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Jeudi 13 janvier 2005

**Standing committee on
finance and economic affairs**

Pre-budget consultations

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

Consultations prébudgétaires

Chair: Pat Hoy
Clerk: Trevor Day

Président : Pat Hoy
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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS**

**COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES**

Thursday 13 January 2005

Jeudi 13 janvier 2005

The committee met at 0859 in the Ambassador Hotel, Kingston, Ontario.

PRE-BUDGET CONSULTATIONS

CITY OF KINGSTON

The Chair (Mr Pat Hoy): The standing committee on finance and economic affairs will come to order. The committee is pleased to be in Kingston this morning, and our first deputation will come from the city of Kingston. Would you please come forward?

Good morning. You have 10 minutes for your presentation. There may be up to five minutes of questions following that. I would ask you to state your names for the purposes of our recording Hansard.

Mr Harvey Rosen: My name is Harvey Rosen. I'm mayor of the city of Kingston. Good morning, Mr Chair and members of this committee. Thank you for providing me with the opportunity to address you today as part of your pre-budget consultations. These public discussions you are having throughout Ontario represent an important facet of our democratic system of government, and I commend you for taking the time from your constituencies and busy schedules to be here today. Appearing with me today is Mr Denis Leger, interim chief administrative officer for the city of Kingston.

I would like to begin my remarks with an issue which is, no doubt, quite familiar to you from your own ridings: infrastructure. On a positive note, the recently announced Canada-Ontario municipal rural infrastructure program will be of great benefit to municipalities and serve as an example of cooperation between our three levels of government. Further, the fact that three distinct rounds have been planned facilitates our efforts to plan ahead for various infrastructure projects. We would ask that funds be dedicated to similar programs in the future which are long term and sustainable and which perhaps are shorter in terms of negotiations with Ottawa.

Unfortunately, Kingston has not enjoyed this synchronization between levels of government in past infrastructure programs. Under the previous Canada-Ontario infrastructure program, our city received only one-third provincial funding for an infrastructure project, amounting to about \$3.5 million, with no federal commitment. In turn, we received only one-third federal funding under the Canada strategic infrastructure fund, \$25 mil-

lion, for another major infrastructure project, no provincial contribution being received to date.

This disjointed approach has left the city in dire straits, having to fund projects on the backs of our ratepayers through increased sewage charges that are already among the highest in Ontario. We anxiously await a response from the province in terms of their \$25-million share for this latter project, as our city was one of the largest in Ontario to receive the fewest provincial infrastructure dollars and the only Ontario municipality receiving CSIF funding that did not receive proportional provincial funding.

What constructive advice can I offer in terms of infrastructure and our experiences? Ensure that the provincial and federal levels of government are committed to joint programs to ease the capital costs for the municipality. Continue long-term and sustainable funding for infrastructure to municipalities so that we can continue to plan ahead.

I fully understand the challenges posed in forming a budget. We are not asking for the money tomorrow. Make funding commitments over a certain number of years to defray the burden in the short term. Ensure that issues such as age of the municipality, ability to leverage rates and taxes and environmental challenges are acknowledged. Being dubbed the limestone city has its advantages, but it is not so advantageous when you dig to install new sewer and water lines.

Reassess the value of the Ontario Strategic Infrastructure Financing Authority. How much does funding from this organization actually save municipalities when compared to conventional bank financing?

I look forward to continued dialogue as we work together with the provincial and federal governments to advance our joint agendas on infrastructure.

I would now like to turn my attention to the recently announced gas tax rebate to municipalities from the province. While these monies are most welcome—Kingston will be eligible to receive over \$1 million—they come with too many strings. I would imagine for larger municipalities the targeted approach to this money will not be a problem, but for mid-sized cities that are not looking for great expansion of their existing transit systems, the program will actually result in having us commit to unanticipated future funding allocations in order to receive the rebate. In my view, this philosophy does not fit with the government's approach to be

respectful of municipal governments and to afford them increased autonomy and responsibility.

The response to my criticism has been, "This was what the Liberals proposed and we are fulfilling our commitments," and I respect that. However, I am suggesting the government revise this funding formula to transfer a portion of the provincial gas tax to all municipalities, regardless of transit ridership. If need be, the funds could be earmarked to be spent on transportation infrastructure matters such as roads, maintenance and bridge repair.

I do wish to commend the government for helping municipalities advance brownfield initiatives through community improvement plans. I would suggest that efforts be continued through the provincial budget to provide municipalities with assistance to continue to develop environmentally impacted lands.

I would be remiss if I did not offer some comment as well in my capacity as chair of MUND, Mayors United for a New Deal, whose membership comprises eastern Ontario mayors of cities and separated towns other than Ottawa. It is difficult to say what I'm about to say without sounding critical, but public perception in this region is that the provincial government has been very focused on Toronto and northern Ontario as priorities and that, for the most part, eastern Ontario, outside of Ottawa, has been somewhat neglected by both the provincial and federal governments. Whether it be major investments in the TTC, the GO Train or auto facilities in Oakville, there has in general been a lack of provincial presence in eastern Ontario. Manufacturing and industry are diminishing, agriculture is suffering and infrastructure is decaying.

But I will be the first to say that we are an inherent part of the problem. We need to think more regionally and better represent our challenges to senior levels of government, but we need your attention to do that. There are some glimmers of hope through eastern Ontario tourism initiatives, which represent a very significant component of our regional economy. My suggestion in simple terms would be to think of our region more often when funds are allocated, balancing that with priorities throughout the province.

Once again, thank you for the opportunity to present some issues today. I look forward to any questions or comments you might have.

The Chair: Thank you. The questioning will begin this morning with the official opposition. Mr O'Toole?

Mr John O'Toole (Durham): I think Mr Runciman has a couple of questions, and I will certainly share the time. Thank you very much for your presentation.

Mr Robert W. Runciman (Leader of the Opposition): Mayor Rosen, thank you for being here with Mr Leger. We very much appreciate it. I'm curious about a couple of things, especially your comments with respect to the committee, MUND, that you chair and your sense—I guess a shared sense—that eastern Ontario is being neglected. That's not a new feeling. I know I've heard that for many years over the life of various governments.

I'd like to know if you could be a little more specific. Some of the things have been talked about. I know a

former NDP member from Cornwall at one point was a strong promoter of a ministry for eastern Ontario, quite comparable to the northern affairs responsibilities in cabinet. I have talked to colleagues in the past about a secretariat that would have responsibility for a focus on eastern Ontario and all of the issues that impact on eastern Ontario. It could be a junior ministry, but at least there would be one focal point and an advocate with specific responsibility to raise those issues that impact eastern Ontario around the cabinet table.

So I guess I'd like to see you put a little more meat on the bones in terms of what you think should be happening, how you think this and future provincial governments should deal with these issues of, I think in many respects, legitimate concerns in eastern Ontario.

Mr Rosen: I certainly agree that something similar to the situation present with respect to northern Ontario could be developed here. Eastern Ontario obviously has a large presence in Ottawa, and Ottawa, certainly in terms of its gravity in provincial affairs, focuses much of Queen's Park's attention on this region. The rest of the region, in part for that reason, is somewhat ignored, and there certainly ought to be some consistent and strong presence within cabinet or within a secretariat of cabinet to represent the interests of this region. Otherwise, we'll be in a continuing situation of neglect.

0910

Mr Runciman: One of the things we were looking at in the past was, we had developed the concept of tax incentive zones, and certainly there was a great deal of interest in eastern Ontario with respect to that program moving forward. It apparently has gone into limbo under the current government.

The other element that was looked at in terms of what happens in northern Ontario is the heritage fund. There's an allocation on an annual basis from the government into the heritage fund, which is used for a variety of purposes in northern Ontario. In some respects, improperly or not, it has been used as an incentive for certain businesses to locate in northern Ontario. We've certainly seen it in terms of call centres, where they've received bonusing, if you will, and incentives to construct facilities and locate those businesses in northern Ontario.

Have you taken a look at some sort of fund being established to perhaps allow the provincial government some flexibility in terms of providing additional assistance to rural, small-town, medium-sized communities in eastern Ontario? Is that something you've taken a look at?

Mr Rosen: It may very well be a good idea. We have not considered specifically whether a fund of that nature would be of significant use in terms of the expense to the province, whether the return would be proportional—I would have to get back to you on a considered response—but certainly more attention to this area in a general way, a program that perhaps would direct the attention of investors to this end of the province. I think we have great assets to offer investors. I don't think it's

so much a question of government assistance—and I'm straying from my original position—in dollar incentives to investors, but letting them know what we have here. It's almost a promotional assistance that we need.

Mr Runciman: Good. That's it.

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

VITAL

The Chair: I would now call on Valuing Independence Through Active Lives to please come forward.

Ms Judith Leon: Otherwise known as VITAL.

We are a lobby group, if you like, which got together in the city of greater Toronto just before the last election because of concerns that the neighbourhood agencies that do much of the social work and suchlike in the city of Toronto—throughout the province, if it comes to that, but we're a Toronto agency—have had their base budgets frozen for the previous 12 years. As we saw the help that our clients could get to remain out of nursing homes, out of institutions, become less and less over those 12 years, we decided we'd better do some lobbying. The present Premier was kind enough to write to us, saying that it was the focus of the upcoming Liberal government to concentrate on pushing health services more and more toward neighbourhood organizations and trying to prevent illness and social problems before they arose and needed the much more costly interventions of nursing homes and the like. He very kindly promised that in his first budget he would give us the cost-of-living increases over those 12 years to rectify what we had lost over those previous 12 years. Unfortunately, as we all know, that didn't happen. We did get 3.5%, which somewhat eased the pressure for staff, who are mostly minimum wage anyway and hadn't had any increases over 12 years.

We are now hoping that in this upcoming budget, which you are discussing here today, we can, if not get the remainder of that cost-of-living that we lost, at least rectify it in some serious way. The way the civil service does its accounting is so complex that I can't tell you what that would cost over the entirety of the province of Ontario, but for neighbourhood agencies within the greater Toronto area to rectify the problem entirely would add \$7.3 million to your budget. So it's not huge dollars that we're talking about but it's huge in terms of keeping people out of institutions.

You don't know yet, because it's not going to be announced until March, but the University of Toronto has done the first survey comparing seniors living in supportive housing in our community agencies with seniors living in perfectly ordinary apartment buildings, served by community care access centres and the like. There are tons of research in Britain and, much to our pleasure, this first study, although very small, is producing the same results. People are living in our supportive housing units throughout Toronto—they did three separate sites—seven years longer compared with ordinary apartments. We're keeping seniors out of institutions for seven more

years than would otherwise be the case, at a very small fraction of the cost of institutional care.

One of the things that's very interesting in the survey is that we have heard many people in your House say that all supportive housing does is provide professional help and that family and friends back out when they're in supportive housing. Much to my pleasure and, frankly, relief, the research shows that this is not the case. People in supportive housing get the same amount of help from family and friends as those in apartment buildings. So for those seven years, they get the same amount of personal support too. It's not CCAC, but it's the same thing as CCAC services. But it's not that that keeps them the seven years longer. They don't get more personal support in supportive housing; they get a multiplicity of supports. This multiplicity of help as needed is what is keeping them in the community.

All that research is going to show is that the kinds of work we do in the community with seniors—this particular organization, VITAL—but we do it with the homeless and housing, the full paraphernalia of social services, is a low-cost way of keeping people healthy and living at much less cost to the state and the taxpayer.

To finalize, I'll just say that three days before Christmas there was a 98-year-old man living in central Toronto who fell and was on the floor for 20 hours before he could get help. He was then in hospital for a day and a half, and emergency told him and his family that he had to go home. By pure coincidence, he was the uncle of the professor at the U of T who was doing this study. The said professor, naturally, having done the study and knowing a certain amount about the system, phoned me in a total panic; I've never heard anything like it: "I don't know what to do. What can I do? He's being sent home from hospital. He lives in a house with great, steep stairs. He can't cope." I said, "Well, how ill is he?" He said, "Oh, he's frail on his feet. He needs a walker. He doesn't even take an aspirin. But here he is. My parents are 80. They can't cope. We don't know what to do."

Well, by pure luck, we had a space in one of our supportive housing units where we could put him. He was quite happy there over Christmas and now has to decide whether perhaps he needs something more than his private house. Clearly, an apartment in a supportive housing unit would be great for him. But it's the ability to respond like that. Unlike the CCACs, for example, which closed down for two days—or was it three days? I think it was three days—during the power blackout, our agencies walked up the 16 flights of stairs in those apartments in Toronto to deliver food or water to people who were affected by the blackout.

We are the court of last resort in our community, but unfortunately we're also the court of last resort when it comes to lobbying. We don't have the money to pay the huge lobby fees that the hospitals and the nursing home industry have, so we tend to get forgotten. So I basically come today, on behalf of my colleagues in VITAL, to ask you to please try to remember us when you're doing your budget. It's not a huge amount of money, and I know

you've got millions of calls. Like the mayor of Kingston, we also feel that we are somewhat forgotten. Certainly in terms of seniors, we did an analysis and the city of Toronto has quite a bit less money per senior than the rest of the province, but basically we're forgotten.

0920

The Chair: I would ask you, before we go to questions with Mr Prue, to identify yourself for the purposes of our recording Hansard.

Ms Leon: My apologies. I am Judith Leon. I am the executive director of Neighbourhood Link/Senior Link in Mr Prue's riding.

The Chair: Thank you. Now we'll go to questions from the NDP.

Ms Leon: At least you know what we're about.

Mr Michael Prue (Beaches-East York): Yes; I do know what you're about. I'd like to go first of all to page 7, where you have, "Fulfilment of the Premier's written commitment to increase the Ministry of Health and Long-Term Care portion of the base funding for community support agencies by 25%." When, exactly, was that commitment made?

Ms Leon: It was made before the election. We got buses and followed the three party leaders around. I have perhaps some background with the Liberal Party—I have a lot of background with the Liberal Party. The present Premier knows of our organization and has always been very supportive anyway, but he was kind enough to put that in writing. The 25% is a huge-sounding figure but in fact I think the increase in the cost of living since we had our last base budget is something like 23%, so he was kind enough to round it up to 25%. I'm sure the government will reach that target; the question is, how soon? We're laying off staff right, left and centre. For years we've coped by pulling in volunteers and, frankly, stealing—well, I should not say that, should I?—adjusting our administrative costs so that more of my salary, for example, came out of federal government funding than out of provincial. The feds have been funding you guys for quite a few years now in my sector.

Mr Prue: Page 6: "Minister Smitherman had hoped that the 3.5% increase would at least stem further layoffs." You've said that there have been. How many layoffs have there been in the 17 agencies that are part of VITAL?

Ms Leon: Michael, I've not gotten around to adding it up. I can only tell you that in my agency, which is an average size in terms of the seniors' services that we provide, before the election we had laid off 5.5 people, mostly senior staff, because you can get more value for the bucks if you lay off senior staff. In the long run, it's disastrous. Since then, I've laid off another two.

Mr Prue: You have written here what is likely to happen unless you get an increase. I just want to find that.

Ms Leon: It's probably at the very end, isn't it?

Mr Prue: Here it is, on page 6 again, a little bit further down. "Without an increase in base funding: smaller agencies may have to close their doors; ... re-

duction in services; elimination of ... programs; reduction in subsidies to low-income seniors; further increase to waiting lists; staff retention will continue to be a problem."

You're right; this \$7.3 million doesn't seem to be very much money.

Ms Leon: It's more for the province, but most of the community support agencies, unfortunately, are not spread evenly throughout the province. They've grown up in the larger municipalities. Land O'Lakes is one, for example, but mostly they're in the urban areas.

Mr Prue: The \$7.3 million: When you say Toronto, is that the GTA or is that the city?

Ms Leon: It's the GTA.

Mr Prue: The GTA makes up about a third of all the people in Ontario, maybe even more than a third. Even if there were the same number of people in all these other communities, you're not looking at more than \$20 million.

Ms Leon: Well, if you're thinking, as we do, of community agencies, no, you're thinking of less than that. But the Ministry of Health and Long-Term Care adds things like hospitals doing research projects into our sector, for some unknown reason. So if they insist that it's even throughout their entire funding envelope, it would be more than that. As a fairly rough guess, I think it probably would be about \$35 million or so, but that's because totally inappropriate things are added.

Mr Prue: Do I have more time? One minute? OK.

This budget is going to come out in April. Can your groups last that long?

Ms Leon: We keep finding other ways to fund things, but certainly programs are being closed. My colleague agency, WoodGreen, has just closed two programs. We've reduced our programs for newcomer seniors by 50%. Those are the people who are living with their families, often three families in a one-bedroom apartment. Trying to help those seniors is quite critical, but we've had no option. We've had to drop 50% of our staff in that program.

The Chair: Thank you for presenting this morning.

KINGSTON ECONOMIC DEVELOPMENT CORP

The Chair: I would ask the Kingston Economic Development Corp to please come forward. Good morning, gentlemen. You have 10 minutes for your presentation. There could be up to five minutes for questioning after that. I would ask you to identify yourselves for the purposes of Hansard, and you may begin.

Mr Bernie Robinson: Thank you. My name is Bernie Robinson. I have Jeff Garrah beside me and Cliff Edwards on my left. We're here to represent KEDCO.

Mr Chairman, committee members, welcome to Kingston, and thank you for providing me with the opportunity to speak with you today as part of your pre-budget hearings. My name is Bernie Robinson, and I am the chairman of the board of directors of the Kingston

Economic Development Corp. I am joined today by Cliff Edwards, whom I already introduced, and Jeff Garrah, from KEDCO. Jeff is the director of government relations, and Cliff is the director of tourism. Following my remarks, Cliff will share a few words with you around tourism.

KEDCO's mission is to build a prosperous and vibrant community based on a thriving local economy and a foundation of service excellence. Last year was a time of transition for KEDCO through a restructuring and clarification of our mandate and objectives to reposition ourselves to play a leading role in creating a healthy economy for our city. The issue today, I believe, is how you can help us through the provincial budget process to achieve our goals so we can create a stronger Kingston and eastern Ontario which will contribute to an even stronger Ontario.

First, I wanted to mention what has been working well. The provincial government has supported our region in terms of investments, research and technology, and tourism partnerships, among other issues, and for that we are thankful to you.

Although KEDCO is involved in many sectors, including alternative energy, biotechnology and retail development, I would like to briefly outline to you the important focus we plan to take on the manufacturing sector in this area.

Kingston and eastern Ontario have, as have some other communities in Ontario, been witness to a major decline in manufacturing and industry. Our major industrial employers in Kingston, some of which included Bombardier, Alcan, Dupont and Norcom, have all seen reductions in business and workforce numbers over the years. While we could get into a day of history on why this has happened, it does not take away from our goal: We need to be there to assist our local industry and manufacturers, and so does the provincial government, to ensure a thriving economy moving forward.

While it is important for us as an organization to be recruiting industry from outside our region, we also need to focus on assisting existing organizations' expansions. To do so, they need help to compete in highly competitive markets. What we need from the provincial government is a reduction of tax rates and increased access to capital through grants or low-interest loans for expansion.

While I applaud the provincial government for allocating millions of dollars to the automotive corridor, somehow we in eastern Ontario have fallen off the map in terms of our thriving and developing tier 1 and tier 2 auto suppliers. Assistance ranging from \$1 million to \$5 million in grants or low-interest loans could greatly assist some of these companies in forging ahead. They are not asking for the \$100 million that was given in the Oakville area.

0930

In a document entitled Invest Ontario 2004-2005, the Ministry of Economic Development and Trade outlined four initiatives for the provincial government: an Ontario

automotive investment strategy, Go North, investment market diversification, and investment servicing. Of these four priorities, two are region-specific and have excluded eastern Ontario. I understand, however, that the ministry is currently looking at some issues in eastern Ontario, and I am grateful for that attention. My message on this is simple: When developing budget programs, think of all regions, not just some. We need to work on a comprehensive approach to maintain and expand manufacturing and industry not only in eastern Ontario, but in all of Ontario. Please consider this as you move ahead with the budget.

Other issues I hope you will address include investment in infrastructure, which currently for us in Kingston is a major disadvantage in recruiting new businesses. I also hope you will continue to focus on the commercialization of research, which I know Queen's University is very much involved with.

Without any further comments, I'd like to turn it over to Cliff, and then perhaps you'll have some questions for me.

Mr Cliff Edwards: Hello, everybody. It's a pleasure to be with you.

Tourism is a large industry, particularly in this area. Recently, the Ministry of Tourism shared with us some of their future strategic plans for tourism for Ontario in the upcoming years. They had identified many issues that were problematic for Ontario and had identified a framework for action. They were sharing with us information about Toronto, the fact that since 1980, long before some of the world events, Toronto was losing market share, and that Ontario's tourism industry as a whole was losing market share not only to some other provinces in Canada, but certainly other places in the world.

After listening to that, we were encouraged to suggest that we would get involved with the ministry's direction by aligning ourselves with some of those frameworks for action. We have identified three main ones as to how we are going to go forward. The first one was embracing a visitor-first philosophy, the second was unique product development, and the third was strategic marketing.

We've had an association with the Ontario Tourism Marketing Partnership Corp for several years, and we are very grateful for that association. We invest monies into that program and they provide us with matching dollars. It's very important to this region.

One thing they had identified as important to the future of tourism in Ontario, and certainly in this region, was that regions were going to have to be highlighted for the future. We are in the Thousand Islands region, as you know, and we're also part of the Rideau Lakes/Rideau Canal cultural waterway region. The eastern Ontario region and the St Lawrence are going to have to be highlighted in the next several years if Ontario is going to grow in the tourism industry, and Kingston is a major part of those regions. LOOKING at the Rideau Canal waterway in the future, as we know, they're going for a world designation and they're also going to be celebrating their 175th anniversary. Kingston is at the

bottom of the Rideau Canal, and Ottawa is at the top. The St Lawrence marketing partnership we're involved in is growing, and it's going to be growing into the future. All of the communities along the St Lawrence are involved in a partnership in hopes of creating new product development for that region. We are also a part of that.

Kingston is a wonderful tourism destination, and Kingston is now embarking, with a new energy and within a new framework, on a plan to create Kingston as a unique destination for our visitors from the United States, Ontario, other parts of Canada and Europe. We are embarking on a plan for the next three to five years. We're going to need your help. We are aligning ourselves to the ministry's plan, and we're going to go forward in hopes that the ministry can help us create the kind of tourism industry that this province deserves and in which Kingston wants to play a major part. We are hopeful that when we come to the table, you have open arms in terms of what we're providing and what we're hoping to align ourselves with—

Interjection.

Mr Edwards: Pockets, yes; we can throw that in.

In fact, we believe that, if we are together, we can forge ahead in terms of Ontario as a preferred tourism destination for the rest of the world. Thank you.

The Chair: Your time has expired for your presentation. We'll move to the government for questioning.

Mrs Carol Mitchell (Huron-Bruce): I would just like to ask the question: You're talking about forming your plan to reflect the provincial tourism reports. Do you feel that the tourism ministry has moved forward? You talked about the regional: Do you feel that that's an appropriate way of attracting tourists, moving in that regional outlook? Are you supportive because it's a provincial initiative, or are you supportive not only because of our pocketbooks but do you also feel that it's a reasonable approach to promoting tourism within your area?

Mr Edwards: We absolutely do. In fact, Kingston has been promoting the region for many, many years and been part of the regional partnership long before the strategic plan from the ministry in terms of the future direction. We do believe in that.

I think we have some issues facing us in terms of product in the eastern Ontario side through the Rideau Lakes region. I think we're working on developing new product to build that area. Kingston is going to be taking a major role in that. We have the infrastructure here, we certainly have the waterway, and we have all of the elements needed to provide those visitors with what they need. We're going to have to help those regions move forward, and we want to become a major part of doing that. We're hoping that the ministry will align themselves with us, and we with them, in terms of moving forward in that direction.

Mrs Mitchell: Just as an individual representing the provincial government, could you give me what your priority would be? You listed some priorities, but what would your top priority be in moving forward with tourism?

Mr Edwards: We're a partner-based organization here. We reflect our partners in the tourism industry, and we reflect our community's needs. Kingston is coming to the table with our partners in terms of financial commitment. We would like to think that in the future tourism in Kingston would not only lead the way in terms of building tourism for Kingston but help to build tourism for the region in the future.

Mr John Wilkinson (Perth-Middlesex): Just on the economic front, it would strike me that there are communities across Ontario that would give their eye teeth to have what you have from an economic point of view. You're right on the 401 corridor, halfway between Montreal and Toronto, beside the US. You've got a world-class university. You've got one of the greatest colleges in the province. You're right; I grew up in eastern Ontario, where traditionally it hasn't been as economically advantaged as other parts of Ontario. But the idea that some of your major industries have started to leave—you know, the money that's going into the automotive sector of course goes down to all the different part manufacturers. There's a trickle-down effect from that. I'd be interested in how you see that potential. What are the one or two things that are so key to help you turn that around? You've got everything you need. You have some advantages here that other communities—and so, just about your strategic plan on how to turn this around and make that better.

Mr Robinson: That's a great question; thank you. My answer to your question is, it's about the environment. There's a groundswell in Kingston now to develop a willingness to be open for business. When you look at our great city, you're absolutely right about all those resources. I'm an international businessman myself, and I love Kingston, for many of the reasons that you've just pointed out. I look at Kingston in this respect: You've got one of the finest universities in the world here. Travel out of Kingston, and you'll find applications for their products that they create from their R&D.

0940

You have business people who have grown up in Kingston and travelled a good part of the world and been successful doing business. I see this huge gap in Kingston in terms of how we create an environment going forward where we attract those young career people who have graduated from Queen's—gone off somewhere else in the world, now are 35 to 45 years old—who would see Kingston as a place to come back, bringing their intellectual capital with them, their successful experience, and building something real in Kingston that will stay here.

I see Queen's struggling the same way, with all of their great research, looking for commercial applications in Kingston. So how do we do that? Well, we have to change the environment, we have to change our attitude, we have to be open for business going forward and encourage you to support us in terms of justified capital to provide investment for those young folks who see those opportunities; not a city where ideas come to die but where ideas get carried forward into a real business

that's going to create jobs in the future for the entire area, eastern Ontario as well as Kingston.

That's the willingness we're building on today, and some very positive changes have come about in the last year.

The Chair: You have about 30 seconds left.

Mr Robinson: So in conclusion, that's where we're planning on going. We are open for business and really garner your support to help us get there.

The Chair: Thank you for your presentation this morning.

ST LAWRENCE COLLEGE

The Chair: I would ask St Lawrence College to please come forward. Good morning. You have 10 minutes for your presentation. There may be up to five minutes of questioning after that. I would ask you to identify yourself for the purposes of Hansard. You may begin.

Mr Volker Thomsen: My name is Volker Thomsen. Good morning to you. I am very honoured and pleased to have your ears for 10 minutes. I hope I can fill them with some meaningful comments and ideas.

St Lawrence College is a typical small or, let's say, medium-sized college in a rural setting covering an area of approximately 200 kilometres times 70 or 80 kilometres. We cater to a population of around 5,000 full-time students, 20,000 part-time students and 2,000 apprentices in apprenticeships. Then we have a special program—Job Connect—where we cater to approximately 4,000 unemployed people in Ottawa, Kingston and Brockville. I'm mentioning this program because it is a significant program as a bridge for unemployed people to connect to employers and find a meaningful pathway.

I would like to start my presentation with a saying I'm always using when I'm introducing our present situation. I've done this for years. Some of you may have seen it and may be tired of it, but it is unfortunately still the situation. The gap is widening between other provinces and Ontario and it is becoming critical for St Lawrence College, so critical that in spite of having had a growth of 1,000 full-time students in five years, we had a decline in funding at the same time of more than \$1 million net.

Why is that? The key reason is that within the last 15 years a probably well-designed growth model for funding actually deteriorated as a source of funding, particularly for rural colleges. That happened because when you have a growth model and the pot was reduced—and this happened during the period of various governments, so there is not one specific area to blame or praise. The fact is that a college in a metro setting, particularly Toronto, would probably gain by 10 or 15 points a year, because they would have a growth of 20%. Our growth would probably be 1% to 5%, and every year we would lose.

This is very crucial. Because of this, the Ontario association of colleges did a socio-economic impact study to compare our situation with other provinces. We were lucky to find an American organization that had

done hundreds of these. They hadn't done any in Canada as such, but the province of Alberta and the province of Ontario's associations of colleges were very interested. So we did an impact study for Alberta and Ontario at the same time, more or less.

When you look at the interprovincial comparison note, you will see that Alberta's funding for college students is \$7,789, whereas Ontario's funding—and this is including tuition fees—is \$5,800.

The stunning result of the survey was that the return on the investment is actually much higher in Alberta, roughly 14.6%, whereas the return on investment in Ontario was 12.4%. In spite of the fact that they invest 40% or 50% more into this type of education, the return is still higher. I think this speaks volumes.

The fact of concern to me, of course, is not that we are not able to deliver this type of teaching and training at an even lower cost but that it will be at the cost of deteriorating quality. If you start out with classrooms, in an applied environment, of 15 or 16 students and you end up with 30 or 35 students, you are in a great dilemma.

I just want to mention one example. A class of a marketing course on our Cornwall campus may have 20 students. It's a viable operation, the ideal class size, but if funding goes down, we really need to increase the class size to 30. We can't do that. Can we, because of that, close down that program? We can't really. At the same time, in a city setting in Toronto, if funding goes down, you just combine three classes into two. You have a mechanism.

The danger, of course, is then to allocate for it and say to the rural colleges, "You are not as efficient, not as well-functioning as the city colleges." It's not true; I would even claim it's the opposite, because the rural colleges have so many other functions—and have so many other tasks and opportunities, of course.

Therefore, I want to emphasize that it's the smaller, the rural and the northern colleges that are particularly struggling. It's very apparent when you analyze the balance sheets of all the colleges, and I've done that. You will see that 11 colleges in a metro setting together have probably 90% of the resources. We are wandering a very, very narrow line, and it's coming to an end.

I'm an optimist. I've been an entrepreneur my whole life and I can say I'm still very optimistic, but something has to change. If we don't do that, it will just end up that in eastern Ontario we may not even be able to keep the Kingston campus. We cannot be compared with large centres.

That's why I've included in my package the summary of our presentation to Bob Rae, *The Unique Contributions and Challenges of Small, Northern, Rural and Francophone Colleges*. It's a very important document. This is only the summary. I would encourage you to read this, because this is of great impact for the economy and the future of Ontario. It will only take a few minutes.

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I would like to emphasize that I also will present to you a few positive thoughts and ideas. I certainly believe

in moving forward in a positive fashion and I don't believe in just complaining and whining. I don't think that will really, truly get us out of it.

You heard from the KEDCO presentation that Kingston is struggling; yes, we are. We have wonderful institutions. Since I came here, I must say, I have tried to lead the community to be much more united, and when I say "the community," I mean the entire community. But a prominent effect was Queen's attempt to dominate a small city like Kingston. Of course, there are many good traditions and there are great values and there are great opportunities. On the other side, there is also a downfall because then everybody focuses around it. It's like the dance around the golden calf.

I was very saddened when I started to find that the college was not even considered a vibrant part of the city, in reality. We have changed that, I must say, also with the help of the people at Queen's. Queen's just appointed a new principal, a woman who will bring change, and she and I have agreed that we are going to "dance with change" together. It's her expression; I find it very unique. She probably was struggling to find out how you can change an environment based on a few hundred years of tradition, and she actually selected the words "dance with change." I endorse that wholeheartedly.

There are other opportunities in eastern Ontario, and we are thankful for the support you have given us. We founded EASTCAT in Brockville a few months ago. It will start its operation in the next few days. Actually, we have hired people. Just to explain, EASTCAT means Eastern Ontario Centre for Advanced Technology. We basically copied NORCAT, which has been very successful, and was based on the principle of, I would say, the Scandinavian success story of how technology centres in rural areas actually developed at a significant pace. Scandinavian countries today are world leaders in innovation and productivity.

So I just want to emphasize that there are opportunities there. There are many other opportunities if we can avoid duplication of services, less competition between universities, colleges and other partners and work more together, creating a seamless system for education. That would be tremendously helpful.

I developed a proposal which is very unique. It's based on finding opportunities for all students. Right now in Ontario, roughly 25% of all high school students drop out and approximately another 25% will never, ever again get any additional formal training. So 50% of our society is left out and considered done, in a way. We are very arrogant and we don't really consider them very productive, and that is a major mistake. I'm delighted to say that St Lawrence College really has led the province to reactivate apprenticeships. There has been an emphasis, in both the last government and the present government—I'm very thankful for that, but it's about time. It will create a lot of opportunities.

I will finish in a moment. Our proposal right now to the Ontario government is to really try out some major pilot projects to focus on student pathways. We cannot

build a post-secondary education review without reviewing education. Without a proper foundation, I don't think it's good timing.

I worked for four years at all four of the eastern Ontario school boards, and they are now united in this vision, together with St Lawrence College, and we are going to get support from Bob Rae. So we are proposing to our ministry and to the Ministry of Education to think outside of the box. Let's try to jointly address this and probably even mix teachings, so that some teaching of college credits will happen at high school and vice versa. That will have a dramatic economic impact on the long-range plan, and I think it's absolutely needed for Ontario if we want to continue to be part of the global but also the Canadian economy.

The Chair: Thank you, sir. We're going to have to move to questions now.

Mr Thomsen: Great. I am also finished. Thank you.

The Chair: The questioning will go to the official opposition.

Mr Runciman: I know from experience that Mr Thomsen can keep our attention for an extended period of time because he is a fascinating presenter, and he is an idea person. I want to say in his presence that, in terms of eastern Ontario, I think we're very fortunate to have Volker Thomsen as the president of St Lawrence College. He has certainly brought a great deal of enthusiasm to his role and has inspired the communities that have campuses of St Lawrence in them: Kingston, Brockville and Cornwall. Certainly in Brockville and Cornwall, prior to his arrival, there was some real concern about the future of those campuses. So thank you for that, Mr Thomsen, and the job you've been doing and will do in the future, we hope.

You and I have talked about this growing gap with respect to support across Canada for the college system. You referenced Alberta versus Ontario. Where does Ontario stand in terms of all of the provincial support? Where do we rank on that list?

Mr Thomsen: We're actually ranked at the bottom.

Mr Runciman: At the bottom.

Mr Thomsen: Yes, and the gap is widening at the present time.

Mr Runciman: This is sort of a hobby horse of mine, and I've talked to you about this before. It's a pressure facing the current government and it has faced predecessor governments, and that's the impact of health care costs on the operating budget of the province. I think it's taking up about 50% of the operating budget now, and they're trying to deal with that in their own way. But one of the things I feel is that other organizations, other sectors that rely on the provincial government for support, should be taking a more active role and not solely focusing on their own area and the impact of underfunding. That's certainly important and critical; there's no question about it. But how do you assist the provincial government? How do you provide advice and support and, quite frankly, apply pressure so that they will start to look at some of these other areas where they

can hopefully free up dollars outside of the health care envelope to assist in critical areas like education?

As I said, a personal hobby horse of mine is equalization. You and I had this discussion a couple of years ago when the president of the Ontario Hospital Association appeared before the Romanow commission and talked about equalization and the amount of money flowing out of Ontario to support these other provinces, which are now ranking above us in many areas. I think an argument can be made that Ontario taxpayers are supporting the college systems in other provinces to a greater degree than they are in their resident province. I believe there is a first ministers' conference this year with respect to equalization, dealing with equalization issues, and I think Ontario should be taking a very careful look at this and ensuring that Ontario is getting a fair deal in Confederation.

If you take a look at the OHA, which was dismissed by Mr Romanow for his own reasons—I think political and philosophical reasons—the college sector, the university sector and other sectors that are under strain and not able to do the job that needs to be done in this province should be lobbying in that area as well to encourage the provincial government to take a more activist role. It's a difficult one, in some respects, in terms of being good Canadians.

The Chair: You have about a minute and a half, Mr Runciman.

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Mr Runciman: I'll let the president respond. He and I get into these philosophical discussions on occasion.

Mr Thomsen: That's quite a broad question. I would like to answer that there are great opportunities to save within the health care system, particularly if education and health care would work more closely together, educating ourselves and society about prevention, fitness and lifestyle.

In the last two vacations, actually, I have written a book which is called *Canada Enroute to Prosperity*, where all these issues are addressed, and I believe that every member of the provincial and federal government received a copy. There are actually a lot of opportunities addressed and pointed out in this book. It's a labour of love which really was done for the college, not for my own purpose, and I would encourage you to read it. It will really give you a view of interesting opportunities.

The health care system will take every dollar, eventually, if we don't turn this around, and the key is, of course, in education. I'm delighted and honoured that, at the end of my career, I'm allowed to participate, and I hope that you will see it the same way: We need to change the direction, and the only way we'll get out of this hole will be by focusing on prevention, lifestyle and a lot of other areas.

So I think there are great opportunities of tremendous savings in the future. I don't doubt for a moment that there's plenty of money, and I've made many innovative proposals. I've made a proposal to the trio of Gerard Kennedy, George Smitherman, and Mary Anne

Chambers. I've met all three of them. I believe they understand what I'm talking about, and I believe it's a very realistic proposal.

Equalization: I'm, of course, trying to talk the federal government into considering that not only universities deserve some funding. Applied research is a thing which in Canada, unfortunately, seems to be a foreign subject. We're all champions in research; we are lousy in applied research. I think the relationship between medium-sized and small companies and colleges, and hopefully also universities, lends itself in Canada, with 200 community colleges and 900 communities, to develop the type of community economic development I was just talking about with EASTCAT. I hope that you all will have the opportunity to study these interesting models.

The Chair: Thank you for your presentation this morning.

Mr Thomsen: Thank you. I hope you will be able to study this a little bit.

RON LYON

The Chair: I would ask Ron Lyon to come forward, please.

Good morning. You have 10 minutes for your presentation. There may be up to five minutes for questioning following that. I would ask you to identify yourself for the purposes of Hansard, and you may begin.

Mr Ron Lyon: Thank you. My name is Ron Lyon. Today I am accompanied by my wife Tina. We live in Smiths Falls, Ontario.

The Canadian tainted blood disaster and the pre-1986/post-1990 victims of hepatitis C: Mr Chair, committee members and staff, and media, today I would like to take a few minutes of your time to speak with you about the Canadian tainted blood disaster and how it is continuing to affect over 3,000 residents of Ontario.

My wife was infected with tainted blood in 1985, after the birth of our son John. She received massive transfusions which, at the time, saved her life. Some years later, she would learn the reason for her rundown state of health: hepatitis C.

In the late 1980s and early 1990s, most of us, including a lot of doctors, did not know much about hepatitis C. At the time, it was simply called hepatitis non-A, non-B. Doctors liked to say, "You will die with it, not from it."

For over 10 years, we—Tina, infected with it, and I, affected by it—have been activists in the promotion of appropriate treatment of our victims and families. In the spring of 1998, our federal, provincial and territorial governments agreed to assist some victims: those infected between 1986 and 1990. The rest of us are referred to as the "pre-86/post-90" group—the forgotten victims. In September 1998, all levels of government agreed, after initially ignoring our pre-86/post-90 group, to provide care, not cash; treatment, not payment. This help has never been delivered.

In 1998-99, our government of Ontario became the leader of all the Canadian provinces and territories when

it awarded our pre-86/post-90 victims some financial assistance. They created the Ontario hepatitis C assistance plan and set up a liability account with \$200 million, which ultimately made \$25,000 available to each proven infected person. That assistance was certainly appreciated, and we thank our Ontario government. OHCAP has 3,400 clients, which is 44% of all Canadian victims and has spent about \$85 million of the total \$200M.

Many of our pre-86/post-90 victims have not worked in years and years. My wife, Tina, last worked in 1990, and this has certainly affected our family income. During these past 14 years, Richard, son number one, completed his post-secondary education and graduated in 1994. Last year, in 2004, his educational debts were retired. What a coincidence: In 2004, John, son number two, completed his high schooling and has now commenced his studies at Carleton University. I am sure that our situation is very similar to a lot of our pre-86/post-90 hep C victims of tainted blood. As I stated previously, Tina and I have been promoting this cause for some years and feel a continuing responsibility to speak out on behalf of our fellow victims.

From August 1999 to July 2000—a full year—Tina underwent Rebetrone treatment. This consisted of a self-administered injection three times a week, daily pills, other residual drugs to alleviate nausea and other side effects and regular visits to her hepatitis C specialist 50 miles from home in Ottawa. Yes, that is right: a full year. Cost of this treatment is expensive, but we thought costs would be covered by the September 1998 care, not cash decision; treatment, not payment. This help, as I stated previously, was not collectible.

Most recently—every week, it seems—we see many media stories about our forgotten victims of tainted blood and how being infected and affected has devastated their lives and livelihoods. Health Canada says it cannot deliver health care directly. So much for care, not cash; treatment, not payment. They say this help must pass through provincial hands. I repeat once again: This agreed-to help is not being delivered to us in Ontario, and I restate that 44% of all Canadian victims are from Ontario.

During the past decade, Tina and I have been meeting with federal and provincial members of Parliament and Health Canada officials, writing and continuing to write dozens and dozens of letters and making and continuing to make hundreds of phone calls to try to create more interest in assisting our victims and their families.

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Today, I ask your committee a question: Is it possible for our Ontario provincial government and the Ontario hepatitis C assistance plan to consider upgrading the level of assistance given to our victims? Possibly your committee could recommend further assistance to our approved OHCAP clients who can no longer work and have had to pay high medical bills over the years. I understand that about half of the OHCAP clients could qualify if this was offered. There are ample funds avail-

able in this liability account to extend this help to those of us who have had their lives in turmoil for years through no fault of our own.

Our victims and their families have been most patient through the years. However, we are growing tired and weary. Are we destined to remain the forgotten group of hepatitis C victims?

Thank you for listening to our presentation and the continuing story of our tainted blood pre-86/post-90 victims of hepatitis C.

The Chair: Thank you. The questioning will go to the NDP.

Mr Prue: In the presentation here, you write and you have stated that you have had meetings with federal and provincial members of Parliament and Health Canada officials. Have any of the provincial members of Parliament offered support and, if so, which ones?

Mr Lyon: Our member of Parliament is Mr Norm Sterling. We've had several meetings with him and we've had different ideas thrown around as to what can be done. He's suggested and has sent several letters to the health ministers through the years on our behalf, and we are here today. What has been accomplished? I don't know.

I should also state that this past month, Tina and I met with Mr Bob Runciman, interim leader of the Ontario opposition. Even though we do not live in Mr Runciman's riding, we met with him to discuss the situation.

Mr Prue: There's been a new government in Ontario, of which I'm not a part, for the last year. Have you met with anybody since the new government took office?

Mr Lyon: We have not had a meeting with Mr McGuinty. We have asked, and it's not possible.

Mr Prue: Have you asked for meetings with any of the Liberal members—Minister Smitherman, his parliamentary assistant—or anybody of that nature?

Mr Lyon: Tina has exchanged numerous letters with Mr Smitherman over the past year since he was appointed health minister, and most recently, on January 2, we sent another letter to Mr Smitherman.

Mr Prue: And has he ever responded?

Mr Lyon: He has responded in letters. An Ontario task force has been struck. So far, they have not had any meetings. It was struck on October 1, I believe. Mr John Plater has been named the chair, as I understand. I did speak to him a couple of weeks ago, and nothing has been done with regard to that yet.

Mr Prue: This is not usually stuff that's run on budgets; it's more health stuff. Have other provinces acted differently than our own?

Mr Lyon: As Tina and I said, Ontario is the leader in Canada; it has been the leader and was the leader first of all. They established the \$25,000 fund. It was originally \$10,000 and they upgraded it to a total of \$25,000 for the victims. I understand there is a similar organization in Manitoba, British Columbia is supposedly forming one, and Quebec has already formed a similar group to OHCAP, the Ontario hepatitis C assistance plan. The same amount of money has not been extended to those

people. Ontario was the leader and it still is the leader, but that does not mean that Ontario cannot be better.

Mr Prue: Those are my questions, thank you.

The Chair: Thank you for your presentation this morning.

Mr Lyon: Thank you very much. We appreciate the opportunity to be with you all today.

CATARAQUI REGION CONSERVATION AUTHORITY

The Chair: I call on the Cataraqui Region Conservation Authority to please come forward. Good morning. You have 10 minutes for your presentation. There could be up to five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording, Hansard. You may begin.

Mr Steve Knechtel: Good morning. My name is Steve Knechtel, and I'm the general manager with the Cataraqui Region Conservation Authority. I believe a copy of my comments is being handed out to you and I'm going to basically zip through them.

First of all, thank you for the opportunity to make the presentation. Our organization, like all other conservation authorities, is a partnership of municipalities, extending from Napanee to Brockville to Newboro, in the greater Kingston area. Our prime focus is the conservation of natural resources, with the intent that current and future generations enjoy clean, healthy and safe watersheds throughout our region. We also provide opportunities for access to and enjoyment of the natural environment.

We are one of 36 conservation authorities. Together, we serve 90% of the population across Ontario. We have a track record of collaboration with municipalities and interest groups to lever funds and are proud to deliver practical, prevention-oriented solutions to natural resource issues, and we do so on a watershed basis.

I bring forward two aspects for consideration by the committee. The first relates to the reinvestment by the province in watershed management, while the second pertains to investment by the province in recreational lands. The conservation authority views its role not only to conserve natural resources but to contribute to the quality of life and the local economy. Much of what conservation authorities do collectively supports the goals of the province. Provincial support for our initiatives is warranted to build a stronger Ontario.

I must acknowledge with thanks the significant investments by the province recently in drinking water source protection planning, in matching dollars for the repair of water control infrastructure and in recognition that conservation lands are part of the conservation land tax incentive program. These are recent initiatives. However, I would suggest that the province needs to examine one other investment.

Conservation authorities are eligible for transfer grants for flood and erosion control aspects of our watershed management programs which are oriented to protect life and property. Historically, the member municipalities

and the province equally shared program costs as reflected in the policies and procedures manual prepared by the Ontario Ministry of Natural Resources in 1997. While there has been no change in the eligibility criteria, the funding proportion contributed by the province continues to shrink. This has put pressure on our member municipalities for levy just to maintain these programs, let alone deal with other initiatives of local importance.

A submission to the province outlining a proposed re-investment in this aspect of conservation authorities was made in 2004 by our umbrella organization, Conservation Ontario. The reinvestment submission identifies three issues and seeks fair and equitable investment and sustained funding. The issues are that transfer payments for flood and erosion control management to conservation authorities today by the province are well below the 50% mark; areas of provincial interest, such as municipal plan review, Great Lakes shorelines and flood plain/hazard land regulation, that are included in the policies and procedure manual as eligible for grant, have been excluded without consultation; and there is no provision for indexing the grant to the cost of living to keep the cost share on an equal basis.

Appropriate funding by the province will allow conservation authorities to deliver existing programs and strengthen the provision of services to conserve local watershed needs.

The province in the past has recognized working jointly with local municipalities and at one time provided around \$40 million annually to conservation authorities for watershed conservation work. Today, this level is at \$7.6 million.

I'm going to paraphrase a little bit just to skip through the last part of this page. The point I would like to make is that regarding many of these aspects, particularly plan review and the flood plain/hazard land regulation, these are responsibilities delegated to conservation authorities by the province, and therefore we act on behalf of the province as a lead in these matters. Both of these programs provide a preventive nature to reduce potential future investment in infrastructure and also provide the opportunity to protect many interests of the province.

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Conservation Ontario's report, Reinvestment in Ontario's Conservation Authorities—Now and in the Future, outlines that there is a \$13.8-million funding shortfall for the provincially mandated work of conservation authorities. At our conservation authority, all of our member municipalities supported the submission to the Minister of Natural Resources, and we respectfully ask that the 2005 budget address the shortfalls identified by increasing the provincial transfer payments to the conservation authorities for mandated programs of provincial interest to \$21.4 million.

I would also like to add that there is a supporting view of the value of conservation authority programs, as well as those of others, in a 2004 report prepared by Ducks Unlimited Canada entitled the Value of Natural Capital in Settled Areas of Canada. I won't go into the details of

that, but it's certainly something that would be worth looking at in considering this request.

The other request I'd like to bring forward relates to provincial investment in recreational lands. Again, I need to acknowledge the leadership of the province for the ongoing preparation of a trails strategy coordinated by the Ontario Ministry of Tourism and Recreation.

The Cataraqui Region Conservation Authority owns over 4,000 hectares of land, including a 100-kilometre-long trail over an abandoned railway, the majority of which forms a portion of the Trans Canada Trail, and 15 places to launch a canoe or boat in the numerous lakes and rivers throughout our jurisdiction. We are being pressured on at least three fronts to maintain these facilities. Pressures include a growing urban population, adoption of healthy lifestyles, and aging infrastructure.

There is an increasing demand for connected recreational facilities related to citizens accepting the challenge to reduce atmospheric pollution, appreciate the natural environment and get fit mentally and physically. This both stresses the existing facilities and generates desire for improvements and acquisitions. We're stretched now to maintain what we have, let alone repair and enhance it.

A 2004 study entitled *Economic Impact Analysis: Trans Canada Trail in Ontario* outlines the value of recreational lands to local economies. It is clear that trail construction and maintenance link to user expenditures and ultimately contribute to the provincial tax pot. However, the study indicates that user expenditures accrue mostly to those other than the trail owner or facility provider, such as the conservation authority. Fortunately, the study indicates that government contribution to infrastructure could be recovered in a few years through tax revenue.

The province is taking an increasing interest in access points, greenbelts and trails. Supporting funds from the province will allow conservation authorities and other organizations to continue providing needed recreational lands and contribute to the provincial economy. This would also contribute to Ontario's rural plan initiative.

We request that the province carefully review the recommendations from the forthcoming trail strategy and include in its 2005 budget an allocation directed to addressing infrastructure requirements for improving the provision of these recreational lands.

Thank you for your consideration of these requests.

The Chair: The questioning will go to the government.

Mr Mike Colle (Eglinton-Lawrence): Thank you very much for your presentation. I want to say that I think in many ways you have challenges here, but as Mr Wilkinson said, it's certainly one of the most spectacular parts of the province, with the Thousand Islands, the Rideau system and Lake Ontario. Even if we look behind the hotel here, I don't know of too many hotels in the GTA where I can see wetlands through the back window. I think it speaks for itself.

This process that we're engaged in today was really part of what got the conservation land tax incentive

program going. There was actually a presentation made in that famous hotel in Peterborough, the Rockhaven, by the local conservation authority. One of the recommendations they put forward to us was that we look at incenting people who donate land or make land available for conservation, that that land be exempt from paying property tax, that this would be a great incentive without spending a lot of government money acquiring land. It's always a challenge, getting more money to conservation authorities and also to non-profit conservation land trusts. That was something that was highlighted by the presenters in Peterborough.

It was actually an initiative out of the Ministry of Finance that was brought forward to, I think it was, Minister Ramsay's office. They were great supporters in natural resources also of this initiative. Thankfully, after it took about a year to get it through the processes, that has been successful and is now a regulation which allows that exemption from paying property taxes. So I think it's going to be a great incentive not only to the conservation authorities but also for individuals who want to have land protected and to afford the land protection, because I know the conservancy has a lot of concern that they were not able to afford taxes in certain situations.

I just want to say that your submission here, and I know you've made a couple of other recommendations about the challenges you have with the erosion programs—is that the number one? I know there are a number of references. As members of the finance committee, who aren't dealing with conservation issues on a daily basis, would you like us maybe to follow in the footsteps of the Peterborough submission last year?

Mr Knechtel: In terms of the two requests that are outlined in my presentation, they're in order of priority. Our preference is collectively to have the reinvestment in the watershed management program. As I outlined, we are a partnership with member municipalities. If we could improve the funding on the watershed management program, that would allow the municipality in some of their funds to be transferred to the land-oriented aspects, which in many cases they see as a greater link to their community than some of the watershed management programs—visually, to the residents within the community. Not to downplay that particular aspect of the recreational lands—it's an infrastructure question there as well—but in terms of priorities, that would be it.

The Chair: Thank you for your presentation this morning.

SHERWOOD PARK MANOR

The Chair: I now call on the Sherwood Park Manor nursing home to please come forward.

Good morning, gentlemen. You have 10 minutes for your presentation. There may be five minutes of questioning following that. I would ask you to identify yourselves for the purposes of Hansard.

Mr Chris Butler: Good morning. My name is Chris Butler. My colleague is Dr John Southin. We are

directors and past chairs of Sherwood Park Manor nursing home, which is located in Elizabeth township just to the east of Brockville.

The purpose of our presentation is to inform the committee of the disparity between what was indicated in ministry funding to meet new standards and what is actually being provided and to assist with government planning for next year. We present the position of a typical not-for-profit nursing home.

The ministry sends money to the home in four funding categories: (1) nursing and personal care, which is for staff and medical supplies, medical director, some payment toward continence care products; (2) program and support, for recreation, physiotherapy, dietician services and related supplies and equipment; (3) raw food—just food and the dietary supplements; and (4) other accommodation. This covers utilities, building maintenance, housekeeping, laundry, office expenses, dietary services, insurance, bank and audit fees, water, mortgage costs, linen rental, continence care products, legal fees and all the other sundries.

There are strict guidelines on the spending in the first three categories, and what is not used must be returned. Any surplus in “other accommodation” could be retained. Funds cannot be moved from any of the first three categories into any other. Of course, there are never surpluses, and without donated time and money, the board could not operate on a break-even basis at all. It should be noted that Sherwood Park Manor does not receive any other government funding; by that, I mean municipal or other funding.

1030

The government has publicly announced new funding to the long-term-care sector and significant enhancements to service. They promised that all residents would have the right to two baths a week and that there would be an increase of 2,000 jobs across the sector. In fact, no new money was received at all until October 2004, and then the amount barely covered the costs of service in place. Coming late in the year, it amounted to 0.5% of the 2004 budget. Carried into 2005, the new funding becomes 2.5% of the 2005 budget. These increases do not include “in and out” adjustments such as pay equity or case mix index adjustments.

From the time of the announcement of the new funding in October, the provincial government gave us about two weeks to sign an amending agreement saying we would use the new money to provide two baths a week instead of the one required now—an addition of 107 resident baths a week when our staffing and service are severely compromised already. There were other requirements as well, such as registered nurses around the clock, but we already provide this. The Ontario Long Term Care Association staff was required to promise, on our behalf, the creation of 2,000 new jobs across the sector. Certainly, the new bathing standard would require the addition of two full-time-equivalents in a home the size of ours. However, the new funds will not support any new staff. If our staff do not provide the baths, we

will receive citations of unmet standards posted on a public Web site.

However, we have become increasingly concerned about the time it takes for staff to respond to call bells within the present standard required by the ministry. We are also challenged by the difficulty in getting all the residents fed while the food is fresh and hot, and quickly enough to accomplish all the toileting, bathing, treatments, medication administration, physiotherapy and leisure activities required between meals. The new demand for twice as many baths with the same number of staff will tie up the few people available to answer call bells, and there will be a sharp increase in risk.

There are also many new draft standards likely to become requirements. As an example, the new standard prohibiting medications being administered during meal-times eliminates three hours a day from medication administration time and creates another impossible demand with the staff available. The truth is that we would love to do all these things for the residents if only we had the necessary staff available.

Food and other accommodation is another issue. The funding for raw food was not increased at all in 2004 and 2005, and yet we all know how the cost of food has increased by various factors in the market. In fact, food revenues have increased by only 98 cents per resident per day since 1994. In 2004, the Sherwood Park Manor staff held fundraising events to earn \$2,000 for residents' food. In 2005, they will have to do more than that.

This is no doubt the situation for all homes. We are not unique in the ways in which we meet the dietary standards.

The argument occasionally offered by government officials is that homes can move money from the other accommodation envelope into food expense. However, we received an increase of only 1.8% in other accommodation in 2005 and much less in 2004. This is the funding category that experienced an astounding increase in utility costs in 2004. Statistics Canada reported the increase in utilities overall to be 17.7%. This year, it will cost the manor \$130,000 for heat and lighting, an increase of \$45,000 in two years.

There has been some pressure upon the government from the Ontario Long Term Care Association for further increases to nursing or program budgets, but there is no perceived hope at all for the necessary increases to the raw food and other accommodation categories.

All areas of our operations have experienced greater increases in expenses than the revenue adjustments received. The discrepancy is often startling.

Besides the increase in utilities, we have experienced the following:

—The Ontario Nurses' Association's central bargaining process has broken down and arbitration is scheduled for January. Nurses are scarce and they can demand significant increases. Those increases will far exceed 1.5% and will be retroactive to July 2004.

—The Ontario Public Service Employees Union likewise hopes for salary adjustments at the levels of other homes and hospitals. In the registered practical nurse

category, the increase to achieve parity would be just over 15%. Even last year, that union received a 2% increase.

—The pay equity revenue covered the wages but not the associated increase in benefits. The nursing homes have been forced to absorb that as well.

—The cost of petroleum-based products is expected to rise by as much as 8%. This includes frequently used items such as garbage bags, gloves and food wraps. We are planning for at least a 3% increase in all services and supplies.

In summary, as a board we have been able to maintain an excellent standard of care over the years. We have been accredited for many years with the Canadian Council on Health Services Accreditation and have recently received renewal of the three-year award. We have done so because of the huge community support that Sherwood Park Manor enjoys: donations we have received, interest from a trust and the ongoing hard work of a large number of active volunteers. However, we have a concern that because the government has mistakenly believed that the new funding is extra money rather than the usual cost-of-living increase, they will not provide the necessary cost-of-living increase next year.

The Chair: Thank you. The questioning in this round will go to the official opposition.

Mr Runciman: Thank you both for being here for the presentation. This is a very interesting and, in some respects, an alarming submission with respect to the situation you're facing. I suspect many others in the long-term-care sector have to be in a similar position. It's also another indicator with respect to how this government approaches many of its stakeholders: an effort at intimidation. I'm noting your reference here about the government giving you two weeks to sign an amending agreement to provide two baths, and the other where the association was required to promise—I'm not sure what the threat was there—or no money whatsoever would flow. I suspect that's the suggestion. In any view, this is at the very least bullying; I think it's probably much more than that.

The letter issued from the minister that you've included in your package is lauding the fact that there will be "2,000 new direct-care staff, including at least 600 new nurses." What have you been able to do with respect to meeting that dictate with respect to new staff and new nurses? Have you been in a position to consider any new hirings?

Mr Butler: No, Mr Runciman, we have not been able to. As we have pointed out, we have a struggle every year just to make do on the staff we have. We would dearly love to have extra staff just for the present standards, let alone new standards.

Mr Runciman: What's happening across your sector? Can you speak for the non-profit sector? Are these kinds of hirings occurring or not occurring right across the sector?

Mr Butler: I'm sorry; I really can't speak for the rest of the sector. I have no information, but I presume they're all in the same position we are.

Mr Runciman: In the last election, there was certainly a lot of political hay made—I guess that's one way of describing it—with respect to the two-bath requirement. In your experience with your facility, was that a realistic proposal? Do the majority of your residents require the mandatory two baths per week? Was that ever a realistic and, I suppose, desirable goal for every occupant of a long-term-care facility in the province?

Mr Butler: No, you really can't generalize. We have people who are difficult to get into the bath once a week, let alone twice, and they would really object to being disturbed and having to have this again. When we say "a bath," we don't always mean putting them right in the tub; often it's a bed bath, it's a sponge bath. So it's just the staffing available. These are old people. They need lifting. Every time they need a lift, you need two staff. So it's quite impractical to think of an extra bath without taking at least about three quarters of a man-hour.

1040

Mr Runciman: One thing I was confused about: In your submission, you talked about an increase of 1.8% in other accommodations, and then the minister is lauding the fact in his letter that he froze the accommodation costs this fiscal year. What does that mean? I'm curious as to why he would be boasting about that. Is this simply the costs that have not increased in terms of accommodation? That's a little confusing.

Mr Butler: I'm sorry. Where is that in the letter?

Mr Runciman: That's on the second page of Mr Smitherman's letter to the long-term-care—

Mr Butler: Oh, where he froze the accommodation costs. Yes, he froze the accommodation costs to us; he froze the funding to us.

Mr Runciman: So they're saying to look to that—

Mr Butler: There's nothing that tells Ontario Direct Energy that they have to freeze their rates to us.

Mr Runciman: Why would he boast about that? He's saying that's your flexibility, and then they freeze it.

In the very limited time here, what does the future hold in store for you? It sounds very bleak. What would be the real, measurable impact on your facility and on your ability to cope in the next year or two with the pressures you're facing?

Mr Butler: The worst that could happen is that we might eventually be forced out of business because we just couldn't balance the budget, but I think that would be a long way down the road. We would run deficits and we would eventually have so much debt that we wouldn't be able to support it.

In the short term, it means we will possibly get these citations which have now been set up on this new public Web site and people will get the wrong impression of our home. We run a home which has had an excellent record and fantastic press in our local newspapers and among the people of Brockville. It's a home that has been in business since 1976, and we would hate to see that reputation go down the tubes just on something where we can't provide an extra bath every week. There is still fantastic care. We have great staff. We have 100 volun-

teers. They all help with feeding and with moving people around when it comes to mealtimes. We have nine staff, and 105 people to get into the dining room. We couldn't possibly do it with just the nine staff who are on duty at that time. We have volunteers, and that's how we do it. We could not possibly manage without the volunteers.

In answer to your question, Mr Runciman, we will do our very best to manage with our existing volunteers and our existing staff and we will run the risk of being cited for not giving the baths. The second bath a week is low on our priority list compared to making sure people get their required medication, their required meals and their required activities.

The Chair: Thank you for your presentation this morning.

Mr Butler: Thank you very much for the opportunity to talk to you.

KINGSTON CHIROPRACTIC SOCIETY

The Chair: I call on the Kingston Chiropractic Society to please come forward. Good morning. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard, and you may begin.

Dr Peter Pain: My name is Dr Peter Pain.

Ms Deborah Babcock: I'm Debbie Babcock.

Dr Pain: I'd like to first of all say thank you to the committee for giving us the opportunity to present today. I'm a chiropractor. I have been practising in the Kingston area for over seven years. In my operation, I employ three other people besides myself. I have a current patient base of about 2,000 patients that I have provided care for in the local area. I'm also the president of the Kingston Chiropractic Society.

I'm here today basically to help you make some important decisions in the next upcoming budget. I know there are some difficult decisions facing this committee and the Minister of Finance. The province's resources definitely cannot match or meet all of the demands that are placed on this province. That's why it's really important that we make the right decisions that will help increase our cost savings to the health system, as well as increase the type of care we can provide.

In December of this past year, the government eliminated chiropractic care from OHIP, after providing it for 30 years. This difficult decision was made to help free up some funds for more critical areas, which would include cancer care, cardiac care and long-term care. The fact is, numerous studies have been done, polls have been done, and on a day-to-day basis in chiropractic practices across the province we're seeing the opposite effect. By cutting chiropractic service out of OHIP, we're going to see an increased cost to the health care system because we're going to see a resulting net increase in visitations to family physicians and emergency rooms.

There have been a number of studies and polls that have demonstrated this. First of all, a poll done in

Ontario by the Pollara group in June 2004 showed that 79% of respondents said they would increase their visits to their family doctors and to emergency rooms if chiropractic were eliminated for simple cases such as acute low-back pain.

The national health services consulting group of Deloitte, which has been used by the Ministry of Health itself, has also done a study which shows that if chiropractic were eliminated, the number of visits to family physicians would increase by 1.3% to 2.6%, and the number of visits to emergency rooms would increase by 7% to 14% per year. This would result in a cost impact on the Ministry of Health of a figure somewhere between \$12 million and \$125 million.

Third, a recent study was done in the Archives of Internal Medicine, which is a prestigious US medical journal. The study looked at the costs and the savings of chiropractic care in a managed health care setting. It looked at 700,000 patients who had chiropractic care under their managed health care compared to a million patients who did not have chiropractic care in their health care package and found that those patients who did have chiropractic care as part of their health care reduced the total cost on the health care system by 1.6%. If this was extrapolated to Ontario, with a health budget of \$31 billion, it would result in a net savings of \$500 million.

Last, the Ontario Workplace Safety and Insurance Board recently completed a one-year evaluation of their acute low-back pain program. It found that the patients who had immediate access to chiropractic were able to return to work in less than half the time of patients who were left without.

These are examples of some of the studies and polls that have been done. But on a personal level, since December—and my colleagues would attest to this as well—the fact that we had to eliminate OHIP in December has definitely resulted in some patients not being able to make it into their chiropractic office. Where are they going as a result of that? They're going to their family doctor's office or to emergency rooms. We all know that family doctors are way overworked. There is a shortage of family doctors in Kingston. Many patients don't even have a family doctor. Even to get in to see a family doctor can take weeks and weeks. To go to the emergency room for something as simple as a low-back type of injury or upper back or neck or headaches, the cost that that can put on that hospital is going to exceed the cost to go into a chiropractic office by many, many times.

As an example of this, I've brought in a patient of mine, Deborah, who has been seeing me for a couple of years for a couple of her conditions. In December, when we had to change our fees because OHIP was eliminated, she had to cut down on her chiropractic care. That has resulted in a number of things, one being that she has had to increase the types of medications she is taking, which she gets from her medical doctor. So it's directly affecting the health care system by increasing the costs through her family physician. I'm going to let Deb explain her case here.

1050

Ms Babcock: Hi. I'm Debbie Babcock. I'm a 50-year-old child care provider and I suffer from chronic pain from fibromyalgia. It was compounded by a motor vehicle accident in 1998.

The chronic pain that I have affects my sleep, which in turn doesn't allow my body to heal. A sleep study proved that. Much of my own money has been spent trying to find a solution to cope with the chronic pain, to no avail. I've tried physiotherapy, acupuncture, TENS, pain psychologists, massage therapists, support groups and chiropractic care.

Chiropractic care is what keeps me mobile and lets me live my life somewhat normally. My weekly visits to the chiropractor keep my body aligned and lessen my overall pain. Living with fibromyalgia is like having the flu every day: My body aches continuously, and I cope the best that I can.

The increase in my cost to obtain the weekly chiropractic relief has put a financial strain on my income, to the point where I am left to consider reducing the number of visits to the chiropractor, which in turn reduces the quality of my life: Less chiropractic sessions mean more pain; more pain means less sleep, more illness, my body becomes run down and I end up at my doctor's office, if I can get in.

Also, the emergency department: When I've been in severe pain, I'm never sure if it's going to be my blood pressure. So I will go to emergency or to a clinic to have it checked out because I've missed my chiropractic treatment and I'm not sure what is happening with my body. Therefore, I'm putting a strain on another part of the medical system.

Recently, a lot of anti-inflammatory drugs, as I'm sure you've all heard, have been taken from the market. People like myself, with chronic pain, depended on those to help us through our hard times. This double whammy of chiropractic cutback, as well as the medication cutback, has further reduced my quality of life.

Weekly visits to the chiropractor now cost me about \$1,600 a year, with the increase of 50% over what it cost me last year. I'm fortunate that I have an extended drug plan that covers part of this cost, but it certainly isn't going to increase 50%, and the small \$300 a year is just a drop in the bucket for what I put out.

Increased pain also causes me to lose sick days. It limits my ability to exercise, lose weight and keep my blood pressure under control, and cope with my day-to-day activities such as vacuuming and cleaning the bathrooms, and things like that are all a chore. All of these eventually place a further financial burden on the health system because I cannot receive the relief that I get from my chiropractor.

The elimination of chiropractic care from the OHIP schedule has placed a financial burden on me and thousands of other people in the province living with chronic pain. We do not need the added stress of this financial burden while trying to cope with our condition. It will cause us to become an additional financial burden on the health system sooner or later. Thank you.

The Chair: You have time remaining, about a minute.

Dr Pain: Basically, I just want to stress again that by eliminating the chiropractic cost from OHIP, you're going to see an increased cost on the health care system. It was providing \$150 per year per patient, stretched over 15 visits for the year. When you eliminate that, people are going to say, "I'm not going to see a chiropractor because I have to pay out of pocket for it. I can go see my family doctor or the emergency room because it's free, it's covered," but we all know those are completely clogged up and overburdened, and it's going to result in an increased cost to the health care system.

I think that's it.

The Chair: Thank you very much. The questioning will go to the NDP.

Mr Prue: Thank you very much. I appreciate what you said. I'm not sure whether or not it may be falling on deaf ears. I have to tell you that.

Last year, the government, in its wisdom, decided to do away with chiropractic services in spite of the information you brought forward, in spite of hundreds of thousands of names on petitions, and in spite of actual case studies and information.

Quite frankly—and honestly, I have to be blunt with you—I think the only thing that's going to change their mind is when the doctors' and emergency bills start going way up as a result. They're going to look at that and understand that this was not a good decision.

Having said that, I'm most interested in what Ms Babcock had to say in terms of how much additional money it's costing you. Just as one individual who has a health plan, it appears that your costs have gone up some 50%, or at least a portion of that 50% that your plan won't cover. Everybody's finances are different. If you can, can you explain your own personal finances and how this is making that onerous?

Ms Babcock: As you know, we all live within our budget—or over. I just had to seriously stop and look at the increased cost of chiropractic visits and decide whether I could afford it or not. My drug plan coverage is so small compared to what the costs are that I had to look at my finances—my whole statement and my whole monthly balance—and say, "Can I afford this?" It's going to be very tight for me to be able to continue, but I also had to look at it and say, "My quality of life is going to go down because of the increased pain. I'm going to be losing time at work because of it." I have a very busy job—I'm a child care provider of 30 to 45 school-age children a day—so if I'm not well, it puts a strain on that. Overall, I just have to take a look, as the year goes on or month by month, whether I have the money to pay to go to the chiropractor.

Mr Prue: Back to the doctor: In terms of chiropractic, have you had to reduce staff and can you tell us whether your patient load has gone down since December?

Dr Pain: Since December, we have seen a decrease in our patient load. I haven't had to reduce staff yet, and I hope I don't, but we have definitely seen a decrease in our patient load.

Mr Prue: The reason I ask that is we had a chiropractor—I'm not sure whether it was in Sudbury or Ottawa or Sault Ste Marie—who said that his patient load had not gone down but that people were struggling in terms of payment. But yours has gone down?

Dr Pain: Yes, it has definitely gone down. It has been six weeks since it was implemented and already we have seen a decrease.

Mr Prue: You believe that some of those people who are not attending you—I mean, it's only logical: They're going to their doctor or to the emergency room.

Dr Pain: I know for a fact that's happening. I could very easily have brought in 10 patients who have decreased their visits to the chiropractor and are instead going to their family doctor or going to emergency. I easily could have brought in many more people.

The Chair: Thank you for your presentation this morning.

ONTARIO SECONDARY SCHOOL TEACHERS' FEDERATION, DISTRICT 27

The Chair: I call on the Ontario Secondary School Teachers' Federation, District 27, to come forward, please. Good morning. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourself for the purposes of Hansard, and you may begin.

Mr Marc Moreau: Good morning. My name is Marc Moreau. I am a high school teacher who is currently the local president of the Ontario Secondary School Teachers' Federation, Limestone, District 27. We are a union representing more than 600 public high school teachers, 120 occasional teachers, 30 professional student services personnel who are social workers, clinical psychologists and speech pathologists, as well as literacy and ESL instructors. We work in schools here in Kingston and in neighbouring towns and cities such as Napanee, Sydenham and Sharbot Lake.

On behalf of my members, I wish to express our gratitude at being invited here today to outline our views as the next provincial budget is being prepared. Indeed, consultation opportunities such as these provided to citizens near and far, both individually and for groups such as ours, are fundamental to the good practice of democracy. Never is this more true than when budgets are being considered.

I am here to request that in these deliberations you consider carefully your recommendations in regard to the education sector. I urge you to ask the finance minister to fulfill his party's campaign promise to provide the financing to allow for the full implementation of the Rozanski report. You will recall that this report detailed very clearly the very damaging effects of previous cutbacks on the quality of our publicly funded education system. It was quite devastating. Our members fought vigorously to defend public education so that we'd be able to provide the highest-quality education that we feel our children and youth are owed. This remains our over-

riding objective. Now, with a new government, and with a Premier who wishes to be known as the education Premier, there is a palpable sense of renewed hope in our schools. We're asking you to continue to build on this resurgence of optimism.

1100

I would also like to acknowledge the positive strides this government has made to address the funding gaps that exist in our beloved education sector. I want you to know that our members are aware of and appreciate these efforts and are grateful for this change in climate. We ask you to continue on this path.

You can build on the renewal of optimism by recommending the restoration of proper funding for public education. The Education Watch flyer that is part of your package describes a \$1.443-billion funding gap between the recommendations of Dr Rozanski, already two years old, and current funding.

Let me point out two areas that increased funding would greatly benefit: class size reduction and teacher and support staff compensation. Locally, we've been attempting to set realistic limits for each subject in all grades to the number of students assigned to courses. The areas which teachers have asked us to especially target in recent collective bargaining rounds are the courses for our most at-risk students, often referred to as applied level students. It has been well documented that these students have been hit hardest by the change in curriculum brought on a few years ago. They're failing courses, leading to a trend of increasing dropout rates. They are failing school, and we are failing them. What does the future hold for these people? What does the future hold for a province that allows these young men and women to flounder?

An OSSTF-sponsored study called From Applied to Applause, a summary of which is attached to your package, confirms that one of the most effective ways in which we can serve these deserving students is to ensure that they have the right courses open to them and that the number of students in these classes remains small. We have been attempting to achieve this locally, but only with very limited success, mainly because of funding constraints. I ask you to provide us with the means to serve these vulnerable students as best we can.

The second area that I wish to address is compensation for teachers and support staff. This is an area that has been identified as lagging behind actual costs. The Education Watch report in your package estimates the shortfall for the current school year to cover the actual cost for salaries and benefits at about \$600 million. At a time when recruiting students to teachers' college is faltering and attrition rates for new teachers and support staff are high, it is incumbent upon our government to allow us to make compensation packages more competitive with private industry standards for employees with equivalent education and training. The 11-year experience and salary grid currently in place here does not compare with the three- to five-year norm in the private sector. We have to be able to address this disparity.

Consider that an essential part of a student's quality of education is the sense of community that exists in the school. This sense of community is not attained when there is a high turnover of teachers and support staff. The government must provide boards with the proper funding to allow them to negotiate a more realistic salary grid so that they may recruit and retain teachers. This problem is only compounded when you consider the pressures caused by rapidly increasing benefit costs and past below-average wage settlements. Teacher and support staff compensation packages are not keeping up. Unless you help in reversing this trend, the future prospects of our beloved profession, and consequently of the quality of public education, are bleak.

A 2004 report from Statistics Canada indicates that Ontario is the only Canadian province where per-student spending has not kept up with inflation. Do we really want to perpetuate this legacy of neglect? I hope not. I understand the financial constraints of the current government. You are faced with difficult choices and competing interests. But in your deliberations, consider not only meeting your short-term objectives, because in the long term, if you want this province to remain a global economic leader, you must ensure that our education system is also a leader—it cannot be otherwise—and this cannot be done without proper financing.

Let me finish by assuring you that here in Limestone district, you have a group of dedicated teachers and educational workers who every day are ready to give the best of themselves. They are attempting to provide their students with the best instruction and the most complete educational experience possible. However, current conditions make this difficult. You are in a position to change this. We ask that you carefully consider our request and allow us to serve our students to the best of our ability. Thank you.

The Chair: The round of questioning will go to the government.

Ms Judy Marsales (Hamilton West): Thank you very much, Marc, for your presentation. This piece that you've attached is very enlightening.

Clearly, education is a priority for the government and also a priority in the manner in which education is delivered. I see in my own community of Hamilton West where the environment around education is changing and, while funding is ever so important, I think even more important is the engaging of young people in the process and the outcome of that engagement in the process.

An area of interest and concern to me would be the arts. I'd like to know where the arts, particularly music in its many avenues of involvement, sit today and where some of the other art endeavours are with respect to your organization.

Mr Moreau: I can speak to that with regard to our local experience here. There are a number of excellent arts and music teachers in particular in our district who work hard to develop and maintain their programs. They are having a little more difficult time these days, in large

part because of the curriculum changes that have in fact eliminated the OAC year, the grade 13 year, and increased the number of compulsory courses. This has caused the art and music classes to suffer because they are not considered core courses such as English, math and science. They have found that students have fewer selections, fewer optional choices as far as courses, and therefore there's a more competitive atmosphere, I'll say, to attract students to these optional courses such as art, music and the tech woodwork classes, for example. It's not as good as it could be or as it once was, because there was more time and there were more options in the past.

Ms Marsales: Are there any new opportunities? I feel sometimes that we are continuing to go along the same path as opposed to looking at new opportunities that may present in the educational arena. I'm interested in any kind of new concept, whether it might be a new method of integrating some of these programs to engage young people. If they can be engaged in video games and computers, why can't other programs be adapted to manage that kind of new thinking?

Mr Moreau: There are innovative programs, which perhaps is what you're getting at, in this board that are directed especially toward talented students, music students, here. The name escapes me at the moment. It attempts to draw gifted students into the music stream or to develop their talents at a more rapid pace.

Mr Colle: I just have a question. As the parliamentary assistant to the Minister of Finance, I'm interested. You talked about the bleak picture here in Limestone. We have a lot of different ministries asking for money: health, environment. Mr Runciman will tell you that it's pretty hard to come up with all the money.

My understanding is that we gave the Limestone board, through Finance, an extra \$8 million in enhancements last year. That's a 4.3% increase over what you got last year. Is that correct?

1110

Mr Moreau: You might understand, if and when the board is allocated extra sums, that we are not always, as a union, privy to that information.

Mr Colle: So the secondary panel may not have got it, and it may have gone mostly to the elementary.

Mr Moreau: It may have. I know there are a few consultant positions that have been created recently that may stem from those kinds of funding initiatives. But I guess I can reiterate our point, that we're having a difficult time attaining our goals of reducing class sizes, essentially in primary.

Mr Colle: That's because, I guess, the class reduction monies go to the elementary rather than to the high school, secondary panel, right?

Mr Moreau: Certainly those are the public statements. I'm not sure; I can't speak for my elementary colleagues whether or not they've actually benefited from those announcements.

Mr Colle: So you see some growth in some of the class sizes in the secondary panel. That's what the challenge is from your perspective.

Mr Moreau: Yes, to keep those down.

Mr Colle: OK.

The Chair: Thank you for your presentation this morning.

TOWNSHIP OF FRONTENAC ISLANDS

The Chair: I call on the township of Frontenac Islands to please come forward. Good morning. You have 10 minutes for your presentation. There may be five minutes of questions following that. I would ask you to state your name for the purposes of our recording Hansard, and then you may begin.

Mr Jim Vanden Hoek: I'm Jim Vanden Hoek, the mayor of the township of Frontenac Islands. It's a pleasure to be here, Mr Chair and members of the committee. I will say at the outset that I am not coming directly to seek funding for any particular initiative this morning. So that may in fact be somewhat of a change, but I've only been here for a few minutes.

Mr Colle: You're in the wrong committee, then.

Mr Vanden Hoek: I do have a couple of policy issues that I'd like to bring forward that do have a dramatic negative impact on my municipality, but I don't think the funding implications are necessarily provincial dollars. So bear with me as I go through this.

It's important that I frame the municipality before we go any further. I probably represent the smallest municipality in Ontario. The total assessment base is only \$234 million, and that's a collection of islands in the St Lawrence River. Ninety-six per cent of my assessment is residential. By the time you discount the managed forests and the farmland, by the time you get to that revenue stream, 96% of that comes from my residential property owner.

The two issues I would like to zero in on are special tax classes and volunteerism.

We happen to be one of the communities that has attracted the attention of the wind power, alternative energy, sector in Ontario here in the last number of months. It has certainly been in the media. We have worked very aggressively with a number of developers for three to four years to create the kind of climate in my municipality that would allow these developers to go forward. Clearly, we did that on the basis of the fact that there would be commercial or industrial assessment coming from that development that the government announced as a result of a panel, I believe, that worked on behalf of the province.

There was an announcement from the provincial government back in August that indicated they were going to cap the assessment quantity at \$40,000 per turbine. Each turbine is worth between \$2 million and \$3 million. So you can appreciate that, from my municipality's perspective, when 96% of our revenue stream is residential, and with the province coming in with a policy that would cap the capital component of that assessment at something around 10% of the actual cost, to say we were disappointed is an understatement.

If you were to approve all of my development proposals at the developers'—I'll call it their wish list, and we all know how these things play out. If you were to approve all of these proposals, you would put my municipality full of wind turbines, and that's not to say that we haven't been receptive to that in the past, but the revenue stream on a \$300-million to \$400-million capital project coming into my municipality is something like \$30,000 to \$40,000 annually. That policy is going to have a significant negative effect in my community. It already has in terms of our willingness to receive that type of development. As you have to appreciate, if you were to go into an urban centre with a \$300-million or \$400-million program, I don't think that urban centre would be terribly receptive if in fact the revenue stream coming in would be that minimal.

I have a specific recommendation or request—I'm not sure how these panels work. We definitely want that particular policy revisited. We communicated with the province, we communicated with the Minister of Finance, Minister Sorbara, in advance of the policy announcement. I've been in politics for quite a number of years, and you can see these trains coming before they actually hit the station. As a host community, we had wanted to talk to him about the tax revenue because we knew there was going to be some kind of compromise or agreement struck, and that never did happen, so we're disappointed in that regard.

I don't think this is necessarily a provincial funding issue other than that the Ministry of Finance is going to have to subsidize alternative energy for a period of time until it gets legs underneath it. In that regard it does have an implication to the ministry, but as it stands right now, the real host communities, which have no commercial or industrial tax assessment, are going to pay a disproportionate share of the alternative energy development programs across Ontario. In other words, my constituents, by means of reduced tax revenue coming into the municipality, are going to carry a disproportionate share of the cost of the development of that energy compared to, let's say, a non-host community; I'll pick the city of Toronto just because it's convenient.

I'd like to move on. There is a second issue which is somewhat similar to that. If could go back for just a moment to special tax classes, we have a whole range of them in these rural municipalities, whether it's agricultural land, managed forests, those types of things. There has been no CRF reconciliation for five or six years on that. It's fine for residents in Ontario to aspire to preserve and to enhance and to do all these things with regard to the rural community and the environment, but we feel very strongly, as with alternative energy, that those costs must be borne equally by all the residents in the province. As it stands right now, the rural municipalities are at a disadvantage in carrying this, because the tax policies are legislated. In other words, farms and forests are 0.25% of the residential rate. That drives the revenue stream down into the municipalities. It's a real problem for us.

I have to acknowledge right up front that my municipality is a ward of the province. Anybody who has been involved in government for a long time knows that these ferries are extremely expensive, and I certainly don't shrink or hide from that. We've worked very aggressively to try to change some of that and to improve our financial status, but that's an issue.

I want to talk about volunteerism for a moment, if I could. It's somewhat in the same category; it's a policy issue.

We have a volunteer land ambulance system on one of the islands that's extremely successful. It's well received. With volunteers—and I'll exaggerate just a little bit—we thank them with a roast beef dinner and some kind of merit award at the end of the year. But certainly the volunteer effort is an extremely important component of remote rural living. We'd be in deep, deep trouble financially without them. I can tell you that the Ministry of Health would be in deep trouble without them, financially.

I don't know how familiar you are with LSR agreements, the local service realignment agreements that exist between neighbouring municipalities. The LSR agreements are not structured to recognize volunteer contributions when one municipality volunteers into the service, and there is no recognition of that effort in the LSR agreement. I think there needs to be an adjustment when the province—I understand there's a review of the CRF formula. It may disappear, and there are reconciliation problems and all of this going on, but I think there has to be a way of recognizing the volunteers' host community.

1120

What happens right now, and I'll give you a very specific example: The Islands are tied into Frontenac county, which is tied into the city of Kingston through a complex LSR agreement. It brings to the table all kinds of issues that you can certainly appreciate if you've been engaged in these in the past. In effect, what happens is that my volunteers—the comparable cost, if this were to be staffed by the Ministry of Health, would be somewhere in the neighbourhood of \$750,000 a year. My volunteers run that. They run it for, I think, \$3 an hour, standby; it's a minimal amount of money. But the benefit from that, and it's as a result of amalgamation, goes into the CSM, or the central service provider; there is no benefit that stays with the host community. There's a policy problem here that you really need to get at. There has to be some kind of recognition, whether it's through the CRF program or through some new chunk of that, however you roll it out; there needs to be something to recognize and promote volunteerism. I don't think that as a society we can ramp up fully paid services in all these rural communities.

I may have gone past my 10 minutes, which is normal for a politician. I thank you.

The Chair: No, you're actually exactly on time.

Mr Vanden Hoek: I talked for 10 minutes, then.

The Chair: The questioning would now go to the official opposition.

Mr Runciman: Thank you, Mr Mayor, for being here today. It is refreshing to see someone not here asking to open the doors to the vault.

I'm intrigued, and it's regrettable that Mr O'Toole isn't here, because he's our party's critic for the energy portfolio. I wasn't aware of the cap on assessments that is, I gather, being imposed. I'm kind of curious about that. What's your view with respect to, if you went ahead with this wind farm, the impact on other property values in your municipality? What would the ripple effect be? How willing would investors likely be to look at your municipality as a result of the establishment of this \$300-million to \$400-million capital investment wind farm?

Mr Vanden Hoek: There are actually two answers to that, as you can expect. I think that if you're looking at a situation where one property owner goes ahead with the wind power development and there's a case where there is no infilling between adjoining property owners, you could create a situation where you would drive the assessment up on the property that's not infilled, if I could place it that way. There's the other view that the wind towers will in fact detract from your tax base because there's a perception by some in the community that they lower values.

I think it's a complex issue. There's not a straight answer to it. I can tell you that, being starved for commercial tax revenue, the municipality put a tremendous effort into making sure the community was on board. As a politician in a small municipality, you can appreciate that you do have an obligation, I think, to bring those things forward.

This particular policy, I'd say, compromises in a very significant way the township's ability to keep the balance of the residents on board in this kind of development. Our residents were supportive just from the standpoint that they realized we were being challenged to pay for the services that we have to provide. They were prepared to accept wind farms as compensation for what we had anticipated would probably be \$200,000 or \$300,000 annually worth of revenue. We're going down into 7% or 8% of that.

Mr Runciman: I'm assuming you've contacted the Ministry of Finance, or your municipality has, with respect to this issue. I'm kind of curious. It would seem some of the contracts that have been awarded, from my perspective, look pretty rich to the people who are developing these wind farms in terms of the payback per kilowatt hour provided to the grid. I'm just wondering what their rationale is, other than, I gather, to further encourage the development. It seems to me that is unnecessary, given the levels of these contracts in terms of what I would describe as the richness of some of these contracts over extended periods of time.

Mr Vanden Hoek: In terms of the value of the contracts, I can only relay to you what I've read in terms of return on investment. They're looking for 25% to 30% return on investment to the developer, but that's anecdotal in terms of what I've seen from the press.

We do have two active developers in our community. They were not successful in the first round. I can tell you

they've got OPA challenges or OPA issues to deal with, and they've also got environmental assessment issues to deal with. I think that those become much more contentious for them, given the fact that there's little benefit to the municipality as we go forward. So I think the policy is really problematic for us.

Mr Runciman: I assure you that we'll follow up on it for you from an opposition perspective. My one other issue, which doesn't deal directly with what you raised here, but you talked about volunteers—it's been raised on a number of occasions over the past few years—is volunteer firefighters. I'm assuming you have a volunteer department. What impact, if any, are you seeing with respect to the two-hatter policy, where you may have people working in the Kingston fire department who are professional firefighters and are now being required to leave volunteer service in their community? Has that impacted on you in any way, shape or form?

Mr Vanden Hoek: It's an issue for us. What happens is that we actually have, in all honesty, a couple of individuals who act as training individuals who have come forward into our municipality. I think we're getting through it, but certainly it's been an issue in the municipality.

Mr Runciman: Is it posing any public safety issues for you at the moment?

Mr Vanden Hoek: Not at this moment. We're getting through it.

The Chair: Thank you for your presentation this morning.

Mr Colle: Mr Chair and members of the committee, there's a person in the audience here from the Ontario Trails Council who would like to give a presentation. We have a spot that's open. I'd like to move unanimous consent to have him present in that spot.

The Chair: Do we have unanimous consent? Agreed.

ONTARIO TRAILS COUNCIL

The Chair: Good morning.

Mr Patrick Connor: Good morning, committee. Thank you very much, Mr Chair, for indulging.

The Chair: I've noted that you were sitting in the audience, but I feel compelled to remind you that you have 10 minutes for your presentation, and there could be five minutes of questioning. I would ask you to state your name for the purposes of Hansard. In that you represent a group or organization, just state that as well.

Mr Connor: My name is Patrick Connor. I'm executive director of a charitable organization called the Ontario Trails Council. Thank you very much again.

The reason I'm here today is that my organization represents over 170 individuals and other umbrella organizations that operate trails or trail systems throughout Ontario. Earlier today you heard from one of our strong local supporters, the Cataraqui Region Conservation Authority. Our membership is made up of many health units, municipal park and recreation departments, a wide variety of non-governmental organizations such as

the Ontario Federation of Snowmobile Clubs, a variety of sport user groups, like Hike Ontario, and a number of publicly supported planning departments and greenbelt areas, including trails and provincial parks. I just provide that as a background because our organization is very diverse, and in terms of an actual club structure, we represent the interests of some 500,000 club members who participate in trail-related activity.

We are here as a follow-up to earlier pre-budget consultations in 2003 and 2004. I'd have to say that we believe, as a result of participating in this process, that we have been listened to. We feel that the trails strategy process that we're currently engaging in through the Ministry of Tourism and Recreation represents successive listening by a number of governments, although it's a process that has been a long time in coming—some 20 years. We're made up of a variety of professionals and volunteers as well.

Now that we are fully engaged in this strategic planning process for trails, we do want to drive home the point, if you'll indulge me, that there are still some issues facing our industry and our sector in the sense that while we applaud the focus on health and active living, the Active 2010 strategy unveiled by the government, which we're fully supportive of, is going to place certain infrastructure pressures on our sector. We're interested in finding out how these capital infrastructure issues are going to be resolved.

1130

As the group representing budget considerations, we would certainly ask that the members of all parties be mindful of their local constituents, their local trail users, the significant public population who are out deriving significant health benefits through trail activity, which of course we equate with a savings on the health side.

We're really asking for some mindful support that additional activity is going to lead to additional pressure on existing infrastructures, of which there is a certain degradation, and that will have to be managed either at the municipal level or through parks and rec or NGOs, so we continue to provide a safe and responsible trails experience.

We're also facing some rather unique insurance cost pressures, especially on the non-governmental organizations side, where organizations may manage entire trail systems. The pressure from the private insurance industry in terms of escalating costs is a really intolerable burden for many of our organizations that, I'm sure you can understand, raise the funds in support of their sport or recreational activity through a variety of bake sales or other community-based initiatives. Unfortunately, the escalation in insurance costs is really getting quite out of hand and, as a result, puts this whole trails infrastructure at risk.

If we're promoting active living and a healthy lifestyle, we do have to be mindful that, as some other people have mentioned, we ask for policy and regulation considerations through the strategies so that perhaps some accommodating considerations can be made, such

as in other jurisdictions like New Hampshire and many American jurisdictions and other places in Canada that have a trails act or have actually removed the contingency of third-party liability. Certainly in New Zealand and other places this has been done, and in response to that, you end up with a healthier community, because more people feel comfortable engaging in trail development and trail management.

That really wraps up my comments.

The Chair: Thank you very much. This round of questioning will go to the NDP.

Mr Prue: Just a couple of questions on two related areas. The first one is the infrastructure pressures. I'm trying hard to figure out what those infrastructure pressures would be if you had, say, a 10% increase in the number of people using the trails.

Mr Connor: Wear and tear would be one example.

Mr Prue: Wear and tear on what?

Mr Connor: On the actual trail bed itself and off-trail activity. There's also environmental degradation. For example, just today we were talking about a washout situation: bridges, other infrastructures, soil erosion, general environmental degradation. Those costs aren't recovered. And there is a proportionality: Increased use leads to increased degradation.

Mr Prue: Are not the majority of degradations—erosions, the things you talk about—caused not by people walking on them but just by nature itself?

Mr Connor: Many trail-related and emerging trail-related activities are actually caused by the user and the user groups as well, and many of the environmental spaces that have been set aside for use aren't compensated adequately enough. The places that people go to play—in the example we heard from the Catarauqui Region Conservation Authority today, there are boat launches, trail access points and signage so there's a safe experience. All these things are out in the natural environment, and there is a constant erosion factor that isn't satisfactorily recovered right now in existing funding models.

Mr Prue: You talked too about insurance costs, and I think you make a very valid point in terms of third-party liability. But do you have insurance costs for other things: the washout of a bridge or that kind of stuff?

Mr Connor: It depends on the particular management structure. Some of these can be offset at the municipal level. Some of our coping strategies are that trails are designated as linear park systems and therefore can fall under municipal park and recreation indemnities. However, there's a whole subcontracting process that happens in wide areas of rural Ontario, where trail management organizations are subcontracted to take full responsibility for the condition of the trail and its maintenance. Those organizations, while they're contracted by government and municipalities, bear the burden of the insurance and the related risks from use, and they are the people specifically who cannot afford—we can't even afford the cost of the litigation. It's not that we'd lose many lawsuits at all. We need some tort reform, because we cannot afford even singularly the cost of litigation.

Mr Prue: Those would be my questions.

The Chair: Thank you for your presentation.

Mr Connor: Thank you very much for indulging me. I appreciate it.

The Chair: For the committee, it's my understanding that the 11:45 group is in the building but has not come into the room yet. They were advised that they should be here. So we will recess until they arrive or until 12 o'clock noon, whichever comes first.

The committee recessed from 1136 to 1145.

ASSOCIATION OF DESIGNATED ASSESSMENT CENTRES

The Chair: The standing committee on finance and economic affairs will come to order once again. I call forward the Association of Designated Assessment Centres.

Good morning. You have 10 minutes for your presentation. There may be up to five minutes for questioning following that. I would ask you to identify yourselves for the purposes of Hansard. You may begin.

Ms Susan Filuk: My name is Susan Filuk. I'm president of the Association of Designated Assessment Centres, or ADAC, and with me is Dr Rocco Guerriero, who is the secretary-treasurer of ADAC and our representative on the Minister of Finance's DAC committee.

Thank you very much for allowing us the opportunity to present before the standing committee today. Our organization represents the 103 designated assessment centres, or DACs, located across the province. We will be speaking in greater detail about them in a few moments, but we wanted first to say that ADAC welcomes this opportunity to provide the members of the committee and ultimately the Minister of Finance with our input on Ontario's economic policy direction, particularly in the area of consumer spending on auto insurance for Ontarians.

We are extremely concerned that the government's proposed policy direction on the elimination of neutral assessments will have a negative impact on the provincial treasury, put pressure on Ontario's already strained legal system and will force more reliance on other public sectors: OHIP-funded hospital-based therapy, if you can get it, social assistance, disability support programs and employment insurance. The proposed regulatory changes will directly impact the pocketbooks of Ontario consumers.

We feel that this issue is critical to the committee's deliberations because if the government proceeds with the draft regulations and the elimination of neutral assessment, cost savings will not be realized and health care costs for all Ontarians can be expected to rise. We are pleased to see that Mr Colle is part of the committee, as he has responsibility for consulting on the government's proposed auto insurance changes.

In 1994, the provincial government created multi-disciplinary designated assessment centres across Ontario as part of its reforms to the auto insurance system to

facilitate access to benefits for auto accident victims without the need for legal representation and involvement in the adversarial process of mediation, arbitration and litigation. The DAC system was established for insurance companies and claimants to use when they needed a neutral, third-party opinion about a claimant's injuries and the accident benefits that were reasonable and necessary for those injuries. DAC assessments are designed to balance the interests of both insurance companies and claimants, and their final reports are binding. The 103 DACs are designated and regulated by the Ministry of Finance through the Financial Services Commission of Ontario, following a rigorous application process. There is a mixture of private and public ownership, with 40% of DACs operated by and located in Ontario hospitals.

Like a referee in a hockey game, DACs have no vested interests in the outcome. DACs operate within a highly regulated system under written guidelines which mandate transparency, full disclosure by all parties, and neutrality. They are accountable to FSCO and the public through a formal complaint process and to the government through the Minister of Finance's DAC committee.

DAC opinions are binding on the parties involved in the dispute over benefits. This is important because less than 4% of DAC decisions potentially go on to further arbitration or litigation. In addition, they help to level the playing field as insurers are often represented by experienced and specialized legal teams, while consumers do not have the same level of understanding or familiarity with the system.

1150

DACs work collaboratively with all stakeholders to ensure that the system works smoothly, in a transparent and fair manner. Opinions are consensus-driven and multidisciplinary-based, which reinforces their neutrality, credibility and acceptance. In addition, DACs allow health care professionals, not arbitrators, to provide opinions based on their medical expertise and experience. This better serves the interests of the patient or the accident victim and the industry.

This past December, the government of Ontario, through the Ministry of Finance, released draft regulations which proposed eliminating the role of designated assessment centres as providers of neutral, third-party health assessments. The government appears to be basing their draft regulations on the policies proposed in the flawed 2003 white paper on auto insurance that the Liberal Party prepared while in opposition.

We have pointed out to the government many times that their document contains a number of significant inaccuracies regarding system costs and effectiveness. As an example, the cost and length of DAC assessments are compared to Workplace Safety and Insurance Board assessments. DAC assessments are much more complex than WSIB assessments and deal with dispute resolution, which WSIB evaluations do not, so it is not an appropriate comparison.

A more appropriate comparator would be to the Workplace Safety and Insurance Appeals Tribunal. In 2003, DACs handled 21,000 referrals at a cost of \$45 million, or \$2,151 per case. Compare this to the WSIAT, which in 2002 handled only 4,173 cases at a cost of \$19.2 million, or \$4,601 per case. This is double the cost of the DAC assessment. In addition, there is currently a two-year average waiting time for appeals to the WSIAT to be adjudicated, whereas DACs are mandated to produce a binding report within either a five-day or a 14-day time frame from the final date of assessment.

In our view, it is disastrous for the government to abandon the DAC system, which is not only the most timely and cost-effective option but one which ensures neutrality, fairness and a level playing field for both the insurance industry and consumers. Unfortunately, DAC critics will argue that the system is costly, time-consuming and redundant in an effort to skew the assessment process to their own advantage.

However, what is most disturbing about the government's proposed system is that instead of having a disputed health claim decided by a neutral, third-party health professional, it will be done by a health professional chosen by the insurance company—hardly a neutral process that ensures protection for accident victims.

I want to take a minute to stress this point and make sure that committee members here today really understand what this means. Under the government's suggested model, it would be insurance companies that would choose the assessor to resolve disputes over your coverage if you are in an automobile accident, not a neutral health professional, which is the current model—an assessor chosen by your insurance company. And if you don't agree, your option is to go through mediation, arbitration or the court system.

We are surprised that the government would propose a system that would so blatantly favour one side over the other, and have seen no evidence that this proposed model will be more efficient, more timely or less expensive than the current system. In fact, with greater reliance on mediation, arbitration and the courts through this model, dispute resolution will likely be far more expensive and take longer. Access to benefits will be delayed, and by the time treatment is approved, it will be ineffective or victims will abandon their efforts to get treatment, resulting in more complex and debilitating conditions.

DAC assessment turnaround times are in sharp contrast to 665 days for a mediation decision from the date an application is received and 692 days for an arbitration decision from the date an application is received. That's the dispute resolution process proposed in the changes to the regs.

It is also likely that this protracted process for dispute resolution will force many legitimate accident victims to simply abandon their claims because they do not have the time or resources available to insurance companies to fight for their claim through the court system. In fact, the

primary groups that appear to be supporting this change are the Insurance Bureau of Canada, the Ontario Trial Lawyers Association and the Association of Independent Assessment Centres.

The new regulations brought forward by the government do not recognize the numerous initiatives that have taken place over the past 18 months that have served to improve the neutral assessment process for all parties, including introducing fast-track DAC protocols for review of assessment proposals; performing a substantive internal review of DACs' procedures and policies within a highly regulated system; introducing a medical and rehabilitation DAC manual which standardizes assessment processes and includes the use of a stage-focused approach to assessments; and emphasizing a single assessor system with paper review methodology and telephone consultation with the proposing clinician where this is appropriate. These improvements have made the system faster and more cost-effective for all parties.

There has been a lot of misinformation put out by those whose self-interest would see the elimination of a neutral assessment process. Some organizations have even gone as far as suggesting that DACs are not neutral. Yet the choice of DAC must be mutually agreed to by the claimant and the insurer or decided by FSCO. Neither party can determine the type of health professional or who within that profession will conduct the DAC assessment. The very existence of DACs ensures that the playing field for resolving benefits disputes between accident victims and insurance companies is level.

Last year, according to the government's own statistics, DACs recommended that some form of benefit be provided to 61% of accident victims who would not have received those benefits, as their original claim had been denied by their auto insurer. In some cases—

Interjection.

The Chair: We'll just pause for a moment.

Ms Filuk: Shall I continue?

The Chair: When we resume, you'll have about a minute and 15 seconds left.

Interjection.

The Chair: All right, we'll resume. You have about a minute and 15 seconds.

Ms Filuk: In some cases, DACs rule in favour of accident victims; in other cases, DACs support the position of an insurance company. In all cases, DAC decisions are based on the professional opinions provided by neutral assessors—those not retained by the accident victim or the insurance industry.

In addition, recent statistics from the Financial Services Commission of Ontario show that the average cost of DAC assessments as of November 1, 2004, is \$1,900. A full 25% of all DAC assessments representing the simpler disputes are handled at a cost of less than \$450.

We have also heard it suggested in media interviews by government spokespeople that Ontario is the only jurisdiction that still has neutral assessments—again,

untrue. There are a number of both Canadian and American jurisdictions that have neutral assessments as part of their auto insurance system, including Saskatchewan and Manitoba, and Alberta has moved to neutral assessment as part of their recent reforms to auto insurance.

In conclusion, there are no valid arguments for moving away from the auto insurance benefit dispute resolution system as it currently exists. Insurance companies have been posting record profits, which means there should be no impediment to their further reducing auto insurance rates for consumers within the current system. We have shown that the government's proposal will take longer, be more expensive, tie up our legal system unnecessarily and favour the insurance industry at the expense of Ontario's accident victims. Groups such as the Ontario Brain Injury Association have real concerns that the government's proposal will result in greater delays in treatment for injury survivors. It just does not make any sense to implement these regulations as they're currently drafted.

ADAC continues to be willing to work with the government and other partners in the system to further reduce costs and ensure protection for both accident victims and the industry. We have offered a number of solutions and recommended that the government convene a multi-stakeholder meeting to arrive at a consensus decision. This has been done successfully in the past.

It is unfortunate that while the McGuinty government criticized the previous government for lack of consultation, it has chosen not to hold public hearings on these regulations which will fundamentally change the way accident victims are able to—or in this case not able to—access their benefits.

1200

The government's five-week consultation on this issue over the Christmas holidays—submissions were due in last Friday—did not allow groups and associations time to get their membership together to discuss this matter or to have a legal analysis done of the dozens of pages of draft regulations. If the government truly wants to receive informed feedback on this issue, there should be no problem extending the length of the consultation to the end of the month.

There is a real need to ensure that neutral assessments are maintained as an important step in the auto insurance dispute resolution system, and there is a real need to ensure that there is adequate, detailed consultation and an analysis of the human and financial costs of such a shift in policy prior to implementing changes that appear to be based on an unsubstantiated, pre-determined outcome.

Thank you for your attention this morning, and we'll take any questions now.

The Chair: Thank you for your presentation, and this round of questioning will go to the government.

Mr Colle: Thank you for your presentation. It's not the first time I've heard it. I know you've had a number of press conferences, press releases and e-mails. So you certainly have given us a lot of information over the last 14 months. So I appreciate that.

I guess the one point I have is that I'm sort of wondering why you say there's been no consultation, when, since last November, I have met, the minister has met, our fiscal official—that's the regulator—has met with you and your representatives. You put forth a consultant's report. Our officials at the Financial Services Commission of Ontario went over the consultant's report.

Again, this has gone on for 14 months, and you knew from our position in opposition that we said we were going to phase out the DAC system. We restated it, once being elected, that the DACs were to be eliminated. That was unequivocally clear, but we still proceeded to methodically go over the system for replacement. In fact, the Financial Services Commission of Ontario even brought in an outside expert who was the chair of your committee to conduct hearings on replacing the DAC system.

That proposal that was put on the table also included input on what you would replace it with—that was under Philippa Samworth, who's the former chair of the ADAC committee. Essentially, you rejected that proposal, and that was part of the 14 months of consultation.

We are at the stage now where the Financial Services Commission has gotten input over the last 14 months. The ministry has gotten input. There has been much discussion and debate. We've had ongoing—again, through this whole process—continued information, and the final decision on the actual regulations will be made by the Financial Services Commission.

Ms Filuk: I'd like to respond to that 14-month—

Mr Colle: No; you've had your 10 minutes. Just one second.

Ultimately, the point is that this is the only jurisdiction in North America that has such a complex, convoluted system of the so-called designated assessment centres, which are, no doubt, for the most part, run under a private health care system for profit.

Ms Filuk: And what is the question?

Mr Colle: And we feel, as a government, that they are too complicated. They don't serve the consumer, and we want a simpler, more direct system that puts the interests of the consumer first and does not promote complexity and an adversarial and unaccountable system. We think we want a better, more direct system that takes into account the needs of the accident victim and the people who are paying premiums in the province of Ontario. So that's where we're at.

Ms Filuk: What is the question?

Mr Colle: Well, the question is, how can you say there was no consultation, when for 14 months we've been talking to you?

Ms Filuk: We met with you twice: November and December. Then we had an opportunity to submit to the expert assessor network model, which was an alternate model that was rejected by 122 submissions.

The consultant's report is not consistent with the regulations that have been drafted. We have repeatedly given the government facts provided by your own department that say that the facts on which the decision to eliminate the DAC system was made are inaccurate.

The insurance industry is already on record as saying they have achieved their 12% reduction in auto insurance premiums without the elimination of the DAC system because of the changes that have already occurred in the system. The regulations as they are proposed, without changes to them, mean that an injured person will not have access to their own assessment because it will require prior approval of an adjuster, who can deny it. So this would be a more adversarial system.

We're going back to pre-1994, when all of the decisions were dealt with through arbitration and the court system. That is why we feel that neutral assessment must be maintained, and the decision to do that must be based on accurate information.

We have not seen a risk analysis from the government. We have not seen an impact analysis. We have not seen a cost analysis. Again, these regulations do not reflect the report that came from Philippa Samworth on the expert assessor network.

The Chair: Thank you. The time for questions is over. We appreciate your presentation. Thank you.

The committee is recessed until 1 o'clock.

The committee recessed from 1205 to 1302.

SISTERS OF PROVIDENCE
OF ST VINCENT DE PAUL,
JUSTICE AND PEACE OFFICE

The Chair: The standing committee on finance and economic affairs will please come to order. I would ask our afternoon's first presentation, the sisters of the Justice and Peace Office of the Sisters of Providence of St Vincent de Paul, to please come forward.

Good afternoon. You have 10 minutes for your presentation. There may be up to five minutes of questions following that. I would ask you to state your names for the purposes of our recording Hansard. You may begin.

Mr Jamie Swift: My name is Jamie Swift. I'm co-director of the Justice and Peace Office of the Sisters of Providence. Thanks very much for giving us the opportunity to contribute to Ontario's pre-budget hearings. I'm speaking on behalf of the Justice and Peace Office of the Sisters of Providence.

The sisters were founded here 140 years ago to meet the needs of the sick and the poor in Kingston. Father Lloyd Cummings is with me, representing the Justice and Peace Commission of the Roman Catholic Archdiocese of Kingston.

I'd like to introduce you first to some other people who have accompanied me and Father Lloyd here. Starting back here, Sister Pauline Lally, the assistant general superior of the Sisters of Providence; Sister Barbara Thiffault, the general secretary of the Sisters of Providence; Gloria and Michael Stephenson; Joan Sherwood; Bert Horwood; Jean Gower; and Ian Stutt.

The signs they're holding up—this is not a public demonstration or anything; it's part of our presentation. These people are among the vigil-keepers, and you have mugs in front of you that are somewhat instructive with

respect to our vigil. You can take them home or sell them to your constituents—whatever.

Mr Colle: No, we can't.

Mr Swift: You can't do that; that's not allowed.

We've been standing outside Kingston city hall every Friday for nearly 10 years now. We started this silent vigil to protest the attack on the poor that started in 1995 in this province. I'm sure all of you will know that that was an important date in the province's recent political history. That was when the previous government launched its punitive social assistance policies. They reduced social assistance payments to our poorest and most vulnerable neighbours by over 21%.

Over the course of the many years that we have been standing down on Ontario Street, poverty has worsened in Kingston. Because this is the standing committee on finance and economic affairs, it's important to know that these have been generally good times, years of economic growth, the top of the business cycle. If things got worse in good times, what will happen to our most vulnerable neighbours when the next recession hits, as surely it will?

During those years Ontario's fiscal capacity was deliberately reduced by the previous government. That is the reason for the present government's deficit. It's also the reason that the otherwise comprehensive report on social assistance policy released last month by your colleague Deb Matthews, the parliamentary assistant to the Minister of Community and Social Services, made the dubious claim that the government cannot increase social assistance rates because it lacks the financial resources to do so.

If the current government fails to address this diminished fiscal capacity, the one that it inherited from the previous government, that signals an implicit endorsement of that government's budgetary strategy. If the current government fails to raise social assistance rates more than the 3% it has already granted, that signals an implicit endorsement of the social policies of the previous government.

We hope the current government can do much, much better, and I give you three reasons why, culled from our local experience. Because an ever-increasing number of people in Kingston cannot afford a healthy diet, researchers describe them as suffering from food insecurity. Our neighbours who are food-insecure are more likely to suffer from obesity and diabetes. This means higher costs to the health care system because food security is perhaps the most important determinant of health there is.

Ontario's local health units have for eight years now been mandated by the health ministry to assess the local cost of a nutritious food basket. The latest report by the Kingston, Frontenac, Lennox and Addington Health Unit crunched the numbers, and you'll find a copy in the documentation we gave you in that purple folder. It's called, *Can These People Afford to Eat Well?*

The dietitians looked at the living situations of both individuals and families in Kingston—people working full-time earning minimum wages, depending on Ontario

Works, ODSP and a combination of old age security and the GIS. The health unit found that people living on minimum wage and social assistance live in a community that is not food-secure. And remember, this is a community in one of the richest provinces in one of the richest countries in the world, during a period of sustained economic growth. People are hungry.

This past fall, high demand from people forced the local food bank, the Partners in Mission Food Bank, to launch its first-ever Thanksgiving food drive. Hunger has turned into a chronic problem in our community.

Let's turn to housing. Adequate shelter is another crucial determinant of health. The present government has promised to build 20,000 units of affordable housing, but we've seen nothing of that yet. Kingston's United Way recently published an updated report card on homelessness in Kingston that you'll also find in that package. It has the documentation.

The report shows that the number of homeless people in Kingston is rising. What's more, the population at risk of homelessness is also going up. These are people living paycheque to paycheque, people employed full-time or part-time. Their rent increases outpace their incomes in a market with one of the lowest vacancy rates in Canada. This is a community with a disproportionately large number of vulnerable citizens, with eight federal prisons, with a large regional mental health facility and with a split-level service economy. The mentally ill and those struggling with substance abuse must compete with thousands of Queen's students for a small number of rental units.

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Emergency shelter use in Kingston has gone up 440% since 1998. In 2003, the waiting list for affordable housing increased by 119 approved applicants per month; 84% of the families on that list spend over half their income on rent. The local gap between high and low incomes has widened. The Ontario Rental Housing Tribunal reports 695 applications for eviction orders in Kingston over the most recent fiscal year.

I'll stop there. I could go on at length about the savage inequalities that continue to plague our community. I'll now turn to Father Lloyd Cummings, who lives northeast of here in Westport. You can find results of his recent research into the extent of poverty in the archdiocese of Kingston in the documentation we've provided.

Rev Lloyd Cummings: I am Father Lloyd Cummings, a priest of the archdiocese of Kingston. I represent our Justice and Peace commission of the diocese, which also includes membership of the Anglican Diocese of Ontario. So we join in this brief with Jamie Swift now and completely endorse the presentation that he's just made.

This is not the first time our commission has addressed this committee. Our presentations go back as far as 1991, when the Ontario budget deficit was \$9.7 billion.

I'd like to begin with some observations on the role of government. As we would agree, the purpose of gov-

ernment is the common good of all its citizens; that is, to establish social conditions that enable all its citizens to have a decent standard of living, especially the poor and the vulnerable. The first duty of government is to help those citizens who are suffering the most: the poor, the needy, the sick and the handicapped. Deb Matthews says, "I think our government should be judged on how well we help our most vulnerable citizens." I would add that we must regard the poor not as some extraneous group in our society, but as brothers and sisters of the human family who are suffering. Just as we would help a brother or sister in our own immediate family, so we must help them.

I go on now to speak about financing increased payments to the poor.

First, the immediate objection to spending more money on the poor is that the government is in a deficit position and cannot do so. However, the government has been able to allot increased amounts for hospitals and education. Also, the government has been granting millions of dollars for various other projects, as we read in the newspapers. So it seems the poor are just not a priority with our governments.

Secondly, deficit financing is not necessarily a bad thing. The balanced budget has become a sacred icon, not to be touched, yet companies and individuals go into debt in order to finance their future well-being. Governments should at times retain debt or add to it in order to provide for the future well-being of their citizens.

The Chair: I remind you that you have about one minute left in your presentation.

Rev Cummings: He must have taken too much.

Mr Swift: That's why it's a good idea to go first.

Rev Cummings: Well, I think all I can do then is simply note the following items, which you'll find in the copy included in your kit.

I quote John Kenneth Galbraith in favour of deficits that are good deficits, and various ways in which to improve the fiscal capacity of the province without increasing tax rates, and how the government needs to publicize and make the people of Ontario aware of these facts, and the obligation of the government to help the poor. Finally, we have a quotation from Professor Neil Brooks about taxation and increasing corporate profits.

I conclude, then, that we can ask, what kind of country or province do we want, one where the rich get richer and the poor get poorer or one where we strive for social justice? So we look to you, our elected representatives, to work for a socially just province. You have entered into political life to give yourselves to public service, so surely the objective of social justice must be foremost with you. I thank you for your attention.

The Chair: Thank you for your presentation. This round of questioning will go to the official opposition.

Mr O'Toole: Thank you very much for your presentation. It is important to put face and word and action to what you speak of, and I respect that with the presentation here today.

It isn't easy for any government to shuffle and wrestle with its priorities, the challenges that you mentioned in health care, an aging population, vulnerable young people, the importance of education, special education. The challenges are enormous. It really comes down to perhaps how different governments approach it. Some approach it head on. I think the Rae government, which you talked of earlier, in all probably had a great deal of social consciousness or awareness, and I felt did their very best to increase those allocations, which you described as being at the end of the day a huge deficit. I suspect they ended up with the social contract and other decisions because of that. They realized that about 75% of all government expenditures are wages and benefits for the public sector. I wouldn't criticize that; I don't mean it that way. But that's the pressures they're under.

The pressures in health care are basically money. We heard in Ottawa yesterday that one of the hospitals that were forced to balance their budget will be laying off 300 health care workers. Another one yesterday said that they would be laying off 169 health care providers to balance their budget. That isn't the ideology that they were elected on. They made some 230-plus promises, and good for them, but it's treachery, because I don't feel they are dealing with it head on, straight on.

We are straightforward. I'm a practising Catholic, if that makes any difference, a parent of five children, and I understand the social justice argument. I'm making this because I believe in the ethics and principles of hard work and reward. I believe you grow a strong economy first, and then you have the difficult decision of redistributing that wealth. If you need any more proof than that, look at southeast Asia today. They have no economic fundamentals; that's the problem. They can't generate wealth; they really can't. If you listen to the news reports on it, tourism is their main industry, which is depending on someone else bringing in their wallet.

The reason I say that is, our approach to it is much more difficult in the shorter term. It's to say you have to grow the economy—

Mr Swift: Do you have a question?

Mr O'Toole: Yes. I appreciate that. I do have a question, and you can respond in your time, I suppose. I would put to you—

Interjection.

Mr O'Toole: No, I'm just trying to share—you took some time in your presentation to blame all the ills on the Progressive Conservative government. I take great—

Interjection.

Mr O'Toole: No, you did. You said it four times in your presentation. I'm not in any disagreement with you. You have the right to say whatever you want to say.

Interjection.

Mr O'Toole: It's sort of like, we need to find a way to provide the redistribution of wealth. I would ask you, where should it go? Should it go to the children with autism, or should it go to some other method of redistributing the wealth within the community that you speak for?

The Chair: We have about a minute left.

Mr Swift: OK, I've got my one minute. Father Lloyd had various policy prescriptions to offer forward that he really didn't—maybe I ran on at the mouth too long. I think it is a question of fiscal capacity. I think on the question of choice, every government is faced with difficult choices. The choice of who you tax, how much you tax and where you spend it is the most important choice any government makes.

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Mr O'Toole: Yes, those are the choices.

Mr Swift: The previous government chose to cut taxes and finance those tax cuts largely through debt. From my point of view, and I think speaking for the sisters, that was probably a wrong choice. We should be much more long-term in thinking about what I spoke of about the determinants of health. You mentioned the hospital that had to cut back and the increasing health care budgets. The press goes on about this. Health care is a major challenge, but you have to address the determinants of health, and the determinants of health are social. One of the principal determinants of health in our society and in any society is the extent or lack of social equality. People who are poor tend to be sicker and tend to use the health care system more, so if you want to approach the problem in a wise way and in a sustained way, you've got to go after the social determinants of health. You have to go after poverty, you have to go after hunger, you have to go after housing. For any government thinking about choices, if the choices are to be effective, medium- and long-term, those are the tough choices you have to make.

For any politician, thinking beyond the four years is a huge challenge. Father Lloyd referred to why politicians get into public life—

Interjection.

Mr Swift: I think that's it. You're telling me to wind up, so I wound up.

The Chair: The time has expired for your presentation. Thank you for appearing before the committee.

HUMMINGBIRD CENTRE

The Chair: I call on the Hummingbird Centre to please come forward. Good afternoon. You have 10 minutes for your presentation. There may be five minutes of questioning after your presentation. I would ask you to state your name for the purposes of our recording Hansard.

Mr Dan Brambilla: Thank you. My name is Dan Brambilla. I'm the CEO of the Hummingbird Centre in Toronto, the largest theatre in Canada. I'm here to discuss an infrastructure investment opportunity that would promote tourism, multiculturalism and education in the province, and an effort to make money for the province at the end of the day through additional tax revenues.

First, I want to tell you the motivation for the concept I'm about to discuss, because the background is important. In my travel on trade missions to Europe, Canada,

and specifically Toronto, is known in these countries' experience as an influx of cultures, as the paradigm for living in the most peaceable and socially cohesive multicultural society in the world.

As you can probably tell from my accent, I'm an American from New York, but I've been here the past 12 and a half years and I can tell you that now more than ever Canada stands in sharp and proud contrast to the United States on issues of social cohesion. In fact, I've applied for my citizenship in Canada because of that.

So what are we creating? We're creating a tribute to our various cultures aimed at tourists, certainly, but also aimed at our residents and especially at our school-children, to show how Canada's approach to living in harmony with 232 cultures is so important in today's divisive world where, in most places, two cultures can't even live together in peace.

If you want to take a look at the deck that I've prepared, I'm going to show you what we have planned here. On the left, we have the existing Hummingbird Centre; that will not be touched, so when you hear me talk today, the Hummingbird Centre stays as is with 3,200 seats. On the right hand side, you see a sample of what the new development could be. This is really more of a massing diagram than an architectural diagram. I'm going to get back to the architectural component in a moment. The bottom of this is the new program space, the new cultural space that we're going to create of 150,000 square feet, and the rest is a residential condominium.

If you would turn to page 1 of the deck, you'll see that necessity is the mother of invention. Why did we come up with this? We came up with this because the Hummingbird Centre is going to lose its two anchor tenants in May 2006, which leaves us with a potential annual loss of \$2 million, which the city would have to absorb. The city is not interested in absorbing that, so they asked me to come up with this plan—a plan—which I have constructed. Also, at the same time, I've maintained the heritage nature of the building, as designed by Peter Dickinson, one of the world's famous architects from Toronto.

On the second page of the deck, you will see that my goal here—because I come from the business world, not the not-for-profit world—was to create a self-sustaining attraction so one did not have to come back year after year and seek funding from the levels of government. I don't like doing this. This is not fun. But what we wanted to create was a tribute to the city's diverse citizenry. That's our brand. That's Canada's brand and that's Toronto's brand. We want to attract tourism and residents and we want to be able to monetize the development rights on the property. That residential tower that you see there represents \$15 million to us, and that's the city's in-kind contribution to this project.

So what are we creating? We're creating the first new tourist attraction in Toronto since the CN Tower in 1975. It's sad, but it's been 1975 since we've had a new attraction.

What is CityCentre? I have a limited amount of time, so I can't go into a lot of detail on what it is, but I'm going to give you the high level. CityCentre is a unique grouping of attractions that will be a highly entertaining journey through the history of civilization using the prism of the arts, the most non-controversial that one can use, to demonstrate that although the various cultures of the world—232 of them in Toronto—enjoy distinct differences, they also have important similarities and, more importantly, how one culture influences another culture through the history of time, because we are, ladies and gentleman, at the end of the day all connected to each other whether we like it or not or know it or not. What we're doing here is bringing forward a fun and educational way of showing to the world how our cultures each contribute to society.

There are various different components in here, which, again, if I have more time, I'll go into. But one of the things I do want to tell you is that Peter Herrndorf, who's the chair of the broadcast museum foundation, wants to participate in this venture as well and be part of our build.

So basically, it's going to be a dynamic, interactive, high-tech portal where the arts, multiculturalism and education meet together to create a unique venue dedicated to promoting social cohesion. There is no other venue, not only in Toronto but in Canada, dedicated to the promotion of social cohesion.

If you look at how we actually got to this point—I'm not going to go through all of these slides here, but this has been reverse-engineered. By looking at the various priorities of the government as stated in numerous reports, we see, on page 5 of the deck, that the first of the Ontario government's priorities talk about making sure that you build something in the proper location, that it's an authentic experience—of course, multiculturalism in Canada is everything authentic—and that it's unique. I can tell you that I've travelled all over the world looking for other facilities like this to see if we have competition; there are none. This would be the first and the only facility that would be doing this.

In addition to the Ontario issues, we have the Toronto Tourism assessment study. When you look on page 6 of the deck, it goes through the various things that a new tourist attraction in the city needs: showcase Toronto's indigenous assets to differentiate us from other cities—done; build something exciting for both residents and tourists—done; emphasize culture and the performing arts—done; focus on what the priority tourism and cultural attractions should include. What should they include? A performing arts venue. We have it, the largest in the country. Toronto's showcase, that's what this will be, and an interactive showcase.

If you look at the next slide, we talk about the fact that in the official plan we need to focus on diversity of cultural expression. That's what we're doing. In the next, the city council's strategic plan, we want to promote arts, culture, entertainment and education by promoting the city's downtown. That's what we're doing, and we're

located in the downtown. Very importantly, from the plan of action to eliminate racism and discrimination, we need to combat racism. We need to enfranchise the disenfranchised of our country. We're wonderful at bringing people in but not necessarily quite as good at making them feel part of the city in which they live.

I can tell you that we've had a few concerts at the theatre, one Ukrainian, one Iranian and one Trinidadian, and the theatre was filled with people from those ethno-racial cultures. I had tears in my eyes because at the end of the concert, people came up to me and said, "Now I feel like we have been validated." They feel that they have been invited to a historic centre and that we're finally paying attention to their culture. That's what this is about. This, ladies and gentlemen, is a holistic approach to city building.

What are we talking about? The entire investment here, total billed, is \$75 million. The city has given us in-kind investment of \$15 million by the density on the property. We have found a developer that is interested and we have signed a draft term sheet that's going to be going before council in April. He is paying us \$15 million. Look at the investment here. We're looking at five tranches of \$15 million: the city investment, and we're looking for a provincial and a federal investment of the same amount; the naming rights will bring in \$15 million; we already have \$5 million in the bank, so we already have \$20 million of the entire amount, and we need to raise \$10 million privately. This is, considerably speaking, a small investment of \$3 million over a five-year period, starting from 2005 going to 2009, when we plan on opening in May 2009.

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If you turn to page 9 of the deck, there's lots of information here that's done by Tourism Toronto in connection with the economic impact of this facility. But the most important thing is the very bottom of that slide. The bottom of that slide shows that in one year alone we generate \$28.7 million in provincial taxes—\$28.7 million in one year.

So, ladies and gentlemen, I believe that this is an investment opportunity for the province to be engaged in city building in a way that is ecumenical, that deals with all constituencies in the city and, frankly, throughout Canada. This is a project, by the way, that can be started and completed quickly—as I said, in 2009—and will act as a bridge to the waterfront when that eventually gets built. We are at the centre of Front and Yonge Streets, which is the centre of town, bridging the downtown to the waterfront.

Now I'd like to tell you—although I can't tell you the name—that we have a world-class architect who just signed on to build, to design this building. I can't tell you the name because we're announcing it next week. But when you hear the name, I guarantee you will know who this person is. I would say he's probably one of the top two or three architects in the world. I can tell you, when I met with him before Christmas to talk to him about this project, these are the words he said to me: "This is the

most exciting project I have ever seen. It will transform Toronto, and it needs to be done now because of the world that we live in. We need some place that we can promote social cohesion.”

We’ve also hired the best consultants in the world, who all, by the way, happen to be in Toronto. I won’t go through the list, but it’s an amazing group of consultants that build these kinds of structures, and they all believe, because of its uniqueness and the way it’s been designed to operate as a real business that generates positive cash flow at very reasonable levels of attendance, that this is a self-sustaining operation. It’s an initial investment of \$15 million over five years, with a return that far surpasses that.

I’ll take questions. Thank you.

The Chair: Thank you very much for your presentation. In this rotation, it’ll go to the NDP.

Mr Prue: Thank you very much. It’s an exciting idea. This has been floated around for a number of years. The \$15 million—you’ve said it a couple of times, but it’s \$3 million a year. Have you had any discussions, prior to today, with ministers or with the bureaucrats at Queen’s Park?

Mr Brambilla: Yes, I have. But during the change of administration, of course, some of that took a backseat for a while, so now I’m getting back into it.

Mr Prue: Have you had any commitment from any of them?

Mr Brambilla: No, no commitment yet. These are the early days.

Mr Prue: All right. So you’re asking us to kick-start that commitment.

Mr Brambilla: Absolutely, sir, yes.

Mr Prue: I went down to the naming rights. This causes me a little bit of a problem, because I was on the Hummingbird board when we sold the naming rights to turn it from O’Keefe into Hummingbird, and there was a lot of conflict over that. People thought that O’Keefe should retain that right because they paid a lot of money in the beginning. Now you’re going to name it for somebody else. I think the \$5 million that was taken from Hummingbird—can you do this? Can you rename it again for another \$15 million?

Mr Brambilla: I’m happy to respond. First of all, we never got the full \$5 million. Mr Sorkin stopped funding. So there has been a—

Mr Prue: So then it’s a void contract. OK, got it. That’s fair enough. I was not aware. I’ve been out for three years now, and I didn’t realize that he’d stopped funding it. When I saw that I thought, “Oh my God, you can’t do that. You’re going to be sued 15 ways.” But now you’re not.

Mr Brambilla: Correct.

Mr Prue: You talked about the shows that are being put on in the Iranian community and the Trinidadian community. How much of the theatre is blacked out these days? Any at all? I wouldn’t imagine, because you still have the opera and the ballet there. If you don’t get to do this, you would probably lose about half of the theatre

time. It would just be blacked out. There’d be nothing to fill it.

Mr Brambilla: That’s a good question. Right now, we program about 80 non-opera and ballet dates throughout the year. When the opera and ballet go, of course, we’ll have a lot of inventory of time. However, the theatre business is a risk business, and you can lose a lot of money very quickly, as you know, having been on the board. So we anticipate that we can raise the production level from 80 performances to about 140 relatively safely and the rest of the time would be used, hopefully, for other activities. But never can we get to a break-even situation without adding ancillary businesses. That was the point of crafting this: to create ancillary businesses that would, in the first instance, actually subsidize the loss of the theatre and then, secondly, generate sufficient cash flow to be able to contribute to future life cycle changes in the building and to set aside an endowment fund as well.

Mr Prue: There must have been a sea change since I left city hall, because I know Mayor Lastman was hoping this could become a new bus depot. He had all the interest in the arts that you can imagine.

Mr Brambilla: The quick history of that is that I joined the Hummingbird two and a half years ago, and during that time I spoke to all the councillors at city hall, including the mayor, and convinced them. Mayor Lastman voted for this and Mayor Miller is very much in favour of it. In fact, I’ve made two presentations and various reports I’ve done to council, and I’ve received unanimous approval from council each time. We are now going to council again in April to show them the terms of the development agreement that we’ve crafted and the final business report prepared by PricewaterhouseCoopers that shows that the numbers are accurate.

Mr Prue: So all you’re seeking from this committee is for us to tell Mr Sorbara that \$3 million a year for five years is something that Toronto needs, that the multi-cultural community needs, that will not be wasted and that will make us into a shining beacon for tourism?

Mr Brambilla: I assure you, sir, that’s correct, and I will make sure that the payback is, as Tourism Toronto said it would be, on the annual tax revenue base.

Mr Prue: I think we ought not to forget Minister Bradley as well.

Mr Brambilla: Yes.

Mr Prue: OK. Those would be my questions.

The Chair: Thank you for your presentation this afternoon.

Mr Brambilla: Thank you very much for your time.

ELEMENTARY TEACHERS’ FEDERATION OF ONTARIO, LIMESTONE LOCAL

The Chair: I would call on the Elementary Teachers’ Federation of Ontario, Limestone, to come forward, please. Good afternoon. You have 10 minutes for your presentation. There may be up to five minutes of ques-

tioning after that. I would ask you to identify yourselves for the purposes of Hansard.

Mr Mike Lumb: My name is Mike Lumb. I'm the president of the elementary teachers in Limestone. This is my first vice-president, Debbie Wells. We're going to share our time, so I'm going to invite Deb to go first.

Ms Deb Wells: We'd like to thank you, first of all, for the opportunity to speak to you and also to thank this government for the steps already taken to bolster our education system. Support for rural schools and smaller classes in primary grades is greatly appreciated.

We're speaking on behalf of a strong, vibrant and world-class public education system—but it's in trouble. Many schools are overcrowded, in need of repair and staffed with the absolute minimum number of adults. We have no teacher-librarians and we have no specialist teachers. That means that our students don't receive instrumental music, family studies, industrial arts, fine arts or drama. Students with learning disabilities have been falling through the cracks for years. This is where 10 years of chronic underfunding takes us. One third of teachers entering the profession leave within the first five years. They don't continue.

We want to highlight some specific recommendations for you. We're reading from this; I don't think you want either of us to not read, because once we get going, we tend to keep going.

The first issue is planning time. Elementary teachers in this board, the Limestone board, have 150 minutes of planning time each week. We contact parents, we prepare lessons, we mark student work, we organize those marks, we file, we display student work—because elementary teachers have to do bulletin boards and things—and we prepare report cards three times a year. That's just a small example of what we do. Elementary teachers are expected to do a lot of their job on their own time. We need more planning time. We actually had a fair bit more before amalgamation, and we need more.

The next issue is specialist teachers. If a teacher has some special skills—for example, in music—that teacher's class can benefit from that, but there's no program overall for all students to access. In this board, musical instruments and tools for industrial arts were sold. We have teachers with the skills, but they're in classrooms with 23 to 33 students and they're teaching everything: math, language arts, social studies, science, phys ed, computer skills. We have in this board resource centres where boxes of books actually sit for months unopened because there is nobody with the time to unpack them or to properly shelve them. It's our contention that to have a complete education, our students should have specialist teachers. They should teach subjects that they're experts in, and the students need to have the opportunity to learn music, to experience industrial arts and to participate in drama productions.

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If we're serious now about improving literacy skills for our youth, each school needs a teacher-librarian. As an added bonus, specialist teachers in the schools would

also help in providing planning time for teachers and they would help with the supervisory time that teachers have right now. We don't have enough teachers in the schools.

The next issue is professional development. Teachers take their profession very seriously. We work consistently to improve our knowledge and skills. We pay out of our own pockets for courses and conferences and we do it mostly on our own time, although our board, like all others, provides training for new teachers and for new curriculum initiatives that they undertake or that the government undertakes. We need more professional development days. We need time to talk to each other. We need time to plan as a school staff and to complete student assessments. We have four PA days now. We used to have nine. We need nine days.

The last issue that I'm going to speak to is special education, and the bottom line here is that we are not meeting student needs. We have IPRC and IEP. They are meetings where we program for individual students. These programs are mapped out, the parents sign these forms, they're happy with the plans, and then we can't follow through on them. We don't have the teachers, we don't have the resources. In our board, there are no full-time vice-principals; they're all student support teachers as well as being vice-principals. They're responsible for delivering programs to students who are identified with learning exceptionalities. But in a school you have crises, you have paperwork crunches, and school boards have meetings. The programming for our students with special needs ends up getting bumped. This happens over and over again. The funding for special ed is insufficient and the whole process to actually access that funding is too slow. There is a terrible need in our schools right now for more attention and resources for special education because, without it, we are failing some of our children.

Mr Lumb: I'm going to talk to you about the rural schools. In the Limestone district—not limited to just our district, but that's what I'm going to speak to you about—our schools in the rural areas face an increased hardship as a result of the funding formula. Some of the schools, such as the rural schools—and we also have island schools, like those on Wolfe Island and Amherst Island—have lower class sizes, but this puts them at risk of being closed because those class sizes are so small. As a result, the school may be closed and the children and the community could lose their school.

We are pleased that the government did put a moratorium on school closures, but that money needs to remain in place, and on a long-term basis, to keep these schools open. It's not an option for us to have children riding on school buses for two hours every day. You put a kindergarten kid on a bus because you close their community school and the kid is going off for an hour in the morning and an hour back at night because the nearest school has been closed and they have to go that much farther down the road. That's just not acceptable for our kindergarten student.

Transportation: Our board is part of a three-district partnership in transportation of students. We're Lime-

stone District School Board. We also have a partnership with the Hastings and Prince Edward District School Board and the Algonquin and Lakeshore Catholic District School Board. The partnership was undertaken a number of years ago to become more efficient and share resources, school bus routes and buses themselves, in the transportation of students. Although we have an efficient system, it's perhaps too lean and creates a problem as a result. For example, many buses do double runs and, therefore, we must pick students up at earlier times to accommodate the second run. As a result, we have elementary students arriving at school prior to any supervision being in place. When I say that, who's doing the supervision? Teachers are, on their own time because they would never see a student not taken care of. But they take it out of their own time. They go out early, but now they can't plan before school because they're out there supervising. Teachers are supervising students until late in the day, again because of double runs. We have weather and mitigating circumstances where a kid forgot something and has to go back, and it delays everything. So the people on the second run have to supervise later and later. Again, teachers take that from their own time because they would never see a student not served.

Elementary teachers are also directly affected by these issues in the way of a longer workday via huge amounts of supervision. That's why right now part of the issues in our bargaining across the province is supervision caps. We have to put a cap on it somewhere. We can't keep doing more and more. It's affecting people's lives and their health.

School facilities: During the previous government's time in office, schools' maintenance and renewal were basically ignored. Monies were taken out of other areas to a certain degree to pay for the maintenance and upkeep of schools that were already in need of major repair. In short, we've been putting Band-Aids on Band-Aids for years. The Limestone district has a number of old schools that are desperately in need of major renovation. We also have schools that, as a result of lower class size in the rural areas, end up with large class sizes in their buildings, because you have to have a 24.5:1 ratio in the aggregate.

The issue becomes that of space, or lack thereof. There is no space in some buildings for teachers to meet with students in small groups or provide one-on-one support. This needs to be addressed with more funding so that children are in a safe and appropriate environment to learn and attain the education that they need, deserve and want.

Energy: Price fluctuations in energy from hydro, petroleum, electricity etc are another example of costs that are going up and affecting school boards, and everyone else, I know. I bought gas here last week at 69 cents a litre; that afternoon it was 81 cents a litre. The great fluctuations in these prices are having a negative effect on school board budgets, which ultimately affects the classroom via programming, both in human and material resources. Those things need to get fixed, so they have to draw from other areas.

Just to sum up, we came here today to advocate for quality public education in Ontario. Based on the reasons we have mentioned, but not limited to them, we believe there is a need for more money in the public education system. We understand that it can't all be done within the four-year time frame of this government's mandate or tenure, so we are hoping for some bold moves from this government, because every study ever done in any country shows that long-term investment in young children pays off. We need to give them a good education because they're the ones who are going to be running the government, our hospitals and everything else when we're all retired—envying the teachers.

That's our submission. I'll be happy to take questions and answer them to the best of my ability.

The Chair: The questioning will go to the government in this round. Mr Colle has indicated he has a question.

Mr Colle: Thank you for the presentation. As my colleague from across the way says, how much more money? What you've brought to light is in contrast to—we had the presentation just before this. I guess that's the beauty of this committee; they're asking for \$3 million in the next five years to enhance Toronto's tourism capacity, and you put it into the Hummingbird Centre. Another choice is, you put it into the schools. We know the infrastructure needs updating in our schools all across Ontario. Those are the choices. Hopefully we can help make the minister, in his wisdom, come up with the right investment. I think a lot of us probably already have decided where we would put our money.

The question I have is: I'm just wondering, at what point do we start to come up with some new, innovative ideas? I think we all agree there's never going to be enough money. None of us around here probably debates everything you put across. I would think we need to put money in all those areas. In fact, last year the Limestone board got another \$8 million above. I know that doesn't make up for all the cutbacks in the past.

I'm just thinking if we could at one point get leaders in education, whether it be the elementary school teachers' association or others, to start to come up with ways of maybe looking at this a bit differently. We're still going to have to put money into it, there's no doubt about it. Money is going to have to go. But how do we reinvest in public education in a way that gets us out of this spiral? We see that no matter what we do, whatever government is there, we always end up in this spiral where we're not really meeting the needs of our children, whether it be rural or special ed.

Is this just wishful thinking, maybe trying to get some other track going besides the usual dollars and cents, bottom line stuff, and how we can maybe try and find some ways in a way that we're really sharing ideas and implementing new things, maybe trying some pilot projects? You guys are on the ground floor. You know what works and what's wasted or what should be done. So I'm just wondering if you can mull that over a bit in your response.

1350

Mr Lumb: I think we're doing that right here and now. This is really strange for me to be here today, because over the last eight years nobody has talked to us. Your government is talking to us. There is conversation here today, which is great. There is conversation I know going on between our provincial folks and your government, and that's all positive in our minds. We're certainly willing to work with a government that is willing to work with us. Your government is doing that and we applaud you for that.

I think there are ways. I think you're right; we need to look at new ways of doing things. There isn't a money tree or an endless stream of money and we need to be efficient with our dollars. We're certainly willing to look at ways to do those things. But that always starts by communication, and this is an example of that. So I think if we keep doing that, in time we'll find ways to do that. But we are playing a bit of catch-up because of the previous government.

Mr Colle: There's no doubt about that.

Mr Lumb: Your government has started the money flowing and we really appreciate that. We're looking to try and get back those things that Dr Rozanski had put in his report. We understand that we're not the only issue in Ontario, but we want to make a stronger Ontario and we believe one of the strong ways to do that is by having well-educated individuals, children who become productive members of society in this great province of ours.

Ms Wells: Could I add to that? Is the time up?

The Chair: We've got about 30 seconds.

Ms Wells: We are trying some interesting things here with new information technology. We have piloted in this board some ways of making things work in terms of literacy and numeracy. Honestly, it's a little weird that our teachers go to these things, they do this stuff, they say what they think, and then it actually gets turfed sometimes if it doesn't work, or it's expanded upon. So we're willing to try things out. If there's a better way, let's find it.

The Chair: Thank you for your presentation this afternoon.

LENNOX AND ADDINGTON ADDICTION SERVICES

The Chair: I call on the Lennox and Addington Addiction Services to come forward, please. Good afternoon. You have 10 minutes for your presentation and there may be up to five minutes of questioning after that. I would ask you to state your name for the purposes of our recording Hansard. You may begin.

Mr Stafford Murphy: My name is Stafford Murphy. I'm the executive director of Lennox and Addington Addiction Services. We're a small agency that serves Lennox and Addington county, which is to the west of here.

I have to apologize; I don't have any written submissions to hand out at this time. However, I will for-

ward something on in the next couple of days when I have a chance to review everything a little bit more thoroughly.

I'd like to thank you for the opportunity to present here. As the previous speakers were saying, this is the first time for me as well. It's unusual, presenting in this forum, but it's an opportunity that I wanted to take because the addictions field has been classically underfunded in the last 10 years. There hasn't really been any increase in the base funding, and the treatment field is really struggling. I wanted to just address some of the issues that my agency faces; not only my agency but the agencies in southeastern Ontario and a lot of the agencies across the province. We're all in the same boat.

My agency is very fortunate in that we currently don't have a waiting list. That's uncommon, because most agencies do. We have people who are coming to us all the way from Oshawa for an assessment and a referral simply because the waiting list is two or three months. We have people coming from Lanark county, from Kingston, that sort of thing, because they're not able to get service. We don't have a waiting list but we aren't serving all the people we could serve. In setting the course, several populations were outlined—youth, women, seniors and people with disabilities—as populations that weren't being served. We know that we're not serving those populations as well as we could. We know, for example we could have full-time workers in our local high schools and they would be very busy. Seniors aren't represented in our clientele; they're a small statistical blip on our client stats.

We don't have the resources to do the outreach, to make connections with those populations as much as we would like. We just don't have the staff to handle it if we were suddenly to receive an influx of clients, of youth, seniors or whatever. We're really an overtaxed agency in an overtaxed field.

One of the reasons we don't have a waiting list is that we do receive funding from Ontario Works as part of the addiction services initiative. I just wanted to tip my hat to that program. I think it's a very good program. Certainly, for the model that we have in Prince Edward-L and A, I have positive feedback. We also have some funding from the local school board to do some prevention work. The problem is, that money isn't annualized for us. We're not able to offer staff stability, the security of a job. We aren't able to plan for years on end because we don't know; that money might not be there the following year.

As an agency, we don't have a waiting list, but we're not doing any sorts of really adequate prevention, health promotion or early intervention work, and that's something so important that we should be doing but we're not.

The current government is really focused on integration, and we would like to do that. As an agency, locally, because it's such a small town in a small area, we do have a good working relationship with probation, child welfare, Ontario Works and all the local agencies, but it could be better. But we just don't have the time, energy and resources to develop that. We don't have the time,

energy and resources to handle any more new referrals. There are other organizations that we would like to better integrate our programs with: local hospitals, the police, for example—but once again, just not having the resources to develop and foster those relationships.

We don't have a waiting list, but because we don't, we have sacrificed other things: clinical supervision time, program review, counsellor self-care, things like that. Counsellors are completely focused on the client, trying to make sure that we're seeing people as promptly as possible, but we're not doing the things we really should be doing for a quality service and for the best interests of our clients.

We don't have a waiting list but there are certainly waiting lists for our clients for specialized residential treatment programs. Specifically, I'm referring to clients who have concurrent disorder problems, co-occurring mental health and addiction issues. There isn't a residential program in Ontario accepting those clients right now that isn't private and doesn't have a long waiting list. That's so not only for concurrent disorders but also eating disorders, childhood trauma and things like that. For a lot of the specialized programs—Bellwood and Homewood—we can't afford to get our clients in there, and there are not a lot of other options. It's an example of a two-tiered health care system that currently exists, but nobody really talks about it.

One of the other issues that I wanted to mention was the issue of housing, where we have individuals, our clients, who are trying to make lifestyle changes, but they aren't able to find accommodation that is conducive to the recovery that they're trying to engage in. So because they don't have any other option, they're forced to live in buildings where drug use is rampant or to return to situations that really aren't very positive for them. That's a real issue for a lot of our clients.

With regard to the human resources issues, besides requiring more staff, the staff that we have are terribly underfunded, especially relative to mental health agencies. A lot of agencies are running into problems where their staff are leaving the addictions field for the mental health agencies, so we're not able to attract the qualified, experienced staff that we would ideally like to have. Once we do get them, we're not always able to keep them because they're leaving our agencies and going to work in mental health fields or in the hospital or corrections, where they can make 20% to 25% more. Most of my staff—or, I would say, all of my staff—aren't in it for the money, but at a certain point, especially if they're the sole provider for their family, they're making the choice to leave the addictions field and going into those other areas, so it really has an impact on the quality of care that we're able to provide.

1400

A lot of agencies are making the decision now to cut back on FTEs so that they can pay a fair salary. That means that if they're funded for 10 positions, they're going to cut down to eight but raise everybody's salary. That ultimately means waiting lists. You're going to have

fewer counsellors, more pressure on the counsellors that you do have and longer waiting lists for the clients. So it's a real dilemma.

Overall, I'm not looking for a set amount; I'm not looking for anything specific to my agency. I would just like to present the idea that the addictions field is in trouble, that we are out there. I think one of the reasons why we're either forgotten or ignored is the stigma related to addiction. There is less sympathy or less empathy for individuals who are dealing with substance abuse or gambling problems than there is for somebody who might have a mental illness. I think that's reflected in a lot of the attitudes that people have, that society has in general. Until that stigma is dealt with, I think we're always going to be the black sheep of the health care system.

As far as an investment—

The Chair: I want to remind you that you have about a minute left in your presentation.

Mr Murphy: OK, that's fine. As far as an investment—and I know that has been a theme—the 1999 Provincial Auditor's report estimated that for every dollar spent on addiction treatment, the province would save \$5.60 elsewhere. Our clients are involved in the criminal justice system, they're involved with hospitals, they're involved with children's aid and other areas, and it's really an investment that needs to be made. I just want to try and get it on people's maps and on the radar screen.

Thank you for your time.

The Chair: Thank you for the presentation. I just wanted to mention, before we go to questions from the official opposition, that if you provide any additional information to the clerk, he will ensure that everyone on the committee gets a copy.

Mr Murphy: Thank you.

The Chair: With that said, we'll go to the official opposition.

Mr Jerry J. Ouellette (Oshawa): Thank you for your presentation. What form of addictions do you deal with mostly?

Mr Murphy: Most of our clients have problems with alcohol and drugs. We are funded for one problem-gambling counsellor. We have very few problem-gambling clients at this point. With the casino in Gananogue, we've noticed a gradual increase. Research has shown that usually it takes about two years before you start feeling the full effect. But the majority of our clients are alcohol- and drug-related clients.

Mr Ouellette: You mentioned on numerous occasions the fact that you have no waiting list, which to me either indicates that you're doing your job very effectively or that there are a number of other agencies competing or performing the same service in the community. You mentioned a large number of other organizations. Are these similar organizations performing similar functions?

Mr Murphy: We're the only agency that would be performing addiction counselling in Lennox and Addington county. There are a couple of reasons why we don't have a waiting list. One is, we are dedicated to not having

one and we've sacrificed on other things so that we are seeing clients. I made reference to that as far as planning, supervision and things like that, which we should be doing.

We're funded by the addiction services initiative for a 0.6 FTE. If we didn't have that FTE, we would likely have a waiting list of probably at least a month.

Mr Ouellette: You mentioned that you're receiving clients from as far away as Oshawa. I would think that you'd be aware that the Pinewood Centre in Oshawa is currently under reconstruction. Once that's fully operational, I would imagine they'll be drawing clients from this area, because of the increase in size in the addiction centre that has taken place there. That would mean a reduction in the number of people expected to come into your area. How do you expect to handle it, then, if there are going to be decreases in the number of people coming in, such as the ones you're receiving from Oshawa, and those areas will be going to the new Pinewood Centre?

Mr Murphy: The clients that we're receiving from Oshawa only make up a small proportion of the clients we have.

Mr Ouellette: But I would imagine the capture area, once Pinewood is fully operational—

Mr Murphy: But I don't anticipate—between Pinewood and ourselves there's an addiction agency that serves Trenton and Belleville. I know that we would likely lose the clients who are coming down from Oshawa for the assessments, but that total in a year might only be about 20 clients. The point is, I guess, that they are coming down, driving the hour and a half or two hours for the assessment and then getting a referral on to residential programs.

Mr Ouellette: I believe Mr O'Toole has a question as well.

Mr O'Toole: We've read much in the mainstream media recently—the Globe and the CBC—on problem gambling and its addictive features. As you know, there's a certain amount of money set aside from the revenue side of casinos to address problem gambling. I probably tend to support that more resources should be in that area, even though you may not be seeing it now. I'd like to be on record as saying that I realize that even the decriminalization of marijuana is just one more potential risk or poor signal to the people or the clients that you're dealing with. There needs to be much more done.

If you were to ask the government for one sort of recognition—and they are the government. They are here, they are listening, and this is the opportunity to say how best to integrate the resources provisions, because these people generally would have, as a result of their problem, other associated risks in their lives. Those could be problems with their family or it could be that children would create problems. How could they integrate the service delivery better for more efficiency as well as integration of service delivery?

Mr Murphy: Problem gambling—

Mr O'Toole: Not just for gambling; I'm talking the whole addiction—

Mr Murphy: The whole addictions field? With regard to funding, one idea that has been floated around and that has been advocated by Addictions Ontario is the idea of a tax of, I think, 1.25 cents per every ounce of alcohol that's sold, sort of a similar model to that used with problem gambling, where a percentage of the revenue generated by alcohol sales is funnelled back into addictions treatment, so you have a—

Mr O'Toole: Formula.

Mr Murphy: Yes, you have sort of a formula. With the problem gambling clients as well, there's a formula that, once you reach a threshold of so many clients who have a gambling problem, then the government funds an extra FTE. There's a specific formula for that. With the addictions field there isn't that, and that would be a nice opportunity as well.

Certainly, I think the people in the addictions field—right now, we're given money to deal specifically with problem gambling, and it would be nice if we were just funded to deal with all the addiction issues. Really, I think most programs would say that their problem gambling program is very well funded compared to their addiction program, and so it's sort of the poor sister, because it is in the media so much and the government's getting the revenues from it.

Those are some ideas. I know taxing alcohol sales and having a link between alcohol sales and the revenue that addiction treatment agencies get is one idea that has been floated out there.

The Chair: Thank you for your presentation this afternoon.

1410

ONTARIO CORN PRODUCERS' ASSOCIATION

The Chair: I call on the Ontario Corn Producers' Association to come forward, please. Good afternoon. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard.

Mr Don Kenny: Thanks. I'm Don Kenny, and I'm a director with the Ontario Corn Producers' Association. I have the privilege of farming in the newly formed city of Ottawa. I've been a director on the Ontario Corn Producers' Association for about 10 years.

Mr Lloyd Crowe: Good afternoon, everyone. Again, I thank you for this opportunity. My name is Lloyd Crowe, and I also farm, actually about an hour from here in the Belleville-Prince Edward County area. We're just glad to be here. I've also been a director for 10 years with the corn producers.

Mr Kenny: I'll go through your brief kind of briefly. We have two areas that we want to bring to your attention today: The first one is the safety net file and the other is ethanol.

Ontario grain and oilseed producers generate \$2 billion in farm gate receipts annually and are plagued by

prices artificially depressed for years on end by the negative impact of the US agricultural subsidies. We had a program that offset that somewhat—that being the market revenue program—and it was terminated in December of last year. We definitely need a replacement program for that.

The WTO court recently ruled in favour of a Brazilian complaint against US subsidies. The WTO found that the US loan deficiency payments and the counter-cyclical program payments caused significant price suppression and serious prejudice, resulting in loss of market share and loss of investment. The same is true in Ontario. For example, corn acreage has been declining since the turn of the century, while corn acreage has expanded in both the US and Quebec.

Another US study found that US subsidy programs permit US soybeans, corn and wheat to be exported at anywhere from 24% to 48% below their cost of production, thus depressing prices in the receiving country.

I'll skip down to the next one: Agriculture and Agri-Food Canada's own research states that at least 29% of the decline in prices for Canadian grains and oilseeds between 1995 and 2000 was caused by these foreign subsidies. That represents an artificial depression of income costing Canadian grain and oilseed producers about \$1.3 billion annually, of which about \$454 million is out of the pockets of the Ontario producers. And we think those numbers are a bit low.

For this coming year, prices have once again plummeted for Ontario corn, soybeans and wheat, with current prices being offered for delivery this fall far below the cost of production. Just on that note, who would really lend producers some money to put in a crop when you can't forward contract it for higher than what your cost to produce this crop is? I just want you to think carefully about that. What's our industry going to look like if I can't, as a producer, go out and buy my input costs to put seed in the ground and, before I even put in the ground, I can't sell that crop for more than what it costs me to grow it? This has really come to a head this year, because these prices right now at this time are lower than I have seen in the 25 years I've been producing corn, soybeans and wheat.

Government assistance is essential to stave off this meltdown. If I were farming down south or just to the east of me, if I were a producer in the United States, I would have already received \$126.55 an acre from Uncle Sam over there. If I were farming in Quebec, I would have received about \$130 an acre. With the market revenue program that was just announced—and as of yet, I don't know the final figures that we will receive, but working out the numbers the way we think they will be, we will get about \$26 an acre. So we're just asking to help level this playing field.

The CAIS program just isn't working for grains and oilseeds. It's incapable of offsetting the long-term artificial depression of grains and oilseeds income because it merely stabilizes production margin at an average of the five years. The market revenue program was the best

program we had in helping to offset the artificially depressed prices that we'd been receiving.

So adequate funding is essential for a market revenue program, but we are advised that no new funding is available. Moreover, Ontario-government-imposed criteria make the design of a replacement program virtually impossible. The criteria: no new funding, cannot be triggered by price decline, cannot be commodity-specific and it must be national. It is important to note that none of these criteria applies to either US support programs or programs offered to Quebec producers. It is also important to note that corn is imported into Ontario from both the US and Quebec.

In Alberta, they offer a revenue assurance program that could be reworked to serve the needs of Ontario grains and oilseeds producers, but the Alberta government funds its program itself without federal assistance. A similar program in Ontario would currently cost perhaps \$300 million.

I'll turn it over to Lloyd to brief you on ethanol.

Mr Crowe: Thank you, Don. First, let me say a big thank you for the government's ongoing commitment to ethanol. This is really a bright spot in the rural community to see this happening.

Interjection.

Mr Crowe: Pardon me?

The Chair: Order. Continue on.

Mr Crowe: Sorry. If you could follow along, I'm going to try and be as quick as I can, because I really would like to have some questions and some interaction.

I want you to note what the Premier, Mr McGuinty, said on September 27: "It means at least five ethanol plants, it means at least \$500 million in investment, and it means 3,000 direct and indirect jobs. This is a huge boost to rural Ontario. You make ethanol from corn, so we are going to be asking Ontario farmers to grow a lot more corn"—underline "Ontario farmers grow a lot more corn"—"so we can put that stuff in our cars and clean up the air."

If we move down a bit more to this renewable fuel standard—and I'm sure you're all aware of how that works—down to the next part here, where it's underlined in black, "we already import more ethanol from the US than we produce.... Without more production in Ontario, refiners and retailers will simply import more ethanol from the US and Brazil. That is not what Mr McGuinty promised," nor, do I believe, does he want nor do we as corn producers want.

Premier McGuinty promised, again, that we'd be using more Ontario corn. So we have put forth a plan and, personally, I think this is a good idea and I don't see anything wrong with it. I just think that it's going to work for every one of us here and Ontario generally.

The OCPA's plan provides assistance directly to new ethanol production based on the purchase of source-verified Ontario corn, thus maximizing the benefit to rural Ontario. Government assistance for the new Ontario-based ethanol production, of course, is capped at

this \$8 million per year. So the program terminates in four years.

I'm just going to run down the \$1.5 million in improved corn prices that studies project, the \$50 million in new corn-buying, the \$1 a litre in total economic benefit and the \$150 million in total rural economic benefit annually. Then there's the incentive plan. It's quite easy to understand how it works once you've read it through.

In closing, I want to say that I can't apologize for the passion that I'm showing here today, because my future, my livelihood, is from corn, and also soybeans and wheat. I'm excited to see these plants come. We need one, especially from Toronto, where there isn't any. We can definitely supply these plants, but we want it to be Ontario corn and an incentive for that to happen.

I thank you for your time and I look forward to your questions.

1420

Mr Colle: I've never seen anyone so passionate about corn in my life, so go for it.

Mr Crowe: I was born that way.

The Chair: This round of questioning will go to the NDP.

Mr Prue: The first question is about the need for corn on a worldwide basis. It's used for many purposes. It's used for fuel, it's used for cattle feed and people eat it. You can do lots of things with corn. But is there not an oversupply, especially coming from the United States and some other places, which is depressing the price, as well as the fact that they're being subsidized?

Mr Kenny: The new bioeconomy in the United States is really changing that. I'm just not a real figures guy, but I've heard that within two years the United States will not be producing more corn than they're using themselves. So the bioeconomy, the way the ethanol plants are being built in the United States, is changing those figures.

Mr Prue: All right. So up until now there has been a glut, but because of ethanol, we're going to need this in Ontario?

Mr Kenny: Yes.

Mr Prue: Do you not see that that's going to change your ability to get loans and get monies for your corn without subsidy, or are you still going to need subsidy as well?

Mr Kenny: We need subsidies to help get our plants built and we need those jobs in rural Ontario. All we're asking of this government is to help us get the plants built. What better way to help rural Ontario than have these plants here in Ontario?

Mr Prue: I see the need for the plants. But you've also said at the end of the first full page, OCPA's farm income safety net briefing points, that the United States gives approximately \$100 more per acre in subsidy and Quebec gives \$105 per acre more than Ontario. Are you looking for this government to subsidize an additional \$100 per acre? That's what I'm not clear on.

Mr Crowe: As farmers, the last thing we want is to have to rely on any government assistance. But when the prices are so low, that's the beauty of the market revenue

program that we had. We also contributed to that a third—and a third provincial and a third federal. It would build up for the years when prices were OK and stabilized, but then for years like this year we were able to draw from it. Now the governments are saying that that is not going to happen any more. We have to fend for ourselves.

Mr Prue: This government here has done that, I would assume? Within the last year, you've said.

Mr Crowe: Yes. It says in here that there will be no new funding.

Mr Prue: I just want to ask about this campaign promise. I take it that it was a campaign promise: September 27, 2003. This was in the heat of the election. He wants you to grow all the corn you can—this is Mr McGuinty—so he can put that stuff in our cars and clean up our air. How much have you heard since then?

Mr Kenny: We've heard the renewable fuels standard, whereby in 2007 we'll have 5% of our gasoline containing ethanol. But we are quite concerned that we haven't heard the incentive package to come along with that.

Mr Prue: Well, that's it. It's easy to just import it from Brazil or the United States and put it in the gas.

Mr Kenny: That's our main goal as the Ontario Corn Producers' Association: to help get these plants built right here in Ontario.

Mr Prue: I would take it that it would make much more sense to build the plants close to where the grain is produced rather than to build them in Toronto or someplace that's far away. There are trucking costs, transportation and the cost of the lands. Has there been any discussion with the government, with your local communities, about building these ethanol plants in rural Ontario, which would also provide jobs? I think it's essential that it not be built in the industrial areas. Have you had any discussions with the government on this?

Mr Kenny: Yes, and the plants that are in the works—there's one in Sarnia, there's one in Seaway Valley and there's one in Brantford. These are strategically placed so that they'll meet the needs.

Mr Colle: What about Chatham?

Mr Kenny: Chatham is already producing 120—

Mr Colle: The Chairman has one in his backyard.

Mr Kenny: Yes.

Mr Prue: In a nutshell, so I can wrap up and know what you're asking for, it doesn't appear to me that you're asking for a subsidy, but you would like the old program back. It appears that you're happy to have these ethanol plants built. I don't know what you're asking of the finance committee. That's why I'm asking these questions. You're not looking for a subsidy or money or extra funds in this budget. You're just simply asking that we build the ethanol plants as requested, and that's it.

Mr Kenny: No. Our corn incentive program—if you go through there, the numbers are there for what we're asking from the government to help put that incentive in place. A dollar per bushel is what we're asking.

Mr Prue: You're looking for a dollar a bushel in the short term, and then let it go.

Interjections.

Mr Prue: Then I'm still not understanding. I'm sorry. Maybe, in the 10 minutes you couldn't explain it very well.

Mr Crowe: But if you follow it after we leave here, it's even easy for my small brain to figure out. It's just a make-sense proposition that will help curb this other corn from outside Ontario's borders into our area.

Mr Kenny: As far as the market revenue program, I've explained how that has been a good program, but it's ending. Under the criteria to design a new program, if we don't have new money put into that program—in those figures, I compared what producers in the United States and Quebec get. We want the same commitment from this government. We need a new program. Those figures that I gave you—if the market revenue program was to pay me out the way it should pay me out this year, it would take about \$280 million, and there's only \$84 million in the old pot left to come out to us.

Mr Prue: That's the kind of thing I needed. So what you're looking for here is about \$196 million from the province in this year.

Mr Kenny: Those are the figures, yes.

The Chair: Thank you for your presentation this afternoon.

Mr Ouellette: On a point of order, Mr Chair: I have a question for finance on this issue. Ethanol is something that I have a passion about and have done quite a bit of research on. My understanding is that the ethanol component found within gas is not taxed at this time. However, there's an unwritten rule within the Ministry of Finance that these new fuels, as they come on, are only tax exempt for five years. Is the tax exemption going to continue on? Are there any incentives potentially coming forward for new vehicles, such as General Motors introduced, which will be able to determine whether it's an ethanol blend, an E85 or what the blend is in order to accommodate new fuels as they come on? Could you find that out for us?

Mr Colle: Listen, I'll be more than happy to get those detailed answers to that, just to make sure we've got the right information. I'm more than happy to provide that, because I'm interested myself to see what we're doing.

Mrs Mitchell: On a point of order, Mr Chair: I guess I just wanted to add—as Ministry of Agriculture, I'll throw it on the table—that there are some discussions ongoing with the commodity groups as to what should happen with that taxation received on the gasoline.

Mr O'Toole: On a point of order, Mr Chair: I'm very privileged to come from the riding of Durham. Dale Mountjoy and I will be attending the district 4 meeting next Thursday. I'm very supportive of your initiative with respect to the CAIS program. It doesn't work for the field crop group as much as others because of depressed prices over the longer period, the five-year averaging—

The Chair: It's not a point of order; it's a point of information.

Thank you for your presentation.

KINGSTON CONSTRUCTION
ASSOCIATION

The Chair: I call on the Kingston Construction Association to please come forward. Good afternoon, sir. You have 10 minutes for your presentation. There could be up to five minutes for questioning. I'd ask you to identify yourself for the purposes of our recording Hansard.

Mr Dan Corcoran: Thank you. My name is Dan Corcoran and I'm a past president of the Kingston Construction Association. I want to thank you for allowing the Kingston Construction Association to make a presentation to the committee.

Our association is comprised of over 340 member firms and organizations involved in all facets of the industrial, commercial, institutional and heavy civil sectors of the construction industry. Together, we provide over 6,000 jobs in this community.

First and foremost, we wish to compliment the provincial government on some very important initiatives they have taken that will benefit both our industry and all Ontarians. Thank you to the Honourable Mary Anne Chambers, Minister of Training, Colleges, and Universities, for implementing the refundable tax credit for employers of apprentices in construction. This program, which will fund up to \$5,000 per year over three years for every eligible apprentice, is a very important start to encouraging more young people to enter our industry and to reimbursing employers for the training costs incurred to create a skilled labour force that will ensure the province's future prosperity.

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Thank you to the Honourable David Caplan and his staff at the public infrastructure renewal ministry. Although the projects are just beginning to be firmed up, the planning process in place is something Ontario has long needed.

Infrastructure spending is not an expense, it's an investment. Every \$1 million of infrastructure expenditure creates around 15 jobs and stimulates \$3 million in additional spending. There are economic and environmental benefits to lowered congestion, and health and safety benefits from safer highways and cleaner water and air. When the construction industry prospers, all Ontarians benefit from improved health and prosperity.

We do have some suggestions for improvement to the provincial economy. There must be a coordinated campaign against the underground economy. The Council of Ontario Construction Associations, commonly known as COCA, and the Ontario Construction Secretariat estimate that the government of Ontario is losing hundreds of millions of dollars per year from the construction industry alone. Contractors who obey the law are at a distinct disadvantage to those who flout the law, and that is not fair. The underground economy is responsible for unfairly high WSIB rates because law-abiding, rule-following contractors are paying the whole shot, and those WSIB rates are a factor when companies are thinking of investing in Ontario.

Many construction firms pay more in WSIB premiums than they do in income tax. WSIB premiums are a payroll tax that is levied even if the year is unprofitable. We argue that the government should focus as hard on bringing fairness to the WSIB system as it does in bringing fairness to the income tax system. Taking firm measures to bring the underground economy to heel is one of the single greatest steps the government can take.

Renewal of infrastructure is crucial to the economic health of this province and to providing opportunity for all communities to share in this prosperity that sound infrastructure enables. It is important that as the government implements infrastructure programs such implementation keeps in mind all areas of the province, not just the greater Toronto area. For example, a sharing of the gas tax with municipalities that concentrates inordinately on public transit may work most efficiently for the GTA, but a one-size-fits-all solution will hurt several of the poorer rural communities.

In this region, consider the case of Central Frontenac township. When provincial Highway 38 north of Kingston was downloaded to the municipalities a few years ago, Central Frontenac township was provided \$3 million to handle future maintenance needs. Central Frontenac immediately commissioned Archibald Peterson engineers to study the condition of Highway 38 that was within the municipality. Archibald Peterson determined that at the time of downloading \$7 million was required to upgrade the highway to the provincial government's own acceptable standards. The township spent the \$3 million granted to rebuild the 10 worst kilometres. They still have a shortfall of \$4 million. This need has since been verified by another consulting firm. The township's total municipal budget for a year is \$4 million, for everything: emergency services, road maintenance, snowplowing, their share of social services, recreation, waste management etc. In fact, Central Frontenac township's entire road construction budget is only \$300,000 per year. If the township shut down its entire operation for a year and laid off all staff, they could fix this one road, or, if they do no work on any other road for 13 years, they could fix this road out of their current budget, probably just in time to start fixing it again.

A sharing of the gas tax that concentrates on urban transit ignores the needs of some of our poorest municipalities and citizens to the benefit of some of our richest municipalities and citizens. Some allowance for the number of kilometres of road in each municipality relative to the tax base of that municipality should be considered.

Kingston, one of Ontario's oldest municipalities with some of Ontario's oldest infrastructure, has massive needs that are practically impossible to fund on our relatively small local tax base. The rural municipalities to the north of us have been hit even harder by provincial downloading and spending cutbacks. Now that the province is prepared to share a portion of the gas tax, and as it prepares other infrastructure measures in its next budget, we ask that the government remember all the

municipalities in Ontario, not just those located close to Queen's Park.

The Chair: Thank you. This round of questioning will go to the government.

Mr Wilkinson: Thanks for coming today, Dan. We appreciate that, and we will definitely pass along your thanks to Minister Chambers and Minister Caplan.

In a larger sense, in regard to apprenticeship training, if we're able to secure the labour market agreement with our federal colleagues in Ottawa, I think that's going to go a long way to help. We've really identified training of apprentices—skilled labour—as just a tremendous impediment to the future growth of Ontario. We need to tackle that.

It's interesting, because the ministry is the Ministry of Training, Colleges and Universities, and I think that sends out a signal. I know for Minister Chambers, who comes as a former vice-president of Scotiabank, it's just been an eye-opening experience. Your group has been working with her to help her understand—where she comes from a university background—just how very important that is. So I think we're hopeful that we're going to have some good news on that.

As someone who's a new member, the construction secretariat, your group, and also the labour side, are coming together and giving all governments solid advice about what works.

Speaking about WSIB, I know I've had some discussions with Minister Bentley about how to get at this underground economy and just how really unfair it is. I was wondering if you could comment about the situation where companies that are not playing fair will have a job site that will be paying some WSIB premium, but not for everybody. Of course, somebody gets sick and they'll say, "Oh, that's the guy who got hurt. He's covered." Could you give us your opinion about a good, practical way to get around that, suggestions about going to a card system, that type of thing?

Mr Corcoran: My first thought was a card system, which has been talked about, this credit card identification card that will identify that there are WSIB premiums being remitted on your behalf by the employer. It also provides the opportunity for safety training that's required to work on job sites, that you've received that. So you can swipe the card and there would be some confirmation that you have had the necessary training, which of course is the employer's responsibility. The spinoff to that is the immediate effect it has on health and safety costs, for instance.

Mr Wilkinson: Exactly. And of course if you had that, all of those people would be paying income tax, right? I mean, you couldn't be one or the other.

Mr Corcoran: That's exactly correct.

Mr Wilkinson: So if we know who you are, then you're paying your fair—that gets the WSIB premiums down. It gets the income tax revenue up, which is where it should be, so it's fair.

You've given us a great example about the previous downloading that central Frontenac had to deal with.

Talk about getting a pig in a poke. It was three million bucks, but it's actually a \$7-million liability, which is shocking. We've heard that everywhere. That's why Minister Caplan has looked at that whole issue of what really is the infrastructure deficit. They'd save something like \$100 billion over the next 10 years.

The other thing I wanted to get your opinion on, just getting back to the training, is that a lot of us have been talking to the colleges in our ridings and also to construction. There seem to be some impediments in how the rules are set up about how many trained skilled labourers you have that you require for apprenticeship. It seems to be a real kind of roadblock there. We've got companies that want to get people into apprenticeship, but there seems to be a block there. We have the young people who want to get their papers and we have companies that want to hire them, but that whole process of the number of apprentices to the skilled person—could you give us some background on that and perhaps a suggestion on how to fix that?

Mr Corcoran: Our company is non-union, so we have the luxury of being able to decide who and what we hire. Organized companies typically have more—from what I understand, that's where most of the restrictions are. Unfortunately, the apprentice program is a great idea if the employer's motivation for hiring the apprentice is genuine, in that they need to increase the skilled labour that's available. That's great. If the motivation for hiring the apprentice is that they save a few dollars an hour, then of course that's the wrong motivation.

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I'm not sure exactly what the ratio is because, again, we're not organized in that respect, but I think it's old-school thinking. I think your comment earlier about the organized and the unorganized labour and the company's involvement in trying to get the common message to the government is a sign that there is more communication going on. In Kingston, I know the discussion with union and non-union companies didn't happen 10 years ago like it does now. Now we go into a room and we're not throwing things across the room at each other, so that conversation is a good thing.

The Chair: Thank you for your presentation. Also, on behalf of the committee, I want to thank you for appearing an hour and 15 minutes sooner than you were required to. We appreciate your assistance.

ONTARIO PUBLIC SCHOOL BOARDS' ASSOCIATION

The Chair: I call on the Ontario Public School Boards' Association to please come forward. Good afternoon. You have 10 minutes for your presentation. There may be up to five minutes of questions following that. I would ask you to identify yourselves for the purposes of Hansard, and the gentleman behind us will control the microphones for you. You may begin.

Ms Joan Hodge: Good afternoon. My name is Joan Hodge. I'm first vice-president of the Ontario Public

School Boards' Association. With me I have John McKnight. He's a finance consultant with the Ontario Public School Boards' Association. We appreciate the opportunity to participate in the annual pre-budget consultations. I will speed-speak. I have a lot to say and I want to get through it all. It's all very important.

The Ontario Public School Boards' Association represents the educational interests of more than 1.3 million elementary and secondary students from all regions of the province, or two thirds of the student population in Ontario's publicly funded schools. OPSBA's membership includes all of Ontario's public district school boards and most of the public school authorities as well. The combined budgets of our membership make up two thirds of the province's total expenditure in education.

The Ontario Public School Boards' Association shares the provincial government's goals of high quality educational programs and high student achievement. Improvement in both of these areas will be fostered by providing adequate resources to school boards. Coupled with the adequate resources, reliable multi-year funding will enable school boards to engage in effective long-term planning and will ensure increased flexibility in meeting student needs.

OPSBA has been advocating for many years that the provincial education funding policy must respond to four essential principles: equity, adequacy, autonomy/flexibility and accountability. We commend the government for the funding allocated to school boards in the current year, which has been helpful to school boards in meeting some of their financial responsibilities. Further investments are required, however, in order to address the fiscal challenges ahead for Ontario's school systems.

The current funding model is not an end unto itself. The ultimate goal for school boards and for the government is to support student achievement. OPSBA believes that there continue to be flaws and anomalies within the funding model which reduce its effectiveness in meeting student needs.

OPSBA believes that the stability and transparency of the formula-driven funding model is compromised unless there is a mechanism for a regular review of the benchmarks which drive the formulae, both the costs and the factors. In the last two grant releases, the province committed to creating a consultative process that would result in annual benchmark adjustments based upon cost indicators defined and established by the provincial government. Such an initiative is crucial. The ability of any board to maintain its existing programs and services to students, year over year, and to maintain their quality, is directly related to keeping benchmark factors and benchmark costs current. An effective mechanism for benchmark updates will allow the province and the public to set expectations that keep pace with boards' fiscal realities.

OPSBA believes that the need for this process is at a critical stage if the funding model is to continue to be an effective tool. In the report of the Education Equality Task Force, Dr Mordechai Rozanski stated, "The funding

model is an instrument for achieving the policy goal of continuous improvement in student learning and achievement, and if we want to ensure that a high level of achievement is sustained, the formula needs to be reviewed and updated on a regular basis. Only in this way will it continue to be an effective tool.”

The implications of the failure of the funding model to keep pace with costs are profound. Inadequate funding in the core areas of the school system causes boards to draw on resources generated in other parts of the formula, if available. This in effect alters the formula factors in unintended ways, rendering the whole exercise of formula-based funding pointless.

Salaries and benefits are the key area of the funding formula that is impacted by outdated benchmarks. The provincial announcement for 2004-05 of a 2% wage increase, applied to the funding model benchmarks, will only result in approximately a 1.8% wage increase when the generated funds are applied to a board's actual salary grid. The funding gap in salaries and benefits continues to grow and is as high as 10% in some boards. Costs associated with benefits, both statutory and non-statutory, are soaring well above the 2% funding increase for 2004-05, further inflating this gap. Boards no longer are willing to further deplete programs in order to meet these cost increases.

It is becoming increasingly important for the government to acknowledge and recognize these impacts and to take steps to help boards deliver the intended programs. We are aware of the challenges of addressing this gap in a way that allows boards to replace the staff, programs and services which have already been lost. However, we are concerned that the salary expectations continue to be set in full knowledge that there is not sufficient funding for boards to meet that expectation.

Transportation: A continuing priority for school boards is the need to implement a new funding model for school transportation services. The end result of any appropriate funding model must be the provision of adequate resources which allow all boards to deliver a basic level of service to their students that is fair and equitable across the province.

OPSBA continues to have serious reservations about the fairness of the latest provincial position on transportation funding, known as scenario G. The proposed formula is very complex and does not provide a correlation between the need for common transportation services and the funding provided. Of specific note is the new concept of “ceiling” and “floor” introduced in scenario G. OPSBA does not support the inclusion of any built-in ceiling or floor in the model. If the components of the formula are appropriate, fair and equitable in design, and provide appropriate funding to deliver the necessary services in all parts of the province, then no such prop is necessary. If the prop is seen to be warranted, then OPSBA suggests that there is a weakness in the formula itself.

Again, a benchmark review mechanism would be beneficial in this funding category, as it would regularly

assess the financial situation. The 2% increase in 2004-05 did not nearly match the inflationary costs of transportation.

Declining enrolment: The declining enrolment grant was introduced three years ago in response to the new era of declining enrolment in a majority of school boards. The premise of the grant was to provide support for the fixed costs of boards and to bridge expenditure reductions in the short term. Fixed costs include school administration, library, guidance, school operations and facility renewal costs. The problem was compounded when the Ministry of Education announced a voluntary moratorium on school closures. Unless school boards can close or consolidate schools, there is little, if any, ability to achieve permanent, ongoing reduction in fixed costs.

As school boards continue to work with the declining enrolment grant formula, it is apparent that it has two serious shortcomings. First, the formula provides for a base level of enrolment decline that does not trigger any declining grant support. This concept must be reconsidered. Boards still face the loss of operating grants for fixed costs and require time to find ways to offset these reductions other than through further staff and program reductions. Secondly, the formula is not linear, meaning that the grant per pupil does not grow in proportion to the declining number of students.

OPSBA recommends that the declining enrolment grant decrease of 50% be waived for the 2004-05 grants to coincide with the closures moratorium, and that any further enrolment decline experienced in 2005-06 be eligible for an additional adjustment. We further recommend that a review of the impact of declining enrolment on the funding model be undertaken immediately to re-examine the shortcomings noted above and to make the grant more responsive to the actual experience of most boards.

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OPSBA asserts that a special-education funding process must recognize a direct relationship between identified student needs and the funding provided. OPSBA submitted a proposal to the Ministry of Education on special-education funding and will continue to work with the Ministry of Education to develop a new process that addresses and maintains that relationship. Any new special-education grant must continue to recognize the diversity of needs among the boards. It should be fair and equitable in the allocation of available resources and should place minimal administrative demands on both board and ministry staff.

The Vice-Chair (Mr Phil McNeely): Ms Hodge, you have about 30 seconds.

Ms Hodge: OK, then I will not complete the whole document but I will cover off.

In closing, OPSBA is pleased that the provincial government continues to work with the association to realize improvements in education funding. OPSBA pledges its continued co-operation and support for all initiatives that strengthen equity and ensure adequacy in the funding of public education.

I do thank you. I know the presentation was long. I can usually speak faster.

The Vice-Chair: The five minutes for questions will be from the opposition.

Mr O'Toole: Thank you very much, Chair. It's good to see a new Chair there as well. Mr Hoy has not had a break for a week.

Thank you very much for your presentation. We've had a number of presentations from school boards. Many people here, including myself, have served as school trustees on the provincial boards for years. Certainly the current government is blessed with the strength of Donna Cansfield and Liz Sandals, who are on their benches now, and some would say even Kathleen Wynne, but perhaps she should speak to Michael Prue about that. She might be in the wrong party.

I do hear what you're saying. In fact, in my time they always talked about equity in public education. I guess when the NDP had the Royal Commission on Learning, which was an extremely valuable benchmark report—I think you're probably very familiar with it—it recommended most of the things that the Conservative government did. You probably realize that. The equity issue is really where you're coming from as a provincial board. That has had some negative impacts on the larger boards, like Ottawa and Toronto, which are assessment-rich. As you know, it's a very complex issue. I just want you to comment on the equity issue.

When we came up with the equity and distribution model, where the province actually sets the tax rate on the residential side—you're aware of that?

Ms Hodge: Yes.

Mr O'Toole: It's uniform across the province. But on the commercial side it isn't uniform. The tax rate on commercial-industrial properties is not uniform. It is set by the province but it is done on kind of a regionalized formula. There have been deputations that have suggested they could increase the tax rate, which would be their choice to make. It's a tax by any other name. You could call it a premium; there is that chance.

I recognize as well—I'm kind of giving an update—that we are interested in this. My wife and other members of my family are teachers. We've had five children who have been well served by the public education system. The equity is something I very much support. Carol Mitchell certainly would too, because she represents a rural area where they had no assessment base and no money. It's the traditional problem.

The province has issued—and our challenge here is the very element of what you're talking about. The equity within the funding formula was begun by us under consultations. It was then reviewed by Rozanski, which was a commitment by us, and our commitment was to implement Rozanski. They did as well, but they have not flowed the Rozanski money.

The first initial change, addressing the incremental cost, the annualized inflation pressures, was certainly—have you had any response to that portion of the overall formula being indexed in any way? That's the key to this

thing. Whether it's inequitable can be developed across the province, but if there isn't some formula for indexation—because 75% of your budget is wages and benefits. That's the deal here. The signal in the budget is that they are not going to give any more money. I think the 1.8% will be the increase and otherwise there will be a strike.

The Vice-Chair: There are 30 seconds left for the question.

Mr O'Toole: Thank you. I appreciate your just responding. I do respect what you do.

Ms Hodge: Thank you. I'm going to pass that to John McKnight to respond.

Mr John McKnight: As I understand it, you're basically saying that—I've lost my train of thought.

Mr Colle: He said a lot of things.

Mr McKnight: I know he did.

Mr O'Toole: I'm talking about the indexation of the funding formula, the indexation issue of especially the—

The Vice-Chair: Thank you. I think that's all the time we have on questions. Thank you very much for the presentation.

NATIONAL CANCER LEADERSHIP FORUM

The Vice-Chair: The next presenter will be the National Cancer Leadership Forum. Thank you for coming today. You have 10 minutes to make your presentation. There will be five minutes for questions afterwards. To start, please state your name for the purposes of recording Hansard.

Ms Pat Kelly: My name is Pat Kelly and I'm the program director for the National Cancer Leadership Forum. With me today is Dr Anne Smith, who heads up the oncology program here at Queen's University and is the vice-president of cancer services for the Kingston area.

You must have the wisdom of Solomon to be making decisions from corn to construction to classrooms and now cancer.

Interjections.

Ms Kelly: All for the government of Ontario. I want to acknowledge the challenge you're facing today, but our challenge is to make the case for cancer control in Ontario and I really appreciate the opportunity to present to the committee.

We're a national organization, and the National Cancer Leadership Forum is here today because there is a leadership role for Ontario in cancer control in this country.

I represent a coalition that includes doctors, nurses, patients, cancer professionals, survivors and advocates. We're unified now in a compelling effort to accelerate radical change in the way that Canada responds to cancer. Together we possess thousands of years of fighting cancer and fighting for Canadians who are living with this disease. Our goal is to address Canada's response at the provincial level through the implementation of the

Canadian Strategy for Cancer Control at the provincial level.

In Canada, every year 145,000 people learn they have cancer and another 68,000 citizens die of this disease. It affects everyone in our society, and in the year 2000 it was estimated that an unimaginable 950,000 early years of life were lost to our economy, to our country, to our community and to our families.

The economic burden that cancer places on our economy is already pegged at \$14 billion a year and it will soar over the next two decades as the incidence for the disease rises and our health care systems become swamped. Over the next six years, 400,000 citizens will die of cancer and it will become the leading killer of Canadians. The net effect, warns the National Cancer Institute of Canada, is that the weight of the burden it will place on this country's economy and medical systems will be enough to crush our already stretched health care system.

In Ontario, cancer is the second leading cause of death, and more than 25,000 Ontario citizens die of this disease every year. This equals 70 deaths a day, or one death every 20 minutes. Two out of three Ontario households have been affected by the disease. Some 85% of new cancer cases occur in people over the age of 50, and although most of this committee may get off the hook on that one, you need to know it's the major cause of death in people under the age of 40 as well.

Ontario currently spends approximately \$2 billion a year on cancer services, and the indirect costs, including loss of productivity, are estimated at \$5 billion.

But we're not alone in this struggle. The case for a national cancer control strategy states that without a plan, the future looks even more bleak. More Canadians will develop cancer, more will die of the disease and more will suffer through the course of their illness. Despite increased funding, which continues to be allocated to non-integrated approaches, this scenario however is not inevitable. If we're to change the future, we need to act now.

1500

The Ontario cancer plan is a plan for action, an innovative, progressive, transformative call for action that was presented in late 2004 to Ontario's Minister of Health and Long-Term Care, the Honourable George Smitherman. The Ontario cancer plan provides actionable advice to government and sets the stage for rapid decision-making and implementation. The Ontario plan outlines six priorities for action: to broaden the development and use of provincial standards and guidelines to ensure quality of care no matter where we live in the province; to implement regional cancer programs and services; to close the gap by reducing demand for services and increasing our capacity to treat patients; to implement rapid access strategies that reduce waiting times; to invest in performance measurement and accountability so that we can report to the public on progress made; and to advance the coordination and focus of research.

The case for action in Ontario is urgent. Too many cancer patients today experience a fragmented system of care with major gaps between diagnosis, support, palliation, health information and access. Cancer services are not sufficiently coordinated at the regional level. Waiting times for cancer surgery, radiation, systemic therapy and diagnostic services are far longer than recommended by experts, and have been for years. Existing facilities are not able to support projected increases. The lack of reliable, timely and standardized data makes planning, management and monitoring of the system difficult. There are few provincial standards and performance indicators, and variation in quality exists across regions, across organizations and even across practitioners.

Implementing the Ontario cancer plan means (1) improved outcomes, (2) reduced waiting times, and, more importantly than all, (3) increased public confidence that the system will be there when we need it and that it will be the right system.

However, I think the greatest challenge facing the cancer plan is leadership. Leadership at the federal level is needed to bring the Canadian strategy for cancer control to life. All levels of government across Canada must provide immediate leadership and funding. To ensure the success of a national strategy, the federal and provincial governments must introduce a coordinated and targeted approach to cancer care, they must develop systems to support knowledge sharing, and they must find ways to ensure that the best approaches to prevention and treatment are equitably employed across Canada. In fact, we do have plans, especially here in Ontario.

The federal cost for implementing the Canadian strategy for cancer control over a five-year period will be approximately \$100 million annually, including \$50 million for the Canadian cancer research alliance. The cost, of course, of not implementing a national plan to control cancer in Canada is unimaginable.

The provincial cost requires an investment that's broken down into three distinct categories: volume, transformational and capital investment. These funds are in addition to those that the province is currently expending, which are, as I said, in the order of approximately \$2 billion a year. Volume investments are those that are required to address projected growth in cancer screening and treatment. The transformational investment targets a number of strategic investments such as regional cancer services and rapid access strategies. Finally, capital investments are to ensure new treatment facilities and new equipment are there when needed.

The cost of the volume investments during the period of 2005 to 2008 will be approximately \$281 million, the transformational investment is approximately \$275 million for that period, and the capital investments are in the range of \$276 million. As I said, this increase in cancer spending will be required whether we plan for it or whether we don't. But being fiscally innovative here means applying what we know now in Ontario. It wasn't so long ago that Ontario was referring cancer patients to

the US border cities for treatment. If we are to ensure this doesn't happen again, we must meet the current and future challenges that affect our system. We must do that by acting now.

The government of Ontario has set out an ambitious agenda to transform the health sector: improving access by reducing waiting times, improving efficiencies, integration, and greater public accountability for public funds. As a component of the larger system, the plan for cancer incorporates what we know about where health care is going in this province and remains completely aligned with government initiatives. This plan includes responsible targeted investments for increased volume of treatment, improved waiting times, improved transformation initiatives and investment.

The Vice-Chair: You now have about 30 seconds.

Ms Kelly: It's important to note here that the Ontario cancer plan is the first of its kind in Canada, and the government of Ontario has an opportunity to be a champion at the national level. As the co-chair of the federal-provincial-territorial ministers' meetings, Ontario will help focus all ministers' decisions on implementing the Canadian strategy. We have a plan in Ontario. It's time for this government to make a firm and unshakeable commitment to cancer leadership. Nothing else will do.

The Vice-Chair: Thank you for your presentation, Ms Kelly. We now have five minutes for the third party, the NDP.

Mr Prue: Just so I get a firm handle on the numbers, you talked about \$281 million for volume, \$275 million for transformation, \$276 million for capital. That's per year?

Ms Kelly: No.

Mr Prue: That's over the five years?

Dr Smith: That's over the three-year period, and it's incremental on the base we have now. The volume investments: If you recognize that there will be 165,000 new cases over the next three years, this will be a continuing increase. The transformation investment: Some is one-time funding and others ongoing. The capital investment is mostly one-time funding.

Mr Prue: This makes it complex, then. I'm just trying to figure out how much you're looking for in this particular budget. The reason I'm asking that is that the finance minister has stated there will be no tax increases and he has stated that the total amount expended next year will be approximately \$500 million more than what is being expended this year. That's for everything. So I need to know exactly what you're looking for in this particular budget so we can mull it around and we can advocate on your behalf. Now, I don't agree with him not raising the taxes and I think we need a lot more stuff done, but that's what he said.

Dr Smith: Adding it up, it's approximately \$180 million over this next year.

Mr Prue: You said that we're spending \$2 billion now—

Ms Kelly: We spend approximately \$2 billion a year on cancer care in Ontario.

Mr Prue: So this would be \$2.18 billion?

Dr Smith: Correct.

Mr Prue: So that's not really too untoward; it's a bit of an increase.

Have you received any commitment from the minister to do this kind of thing or from Mr Sorbara that he would put these amounts of money forward?

Ms Kelly: I believe when the minister received the report from Cancer Care Ontario he did in fact make a strong commitment to recognizing the need for incremental services in cancer control. He did not respond with an amount, as yet.

Mr Prue: So that's what you're hoping this committee will do?

Ms Kelly: That's the right thing for this committee to do.

Mr Prue: OK. The federal government: How much leadership have they shown to date?

Ms Kelly: You've got a leadership gap there for sure. As we said, the Canadian Strategy for Cancer Control was developed and presented to the federal government in 2002. It's three years later, there have been 200,000 deaths from cancer in this country, and we have not acted on a single recommendation in the national cancer plan.

Mr Prue: And how realistic is it for Ontario to do its part if the federal government doesn't do its part as well?

Ms Kelly: Cancer care in Ontario, I believe, has a very strong opportunity. The fact that we have a plan—this is just the executive summary. Nothing else like this exists across the country. This shows how we implement a plan at the provincial level. Our Minister of Health now has an opportunity among his colleagues at the FPT level to say it's time for a working group to strike how we're going to deal with it. Because whether we deal with it or not, the fact is, without a plan those people are going to get cancer over the next 10 years. In fact, most of them already have cancer; we just don't know who they are. They're going to be diagnosed and they're going to need care. We can do it in an ad hoc way, the way we've been doing it, or we can do it in a planned way, and we'll lead not only Canada, we'll lead the world.

Dr Smith: This does more, does it differently, and it does it right. It's actually planned. Three thousand individuals became part of this planning process. It has been well coordinated, and I think it will lead to improved access, improved wait times and it will in fact be much more efficient than the fragmented way we do it now. As I said before, it will cost us anyway, because when patients come through the door with cancer, they need to be treated.

Ms Kelly: We represent, by the way, over 30 of the major cancer groups in this country, including the Canadian Association of Medical Oncologists, nurses in oncology, the Cancer Society, the National Cancer Institute, and prostate, ovarian and breast cancer. It's the first time a coalition of fragmented cancer groups has come together.

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Over the past year, we'd been working together on a communications and government relations plan and

developing our own community. What you need to know as well is that next week—we feel so strongly about this—you'll see full-page ads in the Globe and Mail about what we know about cancer and what you need to know about cancer and how we have to take control of this.

The Vice-Chair: Thank you very much for the presentation.

Mr Colle: I hope you'll mention the federal gap there.

Ms Kelly: Every opportunity I get. Thank you kindly.

ONTARIO ASSOCIATION OF CHILDREN'S AID SOCIETIES

The Vice-Chair: The next presenters are the Ontario Association of Children's Aid Societies. Thank you very much for coming before this committee. You have 10 minutes to speak. There will be five minutes for questions afterwards. Please state your name for the purpose of recording Hansard.

Mr Dennis Nolan: My name is Dennis Nolan. I'm the past president of the Children's Aid Society of Ottawa and currently the vice-president of the Association of Children's Aid Societies in Ontario.

We're grateful for the opportunity to be here. On my right is Jeanette Lewis. Jeanette is the executive director of our association. We represent 52 agencies from across Ontario, and we're grateful, as I said, for the opportunity to present.

Children's aid societies in Ontario provide an essential service and are legislated to perform certain functions under the provisions of section 15 of the Child and Family Services Act. This section of the CFSA mandates children's aid societies to investigate allegations that children are in need of protection, to protect children, to provide services for protecting children and for the prevention of circumstances requiring the protection of children.

Ontario's children's aid societies are facing enormous funding pressures during the current fiscal year 2004-05. Agencies are very concerned about their capacity to continue to deliver mandatory services, the ones I just mentioned, for the delivery of child welfare.

Our current expectations are that we will need to spend \$1.165 billion, and this is approximately \$80 million in excess of what the current estimated funding will be. On page 1 of our document—if you'd look at the bottom paragraph, you'll see that figure. It says there "\$1.65 billion;" it should say "\$1.165 billion." Leaving out that "1" is a mistake of about half a billion dollars, and I wouldn't want to leave that with you. The proof-reading team missed it last night, the proofreading team being guess who?

We have a good partnership with the minister and the ministry and the minister's staff. All of those people are very well aware of the situation that our various agencies are in. They're very well aware of the impact that missing \$80 million will have on both the agencies and the children. We're here, I guess, to say that we can't let

that happen, because the safety of children is at risk. These children depend on these services being available.

As you well know, the children who are served by the children's aid societies are the responsibility of the government and, devolved to our agencies, we jointly need to do something to address this problem. We need adequate funding to support the mandate, and it really needs to be provided this year and in the future.

I'll invite Jeanette now to go through the demand for services and some of the problems that we're experiencing.

Ms Jeanette Lewis: Thank you, Dennis. I would ask the committee to look at the graphs on pages 2 and 3 of our brief. These graphs outline the demands that have been experienced, and you'll look at the lines. They're going ever upward, although there does appear to be some levelling out in the last couple of years. It's our understanding that the forecasting unit of the Ministry of Children and Youth Services is expecting that this will continue. Nonetheless, the total number of children in care in Ontario at the end of March of last year was just over 19,000, and we estimate that it will be a very similar number this year. As the numbers of served go up, so do the costs. You're quite familiar with that.

On page 4 we have a graph that outlines the net expenditures and the allocations for societies in the past few years. I want to note here that the gap between the entitlement or the allocation under the funding framework and the level of expenditure related to the service delivery has grown over this time from 1.7% to about 7%, so it's a gap that's widening. This is something that governments have responded to with mitigation funding, but it does take a great deal of effort on everybody's part to be continually applying Band-Aids. We would much rather see an arrangement that gives some positive way of planning both for government and for children's aid societies in terms of being able to sustain the mandate and also sustain the commitment in terms of funding, because we know this has been a pressure point in the provincial governments.

We're very supportive of the establishment of the Child Welfare Secretariat. Minister Bountrogianni announced the secretariat last spring. One of my colleagues, Bruce Rivers, heads the secretariat. We believe that this secretariat is very close to taking recommendations forward and generally, from the involvement that our association has had in the secretariat's work, we are supportive of the direction that is being proposed, as we understand it.

One important direction that is being proposed by the secretariat is a multi-year funding model. While this is something we look forward to, we're also very concerned that we're less than three months away from the beginning of a new fiscal year, and we're going to have to have some understanding of what that model might be and some planning time to be able to get all of our societies ready to move into a new era.

On page 6 we've outlined some of the efforts that our member societies have made in terms of cost containment. I want to note here that a recent review from the

Ministry of Children and Youth Services, the Child Welfare Evaluation Report, did note in its review of other jurisdictions throughout North America that there was no evidence to suggest that there's a more cost-effective way of delivering services than what we have in Ontario. Also, in terms of work that we're aware of, we have the second-lowest rate of children in care in Ontario. I think there has been some sense that Ontario has a very large number of children in care, but proportionally, in terms of the population of children, our rate is second only to Newfoundland in terms of one of the provinces that's not got a large number of children in care. But we have a large population of children, we have a large population in this province, and I think we're doing fairly well when you look at the numbers, then, in comparison.

Some of the reasons why our expenditures have increased, you're aware of: the changes in legislation in 2000 that provided for the Ontario risk assessment model and very standardized criteria that required investigations of certain cases. These are not optional investigations; these are investigations that are required by statute. Thus we've had many changes. The net result is that we believe we're doing a much better job of protecting children in this province and caring for children, but it is costing more money, and you're well aware of that.

We do look forward to a changed funding model. As I noted, we support the work of the secretariat but we hope that this new funding model will consider some of the major issues that have driven our costs. I think you're also familiar with these from past presentations that our association has made. The impact of inflation on salaries and benefits: The funding formula under which we work was established in 1997-98 and it's essentially had no substantive adjustment.

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The costs of serving children in care: We continue to have a dearth of foster homes and adoptive placements for children in Ontario. We need to place more emphasis on recruiting and retaining homes that can care for children. We also have a very expensive residential service model and one that we think does need review. We certainly would support a review of the residential system so that we're able to assure ourselves that appropriate standards of care are in place for children who are in group care.

You're aware that because of increasing numbers we have increased legal costs—children come into care by court order, not by the choice of a society—and basic things like paying for telephones and travel and those kinds of costs that we all experience in our own budgets.

I'd also note that we've not had a standardized system of information technology in children's aid societies. We have a little bit of a patchwork across the province. This makes it difficult for the province to collect data and also for us to have good methods of sharing information.

I'm going to stop there, because I know you're all capable of reading the report, and let Dennis provide some concluding remarks and then provide some time for questions.

Mr Nolan: Very quickly, the child welfare sector anticipates that the services demanded of CASs will continue to increase and that the unit costs will also increase, at the very least by the rate of inflation. So we would take the view that additional funding is required just on that basis. Additional funding is also required, as Jeanette outlined to you, just to manage the current level.

OACAS would like to thank you for the opportunity to present this paper and outline our concerns. As we indicated in the paper, we stand ready, and so do all of our members, to offer our commitment to working closely with the government, with the secretariat and with the minister. We are here in the interests of the children. We want to achieve the best outcomes for the children of Ontario who are our responsibility because, after all, they are all our kids.

The Chair: Thank you. The questioning in this round will go to the government.

Mr Wilkinson: First of all, on behalf of all of us here, all three parties, I want to thank you for the work that you do. I know you don't get to hear that very often from the people who send the cheques, but on behalf of all the kids, we appreciate what you're doing.

It's interesting with our government—the creation of the new ministry. It took some time for that to shake out. I know it took time but, on the other hand, to have someone at the cabinet table whose sole function is to advocate for children and youth is one of those innovative things that needed to be done so that that voice that was so often overlooked was heard.

What I'd like to ask you to comment on is a theme that has developed today about the questions of determinants of health and determinants of social justice. We're charged with the question of how money is to be spent this year, but also many people come to us about what we need to do, what investments we have to make to overcome structural problems that are resulting in that. We just heard from the cancer—we have this epidemic of cancer. We're finally getting around to banning public smoking, for example. If we'd done that 20 years ago, arguably the demand right now would not be nearly as great. The Sisters of Providence were here. Welfare rates were cut, and now we're paying the social costs of that inequity.

So what I'd like you to do is comment—it isn't part of your brief. We need to help you out right now, but what are the strategic things we can do as a government, in your opinion? The number one reason that a child, for example, is placed in care is what?

Ms Lewis: Can I just comment and reference some research that I'm sure you're aware of from London and the leadership that that society has taken, in terms of a review of cases over the last five years, in indicating in their work that some of the drivers are poverty, domestic violence, the history of having been in care, issues around neglect, issues around mental health, particularly mental health issues of the parents. So those are some of the structural kinds of drivers.

Then I think now to the current work of the secretariat and looking at our system, which has been, I think, focused very much on investigation: As I understand from the discussions I've had with Mr Rivers, the head of the secretariat, there's much more of a focus that wants to look at how we can strengthen families, how we can strengthen biological families to take care of their children and how we can also look at permanency models, including kinship, including strengthening our adoption system, including, for our aboriginal peoples, customary care models, and other models so that children can be cared for as much as possible within their own communities and within their own families.

At the same time, we do have to recognize that there will always be a core of children for whom the societies will need to be there. That's why we are very much supportive of a strengthened residential care system, a robust foster system in this province and, I think, a good emphasis on domestic adoptions.

The Chair: You have about a minute.

Mr Wilkinson: Yes, I'm just talking about—I guess I learned from doing this last year that as we see here, you know, for the want of a nail, the kingdom was lost.

With family responsibility, we have all these women who are caring for children as single mothers, or dead-beat parents who don't take responsibility and are not making these payments, which is a great source of poverty, particularly for children, putting them in situations that you and I would find just nightmarish. Of course, we have to go through the whole system to get those children to try to protect them.

So I guess my comments—I think it would help us if you were able to add this research that was done to your brief and share that with the committee. I think all of us would find that quite helpful.

Ms Lewis: I certainly would be very pleased to share that. London has been a leader. We will share that study. There's also a second study from London, which I'm aware of, that talks about the mental health issues of children in care. Mental health is a huge driver, and not only for the parents. Many children have been extremely traumatized and are demonstrating mental health issues as they come to our attention.

Mr Wilkinson: Great. Thank you.

The Chair: If you would provide any additional information to the clerk, he'll ensure that each member of the committee gets a copy.

Ms Lewis: We'll get his business card, and then we'll send it to him.

The Chair: Thank you very much.

Mr Wilkinson: Mr Chair, just following up on a comment that was made by our friend Mr Barrett yesterday—he asked a question about Drive Clean and applicable cars—I move that this committee recommend to the Ministry of the Environment and the Ministry of Transportation that low-emission, alternatively fuelled vehicles be exempted from the Drive Clean program.

The Chair: Would you provide that in writing to the table.

With that said, I want to thank the support staff for their fine work this week. This meeting is adjourned.

The committee adjourned at 1528.

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