but one example.

Under the previous government, funds for adult and continuing education programs were decimated. Enrolment of approximately 80,000 adults when they took office has dropped today to about 8,000.

Long-term savings are realized and the economy is stronger when more Ontarians have the skills and confidence to be part of the active workforce.

Premier McGuinty and Liberal candidates received significant support in the election from teachers and educational workers because they offered a renewed respect for educators and a renewed vision for public education. The key to addressing the educational deficit is dependent on the ability of the government to reinvest real dollars in public education.

I do want to thank you for the opportunity to make this submission. If you look through the submission in more detail, you will see some of the areas of the funding mechanisms that we feel could be improved and other areas where we would intend to work closely with the ministry to try and find ways to save money.

Another example I haven't highlighted is the bureaucracy involved in ISA funding, the funding that's available for our most vulnerable students who depend on that funding either for support through an educational assistant, or other technology or supports that they may need because of difficulties that they experience. The process for getting that takes staff away from students for days on end to fill out paperwork.

There are other things in our proposal that I'd be happy to speak to you about, but I won't go through reading it to you. I do want to thank you for this opportunity. I'd be happy to take questions.

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

**Mr O'Toole:** I take a little bit of exception with the quite political tone of your presentation. I would hope that you, as a professional educator, don't bring that into the classroom. It's painfully obvious, the disdain that you hold us in and clearly a great percentage of the people of Ontario. I think it's shameful behaviour for a leader in public education to be so obviously political.

**Mr Colle:** And rightfully so. Stop lecturing people and ask a question.

**Mr O'Toole:** Mr Colle, you will have your opportunity. I'm sure it will be more failed promises.

If you look at Ontario's most recent economic outlook by the current government, they've really asked for restraint. It's really quite obvious to me that the restraint is based on public spending. They're going to claim for the next three or four years that there's a deficit, and these excuses have been argued both ways in the paper. I guess as a leader in public service, as an educator, of which my daughter is a secondary school teacher—she hasn't come with quite the venom that you come with. But I would ask, in your profession—you know, you really receive what you give—what would you and your professional colleagues be willing to contribute to the health of Ontario? When I look at your list of requests, all of them are basically for additional funding for teaching. There may or may not be a case for some of that. But what could you—he's asking very straight—see your organization doing to provide leadership when it comes to restraint and making alternative suggestions outside of just political statements?

**Ms Kimberley-Young:** I think as you look through the submission you will see areas where we have iden-

tified either perhaps a waste of time and effort in terms of how some programs are implemented when we feel they could be implemented much more effectively, in other ways, or other places where we have identified spending by the Conservative government which we believe is not producing value.

**The Chair:** We'll move to the NDP.

**Ms Churley:** I thank you for your presentation today and for continuing to stand up to the bullies. I'm sorry that you got bullied a little bit more today by the member of the previous government.

Listen, I understand that what you are doing here today is sending a clear message to the new government that your sector, particularly in representing the kids, is not going to take that any more. I hear you loud and clear, as I'm sure does the government.

I want to ask something specifically in my limited time. I see that in recommendations 2 to 5 you are addressing the funding issue. Could you supply a figure as to what that translates into for the 2004-05 year? In supplementary to that, are you accepting the government's—their promise is going to come over four years. I think that's what you are saying, and that you are willing to accept a certain amount. But I need to know what specifically, at least a ballpark, you think you need for this year, 2004-05.

**Ms Kimberley-Young:** I may turn to my colleague to speak to the number, but what we are saying here is that in Dr Rozanski's report he made recommendations for change in each of sequential years to address the funding shortfalls in the benchmarks. That's the catch-up component that I spoke of. Unless some sort of mechanism for inflationary growth is built in, there will always be a keep-up problem as well. I will turn to my colleague to speak a little bit more specifically about those numbers, but those are truly the two key components, because the benchmarks affect so much of the funding that goes into education in a very broad way, and unless the catch-up and keep-up are there, all the areas will be falling backwards. You can look at just the change in hydro costs to schools, and there's a whole list of operational costs that schools face that have fallen, as well as the fact that the benchmarks were not set realistically to reflect salary and benefit costs of employees.

I will turn to my colleague to provide something more specific.

**Mr Dale Leckie:** The second year of the catch-up, as Rozanski stated, is just a third of the approximately \$1.1 billion that he measured was behind, so in the mid-\$300-million range. The keep-up is dependent on inflationary costs. It's probably around a similar number, depending, ultimately, on what the inflationary pressures are on the goods and services that are provided to the students.

The recommendation on pay equity is a tough one because of having to make direct comparisons with male comparators in boards and how far back it goes. We're estimating it at around the \$40-million range, but that's using whatever calculations we have.

As far as the staffing goes for security in schools and having more adults there in secretarial support and plant

support, we're estimating it at somewhere between \$50 million and \$60 million.

**The Chair:** We'll move to the government side.

**Mr Bruce Crozier (Essex):** Thank you for coming. The responsibility of this committee is to listen to you. You've made eight recommendations. I think they are good recommendations. I don't blame you for making them, and we'll make a report to the Minister of Finance, and those spending priorities will be set. So thanks for coming.

**1100**

**Mr Colle:** I'd appreciate it if we could get some more detail, through you to the committee, on the comments you made about the EQAO testing and the fact that it's now a \$100-million bureaucracy. That's a potential cost-saving for the government that perhaps could be put back into the classroom, as you said, rather than into this bureaucracy created by the previous government. If you could pass a bit more information on to the committee so it would help us in making our deliberations, I'd appreciate that.

**Ms Kimberley-Young:** We would be very happy to do so. I think what we're trying to introduce here is that obviously we want to know how well students are doing. The EQAO tests have not proven to be as effective in determining that. In terms of how to do some sort of standardized approach of testing with students, a random sampling and other mechanisms have proven very effective.

A primary concern that we have with this sort of testing, aside from the cost, is that it doesn't necessarily allow for remediation. Diagnostic tests with appropriate remedial programs in place afterwards are far more effective at actually improving students' success. We would have lots of suggestions in terms of mechanisms that could be used that really do ensure students are succeeding, and in a much less expensive way.

**Mr Colle:** If you could just pass those on to us—

**Ms Kimberley-Young:** We'd be happy to.

**Mr Colle:** On a point of order, Mr Chair: There is a reference on page 3 of the presentation about the amount of the provincial debt increased by the previous government. I would just like to get a clarification from the Ministry of Finance. In the deputation, the ministry officials said the previous government increased the provincial debt by \$30 billion; here the figure is \$21 billion. I just want to make sure that we get the right figure of how much the previous government increased the provincial debt.

**The Chair:** You're asking research for that?

**Mr Colle:** Yes.

**The Chair:** That can be provided. It's not necessarily a point of order, though.

**Mr O'Toole:** On a point of order, Mr Chair: On the same question, I want to know, in the researcher's input, where the debt was restructured from the Ontario electricity financing authority, which was always carried as a separate line. Mr Colle has repeatedly, and mistakenly, cited the information, and it should be corrected and you should read it.

**The Chair:** We can request the information, Mr O'Toole.

**Mr O'Toole:** He's still learning the job.

**The Chair:** We'll request that information.

To the presenters, there was a question from Mr Colle on some information and figures. If you would provide them to the clerk, then we can provide them to all of the committee members. Thank you for your presentation.

ASSOCIATION OF COLLEGES  
OF APPLIED ARTS AND TECHNOLOGY  
OF ONTARIO

**The Chair:** I call forward the Association of Colleges of Applied Arts and Technology of Ontario. Good morning. You have 20 minutes for your presentation. You may leave time for questions if you so desire.

*Interjections.*

**The Chair:** Could I have quiet in the room, please.

I would ask you to identify yourselves for our recording Hansard. You may begin.

**Ms Beverley Townsend:** Good morning. Thank you, Mr Chair and members of the committee, for allowing us the opportunity to present. My name is Beverley Townsend. I am the chair of the executive committee of the Association of Colleges of Applied Arts and Technology of Ontario. The acronym is ACAATO. With me today is the president of the committee of presidents of ACAATO, Dan Patterson, and the president of Seneca College, Rick Miner.

Also, you have just had circulated to you by the clerk a package of information that we are leaving behind for you for your awareness. It contains our slide presentation this morning. I would counsel you to look at the graphics. There are only two, but they probably have the most impact. The second piece is a report on Investing in Ontario's Workforce. It is the coil-bound one, but we did provide you with an executive summary. They will be documents to which we are referring in our comments this morning.

Today we want to tell you about the benefits of the college sector to the province of Ontario. We want to explain the cumulative effect of chronic underfunding and its impact on the quality of education delivered to students.

We will then discuss a four-year investment proposal designed to put students first and reinvest in quality education.

Let me tell you about our students. Colleges serve a remarkably diverse student body of more than 500,000 adults—150,000 full-time and 350,000 part-time. Colleges provide students with multiple points of entry and educational pathways to training and educational opportunities. Colleges are community-based institutions and provide accessible, quality applied education and training throughout the province. There is a college campus in every riding in Ontario. More than one million grads are now actively contributing to the Ontario economy.

We have the results of a very thorough economic analysis done by a firm with expertise in this field. Their study clearly shows the economic returns and benefits to the province from the 24 colleges and those who attend them and work at them. In short, the report says that investing in Ontario colleges drives economic growth in this province. In the words of the report prepared by CCBenefits Inc, Ontario's 24 colleges are economic engines that "are a uniquely attractive investment for government" as well as the students who attend them.

Let's be specific. The analysis says that Ontario's colleges provide an average annual return of approximately 12% on taxpayer investment measured in terms of increased revenues and cost savings. All government investment in colleges is recovered in 10.7 years. In our view, this research clearly demonstrated that Ontario's colleges provide an excellent return on taxpayer investment.

For such a proven economic winner, Ontario colleges have not been appropriately invested in over the past several years. College per-student revenue has dropped 30% since 1987-88. Compared to 15 years ago, colleges educate Ontario students for approximately 70 cents on the dollar.

Ontario colleges currently get the lowest per-student funding in Canada, about 70% of the national average. That national average is \$6,300. The average per-student funding in Ontario is \$4,700.

Other financial comparisons demonstrate the weakened resource base for colleges. Over the last 15 years, and based upon a review of expenditures per client, Ontario colleges experienced a greater funding base erosion than school boards, universities or hospitals. Ontario colleges trail American colleges in operating expenditures per student, with Ontario colleges spending approximately 74% of the level spent in the US.

I would now like to ask my colleague Rick Miner to continue.

**Mr Rick Miner:** I think one of the big issues is what the impact has been of the funding reduction over the past decade or so. A lot of that has really been detrimental to quality. What's occurred is that the average number of contact hours is significantly reduced, the number of full-time faculty have been reduced, the student-faculty ratio has increased, resulting in eliminating services for students that they really should have. We've delayed renewing our technology. Our libraries don't have the resources per capita that they would have had a decade ago. If you go to many of our colleges, you'll see a major deferred maintenance problem. What is really occurring is that we've tried to protect in-class as much as we can, but it's gotten to the point where it's very difficult to protect that any longer.

Our proposal, and there's a lot of documentation in your folder, is a very simple one: We would like to reach the national average in terms of funding. We'd like to achieve that over a four-year period. What that means is that there would be an investment in the college system of \$90 million per year on average, and after four years

we would have an average funding of about \$6,300, which actually still will be below the current national average.

1110

If you look at what we're facing in 2004-05, it's fairly daunting. We know as a result of our collective labour settlements, as a result of our pension investments, as a result of some inflationary cost in utilities, that the system will require \$70 million just to stay where it is right now.

In addition, if there is a decision to freeze tuition, that is going to cost about \$10 million to \$12 million unless it's compensated for in some way. Although we have a very major challenge in front of us for next year, we have a more daunting challenge in terms of renewing the quality we think we should be providing to the students and citizens of Ontario.

We are committed to three things. We are committed to access, and access is going to be an increasing issue as the skills gap widens. Many of you may well have seen Alan King's recent study that shows about half of the students don't go on to a college or university education. What you may not have seen is some economic and labour forecasts that say by 2010 only 10% of the new jobs can be had by somebody who only has a high school education. So we have quite the gap to bridge within that six-year period.

We also think education should be affordable, and we encourage any efforts to achieve that affordability, but not at the expense of quality. Giving access and affordability to a low-quality product is not something we could be proud of. We increasingly are worried about the quality dimension, and we think there needs to be an investment in the college system in order to renew that quality.

I'll turn it back over to Bev now.

**Ms Townsend:** In closing, let me say that investing in colleges benefits taxpayers by generating increased tax revenues from an enlarged economy and reducing social spending, and it increases the lifetime incomes of students and enriches their lives.

We are asking you to consider the needs of our students, the economic and social returns to the province from investments in colleges, and the urgency of the need for new investment in Ontario colleges.

Either one of us would be pleased to respond to any questions that you might have.

**The Chair:** Thank you very much for your presentation. We have about three minutes per party and we begin this round with the NDP.

**Ms Churley:** Thank you for your presentation. I recently read Richard Johnston's very good summary in a local newspaper as well.

I just wanted to clarify with you because I can't remember—compare your request today with what was actually promised, if indeed anything was promised, in the pre-election or election period. Are you asking for something you've already been told you could get, should the Liberals be elected?

**Ms Townsend:** I will take the first attempt at that one. What we were promised in the campaign was a commitment to education, and even more recently than the campaign, I think the commitment which was stated I believe in January by Premier McGuinty was that his government will strengthen the economy by building the most highly educated and skilled workforce in North America. We are depending on that.

We were successful last year, and we are including in our base figures a \$60-million approved quality grant that was extended by the previous government for which we are most appreciative. But that still falls very short of the \$362 million that we are asking for over the next four years. More specifically, for this budget year, 2004-05, we are asking for \$70 million.

**Ms Churley:** I take it you're saying that you support the freeze in tuition fees but that the government needs to compensate the colleges for that. Is that included within the figure you ask for in terms of annual funding?

**Mr Miner:** We're certainly supportive of any efforts made to increase affordability. The additional \$10 million to \$12 million isn't there. That would be supplementary.

**Ms Churley:** Thank you very much.

**The Chair:** We'll move to the government.

**Mr Wilkinson:** Thank you for coming today. If there were a group that has come here to say, "Given the amount of money you've given us, look at what we've been able to do," it would your group. That reminds me of when I was a boy, and my father was on the board of governors for Loyalist College, back in the 60s, going with him as they were building that college and as our province was investing in the future, back in those years, and what the college has been able to do.

Specifically, we've had some other people come to us, talking about the problem with a really large shortage of skilled trades that we have that's only going to get worse. I was wondering if you could comment on that, about the need for journeypersons. I know that you do a lot of that work. We've seen that there are some systemic barriers to try to have more and more of those people our economy is so dependent on. I was wondering if you could give us a comment, because it crosses a couple of ministries, just your perspective on how we can get out of this negative spiral we have where we're not going to have enough electricians, carpenters, all of those types of people we really need for our economy.

**Ms Townsend:** Let me respond first, and then I'm going to hand over to the chair of the committee of presidents, Dan Patterson. First of all, I am the past chair of that very same college which you made comment about, Loyalist College. I can certainly share with you, as a volunteer member of that board, that we have hit the wall. We are looking at significant impacts on our students, we are looking at significant impacts on our infrastructure and we are making some very difficult decisions because, as you know, we are not allowed to run deficits.

Related to the impact on the ability to continue to provide skilled trades in the province, I hand that over to Dan.

**Mr Dan Patterson:** Our multi-year investment proposal speaks very strongly about that. We are key players with the government in dealing with the skills shortages. We are the institutions that produce the tool and die maker, the medical technician, the dental hygienist, the paramedic, the auto mechanic, the heavy equipment operator, the construction millwright, the registered nurse, the management position and so many other people who keep our lives running smoothly and the economy ticking. This speaks to making sure that continues.

I guess our concern, and the one we've tried to articulate strongly in our document, is that Ontario cannot remain competitive when the colleges have the lowest support in the country and receive only 74% of the funding received by a college in the United States. We have virtually the lowest per-student funding in the country. This proposal is reasonable; it's tempered, given what the Minister of Finance has said. Investing \$90 million in this next fiscal year in a multi-year period over four years to give us \$362 million really should be seen as an investment, a part of the asset side of the government issue.

I know the standing committee is dealing with a lot of priorities, but I think the one you've hit is absolutely critical, and that is the skills shortages. We won't stay competitive if we don't invest. Here we have an incredible system that is all ready to gear up to meet the needs of the economy, but the quality erosion over the years of underfunding is sending a very strong alarm bell to this committee that's saying that we need to reinvest if we are going to sustain excellence and we are going to continue to grow.

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

**Mr O'Toole:** Thank you for your presentation this morning. I can assure you I'm a big supporter of the knowledge-based economy and the important role the community college plays in that, and more specifically the role of Durham College and the Skills Training Centre. It is an extremely proud example of the work that is going on, that is being done. You may be interested: Dr Birgeneau, the University of Toronto president, was here this morning. He said he wanted a couple of things. It wasn't really specifically new money. It was more flexibility in the current money, specifically OSAP being expanded to the middle class. Some of the rules of access there, that is perhaps something you'd comment on. I'm impressed and have heard the return on investment number. It's an interesting phenomenon that it does create wealth, it adds value to the community, and students spend all that money, and more, actually. I have five children; I can tell you.

I'm just wondering, on the \$90 million annually, did it include the other portions of the funding, which had to do with the cost of maintaining the fine benefit plan or the pension, as well as the other cost, which was the tuition freeze cost? Is that the same money or is it in addition to the \$90 million?

1120

**Mr Miner:** It would be in addition. Whatever is done with regard to tuition, if those revenues weren't available to the college system, then those would add—

**Mr O'Toole:** So you'd need \$90 million in operating money to bring the grant level up to the \$6,000, and you'd need an additional \$70 million plus \$10 million to address the ongoing problems with the collective agreement, pensions, utility costs—which they promised and then they broke their promise—and the other is with the tuition fees. So you'd need that as well?

**Mr Miner:** When you get a chance to look at the detailed report, it will show you some projections over the four years. The \$90-million figure is an average over the four years. In fact, we've reduced the first-year request; I think it's \$80 million—

**Ms Townsend:** It's \$70 million.

**Mr Miner:** And then if you would add on to that whatever is done on the tuition side.

**Mr O'Toole:** How about Tony Blair's proposal in Great Britain of shifting the cost of education basically from the parents to the students, where they wouldn't start to pay until some future date? Are you familiar with that? It's free tuition, basically.

**Mr Miner:** Yes. It's very interesting.

**Mr O'Toole:** It's a very innovative approach.

**Mr Miner:** It's a little beyond our submission, but basically it says you don't pay anything until you've earned this much money.

**Mr O'Toole:** I think it falls clearly into—I'm quite intrigued by it myself. My daughter is at the London School—

**Ms Churley:** As a parent of five children.

*Interjection.*

**The Chair:** Order, please.

**Mr O'Toole:** It's actually something I'd be looking at in the future. You should probably look outside the box and some of the traditional funding models, because it does add value as wealth generation, which is your argument here. I think tying it to an income-contingent loan repayment plan would be a good way because access becomes the issue if monetary issues are the barriers.

**Mr Patterson:** Regarding your first point around the University of Toronto, we have very good working relationships with our sister institutions, although I think it's important to point out, and it's spelled out in our submission, that universities get \$6,300 per student, together with a lot of federal government research grants that we don't get. Our bottom line is that we have \$4,300 per student. The school boards get \$7,300. So when the committee is deliberating, I think those are very important statistics to reflect on, versus the impact that the college system makes in the lives of Ontarians.

**The Chair:** Thank you for your presentation.

#### ENERGY PROBE RESEARCH FOUNDATION

**The Chair:** I call forward Energy Probe Research Foundation. You have 20 minutes for your presentation.

You may choose to leave time within that 20 minutes for questions if you so desire. Please state your names for the purposes of our recording Hansard.

**Mr Thomas Adams:** My name is Tom Adams. I'm representing the Energy Probe Research Foundation. With me today is Kal Vepuri, a research associate and visiting scholar.

We've prepared a brief presentation to guide our remarks, and our intention is to speak briefly to this presentation and to leave time for questions as much as possible.

Ontario faces a very substantial electricity crisis. This is something that our organization, Energy Probe, has been observing for many years. We are a small charitable organization located in Toronto. We depend on voluntary support from our supporters—we're a charity—and also on the work of volunteers, who do much of the work of our foundation.

The subject that I wish to address with you today is Ontario's electricity problems. At the outset, I observe that the committee has a very heavy day of hearings in front of it. We may be the only presenter appearing before you today not asking for money. In fact, our presentation is aimed at reducing government expenditure. We are alarmed by the current trend in expenditure in this area and believe that the current expenditure commitments are making Ontario's electricity supply problems worse.

We really have three messages we want to leave with you today. The first message is that Ontario's government-owned electric generating company is, in our view, not deserving of another penny of taxpayer dollars, either lent or given. The second point we want to leave with you is the urgency of moving Ontario electricity consumers to a regime where they pay the real cost of power. We can no longer continue to encourage consumption of electricity by subsidizing the price.

The third key message for today is to ask the committee to use its influence to ensure that we have higher standards of transparency around both the financial plans and financial reports of the crown corporation, Ontario Electricity Financial Corp. This crown corporation is one of the largest individual points of residency, you might say, of taxpayer liabilities in Ontario and yet maintains a very poor standard of transparency.

The crisis in our power system strikes us at many points in the power system, but Ontario Power Generation is at the centre of it. OPG is now running short of cash. In the middle of December, Minister Duncan identified a negative cash situation for OPG requiring an injection that may range between \$300 million and \$750 million this year simply to cover its costs. We believe that the taxpayers' equity position in OPG is probably negative.

OPG is driving Ontario's electricity crisis. It is the largest single cause, and the more tax dollars we allow to go into OPG, the worse the crisis has gotten and the worse it's likely to get. The Pickering A project, which is OPG's largest capital expansion program, is now a really

serious hole in our power system. But we need to appreciate that OPG was always understood by Ontario Power Generation to be part of its competitive strategy. We believe that its purpose was to scare away independent investment in generation, and in that it was very successful.

The Pickering A project has scared away probably three or more times its own capacity in new investment in new power generation in Ontario. Pickering A's indirect impact in terms of our power supply is much greater than Pickering A's direct impact of not being completed on schedule and on time. In fact, the shortage that we suffered in 2002 was not so much a crisis driven by hot weather but by the failure of the Pickering A project.

We believe that by not putting any more tax dollars into OPG, it will force OPG to change its operations and become more efficient. OPG can achieve efficiencies in many areas of its operation, and one area of efficiency that it needs to, I think, look to is to sell some of its underutilized assets. OPG has a large inventory of assets sitting around that aren't producing any value, like, for example, the Hearn generating station in Toronto.

#### 1130

We believe that a signal from the government that taxpayers are no longer going to involuntarily be investors in the power system will signal new investment that Ontario badly needs.

Ontario Power Generation's problems are not problems of its institution alone. They are having a knock-on effect, driving up the debt of the taxpayer held at the Ontario Electricity Financial Corp. OEFC, as it's called, is allowing the stranded debt to grow substantially.

OPG's problems are a major driver of OEFC's rising stranded debt. It was originally promised that OEFC would be managing Ontario's electricity debt downward. That was the promise we received from the previous government back in 1998 when the new legislation for the electricity system was established, the Electricity Act, which provides OEFC's mandate. It turns out that promise was not realized.

OEFC has a serious transparency crisis. Every year since it was formed, OEFC has failed to comply with the statutory requirements on financial reporting. They report late every year. We believe it has not received adequate scrutiny from the audit process of the Ontario Legislature. We believe that improved transparency rules—sunshine rules—for OEFC are likely to yield substantial benefits in the longer term.

We note with appreciation that for fiscal 2002-03, the most recent government financial year to be reported, there has been a change in the reporting approach. The accounting rules have been adjusted so that OEFC's revenues and expenditures are reported directly on the provincial government books. This is an important improvement, but we believe that OEFC's debt management plan must be published annually so the public can see how our interests are being taken care of.

Another recommendation for the future of the Ontario Electricity Financial Corp is to treat it as if it's a regul-

ated utility. After all, it obtains all its revenues from electricity consumers and, in return, provides the service of debt management. That service is very much analogous to a regulated utility, but it's not subject to any of the transparency rules that apply through the Ontario Energy Board. We think the energy board is well suited to assist the public in gaining greater transparency around reporting.

I'll conclude with some final thoughts. Ontario Power Generation, and Ontario Hydro before it, failed not because they invested insufficiently but because they invested unwisely. The lesson of Ontario's electricity history, over the last generation, really, shows that the more public money—loan guarantees or direct cash—we throw at these problems, the worse the problems get. The solution to stabilize our electricity system, looking into the future, is one where customers pay the real price and the investors who make the investments in much-needed new generation are at risk. If those generation investments fail, the businesses fail. That will establish a level of accountability that we do not have today.

Finally, we need higher standards of transparency. The Ontario Electricity Financial Corp is an institution that will be around for many decades. Its electricity liabilities are something that Ontarians will have to manage beyond the lifetime of most of the people in this room. I think it's about time we started, for the benefit of future taxpayers who are going to be bearing these responsibilities, putting numbers on the table so we can see what the plans are and, in hindsight, how those plans stand up against what we learn as we grow into this.

Thank you very much, and I look forward to your questions.

**The Chair:** We'll begin the questioning with the government.

**Mr Colle:** Thank you very much, Tom, for your time.

**The Chair:** I failed to mention that you have about three minutes each.

**Mr Colle:** Mr Adams, thanks very much for all the work Energy Probe does. It not only helps this government but really helps Ontarians deal with this complex issue. Energy Probe really deserves credit. Sometimes we don't do that, but I want to thank all the volunteers and everyone who does that.

The critical question here is that we, as MPPs, are going to be faced with making a decision on what we do with Pickering A. We're going to be caught with the whole issue of what we replace it with, might it be safer just to perhaps pour more money into it, what are the alternatives?

At what point can we get a clear understanding of the options here? Most of us are lay people; we're not experts. What can we get to help us make this decision and perhaps advise the Minister of Finance on the best way of spending money that's in short supply here?

**Mr Adams:** This is an issue, really, that's right in front of us now. First of all, one observation that I think doesn't receive enough attention in terms of understanding the problem around Pickering A is to

appreciate that Pickering A is a four-unit station. Units 1, 2, 3 and 4 were all shut down in 1997. In 1998, OPG started the process of trying to bring these units back into service, for good reason—we'd all do the same in their shoes. If you were given the job of bringing back four units, you'd do the easiest job first. You'd want the power most quickly; you'd want the payback on the investment most quickly. So they went for unit 4, the unit that was by far in the best physical condition.

If we proceed with renovation of the remaining three units at Pickering A, the experience we've had with unit 4 is likely to look like the good old days. Just to recap, the experience with unit 4 was that the renovation was supposed to cost around \$200 million. So far, they've spent \$1.25 billion just on unit 4 alone, plus at least \$170 million on common services, bringing the total figure substantially above \$1.4 billion the last time they reported publicly.

The outlook going forward with the other three units—we can't occupy ourselves with the sum cost; we have to think about the incremental benefit of further effort there. The appreciation that the further units are likely to be more difficult than the one we've already done needs to be in our minds when we think about what the alternatives might be.

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

**Mr O'Toole:** Very quickly, I also want to respond by respecting the work you do and the voice you bring to a complex issue. I've been on many committees where you have presented, and you always add something to the discussion.

Going back to Adam Beck's power at cost, that's never been the case right from day one. They were always over budget and over time right from the beginning. I think you wrote the article I'm referring to—it was in the Post or the Star or something.

In the election, energy of course was a huge issue, and the Liberal platform was to commit to the price freeze. I understand what your response would be, but there again, some of the people who did the work there clearly have a very low grasp of the issue, respectfully.

**1140**

I want to look clearly at the work done by the generation conservation committee. Their recent report indicated that the likelihood of achieving their commitment on coal, which is the second part, the price freeze being the first part, which they failed on—we can't use certain parliamentary terms. The second part was the promise to eliminate coal. That's five plants and about 6,000 megawatts to 7,000 megawatts of energy. It's clear now that they'll never reach that, and most of the experts say that. Not that I'm a big supporter of coal, but we have to have the lights and the heat on.

I would like a response from you. Do you think the current track is the right one? Ultimately, the real question I have is on power at cost: What is the real cost of power, going forward, with all the promises they've made: a clean, bright future and all that kind of stuff? That might give you a little bit of room, Tom, to respond in a broader way.

**Mr Adams:** The current track that we are on is not sustainable. We have an elevation of the frozen price level coming in April. The new frozen price is likely to be substantially below the actual cost of running the existing system and also substantially below the cost of adding new supply, irrespective of what the options are that are pursued. The most efficient options available to us are probably industrial cogeneration, simultaneous production of heat and power. Fuel costs are reasonably high. The efficiency gains help to offset some of that cost, but still, at the new frozen price after April, that's not going to be enough.

There is a whole wide range of options in terms of where we can go. Of all the sensible approaches, every one of them has a common element, and that is that customers have to pay the real cost.

**Mr O'Toole:** And that is what? What is it, Tom?

**The Chair:** We'll move to the NDP.

**Ms Churley:** There's no point in this limited time for us to get into the areas where we disagree, Mr Adams, so I want to clarify with you a couple of things in the areas where I think we agree. I'm not sure, but I believe that you said you support the phasing out of nuclear, like Germany, as you know, just did. That doesn't mean shutting down everything tomorrow, but phasing it out and stopping the crazy investment.

We both attended a conference on energy this weekend. The big issue was conservation and efficiency, which of course is tied into the whole issue around capping rates, and the fact that it's simplistic to say—and I agree with you that we should be paying cost for electricity, without taking into account that some people can't afford it, with all their other household bills. At the same time, we have to bring in a very concerted effort on efficiency conservation and incentives to help people keep their bills down.

Would you agree to that? How would you propose we deal with lower-income people—certain industries that may have to lay people off, all of the upset that happens that we saw when Harris put the caps on—because of the sudden impact?

**Mr Adams:** In terms of protecting consumers, our view is that the protection needs to be directed at individuals in need. The idea of subsidizing electricity prices for Rosedale and Parkdale at the same time just doesn't make sense.

The question of affordability of electricity is really, for low-income people, just one element of a wider problem. Attempting to solve the problem of penury among disadvantaged individuals through the electricity system is, we think, the wrong approach.

Similarly, if there is going to be any effort directed at protecting consumers from electricity prices, which will necessarily have to go up—as Mr O'Toole and I will agree, the price will have to go up substantially, perhaps to eight cents. But in our view, the industry that's consuming electricity ought not to be protected to encourage their continued consumption. If it's not cost-effective for them to use it, then they should simply be left to their

own devices. It wouldn't be beneficial to the power system to be encouraging them to use electricity inefficiently.

**The Chair:** Thank you for your presentation.

#### ONTARIO COALITION FOR BETTER CHILD CARE

**The Chair:** I call forward the Ontario Coalition for Better Child Care. You have 20 minutes for your presentation. You may leave time for questions within the 20 minutes if you so desire. I would ask you to state your name for the purposes of our recording Hansard. You can begin.

**Ms Kira Heineck:** Thank you very much. My name is Kira Heineck. I'm the acting executive director at the Ontario Coalition for Better Child Care. I thank you very much for the opportunity to come and present to the committee this morning.

The Ontario Coalition for Better Child Care was founded in 1981. It includes over 500 groups and individuals from education, health care, labour, child welfare, injury prevention, rural communities, First Nations, francophone communities, social policy, anti-poverty, professional, student and women's organizations. We also serve community-based child care programs across Ontario and eight local child care action networks.

We are 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 revenue and expenditure. To date, the debate has been restricted by the government's insistence that it will not raise taxes. Public services in Ontario are in desperate need of rebuilding, and more cuts are simply not possible. The people of Ontario understand this and know they may have to pay higher taxes, taxes that will support better public services. In any pre-budget consultation, people must be able to consider all the options. One should be increasing revenue. Our presentation today presents fiscally responsible proposals that will improve public services, proposals that will require an increase in revenue.

The child care coalition believes in high-quality, regulated, licensed, not-for-profit child care that provides supportive early learning environments for children, that supports parents in working, studying and accessing training opportunities, fosters equity and inclusion for a diverse set of groups in Ontario and helps families balance life and work commitments.

Investments in early childhood learning and care are essential to evidence-based strategies for lifelong learning that will contribute to Ontario's social fabric and competitiveness and increase productive growth in the 21st century. A system of high-quality early learning and care is fundamental to healthy childhood development and lifelong learning. It's also a key to labour strategy, the urban agenda, equality for women, social integration of newcomers, strengthening social cohesion, and is a social determinant of health.

For three decades, parents have been advocating for governments to take action on child care in Ontario. There were improvements that took shape between 1982 and 1995, but the destruction to the services over the last eight and a half years has been staggering. Between 1995 and 2003, funding cuts and downloading to municipalities destroyed many of the advances made to child care made between 1985 and 1995 by successive Liberal and NDP governments.

Some examples include the fact that provincial spending on regulated child care has fallen by \$160 million, from a budget of \$611 million in 1995 to a budget of \$452 million in 2001. Downloading to the 47 local governments means that differences in services among municipalities have grown, and because funding has been reduced or frozen, municipalities have been making individual decisions on how to best manage their budgets, not allowing us to achieve provincial standards.

#### 1150

Municipal waiting lists for subsidies mean that even eligible parents have no possibility of a subsidy, and a variety of provincial policy changes have made it much more difficult for low- and moderate-income parents to access child care.

Some of these are quite important. For example, student parents must declare their loans as income in a needs test, making them ineligible for child care subsidies.

RRSPs are now considered liquid assets, so families are expected to spend these assets before seeking subsidy assistance. Parents with more than \$5,000 of liquid assets are ineligible for subsidy.

Parents looking for work or between jobs are no longer eligible for child care subsidies either.

Municipalities are now sharing the cost of wage subsidies, family resource centres and special-needs funding. These were previously wholly funded by the provincial government.

Child care centres are threatened by cuts to the public school system. This resulted in increased financial stress and loss of spaces. After Bill 34, classroom space used by child care programs was considered surplus space and no longer counted in the square footage of legitimate space when school boards applied for their accommodation grants, forcing many to close.

A 2003 out-of-court settlement of a charter challenge to reinstate provincial funding for ongoing proxy pay equity adjustments did not adequately address financial requirements for local child care operators and employers.

The provincial government spent none of the federal ECDI money on child care.

Our final example of some of the devastating changes of the last eight years focuses on kindergarten, which currently is the only universal early learning and care program offered by Ontario to children under the age of six.

The 1989 Liberal government committed to fund full-day senior kindergarten—and this was adopted by the

NDP government—which provided 100% of funding for junior kindergarten students and established a \$35-million capital fund to assist boards to build or renovate classrooms. Then, in 1995, the Harris government announced cuts of \$100 million to junior kindergarten and cancelled all capital projects.

Almost all school boards provide junior kindergarten, but they have to find the funds in their already stretched discretionary budgets now to support them.

These are examples that show us that child care in Ontario today is in crisis as never before.

Child care programs report financial crises, difficulty recruiting and retaining staff, escalating fees and deteriorating physical environments. As a result, unfortunately, many child care programs struggle to deliver developmental environments, the ones that we know are so crucial for good child outcomes. However, even when quality services are available, most families cannot afford them.

So where do we go from here? All three levels of government have a role to play. Setting national goals and targets demands a strong federal leadership role and federal financial resources, as well as federal collaboration with provinces. Ontario must, from this day forward, play a key role with the federal government in urging such federal engagement.

At the same time, progress in quality access planning and human resources depends very much upon the provincial governments, which have the jurisdictional responsibility for designing and managing early learning and care programs. Here, Ontario can play a leadership role with other provinces that have shorter and less developed histories in early learning and care.

In 1999, the federal government and all provincial and territorial governments—except Quebec, of course—adopted the National Children's Agenda. This promised to produce "a comprehensive strategy to improve the well-being of Canada's children." This was then followed by the early childhood development agreement in 2000, which will bring \$500 million next year across Canada—\$192 million to Ontario—to be used to improve and expand early childhood development programs and services, including child care.

Finally, in 2003, last year, Ontario, with the other provinces and territories—except for Quebec—agreed to a multilateral framework on early learning and care. We saw, thankfully, the announcement three weeks ago by the Liberal government of the first instalment of that money to the non-profit child care sector for capital improvements. That's a great first step, and we're hoping to see similar commitments in the years to come.

I want to review just very briefly some of the promises made during the election in the Best Start plan, promises that we were very happy to see and that we think can guide this government as it goes forward.

First of all, on long-term vision: "Our Best Start plan is based on our vision of high-quality early years education and support as a seamless extension of our public education system...."

A second quote: “Our long-term goals are a universal, regulated child care system and public schools as our community hubs with full-day junior and senior kindergarten available to all four- and five-year-olds.”

On immediate commitments, the Best Start plan commits: “The first step, to be taken during our first term in government, will be to improve the quality and affordability of child care available for our families.”

A second quote: “First, we will become partners with the federal government and its national child care agenda. We will spend the money offered by the federal Liberals on regulated, centre-based child care.

“Second, we will re-prioritize spending of the early childhood development agenda. We will spend the majority of that money supporting and expanding Ontario’s current system of regulated child care.”

I highlight this because, as I said just a few minutes ago, the previous government refused to put any of that money into child care.

A third quote: “We are committing \$300 million in new provincial money for Best Start.”

Finally: “Ontario Liberals will consult with all the stakeholders in implementing Best Start. We are looking forward to working with early childhood educators, child care providers, child care experts, municipalities and others.”

I come now to our recommendations for the 2004 Ontario budget. Again, I will highlight only a few. You have a detailed list in the brief in front of you.

In order for the Ontario government to begin to meet the commitments outlined in the Best Start plan, it must reclaim a leadership role in early learning and care in Canada by beginning to move toward the kinds of programs that are now commonplace in most modern countries. We have four areas of action to get us to that end.

First of all, the Ontario government must keep its election promise to implement a universal, high-quality, regulated, seamless system of early learning and child care and develop a strategy for meeting this commitment.

Second, we call upon the Ontario government to develop the following policy framework and action plan for implementation to begin to put this system in place—we believe this plan can be in place and should be ready for implementation one year from now, April 1, 2005:

—The starting point for this process would be the long-term goal mentioned in number 1, but a specific action plan and an effective policy framework are critical for success. The policy framework must include principles, new legislation, timetables establishing service targets and plans for meeting them, improved quality standards, definitions of roles and responsibilities for management and funding, plans for accountability including tools for monitoring, and plans for adequate funding.

—Some of the components of the action plan are to address current service and resource fragmentation by working toward a seamless system; developing plans for making available services financially accessible to par-

ents; and setting targets for improving early learning and child care education wages.

Third, the Ontario government must play a leadership role with the federal government and the other provinces and territories in moving toward a national child care program.

Fourth, but certainly not least—in fact, these are recommendations for immediate action to contain the crisis that exists in the system right now.

Funding actions: Designate three quarters of the \$192 million coming from the federal government in the ECDCI to regulated, not-for-profit child care. As I mentioned twice already, none of this money in the last three years has gone to child care. It’s time for a serious investment in the regulated child care system. Secondly, replace the \$160-million cut from the annual provincial budget for regulated child care between 1995 and 2001.

Policy actions: Review the subsidy system and address the concerns I mentioned earlier around the tightened restrictions on accessing subsidy; amend the education funding formula to ensure that space for existing and new child care programs in schools is available at no charge to not-for-profit groups; direct school boards to incorporate space for child care centres in every new school in the province; and finally, fund wage enhancement grants so that every person working in a not-for-profit child care program has a full wage enhancement grant.

Acting on these recommendations will advance the goal of a system of universal high-quality early learning and care in Ontario.

#### 1200

It was a Liberal government that first introduced many of these ideas in 1987, in what was called *New Directions for Child Care*. This was the beginning of a new, progressive experience for child care in Ontario. It continued through the NDP era and ended in 1995 with the election of the Harris government.

We urge your government to recommit to moving child care forward again. Doing so will mean making sure that the key elements—the goals, who the programs are for and how they are delivered—are right from the start. We are looking forward to working with the new government as we move toward being able to ensure that every child in Ontario whose parents wish, can find a space in a high-quality early learning and care program.

**The Chair:** Thank you. We have about two minutes per caucus, and we’ll start with the official opposition.

**Mr Toby Barrett (Haldimand-Norfolk-Brant):** Thank you for a very detailed presentation. Part of your focus is a call for capital funds to build child care centres and to offer child care space in the school system. You know that the present government is amending their education funding formula, in part to accommodate or in part in conjunction with their moratorium on school closings, and I think that wraps up as of September. You may want to move your schedule forward to call for this one year from now.

*Failure of sound system.*

**Ms Heineck:** Thank you very much.

**Mr O'Toole:** Just one comment, if I may. One of the recognized solutions going forward with working families is a daycare system that allows everyone to make decisions about working and having safe, regulated daycare. As a parent of five, I can support that.

I guess I'm looking at new things, like in the paper this morning—the Globe and Mail had an article about the government going forward and working with the child care and early learning programs. Is there something to be done? The Mustard-McCain report was extremely valuable in getting a head start on individuals' development. So is there anything that's completely new, as opposed to just the cost—you know, in the Day Nurseries Act there are some regulations that require numbers that are higher than in junior kindergarten, the PTR kind of number. Are there any new, inventive ideas? These learning centres are exactly the way to go. How to get there is the question.

**Ms Heineck:** I think the ideas outlined in the Mustard-McCain report are still considered quite new and exciting. We haven't yet had a chance to implement it across the province in any broad sense. We're still looking for a commitment, both in policy and in funding, to actually develop those early learning centres. So I'd have to say the ideas that are there are good and we'll continue to work on them.

We are looking more and more toward supporting the development of seamless day programs, but that's a step in the right direction. Putting child care programs in schools is a step in that direction as well.

The Toronto First Duty model is something happening here in Toronto that is showing us how these things can actually work, but the ideas they're based on are also found in the Mustard-McCain report. What we need now is action to actually implement those.

**The Chair:** We'll move to the NDP.

**Ms Churley:** Thanks for your excellent presentation. I think I'm clear on your recommendations on funding, but I want to make sure the committee understands, so maybe I can outline a couple of questions first.

How many children are on waiting lists in Ontario now? I don't know if you have that information with you. In terms of your recommendations on funding right now, I'm just wondering how much of the \$160 million taken out of the system by the previous government should be put back right away in this first budget. Are you looking for the full \$160 million to be put back? Third, are you recommending that the \$100 million or so that the previous government took out of the NDP's funding of junior kindergarten be put back separately through the Ministry of Education?

**Ms Heineck:** Your first question on waiting lists is a very important one, but there are some problems in actually identifying how many children are on the waiting lists. We know that in Toronto it's roughly 15,000, and our numbers for Ontario are anywhere between 30,000 and 40,000. But there are a couple of problems with this. First, and most importantly, the restrictions on the subsidy system have made it that so many families can't

even access the subsidy that they don't get on a waiting list, because there is absolutely no avenue for them to achieve that place. So we've seen a reduction in the waiting lists in some areas because those families can't access the system at all, and so they're not officially on any waiting list. The other problem is that some families will get on the waiting lists at many different centres, hoping for the best to get a space in one of them. So right now, waiting lists are not the greatest indicator of the need.

One of our recommendations, though, is that the provincial government collect and make accessible data on a regular basis. This is another thing that hasn't happened since 1995. If we have a better data collection system in place, we could answer that question better.

Secondly, yes, we would like to see the \$160 million restored immediately to the annual budget. Again, that just brings us back to 1995 levels. We'll talk later about going beyond them. But we need that \$160 million right away. Wages have been frozen. We know about the need for capital repairs, and that's been addressed in some part by the announcement last week. We've lost spaces everywhere across the province.

Your third question would be one that—

**The Chair:** I'm sorry, but your time on that rotation has expired. We'll move to the government.

**Mr Colle:** Briefly, let me get this straight: We have schools that have empty classrooms all over Ontario right now, right? Under the Harris-Eves funding formula for schools, if a child care went in, they would not receive any kind of funding. They would have to pay the school board money. Is that how it works?

**Ms Heineck:** Previously that space was offered free of charge to non-profit groups to run child care programs, but Bill 34 did not count the space used for child care as legitimate space to be funded under the Education Act.

**Mr Colle:** So they said child cares were not a legitimate use of school space?

**Ms Heineck:** Yes.

**Mr Colle:** OK. So that's on the books right now.

**Ms Heineck:** Yes. That should be changed right away.

**Mr Colle:** So you suggest we get rid of that idiocy?

**Ms Heineck:** Sorry, ask the question again. I just want to be sure I'm answering the question.

**Mr Colle:** It's pretty obvious: Do you suggest that we, as a government, get rid of the penalty for operating a child care centre within a public school?

**Ms Heineck:** Yes.

**Mr Colle:** OK. That's all I want to know.

**The Chair:** Thank you for your presentation.

This committee is recessed until 1 o'clock this afternoon.

*The committee recessed from 1206 to 1302.*

**The Chair:** I call the standing committee on finance and economic affairs to order and call up the Greater Toronto Home Builders' Association.

GREATER TORONTO  
HOME BUILDERS' ASSOCIATION

**The Chair:** Good afternoon. You have 20 minutes for your presentation. You may leave time within those 20 minutes for questions if you so desire. I would ask you to state your names for the purposes of Hansard.

**Ms Julie DiLorenzo:** My name is Julie DiLorenzo.

**Mr Jim Murphy:** Jim Murphy.

**Ms DiLorenzo:** Good morning. Thank you for the opportunity to speak to you today. As I mentioned, my name is Julie DiLorenzo. I am first vice-president of the Greater Toronto Home Builders' Association. With me is Jim Murphy, the Greater Toronto Home Builders' Association's director of government relations. You should have copies of the presentation that we've prepared for you in front of you.

The four main issues to which I will speak today are, first, the economic importance of the housing industry; second, recent legislation affecting our industry and pending legislation; third, the land transfer tax refund for first-time homebuyers; and fourth, the Ontario home ownership savings plan.

As you see in our submission, the housing industry has been doing relatively well in Ontario and the GTA. Low mortgage rates, population growth and job growth have all contributed to a healthy building industry.

Over the last three years we have sold and constructed nearly 140,000 new homes in the greater Toronto area, equivalent to the total number of households in Victoria, British Columbia.

The GTA is responsible for 60% of Ontario's new housing starts and one quarter of the national total. Each new home, most importantly, generates three jobs, meaning that our industry on an annual basis supports 130,000 person-years of employment, more than the total population of Kingston or Thunder Bay.

Our industry is a strong and important economic engine, generating over \$9 billion annually to the regional economy. In addition, every new homeowner spends, on average, another \$10,000 in the first year of occupancy on upgrades and finishes. A small caution, though: the statistics of building permit issuances are old statistics in that they may represent sales that are over a year old. The industry is strong but vulnerable to changes in legislation, interest rate fluctuations, market sentiment and increased regulations that delay processes unnecessarily.

You will note that the land transfer tax revenue for the province is up nearly 25% in just the last three years and is for the first time approaching \$1 billion, largely due to the strength of the homebuilding industry.

We are here, though, because we are concerned about the potential negatives of potentially unnecessary government legislation that would in fact substantially lengthen the times for approvals and inhibit approvals in areas where the province agrees it wants intensification, while also restricting land supply in other areas. This will only serve to drive up the cost of housing, which is already

feeling pressure from construction, labour and material cost increases. Affordable housing types and alternatives should be a focus and mandate for this government.

While the government suggests that there should be more intensification, the industry is continually faced with objections from ratepayer groups and municipal politicians. We take these objections seriously and during the process try to incorporate as many of the concerns as possible. Those complaints usually relate to higher densities because of political reasons, not because of impact or sound planning reasons. It could in fact be possible that local area groups may not have the provincial mandate of intensification as their objective, notwithstanding that it benefits the neighbourhoods with revitalization and new tax revenue for services. The question must be asked, where will the 100,000 people coming annually to the GTA live?

The Greater Toronto Home Builders' Association has included some recommendations on how to promote intensification in a separate paper, which is included in your package. In addition, the Greater Toronto Home Builders' Association is currently working on a formal response with recommendations to both Bills 26 and 27.

The land transfer tax refund for first-time buyers of newly constructed homes is a great program. Since its inception in 1996, over 150,000 new purchasers have benefited from the program.

As you can see on page 3 in our brief, this current year will see roughly 24,000 refunds worth \$38 million. These refunds are immediately reinvested in the local economy where the new home is purchased, and are immensely helpful to first-time homebuyers who have to scratch to put together their down payment.

GTHBA is strongly recommending that this program be maintained. Today, the average carrying cost for a \$200,000 condominium or townhouse and the average rent for a two-bedroom apartment in the city are almost the same. The issue and challenge is the ability for purchasers to put together the down payment. The land transfer tax refund program assists with this immensely.

These totals pale in comparison to what the province generates from the land transfer tax. This year, with a strong housing market, Ontario will generate nearly \$840 million in land transfer tax revenue, meaning the refunds account for less than 5%.

In addition, intensification provides revenue-positive taxation, more market-value resident tax revenue that it needs to spend on services. This is a fundamental component for future competitiveness for the province. It gives the province the money it needs for other goals. The land transfer tax refund assists in the sales process.

Thirdly, the Greater Toronto Home Builders' Association also recommends that the province look at the current OHOSP savings program, which has almost been forgotten by homebuyers. This tax credit savings program was introduced by the Peterson government and also assists first-time buyers with their down payment. The problem is that the tax credits are meagre and haven't changed since the late 1980s.

For example, a family with a net income of \$50,000 making the maximum deductible contribution of \$4,000 would receive a tax credit of \$750. The Greater Toronto Home Builders' Association recommends that this program be revitalized with the maximum contributions and the credits themselves increased.

Lastly, GTHBA strongly supports the desire of the previous government to eliminate capital taxes. These taxes bear no attachment to a company's profitability and are job killers in asset-based industries such as real estate and housing.

**1310**

This tax was not intended to dissuade investment. It was not implemented to hurt our industry and was not even created with our industry in mind. We just got caught in it. It even in effect taxes how much we borrow. What industry gets penalized for how much money is borrowed when it hasn't made any money yet? Even the federal government understands the inherent unfairness of these taxes and is phasing them out. We encourage the province to follow through on its promise to eliminate the tax entirely. At the very least, the thresholds should be increased again.

This presentation does not even start to outline the benefits the province receives from a healthy housing market. We are also the vehicle to train new immigrants and unemployed youth for skilled-trade careers, which the province knows is a serious issue of concern going forward. As an example, the automobile industry has been forward-selling their vehicles. It is now showing signs of lack of demand. Like the automobile industry, the construction and housing industry is a major employer in this province. We still have demand, although pricing for affordable delivery of product depends on co-operative relationships, positive, proactive economic initiatives that do not bog down our process.

Thank you for your time. Jim and I would be very pleased to answer any questions you may have.

**The Chair:** Thank you. We have about three minutes per party, and we'll start this rotation with the government.

**Mr Colle:** I'm interested in your ideas on expanding the Ontario home ownership savings plan. Could you just give a minute to that again?

**Ms DiLorenzo:** I'm going to refer that question to Jim Murphy.

**Mr Murphy:** OHOSP is a tax credit savings plan, so first-time purchasers would open up an account at a bank or financial institution and they would get credits for savings based on income and other things that were in the program. It lost a bit of its lustre because the federal government in the early 1990s brought in the RRSP program. But the provincial government never got rid of it, and it has a cost of about \$5 million annually. As you can see in our presentation, we did a survey of 700 renters across the province last year, and the biggest issue for them in terms of going into home ownership, which you're seeing in the Toronto market with higher vacancy rates, is just getting enough money for a down payment. So we think this is a really good program. It's a good

idea. It goes directly to purchasers. It can be targeted toward a certain income group, first-time buyers.

Just looking at the current credits that are in place—I think it's \$40,000, the income—none of these have been changed since the late 1980s. If the government wanted to rebrand or somehow revitalize the program, we'd certainly be interested in going out and making people aware of it. I don't think many financial institutions are even aware of it. But it was a good program, is a good program, targeted to first-time buyers and has certain income thresholds.

**Mr Colle:** Have you got a presentation that you have made or could make perhaps that we could have a copy of?

**Mr Murphy:** It would be in our submission there, Mr Colle, just talking about the parameters currently and what our recommendations are on increasing them. We could provide some further information for you.

**Mr Colle:** Yes, I think that would help.

**Mr Murphy:** The ministry would also have some. The Ministry of Finance provided us with some of those data in terms of the cost on an annual basis. Not a lot of people are utilizing it. The previous government brought in the land transfer tax refund program, which there's a greater emphasis on currently, but if you were to go back and look at these two and keep something in place for first-time buyers, they probably would be of help to you in terms of how to set it up and the parameters. But we could provide some further information too.

**The Chair:** We move to the official opposition.

**Mr Barrett:** Thank you for your presentation. We know the federal government is eliminating capital taxes, and you propose that this kind of continue in Ontario, and doubling tax credits and the maximum contribution available for the home ownership savings plan. I know there's an argument that with these kinds of tax credits there's a short-term cost. However, there is a long-term benefit as people take advantage of it and are able to participate more fully in the economy. Do you have any scope at all for either Toronto or Ontario as far as the short-term costs of what you're proposing and, perhaps more importantly, any feel for the long-term benefits of these kinds of tax reductions, essentially?

**Ms DiLorenzo:** Well, the capital tax is a rather regressive tax for our industry. As I noted, you actually end up getting taxed on the amount of money you borrow, and ours is an industry that is very debt-relative. So in terms of the capital tax, I would say that the costs would be very, very short-term, but for the long-term benefit I think you would see some economic development coming out of it not being there, because, as I said, it actually inhibits you from expanding, inhibits you from investing. So I would say that would be a very short-term reduction in revenue but a long-term strength, and would increase in terms of the economic numbers you're seeing out of our industry.

The other issues relating to benefits for first-time buyers: We have sales centres, and we see first-time buyers having a very difficult time buying their homes, in terms of the deposit amounts they can actually save. The

carrying costs, as is noted in my presentation, are getting to be very similar to renting. It's getting to the point where those things need to be proactive measures that probably will not have any impact in terms of revenue, because the industry is slowing down just by the fact that affordability is under pressure. So I would say they're necessary changes in this time frame.

**Mr O'Toole:** Just an observation: I commend you on the aggressive amount of homebuilding that's been going on. I think there's been good policy there as well.

I'm concerned in the short term. Municipalities are now feeding on licence and fee revenue and permit revenue, as well as development charge revenue. If the home industry goes in the tank, the revenue for that infrastructure is also going to disappear and they're going to have a big hole in their revenue side, a huge issue. If you die, a lot of the economy dies.

My real question is, there's a lot of pressure on the development charge debate. This is a huge issue for first-time homebuyers. Ultimately, when you stack \$20,000 on top of a house, and you have a 30-year mortgage, that \$20,000 is going to cost that young couple and their family hundreds of thousands of dollars over the life of their mortgage, because stacked on top of the house they're buying is this development charge. Yet there's more pressure than ever from municipalities to say that growth should pay for growth, but it's also paying for rebuilding infrastructure that exists in municipalities. There are two issues that affect municipalities and the government's policy going forward to sustain your industry. Would you like to respond generally to those two issues?

**Ms DiLorenzo:** I thank you for making note of that, because even \$5,000 added to a new home purchase over an amortized schedule is an enormous amount of money in terms of carrying costs. To add some support to your argument, if you're intensifying on main arterial roads that already have infrastructure, the new tax base you're creating is actually revenue-positive for the province; you're actually making money for the province that flows through, not matched to the cost of infrastructure. So these taxes, these extra development charges, are actually going to prohibit long-term, stable, revenue-positive taxation. I thank you for your point.

**Mr Murphy:** I might just add that our publication called *Powerhouse*, which is our economic paper in terms of the contribution of our industry—we're updating that, and we'll have a new one out in a couple of months—quotes that in 2001 about \$640 million went to local municipalities across the GTA in development charges and various building permit fees on an annual basis, and it's probably much higher than that now, related to the number of starts.

**The Chair:** Thank you for your presentation.

ONTARIO VOLUNTEER  
EMERGENCY RESPONSE TEAM

**The Chair:** Would the Ontario Volunteer Emergency Response Team please come forward. Good afternoon.

You have 20 minutes for your presentation. You may leave time within the 20 minutes for questions, if you so desire. Would you please state your names for the purposes of our Hansard record. You may begin.

**Mr Shane Harbinson:** My name is Shane Harbinson, and with me is Steve Rowland. I am the executive coordinator with the Ontario Volunteer Emergency Response Team, or OVERT as it is commonly referred to. On behalf of OVERT, I would like to thank you for this opportunity to make a submission to the standing committee on finance and economic affairs.

In the last few years, we have seen an unprecedented increase in the need for communities to provide a professional, second-tier response to assist during major incidents. From SARS 1 and 2 to the child abductions of Alexis Currie, Holly Jones and Cecilia Zhang, the black-out of 2003, train derailments, missing persons, evacuations and nuclear preparedness, OVERT is at the leading edge of community participation in major incidents.

I would like to take the committee forward to 2010. By that time the city of Toronto, the regions of York and Durham, as well as Peterborough and Northumberland counties and the city of Kawartha Lakes will be sharing among themselves 400 civilian emergency response volunteers and more than 100 volunteer police officers, paramedics, firefighters, nurses and doctors. They will have at their disposal more than \$1 million worth of medical supplies and rescue equipment. These communities will be part of the most integrated community-based emergency response team in the history of Ontario.

**1320**

Investing in OVERT is one of the most cost-effective manners in which the government can better prepare municipalities for major events. OVERT personnel can take on less critical roles, relieving police officers, paramedics and firefighters, who can then be redistributed to more critical areas.

The OVERT program is also cost-effective. In a recent two-day deployment, our personnel provided 1,900 hours of volunteer time looking for an abducted child here in Toronto. In total, between police, fire, EMS and OVERT, more than 6,000 hours were spent in the first two days looking for Cecilia Zhang. One third of that total time was given by OVERT volunteers, some of whom drove from communities that were more than two hours away. Perhaps that is one of the greatest accomplishments of the OVERT program: It's not just about a community being able to help itself; it's about bringing communities together so they can work together and help each other.

Child abductions, evacuations, missing persons and other major incidents will continue to plague our communities into the future. Our communities must have the ability to respond to these incidents in an organized and effective manner. OVERT, as a volunteer organization, provides this community response.

Our partnerships with the current emergency services throughout dozens of communities are unprecedented in the history of Ontario. If we look at recent calls, most certainly during the last 12 months for this organ-

ization—the abductions of Alexis Currie, Cecilia Zhang and Holly Jones; the blackout of 2003; and specifically with SARS—you will find an organization that since 1996 has made 100% of the call-out requests from the emergency services.

**Mr Steve Rowland:** My purpose in being here this afternoon is to discuss and comment on the disaster preparedness of organizations such as OVERT. As Mr O'Toole can tell you, we have two of the largest nuclear reactors in the world in Durham region. OVERT is an integral part of the response to that in dealing with liaison with the police, fire and emergency services. The community is also involved, and the volunteers are drawn from there, because they're stakeholders in their community. But it doesn't deal specifically with Durham region; we're now right across Ontario.

We have volunteers with experience and training that you can't get anywhere else. We have full-time firefighters, police officers and paramedics, and we're looking at getting more retired people who have come from those areas. We have people who have 30 years' experience in pre-hospital care in Ontario who will soon be retiring. We're not going to lose that, because they're already affiliated with OVERT. We can draw on that experience. It's almost the same thing as if you show up and can speak the same language. When we do our training for what we refer to as our search medics, we use the same level of training the provincial government does. So when one of our people brings a victim out of the woods, or whatever, and hands them over to the pre-hospital system in Ontario, they use the same language, the same skills and the same techniques, so the whole thing is integrated.

SARS 1 and 2: We were unprepared for that as a province, because no one knew it was coming, and yet OVERT stepped in and freed up a great number of pre-hospital professionals in dealing with the assessment of people and the evaluation of patients going into the hospitals. That would have been dealt with by somebody else if OVERT hadn't been there. This is not getting any better.

The avian flu that's permeating eastern Asia right now is only 24 hours away by plane. Once again, we will be able to step in to the fray and assist the professional services by taking away some of that primary staff and allowing them to get on with their job and still maintain the same level of professionalism. We have the ability to utilize 100 uniformed staff in a police matter, assisting the police—not becoming police officers, but assisting the police—in dealing with crowd and traffic control and other things police officers would be utilized for.

That's why we're here to ask for funding. The infrastructure is in place, and the people are in place. We simply need the funding. If you have any questions, we'd be pleased to try to answer them.

**The Chair:** Thank you. We have about four minutes per party. We'll begin with the official opposition.

**Mr O'Toole:** Thank you, Shane and Steve, for coming forward and bringing the important work that's being

done to the attention of this committee. I suspect that it has become obvious because of the work you've done in our area and, in fact, as you've mentioned, more recently with SARS. I've had other people, not the organization, who have come to me and said what you've given here as testimony.

I'm actually going to be critical of when we were government, which is probably the first time that's ever happened on record, certainly today anyway. This isn't even a partisan remark. The way you've described not just the response to SARS or Cecilia Zhang or the other incidents where your services have been important, in fact critical to any kind of solution—they came up with the community emergency response program. At that time, I brought it to the attention of the then Solicitor General—Bob Runciman, I think—and I showed him your model. I showed him the OVERT model, that it's working. It's being engaged, I think, in talks with the city of Toronto to be part of their disaster assistance strategy. It's an existing organization. I see your recommendation here is to run parallel programs, allow you to bid to the regions—Peel, York or, for that matter, the city of Toronto.

What more could we do to convince the government? They're the government now, and I feel badly about it. But there is an opportunity here for them to do the right thing. I'm saying this in a non-partisan way. Here's an organization. It does all the things they've said. In my view, all they're saying here is to allow them to be part of the process to provide that service parallel with CERV. They're not here to dismantle the CERV project, but to work with it and strengthen it.

I would put that question to you to bring to the now government. The opportunity, which you're making your recommendation here, is to look at not just OVERT, but at CERV, where it brings together people who are trained. Imagine, if you had to build this organization, the amount of training, not just police and fire but the other paramedic roles and also training volunteers in your own right. Is there anything you could tell them?

**Mr Harbinson:** The first thing I would state is that over the last few years I have met dozens of mayors, police and fire chiefs, EMS managers, directors of emergency measures and community emergency management coordinators who form the foundation, obviously, of the government response to major incidents. From these meetings, I would say that OVERT is coming forward with three recommendations. The first recommendation is that everyone recognizes the Ontario government as the most influential player in determining the safety of our communities. It is by far the most influential player in determining Ontario's strategy on disaster preparedness. Through this, provincial government participation and funding in the OVERT program is critical if we want to deliver a program that meets the needs of the communities in the most effective, cost-efficient manner.

We're recommending that the OVERT program be partnered for evaluation with the emergency management of Ontario CERV program and that for the duration of

the evaluation OVERT receive per-capita funding for the population base that OVERT currently serves. I think that what we will see in the near future as this program continues to expand—and it's going to continue to expand; our hope is that we can develop a partnership with the Ontario government. In March of this year we have a meeting with the district CEMCs, which will represent all of the Golden Horseshoe area of Ontario and approximately 75% of the population of Ontario.

Of note—and this is what one of the keys is. When you talk about volunteerism, there is a certain stigmatism that's applied to volunteers. We've created a program where we're bringing professional volunteers forward. That's what the key is: They're professional, not just in the training but, more critically, in their experience. If you have a major incident and you have a number of volunteers show up, and they are not experienced, they are not going to be an effective asset to the professional services. That's what we're drawing upon and bringing forward. Now we're bringing forward that experienced volunteer.

The amount of interest at the municipal level in this organization in Ontario right now is unprecedented—not just in Ontario but throughout Canada and throughout North America. We've received inquiries about our program from as far away as California. It is our hope that the Ontario government is going to want to work with us. That's our current recommendation, that OVERT and CERV be partnered for the purposes of evaluation.

1330

**The Chair:** We move to the government.

**Mr Wilkinson:** Thank you for coming today. I want to commend the member for Durham. I understand you're from his riding. I think it's wonderful that you have been able to come to see us today. We're always looking for good ideas.

I just want to get into a couple of things. Specifically, you would like to have funding for the 40% of the population of Ontario you're currently covering, and perhaps one day 75%. What is that? In dollars and figures, Shane, what are we talking about?

**Mr Harbinson:** I believe that in 2002 it was announced by the ministry that there's \$1 million already currently available for the CERV program. What we're asking for is that, within that program, we receive per capita funding for the amount of Ontario that we cover population-wise. I believe currently we're covering in the neighbourhood of 35% to 40% of the population of Ontario, so ideally what we're looking for is somewhere in the neighbourhood of \$350,000 to \$400,000 of money that has already been allocated to the CERV program.

**Mr Wilkinson:** What you're saying you're doing is wonderful. As a follow-up, just a question from someone who doesn't know anything about this, from a liability point of view, you're saying you have people who are retired professionals who would be exactly the kind of people you would love to have as a first response. What is the liability for someone who is a volunteer, who out of the goodness of their heart comes and helps out?

**Mr Harbinson:** Liability issues for the departments have been dealt with to begin with, because the police service, EMS and fire obviously had significant concerns with regard to the issue of liability. We actually have a comprehensive insurance program that covers us for liability. It has gone through the legal counsel at the departments in order for it to be passed by them in order for us to be utilized.

**Mr Wilkinson:** So we're paying for that now as a government, or your volunteers are paying?

**Mr Harbinson:** The agency pays for it itself.

**Mr Wilkinson:** Oh, the agency, which then gets the benefit of having you show up and help out.

**Mr Harbinson:** OVERT does; OVERT pays for it itself.

**Mr Wilkinson:** Where are you getting your funding if you don't have this funding?

**Mr Harbinson:** We are receiving some second-tier funding right now. We are currently working and are making additional presentations this year. We do fundraising on our own.

One of the benefits of the organization is that OVERT does not need to rely upon any one level of government for funding. Our hope is to approach the business community—and the business community has certainly come forward for us—and to do some of our own fundraising. Our goal is that everyone puts a little bit into the pot.

**Mr Wilkinson:** It's a great expression of our community.

**The Chair:** Thank you for your presentation.

#### TORONTO DISASTER RELIEF COMMITTEE

**The Chair:** I call upon the Toronto Disaster Relief Committee. Good afternoon. You have 20 minutes for your presentation. You may leave time for questions within that 20 minutes if you so desire. I would ask you to state your names for the purpose of our recording Hansard.

**Mr Michael Shapcott:** Good afternoon. My name is Michael Shapcott. I'm the community development coordinator with the Toronto Disaster Relief Committee. With me is Dana Milne, who is the research—sorry, the community development coordinator for the Toronto Disaster Relief Committee. I'm the research coordinator. I think I've got my job titles correct now.

Thanks for the opportunity of appearing once again in front of this committee for the pre-budget consultations. We have two key messages that we want to deliver to the committee today. We have a written submission that provides a bit more detail in terms of our messages.

Our first message is that there has been a costly policy failure in Ontario. Since 1995, it has been the provincial housing policy to cut hundreds of millions in funding to housing programs, cancel tens of thousands of units approved for construction, download costs and administration of housing programs to municipalities and then hope the private sector will somehow magically pick up

the slack and build new units. We of course know that has been a very expensive failure.

We were encouraged to note that the Liberal Party in the election period made a very clear statement rejecting that and in favour of a program of bringing the provincial government back into the housing business. To quote from the Liberal policy document, “We believe the provincial government has a responsibility to help provide affordable housing.”

Our second message to this committee today is that there are practical and affordable solutions to increase the supply of affordable housing and ensure that no one is left to die from homelessness in this province. We call this the 1% solution, and we’ll be speaking more about that in our presentation.

I’d like to turn it over now to my colleague Dana Milne to provide some more detail.

**Ms Dana Milne:** The Toronto Disaster Relief Committee was formed in 1998. We’re a very diverse group, with members who have backgrounds in social policy, health care and housing expertise, academics, business people, community health workers, anti-poverty activists and also people who are homeless and low-income. The purpose of our work over the last five years has been to address the homelessness crisis in Ontario and across Canada. Primarily we have been working to increase funding for affordable housing, for rent supplements and also for the emergency services that are absolutely essential to saving the lives of homeless people on the street.

We work closely with the Housing and Homelessness Network in Ontario and also the National Housing and Homelessness Network, which are two very broad networks made up of community groups across Ontario and across Canada.

When Ontarians came out to the polls on October 2, they voted for change. Like thousands of other Ontarians, we believe that change is still possible, even with the current \$5.6-billion deficit. Here I’ll refer you to page 3 of our submission, where we discuss the findings of the Ontario Alternative Budget Working Group. It’s their view, and we share this, that Ontario does not have a spending crisis. In fact, over the last eight years spending has been cut to the bone. What we have is a revenue crisis.

What the OAB working group is suggesting is that a combination of minimally increasing personal and corporate income taxes, closing tax loopholes and tightening up tax administration and enforcement would generate about \$3.75 billion in additional revenues. We feel it is possible to meet the \$5.9 billion in new spending that the Liberals promised in the campaign for change and still balance the budget, but it will mean increasing taxes and it will mean delay in balancing the budget until the last year in office. The OAB is suggesting just a modest 2% increase in personal income taxes, which would only be about \$2.50 a week for the average taxpayer. As a taxpayer myself, I see increasing taxes actually as an investment—an investment in public services like housing, but also child care, education and health care.

I feel that you as a government have a choice of freezing taxes and prioritizing the deficit, like the Tories over the last eight years, who were soundly defeated in the last election, or investing in public services that are crumbling around you.

In the last eight years, public services have been decimated, and it has been the one million poor people in this province who have borne the brunt of these cuts. Welfare has been cut by 22%—it hasn’t increased for eight to 10 years; rent controls have been abolished; thousands of new social housing units have been axed; funding has been slashed; and social housing has now been downloaded to municipalities.

The result is nothing less than a homelessness crisis. Rents have skyrocketed. Food bank use has jumped. Shelters are grossly overcrowded and struggling to deal with a bedbug epidemic, of all things. In 2002, 60,000 tenants were evicted in Ontario, 80% of those for being in arrears of less than one month’s rent.

Even with the increased vacancy rates, current rents have priced many tenants right out of a home. More than 71,000 people are on Toronto’s social housing waiting list alone. Most importantly, people are dying. The Toronto Disaster Relief Committee holds a monthly memorial to commemorate the deaths of people who have died on the streets, and this is just in Toronto. Since 1986, and predominantly since the mid-1990s, more than 340 people have died on the streets of Toronto.

What I’m here asking the committee is, do you want to be the ones to tell a homeless man who just two weeks ago lost his leg to frostbite that he’ll have to wait for housing because you have to balance the budget and you don’t want to raise taxes? In fact, you have a choice, and it’s a choice that Ontario’s poor people don’t have.

**1340**

**Mr Shapcott:** In my last appearance before this committee, which was January 20 of last year, I remember having a conversation with Mr O’Toole under slightly different circumstances; he was on the other side of the room. We had a conversation about the roots of the housing crisis and homelessness disaster in Ontario, and for Mr O’Toole’s benefit and others I have included a technical report attached to our brief that was published in March of last year that provides a lot more detail on the roots of the housing crisis and homelessness disaster in Ontario.

I’d like to make two final comments before opening up for questions. First of all, of course, we are in a different era now. I’d like in particular to speak to the members on this side, who during the recent provincial election campaign made a number of specific housing commitments which had significant financial costs attached to them. On page 5 of our written submission we’ve outlined some that we think are the most important ones you’ve made and we’ve included your cost estimates. We’d like to commend those to you:

—Almost 20,000 new housing units for needy families—your cost estimate, \$245 million over four years;

—A housing allowance for low-income families to provide direct immediate housing relief for 35,000 families—your cost estimate, \$100 million annually;

—A provincial rent bank to help tenants with short-term arrears so they can keep their homes—cost, \$10 million annually;

—Priority to the development of affordable housing on Ontario government-owned lands—you didn't supply an estimate of what that cost would be;

—The creation of a new Ontario mortgage and housing partnership to provide competitive financing rates for co-op, non-profit and commercial developers who want to build rental housing—again there was no cost estimate that you attached to that; and

—Finally, a significant increase to supportive housing options for those suffering from mental illness, so special supportive housing—you didn't provide a cost estimate but you did suggest you would build 6,600 units over four years, and our estimate is that that's about \$100 million.

So we estimate that the total cost of your housing promise is at least \$272 million annually.

We also know you made a number of other very significant and important housing promises that don't have a direct financial impact, including commitments to repeal the misnamed Tenant Protection Act and replace it with effective tenant protection laws, to encourage the construction of more rental units, to encourage municipalities with low vacancy rates, to protect existing rental housing from unreasonable demolition and conversion, and a number of specific promises to reform and repeal regulations used by the Ontario Rental Housing Tribunal, which of course became a fast-track eviction factory under the previous government.

In order to meet that second set of promises, you don't necessarily need to commit a large scale of money in terms of the first set of promises, but you do need to ensure that money is restored to provincial housing programs, which are currently divided among several ministries. From 1995 to 2003, the provincial government cut an estimated \$879.1 million from provincial housing programs. This funding needs to be restored and staffing needs to be brought up to appropriate levels to meet all the promises you've made. We're here today to say that we support those specific commitments. We think these should be the first priority. As we've already said, we think that rebuilding Ontario's public services needs to be addressed.

We don't think, however, that they go far enough. We're advocating what we call the 1% solution. Since 1998, the Toronto Disaster Relief Committee has been calling on all levels of government to in essence double the amount of money they were spending on housing by adding 1% to their overall budgets for housing. We've broken down what that would mean in terms of Ontario, and this has in fact been adopted by the Ontario Alternative Budget Working Group as part of their fiscally responsible framework for rebuilding public services in Ontario.

We think that a new Ontario housing supply program needs a minimum of 13,000 new units annually. That's short of the actual need, which is estimated at 15,000 to 18,000 units annually, but it certainly will get us a long way in the right direction at a cost of \$650 million annually. The provincial government needs to provide its full matching share of the affordable housing framework agreement, and the Liberal Party already committed to that during the election campaign. That's an annual cost of \$49 million. The province should reassume the funding for social housing and take it off the municipal property base—\$850 million annually; provide rent supplements for new housing—that is, payments to low-income households to help them pay the rent, pay utility bills and feed the kids at a cost annually of \$50 million; and new rent supplements for existing tenants at \$136 million.

Those are our very specific suggestions in terms of the pre-budget process of where we think the goals should be set. We think you should start with fulfilling the promises you made and move on to the recommendations that we're adopting.

We also want to raise two additional small but important issues. We know that from across the province the homeless shelters are reporting that they are not only at capacity but turning away many people every night, which in the current weather conditions is not acceptable. Part of the reason is that municipalities say that per diems paid by the provincial government to municipalities for homeless shelters are very short. But we think that the provincial government, through the Ministry of Community and Social Services, needs to increase the per diems to reflect the actual cost of running shelters. That should be done in consultation with municipalities, shelter operators and community-based groups.

Our second recommendation deals with adjustments to electricity rates, which we know the government is looking at. We know already that a large number of low-income households have faced disconnection, and we've heard reports of people losing their homes because they can't afford to pay their hydro bills. This is a serious issue for low- and moderate-income households. I won't spend a lot of time going into specific solutions but would commend to you a report prepared by the Community Social Planning Council of Toronto in November 2003, given to Energy Minister Dwight Duncan, which sets out a number of policy proposals on how to structure rates so as to ensure that it doesn't lead to an increased housing crisis and increased homelessness.

Thank you very much for the opportunity to make these submissions. We'd be happy to answer any questions.

**The Chair:** Thank you. We have about two minutes per party, and we'll start with the NDP.

**Mr Howard Hampton (Kenora-Rainy River):** Thank you very much for your submission. I just want to go back to your recommendation, the 1% solution, and look at the commitments that the new government made in the election, and the cost, as you've estimated it, of implementing the commitments the government made in the election, about \$272 million annually.

I wonder if you could give us your sense of where those commitments, as made by the government, would put Ontario in the context of your recommended solution, the 1%. Is it barely adequate? Is it short-term adequate? Is it a band-aid? In other words, I'm asking you, given what the government committed itself to, how much of the job will it get done?

**Mr Shapcott:** It will get us a short step down the path. In percentage terms, it probably represents about a third of where we need to be. The 1% solution itself was deliberately structured to be modest, in the sense that we know that even after several years the 1% solution won't end homelessness or the housing crisis in Ontario, but it will substantially ease it. We're talking about one third of an already modest request, so I have to say to you, Mr Hampton, that we think it is barely adequate in terms of responding.

We always make the comment, however, in deference to the members over here, that it sure is a darn sight better to have these promises than what we faced over the previous eight or nine years, which was all of the cutbacks. We're glad that there's been a reverse in the policy direction. Unfortunately, though, we haven't yet seen a commitment from either of the housing ministers; there are now two housing ministers in Ontario. They made lots of speeches, but we haven't yet seen a shovel in the ground; we haven't yet seen a new unit committed. While the promises will take use in the right direction, what we actually need to see is the housing being built.

**The Chair:** Thank you. We move to the government.

**Mr Colle:** Thank you very much. I had to take a second look, Michael; I haven't seen you in a while. Thanks for being here and for your continued good work for the people who need housing, not only in Toronto but all over Ontario.

I guess the sort of challenge that I have, that we have—I speak on behalf of my colleagues—is that we're committed to getting back into the housing business and we are going to do that. I think that it's a matter of timing, and it's also a matter of priorities. I guess what we need from advocates like yourself is to try to shape a plan of action, maybe in stages in terms of coming to our objectives, and whether we should proceed with the shelter allowance or the housing allowance for needy people or whether we proceed with a building program immediately, which gives us the fastest, most immediate relief in terms of the pressures on available housing.

The other thing is that I've always been impressed with the city of Toronto's housing expertise—Councillor Feldman, Marvin Sadowski—and also the councillors there have this expertise. They have identified a number of projects—

**The Chair:** Question.

**Mr Colle:** —and sites. Wouldn't we better invest our dollars by partnering with them directly to fast-track some of these needed projects rather than trying to reinvent a housing construction initiative by ourselves?

1350

**Mr Shapcott:** The affordable housing program that your party endorsed during the campaign was a program

that would rely on federal-provincial cost sharing municipal delivery, so that's there. The city of Toronto has a good track record but it has consistently failed to meet even its own modest commitments.

I do want to say, though, with the greatest of respect, that we have a disaster. I'm tired of coming here every year and saying that it's a disaster. I'm tired of having to drag out the fellow who a week and a half ago lost a limb due to frostbite. To say to him, "We've got to work out a plan; it's taking a while," is simply disingenuous. We actually do know what it takes to build housing. This province has a track record. When your party was last in power in the mid- to late 1980s you implemented a number of highly successful affordable housing programs which generated tens of thousands of units that people live in today, and they are very good. So we don't need to spend a lot of time sitting around, saying, "How do we do this? How do we do that?" What we need is for the government to say, "Here's our money. Let's get on with the work."

**The Chair:** Thank you. Mr O'Toole.

**Mr O'Toole:** Thank you very much, Mr Shapcott. I do recall our exchanges over a number of years and I do respectfully appreciate what you do. Advocating is absolutely critical.

I was impressed with Hugh Mackenzie. He made a very good presentation on the first day of hearings here in Toronto in this very room. He very skilfully mapped out the shameful travesty of the Liberal platform: \$5.9 billion in promises. As you've aptly described, not one shovel has been put in the ground, nor is the Oak Ridges moraine better, nor the 407 better, nor the energy issue, nor the public transit issue. I think they pulled the wool over the people of Ontario's eyes. It's yet to be seen; they're here. I hope they address some of the issues you have brought to our attention, I really do. I sincerely think it's their turn—they're the government—to go forward and actually do what they say. You said that you've been advocating for years, and you've seen the end result here just in a short 100 days. It's the anniversary, sort of a sad anniversary, but February 2 happens to be the third or fourth anniversary in months.

I am looking at page 5 and I am looking at the modest \$275 million that you are looking for on an annual basis. My question to you is, what is the first thing you want to see in print from this government, and to see them do after the budget they'll likely have, probably after the federal budget, in April? What's the first thing you'd like to see them do and deliver? We'll all applaud them if they do it. I'll stand up in public and applaud them—because they probably won't do anything.

**The Chair:** You may respond.

**Mr Shapcott:** Thank you, Mr O'Toole. If I may just say, I'm not here to make any partisan political comments but I think there is plenty of blame to be shared on all sides of this room in terms of the problem we have. As I recall, what Hugh Mackenzie has been saying is that the root cause of the problem has been some initiatives by the previous government, your government, and the

spending cuts that fuelled the problem, but we won't get into that.

Dana and I and others from the Toronto Disaster Relief Committee met recently with Mayor Miller after his election and we decided, going into that meeting, that we didn't want to say that there's just one thing you can do, there's a magic bullet, because there is no magic bullet. The crisis of affordable housing and homelessness is so severe that we actually need a comprehensive solution. So the answer to your question, first of all, is that the government has to get back into a serious and comprehensive provincial housing strategy in partnership with the municipalities and the federal government, and that has to have a number of elements. We do think, however, that one thing that has been absolutely shamefully delayed—and it goes back to November 2001, when the previous government signed the affordable housing framework agreement with the federal government committed to \$245 million federally and \$245 million provincially over four years for new, affordable housing in this province. With the exception of an aboriginal housing project in northern Ontario, a good project, nothing has been built in more than two years in this province. We think that the first priority the government should do is to release that money that is there to follow through on commitments that are now two years old and predate the current government, but that are good commitments, to get the housing built. But the other measures that are mentioned here, plus the other initiatives we have talked about, also need to be considered as part of a comprehensive package.

**The Chair:** Thank you.

#### YEE HONG CENTRE FOR GERIATRIC CARE

**The Chair:** I would call on the Yee Hong Centre for Geriatric Care. Good afternoon. You have 20 minutes for your presentation. You may leave time for questions within that 20 minutes, if you so desire. Would you please state your names for the purposes of Hansard. You may begin.

**Dr Joseph Wong:** I am Dr Joseph Wong. I am the founder and also chairman of the board of the Yee Hong Centre for Geriatric Care. Beside me is my CEO, Florence Wong, who is in charge of the whole operation of the centre.

First of all, I want to thank you for giving us the opportunity to make a presentation to you today regarding such a very important matter. We applaud the government for its commitment to the public services that Ontarians need most and also want the most.

We also realize that there is a very big deficit facing the government of Ontario and the province, and we would like to show you the experience that Yee Hong has gathered in the last 10 years of serving seniors and how innovative changes, as well as the partnership between government and community, can produce very good results as well as probably saving the government a lot of

money in taking care of a very large sector of the population.

What is the Yee Hong Centre? I'd like to relate to you my experience and also why I founded the centre in 1987. I graduated in the States in 1976 and came back to Canada to do my residency and internship training at the University of Toronto teaching hospitals. In 1977 and 1978, while I was doing internship and residency training at Toronto Western Hospital, I was often sent to see patients in surrounding area nursing homes. I ran into a lot of Chinese-speaking seniors. At that time there were no nursing home beds that catered to these people in their language and in a culturally appropriate way.

I ran into a lot of these people, and they told me their horror stories. I'm quite sure you have heard of and read the series of articles by the Toronto Star in the month of December, on the front page almost every single day for two weeks. I can tell you that it is not an exaggerated story, because that was exactly the kind of experience I went through while I was working in the nursing homes seeing patients. Particularly for Chinese Canadians, they have the added barriers of language and cultural problems. So when they were in an environment they were not familiar with, where the diet was also not familiar and nobody was able to communicate with them, their horror stories were much more important than the ones you have read in the Toronto Star series of articles.

There was one common theme that I experienced. Almost all of them asked me, "Dr Wong, can you help me kill myself?" It was a situation so horrible that they could not tolerate life any more. It was because of that particular sentiment that I said, "We have to do something about it. We cannot leave the seniors who have built a foundation for us to die in a hopeless way, in a very desperate situation in a nursing home."

Ten years later, in 1987, I gathered a group of friends and started to work on this very important project, and I will let you know how far we have come. Since 1987, we have seen 80 to 100 nursing homes or homes for the aged in southern Ontario. We went to talk to a number of authorities, a number of people, in order to learn the business of running a nursing home, and particularly running culturally appropriate nursing homes for Chinese Canadians and other people.

#### 1400

In 1994, we established the first centre in Scarborough. It is not only a nursing home, because we realized that by building an isolated nursing home, no matter how good you are, the situation would not be very good because it doesn't have life in the centre. What we were building and what we were planning was a comprehensive geriatric care centre model, taking care of seniors from the very healthy to the very frail, all under one roof. In that way, we created a lively community; we created a situation in which we changed the nursing home concept. Instead of a home or a place where people just waited to die, we created a caring place where seniors would have dignity, would still feel there was hope, would continue to live life to the fullest. That is what we have done.

As a matter of fact, we have succeeded so well that in the past 10 years the Ministry of Health in Ontario has referred over 800 delegations from around the world to see Yee Hong. “If you want to see a good nursing home, go to Yee Hong,” is how we are known now. In the last 10 years, we have passed the Canadian Council on Health Services Accreditation three times with top ranking, and I can quote: during the first survey, Yee Hong “offers exemplary care”; during the second survey, Yee Hong “offers stellar services”; and during the third survey, they said Yee Hong has so many good practices that we should share best practices with the rest of the world—not only with Canadians, but with the rest of the world. So I want to let you know that we have created something the rest of the world has to come to Ontario to learn. I’m very proud that we have built up a team and also a model that is the envy of the rest of the world.

By the fall of 2004, Yee Hong will have built four geriatric care centres. We finished the first one in 1994. By 1998 we expanded the services, adding 65 more beds to the existing 90. By the end of 1998 we got an offer from the Ontario government to build three more new centres: one in Markham, one in Mississauga and another in Scarborough.

Within five years’ time, I am very glad to tell you that we are able to finish all three. It is not three isolated nursing homes, as I stated; it is three geriatric care centres in three locations where the population is very diverse. Particularly in Markham, we created a home for Chinese Canadians, of course, and we also created a home—Yee Hong, from the very beginning, was not out to serve only Chinese Canadians. In a multicultural Canada, we understand that we have to build bridges among different communities. So in the Markham Yee Hong Centre we have a whole floor dedicated to serving Canadians of South Asian descent, because there is no single bed across Canada that caters specifically to South Asian seniors in their culture and language. We have done that in Markham. Also, we have a floor serving general Canadians. So the Yee Hong Centre in Markham is the first and only nursing home in Canada that has three different menus: one for Chinese, one for South Asians and one general Canadian. Of course, a Caucasian Canadian would like to have chicken fried rice, or vice versa; a Chinese Canadian might want to have a hamburger. So we have choices. That is how we make people feel they are still in charge. The seniors still feel they can control their destiny, and that is where we have been able to succeed most.

Besides regular care, at which we certainly excel, we augmented the government’s funding with community fundraising. So instead of only offering residents two hours of personal care a day, we are able to offer two and a half hours of personal care a day. The whole centre is geared to service, because it is not our aim to make a profit out of the operation.

For the South Asian floor, the whole floor was decorated with familiar sights in South Asia that they could see in Sri Lanka, India, Pakistan or elsewhere. In the food,

we have probably 36 different spices, curries and whatever, that they are most accustomed to. As a matter of fact, I could say that of all the Indian food I have tasted in Toronto, Yee Hong probably offers the best in Markham. So I like to go there to eat. Instead of eating Chinese food, I like the South Asian food in Yee Hong Markham.

We have also created different types of services that could offer the seniors a lot of comfort and offer them a sense of belonging, a sense of dignity, and save the government money—for example, cancer and palliative care.

Florence will later expand on it to let you know how we serve terminally ill patients in an area bounded by Yonge to the west, Pickering town line to the east, north of the 401 to south of Major Mackenzie. We have a population of around 600,000 people, and we use very little money, a quarter of a million dollars each year, to make sure that 600 terminally ill patients are served in the comfort of their own homes, 24 hours a day, seven days a week, around the clock, every day of the year. That saves the government a lot of money because it saves a lot of emergency room trips. It saves a lot of hospitalization at the end of the day, because half of these people whom we are taking care of choose to die at home rather than in a hospital. I believe Florence will elaborate on that later.

We are also very innovative in creating senior citizen apartments in which we offer home services. All this will delay the inevitable: that at the end of life, people need a lot of services in order to be independent. We bring these services to the doorstep so that it will delay admission to nursing homes and hospitals. All of you know that hospitals are very expensive, around \$1,600 per day. Nursing homes are around \$114 a day. Home delivery services are a lot less expensive than even a long-term-care setting. So we are creating a situation in which we think these economics work and in which we save the government money. For the rest, I want Florence to give you some more details. I want to conclude by saying that we have created a model, a spirit in which seniors live in dignity while also at the same time we are saving the government a lot of money.

**Ms Florence Wong:** Ontario is really facing a lot of challenges. We all know so well about the aging population. By 2028, 17.1% of the population will be seniors. We are already spending 46 cents per dollar for health care. So we really have to look at alternatives, how we can provide better care for less.

The second challenge we are facing today is the huge cost in acute care and chronic care settings, which Dr Wong has mentioned. Also, we are so familiar with the overcrowding situation in emergency rooms as well as in acute care hospitals. It is common knowledge that seniors are the largest group using these services. So if there is a way to get the seniors out of acute care and reduce the use of emergency rooms, then we can solve a big chunk of the problem.

Another challenge we are facing today is in fact the increasing expectations of seniors. Seniors are getting

more sophisticated. They need more than just the physical care. They want to have dignity. They want to be respected. They have a lot of resources. So in fact, while we have a big group of seniors, it also means that we have a lot of resources we can tap into. What they want are services that enable them to age in place, are flexible, are accessible and which are culturally appropriate.

Based on the challenges which I have outlined above, and also our experiences as outlined by Dr Wong, we would like to submit four recommendations to the committee.

First of all, to ease the overcrowding of acute care hospitals and emergency rooms, we recommend that the government increase the role and funding of long-term-care facilities. This could facilitate the early discharge from hospitals of seniors who have a fall, who have an operation or an acute illness. They can be discharged to long-term-care facilities. As well, a big number of residents in long-term-care facilities may have to be transferred to hospitals for IV therapy, for hydration, for the use of antibiotics or for tube feeding. So if we can increase the role of long-term care and proportionately adjust the funding, I think we can reduce the use of emergency rooms as well as acute care facilities in the province. That will save the government a lot of money.

#### 1410

The care needs of long-term-care residents have increased by 19.1% since 1992. Long-term care in fact has the infrastructure and the experience to provide more care. All we need is a bit more funding. But even if, say, the government increased the funding by 30%, it's still half of what it's costing the government to provide care in a chronic care setting. At Yee Hong, we are serving seniors with very complex needs. We serve seniors on dialysis, we serve seniors with tube feeding. Definitely we have the ability to do more. We are injecting our own dollars, but we need some assistance from the government.

Our second recommendation is to ask the government to invest in programs that support aging in place. This could include the expansion of supportive housing programs to subsidized housing, condominiums or life lease projects, as well as supporting transportation.

Seniors really want to age in place. They don't want to be in long-term care unless they are really pushed to do so. From our experience, they are willing to pay a little co-payment to get the services to enable them to age in place. In our Evergreen Manor, we have 130 units of subsidized housing, with about 200 seniors living there. The average age of the seniors living in the seniors' apartment is 81; 72% of them have more than two chronic health illnesses; 66% of them have to walk with assistive devices; 72% need assistance in personal hygiene and meal preparation; and 88% need assistance in homemaking.

But we are keeping the seniors at home because of our 24-hour on-site emergency response, personal care, homemaking services and transportation. The cost per senior per day is about \$20. The government subsidizes

us \$11, and \$9 is paid by the seniors themselves. So this is a very cost-effective program. In the words of the seniors, they live in paradise. They say that they are living in paradise, they love it so much.

Yee Hong is in the process of developing a life lease project—308 units—that is so popular it's all sold out. It's proof that seniors really need a place and want a place where they can age in place, and they are willing to put in some money to do that.

Our third recommendation is to ask the government to invest in programs that support health promotion and wellness, so that seniors can stay in the community. As I said, seniors are very intelligent, resourceful, well-connected and very eager to help. In our healthy seniors program, in 2003 we served close to 1,600 seniors and provided close to 1,700 activity programs—social, physical, recreational programs—which prove to be very effective. This group of seniors provides a good source of volunteers for us for the centre as well as for the community. They are a very good source of fundraising too. In the past five years, they have raised over \$800,000. They also raise money for the United Way, for disaster relief, for hospitals and for the fire department. The cost to run this program is \$35 per member per year. So it's very cost-effective. This program is entirely funded by Yee Hong. As we have more seniors, I think we have to tap into this pool. All we need is to set up the infrastructure to enable them to organize themselves and enjoy the program.

Finally, I would like to make the fourth recommendation, which is to take a look at Yee Hong's in-home cancer and palliative care program. It is very cost-effective, and it ensures quality of life for the dying patients and their families. Since 1998, Yee Hong has been using its own money to support a physician-based cancer and palliative care program. We have four physicians, one full time and three part time, offering round-the-clock medical services to dying patients. We have served close to 2,500 dying patients in their own homes. That includes pain management, visiting homes, and bereavement and spiritual care. In 2003, we served 603 patients in their own homes, which means that, on average, we spent \$415 supporting these dying patients at home.

**The Chair:** I hate to interrupt, but I just wanted to let you know that you have about two minutes left for your presentation.

**Ms Wong:** That's fine.

On average, they stay in the program for 92 days. The cost per patient per day is \$4.50. It's very affordable. For the past five years, this program was supported entirely by fundraising dollars.

Our physicians made close to 2,000 home visits last year. If half of those visits were not done by our own physicians, they would end up in emergency rooms and in acute care hospitals and it would cost the government a lot of money.

In our experience, half of the patients choose to die at home rather than in acute care hospitals. Again, it would

cost a lot of money as well as crowding the emergency rooms and acute care hospitals.

We would like to submit to the committee that Yee Hong has proven to be a very effective model in providing programs and services to enable people—no matter if they are seniors or cancer patients—to stay in their own homes. These programs are very cost-effective and ensure very high health outcomes as well as quality of care for patients.

**The Chair:** Thank you very much. There is no time for questions, but the committee appreciates your presentation today.

#### ONTARIO PRIVATE CAMPGROUND ASSOCIATION

**The Chair:** I would call on the Ontario Private Campground Association. Good afternoon. You have 20 minutes for your presentation. You may choose to leave time within that 20 minutes for questions if you so desire. I would ask you to state your name for the purpose of our Hansard recording.

**Ms Melissa Cline:** Thank you for making time on your agenda. My name is Melissa Cline. I'm president of the Ontario Private Campground Association. As an association, we represent a body of privately owned campgrounds in Ontario. While every campground in Ontario is not a member, the more than 470 members are leaders in the development and promotion of camping in Ontario for the economic benefit of our province.

The OPCA's members represent more than 65,000 campsites throughout the province. These campgrounds offer a complete and varied camping experience, from the remote, unspoiled wilderness to sandy beaches, heated pools, tennis courts, water parks and outdoor theatres. We are a destination not only for Ontario families who want a relaxing vacation; we also attract thousands of tourists to Ontario, in total servicing hundreds of thousands of families each year.

Our members, campground owners, are small business people both young and old, running these predominantly small businesses in nearly every corner of the province. However, we are faced with a serious set of property taxation issues that threaten the private campground industry and the tourism benefits it brings to the province.

The campgrounds we own have traditionally been assessed, and every year property owners like us everywhere pay our taxes on the lands and buildings that we own. However, a new round of omitted assessments and tax bills are being issued which add the value of the campers' trailers to our assessment roll and consequently to our taxes. This is an extremely unusual situation, where we're being taxed for trailers we do not own. So, as it stands now, private campground owners are paying not only their own taxes but are also being forced to pay the taxes of trailer owners who spend time in the summer on our properties.

It's important to underscore this point: This issue is not about the taxes OPCA members pay on their camp-

grounds—we absolutely understand that—rather, it's about correcting a system that sees campground owners forced to pay the property taxes of campers who camp on our land.

**1420**

In addition, private campgrounds are being placed at a competitive disadvantage to government-run campsites. The current tax system is unable to levy the same property taxes on campers staying on government campsites.

Ontario's private campground owners have always paid property taxes to municipalities across the province, many of which are smaller or rural municipalities that depend on these revenues that the campgrounds are paying. The contribution of tourist dollars in many of the remote communities represents the main revenue stream and therefore is the axis for creating and keeping jobs and businesses alive.

In addition to the taxes paid to municipalities, many of the private campground owners do not use municipal services like water, wastewater or garbage collection. On the contrary, most campgrounds have their own freshwater wells and sewage systems, and privately contract for garbage removal.

In many ways then, whether it's tourism, offering modest-income Ontarians a vacation spot, increasing revenue to local communities or the aggregate taxes paid to municipalities, OPCA members bring considerable benefit to Ontario.

Right now we have a bit of an unworkable system.

Historically, there has been great difficulty establishing a workable property taxation system for trailers on seasonal campgrounds in Ontario.

As you may know, in the early 1990s, the controversy around the issue grew to such a level that the Liberal government of the time implemented a moratorium on the assessment of trailers in seasonal campgrounds.

For approximately 13 years this moratorium remained in place. The purpose was to permit a comprehensive analysis of the varied problems posed by the manner in which assessments were done.

Largely because of the complexity of the issue, a workable solution was not found during these years. However, the former provincial government did take some action when it launched a comprehensive review of taxation issues, which culminated in the Beaubien report, which you may be familiar with.

On the issue of trailers, the Beaubien report concluded that "all residential units located in trailer parks, campgrounds, and land lease communities be assessed and taxed at the residential rate if they meet the test of being assessable real property by exhibiting characteristics of permanency."

We agree with the direction proposed by the Beaubien report. We have always agreed that units used as primary residences in recreational campgrounds should be assessed and pay the applicable tax.

The renewed urgency around this issue stemmed from a decision taken late last year. In November 2003, MPAC moved to end the moratorium and began assessing

trailers on seasonal campgrounds. Residential units were not the target, but instead, any unit that encompassed the degree of permanency of its physical structure based on criteria presented by MPAC.

As part of that decision, the McGuinty government recognized the unfairness of retroactively assessing trailers and prevented MPAC from being able to reach back to the two prior years. We commend the government for this decision.

However, the action taken by the province and the sheer size of MPAC's job—assessing thousands of trailers across the province in a short time—has led to issues that need to be addressed to avoid permanent damage to the campground industry.

Complete protection against retroactivity is what we are seeking. Some tourist operations are under threat of bankruptcy due to burdensome tax bills representing other people's property.

Our parks, largely frequented by young families and seniors because of their economical advantage, are being faced with tax bills for a season that has come and gone; a season when our campers were not aware that they were staying in an assessable unit, not given a choice to sell or trade out of an assessable unit, and not given the opportunity to budget for the expense if they chose to stay in that unit.

While well-meaning, the government's actions in October have created unintended consequences that are a serious threat to our members. We now face a situation where beside paying our own taxes, we are being issued additional tax bills for 2003, forcing campground owners to pay taxes that are not their own, while having little or no recourse to collect from the campers who were present back in 2003.

The first bills, issued in November, represent—and this is important—only a fraction of those to be issued for the year 2003. Only 363 private campgrounds have been assessed; 90 of those have received assessments and bills based only on estimates. Seven hundred-plus privately owned campgrounds still must be assessed, and MPAC is reeling from the reconsiderations and appeals from the original 363. MPAC advises us, OPCA, that they hope to be able to issue all of the remaining omitted assessments for 2003 by the end of 2004. We are aware that because they haven't yet begun to look at the reconsiderations and the sheer number of work hours required to complete it, it could quite conceivably be 2005. In the meantime it is causing migration of campers from park to park trying to avoid the tax.

The other major issue is that these taxes are not being levied against government-run campgrounds, leaving private campground owners at a competitive disadvantage, in essence making government-run campgrounds property-tax-free zones.

As an industry, we are faced with a trailer that is deemed assessable being taxed when situated on our private land, but when that very same unit is situated on land owned by the government, it's exempt from tax. It's exempt when it's on the government municipal and

conservation area campgrounds, but on private land it's taxed.

We do see a solution to this. The solution is amending the system for fairness and equity.

Such a system would encompass the following—and we hope that you agree. It would:

Reword regulation 390/03, which was passed in October, to ensure that retroactive assessments could not be issued. Even one year is damning. Allow the system to begin when it can be applied fairly, uniformly and with advance warning so that everyone knows the criteria, they know what's going to be assessable, and they can budget accordingly.

Campground owners would continue to pay the taxes on the assessed value of their campground properties.

All trailers would be assessed to determine eligibility for property tax and the subsequent tax bills forwarded directly to the trailer owners.

Private campgrounds would no longer be at a competitive disadvantage to government-run campgrounds. They would be going directly to the trailer owner.

Municipalities would continue to receive all property tax revenues from private campgrounds and would additionally receive revenues from trailer owners staying in government-run campgrounds. Under the current method, the municipalities are losing this revenue.

We understand that because of the limitations within the Assessment Act, the assessment model may not be able to host such fairness and equity as described above. But we have committed to the government, our industry partners, and our thousands of campers that if equity could not be found within the assessment model, OPCA will put forth every effort into initiating a system—such as a sticker fee on trailers—which would encompass all of the above without jeopardizing municipal revenue.

That's our presentation. We would like to thank the committee for allowing us the opportunity to bring forward our concerns. We are anxious to work with the provincial government and other interested parties on this issue and to discuss our proposal for building a workable property taxation system for private campgrounds in Ontario.

**The Chair:** Thank you very much. We have two minutes per party and we'll begin this round with the government.

**Mr Wilkinson:** Thank you so much for coming. Of course, we had Gary here last week and we were looking at that proposal we referred to as Sherkston Shores. I'm so glad that we actually took the time to give ourselves an opportunity to allow you and ourselves to look into this issue further, because there had been a move to try to pre-empt this whole system. So we appreciate the fact that you've come.

Basically the model is that you think we should be able to rework the system so that there's fairness right across for everyone. But if it takes us some time to get the acts amended, we could have a trailer sticker system, again, which would take the government quite some time to try to figure out. Could you be more specific for us to

help us out when you say, “We understand that because of the limitations within the Assessment Act, the assessment model may not be able to host such fairness” right away? What specifically do we need to do to the act to get that fixed?

**Ms Cline:** Right now one of the major problems that we have—well, there are two of them that I highlight and I’ll just let you know again. One of them is that an identical assessable unit on private property is taxable. It’s deemed to be part of the land it sits on, so it comes under the campground owners’ roll number. That identical unit on municipal property is deemed to be part of the land it sits on, is assessed and exempt from tax. It leaves that person camping in a tax-free zone, whereas when they’re in the private sector—that’s one issue. I know that limitation exists to separate those parcels of land and to allow the resident or the camper to be addressed directly in the existing system. That’s one of the major ones. I guess the other one is the liability issue. Again, both would be addressed if we could separate those parcels of land, but the Assessment Act limits the ability to do that.

1430

**The Chair:** We’ll move to the official opposition.

**Mr O’Toole:** Thank you very much, Melissa. It’s good to see you again. We did meet on this earlier at Goreski’s Marina in my wonderful riding of Durham. Since then, as John has said, we’ve had presentations from Sherkston Shores, who I believe made a significant contribution to trying to solve the problem.

First, on the retroactivity issue, a huge issue—I’m not sure, but I have every confidence that Mr Colle is listening, although he doesn’t look like it at the moment—we tried, at some risk, in Niagara Falls to bring this debate a little further ahead to request the minister to put a moratorium on it and get back to the committee before the budget. That resolution didn’t pass, but I think there was very valid discussion, and I do believe there are staff here—actually Mr Colle has staff that sort of follow us around, and I’m sure he spoke directly with Mr Sorbara—with non-partisan motives.

This, for people, is their highest, most important form of recreation, and they are in agreement with the solution your industry is bringing forward. I think the government will do the right thing, and expeditiously, because right now, retroactivity—some of them have moved. How do they get them? They’re stuck. It could cause a problem for people who need to have vacations.

I think you could do the right thing. It’s not even political. You’ll win on it, and that’s good. You won’t win the next election, but that’s another issue. I’m only kidding.

I commend you for coming forward to bring clarity to a very complicated topic. We all know there’s been a moratorium for 10 years. My question to you is, how soon do you want the Minister of Finance to respond?

**Ms Cline:** We need the Minister of Finance to respond as quickly as possible. Our season is ready to begin to open again. We believe the spirit of the Beau-

bien report, if you look at the Beaubien report, spoke against retroactivity, and it has put businesses in an excruciatingly difficult position to pay these \$40,000 and \$80,000 tax bills with no revenue to pay those bills.

**The Chair:** We’ll move to Mr Prue, of the NDP.

**Mr Michael Prue (Beaches-East York):** I think your points today and the points made in Niagara Falls by Sherkston Shores are right on point. The only question I have relates to how the sticker system would work. Do you foresee this sticker being sold through the licensing bureaus or by the campgrounds? How would one get a sticker? And I have to tell you that I don’t want to create a new bureaucracy.

**Ms Cline:** Yes, that’s right. I do know there are different models out there. The campgrounds would be willing to participate to any degree to get in place a sticker system that provides equity. That would definitely be workable. If the government felt the Ministry of Transportation was the best method to go, we could support that. If you need the support of the campground owners to enforce that, that would be supported by our association as well. That point, I do believe, would need to be agreed upon, but we are extremely lenient on that. We need the sticker fee to happen.

**Mr Prue:** Also, how do you see the sticker fee happening? Would someone buy a season sticker, or could someone just buy it for a few weeks if they’re only going for a few weeks? How do you envisage that happening?

**Ms Cline:** I think it would be an annual sticker fee. If you’re asking how we’d do it in campgrounds, most seasonals sign an agreement. It would be worked into the fee at the time. Then the campground could submit those funds to the municipality, if that’s the route you went. If it was the MTO, then it would be done annually as well. I see it as an annual sticker.

**The Chair:** Thank you for your presentation.

#### CANADIAN HEARING SOCIETY

**The Chair:** I call the Canadian Hearing Society to come forward, please.

**Ms Kelly Duffin:** I’m Kelly Duffin, with the Canadian Hearing Society. We’re just going to take a few minutes to set up our accommodation for interpreting and captioning.

**The Chair:** Good afternoon. You have 30 minutes for your presentation this afternoon. I would ask that you identify yourself for Hansard. You may begin.

**Ms Duffin (Interpretation):** Thank you very much, Mr Chair. I’d like to thank you for inviting the Canadian Hearing Society to present before this distinguished committee. My name is Kelly Duffin. I’m the president and CEO of the Canadian Hearing Society. CHS is a 64-year-old non-profit organization that provides services to deaf, deafened and hard-of-hearing people in 28 offices across the province.

1440

Before I proceed, I just want to make sure that everyone in the audience can either hear me, see the interpreters, or read the captioning. OK.

We come before you today on behalf of nearly one million Ontarians with some degree of hearing loss. We come also with the endorsement of their consumer organizations; that is, the Ontario Association of the Deaf, represented today by their board president, Dean Walker; the Canadian Hard of Hearing Association, represented today by their president, Robert Alexander; as well as the Learning to Listen Foundation, Voice for Hearing Impaired Children, and other associations who serve people with a hearing loss.

We have two main agenda items today, and you'll be hearing from three people besides me.

One of our agenda items relates to the possible closing of our Timmins office if funding is not extended beyond March 31. Presenting on that subject will be one of our deaf consumers from Timmins, Tami Lapointe.

Secondly, we will provide you with some background regarding government subsidies for hearing aids. We have had thousands of calls from consumers with hearing loss since it was reported on January 9 that Premier McGuinty was considering cuts to these subsidies, and it has caused great concern among our constituents. Addressing that issue will be Gary Malkowski, whom many of you know as the former MPP for York East and who is currently our vice-president of consumer, government and corporate relations, and Rhonda Tepper, who is a deaf teacher of deaf and hard of hearing children as well as the mother of a hard-of-hearing child. Rhonda is using the captioning right now, but will join us at the time that she presents.

Before we get to the agenda, though, we wanted to give you some small sense of what hearing loss means in people's lives. I believe we have distributed ear plugs, and I'd ask you to take a moment to put them in. What you do is sort of squish them up, and I'd ask you to make sure—ask your neighbour to have a look that they are in your ear up to the orange line, so that you can't see the orange line.

You're fast. When they are in, I'm going to ask you to also cover your ears, and I'm going to give you some instructions. Is everyone ready?

"You must begin this medication [Inaudible], pram-nodel, three times a day with food. Take that before [inaudible]. The hexamin you'll take once every [inaudible]. I want to monitor your blood pressure [inaudible]. If it's 140 over 90, I want you to make another appointment to see me. After three weeks we'll re-run the tests and re-evaluate your condition."

OK, take your hearing plugs out. Now, did many of you have difficulty understanding me?

**Interjection:** Not one word.

**Ms Duffin:** Not one word? I want to be clear that that's not an overdramatization. I was pretending I was a doctor giving you some information about your condition and some medications that I wanted you to take. I asked you to take pram-nodel and hexamin. Did you understand that or how long you were to take each, or about monitoring your blood pressure? A little bit?

**Interjections:** Nothing.

**Ms Duffin:** And did you know what was likely to happen to you next?

**Ms Churley:** Half of it. That's what was scary.

**Ms Duffin:** Well, for most people with a hearing loss, this is a daily reality. Being in a stressful situation such as a medical appointment increases their isolation and frustration, and in the example that we just went through could have serious medical implications as well. What you experienced was the equivalent of a moderate hearing loss. Many deaf, deafened or hard-of-hearing Ontarians have a severe to a profound loss, so you can imagine the additional challenges. These people need your support and our services to have full access to society.

We have been tremendously encouraged by this government's expressed commitment to enhancing the Ontarians with Disabilities Act, or the ODA, and have sent our congratulations to Minister Bountrogianni and Premier McGuinty. We have found the consultations already underway to be most welcome and productive.

We were also very encouraged by Premier McGuinty's prior commitment to our consumers, and hoped this election would be very good news for Ontario's hard-of-hearing citizens. Just three years ago, our Ottawa office received support from then-MPP McGuinty as we tried to have OHIP continue to cover the cost of audiology testing and hearing aid evaluation. I'm going to read you an excerpt from then-MPP McGuinty's letter of support. He wrote,

"Sadly, the current provincial government has launched an all-out attack on some of our most vulnerable citizens: the poor, the sick, the disabled, the very young and the elderly. This is totally unacceptable.

"Audiology services are vital to the health and well-being of so many Ontarians, children and seniors alike. I recognize that hearing aids are absolutely essential to the future success of our hearing-impaired children. Without affordable access to the services required for these aids, their learning skills, self-reliance, and speech/language development, among others, will be seriously jeopardized. All our children—including those with special needs—deserve every possible opportunity for success. My team and I will do our utmost to ensure they get each and every one of those opportunities. We are also very concerned that there is more delisting to come. Rest assured, however, that we will continue to fight the Tories on this."

We have also been most encouraged by this government's commitment to education and health care, because hearing loss is a health issue. The Canadian Hearing Society, and indeed many organizations in the social services, are fundamental to public health. For that reason, we hope that your platform bodes well for our sector. It is a sector as vital to our province as any other, and in real terms its support and funding have been eroding for many years now. Let me demonstrate the impact of that erosion on the social service sector.

In 1996, cuts of \$19 million in government funding resulted in the closure of 33 agencies and the elimination

of 313 programs across the 629 non-profit organizations surveyed in a Metro Toronto study. Over the last eight years, provincial funding for administrative and core-cost expenditures has increased by, at most, 1%. Most government grant programs have provided no administrative increases for the last five years. With inflation, this represents an effective loss of at least 15% in agency operating expenses throughout the sector. Reporting requirements have, perhaps rightly, increased at the same time, but with no funding to cover the increased paperwork and required financial management, the result has been a further strain on the system. These human resource and financial constraints reduce the capacity of organizations to service consumer needs and will invariably lead to more program closures. Our communities will be the poorer for it.

To give you a bit of a case study now, I'm going to invite Tami Lapointe to speak about our Timmins office, the value it provides the community and the current crisis in its funding.

1450

**Ms Tami Lapointe (Interpretation):** Good afternoon. My name is Tami Lapointe. I am one of about 40 deaf consumers who live in the Timmins area and I use the services of the Canadian Hearing Society. This number, though, does not include the large number of hard-of-hearing individuals who reside in Timmins and receive services from the Canadian Hearing Society. Hearing loss is higher in Timmins because of the main industries and employers being mining and forestry. I felt it important for me to come here today and express to you my fear and concerns about the possible closure of the Timmins CHS office.

The Ministry of Health has provided one-time funding from July 2003 to March 2004. However, Timmins CHS opened an office twice before this and had to close because the Ministry of Health has not provided long-term or permanent funding. All major cities in the north have Ministry of Health funding for such programs. Why not Timmins?

Now the deaf, deafened, hard-of-hearing and deaf-blind are able to receive such services as access to interpreting services, meaning American Sign Language or LSQ, either in person or through video conferencing; counselling through staff who are ASL-proficient; advocacy with agencies such as ODSP, HRDC, hospitals, government offices, the police and WSIB; monthly support and information meetings to learn about fire protection, financial information, fishing and hunting licences, legal, gardening, first aid and CPR, assistance and access to devices for safety and access to TTYs; and special assistance for deaf children who return to Timmins during holidays and need programs such as deaf day camps.

Many of the deaf people who live in Timmins have a lower level of literacy and require help on a regular basis for day-to-day things such as reading and understanding letters, forms, applications etc.

With these services, the deaf community also have privacy, because they no longer rely on family or friends

but have professional service from the Canadian Hearing Society to assist them. Also, the Timmins office has been able to offer screening in the schools and help identify children who may have some hearing loss. Detecting this early is crucial. Seniors who require assistance with devices to keep them safe or communication tips to keep them living independently have been offered assistance by the Canadian Hearing Society. Without this support, individuals who suffer hearing loss often isolate themselves and lose their quality of life.

American Sign Language classes are being offered to the public of Timmins. This is important for employers, co-workers, family, teachers and friends of those who are deaf to communicate effectively.

Employers and businesses have come to rely on the services of CHS in order to better understand their deaf and hard-of-hearing employees. When a crisis occurs, CHS is there to assist the employer and advocate for employee.

As of March 31, none of these services will be available in Timmins. Timmins will have no agency providing services to the deaf, deafened and hard-of-hearing people. If this happens again, the consumers, employers and public will lose confidence and trust in this organization and in our government and the Ministry of Health.

Thank you for your time and interest in listening today.

I am now hoping that you understand why it is so very important to keep the Timmins CHS open. Thank you.

**Ms Duffin:** As Tami has outlined, some of our funding is under threat, in a sector already chronically underfunded. Now our consumers face an additional threat. As I mentioned, our offices have received thousands of calls since January 9, when it was reported that Premier McGuinty was looking at reducing subsidies for hearing aids.

Hearing aids are an expensive proposition. Here are some of the most common hearing aids. They are small but they're not cheap. The average price is \$2,000 and most people, including children, wear two of them. I will quantify other associated costs shortly, but it's important to note that even the current ADP support provides \$500 per aid every three years. Clearly, that leaves a lot of expenses to be paid by the individual, but equally clearly, that subsidy makes the difference for many people as to whether their hearing aids are affordable or not.

I will now turn it over to Gary Malkowski, our VP of consumer, government and corporate relations, to outline our primary concerns.

**Mr Gary Malkowski (Interpretation):** Mr Chair, I'm here to talk about the potential unnecessary barriers facing deaf, deafened and hard-of-hearing consumers and the double hit for consumers.

Back in 2001, the government delisted audiological services from OHIP coverage, forcing people with hearing loss to pay for these tests themselves. This places a burden of from \$75 to \$120 on consumers each time they need their hearing tested. Now the government is

considering adding another financial burden to these same people. By removing the assistance provided by the Ministry of Health's assistive devices program, people would have to pay an additional \$500 per hearing aid.

Many of these people are among the most vulnerable members of our society, namely seniors and children. For seniors over the age of 65 the incidence of hearing loss is 50%. Children who are growing and developing often need to replace their hearing aids more frequently to take advantage of the education system and all the other things that life has to offer.

The Ontarians with Disabilities Act: We're delighted that the McGuinty government has been so clear about its commitment to a strong and effective Ontarians with Disabilities Act. That commitment, however, would be seriously undermined should the government cut support to hearing aids, a fundamental tool to breaking down barriers in communication for deaf, deafened, and hard-of-hearing people. In essence, the government would cause the creation of a new barrier for people with disabilities.

The infant hearing program: Again, CHS is pleased that the government is in step with the global trend of many countries to provide universal infant hearing screenings. The Ministry of Health program recognizes the importance of the early identification and early intervention in the success and development of children with hearing loss. How could the government then abandon these families once their newborns are identified with hearing loss?

We urge the committee to ensure that the upcoming budget does not add to the burden of deaf, deafened and hard-of-hearing people. Withdrawing government support for such an important device as hearing aids will really create tremendous hardship to a great many people.

Now I would like to introduce you to Rhonda Tepper, who is a deaf mother and has a daughter who is hard of hearing and has a progressive hearing loss. She's here to speak about about her personal experience.

**1500**

**Ms Rhonda Tepper:** Good afternoon. My name is Rhonda Tepper, and I'm here to speak about the importance of the assistive devices program subsidy as a parent, as a teacher of the deaf, and as a consumer.

I have been hard of hearing since childhood and profoundly deaf since early adulthood. Since the age of diagnosis, I have been reliant on high-power hearing aids in order to succeed in a mainstream educational setting and as a graduate of three universities. I was raised by a deaf mother who did not have the privilege of completing high school due to a lack of services and accommodations for deaf persons in the 1940s. A well-read, academically motivated woman with an outstanding respect for literacy and higher education, she was denied the accessibility that we continue to advocate for today. As a result, both my brother and myself were gently pushed through mainstream academia, both of us becoming teachers.

Both of us also have hard-of-hearing children. My 13-year-old daughter was diagnosed with a progressive hear-

ing loss at the age of three and has worn since that time state-of-the-art technology. This includes hearing aids, a personal FM system for use at her school, and a Teletype device for telephone use at home. In one year, the purchase of hearing aids, a compatible FM system, ear moulds and batteries will cost us upwards of \$4,000. The cost of updating equipment for her and for myself every three to four years runs into the \$10,000 to \$15,000 range before the subsidy. We have always been grateful for the information from our audiologist and hearing aid technicians regarding the financial assisting of the ADP funding.

Life presents many ups and downs in a typical family. These ups and downs can often affect our financial status at any given time. As an educator with the Toronto District School Board, I teach 11 students who are deaf or hard of hearing, more than half of whom come from English-as-a-second-language homes, meaning the reception of the English language ends at 3:30 every day. Most of them are from modest-income homes. It is questionable whether they would be wearing hearing aids to school every day if there was no ADP funding available to assist their parents in financing this equipment.

Due to previous funding cuts, most of my students are already missing out on what should be annual or semi-annual audiological assessments—hearing tests—to determine the progression of their hearing loss. There are crucial extraneous costs that exist for batteries, repairs, and ear moulds, which must be replaced annually because the ears of the students continue to grow. Of course, there is also the balance of the cost of hearing aids which is unfunded by the ADP. I know for a fact that many of my students would not own a Teletype device if there were no subsidy. The subsidy is the key to accessibility for deaf or hard-of-hearing persons, be they students or the elderly, to remain active, involved and productive in mainstream society.

Finally, as an educator with a background in English literature, I must mention the supreme importance and connection between accessibility for the deaf and the development of literacy. My late friend Peter Gzowski would not forgive me if I did not mention this, as he was one of our country's foremost advocates of literacy. There is a direct correlation between the development of language and the ability or the sheer desire to read and write. Hearing loss often affects the development of language in young children, depending on the age at which they are diagnosed. Hearing members of society take for granted the sounds around them and, even more so, the accumulation of words. For deaf students, access to hearing words must come before the ability to read and then mould them into phrases, sentences, paragraphs and stories. Without accessibility to hearing the best they can—which should be a human right, as I see it—deaf students would be denied the language they need to grow, to understand, to absorb great stories, but mostly to contribute to their society and to our world. Thank you.

**Ms Duffin:** The financial hardship that Rhonda has described would be dramatically worsened for thousands

of people across the province if hearing aid subsidies were reduced. I wanted to quantify that for you and demonstrate the ongoing erosion of support that has already occurred for Ontarians with hearing loss.

This chart shows the costs associated with hearing aids. Until three years ago, the Ontario government did subsidize hearing tests. Since 2001, deaf and hard-of-hearing individuals have had to pay for their own hearing tests. In the third scenario, if the ADP were eliminated, there would be a 24% increase in what consumers themselves have to bear as the cost. As Rhonda pointed out, that's \$7,000 to \$8,000 per individual every three years. I know I couldn't afford that.

At the same time as we are concerned for the welfare of our disabled consumers, we are also respectful of the government's desire and need to cut costs. On that basis, we're worried that saving money in hearing aid subsidies would actually result in increased costs in other parts of the system. For instance, if only 1% of Ontario's seniors who currently wear hearing aids couldn't afford them, they could stand to lose their independence and their ability to live in their own homes. If those 1% went into long-term-care facilities at an average cost of \$20,000 a year, that cost would offset all gains made by eliminating the ADP funding. That's the starting point. If 2% of them went into long-term care, the cost would double what is currently spent in ADP funding. If 5% went into long-term care, and when you factor in the social assistance for working-age deaf and hard-of-hearing individuals and the additional educational supports that would be required for school-age children, the losses far outweigh the gains.

Respecting your drive to cut costs in the budget, we do believe there is a systemic approach, a cradle-to-grave delivery system for hearing health care that could help identify savings. We at CHS and our colleagues would be more than willing to work with you in developing a cost-effective and systemic approach.

In the meantime, we sincerely hope Premier McGuinty will stand by his 2001 commitment not to further challenge already vulnerable Ontario citizens. Hearing aids may be small in size, but their role in people's lives is huge. Communication is key to our ability to function at school and at work, to have relationships with friends and family, and to fully participate as citizens in this province. For those who need them, hearing aids are the farthest thing from a luxury or a frill or an option. We are joined by the Ontario Association of the Deaf, the Canadian Hard of Hearing Association, the Learning to Listen Foundation, Voice for Hearing Impaired Children and a dozen other colleagues in urging you not to make access to hearing aids more difficult and more expensive than it already is.

Our sincere thanks for your time and attention.

**The Chair:** Thank you very much for your presentation. We only have time for a question from one of the parties, and in this rotation it will go to the government. You have about three minutes.

**Mr Colle:** Thank you. Perhaps you could just clarify the last point you made about the potential for some sav-

ings if you approach this thing in a more comprehensive way, from the cradle onwards. Can you explain that to the committee, if possible?

**1510**

**Ms Duffin:** We do believe there may be some waste in the system, partly as a result of the audiology delisting. Audiologists and dispensers have had a very difficult environment to work in. What that has meant is that consumers have less access to hearing aids, but it has also meant that audiologists have less time for things like counselling around the best hearing aid, about realistic expectations for hearing aids, and for programming and technical support. That means that sometimes people buy a hearing aid—you may even know people like this—and it ends up in a drawer. A lot of people's parents and grandparents have had that experience. So we believe that in some cases the right prescriptions are not being made.

To be more specific, we would have to work with our other colleagues in this sector. We only serve parts of this function. There are speech-language pathologists, dispensers, hearing instrument practitioners and manufacturers. If we came to a holistic, systemic approach, we believe there would be some savings.

**The Chair:** Thank you for your presentation.

**Mr Barrett:** On a point of order, Mr Chair: I wish to serve notice of a motion with respect to this issue, and, further to that—

**The Chair:** Would you mind waiting until we have heard from all the deputants this afternoon for your point of order?

**Mr O'Toole:** Point of order, Mr Chair. There is no—

**The Chair:** He can put a point of order, but his point of order cannot be a motion.

**Mr Barrett:** I'll just put forward a notice of motion, then. I had misunderstood. I thought I had to do it as a point of order. It's important, as it relates to this group, to do it before you dismiss these people at the witness table.

**The Chair:** We've noted your request, Mr Barrett.

**Mr Barrett:** The motion would be—

**The Chair:** That we would do it after the presentations.

**Mr Barrett:** After this presentation?

**The Chair:** After the presentations, this afternoon's presentations.

**Mr Barrett:** All of the presentations?

**The Chair:** This presentation is over now. So at the end of the day, you can put your position.

**Mr O'Toole:** On a point of order, Mr Chair: This is with respect to a motion that was moved—

**The Chair:** You cannot have a point of order that is a motion. We can hear your concern at the end of the day.

**Mr Barrett:** I withdraw that point of order.

**The Chair:** I would ask the Ontario Federation of Agriculture to come—

**Ms Churley:** On a quick point of order, Mr Chair: Mr Malkowski is from my riding. For that reason and others, I want to thank him and the entire team for an absolutely

fabulous presentation this afternoon. Thank you very much.

**The Chair:** That is not a point of order.

You have a point of order, Mr O'Toole?

**Mr O'Toole:** Mr Chair, The Liberal caucus moved a motion with respect to procedures in committee. There's nothing in this that would pre-decide whether or not we could make a motion during routine proceedings. It does limit, however, the amount of time that's allocated. It doesn't say when. Mr Barrett was not there at that meeting in Windsor, so would not have known that this—

**The Chair:** I've already ruled on Mr Barrett's request, and we'll entertain it at the end of the day.

**Mr O'Toole:** The Chair doesn't really have any say.

**Mr Colle:** He's challenging the Chair.

**Mr O'Toole:** I'm not. I am clarifying the position. Mr Clerk, I would ask that you interpret for us the motion that we adopted in Windsor on Thursday last week. I have it in front of me and I think that the decisions—

**Mr Colle:** He's challenging the Chair.

**Mr O'Toole:** No, I'm asking for clarification.

**The Chair:** That's fine, Mr O'Toole. We'll take in your request. I will read Mr Colle's motion so that all will understand.

*Interjections.*

**The Chair:** Order, please. This is Mr Colle's motion carried on January 29, 2004:

Mr Colle moved that in order to ensure that all scheduled presenters are treated with respect and dealt with without delay during the committee's public hearings on pre-budget consultation, the committee adopt the following procedures:

That notice be provided of any proposed motions that would refer to issues that would normally be included in the committee's report-writing stage;

That the time limit for providing notice of a proposed motion be up to two minutes;

That upon notice being given of such a proposed motion, each party will be allowed up to two minutes to respond to the proposed motion;

That following any responses, the committee postpone further consideration of the proposed motion until the committee commences its report writing; and

That adoption of the above notice procedure would not limit in any way the right of committee members to move any proposed motion during the committee report-writing stage.

**Mr O'Toole:** I don't like to delay the proceedings.

**The Chair:** You are, though.

**Mr O'Toole:** No. It's important that we know and follow the rules. This motion does not—

**Mr Colle:** On a point of order, Mr Chair: This is out of order.

**Mr O'Toole:** It is not; we're clarifying. What I understand—

**The Chair:** Mr O'Toole, I have ruled on Mr Barrett's request.

**Mr O'Toole:** —is that I could move a motion now and there would be two minutes for each caucus to

respond and there would be no vote taken. That's the way it reads.

**The Chair:** We will hear Mr Barrett's request at the end of the day. Is there any other comment on the notice of motion? Hearing none—

**Mr John R. Baird (Nepean-Carleton):** What is the motion?

**The Chair:** Mr Barrett asked that his motion be heard. I said we would hear it at the end of the day.

**Mr Baird:** Can you tell us what the motion is so that I can be prepared when it is discussed later?

**The Chair:** No. He's given notice of.

#### ONTARIO FEDERATION OF AGRICULTURE

**The Chair:** I call on the Ontario Federation of Agriculture to come forward. 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 identify yourselves for the purposes of Hansard.

**Mr Ron Bonnett:** I'm Ron Bonnett, president of the Ontario Federation of Agriculture.

**Mr Ted Cowan:** Ted Cowan, also with the Ontario Federation of Agriculture.

**Mr Bonnett:** Good afternoon to all of you. I'd like to thank you for giving us this time to make this brief to the pre-budget committee. Before we get into the document before you, I would like to take a few minutes of the 20 minutes allotted to discuss a very important consideration for all of you.

The Ontario Federation of Agriculture views the members of this committee as political representatives of constituents—some rural constituents, some urban constituents, all of whom eat, and the handful who actually grow the food and fibre required. There is no need to expand on the importance of that handful of farmers to the health, environment and general well-being of the citizens of Ontario. I want to talk to you about the health, environment and general well-being of that handful of farmers working on your behalf and on behalf of your constituents right now.

The OFA is the largest collective group of farmers in Canada. That's right: We're the largest bunch of farmers in Canada, and we're right here in Ontario. As you know, I am a farmer, but I'm also a farm politician. I have been a farm leader here in Ontario and have been working with farmers and their organizations for almost 20 years. As a politician, I have a duty to speak on behalf of my constituents, the farmers in Ontario.

One of the normal features of the farm constituency is their optimism and their confidence in the future—confidence to plant a new crop, confidence that the weather will co-operate, and farmers also have confidence that the public and elected officials will acknowledge their contributions in good times and support them in difficult times. That confidence is being eroded.

The current state of Ontario agriculture is very different this year than it was last year. Costs and demands

placed upon farmers are increasing. There are increased regulations and management systems to comply with that cost money and time. Small farm operations are facing tremendous pressure to expand due to poor margins. Consumers are insisting on low prices and high quality, but farmers ultimately bear that burden.

#### 1520

These problems are enough, but farmers across Ontario have over the past year found themselves in dire situations due to BSE, or mad cow disease, the high Canadian dollar and the general disregard for and inattention to, by elected officials and consumers alike, the hard work farmers have put into nutrient management plans and legislation, environmental farm plans, pesticide certification, food safety programs and other best-management systems developed to ensure the health of their families, their neighbours and the environment.

All of this work benefits all of society, and, so far, farmers have been expected to bear the burden of the costs. They have not received the assurances and demonstrated efforts by the past three governments to allow them to plan for the future and protect their farms and their families from unfortunate and business-breaking incidents beyond their control, like BSE, the weather or the galloping dollar.

In my years working with Ontario and Canadian farmers, I have never seen such a high level of frustration and anger among farmers as I see now. Our service and advocacy work on behalf of individual farmers and their families at OFA has increased tremendously since this time last year. Our offices are getting many calls from desperate farm families. We have actually received letters from farmers who say they can't afford to pay the \$160 registration because they need that money to buy groceries for their families.

Farmers who are trying to make a little extra money by harvesting maple syrup on their farms are faced with industrial property tax assessments that could end up costing them more than the bottles of maple syrup sold for in the first place. And it's not only maple syrup. Chicken hatcheries, apple storage and grain operations are also threatened by high taxes.

The very farmers who proposed the Nutrient Management Act as an environmental and efficient contribution to Ontario's environment and economy still have no hard and fast assurances that payment for capital costs and enforcement of the regulations will be fair, even though all parties have promised support.

Farmers have watched government initiatives designed to improve wildlife habitat result in increasing losses to crops and livestock with little or no compensation.

Farmers who were assured a capped rate for electricity costs, whether they agreed with it or not, used that assurance to sign long-term contracts for their products. Now the cost of production will increase and the farmer suffers the loss.

All of these factors contribute to the undermining of farmers' confidence. These issues must be recognized and addressed by the Ontario Legislature. Each and every

one of you sitting here has an opportunity to signal to the farm community that real and decisive action is being taken on their behalf. You can be assured that a small effort on your part will go a long way to restoring farmers' confidence. You will do this not only to protect the farmers and their farms, but their families and their communities and the high-quality goods they produce for everyone and, more importantly, their contribution to the Ontario economy.

It would be useful if you would keep in mind that 650,000 Ontario jobs exist because of the work of the Ontario farmer.

The document in front of you contains many proposals. Some of you may be familiar with some of them. Some of them have been around throughout the governments of all three major political parties in Ontario.

I will draw your attention to the immediate issues that can be addressed to reduce farmer frustration. The following are changes that have no or very low costs to the province.

**Administrative measures:** Define "farm" and "farming operation." The OFA asks that an agreed-upon definition of farming for assessment purposes be developed on an urgent basis. The Municipal Property Assessment Corp now assesses farming operations such as maple syrup operations and grain dryers as industrial facilities. The subsequent property taxes for these farm assets can rise four to 10 times. Chick hatcheries have been wrongly assessed as industrial, and some municipalities suggest that pork and poultry barns and fruit and vegetable washing and packing houses should also be classed as industrial.

This abuses the definition of farming. The president of the Municipal Property Assessment Corp stated in a letter to the OFA that they would participate in an effort to define farming for assessment purposes. The OFA strongly endorses such an effort be undertaken. In addition, the OFA asks that there be no further such reclassifications for such value-added farm facilities and that the changes of the last six months be reversed.

**Retail sales tax measures:** Membership cards issued in conjunction with the farm business registration process should be recognized as proof of being a farmer for purposes of the purchase exemption for farm use purchases. This would simplify the process for farmers, retailers and government auditors. The government's small business advisory committee has spoken positively on this suggestion, and simplification was promised in the 2000 and 2003 budgets, but action has not yet followed.

OFA continues to recommend that retail sales tax rules be modified so that all items which are tax-free for farmers in the harmonized provinces are also RST-free for farmers in Ontario.

The federation seeks changes to the land transfer tax to ease young farmers' entrance to farming. Farms sold in a family must be exempt from land transfer tax. These transfers occur when a new generation takes over the farm. Tax is paid by the buyer. This is a tax on start-up farmers and is inequitable compared to the transfer of

farmland to a corporation. The proposed change had been adopted by the Ontario government and noted in the 2003 budget. It has not yet been implemented.

The other thing we'd like you to do is help lobby in Ottawa.

Under BSE, cattle producers who had to sell large parts of their herds at reduced prices cannot purchase replacement animals. Without these replacement animals, many will face high income tax. Foreseeing this burden, we ask you to petition the federal government to extend the prescribed drought regions deferral program to livestock producers affected by BSE.

The Ontario Federation of Agriculture, along with the Ontario Cattlemen's Association, has asked the federal government that the program be extended to allow all Canadian farmers with at least a 15% reduction in their total ruminant livestock numbers, including feeder stock, the option to defer part of their livestock revenue for one year. This would allow producers one year to replenish their livestock inventory and will avoid the hardship of forcing farmers to buy animals now even though there is no market for them.

Capital cost allowance rates: We ask that you help lobby the federal government to be petitioned to have capital cost allowance rates for farm equipment and buildings reviewed. These rates have not been adjusted in over 10 years. They must reflect the economic life of those assets.

Restricted farm losses: Again, we ask that the federal government be petitioned so that the \$8,750 restricted farm losses provision is increased to reflect inflation since it was last changed. This restricted farm loss provision is essential to start-up farmers. Adjusted for dollars, the restricted losses provision should be \$12,800.

With respect to financial support, nutrient management: The farm community is represented on technical matters relating to nutrient management and has long understood that the phase-in of regulations would be tied to provincial funding support to assist with compliance. In the course of developing Bill 81, the Nutrient Management Act, all parties of the Legislature committed to providing financial support to farmers who incurred costs to meet the requirements of the act and its regulations.

Given the devastation wrought by BSE, Ontario's cattle, sheep and other livestock producers cannot afford any new capital outlay to meet the new regulations. Farm community support for nutrient management is wholly dependent on there being adequate funding. Without the promised support, nutrient management compliance costs will force thousands of farmers out of production.

The cost of support can be limited by phasing in regulations once it is known which measures would produce real benefits. This money must flow at least 18 months in advance of enforcement of the regulations in order to allow compliance time. As a first step, the federation proposes a move to a practical position where spending will only be required where it will produce a net improvement.

Under the agricultural policy framework: The Ontario federation and the commodity organizations supported

Ontario signing the agricultural policy framework. Much effort will be needed to ensure the orderly transition from NISA and other earlier programs to the new CAISP, along with an effective Ontario implementation of the other pillars.

Ontario's agreement to the terms of the agricultural policy framework provides wedge funding to extend market revenue insurance and self-directed risk management programs. These programs have two years to run. Programs will have to be developed to replace these and other farm support programs that will lapse in the coming two or three years.

Production insurance components of the policy framework remain completely ill-defined. Provision must be made to fully accommodate the needs of the livestock sector as well as grain and horticultural producers.

The environmental, food safety, research and renewal aspects of the APF remain inadequately defined. These four pillars will entail substantial private and public investment.

#### 1530

It is imperative that Ontario commits to a planning effort to ensure that the components of the four pillars are well thought out and that they contribute positively to Ontario agriculture. We ask that you work with us and the farm commodity groups to develop effective plans for implementing useful programs in each area.

On BSE, the OFA asks all members of the Legislature to work together to develop a consistent program of funding assistance to assist in the development of new markets for Ontario's ruminant farmers.

In the area of research, in real terms, provincial and federal support for agricultural research in Ontario has fallen by over 30% in the past 10 years. It was this research that fuelled the 18%-per-year growth in productivity that has kept our industry competitive and at least partially able to keep pace with rising costs. Reduced research threatens our future.

Agricultural research is the most cost-effective support for agriculture as it directly affects the need for other support. Cuts to this research would be counterproductive and should be reversed. Provincial support to agricultural research at the University of Guelph and its colleges has been cut from over \$75 million to \$55 million at present. Had support kept pace with inflation, the total would now be over \$100 million.

We ask for the restoration of financial support to agricultural research to a level of at least \$90 million per year to provide for essential maintenance of facilities and replacement of laboratory and related equipment and allow agricultural research to return to its levels of effort of 10 years to 15 years ago.

I'd like to point out that most of the items we've talked about here can be accomplished with little cost. But as I have said, each and every one of you sitting here has an opportunity to signal to the farm community that real and decisive action is being taken on their behalf.

All members sitting here are working within and around a new mandate. All of you work hard to make

responsible decisions on behalf of the citizens of Ontario. In the past you have used your political imperatives when making decisions around farmers, and I understand that. I have political imperatives as well. But as elected officials, you also have another imperative: the oath you swore to uphold the interests and protect the people of Ontario.

I invite you to clearly understand the critical needs of Ontario's farmers, many of which have been elaborated here. I also invite you to communicate directly with the Federation of Agriculture to tell us what you, as an individual elected member of the Ontario Legislature, are planning to do to restore the confidence of Ontario's farmers.

**The Chair:** Thank you. We have about two minutes per caucus. We'll begin with the official opposition.

**Mr Barrett:** Thank you, Mr Chair. I thank the Ontario federation and all the members for that presentation. On this side, we certainly have discussed in the past the folly of the maple syrup farmer shipping sap, for example; or why would a corn farmer ship wet grain? He'd have corncribs. I can remember—these kinds of processes are a natural part of farming.

We are concerned about any threat to the retail sales tax exemption on agricultural products. I'm quite heartened to see that you are working aggressively on compensation for our cattle farmers—there's a summary here—and I know it's a very complex issue. It's important for us to know how much that compensation would come in at and, by the same token, how much we are looking at to compensate the tobacco farmers as well.

Just to wrap up, I don't have a question. Many of us here are familiar with your issues from previous missives that have been sent out. But further to that, I would ask for unanimous consent of the committee that, notwithstanding the motion that was passed on January 29, this committee express its full support for the Ontario Federation of Agriculture's presentation today on February 2. We do request the costing-out of your proposals. I ask that the question be put.

**The Chair:** Is there unanimous consent? There is unanimous consent.

**Mr Barrett:** Thank you.

**Mr O'Toole:** Recorded vote. Unanimous consent?

**Mr Crozier:** It's a little late. The vote already took place.

**Mr Baird:** If I could just jump in, you have real concern, ongoing concern, with BSE and the related issues. They are a real concern to us, and we'll take that back—

**The Chair:** Excuse me, Mr Baird. I was consulting with the clerk. Your caucus time has expired. We'll go to the NDP and Mr Prue.

**Mr Prue:** I'm a boy from the city, and I have to pretty blunt with you: I don't understand a lot of this. What concerns me is stuff around the Nutrient Management Act, pollution and what happened in Walkerton. There was a program some years ago called Clean Up Rural Beaches, which was subsequently scrapped. What can we

do to assist the farming community in terms of the environment and your making sure your land stays pristine and workable while at the same time not driving you out of business? That's what I need to hear.

**Mr Bonnett:** One comment I'd like to make at the start is that the unfortunate incident at Walkerton was not solely a result of agricultural practices. There were a number of things that were wrong there: the well location, process and procedures and everything else. I think what has to be recognized, though, is that in certain cases like Walkerton, there may be locations where wells shouldn't be, and that is not the responsibility of farmers. It's the responsibility of municipalities and inspection agents to make sure wells are located in proper areas.

There are things that farmers can do to improve environmental stewardship, and we have actually been working on a lot of those things. But one of the problems we have is that we can't pass those costs on to the consumers. There's no way to just put on at the grocery store the added cost of making those types of investments. Other jurisdictions in the States have programs that fund up to 70% or 90% of the overall cost, depending on the type of asset. Knowing that farmers can't recover those costs from what they're doing, they make sure they fund those activities, because they are in the public good.

I think one of things people maybe don't understand is that a lot of the initiatives that have been put in place over the last 10 years have actually moved the farm environmental agenda quite a piece ahead. Twenty-six thousand farmers have done individual environmental assessments on their farms and taken a look at the risks they pose and developed a plan as to how to deal with those. But once you develop that plan, you need some funding to implement it. I think that putting it all together, especially this year when you have people who can hardly afford to put food on their tables because they haven't sold anything since May—the thought of being threatened with some kind of regulatory regime without a compensation program to fund the capital improvements needed to meet it is going to create nothing but frustration.

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

**Mr Wilkinson:** Thanks, Ron. I was surprised, when I got to Queen's Park, how many people don't understand that agriculture and agribusiness is the second-largest industry in the whole province.

It has been a very difficult year, and I just want to focus. The first suggestions you made are things that government can do, and these are very important. I'm glad to hear you say that if we can look at these seriously and maybe deliver on them, we would go a long way to restoring confidence. But are you asking that the implementation of Bill 81 be put on hold, or are you saying it's OK to proceed if there is funding but you're asking for an exemption for ruminant farmers because of the nature of the BSE problem right now? I just want to be clear on that.

**Mr Bonnett:** Our position is that as regulations are supposed to come in, depending on the size of the farm,

there has to be funding in place to cover any investments the farmers have to make.

The other thing that has to be understood is that those investments sometimes have to be made 18 months in advance, because you've got building seasons to contend with. A lot of these types of investments that are going to be required to meet the new regulatory regime would be extremely expensive capital investments. That is why we're saying we have to start planning ahead, take a look at the types of investments that have to be made and really do an analysis if those investments are actually getting a net environmental gain—that's what the measuring stick should be. If there's a net environmental gain, then they should be putting money in place immediately so those people can start moving ahead and getting into compliance. We'd like to see that the funding is in place 18 months ahead of time.

The other thing we'd like you to consider is having a pool of money as well for those people who know there are problems on their operation that they want to address, things they assessed in their environmental farm plan. There would be a pool of money they could access to move ahead. Why would you hold someone over four or five years because there's no funding available, when they've recognized the situation and want to move ahead?

**The Chair:** Thank you for your presentation.

I want the committee to fully understand that what Mr Barrett put forward was a motion for unanimous consent that the question be put, and we had unanimous consent.

The question that now must be put is:

That this committee express its full support for the Ontario Federation of Agriculture's presentation of February 2, 2004, once it is costed out.

All in favour? Opposed? Carried.

1540

#### ONTARIO HOME BUILDERS' ASSOCIATION

**The Chair:** Would the Ontario Home Builders' Association please come forward. Good afternoon. You have 20 minutes for your presentation. You may allow some time for questions within that 20 minutes, if you desire. I would ask you to please identify yourselves for the purposes of Hansard. You may begin.

**Mr Peter Saturno:** My name is Peter Saturno. I'm president of the Ontario Home Builders' Association. I've also served as president of the Durham Region Home Builders' Association. I've been involved in residential construction for almost two decades, and I'm president of Midhaven Homes. Together with my father, Sam, we've built literally hundreds of homes for the past 16 years, primarily in the Durham region. Joining me is Daniel Gabriele, first vice-president of the Ontario Home Builders' Association. He's also a past president of the Hamilton-Halton Home Builders' Association, and he works with a well-respected company within the industry, Marz Homes.

I just want to emphasize that we are both volunteer members in this association, and in addition to our business and personal responsibilities we are dedicated to serving our industry. I'd like to ask Daniel to start and tell you a little about the Ontario Home Builders' Association.

**Mr Daniel Gabriele:** The Ontario Home Builders' Association is the voice of the residential construction industry in Ontario. As a volunteer organization, OHBA represents about 3,500 member companies that are organized into 31 local associations across the province. Our membership is made up of all disciplines involved in the residential construction industry. Together we produce 80% of the province's new housing and renovate and maintain our existing housing stock.

Over the past several years, Ontario has generated tens of thousands of new jobs, and many of these new jobs were in residential construction. It's estimated that each housing start generates approximately 2.8 person years of employment. Therefore, with housing starts over 85,000, as we saw in 2003, Ontario's new housing industry directly provided over 238,000 person years of employment last year.

Ontario's housing market in 2003 was buoyant, active and healthy. Starts last year were up by 2% over 2002 and reached a 14-year high. Despite a series of economic shocks, including SARS, mad cow disease and the electricity blackout, the residential construction industry has persevered and remained a bright spot in the provincial economy. Low mortgage rates, increased immigration to the province and high consumer confidence all contributed to strong sales in 2003.

In a November 2003 survey of OHBA members, 80% expect new housing starts to increase or remain the same this year. OHBA is forecasting a very healthy 78,000 housing starts this year. Renovation spending is also on the rise, with about \$12 billion spent in this sector last year and forecasts of approximately \$13 billion in spending for 2004.

While most builders are very optimistic for 2004, they do have some concerns and listed the top five barriers to growth as follows: skilled labour shortages, increased material costs, shortages in the availability of land, development charges and over-regulation. In order to maintain Ontario's healthy residential construction industries, these barriers do need to be addressed.

**Mr Saturno:** The Ontario Home Builders' Association would appreciate your consideration with respect to the following: Excessive regulation and overtaxation on the new home building industry pushes the price of new homes higher and higher, which can put home ownership out of reach for many families. New housing in fact is the highest-taxed industry in Ontario after tobacco and alcohol.

The Urban Development Institute recently reviewed government charges on new residential construction in the greater Toronto area. The study found that total taxes, fees and charges paid by a homebuyer were up to 30% of the cost of a new home, equating to not less than \$44,000 for a home in each of the 905 areas.

The Greater Windsor Home Builders' Association undertook a similar review of taxes, fees and charges paid in the construction of a new home in Windsor and Essex county. It found that about 20% of the cost of a new home goes to these fees, equating to an average \$31,000 in charges on a \$155,000 home.

Development charges represent a substantial portion of these fees. Not only do these charges contribute significantly to the cost of housing in the province, but there are serious concerns that some municipalities may be manipulating the Development Charges Act calculations to increase revenue.

Currently, many municipalities are in the process of preparing new background studies to be used in setting new development charge rates. The Ontario Home Builders' Association is very concerned that in some instances, background studies have been prepared using very inconsistent and sometimes flawed methods of data projection, which has resulted in various municipalities implementing development charges that are artificially high.

As we begin another round of background studies and consultative reports to set new rates, the Ontario Home Builders' Association recommends that the government identify and correct abuses of development charges.

**Mr Gabriele:** OHBA supports government in developing a strategy and managing growth in ways that sustain a strong economy. Transportation links are extremely important in achieving balanced growth. It is critical that the government ensure efficient transportation links between neighbouring communities and that mass transit be reasonably priced.

The Ontario Home Builders' Association is in full support of government promises to allocate two cents per litre of the existing gas tax toward transportation infrastructure. While our members understand that the government has to make tough choices to wrestle down the \$5.6-billion deficit, we urge the government to move ahead with this promise as soon as possible. OHBA recommends that if the full two cents per litre of gas tax cannot be allocated this year in full, the gas tax be phased in over a period of time.

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, since the introduction of the Tenant Protection Act, landlords have invested a further \$1 billion per year on upgrading and maintaining existing rental properties. The culmination of this activity has resulted in over 30,000 jobs being created annually. Vacancies have increased significantly in urban centres across this province and in some cases are the highest they have been in decades, while providing consumers with unprecedented choice.

In addition to this, rental rates are also decreasing, thereby making rental housing more affordable for

tenants across our province. This is proof that the Tenant Protection Act is working. The proposal by the provincial government to repeal this act would have devastating consequences for the new rental construction industry and, most importantly, the availability and the affordability of an ongoing new housing rental stock.

OHBA further recommends the elimination or lowering of development charges on rental units to increase the economic viability of private rental construction. Government is encouraged to continue to review policies that may discourage private investment in this sector. For those who simply cannot afford housing, OHBA recommends that the province provide shelter allowances. The private sector is prepared to work with the government to provide high-quality rental housing for tenants across this province. Adequate shelter is a basic necessity for all Ontario citizens, and OHBA continues to support the provision of shelter allowances for those citizens who are truly in need.

#### 1550

**Mr Saturno:** Pressure from the underground economy continues to plague our industry, particularly in the renovation sector. On the provincial level alone, we estimate \$1.1 billion to \$1.7 billion per year in lost tax revenue. As an organization, we recommend that the government work together with the industry to seek out ways of encouraging and enticing consumers to utilize the skills and services of legitimate, honest renovators and contractors.

As well, the Ontario Home Builders' Association has several recommendations regarding the future of the Ontario Municipal Board. The OMB has served a vital role as an independent adjudicative body in the province of Ontario for over 100 years. You might say it has actually been the envy across this country. There is a need for an independent and impartial body to adjudicate appeals in Ontario to ensure that land use decisions are made based on good planning in adherence with the stated goals of the province.

The industry is, however, open to improving the system. The residential construction industry recommends an increase in remuneration for board members and a lengthening of members' tenure. The planning system is best served by the province's articulating its interests through the provincial policy statement, with municipalities adopting clear policies through their official plans. The industry strongly supports an independent OMB that provides checks and balances outside of the political process.

**Mr Gabriele:** Let me conclude by stating OHBA's concern for potential changes to the land transfer tax rebate for first-time buyers of newly built homes. Since its introduction in 1996, rebates totalling approximately \$200 million have helped more than 143,000 Ontarians realize their Canadian dream of new home ownership. This has certainly contributed to the solid growth experienced in the new housing area.

OHBA supports provincial initiatives to target growth toward brownfield and infill sites, but our membership is

concerned that any changes to the land transfer tax may place new housing out of the reach of many young Ontario families. OHBA recommends that the province investigate other means of providing either consumers with a tax break for purchasing a new home in a targeted growth area or by providing builder incentives to build in targeted areas of the province.

OHBA is in full support of government initiatives to balance the budget. The residential construction industry has a valuable role to play in the elimination of the \$5.6-billion deficit. The residential construction industry contributes \$30 billion to the provincial economy and employs over 350,000 people in a variety of disciplines across this province. As the engine that drives the provincial economy, the residential construction industry pours billions of dollars into our provincial coffers.

Government is well advised to work together with us to ensure that the new housing and renovation industries continue to thrive in Ontario.

**Mr Saturno:** In conclusion, the homebuilding industry is still firing on all cylinders, but it is as vulnerable as ever to increased fees and regulation, to the detriment of the Ontario homebuying public.

I would like to thank you for your attention and interest in our presentation. We look forward to hearing any comments or questions you may have now or at a later time because we are here to be a resource for this government.

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

**Mr Prue:** Most of what you have to say I agree with, but I have to tell you that I'm very confused with your position on rental properties. You say there has been a 400% increase. That could be from 10 to 40 units. How many units of rental housing have your members built last year?

**Mr O'Toole:** Most condos are rented.

**Mr Prue:** No, they're not.

**Mr Saturno:** If I could answer that, rather than have a debate in the room, in Toronto right now about 40% of all condos are rental, but in this past year our members have built throughout the province somewhere around 3,000 units, which is 400% more than there was up to about five years ago.

**Mr Prue:** So you've gone from 750 units to 3,000. Let's be blunt. This much.

**Mr Saturno:** Yes.

**Mr Prue:** Almost nothing.

**Mr Saturno:** However, at the same time—

**Mr Prue:** No, no. I'm going to say that at the same time the number of rental properties in Ontario has declined because people are selling them or turning them into condos.

**Mr Saturno:** Actually, vacancy rates have climbed 400% as well. Never in history have vacancy rates in the GTA been up to 5%. So the market is working right now for vacancy rates. As well, the rents in those vacant apartments are dropping for the first time.

**Mr Prue:** That's those apartments that are above \$1,500 a month.

**Mr Saturno:** I would agree to disagree on that right now.

**Mr Racco:** There is no question that the rental rate is very high. There are available spaces on the market.

Anyway, I have a couple of questions. Do you agree with me that we should train people sitting on the OMB and that we should have permanent appointments instead of having temporary appointments?

**Mr Saturno:** I believe they should be trained a little bit more vigorously, let's say. However, I don't believe that it should be permanent, but rather, a lengthened tenure.

**Mr Racco:** What would that be for you?

**Mr Saturno:** I would say a revolving tenure of at least five to six years.

**Mr Racco:** With regard to lot levies, you are suggesting that they are high. In areas such as the 905 or areas that are growing, we need to build schools, hospitals and public transportation. Who do you think should pay for those costs? Should the developers, who make money on developing the land, pay for it, or should the people who are living there, who are getting additional traffic? Who do you think should pay for it?

**Mr Saturno:** I think it should be a combination of both. I think it is who benefits from it. Growth should pay for growth. Unfortunately, the Development Charges Act, or parts thereof, is being abused. It's very clear-cut. Unfortunately there are some grey areas, and it is being abused by municipalities for short-term political decisions of not increasing taxes. I believe both parts should be paying. If I'm a homeowner who lives in a 905 municipality, which I happen to be, I don't believe short-term decisions on tax freezes for property taxes should be put into place. That's not good political thinking.

**Mr Racco:** What you're suggesting is that maybe the municipalities are cooking the books. That's another issue. But you do agree that if we need a new bus line because there are new homes, that the new homes should be paying for it? In other words, the developer who develops the land and builds the homes should be paying for that additional cost.

**Mr Saturno:** For which part?

**Mr Racco:** For hospitals, for transportation.

**Mr Saturno:** Hospitals are not part of development charges under the act, actually, because they're used by the entire community.

**The Chair:** We move to the official opposition.

**Mr O'Toole:** Welcome, Peter. Midhaven Homes does an excellent job and has an excellent reputation. As well, I appreciate the volunteer work you're doing with the Ontario Home Builders' Association. You might know that we did hear from the Greater Toronto Home Builders' Association earlier today.

**Mr Saturno:** Yes.

**Mr O'Toole:** So the industry is well represented here, and I think you've provided in your presentation as well as some of the charts here—I'm just looking here at

Oshawa. The number of starts from 1993 has moved from 1,400 to almost 4,000 home starts. Each one of those represents about three jobs or person-years. I commend the industry for the 85,000-plus homes started.

I have first a comment and then a question. We've heard, and I support the number—I tried to make it earlier today. Fees, permits and other charges, as you said, are roughly 30% of the house. It's about \$44,000 on top of the price of the house, for which the first-time homebuyer blames somebody. They blame you, I suppose. Those are all charges on the work you do. If they want to bring affordability down, some of those charges could and should be examined, one of which, of course, is the development charge. You know there's a lot of pressure in our area to add the hospital component to the development charge, which is a huge issue not just locally but provincially. In fact, the member on the other side had that wrong, because it's not one of the quantum in the development charge formula today.

I'm hearing concerns in Durham about the moratorium that has just been put in place on severances and the creation of new lots. What's that going to do to the price of housing? If you dry up land for development, what is going to happen? That's a huge problem in the GTA. It was just announced by the minister—I think it was announced in December—no more new lots, basically a moratorium on them. What's your response? If you lower the supply of land for development, you're going to drive up the cost of current land that's available, because it's an inventory.

1600

**Mr Colle:** Is this a speech or a question?

**Mr O'Toole:** Mr Colle tends to be rude, but we tolerate him.

**Mr Saturno:** Actually, I've spoken to Minister Gerretsen and I've got a meeting with him tomorrow afternoon. The moratorium in itself caused concern and fearmongering, which added \$20,000 immediately, within 24 hours, to the price of a lot in the 905 area, and that is climbing now. It will probably be approaching, within the next six months, \$40,000 per lot. A little-known fact, again with development charges and the moratorium, is that \$1,000 on the price of any new home in this province eliminates 1% of the buying public. Home ownership is the dream of every Canadian and Ontarian. We're trying to provide that at an affordable price. The moratorium—we actually agree and will work with you, but with something like that we should be consulted. Quite frankly, instead of waiting for a year, speed it up maybe to six months, because it is causing concern. In the GTA, there is not the Golden Horseshoe 15-year supply of land, but actually about a two-year supply of lots that are on stream. So it could dry up that quickly. Growth is not created by us; we react to it. Growth is perpetuated, we feel, by good government. You're providing the good government. That's why 100,000 to 150,000 people per year are immigrating to this area. We're reacting to that.

**Mr O'Toole:** It's a federal government issue too.

**The Chair:** Thank you for your presentation this afternoon. We appreciate it very much.

#### CANADIAN AUTO WORKERS

**The Chair:** I call on the Canadian Auto Workers to come forward, please. Good afternoon. You have 20 minutes for your presentation. You may leave time within that 20 minutes for questions if you choose. I'd ask you to identify yourselves for the benefit of Hansard recording.

**Mr Buzz Hargrove:** Thank you very much, Mr Chairman and committee members, for the opportunity to be here. I'm joined by Corey Vermey, who works out of our research department and specializes in health care, and Bob Chernecki, my assistant. I'm Buzz Hargrove, national president of the Canadian Auto Workers union.

I was pleased to see the lead-in to the minister's consultations, which talk about transparency, accountability, commitment to government and to public services. That's a huge step forward in the right direction, I believe, as opposed to the last eight years, where we saw a much different approach to public services.

We realize the government has an incredible challenge with a \$5.6-billion deficit, but I'd make the argument today, in spite of the fact we appreciate the problem, that there's a much bigger deficit and it's necessary for the government to deal with that deficit. I think there's an obligation, and I think the people of Ontario are saying they want us to move ahead in areas of health care, education and social housing.

We start, as a union, from the premise that in health care we should say no to private partnerships and private enterprise coming into health care. Health care should be based on need. That should be the principle, as opposed to someone trying to make money off the illnesses of the people of the province.

Education, social housing and social welfare all have massive deficits. We believe the people of Ontario, in electing a new government, said that those are the key issues over the next four or five years. There is also a deficit in infrastructure. Our world has changed radically in the last 10 years. The past government was living in the past before election, and they continued to drift into the past during their eight years in office.

We have major industries like the auto industry that are key to Ontario's health, yet new trends have developed around the world in terms of how investment decisions are made. Different jurisdictions have been able to get those investments, and we have ignored those completely. We also have a massive problem with imports that nobody is even talking about. As a matter of fact, I would suggest a number of members of the provincial Legislature are probably driving imports, not even realizing the damage they're doing to the Canadian economy.

We also have seen in the last year the appreciation of the Canadian dollar by up to 25%. It has had a dramatic impact on long-term decision-making in the auto

industry, the aerospace industry, the resource industry—almost every industry that we deal with, including the steel industry, of course, which is not our union, but it's under incredible stress at this point. The agricultural industry is suffering from a lot of disease, but also the dollar would have a massive impact on them as well. Our forestry—any industry in Ontario.

We tried in vain to get the former government to deal with the auto industry, especially as it is the engine of the Ontario economy, with one in six jobs relying on the auto industry in some form or other. Yet we continued to get, at best, a negative response to the problems that the industry faces. So we're hoping that, as part of the new government, it will recognize that if we're going to have money to pay for health care, education, social welfare, social housing, rebuilding our infrastructure—all those things that Ontarians are saying are important—we're going to have to start by recognizing we have to maintain the employment we have in an important industry like the auto industry, the aerospace industry and others.

Then we have to find out what we are doing wrong. Why is it we can't attract new investments in this country, in spite of the fact that we have the best quality, the best productivity? For example, I just found out today our freightliner plant up in St Thomas won the top quality award in North America for the manufacture of large trucks. That's consistent with what John knows about Oshawa, Durham. Our plants down there are one and two in quality and productivity, including both car plants and our truck plant. We have an incredible record, yet we're losing out. We've lost one major assembly plant. We've lost lots of parts facilities, and we're in danger of losing an additional assembly plant this summer as Ford closes out its truck plant.

So, yes, we have a deficit problem, but we're going to have a huge deficit problem if we don't come to grips with some of the problems facing the industries in our country.

Workers and their families are facing huge deficits. Minimum wage—I want to compliment the government on taking a step. I would have urged them to do more, but the reality is that they are at least, unlike the last government, recognizing that low-paid workers are entitled to some relief. Hours of work, vacation—we have the worst vacation structure in the country. The largest, most industrialized, wealthiest jurisdiction, not just in Canada but around the world, and we have this incredible situation where the last government took us backwards in terms of vacation scheduling and vacation pay. I just came out of some meetings in Nova Scotia, and after five years of service, low-paid workers, non-union workers get three consecutive weeks of paid vacation. In Ontario, you get two weeks, but the employer can force you to take it one day at a time. So essentially low-paid workers, non-union workers have no vacation whatsoever.

We have a deficit in job security. We have a deficit in bankruptcy protection for people's wages, vacation pay. We had protection for workers that gave them standing on monies owed—vacation pay, severance pay, termin-

ation pay and wages—but the last government destroyed that legislation, and now workers have little or no protection at all.

Pensions are a big issue, and it will be highlighted more and more over the next few months, with the CCAA filing of Stelco. We also have Atlas Stainless Steels, we have Nemco, we have Air Canada. We have a host of companies that are either in CCAA filing or rapidly approaching it. We're finding deficits in our funding that are as high as 40% and 50%, which is in complete violation of the law. We need tougher laws and enforced laws, and we need the government to reassess. Hopefully the Liberal government will reassess the funding mechanisms and the funding in the Pension Benefits Act, which was brought in in 1987 by the Peterson government. It's inadequate today, as you can see by the number of companies that are announcing that they're in trouble, and then announcing they have huge deficits in their pensions.

Pension money should be in trust, should be guaranteed. No worker who has spent a lifetime working in a workplace should have to worry about whether or not their pension is going to depend on whether or not the company is going to prosper in the future. I think our government has an obligation to deal with that question. Again, the amounts that were there in 1987 may have been sufficient, but here we are some 16 years later, and they're not sufficient.

#### 1610

So I'm just doing a quick summary, Mr Chairman. I'd like to take questions, if I could, from the committee, but I do want to say that, in spite of the fact that we have a deficit, as a percentage of gross domestic product, it's not out of line with what the history—as a matter of fact, it's low in historical terms and it's certainly not out of line. It's much lower than most other jurisdictions in Canada.

I believe the people of Ontario said in the last election—over 60% of them voted either for a party that said, “We're going to increase taxes to improve services,” or a party that said, “We're not increasing taxes, but we are going to improve services.” I think that is the mood of the people of Ontario as I see it, as I travel around the province.

I think people are also saying, “We accept that the other government left a huge deficit. Let's get off of the question of where it came from. Let's now deal with it.” I think people are saying that deficit financing over the next three or four years is fine to do the things that are important for the people of Ontario, to strengthen our health care, our education, our social programs, and to strengthen our economy, our industries, where it makes sense to do that, as long as the government has a long-term plan to say, “Over the long term, we're seeing with the growth of the economy, and maybe even some changes down the road in our tax structure, that we're going to be able to deal with that.”

I would conclude there with one request. I have a meeting tomorrow, along with others, with David Dodge of the Bank of Canada, and I believe the one thing that's

really harming our province, our industry at every level, including the housing industry, the people who were just here, is the high interest rates in relative terms to the United States, in relative terms to inflation. It's time that we collectively call on the governor of the Bank of Canada to get rid of this infatuation with inflation and bring our dollar down through lower interest rates so that we can start to see improvement.

We're getting all kinds of companies in every sector that we're involved in saying, "We are struggling like hell to try to deal with this incredible escalation in the value of the Canadian dollar." That's harming everyone. I think there should be a consensus among all political parties to make a statement on that issue to the governor of the Bank of Canada.

Thank you for having us here today. We'd be happy to try to respond to any questions you might have.

**The Chair:** Thank you. We have about three minutes per party and we'll begin with the government.

**Mr Crozier:** Thank you, Mr Hargrove. Good to see you again. Being from Essex county, I certainly appreciate your work and the work of your members in the automotive industry down that way.

Last Friday, Sandra and Dwight and I met with Gary Parent and Kenny Lawenza and a number of the labour representatives in Windsor. Certainly, what you are saying today was echoed to Minister Chris Bentley, our labour minister, at the time.

From your presentation, I would like to just ask you where it said that we need "an aggressive investment strategy; an auto sector strategic investment fund to flexibly tailor training, infrastructure and investment incentive to attract new investment." I'd like to expand on that. It's on page 11, the last paragraph. Just expand on that a bit.

**Mr Hargrove:** One of the problems was, a little over a year ago, the former government announced that this fund on technology and training that had been—before, it would have been dedicated to the computer industry or the high-tech industry. The auto industry, as one example, was excluded from it, and the Premier decided they were going to now include the auto industry and they actually increased the amount of money available in the fund. But our experience was they tightened up the bureaucracy, the bureaucratic rules that govern a fund. The Chrysler investment in Windsor was probably the best example.

Had we not had this constant delay and the government's saying, "We're not going to help out here," I believe we would have had that investment in Windsor in place and had a chance to have a brand new plant and 2,500 brand new jobs in assembly alone in the province. But the negativism from the government and the experience of the DaimlerChrysler people, including Ed Brust, who just stepped down as president, who told me that they were shocked and astonished at the lack of concern about the new investment and that the bureaucracy, the rules they put up, as opposed to jurisdictions like Georgia, South Carolina, the southern United States

and Mexico, who were willing to invest in the industry—that's what we're talking about. Let's look at what the changing trends are today and let's respond to it and not after we've lost—the southern United States 15 years ago didn't have an auto industry; now they're bigger than Ontario. We could have had half of that investment, had we been on our toes, and we would have been growing from 1999 as opposed to declining, as we are today.

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

**Mr O'Toole:** Thank you, Mr Hargrove, for the work you do for an important sector, not just in my riding but certainly for the whole economy of Ontario.

Just a couple of comments and then a question. If I look over the last while, I think you're mellowing with time, which is good. It's the partnership approach to problems, of working to some extent with the automobile manufacturers' group to find ways of building in efficiency and yet retaining jobs—for the most part retaining jobs.

I saw you at the auto summit where Belinda Stronach was kind of the chair of the day. You'd probably be happy to see her in a federal role because of her background with the auto sector at Magna and how important it is. I'm not being trivial. I think she has a real understanding of the sector and an appreciation for its job creation.

On a serious note, the issue I really want to—

**Mr Colle:** Is that a question about Belinda Stronach or what?

**Mr O'Toole:** I'll leave that to Mr Hargrove. He's a very competent guy.

I'm a little disappointed that you didn't bring Jim Stanford or Sam Gindin with you because they've got more of a handle on this one: the pension deficit in the auto sector. Do you have any numbers that you float around? I hear numbers that General Motors' pension deficit is to the tune of \$4 billion. Chrysler is in serious trouble. All the auto sector pensions are in huge doo-doo for a lot of reasons. Do you have any number that you and all of your economists use? It is important and troubling as the industry is actually shrinking with overcapacity and the future production is in China, not North America. Do you have any numbers that you use?

**Mr Hargrove:** No, but I'll get them for the committee.

**Mr O'Toole:** I'd appreciate that.

**Mr Hargrove:** But I will say that our pension funds in General Motors, Ford and DaimlerChrysler are in relatively good condition. During our bargaining a year ago our funding was around 90%, which is considered pretty well 100% funding. The only way you end up in trouble is if you have a bankruptcy and a windup of the funds. So it's not major auto, but there are a lot of small auto parts plants. It's not Magna either, by the way. I do believe Belinda Stronach is knowledgeable about the industry. She would be a person who would have a sense of the new trends and what you do to respond. So if you're asking me if I'm supporting her, out of the other two, of course. I think she'd do a much better job.

**Mr O'Toole:** A good answer.

**Mr Hargrove:** I do want to say, that increase in housing in Durham region is because we negotiated two additional shifts of production in Oshawa.

**Mr O'Toole:** Excellent. They're doing a great job.

**The Chair:** If there is any information that was requested by Mr O'Toole, if you'd provide it to the clerk, and then we can give it to every member of the committee.

**Mr Hargrove:** We'll do that.

**The Chair:** Now we move to the NDP.

**Mr Prue:** I have two questions. I'm going to try to get them both in in three minutes. I hope your answers are as short as my questions.

The first one is, what changes do you think are necessary in the pension benefits guarantee fund? Can you be specific? What can this government do to make sure that the pensions are available for the workers?

**Mr Hargrove:** Firstly, the fund is a very complex situation in how it assesses companies to pay into the fund. We think that should be simplified and increased. It's based on assets; it's based on a whole host of criteria that may have made sense at the time. I don't think, in my mind, that it did but it certainly doesn't today, given the experience we're having with bankruptcies and the lack of funding that's available.

Companies must be forced to have the funding there; 90% funding is good. If we could get everyone up to 90%, and the pension commission overseeing and not waiting for three or four years for the companies to file before they can check—that's when companies get in trouble. They delay the filing and there's no mechanism. It's like our food and water where we have no inspectors. We have nobody who is chasing down the companies.

So simplify the funding, make sure we have checks and balances with inspection of what they're doing and increase the assessment on companies that go into the fund.

1620

**Mr Prue:** My second question has to do with deficit financing. We've had many groups telling this committee to raise the taxes in order to afford the promises. We've had one or two suggest that we run a deficit for one year and then raise the taxes and everything should work out. You're the first one who has actually suggested that we go into deficit for four years, if I understood you right. Can you tell me why you think that? This is a novel approach. I have not heard this from a soul, so I want to hear your rationale behind this.

**Mr Hargrove:** It's a bit like what John said: I'm getting too practical in my old age. The reality is that the government, as I followed the election, ran on not raising taxes, but not lowering taxes. The politics of that tells me, is there another way?

I think the people of Ontario would accept an increased deficit over the short term, the next three or four years, as long as there was a plan in place that they could see growing the economy, and you may even have to look at tax increases past the next election. But at least

the people of the province would have input into that through their vote.

I think that's a perfectly legitimate way. If you take where the former government was and said, "We're balancing the books at this number," and then we find out the books weren't balanced, that we're \$5.6 billion short, if you at least said, "We're going to run a deficit based on their accounting last time around," I think they would have to explain why they would challenge that in the House, and it does give us a chance to move ahead on health care and education and the other things that are important to the people of Ontario.

**The Chair:** Thank you for your presentation this afternoon.

I now recognize Mr Barrett.

**Mr Barrett:** Thank you, Chair. I'll read the motion. Members of the standing committee did hear a presentation from the Canadian Hearing Society.

Whereas the Canadian Hearing Society stated that Mr McGuinty is considering cuts to hearing aid grants and subsidies; and

Whereas the Canadian Hearing Society stated that Mr McGuinty wrote a letter of support for audiology services—and I would imagine that letter did leave with the people at the witness table. However, it was read into Hansard.

I so move that the committee support the sentiment contained within the letter authored by Mr McGuinty.

**The Chair:** Comments? You have up to two minutes.

**Mr Barrett:** Again, as we've had a number of presentations from representatives of people with disabilities, the London meeting of this committee comes to mind, where we heard a presentation from people representing the intellectually challenged. Certainly Mr O'Toole and I at that time concurred with the sentiment of Mr Prue in supporting what those people were asking for. The hearing society in part made their pitch, if you will, describing the false economy of cutting hearing aid subsidies. Certainly to my mind this is not solely an economic issue. People who cannot hear, people who cannot see or who are impaired are isolated, and we are a very rich society in the province of Ontario. If we cannot offer support to people who find themselves in these kinds of circumstances, I feel that it's incumbent on this committee to take a leadership role, as seen in the letter that was read into Hansard by Mr McGuinty. That's my motion and discussion.

**The Chair:** Any further comment?

**Mr Prue:** In my two minutes I'm going to support this, but I have to tell you I find this to be a very nebulous motion. It doesn't really say very much except that we are going to support what Mr McGuinty wrote a year and a half ago versus what he was musing in the newspapers a week and a half ago. The question is, where does he stand? I think it's absolutely essential that we push this, that he go back to where he was a year and a half ago, as opposed to where he was last week, because it is quite clear to me in the presentation—and it was very well made—that people who rely on hearing aids and

audio devices, FM systems, are going to be hugely adversely affected for very little financial gain. I know that the government is scrambling to find money and that they've been left in a deficit position—I know that it's very tough sometimes to be in government—but I have to tell you, these are the wrong people from whom to seek those monies. They are, by and large, people who can ill afford it. They are children. They are the elderly. Quite frankly, you have to find the money from somewhere else.

In supporting this very nebulous motion, I don't know what's going to be gained from it, but I would hope that saner heads on the government side will see that Mr McGuinty's musings on all of this are completely the wrong way to go.

**The Chair:** Thank you.

**Mr Colle:** On a point of order, Mr Chair: We've had a special request from the mayor of Timmins, Mr Vic Power, to appear before the committee. He never got notification that there was going to be a meeting in Timmins until after the deadline. I would like to have unanimous consent to allow Mr Power to make a presentation to the committee when we're there on Wednesday. It's just a matter of the fact that he's hosting our committee, he's the mayor of the city and I think we should do that, OK?

**The Chair:** Is there unanimous consent?

**Mr Prue:** Mr Chair, we're in the middle of another discussion. We haven't even voted on that.

**Mr Colle:** No, that's already done.

**The Chair:** There is no vote on that.

**Mr Prue:** All right. OK, I understand.

**Mr Colle:** The NDP objects. Put that on the record.

**Mr Prue:** I didn't say I object. I'm just trying to figure out where we're going. We're jumping all over the place. I don't object at all. Just calm yourself. I don't object at all. I think it's a good idea. I'm just trying to figure out where we're going. We're jumping so fast. That's all I'm trying to find out.

*Interjections.*

**The Chair:** Order.

The comments on Mr Barrett's motion have ended. It will be dealt with at report writing.

**Mr Prue:** I wasn't sure it had ended, because nobody responded over there. Maybe nobody was going to respond.

**The Chair:** That's right, there was no response from the other side.

**Mr Prue:** All right, fine. Then we've launched into something else. Is that what happened? Thank you.

**The Chair:** Mr Colle is asking for unanimous consent for a presenter in Timmins. Do we have unanimous consent to Mr Colle's request? Carried.

To the committee: The bus will be at the main entrance at 5 pm to catch our flight out of the island airport. This meeting is adjourned.

*The committee adjourned at 1625.*







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### **Also taking part / Autres participants et participantes**

    Mr John R. Baird (Nepean-Carleton PC)

    Ms Marilyn Churley (Toronto-Danforth ND)

    Mr Howard Hampton (Kenora-Rainy River ND)

    Mr Norm Miller (Parry Sound-Muskoka PC)

### **Clerk / Greffier**

Mr Katch Koch

### **Staff / Personnel**

Mr Larry Johnston, research officer  
Research and Information Services

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