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**Wednesday 12 January 2005**

**Journal  
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(Hansard)**

**Mercredi 12 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

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRS**

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

Wednesday 12 January 2005

Mercredi 12 janvier 2005

*The committee met at 0905 in Ottawa Marriott, Ottawa.*

**PRE-BUDGET CONSULTATIONS  
RIDEAU VALLEY  
CONSERVATION AUTHORITY**

**The Chair (Mr Hoy):** The standing committee on finance and economic affairs will now come to order. The committee is pleased to be in Ottawa this morning and for part of this afternoon to hear from the good folks of Ottawa and region. I would call on our first presenter, the Rideau Valley Conservation Authority, please.

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

**Mr Dell Hallett:** Thank you very much. We're very pleased to be here making a presentation to your committee this morning.

My name is Dell Hallett, and I'm the general manager of the Rideau Valley Conservation Authority. I'd also like to introduce our chairman, John Miller, who works as a beef farmer when he's not doing conservation authority business. He represents the municipality of Tay Valley, which is close to the town of Perth, up along Highway 7.

Our organization is a partnership of 18 municipalities. Our area of jurisdiction is the watershed of one of Canada's heritage rivers, the Rideau. The river connects communities from lake country up in Central Frontenac township, with farmlands between Smiths Falls and Kemptville, before it ends its travel in downtown Ottawa. It presents a unique blend of conservation challenges and opportunities, which our municipalities embrace to ensure that a clean, healthy and safe watershed will be enjoyed by future generations.

We are one of 36 conservation authorities across the province, and together we serve 90% of the population across Ontario. We're very proud to deliver practical solutions to natural resource problems on a watershed basis: the best and globally accepted approach to cost-effective water management.

We'd like to take the opportunity to acknowledge recent and, I think, significant investments made by the provincial government in watershed management. These

include \$12.5 million for conservation authorities to prepare for source protection planning, \$5 million of matching money to repair and replace aging flood and erosion control infrastructure, and the recognition that community conservation lands should be a part of the conservation land tax incentive program.

These investments are important to Ontarians and will help us safeguard drinking water supplies and public health; protect lives and property from flooding and erosion; and make it easier to conserve lands of natural significance. All of these are greatly appreciated and will have a real impact here in the Rideau Valley and help us achieve that clean, healthy and safe Rideau. All of this is in addition to the \$298 million to be invested in the Canada-Ontario municipal rural infrastructure fund.

Not many years ago, conservation authorities were a partnership not only between the municipalities and a watershed, which recognized the value of working together to solve watershed problems, but also the province, which recognized that one of the best ways to achieve benefit on matters of provincial interest was to support local people in solving these same problems. This provincial support was measured in terms of \$40 million to \$50 million of matching funding to conservation authorities for much of our watershed management work.

Today, the province contributes \$7.6 million of annual funding to conservation authorities through the Ministry of Natural Resources so that we may undertake provincially delegated responsibilities. These responsibilities include operation and maintenance of flood and erosion control structures, flood forecasting and warning operations, ice management, municipal plan input, technical studies, and administration. These are basic operations that any professional watershed management agency must engage in to address flood and erosion concerns.

The \$7.6 million shared by the 36 CAs was intended to be sufficient to undertake these programs of provincial interest on a 50-50 cost-sharing basis. This commitment is expressed in MNR policy and procedures documents for conservation authorities. In 2005, we're not close to the 50-50 cost share. There is an ongoing and significant shortfall in the provincial share of funding.

**0910**

The highest profile program in our area that is affected by this is the annual Rideau River ice management operations. This program involves breaking up a sheet of

ice by a number of techniques, and then the loose ice is basically flushed over the Rideau Falls into the Ottawa River by manipulating water flows in the Rideau River. This reduces the possibility of ice-jam-related flooding in long-established neighbourhoods in the urban part of Ottawa. If this program was not done, thousands of residents would be at risk and millions of dollars of property damage sustained.

The 10-year average cost of the ice operations is approximately \$486,000; however, the annual funding by the province is \$120,000. While it's appreciated, it represents only 25% of the cost, not 50%. Other provincially mandated programs of a smaller scale within our operation are similarly impacted.

Last year, the 36 conservation authorities prepared a report entitled *Reinvestment in Ontario's Conservation Authorities—Now and in the Future*. It was submitted by Conservation Ontario to the Minister of Natural Resources. The report looks at the 2002 audited statements of all conservation authorities and examines the amount and type of shortfall.

The report also calls for the reinstatement of funding for activities of provincial interest for which CAs no longer receive funding. These include municipal plan review; the Conservation Authorities Act section 28 regulation of development, interference with wetlands and alterations to waterways; and shoreline management along the Great Lakes. I'd like to talk about the first two.

Conservation authorities review zoning bylaws, minor variance applications, plans of subdivision, severances and site plan applications. Conservation authorities have been delegated responsibility to act as the lead in matters related to natural hazards, including flooding and development adjacent to unstable slopes and lands.

A memorandum of understanding between the conservation authorities and the Ministry of Municipal Affairs, as well as MNR, outlines how responsibilities associated with implementation of the provincial policy statement will be addressed. This means that CAs act on behalf of the province and provide the sole comment on these site-specific applications from a flood control and hazard land point of view.

Plan review is the most powerful and effective non-structural flood and erosion damage prevention measure that can be implemented. It ensures consistent implementation of provincial policy for the protection of life and property. Also, plan review, being preventive in nature, is the single most important tool in minimizing the need for future capital investment in infrastructure.

Conservation authorities administer a flood plain and hazard land regulation for the province. Approval of a new regulation by the province in 2004 confirms its relevance and importance in watershed management. Administering this regulation puts CAs in the forefront, preventing inappropriate development and saving lives; preventing property damage; and reducing future government expenditures for capital projects and disaster relief. Currently, it is the only tool at the government's disposal that proactively works to protect grade changes and filling in provincially significant wetlands.

Both of these programs are funded by a combination of user fees and municipal levies, and we have reached our capacity to generate additional revenues. With a very small staff, we struggle to meet deadlines for comments in plan review and we share our one regulations enforcement staff person with a neighbouring conservation authority to cut costs, but we cannot keep up with the workload. I think it's fairly obvious that being able to enforce the regulation is an integral part of maintaining integrity and credibility.

In summary, Conservation Ontario's report, *Reinvestment in Ontario's Conservation Authorities—Now and in the Future*, shows that there is a \$13.8-million provincial shortfall for provincially mandated work that CAs do. We want you to know that we are very committed to watershed management and providing top-notch service to the people of Ontario. This commitment can be measured at the local level. The RVCA municipalities understand the economic, social and environmental importance of watershed management. In 2002, they agreed to double their levy support to the Rideau Valley Conservation Authority over three years. Our municipalities are definitely doing their part in tough financial times. I might also mention that all of our municipalities have supported our submission to the Minister of Natural Resources by way of council resolution.

A return to fair transfer payment funding levels will enable us to further exercise our commitment in full partnership with the province of Ontario. The RVCA and all other conservation authorities across the province respectfully ask that the 2005 budget address the shortfalls identified by increasing the provincial transfer payments for mandated programs of provincial interest to \$21.4 million. I'd like to thank you for your consideration.

**The Chair:** We'll begin this morning's questioning with the official opposition.

**Mr Toby Barrett (Haldimand-Norfolk-Brant):** I'd like to thank the Rideau Valley for your presentation. You indicate that conservation authorities traditionally take the lead on flood control and hazard land issues. As you've mentioned, all conservation authorities have recently received \$12.5 million for source water protection planning. Do you see conservation authorities as taking the lead on implementing source water protection? We don't have the legislation yet. It was promised last year, and I expect we will see the legislation this year.

**Mr Hallett:** I see conservation authorities taking the lead in terms of facilitating the planning work that needs to be done for source protection. In terms of implementation, I think there is going to be a wide range of people and organizations involved. Certainly the municipalities will be involved in large measure with implementation. I think there are some things on a watershed basis that it makes sense for conservation authorities to implement, but I think implementation will be a concerted effort by a number of different groups, agencies and individuals. In our watershed, we have well over

100,000 people on private wells and septic systems, so they will be an important part of source protection planning and implementation as well.

**Mr Barrett:** I just wondered, have you had much feedback—I know I deal with cattlemen in my riding—as far as anticipated costs of source water protection? We've certainly gone through a number of years of discussions on nutrient management, which also has now been taken over by the Ministry of the Environment. Any thoughts on that?

**Mr John Miller:** I just came back from some farm meetings in the past couple of days and the resolutions going forth from them are, "Please hold back on nutrient management and let us know what resources you're providing to us to handle source protection," recognizing that there are definite areas where source protection needs to be addressed immediately.

**Mr Barrett:** Obviously cattlemen can't do it on their own. We found that out with nutrient management.

**Mr John O'Toole (Durham):** Just following up on source water protection, I couldn't agree more that it's probably an important and necessary initiative which is not new just in the last year. It certainly was reviewed when we were the government. Have you any idea, among the professionals in the conservation authorities, what the real costs are, not just for the Rideau Valley group but for the other authorities as well? It's my understanding that it's a considerable number, in the billions of dollars, to do the mapping and all the other aquifer stuff. It's a lot. Have you any idea? Have the authorities talked about that at their overall organizational meetings? The number you're talking about is \$12 million or something.

**Mr Hallett:** I think \$12 million is—

**Mr O'Toole:** It's purely a start. That's the paperwork.

**Mr Hallett:** Right, to get started with source protection planning. I think we would see similar investments over the next two or three years to get the plans done. I don't have a good estimate of the total cost of source protection planning.

**Mr O'Toole:** In your own area, have you any idea—

**Mr Hallett:** I think we have to go through and do the planning exercise first before we have a good handle on the cost.

**Mr O'Toole:** Yes, to do some cost estimates on what the implementation would involve.

**Mr Hallett:** That's correct.

**Mr O'Toole:** And you're right: There's another drinking water regulation that's causing some problems for small communities as well. Are you involved in that? It's regulation 170/03. That's the one that's related to source water protection. It's a drinking water regulation. Are you familiar with that one?

**Mr Hallett:** No, we're not.

**Mr O'Toole:** You're not involved in that at all?

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

0920

#### ALGONQUIN COLLEGE

**The Chair:** I would call on Algonquin College to please come forward. Good morning. You have 10 minutes for your presentation, and there will be five minutes for questioning. I would ask you to identify yourselves for the purposes of Hansard. You may begin.

**Mr Robert Gillett:** I'm Bob Gillett, president of Algonquin College, and with me is Bob Letourneau, vice-president of finance and administration. We thank you for the opportunity to make this presentation. I'm sure you're going to hear much from the post-secondary world during your consultations.

We recognize that you've got a study of post-secondary education going on. You will be receiving submissions from ACAATO representing the general college point of view, but we thought this morning we'd like to share our concerns from a local college point of view, some of the impacts of your decisions both now and in the future, recognizing that there have been four studies done in the past year, all sharing the concern that Ontario still is the lowest post-secondary funder in Canada and the third-lowest in North America.

I've asked Bob Letourneau, our new finance vice-president, because he comes from a municipal and federal point of view, so he brings new eyes to the equation. We'd like to share that presentation with you this morning.

**Mr Robert Letourneau:** It is a pleasure to have the opportunity to speak with you. I guess I do need to comment on Mr Gillett's discussion about my background. I do bring a different set of eyes, so it may be a little different than what you've heard from the college sector before.

I've been with the college, I guess, about 10 months now. The background I bring is private sector, municipal and some federal. I must say, in my analysis in the last several months, this is the toughest and most challenging funding system I've ever seen. The efforts that I've run into to reduce costs and to streamline are extremely impressive, so I will say that as an opener.

We do support ACAATO's position, which you will be hearing more about as time goes on. They'll be making a submission to this committee; I believe it's in about a week or so. We are fully aware of the kinds of things that have been tabled so far, as Mr Gillett has indicated. Our submission is designed not to duplicate that but to supplement those positions you'll be hearing about.

There are three areas I'd like to touch on. One is the uniqueness of colleges, another is the need to create the skilled labour force of the future, and, of course, a few comments on financing colleges.

Firstly, colleges really, in my view, are quite unique and require greater funding than universities. The reasons for that are that we run in a whole different environment. We run with smaller class sizes. We are dealing with

applied learning that requires more intensive labs, more equipment per student. We're more geographically distributed, often serving smaller communities, which increases per student resource requirements. We use full-time faculty more and fewer teaching assistants, and that increases our staffing costs. There's a tremendous diversity in our programming because we are addressing so many community needs, particularly in the continuing education area.

We also serve a different socio-economic group of students who require financial support. About 75% of our students currently access support programs and need that assistance. One of the difficult parts of the funding model is that since a baseline of several years ago, for every new student we get, 30% of the tuition fee has to be set aside to help the students financially, which doesn't give any money to run the college and the programs. We're really serving a social policy out of our tuition fees, and that's extremely challenging because we don't get the full value of the fees.

I'll mention the issue of the skilled labour force. We need to create a skilled labour force; it's our mandate for the future of the economy. You'll hear many submissions to come on the incredible importance of achieving that and meeting a lot of the goals of all of society and certainly those that are identified in the province. Quality in our programming and quality of delivery is essential to being relevant to our students and to our employers, so we have to do a good job. We're certainly prepared to focus on the classroom and our core mandates, which we do, but if we don't do a good job, we won't be serving society properly.

On the financing side, I've mentioned the incredible challenges, and I'll try to touch on a few key points in that. We've gone through 15 years, fundamentally, of declining financing, and the grant area has been reduced by 30%. We see the control of tuition fees, so aside from some of the tuition fees having to be set aside to help students with their financing, not to finance the college, we also see our tuition fees controlled. With our key funding sources being grants and tuition fees—one going down and one controlled—it gives us a tremendous challenge and difficulty in financing the organization.

We are not financing inflation pressures. Every year, we have inflation pressures. There are staff agreement and union agreement costs that are flowing through, materials and supplies go up, utilities go up, and there's no funding to offset those increases. So each year when we shrink our budgets, we end up putting less commitment to our infrastructure, reducing our capital budgets and squeezing down the costs of programs. We have less buying power every year. As Mr Gillett pointed out in his opening, Ontario colleges are the lowest funded in Canada. Frankly, that must be restored to at least the national average.

There's a different process that we used this year to look at all of our future costs and to try to build some better planning into the system.

One of the areas that we addressed in detail is our capital needs. We decided to do a five-year budget. I'm

under advisement that the provincial government would like to see all bodies that it supports do five-year plans, so we began to do that. Over the next five years, Algonquin College has identified that it requires \$174 million of projects. Those are everything from deferred maintenance—that's about \$45 million of that, and so far that's all that has been registered with the province. But we need administrative equipment upgrades. We need a tremendous investment in information technology upgrading and renewal. We have instructional equipment renewal required in the classroom. We have curriculum program development updates and new development and, of course, renovations, let alone new projects to deal with expansion.

That pressure averages out to about \$35 million a year. Currently, all we have capacity for is \$6 million in capital financing, so it's pretty easy to equate that we've got a problem and that we're not addressing the needs of the organization and the community. There are no guarantees of the level of future funding, so you can start to see the dilemma.

Without addressing that issue whatsoever, in projecting our needs for the fiscal year 2005-06, which starts April 1, our current budget shortfall is \$8.5 million. Believe me, with my experience in public finance, there's no exaggeration here. The reference levels are a serious, serious problem, and by not dealing with them, we're eroding the limited resource base that we currently have.

Another incredible challenge we have is that the provincial grant, the general operating grant, has a five-year lag before it's fully phased in. We're encouraged to grow, and as we grow, we don't see the full value of the support grant for the student for five years. The cost to support that new student is beginning at year one, so you can see the dilemma in the formula. This has crept in over the years. There's a provincial mandate for growth, yet we can't create additional space without additional funding. So the pressures are really very substantial.

**The Chair:** You have about a minute left in your presentation.

**Mr Letourneau:** OK. We also have added challenges in supporting two rural communities that need to be rebuilt.

I'll jump down to the issue of how a high turnover rate is expected in retirements over the next several years. We'll be competing for qualified staff. We must invest in recruitment and professional development and make sure that we don't lose the corporate knowledge and intellectual property that currently exist.

As I said, we support ACAATO. We strongly hope the Rae commission recommendations will be profound to the system and that the government then responds with an implementation of those recommendations.

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

**Mr Michael Prue (Beaches-East York):** I have a couple of questions if we can fit them all in.

You talked about controlled tuition fees. From that, I take it that you mean the freezing of the tuition fees on

post-secondary education done by the government in the last year. Are you suggesting that the freeze be lifted?

**Mr Letourneau:** There are going to be many parts to a solution, but part of the solution is that the freeze needs to be lifted and there has to be more recognition of the increased costs of doing business.

I think Mr Gillett would like to comment as well.

**Mr Gillett:** It goes beyond that: Deregulated programs are also capped. So if we want to expand into new areas, even if there's a demand for that area, we are capped at 15% of our total program. That's not rational in the way this world is developing. So there are many caps and many ceilings that we can't go beyond, even if the demand exists in the community.

0930

**Mr Prue:** We have heard from students, and they don't think the freezing of the tuition went far enough. Quite frankly, all of the student groups think they should be rolled back, that they should be paying less.

**Mr Gillett:** There's certainly no question that the students would like to pay less or pay nothing at all. That's not realistic in today's world.

**Mr Prue:** The next question is related to the monies. Our calculations show it would require about another \$600 million per year, more than what the government is spending now, to move Ontario's universities and colleges to the mean, or average, in Canada. That's more money than the finance minister says he's going to increase the entire budget of Ontario for this year. Are you suggesting that this be the program?

**Mr Gillett:** I'd love to suggest that it would be the program, but I think you know from our original submissions that this was to be a five-year phase-in; it wasn't to happen all at once. The fact is that Ontario is still the most prosperous economy of them all. For us not to be competing with our colleagues in Canada sets you up for a labour issue that's probably going to be worse than that \$600-million issue.

**Mr Prue:** The next question has to do with immigrant populations. I'm from the Toronto area, and we are seeing George Brown College, Centennial College, some of those colleges, really reaching out to the new immigrant community so that people can get the skills and abilities, Canadian experience—co-op programs, things like that. How much of that is happening at Algonquin College or here in Ottawa?

**Mr Gillett:** It's quite significant. We have 74 language groups in the college right now, but we're also moving to recertification of immigrants; 61% are coming in with degrees or diplomas right now. They need to get re-skilled to be employed in our community. We have a major nursing project. We think that's going to be the real growth area for allowing these people to participate in this economy.

**Mr Prue:** So if the government didn't have money in education but somehow found money around immigrant and immigration issues, because we're expecting that soon, would this be a natural place to channel it into the colleges?

**Mr Gillett:** I think so, because for every professional, like a doctor, we do five paraprofessionals, and, right now, the nursing one. All of those people will be instantly employed as soon as they can be certified in this province.

**Mr Prue:** Do I have more time?

**The Chair:** Yes, two minutes.

**Mr Prue:** Good. Wow. I have lots of stuff here.

You made a compelling case for colleges getting more money than universities, but of course the opposite has been true and probably will continue to be true, I hate to tell you. Why is it that past governments, and I suppose this government as well, put much more money into university programs than college programs? We seem to underfund colleges, in my view, a lot. Even on the floor, I don't understand this.

**Mr Gillett:** From an optics point of view—and I've been in all three sectors—universities are well understood by the population; they've got a 1,000-year history. Colleges have a 37-year history. I would suggest that the majority of the population doesn't even know what a college does. Therefore, there has been a relative channelling of funds. The research agenda has played out for a lot of funding issues for universities, but if you look at where growth is happening and if you look at socio-economic issues, right now only 40% of your high school students are going on to get a diploma or a degree. We have 30,000 applications; we take 7,000. If you want those people to get re-skilled and into your economy, you're going to have to fund colleges in a way that allows them to take the applicants who want to get that education. Not everybody can take a university education. It's not appropriate for everybody to have a university education. But as long as you keep that delta, then you're going to disenfranchise a whole group of our society.

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

#### ROYAL OTTAWA HEALTH CARE GROUP

**The Chair:** I call on the Royal Ottawa Health Care Group to come forward, please. Good morning. You have 10 minutes for your presentation. There could be five minutes for questioning at the end of that. I would ask you to identify yourself for the purposes of Hansard.

**Mr Bruce Swan:** Good morning. My name is Bruce Swan, and I'm the president and chief executive officer of the Royal Ottawa Health Care Group.

The Royal Ottawa Health Care Group is a tertiary-level health care organization serving the most complex persons with mental illness. The Royal Ottawa operates the Royal Ottawa Hospital, the Brockville Psychiatric Hospital, the Royal Ottawa Place, the secure treatment unit in Brockville and the University of Ottawa Institute of Mental Health Research.

Some compelling facts about mental health: One cannot separate physical well-being from mental well-being. Mental health pervades all health areas like cancer, cardiac disease and chronic illness. We're part of

servicing those people who are afflicted with those diagnoses. One in four Ontario inmates has a mental health diagnosis; 65% of the homeless in Ontario have a mental health diagnosis; only one in eight children in Ontario who need mental health treatment actually gets it.

Depression is the leading cause of disability in the world, and this is noted by the World Health Organization. In Canada, the cost of depression to our economy is \$12 billion annually. There are 100,000 people in Ontario who are faced with schizophrenia, and that relates to 7,000 in the city of Ottawa.

I'd like to speak briefly about the new Royal Ottawa Hospital. The new Royal Ottawa Hospital is scheduled to open in January 2007 and will represent a fully integrated, functional mental health system that is client- and patient-focused. It will be a world leader in mental health research, education and service delivery. It will also be an integral part of a continuum of mental health services involving multiple partners, consisting of community organizations and the community hospitals that would refer to the Royal Ottawa Hospital. We are committed to working collaboratively with other health service providers in the Champlain region to continue to develop and further integrate mental health within the broader health sector.

Based on what we know today, the Royal Ottawa Hospital is underfunded by \$7.6 million on a \$37.5-million global budget. When the new hospital opens in 24 months, this funding gap will grow to \$32 million. Part of the reason for that is the shift in the role of the Royal Ottawa Hospital, moving from an acute care hospital to a tertiary-level teaching hospital.

As we further integrate with our partners, our goals are to realize more efficiencies and opportunities, invest our resources strategically, increase system capacity, reduce wait times and reduce the burden of mental health on the entire health system.

The determinants of health that affect the health status of people living with a mental health diagnosis are income, housing, employment and education. The Royal Ottawa Hospital's specialized psychiatric teams provide outreach to the homeless, to the elderly, to the schizophrenia population and to children and youth.

I'd like to speak a moment now about funding. A strong community infrastructure needs to be funded so the mental health system can work. Funding needs to address the shortage of housing and poverty associated with mental health diagnoses to support an integrated mental health system that operates across the continuum of care and service and addresses health prevention and promotion, early intervention, and crisis management. This is a shift in how we have provided service in the past in that we work collaboratively with the other health care providers.

That is the focus of my presentation. I wish to thank you for the opportunity to address you this morning.

**0940**

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

**Mr Richard Patten (Ottawa Centre):** Good morning. Let me first welcome the committee to Ottawa, and to Ottawa Centre in particular. This is the riding I represent. I would also like to welcome Mr Swan, who is new to Ottawa as well, in his new responsibilities, which are quite daunting. The hospital in its present site is in my riding. I know it well, and I know the challenges they face.

I would like to ask you: You say in your presentation that there's already a gap, and I appreciate what that is and I know the pressures from the Ministry of Health on the hospital to actually make some changes prior to the new facilities you will have. But I would like it if you'd elaborate somewhat on, and whether you feel you have the resources sufficient to deal with, the transitional phase. You're moving from an older facility, which is quite archaic and could be the site of a horror movie because parts of it are related to what was once a tuberculosis sanatorium, and I know that the traffic flow and the development of the hospital over time was just a patchwork of facilities. But I wonder if you could elaborate on (1) the transition phase, and (2), what your new facility will enable you to do that you're not able to do now, and how that relates to your funding.

**Mr Swan:** As of today, the shortfall is \$7.6 million just for the Royal Ottawa Hospital site, and that's made up primarily of a shortfall in funding base over the last number of years. As you know how budgets go, if you continue to be underfunded and yet the demand for service is still there, and you're still trying to meet that demand, there is a shortfall. In this particular case we're experiencing, this year to date, \$7.6 million just for the Royal Ottawa Hospital site.

The new Royal Ottawa Hospital is shifting from an acute care hospital to a tertiary-level mental health facility, and the difference is significant: That is the \$32 million in the future that we'd be looking at in 2007 in order to fully operate that hospital. The new hospital, as I mentioned, is tertiary-level, which means it is functioning with the most complex mental health cases in the health care system. When I say they're the most complex, they're the ones that require the academic research and learning that is used at the University of Ottawa. So it's an integral part of the development of a future health care organization that's going to be in the lead not only provincially but also nationally and internationally when it comes to education and research. That is one of the goals the Royal Ottawa Health Care Group has. In moving forward, the actual construction plan has been approved but the operating budget for the new Royal Ottawa Hospital has not yet been negotiated and approved. In a nutshell, that is where we're at, at this stage.

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

#### OTTAWA HOSPITAL

**The Chair:** I call on the Ottawa Hospital to please come forward. Good morning. You have 10 minutes for

your presentation, and there could be up to five minutes for questioning. I would ask you to identify yourself for the purposes of Hansard.

**Mr Richard Wilson:** I'm Richard Wilson. I'm the vice-president of finance and business development at the Ottawa Hospital. Thank you very much for allowing me to speak on issues related to our hospital and to hospitals in general. My comments will supplement written submissions by the Ontario Hospital Association and the council for academic teaching hospitals in the province.

The Ottawa Hospital, for those who may not know, is the largest teaching hospital in Ontario. We have six facilities operating on three campuses here in Ottawa. We're an academic health science centre affiliated with the University of Ottawa, and we have an operating budget of approximately \$800 million.

The issues I want to talk about today—and I'll try to do it without whining for money; I do have an appreciation, and we do know, that we are the lion's share of the provincial budget. The issues I'd like to just touch on are (1) adequate resources to provide the patient care services that are being demanded, (2) if those resources aren't available, clear direction in terms of service delivery expectations, (3) working capital issues, and (4) capital renewal. I'll just touch on these four issues in the few minutes that I have.

Number one, adequate resources to provide the patient care services being demanded: The Ottawa Hospital has been very diligent in living within its resources over the last few years. We have gone through operational reviews since the date of merger in 1998 to create the Ottawa Hospital. We now have a reputation in the province of being a low-cost provider of acute care services amongst our peers; that is, the academic health science centres. Unfortunately, we also have the stigma of being the lowest funded teaching hospital amongst our peers. Just to give you an example, a majority of our peers get 83% of their costs covered by the province of Ontario; in our case, we get 77% of our costs covered by the province.

The Ottawa Hospital is projecting a \$20-million deficit for 2004-05 and a \$45-million deficit for 2005-06. On \$45 million, it would take about a 9% funding increase to balance our budget. This has been highlighted by the Ontario Hospital Association as well. The accumulated deficit of the hospitals, the projection going forward for 2004-05—just for this year—is in the \$500-million- to \$600-million range, just to set the context.

The question is, why do hospitals require 9% funding in 2005-06? I'll cover this year. Why do we have a \$20-million deficit? The reason this year is that we received 1.8% in funding and yet our costs are going up in the 5% to 7% range. Health care inflation is not the same as national inflation. Seventy-five per cent of our costs are in wages and benefits, and we've seen arbitration awards that are much greater than public sector, and certainly other private sector, settlements. Drug costs continue to rise at an alarming 8% to 10% annually. The teaching hospitals tend to be the first to benefit from that drug

investment, but they also have to incur the costs. The impact of SARS and other infectious diseases continues to put a strain on hospital resources. Clearly, 1.8% in funding won't cut it.

The arbitration awards, while I won't go into it any further, are certainly an area that impacts us that we have no control over. We try to do, as best we can, negotiating with all of our collective bargaining groups, but they tend to go to arbitration, and it's a process that I think is wrought with problems. We have to live with the outcomes of those arbitrations, and they're beyond our ability to pay.

That takes me, then, to the second point, realizing that if the province does not have the funds available—we can accept that—then certainly both clear and timely direction related to the level of service delivery expectations is required. We're strong supporters of the need for accountability, but it's hard to be accountable when you don't get adequate notice, in terms of going forward, to plan your year. Here we are, only two months short of the start of the fiscal year, and yet we don't know what resources are available or what our service delivery expectations will be for 2005-06. It makes it very difficult to plan. No business, I think, would plan without making some reasonable assumptions. But when you make those reasonable assumptions and try to live within the resources you have, it does require service adjustments, and we are told time and time again that service adjustments are not acceptable. Again, we accept that and move forward.

That would take me, then, to the third point, in that we're stuck. If it is the expectation that the province would want the hospitals to continue to hold, to not create deficits and provide the level of services that we have, that's fine. But there has to be an appreciation, then, as we continue to meet the service demands—and we will meet our payroll and other obligations—that our working capital deficits or the accumulated deficits of the hospitals will continue to climb.

At the Ottawa Hospital we're not proud of it, but we probably have the largest working capital deficit in the province, which is now approaching the \$200-million mark. The accumulated deficits of all the hospitals in the province, projected to March 2005, will be in excess, in my understanding, of \$2 billion. Again, we can appreciate that if the funds are not there, there has to be some process in terms of clear direction on how we deal with both the working capital and the annual deficit situation. Certainly, in leaving us with those working capital situations, the incentives to run our hospitals more efficiently and as a business just aren't there, so I would strongly encourage you to make the resources available to make that happen.

#### **0950**

It's not all bad news. The good news is that both the previous government and the current Minister of Health have allocated resources to address the working capital issue. There was \$721 million announced in the fall to be put forward. As you can see, based on my numbers,

though, that's just not enough. So I think some creative solutions will have to be accepted to be able to deal with the difference. If the funds aren't there on a one-time basis, there has to be some type of long-term solution around long-term debt that will be able to get us through that process.

The last item I wanted to touch on is capital renewal. We've been fortunate here at the Ottawa Hospital and have had approval of most of our projects going forward, but there are some projects, both at the hospital and throughout the entire industry, that have not got the required movement. I guess what we'd ask is that the government look past the short-term cash requirements. If you force hospitals to do a real business case over the length of those assets that we're talking about, you'll see that it makes a lot of business sense to invest in capital renewal of the hospitals in the province. This is not something—we would do this ourselves. We don't have the cash to buy houses, but we certainly invest in houses knowing that over the long term we will make those payments. So our concern is, again, that throwing resources toward old assets, whether it be equipment or facilities, in our case, just doesn't make sense over the long-term life of those assets. I certainly would strongly urge the government to look at other options in terms of allowing hospitals to proceed with the facility renewals that are required.

Those are my comments, Mr Chair.

**The Chair:** Thank you. This round of questioning will go to the official opposition. We'll begin with Mr O'Toole.

**Mr O'Toole:** Thank you very much for your presentation this morning; no surprises, really. You've stated pretty much what the OHA has been saying all along. It is a challenge. The growth, as you've described, on the operational side of hospitals is a pressure that's not new. I don't think it's solvable by this or any government under its current formula.

I am concerned, however, with the information that I'm getting—quite conflicting information, actually—with the new health tax, which is about \$2.5 billion to \$3 billion of new revenue annually as a tax source, and on top of that, the federal, the new health agreement, is probably close to \$1 billion, fully implemented. The pressures to the strategies—they've got another \$3 billion or \$4 billion that's probably earmarked for health care over the next three or four years. I did work in the Ministry of Health for two years as well, fortunately. I am aware of the working capital deficit. These are just loans or cash-flow issues, technically, but it is money you don't have.

I'm concerned too when they say they are going to create a new bunch of nursing jobs, stuff like that. Some 75% to 80% of your budget is wages. I think we're in for a collision, personally. I'm just going to ask for your response to it. The reason I say that, not in a negative way, is that in the budget they forecast 2% wage increases for nurses. That's not going to cut it. I'd just ask you to respond to that. That's what the budget has in

it: about 2% for nursing. It says, "We ask our public workers to exercise restraint"; I think those are the words. Yeah, right.

The negotiations are ongoing now with the nursing associations. What's your view of that and of the probability of success?

**Mr Wilson:** It would be difficult for me to presume the outcome of those negotiations, but as you have mentioned, the Ontario Nurses' Association contract expired March 31, 2004. They are in negotiations. If it ended up at 2%, that would be an improvement on the projected numbers that I gave you.

**Mr O'Toole:** What are you forecasting in your budget, which shows a deficit?

**Mr Wilson:** In the deficit number that I gave you for 2005-06, we've got 3%. I can tell you, though, the nurses are asking for much more than that.

**Mr O'Toole:** Oh, of course. It's 6%.

**Mr Wilson:** That's a huge issue for us. I can't presume the outcome, though. That's why I raise the arbitration process. It's most likely to end up in arbitration, and we will all have to live with the outcome of the arbitration.

**Mr O'Toole:** That's right. I guess the last thing they are sort of saying is, they're going to reduce waiting lists, which is one of the primary objectives of both the federal and provincial initiatives.

There's a requirement for balanced budgets now. With Bill 8, there's a requirement to have a working plan that shows a balanced budget. You're familiar with that, I'm sure. You've got a plan to eliminate the \$20-million and the accumulated \$45-million deficit that you related to us. It's the same at Lakeridge Health hospital, exactly the same numbers. They are going to reduce services and they are going to lay off nurses. What is your plan for Ottawa to balance your budget? Does it include laying off nurses and reducing services? I'm not blaming you.

**Mr Wilson:** Within the \$45 million, for us to be able to balance our budget—

**Mr O'Toole:** Which you're required to do.

**Mr Wilson:** —which we're required to do—we have submitted a balanced-budget plan which would require a reduction in services and employees.

**Mr O'Toole:** How many nurses would you be reducing?

**Mr Wilson:** We estimate, at this point, about 300.

**Mr O'Toole:** It's about the same in my hospital. So isn't there bad information getting into the media on this?

**Mr Wilson:** To be fair to the Minister of Health, at this point he has not accepted our plan; that's the good news. The bad news is, we don't have an alternative solution at this point. But the plan has not been accepted, so we continue to negotiate and work with the ministry to come up with a plan. Our concerns are, of course, that we have only two months before the start of the year and most of these collective agreements have at least six months' notice if we are going to make any changes at all to the level of staffing or service delivery.

**Mr O'Toole:** To give notice of layoffs—

**Mr Wilson:** To employees. So very quickly, we run out of room to be able to balance. To essentially cut \$40 million—\$5 million on an annual basis—you're going to have to dig deeper to get it all done and still meet the needs of Bill 8.

**Mr O'Toole:** I appreciate your commitment to health care. It's an important topic. I just don't know how we can sustain it under the current mechanisms; I really don't. I did two years of work on it. I'm not as trained as you are, but listening to all the professionals, at 15% annual growth, whether it's in drugs or settlements, it's not sustainable.

**Mr Wilson:** I agree.

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

#### OTTAWA CENTRE FOR RESEARCH AND INNOVATION

**The Chair:** I would ask the Ottawa Centre for Research and Innovation to please come forward. Good morning.

**Mr Jeffrey Dale:** Good morning. How are you?

**The Chair:** I'm fine, thank you. You have 10 minutes for your presentation. There will be five minutes for questioning. I would ask you to identify yourself for the purposes of Hansard. You may begin.

**Mr Dale:** My name is Jeffrey Dale, and I'm the president and CEO of the Ottawa Centre for Research and Innovation. We are the economic development corporation for the city of Ottawa, and we're also the technology association for the city. We represent over 600 members. These members include both the private sector as well as government, public sector agencies, all of our educational institutes within the Ottawa area and our research centres as well. With those 600 members, we represent over 100,000 people within those companies. So we're very pleased to be here today.

First off, let me say that I apologize because the brief that I gave to you is hot off the press. I took as many copies as were available at 9:30. There are more that will be here momentarily, so I would ask if you could share this. I do apologize for not having this to you in advance. Once again, thank you for the opportunity.

I'm going to take my time and talk to you mostly on the technology industry and on what we think is needed within Ontario and within the Ontario budget to ensure that Ontario stays competitive in the technology field.

The information technology industry is a very important aspect of the Ontario economy. We have over 8,000 ICT companies in Ontario. They represent, I understand, close to 300,000 people who are employed and develop a significant component of the GDP for Ontario. Ottawa is also the second-largest city region, municipality, for GDP. We rely quite heavily on the ICT industry, because it has to be viewed as more than just one industry. It's an enabler of other industries. It is the information technology that's going into telecommuni-

cations, into the hospitals, into the automotive sector that will help to keep Ontario competitive over the long term.

I would like to focus, then, on some specific programs that we would like to see that will help to keep Ontario innovative and keep us competitive. At the beginning, what I would like to stress is that when we're looking at programs at the provincial and federal levels, we need to stop looking at industry-specific, region-specific, sector-specific types of programs and we need to take a look at programs that support innovation. We don't need more programs just for the automotive sector. What we'd like to see are programs that allow all industry sectors to participate.

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The perfect example of that is the scientific research and experimental development tax credit system. This is a federal and provincial program that has made significant contributions to keeping Ottawa companies, Ontario companies and Canadian companies competitive. However, while this program, when it was introduced, was one of the shining lights in the rest of the world in terms of innovative programs on tax credits, it has not been updated and modified as it has gone along. ITAC and CADA, two of the major national industry associations, have been speaking to both the federal and provincial governments across Canada to ensure that changes come about with this program.

We have corporations like Nortel, for example, that have over \$1 billion of unused tax credits; JDS Uniphase over \$100 million of tax credits; and Research in Motion with \$50 million of unused tax credits. This tax credit program is not providing the competitive advantage that we thought, that will keep these jobs here in Ontario. We therefore are recommending that the Ontario government work with the federal government to conduct a significant review of the SR&ED program, which is the Ontario innovation tax credit program, in 2005 so that changes can be implemented in 2006 that will make this program competitive again in the world landscape and will provide to our companies what we want to consider is a fair international competitive advantage.

In the short term I think there's an opportunity to review, though, the Ontario innovation tax credit system that we have. We have now fallen behind other jurisdictions. Residing so close to the Quebec border here, we do work in partnership with Gatineau; however, there are significant differences between the Gatineau SR&ED program and the Ontario program. While the Ontario program averages about 10%, the Quebec program averages about 17.5%. You can tell that this type of differentiation that happens does create competitiveness between provinces, which is what we do not want to see. We would rather see competitiveness on an international scale.

My next point is on commercialization. Commercialization, as we all know, is a buzzword within federal, provincial and local governments these days. It's the ability for us to stay innovative and competitive. What we are fostering here at the Ontario Centre for Research

and Innovation is that we need to take a look at how we are going to stay competitive from a market-pull position. Many of our programs on commercialization focus on technology: building a better mousetrap. We can build better mousetraps, and we have proven that in the past. But what we need to do is make sure that the world is ready for those mousetraps, and we need to make sure that they're market-ready.

What we would like to do, and our recommendation on commercialization is that, yes, it is extremely important that we maintain the pipeline for discovery-level research and that we support the increased funding levels for Ontario universities, colleges and hospitals for the Ontario research fund, and we applaud the government for announcing \$300 million that will go into that fund. We encourage you to continue with that fund and to also come out and ensure that you will be able to match CFI and CHRI grants in the future. You have not been able to say, I think, that you can match the future grants that are coming out there.

We would also like to see that you have increased grant programs that look at commercialization, that provide that bridge between pure research and how it can be leveraged within the private sector.

The Ontario government, in its last budget, announced the Ontario commercialization investment fund. However, we need to have clarification of the rules for how it can be allocated. Recently we had meetings with the Ontario Ministry of Economic Development and Trade and they could not tell us how that fund was going to be allocated. It has now been close to a year and we are still waiting for the rules by which we can use that fund—how municipalities, hospitals and universities can leverage that fund and how we are going to incent the private sector to also match those funding dollars.

The next point is on access to capital. To remain innovative, we also require a very strong investment culture here. At the beginning stages, we do have some of our research programs. However, governments can't fit the mandate for providing the necessary capital to help our economy grow. We need to take a look at the private sector.

Many of our companies rely on what we call angel investors in order to provide that first level of funding that allows them to be competitive. The National Angel Organization has worked for the past number of years and has come up with an innovation and productivity tax credit which is looking at providing qualified angel investors up to 30% of a tax credit on investments in eligible companies. They are working on the details. Our recommendation is that the Ontario government look to that program that's going on with the federal government and make sure the programs match so that angel investors from the rest of Canada, as well as Ontario, can participate in that program and ensure that their investment dollars will continue.

Canada and Ontario cannot be competitive unless we retain and increase the number of highly qualified people we have. We have talked in this brief about our skills challenge, and you can read that in there.

You have a very important point coming up: The Rae review is now coming up with some of its recommendations. I understand that they'll be presented to the government within the next number of weeks. Many studies have been done on the post-secondary education system over the past number of years; few have been implemented. We've had the opportunity at OCRI to work with our major partners—Nortel, Alcatel and 10 other companies—to put a submission to the Rae commission. We have met with the Rae review group, and we have outlined some of our recommendations in here. We know that Mr Rae will have recommendations that will ask for increased funding, increased access and increased accountability for our post-secondary education system, and we encourage you to set aside monies in your budget to implement these much-needed changes in our education system immediately.

The last note, on skills development: Ontario is still one of the few provinces that does not have a labour market development agreement with the federal government. You have announced in the past that you are working toward that. We need that agreement in place. We are missing out on many important federal government program dollars that could flow into Ontario to ensure that we can handle the post-employment stage of employees as they need to re-skill themselves as our economy is changing on a constant basis. I encourage the Ontario government to finalize that agreement so that much-needed dollars can start to flow.

**The Chair:** You have about a minute left.

**Mr Dale:** Thank you.

My points on broadband: Broadband is the infrastructure for the 21st century, and I would like the Ontario government to treat it as such. We must now consider broadband as one of the programs that will qualify under infrastructure investment so that municipalities can look at increasing their broadband activity both rurally and in the urban centres to ensure that they remain competitive. We've done a lot to build two-lane roads in terms of the wireless broadband infrastructure. It is now time for us to get into the high-speed broadband infrastructure that will drive our economy in the future.

The Premier has announced that one of his goals for next year is to help market Ontario. He wants to get out there and market Ontario and help our companies to become competitive on the international stage. We encourage you to look at the federal government program called CISP, the community investment support program, and create a program similar to that, with \$17 million per year. I say \$17 million because that's what Ontario Investment Service has as its annual budget. We think that money can best be spent if it is utilized in partnership with municipalities.

My final point is on Ontario corporate taxes, which you'll see on the last page of my document. In 2004, Bill 2 cancelled previously legislated corporate tax reductions that were otherwise supposed to be effective in 2004. We need to keep being competitive. You'll note that Roger Martin continues to release reports that say that the tax

burden on Ontario companies is causing us to have a productivity gap with our United States counterparts. Our recommendation in here is that you implement the corporate tax reductions that were previously announced to go from 14% to 12.5% for the general tax and from 12% to 11% for the manufacturing and processing tax. Thank you.

**The Chair:** This round of questioning will go to the NDP and Mr Prue.

**Mr Prue:** I'd like to comment. It was pretty rapid, and there's a lot of material here, but in the five minutes I've got—you said that the tax credits are not working. This came as a bit of a revelation to me: \$1 billion in tax credits for Nortel?

**Mr Dale:** Unused.

**Mr Prue:** Unused. Well, all of these tax credit programs that governments have put forward, you're right, obviously can't be working. But at the same time, here on your charts, the number of advanced technology companies in Ottawa continues to grow at quite a significant pace. So if that's not working, what is driving the increase in the number of advanced technology companies, which has gone up since 1993, at a little over 400, to nearly 1,600 today?

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**Mr Dale:** If you look at that graph, you'll see that there are two spikes in that graph in terms of the number of companies' growth. One is 1993-95. You'll remember that was when in Ottawa we had federal government reductions. What you're seeing here is a direct impact of corporate restructuring. The first one was with the federal government. The second one you see, in 2001, was when we had announcements of 35,000 layoffs within the technology sector in Ottawa.

So yes, there's been a large increase in the number of companies. Unfortunately, they are all at the very small stage right now. Many of the programs we're talking about in SR&ED can help those companies grow. The SR&ED system works quite well for Canadian-controlled private corporations—CCPCs—that have the ability to actually get a refund on their amount. Now, there is still a difference between various provincial jurisdictions on the amount of money that's available, on the percentages that are available to them as a refund.

When you go to become a publicly traded company, the tax credit rules change and it's now only a credit. When companies are restructuring right now, like we have with Nortel, and other companies that are growing fast and are reapplying all their earnings back into the growth mode, they're not generating a lot of tax owing in order to offset those credits. We're saying these companies right now have the ability to move these jobs anywhere. They can move them to India, to China, to Russia, to Brazil. What we want to do is to ensure that these very highly valuable research jobs remain in Canada, and therefore we must provide the incentives that keep them here.

**Mr Prue:** You talked as well about not liking the competition between provinces; you would prefer that

that be international. I have a bit of difficulty with that. Just as municipalities used to have competition between municipalities to get innovation, to show where one was doing it better so that another could do it, what's wrong with a little competition between Ontario and Quebec? I don't understand that.

**Mr Dale:** I'll give you an example. When we're trying to look at attracting a company from the United States, from Europe, from South America, to relocate and to invest in Canada, do we want them to come into a competitive nature and to say, "Who's going to give me the best tax regime? Who's going to give me better incentives to move to a certain jurisdiction?" We want to be on a more level playing field. That's what we're saying. We'd like the playing field to be level.

In the innovation area, in terms of when we're trying to attract research bodies to Ontario, very often we are asked to compare ourselves to Quebec because it's very close, especially on the eastern seaboard when you're talking to companies that are in the Boston, Washington, New York areas that are looking to invest. There's a significant difference between the Ontario SR&ED program and the Quebec SR&ED program. I would prefer not to have those discussions. I would prefer that we have a much more level playing field as we move forward.

**Mr Prue:** But given the provincial jurisdictions, it would be literally impossible for us to simply tell Quebec not to do what they're doing. All we can do is attempt to either match them or walk away.

**Mr Dale:** What I'm saying is that I think what we want to do is take a look overall at the general competitive nature of that program. Right now, we have a 7.5% difference between Ontario and Quebec. We have a 5% difference from Manitoba. Those are our bookend provinces on both sides of us, and we're lower than the two. Now, we do have other advantages, I do agree, but what I'm saying is that in the short term, we should be reviewing what the percentage is and whether it is competitive in relationship to all the other provinces out there.

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

#### ONTARIO SECONDARY SCHOOL TEACHERS' FEDERATION, DISTRICT 25

**The Chair:** I call on the Ontario Secondary School Teachers' Federation, Ottawa-Carleton district, to please come forward.

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

**Ms Susan Rab:** Happy new year, and thanks very much for the opportunity to speak. My name is Susan Rab, and I'm the teachers' unit president of OSSTF in district 25, Ottawa-Carleton.

On behalf of secondary school teachers in Ottawa-Carleton, I'm pleased to make a submission. Members of

the education sector in Ontario listened very hopefully to news last year, and I remember being at a presentation very similar to this one. We heard that the education Premier and the Minister of Education were going to do great things for education in Ontario, and we waited for news.

I personally made my decision to become a teacher very early on, and the kids in the neighbourhood may or may not have been pleased about the lessons in the basement of our home while I worked on those skills. During the bulk of my teaching career, I worked under the previous government, and I felt that many of the efforts I made were unappreciated and unwanted.

When we heard there was a new government with a new mandate, many people within the education sector in Ottawa-Carleton and across Ontario were very excited. The Liberal Party made very significant promises to reinvest in education during the election campaign. In fact the New Democrats, the Conservatives and the Liberals all promised to revise the education funding formula and to implement the key recommendations of Mordechai Rozanski's task force in their election platforms.

While the deficit may not have been appropriately anticipated, the key financial problems in education were very clearly spelled out and ready to be systematically addressed. Last spring, we educators held our breath as the initial provincial budget statements were made and the first grants for student needs were announced. We weren't sure whether or not to be happy. There appeared to be increased funding in education, but none of the details had been laid out. Further announcements were made on an apparently ad hoc basis. We spent all of July sitting in the boardroom as parents, as teachers, as support workers and the staff of the school board, trying to argue how to put together the school board budget because announcements had been made late in the school year.

For whatever reasons, the Ontario government chose to ignore Dr Rozanski's number one recommendation. According to the Ministry of Education's own figures, and I've attached those to the end of my presentation, only \$22 million of the \$477 million required in 1997 dollars were allocated to the foundation grant. The foundation grant covers the essentials of student learning, including staffing—administrative, teaching and support staff—and textbooks and computers. The Ontario government fulfilled only 4.6% of Rozanski's 1997 requirements for the foundation grant.

Rozanski went further and said that we needed to take account of inflation. Since 1997, obviously there has been inflation, albeit at a relatively manageable level.

The requirements and promises that were made have not yet been fulfilled. OSSTF released an Ontario Liberal government report card. Although there were good things in it, in terms of finances we gave a failing grade to the peace and stability section for benchmark and base funding.

I want to be really, really clear: There was additional money put into education, and all the things it went to are

being very well used. A lot of my colleagues are going to book clubs to learn more about literacy so that in their math class and their history class they can do good things for kids. All of us understand that kindergarten to grade 3 class size is incredibly important. Those are good things. But they're new initiatives. The old problems still exist and have not been addressed, and they need to be addressed for us to move forward successfully.

Last week in the Glebe high school library, 2,000 books were lost, and it looks like the subfloor and carpet all need to be replaced. We're not going to know for sure what all the reasons for that were, but ongoing maintenance has been one of the things that have been cut in our school board because adequate money in the foundation grant wasn't there and they've moved money from maintenance to cover those kinds of things.

#### 1020

The teacher resource centre was widely covered in the media. It was a great system: multi-board sharing of resources so that the resources were being circulated on a regular basis and being used for kids in classrooms. That was another thing that was cut because our board couldn't afford the distribution system.

Everyone is aware that education is a labour-intensive system. Salaries make up a large proportion of the foundation grant. Provincial legislation required all teacher collective agreements in Ontario to expire in August 2004. In Ottawa-Carleton, all of the support staff agreements expired then too.

Our government, the Liberal government, has claimed that peace and stability are its key goals, but we've got seven bargaining units locally whose members have heard that message. They're expecting to be treated with respect. Although we appreciate the extensive consultation that has been going on, we haven't seen the improvements to funding and negotiations aren't going well.

Several weeks ago I spent most of Saturday—I did my turn driving, but I spent most of the time sleeping in the back—going to Queen's Park for the "Keep Your Promises" rally. The key promise that the education workers and support staff who were in the van with me were frustrated about was the funding formula and Rozanski's number one recommendation.

The funding formula is still inadequate. School boards are still unable to meet their obligations. Ontarians are still expecting better. This spring session of the Legislature, including the budget process, is your opportunity to keep your promises, and that goes for all parties, because all parties agreed that the funding formula was in need of being updated. Please give school boards the ability to allocate funds appropriately so that teachers and support staff can work together with parents to provide the best education possible to our students.

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

**Mr Phil McNeely (Ottawa-Orléans):** Thank you very much for coming in this morning to make your presentation to this committee.

We've spoken in the past about the Rozanski report and the objectives that were set up in that report for the provincial government. We've heard as well from I think five colleges so far on this trip. It looks like the colleges are underfunded, if we look to the provincial average, by something like \$600 million. So the crunch in education is there.

If you're going to give advice to this committee and that advice is going to the finance minister, you said where to go in the foundation grants, but do you want to go through again where you think the major impacts of reinvestment should be?

**Ms Rab:** Again, these aren't my ideas. Dr Rozanski went across the province and listened to experts from all sides, and everybody within the education sector and all three political parties agreed that the foundation grant, the very basic building blocks of the funding, needed to be revised so that it was accurate.

If we were all talking out of the same side of our mouth, if we could all look at the numbers and realize what the costs of education are and the expectations in terms of providing education, we would be way ahead of where we are right now. My request to the people at this table today is that if you put money into education, you put it where it's needed.

All of the evidence, and we've all agreed to this evidence, is that the funding formula needs to be revised and the foundation grant needs to be accurate so each kid starts with their fair share of money in education. Then we can deal with transportation and special education and all the pieces that make each board a little bit different.

**Mr McNeely:** So the answer basically is to stick to the Rozanski recommendations, put the dollars into the foundation grants and that will parcel out in the proper way.

From an Ottawa perspective, you say that some of the schools are in terrible shape. We have major problems with infrastructure generally in Ontario, whether it's transportation or hospitals or schools. How is the local area doing with their infrastructure renewal?

**Ms Rab:** The Ottawa-Carleton District School Board has built very few schools in the last little while. We've got a lot of schools, some that are over 100 years old. It depends completely from one end of the city to the other in terms of the condition. Our support staff have been very, very hard hit. The government legislation requires a certain number of teachers in the building on a per student basis, but everywhere that the school board has had a chance to cut corners, it has done so. We're going to be in for millions locally and billions across the province in terms of replacing roofs and all the things that are damaged because of leaks because heating systems have broken down and those kinds of issues.

**The Chair:** We have about a minute. Further questions? Seeing none, thank you very much for your presentation this morning.

Is the Ottawa and District Labour Council present?

For the committee's information, there are some persons coming to present here in Ottawa from Toronto. The weather is not good at that airport this morning, and

there may be delays or in fact people not able to come at all.

We will recess until the next presenter arrives.

*The committee recessed from 1026 to 1034.*

## OTTAWA AND DISTRICT LABOUR COUNCIL

**The Chair:** The standing committee on finance and economic affairs will reconvene.

I'd ask the Ottawa and District Labour Council to please come forward. Good morning. You have 10 minutes for your presentation, and there could be up to five minutes for questioning. I would ask you to identify yourself for the purposes of Hansard. You may begin.

**Mr Sean McKenny:** My name is Sean McKenny. I'm president of the Ottawa and District Labour Council. The city of Ottawa has three Marriott Hotels, and I can attest to all three of them this morning. In any case, it was an interesting walk from one to the other, and I figured I'd just better hop in a cab to get over here to make it on time.

**Mr Mike Colle (Eglinton-Lawrence):** You were at the last one last year, right?

**Mr McKenny:** I went to Laurier, and then I ended up at the Courtyard and back over here.

In any case, I did make it, and good morning. The Ottawa and District Labour Council has been the voice of Ottawa's labour community since 1872. Currently, there are approximately 90 different local unions with a membership of 40,000 working men and women affiliated to the Ottawa Labour Council.

I want to start by thanking the committee for the opportunity to appear before you. We certainly have always promoted the need for public consultations on matters affecting all levels of government, ultimately on matters affecting its people. The provincial budget is no exception, and public input into that process is fundamental as Ontario attempts to move forward.

At the same time, I need to make the comment that labour—and I don't believe we're alone—takes exception to the pasted and, in our opinion, thrown-together process to attempt to accommodate and give the illusion of a public process simply to appease some and allow an optic that the process was conducted simply to say, "We went to the people of the province to hear from them," when in fact the time allowed for practically all to gather any kind of data or allow for the compilation of sources and resources was incredibly short.

Not unlike the province, our city, Ottawa, is going through a similar process, where our city council is currently going out to residents, businesses, organizations etc for input into the city's budget. A similar exercise was conducted last year and, in fairness to our mayor and city council, it's clear that lessons were learned about the process—what worked and didn't work—that they've built upon, or are attempting to use what worked for this year's process.

This province was led by a government hell-bent on cutting services and reducing taxes for a number of years.

On the outside, the question posed to people, “Do you want to see a reduction in the amount of taxes that you pay?” will result in a resounding and all-encompassing yes; it’s a no-brainer. And we’ve seen and heard this over and over at the federal level, the provincial level and the municipal level. People don’t want to have to pay more: a simple, concise, factual statement.

However, we saw with our previous Conservative provincial government the devastation, the destruction of our province as a government focused solely on that specific reference and completely ignored what has to unequivocally accompany that first statement. The statement then becomes, “Do you want to see a reduction in the amount of taxes you pay, keeping in mind that any cuts or to hold the line in some instances will most assuredly negatively affect programs and services provided?”

As a part of the city of Ottawa’s pre-budget consultations last year—I believe it was referred to as the universal program review—city council, as part of cost-cutting, determined that the yard leaf recycling program would be scrapped. The community was up in arms: “Where the heck are we supposed to put our grass clippings and leaves?” City council reintroduced the yard recycling pickup. I do have an opinion when it comes to the relevance of grass clippings over feeding hungry children or making sure that we find affordable housing, but I’ll leave that to others or to another time. Out of courtesy to the people of Walkerton, I won’t focus on that specifically, but it is clearly a visual in respect to the result of a very misdirected and misguided cost-cutting exercise.

The headline in the city section of one of our local newspapers this morning reads: “Wanted: 8 More Health Inspectors,” and it references provincially mandated restaurant inspection standards and the fact that our city is not meeting those standards due to a lack of personnel. The article notes that, “Close to a third (116) of Alta Vista ward’s food premises (423) prepare higher risk food, which could, if not well monitored, lead to food-borne illnesses.” Those comments come from a report by city staff.

The cost for eight additional health inspectors: \$600,000. My understanding is that the province has to pick up 50% of those costs, with the rest being absorbed by the city. Where is the city supposed to find the money? Where is the province going to get the money? Yet Dr Cushman, Ottawa’s medical officer of health, says that the restaurants in Ottawa are not being checked enough. Ottawa has four inspectors per 100,000 population, Toronto has six, Hamilton has eight and, according to this morning’s article, Leeds municipality has 14 per 100,000. Clearly, a part of this problem is the direct result of the provincial transferring of inspections a number of years ago, which resulted in the city having to pay 50% of costs. This is but one small example.

**1040**

As the province of Ontario readies for this year’s budget, it must focus on the programs and services needed to sustain our communities, and I do not mean to

imply that a tax rate be hiked automatically. When it comes to the health and safety of the people of this province, all levels of government have an enormous responsibility.

Some provincial governments of the past have been lax, and we’ve seen the results. The current provincial government, although I admit it is moving in the right direction at times, at other times, with the approval of public-private partnerships for hospitals in Ottawa and Brampton, is clearly misguided and losing focus not only on patient care at those hospitals but also, at the end of the day, higher costs. Time and time again, it has been shown through factual data that privatization inclusive of public-private partnerships costs more and does not improve quality. Further attempts in this area are wrong. A focus on increased user fees is wrong if those user fees are directly associated with those who may be marginalized. This is not in any way a part of an ideal, but quite simply logical.

This provincial government must focus on providing its municipalities with more. It has a responsibility to do that. We’ll agree that there has been some positive movement, albeit very small, toward that direction. We must do away with the shirking of responsibilities that seems at times to have become the focus of all levels of government as we wade our way through the 2000s.

Ottawa and all of its residents need more from the province. Clearly the lack of needed health inspectors in our city that I referred to earlier is but one small example of that.

That the province needs more from the federal government is a given, and the labour community in this city is prepared in any way it can, if asked, to help in respect to those efforts. We’re certainly no more magical than you, but if there is a combining of all efforts, then maybe—just maybe—at the end of the day, there’s a higher chance of success. Thank you.

**The Chair:** This round of questioning will go to the official opposition.

**Mr Barrett:** Thank you for the presentation on behalf of the labour council. It’s unfortunate about your travel between the hotels. I can identify with that.

I think you contrasted this consultation with what was touted as a very significant pre-budget consultation last year. What other methods or approaches are available to your members to get through to the Ministry of Finance or to the Premier, as we approach budget day?

**Mr McKenny:** I would like to think that the labour council in Ottawa could pick up the phone and call. Certainly, we do quite often attempt to communicate a direction that we think is right, not just for our community but for the whole of the province, as it pertains to monies. The biggest point I made earlier on, and the thing that I’d like to be able to go away with, is that the province has got to focus on the municipalities, because they’re the ones that need help. Ultimately, I think they can, in return, help the province.

**Mr Barrett:** The members of the finance committee kicked off in December with a presentation by the

Minister of Finance. In his suggestions to this committee, he recommended that we ask a number of questions of deputants. He recommended seven questions. I'd like to get a few of them in.

Question number 1, again from the Minister of Finance: "What other measures could be implemented in Ontario to constrain spending and modernize government?"

**Mr McKenny:** Again, I think if you were—and I'm not suggesting that you weren't—listening to the presentation that I made, I think at some point in time, governments have to step back and take a look at the monies they are spending and determine whether or not they're well-spent. I would understand that this is part of the process. And if they are, then to move forward does not mean to lower the line on the monies that are spent by the province. That would be my response to that.

It's not always good to just find extra dollars and cut back, despite the fact that I also indicated that I'm not advocating that everybody wants to see an increase in the taxes they pay in this province.

**Mr Barrett:** This was the Minister of Finance's question number 4: "Where there is a desire to increase spending, what monies should be reallocated from other areas to fund those increases?"

**Mr McKenny:** Those are the kinds of discussions that I hope this committee deals with over the next couple of weeks as it hears from other communities.

I've indicated that we have difficulty with health inspectors here, and you're all aware of that. What a damn shame it would be if, when you're on the plane between one community and another, some kind of outbreak happens in this community directly attributable to the fact that there are not enough health inspectors here. The same could be said about so many different programs and services in this community.

**Mr Barrett:** Further to that, our Minister of Finance has suggested that we ask: "What other measures could be implemented to streamline regulation"—I'm sure "streamline" is a code word—"and enforcement ...?"

**Mr McKenny:** The enforcement of what?

**Mr Barrett:** I guess they're talking about enforcement anywhere from the Ministry of the Environment to—

**Mr McKenny:** I did indicate that I'm not, and I haven't, taken on the Liberal government in respect to—it's really difficult to comment on what members of this standing committee are—if you'll allow him to make those comments. I'm not sure what he's saying.

Clearly, some of the direction the Liberals have taken over the last year, inclusive of the hiring of more Ministry of Labour inspectors, is an incredibly positive thing. Ultimately, you could have a whole bunch of Ministry of Labour inspectors if they're not enforcing the regulations. Clearly, everything ties into each other.

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

**Mr McKenny:** Thanks for waiting for me.

## IRENA FUKSA

**The Chair:** I would call on Irena Fuksa. Please come forward. You have 10 minutes for your presentation. There may be up to five minutes of questioning after that. The committee appreciates your indulgence this morning. Please identify yourself for the purposes of Hansard, and then you can begin.

**Ms Irena Fuksa:** Good morning. My name is Irena Fuksa. I am an electrical engineer by training with a PhD degree. Here, I am a mother of three educated Canadians. I am a mother of one medical doctor, one PhD with a medal for outstanding academic results and one student at the faculty of mechanical engineering.

I've tried to identify problems which, in my opinion, are the most important for Ontario's future. I would start with the position of family and women. Family constitutes an irreplaceable good of society. It is the smallest social unit and the fundamental institution of the life of the nation. Family ensures its survival. Because of this, great attention should be paid to the family's material and moral condition. A strong nation is always composed of strong families, which indicates that family matters should be society's priority.

The material situation of many working-poor and welfare families is very bad. The average rent of a two-bedroom apartment in Ottawa is \$850 per month. As a single mother with one dependant, after rent and hydro, I received \$30 per month from the welfare office. We almost starved.

My daughter was identified as gifted by the Ontario Ministry of Education. She graduated from high school with a 96% average. The welfare office refused to pay \$80 for her university admission fees. Now in her second year at the faculty of mechanical engineering, she has no means to live. OSAP covers her tuition and books. The department refused her a co-op placement. In 10 days we will be evicted.

I think the government should provide adequate criteria that every family needs to exist, because some families live on the border of annihilation. I learned that 80% of women in prisons are there because of crimes related to poverty.

If I could make a recommendation, I think the government should establish a commission to evaluate the economic situation of Ontario families.

There are families that are better off financially because mothers work out of necessity. Women have every right to work, but they should also have the right to stay home with children. Being a mother is very hard work, and we need to re-evaluate the importance of mothers' work at home. Motherhood should be economically recompensed.

I am not afraid to compare my work as a university professor with my work as a single mother of three on welfare. My life is a vast panorama of suffering.

If I may make a recommendation, I think the government should consider providing economic compensation to women who perform valuable work at home.

**1050**

The next point: I think we should reform the registered education savings plan. All our children deserve a good start in life, whether this is an education or a career. Tony Blair's idea of the child trust fund seems to be a good one.

My recommendation, if you permit me to state it: In order to provide an equal start to all young Ontarians, the government should establish a trust fund for every young person which will allow them to obtain an education or start a business or a career.

Work is really as much a necessity for humans as food or sleep. Without working we may live, but we cannot live well or happily. But while labour is a necessary condition of human well-being, all labour is not equally wholesome. We need a variety of jobs.

That brings me to social services. From my experience, they behave as if the good of this country belongs to them only because they have a virtual monopoly on distributing financial help to the poor. We need an intermediary organization that understands the family better and is closer to people. People have different talents and different abilities, and almost all the jobs that social services provides are sweeping streets or cleaning, making us all poorer as a society. This is against our common good. The common good is the good of each and every individual, and it should be our concern.

My recommendation is a better and more efficient placement service program which will recognize the qualifications of all people.

The last point: We have a serious housing crisis that is not due to the phenomenon of urbanization. The housing crisis is caused by the financial distress of people. There have never been so many empty apartments in Ottawa. In my building alone there are eight empty units. However, people cannot afford the rent. The right to housing is a basic human right. We need a serious subsidy program for housing consisting of two levels: (1) subsidized housing and (2) construction credits. Vigorous action on this front is needed.

In these times, we are all interdependent. Today I need help; if not, my family will be on the streets in 10 days. But maybe someone else will also need help from my daughter, who is a medical doctor. Thank you.

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

**Mr Prue:** If it's too personal you don't have to answer, but I'd just like to know of your own family circumstances, where you're on welfare. How much do you get per month from the Ontario government for yourself and the children who live with you?

**Ms Fuksa:** There is a big difference in my children's ages. The two older children graduated from university. I stayed home with my youngest daughter. She is 19 years old. For five years, I received approximately \$936. My rent was \$850 plus \$30, so my welfare cheque was for \$30 per month. My daughter has been identified as a gifted child. Now my daughter has been cut from welfare because she is a university student, so she doesn't have a right to social assistance. She received \$6,300 or \$6,400

in her OSAP student loan, and her tuition for the faculty of mechanical engineering amounts to \$5,600, so she has absolutely no means to live. She pays her tuition and about \$700 for books, and she receives no financing for housing and her social needs. Now I receive \$520 per month from the welfare office.

**Mr Prue:** That's not even enough for your rent.

**Ms Fuksa:** That's not enough for my rent. My son, who holds a PhD degree, with a medal for outstanding academic results and a master's degree with distinction, so far hasn't been able to find a job, so we are being threatened with eviction. I think our situation is extremely difficult, but it's not only our situation. You have many homeless people who don't deserve to be on the streets.

**Mr Prue:** In the last budget, the government put a 3% increase. Tell us what that 3% increase did or did not do for you.

**Ms Fuksa:** You said 3%? On \$520, that would be about \$15.

**Mr Prue:** Is that of any significance to you?

**Ms Fuksa:** It's a big help for me, because with this \$15 per month I am able to put food on the table for three or four days. I am happy when I have \$1.

**Mr Prue:** How much do you think you would need to continue to stay in your apartment? How much real money would you need a month?

**Ms Fuksa:** My rent is \$850 and social services pays \$320, so it's about \$500 to keep me in my apartment. This is a very modest apartment, a basic two-bedroom apartment, an average apartment in Ottawa.

**Mr Prue:** In 10 days, where are you going to go?

**Ms Fuksa:** I do not have any idea. I think an injustice is being done to my children, who worked extremely hard to get their education, and to me. In all this distress, I wasn't able to do anything, in spite of the fact that I am myself a very well educated person. But without even bus transportation, without clothing, without food, and in all the stress of being evicted, I couldn't do anything.

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

For the committee, the 11 am deputation, the Ontario Community Support Association, is having flight problems. As we have no other presenters in the room, we will recess until a presenter arrives.

*The committee recessed from 1100 to 1114.*

OTTAWA-CARLETON ELEMENTARY  
OCCASIONAL TEACHERS' ASSOCIATION

**The Chair:** The standing committee on finance and economic affairs will reconvene. I would ask the Ottawa-Carleton Elementary Occasional Teachers' Association to please come forward.

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

**Ms Kathryn Harris:** Good morning. My name is Kathryn Harris. I'm with the Ottawa-Carleton Element-

ary Occasional Teachers' Association, which is part of ETFO, the Elementary Teachers' Federation of Ontario. The Elementary Teachers' Federation of Ontario represents 52,000 educators in public elementary schools across the province. It also represents 15,000 qualified occasional teachers, who are also known as supply teachers.

The elected members of this province have passed legislation to ensure that our children receive the best education from highly educated people who, at a minimum, have two university degrees. They have received the best training.

For eight years, public education in Ontario was subjected to enormous cutbacks in funding. We are pleased that the present government has begun the process of rebuilding. For example, the foundation grant funding for the occasional teacher budget was increased from \$88 to \$90 per elementary student, an amount which is approximately half of the daily pay rate for an occasional teacher. Cash-strapped district school boards have the flexibility to move money into and out of budget lines, but other programs suffer. It is up to the legislators to stop this practice and to properly fund district school board budgets to cover these shortfalls.

Children in elementary schools in Ontario already receive less per student than those in secondary schools. For some reason, a six-year-old child is worth less than a 16-year-old. If this anomaly were corrected, then the district school boards would be in a position to increase their occasional teaching budgets.

The Ministry of Education stresses the importance of caring for Ontario's children to ensure their safety as well as their education. To this end, if a classroom teacher is absent, administrators cannot leave elementary students unsupervised in their classrooms. The curriculum cannot be properly presented if two classes are combined. The ministry has created a demanding curriculum for our children and then demands that the programs be followed.

In order to maintain the quality of education, only certified teachers may replace an absent teacher. The College of Teachers was created by the previous government to make sure that only qualified teachers enter the classroom. These teachers are dedicated professionals who devote their working time to teaching and caring for our children. They must be recompensed at a reasonable rate to ensure that we keep them in the profession. Even if an occasional teacher was to teach at the daily casual rate for all 194 teaching days of a school year, an occasional teacher can earn only \$34,000 a year. It is more likely that an occasional teacher will work 100 days a year and will earn less than \$17,000. It is hardly an attraction for someone with two degrees to work at less than the poverty line. Most newly graduated teachers enter the profession as occasional teachers. We cannot expect them to continue as teachers if it means living at poverty levels. No one with two university degrees working in their field earns as little as an occasional teacher.

**1120**

Concern has been expressed by many regarding Ontario's ability to attract and retain new teachers. In this district school board, most newly graduated elementary teachers enter the profession as occasional teachers and can remain occasional teachers for three years or more before being hired. It is not surprising that these highly qualified, well-trained, certified teachers take their expertise to other professions and other countries.

In spite of collective agreements which include language to allow teachers 20 days of sick leave in a school year, administrators are telling their teachers that these numbers must be reduced in an attempt to reduce the pressure on the occasional teacher budget. Because school boards have tied occasional teacher budgets to the budgets for classroom supplies, when the occasional teacher budget is exhausted, the administrators are forced to pay for the services of an occasional teacher with the instructional budget. The government cannot legislate wellness.

Occasional teachers provide an invaluable service to the district school boards in this province. Without these dedicated professionals working in our schools, maintaining classroom routines and providing a continuity with the curriculum, it would be difficult, if not impossible, for district school boards to follow the mandates set out by the ministry. I urge you to address this issue and to increase funding for occasional teachers.

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

**Mr Patten:** I only have one. My wife's a teacher, so I have great empathy with the work environment and the challenges of each teacher, whether full-time or occasional. But my understanding is that, certainly in our area, there has been an uptake, a growth in full-time teachers, unlike, I think, a few years ago, where with some of the cuts there were not opportunities and school boards were really, really stuck.

I know your focus is on the occasional teachers, and I respect that, but I'd be interested to know, is the main group of occasional teachers recently graduated teachers? What percentage are teachers who say, "I don't want to teach full-time. I like the flexibility and the option of being able to move in and work when I want and where I want"? You seem to be implying that certainly not all but a good proportion of occasional teachers are kind of stuck in this situation, and therefore that is their primary livelihood and that is what they are facing. Could you go through the demographics a little about how this sits? My understanding is that there's turnover and there's an expansion with lower numbers in grades. This will be over a three-year period, of course, but that will open up new opportunities on a full-time basis for teachers. I wonder if you might address that a little bit.

**Ms Harris:** In the Ottawa-Carleton District School Board, and I can only speak for this school board, there have been some hirings because of the increased funding, and that's wonderful.

At the moment, my most recent list of occasional teachers from human resources has 2,000 names on it.

That's 2,000 unemployed, qualified teachers looking for work. About 400 of them are retired. I'm not certain how many of them wish to do only occasional teaching—they don't put that into the records—but I would say the vast majority of them are looking for full-time employment.

**Mr Colle:** I know in some parts of the province there were a lot of non-certified teachers who were acting as occasional teachers a couple of years ago. Now what's happened is there's a requirement, I know in the greater Toronto area boards, that they be certified. What is the situation in the Ottawa area in terms of non-certified or certified teachers as occasional teachers?

**Ms Harris:** The Ottawa-Carleton District School Board has never used unqualified teachers. Because of the list of qualified teachers, they don't have to.

**Mr Colle:** There was always the great availability of certified, trained teachers.

**Ms Harris:** Yes. It's the legislation that says that teachers must be certified with the Ontario College of Teachers.

**Mr Colle:** As I said, I know that in Toronto they were filling spots. In fact, I think they still are today. There are some teachers who are not certified who are acting as occasional teachers in Toronto schools.

**Ms Harris:** I can't answer for the Toronto schools. I'm sorry, I don't know the answer for Toronto. I do know that here in Ottawa-Carleton, they do not.

**Mr Colle:** They are trained, certified etc.

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

#### OTTAWA-CARLETON ELEMENTARY TEACHERS' FEDERATION

**The Chair:** I would call on the Ottawa-Carleton Elementary Teachers' Federation to please come forward.

**Mr Paul Dewar:** I'm Paul Dewar. As you can tell, Lisa Falls is not with me today and sends her regrets.

**The Chair:** I'm rather compelled to let you know and remind you that you have 10 minutes for your presentation and there could be up to five minutes of questioning after that. You may begin.

**Mr Dewar:** I certainly hope to keep it under 10 minutes.

First of all, let me thank you for the time and for taking part in this. I know it's important, but it's not a lot of fun for a lot of you to have to go on the road. Thank you for the opportunity.

I just want to give you a little bit of background about our organization. We are elementary teachers. OCETF is our organizational name. We represent approximately 3,000 teachers here in Ottawa-Carleton. We are affiliated with the Elementary Teachers' Federation of Ontario. All of our members are employed by the Ottawa-Carleton District School Board. As an organization, we are dedicated to representing the interests of our members—teachers—as well as the students we teach, and

promoting the importance of our profession and public education.

The Ottawa-Carleton District School Board serves approximately 75,000 students, over an area of 2,760 square kilometres, so it's a fairly large breadth. This area is a combination of rural and urban schools that present considerable transportation problems. The schools offer early, middle and late French immersion and English as a second language in addition to the regular English programs. The Ottawa-Carleton District School Board also runs a variety of other programs, including international languages, outdoor education, adult and literacy, as well as a selection of general interest courses.

The board is an amalgamation of two previous boards: the Ottawa Board of Education and the Carleton Board of Education. The amalgamation resulted in a number of problems, which aren't unique to here, but from that standpoint the problems have to do with everything from transportation, as mentioned, to incompatible computer systems.

Funding cuts over the years have resulted in a steady deterioration of both learning and working conditions here in Ottawa-Carleton. As educators, we applaud the initiatives the provincial government has taken in its attempts to cap class sizes in the early years and jettison some of the previous government's less enlightened policies, like the private school tax credit.

That's just a bit of background.

#### 1130

Here in Ottawa, there are many outstanding issues in public education, as I'm sure there are in the rest of the province, and I believe the government needs to address some of these. Some of these would cost money, but some of them would not. I would like to go over some of these issues and start with those that would be non-cost items.

I know the government has addressed some of the issues around standardized testing, but I think it would be the perspective of most elementary teachers that in fact they should replace the province-wide standardized testing of grades 3 and 6 students with random sample testing. This would not only save money but it would also meet the mark of taking a look at where you're at, where your students are at. Are they meeting the outcomes that are presented to teachers to address?

**School board budgets:** This is a very important one for administrators, not just for teachers, and that is to provide school boards the money they require in a timely fashion. This helps for planning. It also helps for delivery of program in the end.

**Professional development:** Again, I know the government is looking at this. Teachers from our local would like to see the five PD days that were taken away by the previous government reinstated. It wouldn't cost money.

**Report cards:** This is a very stressful, arduous process for teachers. It's done three times a year, to questionable effect. We would like to see the replacement of the fall reporting period for the provincial report card with a

parent-teacher conference to discuss individual student progress.

Special education: I'll be speaking to this in the cost items, if you will. Streamlining the administration of special education grants and individual education plans would be helpful and wouldn't cost money. In fact, the argument could be that it would save money.

I'd like to turn now to some of the areas that need investment and quite frankly need investment of money.

If there is one area that you can highlight of major concern to teachers here in Ottawa-Carleton, I'd have to say it's ESL. English-as-a-second-language students, whose first language is not English, must be given more help. Presently there is only funding for those students who were not born in Canada. Moreover, the funding that is provided decreases each successive year. No other program is funded that way. Simply put, it is an abandonment of a collective responsibility by both the province and, I would argue, the federal government as well. They have a role to play here.

I don't know if you know this, but I'd just put the question to you and perhaps we could talk about it after. I don't know if you knew that Canadian-born students whose parents were born elsewhere and whose native language is neither French nor English are not eligible for second-language funding. I think that's really important to underline. If there's one thing you take away from my presentation, it is that issue. We are leaving a lot of students behind because of that. To just sum up on the ESL question, we must fund our second-language program according to level of proficiency, not on arbitrary rules based on place of birth.

Special education: Funding for special education, as was mentioned previously, needs to be addressed. In Ottawa-Carleton we have too many kids on waiting lists and too many teachers pushing paper instead of teaching and helping children. I'm not going to pin the tail on any donkey here in terms of government. It's an issue that needs to be dealt with. So I'm not going to suggest the previous government; it's just an issue we have to deal with. I know there are discussions going on about that issue.

School renewal and renovation: The Ottawa-Carleton District School Board has a backlog of \$300 million in school renewal and renovation projects. This is not a matter of aesthetics; it is a health and safety matter. In fact, out of the 149 schools in the Ottawa-Carleton District School Board, 67 schools, or 45%, have been identified as in critical need of renewal.

In summary, I believe we must strive for the best in our society. We all know that public education is for all of us. Public education is not a good to be traded or a fiefdom to be guarded; rather, it is a way for people to learn from each other and about each other. I know you all have the best interests of our young people in mind. I urge you to demonstrate your concern by investing your time and energy in increasing the opportunities for all our young people, especially the children whose parents can't lobby or be heard.

**The Chair:** This round of questioning will go to the official opposition.

**Mr O'Toole:** Thank you very much, Mr Dewar, for your presentation. Like you, I've always been a large supporter of public education. My wife and daughter are both teachers, and with five children you learn to appreciate that the real gift in life is education. We could go on for quite a while on that and making sure that each individual student, through some means of communication with the parent as the primary educator, needs to be brought into the loop.

I'm not being critical of you. I'm just saying that as a parent I used to be frustrated with the edubabble about doing well at their level. Building in some accountability feedback mechanism is tough. It's difficult to tell parents that their child is not a achieving or is achieving at their potential, and decoding that so that they know what's happening at the current time. That's really what was missing for quite a while in the education system. I don't say it for today.

I just want to comment on special education. I couldn't agree with you more: As a trustee for about eight years and chair of a special advisory committee, and with a sister who's a speech-language pathologist, I think it's a growing and challenging area. I was told by a teacher in public hearings last year, a special ed specialist. Actually, it wasn't last year; it was the year before. We were government. They commented on the assessments, how much some of these assessments cost and how ultimately they're paper—red tape—driven, and that some of the assessments and the ongoing development of the child and the supports should be left to someone other than just a test to say where they are.

I would agree with you there. I think that's something that could and should be done and left with the educators, the professionals who can do the assessment and build an education plan that suits that child, have a way of revisiting it every year or two, when you move from elementary to whatever. Could you comment on that? Some of these assessments are like five grand or more.

**Mr Dewar:** There's a lot you've mentioned there. I'll just comment on a couple of things that are really crucial for teachers, at least in Ottawa-Carleton.

I think what has happened over time is that special education is more complex. Granted, there are issues that you or I would not have seen or heard of, going through the school system ourselves. I think what's important is to have a psych assessment, they call it, to see where the child, the student, is and from there hand it over to the teachers to work on.

Presently, though, you can have up to three times a year an overview of the individual education plan. You have what's called the IPRC, speaking of edubabble, the individual placement review committee.

**Mr O'Toole:** That's the first step, actually.

**Mr Dewar:** But before they get into the individual placement review committee, you have to have identified the needs, and often you have to have the psychological assessment. In Ottawa we have anywhere from 4,000 to

4,500 students waiting for that first part. That's their ticket in, if you will.

Otherwise, they're languishing in a regular classroom. I say "languishing" in the sense that they're not getting all the supports that they require. Then we could talk about the ISA system.

In a nutshell, I would say we need to make sure that kids are identified early, and after that I agree with you: We need to then put it in the hands of those teachers in the classroom who are working with those children and remove it from all the hoops, if I can use that term, that we have constructed over time. I don't want to, as I said before, paint it on any one government. I think it's an issue for all of us to collectively look at and address.

So make sure you identify children early, make sure they have a proper placement, and from there, put it over to the teachers and the parents to work together to decide on the progress and where they go from there. I think that would help a lot and perhaps even save money.

Thank you very much.

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

1140

#### OTTAWA LIFE SCIENCES COUNCIL

**The Chair:** I call on the Ottawa Life Sciences Council to please come forward.

**Mr Ken Lawless:** Good morning. My name is Ken Lawless. I am president and CEO of the Ottawa Life Sciences Council. Thank you very much for the opportunity to speak to you this morning.

The Ottawa Life Sciences Council is a not-for-profit development organization for the life science industries in the Ottawa area. We've been around for at least a dozen years. Our main mandate is to grow the life science sector in the Ottawa area, although you will see that we are very active provincially, nationally and internationally in terms of trying to move this sector forward.

I have two documents for you. The first is a Power-Point presentation that I hope just to walk through with you. The second is an attachment of a media release and supporting documentation on a national biopharmaceutical manufacturing initiative that supports this.

This project started about three years ago with the support of the Ontario government and the federal government. I'd like to thank both the past and present governments for their continuing support of this particular effort. It basically started with the concept of looking at manufacturing in the biotechnology space. When we started to look at the manufacturing, we recognized that there was a need for what we call pilot manufacturing for these particular products. It's very specialized manufacturing, quite costly infrastructure to put in etc. When we started to do the project, we realized that this was much bigger than a single facility or institute in Ottawa; it was much, much more than that. It was a huge opportunity for Canada, and there was a

leadership vacuum. So we decided to fill that void and work collaboratively with about 70 individuals from five provinces—industry, governments, NGOs—to put this plan together. I want to talk to you a little bit about what's at issue, what the plan is and where Ontario fits into this, if we could.

The first line that you see is just a diagram of what the Centre for Biopharmaceutical Manufacturing, which is a planned not-for-profit institute, would look like. There are two elements to this. One, this particular institute is focused on stewardship for this particular area. Anybody who knows about the biotechnology industry will know that Ontario is placed about fourth in North America in terms of biotechnology companies. We're very good at discovery; we're not very good at commercializing. We just don't quite have the right commercialization infrastructure in place.

This particular initiative focuses on two elements. One is trying to build the training and research complement in the manufacturing space. The second is actually to provide some of that capacity and the unique training facilities that are required. This is done actually through a private-public sector partnership that we hope to be able to put together. This is about a \$200-million initiative. There's about \$75 million estimated for the public side and \$125 million for the private side. What we're looking at right now is this as basically the core of a national program, and I'll come back to that in a second. I'd like to just walk you through the drug development process.

I just want to clarify, Mr Chair, how much time we have.

**The Chair:** You have 10 minutes, and I'll remind you when you have about a minute left.

**Mr Lawless:** The drug development process is actually quite fixed by the regulators. Basically, after you do research, you have to do animal trials and then you can start into human clinical trials. Most of Canada's 700 products are before phase 2 clinical trials. Now, the issue we have at hand is that most of our companies are there, most of our products are there and we have a bubble that's just about ready to come through, and our commercialization system can't handle it. The principal thing is actually manufacturing. What I mean by manufacturing is current good manufacturing practices facilities and the availability of highly qualified personnel to staff those facilities and the discovery companies. This is really what the issue is. Basically, what we have is a bubble coming through and a lack of capacity in Canada.

There's also a whole bunch of technology changes that are happening. Anybody who knows the pharmaceutical industry knows that it's been predominantly focused on chemistry and small molecules. It's now very large protein molecules. You can't make them the same way, you can't use the same staff and the facilities have to be different. So what's happening is, the pharmaceutical industry globally is having to retool because it's changing the molecules that it's using, and that's the influence of biotechnology.

*Interjection.*

**Mr Lawless:** You got it, and it's very, very disruptive. So what's the difference, really? It's really the difference between chemistry and biology and the difference between something the size of a golf ball and something the size of a Volkswagen Beetle, to give you a size difference in relative terms.

If I go next to the slide on how profound the global trend is, what's happening is that there's been a shift. The FDA, the regulator in the United States—almost half, or half of the new drugs that are approved are biologics. So there's a scramble now to retool and, in the retooling, there's a scramble also to not only put up facilities, but also they don't have the trained people. What's driving this is not the large pharmaceutical companies; it's the small biotechnology companies that (a) need that capacity, but (b) also have the pipeline. Big pharma doesn't have the pipeline of new products, so then it sets up a natural synergy between the two.

So there's a huge thing that's happening. We're seeing tripling of the manufacturing capacity over the coming years and, of that capacity, only a very small percentage is at the pilot scale, and that's where Canada's needs are.

Training: We're seeing a global need for tripling the employment in this space, so we're looking at about 80,000 new people needed globally. So any companies that do have that, like Aventis and others in Canada, are hearing a sucking sound, a brain drain to the US. It's really, really important. There's a lot of regulatory changes that are happening.

If you flick over to slide seven, which is the Canadian situation, in our biopharma development forecast, we're looking at, by 2010—so it's not too far away—a 93% increase in drugs in development, an 87% increase in drugs in clinical trials, 93% more SMEs, and we're going to need 66% more people in this space. These are quite aggressive, and if we don't, we're going to lose out on about \$15 billion worth of investment.

The next slide gives you the forecast beyond that, which is staggering. We don't have enough pilot capacity to do what we currently have right now. Can you imagine what it's going to look like when we have the phase 1 and phase 2 volumes by 2010 that we're seeing here? So these are just huge numbers, but they're also huge opportunities for us, and the key is highly qualified personnel. That's really what it boils down to.

The Canadian situation is that we had to put together a national strategy. No one region can win. It's not about Montreal, Toronto, Ottawa or Vancouver—those are the major centres—it's about all the ships floating up with the rising tide, and we have to do something on that basis. So we set out to do that, and that's what we've done with the Canadian Bioprocessing Initiative, which is highlighted in the release that I have there for you.

I'm going to ask if you can move to slide 11—this is the one with the map. Some of the unique features that we're having to deal with—and this is important from an Ontario perspective—is that we currently have nationally most of the activity happening in Ontario and Quebec. We do most of the biopharmaceutical manufacturing research and development. That's not drug discovery;

that's actual manufacturing. We have a \$5.5-billion pharmaceutical deficit in Canada right now. That's the amount that we import more than we export. Ontario's share is \$4.2 billion. That number is going to double by 2010. So do we want to continually fork money out of the country and out of the province or do we want to have this industry present and making product for other people, as opposed to just taking our discoveries and sending them away? That's really the issue here.

The initiative that I have here—and I don't have a lot of time to go through it—is summarized on page 12. What it's about is focusing on physical capacity; it's focusing on increasing the research capacity that we have. The people who need to be staffed—and these are highly qualified personnel—need to have an advanced degree. The only place they can get that is at a university. They have to do research. So we have to have the researchers in the place who can then train these people and bring them forward. We need to double the number of people that we have.

The second is that we also need to train and re-skill people. It's one thing to be doing it at a lab bench; it's another thing to be doing it in an industrial facility. We don't have the training to do that. All the companies do that in-house right now. The people whom the manufacturers need are the same people who are needed inside the small and medium-sized companies. So we have a double whammy. We've got a lot of inexperienced companies trying to move a product through a process, and they don't have the skill sets. Globally, those people don't exist, and we've got a problem. We don't have a training program in Canada or in Ontario to fill them. Yes, they do have the right degree, but what they don't have is the 18 months' experience in a regulated environment on a commercial scale. That's the critical part here, and that's what's really killing us in this context.

#### 1150

What happens if we don't implement something like this? We become, from all the investments that we're making and have made, Canada subsidizing the world. We do all this research, we get four cents on the dollar in royalties, somebody else takes the other 96 cents and then sells it back to us, and we're in a pharmaceutical deficit. This is the problem that we're facing, so we have to do something about it. This particular initiative is very focused on one of the key bottlenecks that we have, so we really do have some issues that are there.

I'm going to go to facts and figures for you. We have been working with the federal government on this and with the provincial government, the Ministry of Economic Development and Trade, for about three years on this particular project. We're looking at about \$450 million over seven years of recommendations here. The federal contribution represents about \$370 million. It would come from both existing and new monies; there has to be a blend of those things. We are also looking for provincial contributions, and in this case Ontario's contribution would likely be estimated between \$60 million and \$70 million over four years, much of that

focused on infrastructure and a contribution to the Centre for Biopharmaceutical Manufacturing.

What's the impact? Well, the phase-in for this is to 2010. The impact is about \$1 billion direct—this is all direct impact—and then, once this is in place, \$2 billion a year. That doesn't include our ability to attract large pharma or other contract manufacturing organizations or other countries' manufacturing. Each full-scale manufacturing facility represents somewhere in the neighbourhood of a \$200-million to \$400-million infrastructure cost, and that's for one drug.

We have an opportunity here, if we get it right with our training and get it right with our pilot facilities, to not only capture our own Canadian pipeline but also capture the world's pipeline. That's what's going to build our biotechnology industry, which, by the way, is second in the world in number, but what we want to be is second in the world in revenue. The only way you get there is if you're manufacturing and exporting product, and that's what the issue is.

**The Chair:** You have about 30 seconds left.

**Mr Lawless:** Sure. So what happens if we don't? Basically, our pharmaceutical trade deficit continues to grow. All that \$15 billion of investment that we made, public and private money investment in companies: Kiss most of the return goodbye; it ain't going to happen. We're going to continue to have a glass ceiling for our companies; they can't get beyond there. We have to really do this.

What it boils down to is the status quo. We become a publicly subsidized intellectual property supply chain whose benefits are largely realized elsewhere. To give you a sense, in the United States this is an \$800-billion industry, so this is not small. We have an opportunity in Canada and in Ontario to play a lead role in this space, and unless we make these investments now, we can kiss what we've got goodbye.

**The Chair:** The questioning in this round will go to the NDP.

**Mr Prue:** Two areas: The first one is the investments that are needed. I'm not clear here: Are you looking for government grants, or are you looking for the government to use the tax policy to allow for, say, retirement funds and those kinds of things to be put in? I'm just not clear where you expect the \$60 million to \$70 million to come from.

**Mr Lawless:** The \$70 million is really broken down into two elements. One is an infrastructure element—very similar. About \$40 million of that is driven by an investment in a not-for-profit institute, that brand new institute in Ottawa that focuses on that space. The rest of the dollars come from training programs. What we're looking at right now for Ontario would be two to three regional training nodes that would use existing universities and colleges. Basically, what it's about is developing a manufacturing training network for Ontario in the GTA area and Ottawa. Those are the two major centres that can support it. Waterloo, for instance, is one of those major centres that have the capacity to do the training.

The number one location determinant for a biopharmaceutical company is highly qualified personnel. So that's the nut we have to crack. If we can do that, we can get investments.

Coming back to your point, this would be grant-focused in this space, but then it would be leveraging private-sector investment. So, for instance, the money that would be coming into the Centre for Biopharmaceutical Manufacturing—there's a \$75-million governmental ask in that, split between the feds and the province. That would leverage \$125 million of private-sector infrastructure money right on top of that. From that, we would have the actual pilot facilities these young companies can then use to get their clinical-grade materials so that they can go on and do their clinical trials. It's all about trying to get the really targeted, focused drugs into clinics as quickly as possible so that we can focus on cancer, HIV and all of the diseases that we really are having issues with.

The other thing about CBM itself is that the pilot facilities, of which there would be five suites, would also provide a capacity in the case of emergency. For instance, if we have a flu pandemic, we currently have no capacity to produce flu vaccine, even for first responders. This would give us that opportunity to do it and turn these things around on a dime—basically, a week—and then start to produce the materials and get that first batch out to the first line of defence, and then let the bigger manufacturers like Aventis and others pick that up and run like the devil with it.

So this meets a whole bunch of needs, not just a training need or an economic need. There's a huge impact on the health care system and our readiness for the health care system.

Does that help you at all?

**Mr Prue:** I think that more or less did it. So you're not only looking for money. When they start to parse all this out, this is not only grants, this is not only seed money, but in fact much of it would be spent in the colleges and universities.

**Mr Lawless:** Absolutely.

**Mr Prue:** So it would come out of education and higher education as well.

**Mr Lawless:** Exactly. As a matter of fact, if you look at the federal spend we have, about \$150 million of that is directed toward research and development in this space. Ontario would probably end up with half of that money. So we would see 75 million new dollars of research and development money into the universities in Ontario for that.

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

We are recessed until 1 o'clock.

*The committee recessed from 1157 to 1302.*

#### CHILD CARE ACTION NETWORK

**The Chair:** The standing committee on finance and economic affairs will come to order, and we'll begin this

afternoon's presentations. The first to present is the Child Care Action Network.

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

**Ms Diane O'Neill:** I'll just go quickly through my presentation. It takes about 15 to 20 minutes to get through it, so I'll just sort of skim through the interesting parts. I've given everybody a copy of it.

My name is Diane O'Neill, and I'm here representing the Child Care Action Network, or CCAN. CCAN represents not-for-profit child care agencies, associations, groups, child care workers, children services and children's advocates living in Ottawa. CCAN is the local network of the Ontario Coalition for Better Child Care, or OCBCC. Our purpose is to build momentum in our community to support, protect and expand regulated, not-for-profit, high-quality child care and its workforce in the city, the province and the country for our children and families.

I'm sure you're all well-versed in what high-quality child care is, so I won't go through it too much, but I will tell you why it's important to our country, our province and our city. It's very important because it produces a solid social and economic foundation for societies, social justice, social determinants of health, crime prevention at the community level, social equity and inclusion, human development and freedom.

Early childhood care and learning provides many benefits to society, including economic ones. Canadian economists have calculated that every dollar invested in high-quality child care brings \$2 in future social and economic benefits. If Canada made quality child care available to all 2- to 5-year-olds, the immediate benefits to our economy would be greater employability for parents, higher income and taxes paid by parents, and savings to the social welfare system.

Down the road, there would be similar benefits projected for the children, because early childhood education is linked to academic and career success.

I'll give you a brief overview of what child care looks like in Ottawa in 2004. There are approximately 95,000 children between the ages of zero to nine living in Ottawa. There are currently just over 11,300 licensed child care spaces, of which there are 6,700 that are subsidized. With over 70% of young children needing access to non-parental care, this means only 10% have access to licensed child care. Waiting lists can be up to two years for infants and toddlers and even longer for preschoolers.

Two local research studies, the multi-year participatory research project, Women's Access to Municipal Services, and the Success by Six: Community Inventory Gap Analysis Study found that:

Women in Ottawa identified the inability to access quality child care as a barrier to finding and keeping work or participating in employment training;

Women identified not knowing how to access subsidized care, long wait-lists and inaccessible locations as barriers;

The main unmet need of families is access to affordable, accessible, high-quality child care.

These findings are disturbing in light of the fact that our city has a strong understanding of the importance of and a commitment to regulated high-quality child care. This situation, instead, reflects the result of chronic provincial underfunding. Eight years of provincial cuts, together with increased financial pressures on city budgets—

**Interjection:** Who did that?

**Ms O'Neill:** The Tories did it, not the Liberals—is witnessing a retreat from the long-standing commitment. The retreat began two years ago, when our city was forced to eliminate 170 licensed child care spaces and placed a moratorium on the child care capital reserve fund as a way to stabilize the child care system and balance the 2003 budget. Last year there were further cuts to subsidized spaces, and the reserve fund was drained.

It's time for action. The Tory government's own Early Years Study set out an ambitious plan for integrating and expanding a network of community-based programs across Ontario to provide universal early childhood education and care for parents and family support. However, instead of implementing the recommendations, the Harris-Eves government launched the Ontario Early Years centres, with one centre located in each provincial riding. These centres are completely separate from the child care service management system responsible for the planning and coordinating of children services, which undermines the legitimate role of local government in planning. This situation must be reviewed and remedied.

The effects of tightening provincial child care subsidy criteria and the new class of subsidies created for Ontario Works clients have created a situation where there is huge unmet need on the one hand and licensed, subsidized spaces sitting empty on the other. Centres are struggling to run quality programs while trying to keep their doors open. Child care is in crisis. There is no coherent system. Child care programs report financial crises, difficulty recruiting and retaining staff, escalating fees and deteriorating physical environments. As a result, many regulated child care programs struggle to deliver developmental environments, and even when quality services are available, most families cannot afford to access them.

Instead of being a leader in developing a system of early learning and care that gives children a good start in life, Ontario has fallen behind. We lag behind most other industrialized nations, and behind Quebec, which has taken great steps toward a universal child care program since it introduced a systematic and comprehensive child care plan in 1997.

The need for a child care strategy for Ontario has never been greater. As child care moves back on to the provincial and national agendas, Ontario needs a funding

and policy strategy aimed at putting in place an integrated, responsive child care system that meets the educational and developmental needs of children and the parenting and work-training needs of families.

The value of a national, provincially managed child care program is well recognized. Families across Canada, as well as in all regions of Ontario, need a system of universal, high-quality, not-for-profit programs. In ensuring that this becomes a reality before more children grow up, all three levels of government have roles to play.

**1310**

Setting national goals and targets demands strong federal leadership and federal financial resources, as well as federal collaboration with provinces. Ontario must play a key role with the federal government in urging such a commitment.

This presentation and my submission is based on the Ontario Coalition for Better Child Care's latest position paper, *To Boldly Go ... Towards a Comprehensive Child Care System in Ontario*, which was released in November 2004. It outlined a 10-year strategy for developing a child care system in Ontario that will provide long-lasting benefits to children, families, the economy and our society.

Our recommendations for the 2004 Ontario budget:

The early learning and care system we recommend is community-based and not-for-profit, providing services that meet the diverse and distinct needs of different communities and families.

Services will be universally accessible, regardless of children's abilities, cultural or linguistic backgrounds or regional circumstances, and regardless of family income or parents' employment status.

These services will be non-compulsory but available to all children to the extent that their parents wish to use them. Service development will be flexible according to what makes sense for each community, rather than a one-size-fits-all approach.

Services will be delivered using a hub model of integrated services.

**The Chair:** I just want to remind you that you have about a minute left.

**Ms O'Neill:** Oh, OK, what I'm going to do is—it's all in here. But I would just like to bring to your attention that it should be publicly funded, that it should be non-profit. That does not mean that we are advocating getting rid of the for-profit centres. What we would like to see is that they be grandfathered in. But no new money should be given to the for-profit centres, as this might trigger NAFTA or GATS and we would then have the big-box child care coming in from the States and from Australia. They're already having problems with those centres now.

It should be universal, inclusive and high-quality, and what we would like to see is to begin the phase-in of the four- and five-year-olds by May 2005.

We want the availability of federal dollars going only to the not-for-profits and the reinstatement of the \$160 million cut from the provincial budget between 1995 and 2001.

We would like to see a move to 100% provincial funding of child care. This is very important. London and Kenora have just refused the new federal money due to the burden of matching dollars. This is going to happen in more and more cities.

We need to address the issues of pay equity and wage-enhancement grants. The retroactive payment has not been stabilized yet. In most cases, it works to the benefit of: If you broke the law, you got your retroactive payment; if you honoured the law and paid out, you didn't get it. We would like to see that changed, and we would like to see wage enhancement going to every person working in the not-for-profit sector. Thank you.

**The Chair:** Thank you. The questioning will go to the government.

**Mr John Wilkinson (Perth-Middlesex):** Thanks for coming in. We had a bit of your presentation earlier, so it was great for you to give us the information on the Ottawa scene.

There was a recent proposal by the government about trying to provide for four- and five-year-olds. You have a lot of schools where kids are just there in the morning or the afternoon. So I'd be interested if you could elaborate on your recommendation of the hub principle that's in your presentation, about how we get everybody coordinated. Could you just give us that in a nutshell?

**Ms O'Neill:** The hub principle is that it would be a geographical hub. I'll use my centre. I work in a fairly large centre. We have 116 children from 18 months to 10 years old. At present, what we do is all our kindergarten and school-age children come to our centre. What I would foresee is that once we go into the school system, the space that I have for kindergarten and school-age children would be transformed into infant care, more toddler spaces, a resource centre for parents that they can access, home care—I could have my home care offices in those spaces.

We would then go into the school system and do the wraparound day for the school-age, and then be in for half the day of the kindergarten program so that the children would still be in kindergarten, but it would be a seamless day where they would have teachers and ECEs.

In the French school system, it works in two different ways in Ottawa. In some centres, it's a half-day kindergarten teacher, half-day ECE teacher. In other centres, it's a full-day teacher, alternate, so the ECE would be in for a full day. There's a lot of different variations of what could happen, and it would be based on what's good for each location.

**Mr Wilkinson:** So here in Ottawa, it tells me that you actually have some examples of the vision that we've stated from the minister about how to start the wrap-around and go from five and work it backwards. We can't do everything overnight; it has taken years to get into this.

**Ms O'Neill:** What we're saying is that it should be done within 10 years; not overnight, definitely.

**Mr Wilkinson:** We'd be more than happy to share with the ministry the example here. So it's the French

board that has an example of where that's working, and they've kind of worked out all the kinks.

**Ms O'Neill:** Yes.

**Mr Wilkinson:** In your opinion, that's a good system that seems to be working very well.

**Ms O'Neill:** It seems to be working very, very well.

**Mr Wilkinson:** If we could replicate that across the province, that would be a good thing?

**Ms O'Neill:** Yes, with ECEs in for—

**Mr Wilkinson:** With the ECEs working together.

**Ms O'Neill:** Yes. In the other school boards in Ontario, they have not used ECEs; they've used teachers.

**Mr Wilkinson:** I'm from Stratford. So could you just give me the name of the school board involved? Or I'm sure Richard may be able to help me.

**Ms O'Neill:** What I can do is get you the contact person who actually runs the ECE programs.

**Mr Wilkinson:** That'd be great. We'll make sure the minister gets that.

**Ms O'Neill:** OK.

**Mr Wilkinson:** Great.

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

#### METIS NATION OF ONTARIO

**The Chair:** I call on the Metis Nation of Ontario to please come forward.

Good afternoon. You have 10 minutes for your presentation, and there may be up to five minutes for questions. I would ask you to identify yourself for the purposes of Hansard. You may begin.

**Mr Tony Belcourt:** Thank you, Mr Chairman. My name is Tony Belcourt. I'm president of the Metis Nation of Ontario. I have some briefing kits that are being circulated to you. They include an overview of the Metis Nation of Ontario, some documentation on our registry, some information on our primary services, a copy of the Supreme Court decision *R. v Powley*, information on Metis Nation of Ontario harvesting, and a copy of the Metis Voyageur. At the very back is a calendar that I wanted to point out to you has a summary of everything. It has contact information for our councils and offices and so on. I have a briefing note as well that is being circulated.

The Metis Nation of Ontario represents the constitutionally recognized aboriginal people known as the Metis. The MNO is one of the governing members of the Metis National Council, which represents the Metis Nation at the national level. The MNO definition of Metis, consistent with that of the Metis National Council, is as follows: "Metis" means a person who self-identifies as Metis, is distinct from other aboriginal peoples, is of historic Metis Nation ancestry, and is accepted by the Metis Nation.

Historic Metis Nation communities exist throughout the waterways of the fur trade era in Ontario, including the upper Ottawa River, the waterways to James Bay, the

upper Great Lakes, and northwestern Ontario to the Manitoba border.

The MNO was founded in 1994. The MNO maintains a registry at its headquarters here in Ottawa. The MNO registrar is the only person with the mandate and the discretion to approve applications to the registry. Metis citizens registered in the MNO are those who prove to the satisfaction of the registrar that they are Metis within the meaning of the definition, meet the criteria set out in the MNO bylaws and provide all genealogical documentation to prove their ancestry. Approximately 18,000 adults have applied to the registry. Approximately 12,000 have been processed so far.

#### 1320

The structure of the Metis Nation of Ontario includes the Metis Nation of Ontario Secretariat Inc, which is the administrative arm of the Metis Nation; the Metis Nation of Ontario Development Corp; and the Metis Nation of Ontario Cultural Commission.

The governing bodies include the Annual General Assembly; the Special President's Assembly; the Provisional Council of the Metis Nation of Ontario, which is our governing provincial body; the Women of the Metis Nation of Ontario; the Metis Nation of Ontario Youth Council; MNO Chartered Metis Community Councils; and Captains of the Hunt.

The PCMNO, WMNO and MNOYC are representatives elected every three years by ballot-box election according to the Metis Nation of Ontario electoral code. There are approximately 30 chartered Metis community councils in Ontario, each elected by ballot-box election according to the community electoral codes.

The MNO's annual budget is approximately \$11 million. The bulk of federal government funding is primarily for training and human resource development. The bulk of provincial government funding is for long-term care and some health-related programs.

A key feature in the MNO's programs is its scholarship and bursary program. The MNO has approximately \$4.2 million in endowment funds at 32 Ontario colleges and universities.

The MNO's key objective in 2005 is to develop a relationship with the government of Ontario based on respect of the Metis as a people who hold constitutional rights. A fundamental aspect of this goal is that the Metis be dealt with as equals, not as victims—a principal tenet of the Supreme Court of Canada decision in *R. v Powley*.

We ask the government of Ontario to fully live up to its commitments in the four-point agreement of July 7, 2004, concerning Metis harvesting in Ontario.

We ask the government of Ontario to conduct a review of all legislation and regulations to ensure that the Metis are treated fairly and equitably with First Nations in Ontario.

We ask that the government of Ontario, through tripartite discussions with the government of Canada, develop plans to provide adequate resources to enable the Metis Nation of Ontario, its councils and its subsidiaries

to develop the capacity to properly represent and manage the interests of the Metis Nation.

We propose that future financial needs for the Metis Nation of Ontario be provided either by special allocation of funds set aside for the Trillium Foundation, or that appropriate licensing for the Metis Nation be considered in any plans to expand gaming in Ontario.

We propose that funds be set aside to establish a chair of Metis studies at an Ontario university.

We propose that the government of Ontario immediately begin talks with the MNO on its emerging economic development projects to support the goals of self-sufficiency for the Metis Nation.

**The Chair:** We continue with questioning, and this will go to the official opposition.

**Mr Barrett:** Thank you, Mr Belcourt, for an excellent package of information. I haven't had time to go through it all. I do receive your newspaper. As you would know, the province of Ontario enshrined the right to hunt and fish a number of years ago in legislation. As I recall, at that time, that did not influence or affect aboriginal rights in any way. Just from a historical perspective, were you involved in those consultations at all or did you have a position at that time?

**Mr Belcourt:** No, we weren't involved. We weren't quite ready to participate in the discussions at that point.

**Mr Barrett:** More recently, I see in the newspaper—and I haven't had time to read this—with respect to MNR and MNO, that an agreement was struck, I think just last year—

**Mr Belcourt:** July.

**Mr Barrett:** —and I see the title of this article, “Anatomy of a Deal Gone Sour.” I wonder, for the purposes of the committee, could you explain where, it sounds like just in the last few months, there has been some deviation from the agreement reached by the Metis people with—I don't know if it's the MNR, but with the province of Ontario? I wonder if you could just highlight that for us.

**Mr Belcourt:** Under, I think, the blue tab—I hope it is—there is one page that simply states four points of agreement for an interim MNO-MNR harvesting agreement, and there's also a map showing traditional Metis harvesting territories. It's the second-last tab, I think, or the last one.

The four-point agreement is very simple:

“(1) MNO and MNR agree that the MNO will issue a maximum of 1,250 harvesters cards for this year. The number ... is for this year only. A mutually agreeable process for a change ... will be developed....

“(2) The MNR will apply the Interim Enforcement Policy (IEP) to those harvesters cardholders who are harvesting for food, within their traditional territories and pursuant to the safety and conservation values set out in the IEP....”

The interim enforcement policy was put in place by the government of Ontario following the Sparrow decision, which came down in 1991. Basically, those aboriginal people exercising the right may do so if they're

doing so within the laws of conservation and safety. The province of Ontario did not apply that policy where the Metis are concerned. The Supreme Court of Canada established clearly that the Metis right exists, and our agreement is as a result of that Supreme Court decision, in *R. versus Powley*, September 1993. The agreement was reached in July, but when harvesting season was really starting to get well under way in October, the ministry announced that it would apply this policy only in areas north of Sudbury. That's not consistent with the agreement. The agreement doesn't say “in territories north of Sudbury;” it says “in MNO harvesting territories.” We have a map, which was part of the negotiations and so on, which shows that the territories exist everywhere.

**Mr Barrett:** Briefly, Chair?

**The Chair:** About a minute left.

**Mr Barrett:** This standing committee on finance travelled in September, and that was initiated by a private member's bill introduced by MPP Gilles Bisson. Our goal was to hear consultation and deliberation with respect to native communities sharing in economic development; for example, the diamond project west of Attawapiskat. Now, that was limited to the north. I represent Six Nations-New Credit. We felt there was a case to be made for areas in the south to be considered, if any of that private member's bill was to go forward. I don't know whether the Metis community did a submission or were involved in that at all, but I just wonder if you were aware of that or had any comments on that for the purposes of the people around the table.

**Mr Belcourt:** Unfortunately, we just don't have the staff to be able to keep abreast of everything that's going on, so we haven't been able to address that specifically.

In terms of economic development, we want to establish a working relationship with the province because we already have been discussing with industry some projects, one of them quite significant: a hydro development to support the hydro needs of a forestry operation. We're going to need to raise the capital based on sound business practices and so on. So I talked with the government about the benefit of the Metis Nation of Ontario becoming the owners of that plant, which the company has proposed to us, and the jobs, obviously, that this means and what it means in the long term for the Metis Nation's self-sustainability. We have one project like that in northern Ontario, north of Lake Superior, and another project in the area around North Bay.

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

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#### SCO HEALTH SERVICE

**The Chair:** For the committee, the 1:30 presentation has cancelled. I would ask if the Sisters of Charity health services would come forward. Good afternoon, gentlemen. You have 10 minutes for your presentation, and there may be up to five minutes of questions following

that. I would ask you to identify yourselves for the purposes of Hansard, and then you can begin.

**Mr Paul Kane:** Thank you very much, Mr Chair, and honourable members of the provincial Legislature. My name is Paul Kane. I am chair of the board of directors of SCO Health Service here in the city of Ottawa. I am accompanied by Mr Gérald Bisson. Mr Bisson is senior vice-president of corporate services and the chief financial officer for SCO Health Service.

Today is viewed by us as a real opportunity, and we appreciate that. Two of the members of your committee, Mr McNeely and Mr Patten, are familiar with SCO Health Service, but just to give you a very brief background, specifically, the Sisters of Charity health service operates a facility with 751 hospital and long-term-care beds here in Ottawa. It's one of the largest health care centres in its field in Canada and certainly in eastern Ontario. In addition to the size of the hospital in terms of the number of beds, we also have approximately 29,000 outpatient visits per year. It is a teaching hospital associated with the faculty of medicine at the University of Ottawa. It also has a research arm, in the form of the Élisabeth Bruyère Research Institute, which carries on research in the areas of health of the elderly, palliative care and elder primary care.

The submissions that we're making today focus in particular upon the hospital core, which is the core area of activity of SCO Health Service. The board of directors and senior management have done a lot of work and have spent a fair bit of time over the last six months meeting with our local members of Parliament and cabinet ministers in terms of the particular challenges that face SCO at the present time. We think—we hope—we have been successful in communicating the particular challenge faced by our organization.

We have been told very clearly and we understand the message from the Premier and the Minister of Health of this province that the allocation of public revenues to the health care field cannot continue to grow without check. We understand and we agree that we, as a health care institution, together with other organizations, have to be accountable to this province for the monies that we are allocated as base funding on an annual basis. We share the view of a number of other health care institutions in this province that the existing funding level is inadequate to be able to provide the level of services to which the citizens of this province have become accustomed. Having said that, we also recognize that there has to be an alignment of health care services in such a way that those health care services are provided by the organizations and institutions best suited and most economically positioned to provide those services.

Just so you understand, SCO Health Service is part of the solution. As a health care institution with our level of expertise, we should be taking some of the overflow from the bottleneck at acute health care centres and providing services at a lower cost. So, in terms of the stated objective of the government—namely, to rationalize the services within this province—SCO should be part of the solution.

Enough in terms of generalities. I'd like to move specifically to the kind of challenge that we're facing. Whereas I say I recognize the challenge faced by the government in terms of the available dollars, we do have a unique situation in the form of equitable funding, which is why we're here today and why we have been working with ministry officials and members of the government over the last six months.

The province, as you know, allocates in the form of base funding a certain amount to each health care institution. I'm going to make a motherhood statement, because I think everybody—every member of the provincial Legislature and every party and every citizen of the province—will agree with the following statement; namely, that citizens of this province and areas of this province in terms of how they are treated by the government should receive equal treatment. I think we all agree with that principle. The difficulty we're faced with is the demands which exceed finances. That presents all kinds of challenges.

In particular, we provided you with a background paper. I'd ask you to be good enough to turn to page 3 thereof. On page 3 there is a box, a chart. In terms of our peer group, we've taken other similar health care institutions providing the same kinds of health care as we are at SCO and shown you the percentage of the base level of funding. You'll see the bottom line is that, whereas the base funding of our peer institutions in the city of Toronto is at the level of 85% to 92%, the base funding for SCO is at 74%.

In addition to that, if you'd be good enough to turn to page 4 of my paper, you'll see, in terms of the first box there, that what we charge in terms of preferred accommodation rates, copayment rates, to our patients—the private rate at \$150 and the semi-private rate at \$100 far exceeds what our peer group institutions are required to charge their patients in the areas where they are located, particularly in the city of Toronto.

You'll see in the second box on that page that we generate in terms of revenue on our beds—our revenue-producing capacity per bed—on an average basis, \$27,000 per year, as compared to our peer group, which averages \$13,000 a year. So on the one hand we are charging the citizens of Ottawa, in terms of these preferred accommodations, a much higher level than in the rest of the province, and in Toronto in particular, and on the other hand we are generating revenue which exceeds that of those same institutions.

If I may, I'd ask you to go back to the previous page, and specifically the 74% base funding versus 88% average for the other peer groups. The reason we are so much lower is not because people have been malicious; it's not because anybody is out to get us or anything of the kind. The reason that we are lower-based funding is an historical reason. The reason specifically is that, unlike Toronto, we stood in the past and received revenue because we had residents from the province of Quebec who came over and received health care services here in Ottawa. That was intended in the past to offset

that difference between 74% and 88%. The difficulty is that that revenue base from Quebec is in the process of disappearing, and will disappear completely. That revenue base in Ontario represents to us at the present time, in 2002-03, \$4.6 million. Why is that figure relevant? It's relevant because in the balanced budget plan that we put in to the Ministry of Health, we are projecting, everything else being equal, a deficit next year of \$10.6 million. The ministry and the province of Ontario has said, "No way. You have to balance your budget."

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So we've done two things. We have gone back as part of that balanced budget plan and we have looked at revenue-producing capacity. We have looked at expenditure or operational reviews. We have projected a saving of \$3 million that we were able to come up with. We're projecting that we can produce that saving toward that \$10-million shortfall. We can't come up with the balance and we're faced with funding this base funding at 74%, versus our peer group at 88%, when over the next year or two we will have this Quebec revenue down to zero or very close to zero.

**The Chair:** You have about a minute left in your presentation.

**Mr Kane:** Thank you.

One of the things we have done is, as I've said, that we've looked at revenues and we've looked at expenses. We've put in our balanced budget plan. We've met repeatedly with the ministry. Because we are so confident in the responsible approach we have undertaken as an organization, we have—ourselves, unilaterally—invited the Ministry of Health: "If you feel that we haven't cut to the bone, haven't cut down much as we can, send in your review team."

Unless we can get this equitable funding addressed by the province we are faced, over and above the measures we've already taken, with the closure of 88 beds in our institution. That represents 18% of our beds throughout SCO, at the same time that the province of Ontario, through the ministry, has invested over the last two years \$50 million in renovations to Saint-Vincent Hospital, one of our sites, and the Élisabeth-Bruyère Health Centre, one of our other sites; \$50 million has gone into development and renovation of those two sites when we're faced with closing 88 beds, or 18% of our beds.

We think there is a solution; we believe there is a solution. We are saying that any Quebec revenue we get goes to the province. Please just treat us at the same level, on the same basis—88% base funding—as our peer group. We know we're swimming against the stream. We know that dollars are limited. We do feel, however, that we are in a unique situation because of this inequitable funding formula that is in existence at the present time.

I thank you for your time and for your attention. We'd be happy to answer any questions.

**The Chair:** The questioning will go to the NDP.

**Mr Prue:** Two sets of questions: First of all, I can see the 88 beds, but I also see the FTE impact being 122.97; let's round it off to 123 people. Who is going to be

impacted? Are you laying off nurses? Are you laying off doctors? Who's going?

**Mr Gérald Bisson:** In respect to the lower section, the closures of beds, it's patient care staff. These are nurses, RNAs, health care aides, physiotherapists, occupational therapists, dieticians and speech-language specialists. So it's direct patient care.

**Mr Prue:** The proposal is that if we proceed and if the government continues with its program, you're going to lose 123 staff.

**Mr Bisson:** That's correct.

**Mr Prue:** I guess it takes a long time to amass a staff, to find the right mix, to find the right person.

**Mr Bisson:** Absolutely. Look at the severance costs. In the first year there are no benefits whatsoever. Furthermore, it puts the institution, its floating capital, in an unsustainable position, let alone trying to facilitate a credit facility for us.

**Mr Prue:** So you save \$7 million but you spend \$6 million or \$8 million on severance.

**Mr Bisson:** Correct. What happens with our institution is the average age of our staff, who tend to have 25 to 28 years of experience—with common law out there, it takes a year to 16 months severance, because what happens with the collective agreements is that you have to give offers, to those who have reached the early retirement stage, of the first kick at the can. Typically, these are the people who will take advantage of a severance situation. That's why the costs are so high.

**Mr Kane:** Could I just add, in response to your question, sir, that you are right. Because of the severance costs—and this isn't just SCO; this is every health care institution in Ontario—the real savings will not occur until year two. All health care institutions have brought that to the attention of the ministry, and that's a problem that we're all trying to deal with.

**Mr Prue:** I suppose if people don't want to retire, you're going to get rid of the people with the least seniority, generally the younger people: last ones in, first ones out. So that's all your new people, your new talent, your new future. The long term: that's it, shot.

*Interjection.*

**Mr Prue:** Well, it's because of the collective agreements, but it also has a huge impact.

We understand that the minister has not sort of signed on to this to date. He's seen it in a number of hospitals and is a little bit reluctant to say go ahead and do that. I can understand why. What's your contingency plan? Obviously, you're going to continue working to convince him that this is a bum idea.

**Mr Kane:** Like any health care institution in Ontario, we have a worst-case scenario, but we're trying to avoid that. That's why we're here today. We're trying to explain the issues as best we can, to explain the implications. We're trying to work within the ministry, we're trying to work within the government and we're trying to work with this committee to make sure that any decision that does get made, whether it's SCO or any other health

care, is a knowledgeable decision and that we're all aware of what the implications are.

**Mr Prue:** There's nothing in here about the decline in revenue for Quebec patients. I know it's happening, but why is it happening? Are they not referring? Are they able to deal with their patients on the other side of the border? Why is the revenue declining? That's not here.

**Mr Kane:** Gerry may have something to add on this as well, but my understanding is it's really twofold: (1) the Quebec Ministry of Health is attempting to repatriate its patients in this region and to provide the services through their own health care institutions across the river and (2) it's a situation where, I guess as part of that, the Quebec ministry is also developing its own facilities which previously did not exist, and therefore these kinds of services, especially those specialized services through SCO, traditionally were only available on this side of the river.

**Mr Prue:** But you have enough people in the Ottawa area. I went to school at Carleton University 30 years ago. This is a much larger city than it was in those days. You certainly must have the people and the need, notwithstanding that Quebecers are not coming across.

**Mr Bisson:** Absolutely, but what happens is if you have 100 people and 10 are from Quebec and 90 are from Ontario, when we lose one from Quebec, it's one from Ontario that comes in. There's a large waiting list from the Ottawa Hospital, from the Queensway Carleton and from the Montfort, so we have to give priority to Ontarians, which is priority number one, not Quebec. So it's not because of lack of business.

**Mr Kane:** I guess the point I can add which may more directly addresses your question is if we no longer receive the Quebec residents but the beds are filled up by Ontario residents—and as you say, the need is there—that does not increase our revenue base. We get the same base funding on an annual basis. We're stuck at 74%. So Quebec patients disappear, Ontario citizens move in to occupy those beds, but our base revenue doesn't change. That's why we're in a bind.

**The Chair:** Thank you.

**Mr Prue:** I was just getting rolling there.

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

**Mr Kane:** Thank you very much, ladies and gentlemen.

NORTH AMERICAN  
INSULATION MANUFACTURERS  
ASSOCIATION CANADA

**The Chair:** Would the North American Insulation Manufacturers Association Canada please come forward. Good afternoon.

**Mr Stephen Koch:** Good afternoon, Mr Chairman.

**The Chair:** 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, and then you may begin.

**Mr Koch:** I'm Steve Koch, acting executive director for NAIMA Canada. Mr Chairman, committee members and staff, thank you for this opportunity to speak to you today.

NAIMA Canada is an industry association representing the majority of fibreglass, rock and slag insulation manufacturers in Canada and is a sister organization to the 70-year-old North American Insulation Manufacturers Association. This Canadian group was established in July 2004 to be active in the development of technical standards and to interact with governments and partners to promote the energy efficiency and environmental benefits of its members' products. The membership consists of Cafco Industries Inc, CertainTeed Corp, Fibrex Insulations Inc, Johns Manville, Knauf Insulation, Owens Corning Canada and Roxul Inc.

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We are here today to voice our support toward the government's commitment to the reduction of greenhouse gas emissions and ensure a balanced approach is viewed when investing to meet this target. NAIMA Canada suggests that this government view the importance of energy efficiency in relationship to that of new energy sources. Both this government and the federal government have announced large contributions to the research and development of alternative sources of energy.

While we support your efforts, this government also realizes that renewable energy technology will not be making any significant contribution to the energy pool till the middle of the 21st century. Therefore, we should not ignore the concept of conserving traditional energy sources and, for that matter, future energy alternatives. It is our belief that in order to make an immediate and long-lasting impact on greenhouse reduction, we must support and assist in energy efficiency.

NAIMA Canada suggests that the committee on finance and economic affairs propose a budget that will reflect a serious commitment to ensuring that our places of residence and business can lead the way in energy efficiency. Energy used to heat and cool our environments is placing a larger burden on our supply each and every year. We therefore offer the following two recommendations for consideration: (1) remove provincial sales tax from purchases of insulation products and (2) increase building code requirements for energy efficiency and offer subsidies to offset initial costs.

The timing for the removal of PST on insulation purchases is crucial. The investment in home renovation has grown year over year. Why would we not encourage homeowners to increase their insulation levels during renovation? Harvard studies in the US show that up to 65% of existing homes should have insulation upgraded to meet new energy codes. If this was done, it would save an estimated 800 trillion BTUs. That is equivalent to a 37-day supply of gas for all of the United States.

While studies are not yet completed in Canada, the provincial government of British Columbia has recog-

nized its potential impact and tabled a proposal through the energy and mines initiative to remove provincial sales tax on purchases of insulation. We hope this government takes similar action.

With respect to our second point, building code changes, it is time to review the codes to ensure our future construction effectively uses energy to meet our level of environmental comfort. It is important to ensure that construction catches up to building design for energy efficiency. The R-2000 program has given us cost-effective ways of maintaining a healthy and comfortable environment.

Recent public polling shows 88% support for changing building codes in Ontario to encourage the building of new homes with higher energy efficiency. This support crosses all political parties, age groups, income levels and gender. A sample of this poll is included in your handout.

Investment in increased insulation during construction will pay future dividends to the building owner and the province. The Honourable Dwight Duncan, at a recent Ontario conservation summit stated, "A kilowatt saved is a kilowatt we don't have to pay to produce."

It is clear that improving energy efficiency not only helps us meet our commitments but also has an immediate, positive impact on us and our families. Our industry is committed to energy conservation and will continue to work with all interested parties to ensure the building envelope maximizes energy efficiency and reduces greenhouse gases. Thank you very much.

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

**Mr McNeely:** Thank you for the presentation. I was in the consulting engineering business all my life, and I retired and became a councillor in the city of Ottawa. At the time, the new city was being formed. Coming from the old city of Ottawa was a better buildings program, which was very good and was an excellent program. I was the councillor attached to it, and it got canned in the first few months of the new administration.

I understand Toronto is doing a good job in the better buildings program, getting buildings retrofitted. Is there a register that shows how well municipalities are doing with their building code and with their better buildings programs to try to assist in the objectives that we have to face with Kyoto?

**Mr Koch:** I think there are two parts to that question. First, there's the new construction effort. The second is the renovation effort.

There has been a lot of activity coming out of NRCAN with respect to EnerGuide, checking out homes that are existing and trying to find better ways to heat and cool those homes. That program is being accepted by a lot of municipalities in Ontario, but it only represents currently, to my knowledge, about seven to 10 right now. That program needs to continue to expand, and I think it will.

With respect to new home construction, it is driven totally, at this point, by the home builders. As long as they meet building code standards, they do not have to

exceed those. The problem that we are seeing out there is that the consumers and the voters are not aware of this fact and, therefore, when they go to buy a new home, are sometimes shocked at what they're getting, because their expectation was that the building code was there to protect them, especially for energy efficiency and other things. That is not happening.

So municipalities are becoming involved in it, but at the end of the day, it's up to the builder and how they sell their homes and build it, as long as it's to code.

**Mr McNeely:** Just as a follow-up to that, if it's not happening—and I'm talking four years—in this city, there has been no movement toward changing the building code. It's just that, generally, I don't think we, as a nation, as a province, have been aggressive enough in moving toward the Kyoto objectives.

With housing, I believe it has to be at the municipal level. The province can offer carrots, of course, but where should that action be taken, in your opinion?

**Mr Koch:** The action needs to be taken from the top down. Municipalities currently are struggling to ensure that they have enough inspectors to inspect the homes that they're building.

You refer to the city of Ottawa here. The city of Ottawa, during 2000 to 2003, did not have enough inspectors to inspect the homes that were being produced. There were just too many homes, and the amalgamation made it more difficult.

I would hate to see it just left to the municipalities to manage. I think it is the responsibility of each government—federal, provincial and municipal—to take a leading role in it, to encourage the use of products that reduce energy demands. So my answer would be to all governments to take whatever steps they can in order to move it.

This provincial government has a great opportunity. They're being very proactive on the new energy sources front, but that sometimes lets them not look totally at the way of conserving or looking at the efficiency of use of energy.

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

**Mr O'Toole:** On a point of order, Mr Chair: I'd like to move a motion that the committee on finance and economic affairs recommend to the Minister of Finance that he strongly consider, in the 2005-06 budget, the elimination of PST on building materials that improve energy efficiency and conservation. This would include insulation and other building materials, such as windows and furnaces, that meet NRCAN and other industry energy efficiency standards.

**The Chair:** The motion is put. Provide a copy to staff, please.

*The committee recessed from 1400 to 1406.*

#### CITIZEN ADVOCATES FOR PUBLIC EDUCATION

**The Chair:** I would ask that our next presenter, Citizen Advocates for Public Education, please come forward.

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

**Mr Tyler Meredith:** Thank you, Mr Chair. My name is Tyler Meredith. Although I graduated this past year and am now attending university, my experience in the education system and my sense of duty as a citizen of this province compel me to continue advocating for the betterment of public education. My experience, both as a student and last year as a student trustee with the Ottawa-Carleton District School Board, and as vice-president of the Ontario Student Trustees' Association, has given me hands-on knowledge of the challenges still outstanding in our system.

I am presenting today on behalf of Citizen Advocates for Public Education, or CAPE. CAPE strives for a strong, well-funded and -managed public education system for Ottawa and Ontario by engaging the general public in the issues discussed by parents, teachers and officials. This is CAPE's first public appearance since its founding meeting seven weeks ago, following more than a year of development.

CAPE has identified two fundamental problems in Ontario's public education system: governance and funding. Our issue for this presentation is the funding formula.

The last provincial government left the education system with a funding formula that confiscates local property taxes and redistributes them according to a deeply flawed formula. That formula considers, *inter alia*, that space used in schools is fixed and frozen from year to year and that all communities are identical in composition and need. Since there is no such thing as an average board, this approach punishes all boards one way or another. The formula's failures have been starkly identified by the previous government being forced to commission the Rozanski report and by Mr Hugh Mackenzie's critique of the report's inadequacies.

Indisputably, the primary reason why money is not flowing into the classroom, even after Rozanski, is because of misconceptions that the true labour costs are built into the funding formula. Boards are funded for mythical average-cost teachers instead of the actual ones who are teaching in the schools. In the OCDSB system there is an accumulated funding shortfall that is over \$30 million this year—more than 5% of the entire budget. Teachers' benefits make up 82% of that budget, well outside the norm of personnel costs for an enterprise of this scope, even accepting that the people are the system's primary resource. For this reason alone, the remaining envelopes are more than 20% below where they should be. The untenable divide has been opened up because salary allocations have not matched the rise in the consumer price index and because teacher unions negotiate with local school boards, which incidentally must commit funds they do not have three to four years in the future.

School boards will always be disadvantaged as long as they, not the provincial government, negotiate with

teacher unions. The current arrangement flouts the principle of responsible government because taxation and spending are separated between two political mandates. A 2% allocation for negotiations in this current fiscal year will not redress years of fiscal imbalance. If the school board were a business, which it most definitely is not, a corporate effort to drastically increase revenues would unquestionably be the top priority. If any repair and reform is to be made possible, the funding formula must address the real needs and costs of public education.

Funding for special education, French immersion, libraries, English as a second language, school administration teams, building maintenance and the board's central administration have all suffered as a consequence. These shortfalls are particularly destructive in Ottawa: With its children's hospital, Ottawa not only retains but also attracts from all across the province children with special needs. With Ottawa's economic and cultural dependence on the federal government and the informatics industry, parents seek multiple-entry-point French immersion to ensure their children can compete for jobs in their home town.

Ottawa's high quotient of immigrants from developing countries, with many refugees among them, creates great demand for English-as-a-second-language education. Ottawa's rugged climate further places pressures on life cycle and capital replacement costs, and its rapidly changing community demands from schools and the board the ability to administer well.

#### 1410

In special education, the board is \$10 million below pre-amalgamation funding levels. Many parents whose children need or use special education have a well-founded fear of the unknown, especially now that the intensive support allocation, or ISA, funding process has been abolished, with an outstanding 4,000 students awaiting assessment. That, by the way, is the equivalent of one or more special education student in every classroom in the city. Further, because of the money shortage, previous boards and their staffs discouraged or limited the assessment of children for whom they had no resources.

This issue points to two vital principles that must apply to the formula as a whole: All funding must be on the basis of identified needs, and all needs must be diligently identified in a timely fashion. I must say that the ministry made a commendable move to a needs-based analysis with its first draft of the revised transportation formula, where the pressures to change it represent not defects in the document but the scale of the other challenges faced by the province.

One particularly pernicious effect of the formula is the double or even triple taxation of parents. Parents pay fees for instructional events sponsored by the school. They fundraise for their children's schools to pay for goods and services that are definitely a public responsibility; these are textbooks, library books, sanitary supplies, gym equipment, and the list goes on. They also pay a sweat tax by cleaning, repairing and painting those schools,

some of which have remained unpainted for 20 or 30 years. Parents provide playground supervision and some in-classroom support. Not only is this unfair to the parents, but all these efforts raise major issues of legal liability. The worst effect, however, is that this double taxation is severely regressive, since schools' income is limited by the parents' ability to pay in either time or money. Bake sales and user fees can only go so far in a public education system, a system unlike any other in that it is supposed to offer universal accessibility, blind to family income.

These surcharges should be only for true frills. Anything that is a duty of the system to provide must be funded from the centre. A sad testament to the damage to the reputation of Ontario's public schools is that private schools have increased 10 times over the last decade or more. There are now far too many parents paying more in tuition per child than their total annual provincial tax bill because they have lost faith in the system's ability to perform well and to meet their children's needs.

We understand that the current government has been committed to repairing the damage wrought in the previous decade, as demonstrated by the increases to boards through the learning opportunities grants, or LOGs. We expect, however, that this was a short-term expedient while the damage was assessed. As a long-term measure, it compromises the validity of the LOGs themselves, permits the fundamental errors in the funding formula to persist unchallenged and forces boards into expedients that compromise public accountability. The government has recently addressed the accountability issue with respect to LOGs by insisting that all special-purpose grants be used only for those purposes. However, this only sharpens the necessity that the formula be properly overhauled to correct the previous administration's negligence.

Professor Gilles Paquet of the University of Ottawa's Centre on Governance has referred to a revolution in public accountability: Canadians do not accept governments hiding or muddying what they are doing. Transparency is vital to legitimacy, and high-handedness is fatal to political survival.

In education, taxes really are an investment. Every dollar spent saves seven in social, medical, police and correctional services. That investment also increases income tax revenue; drives down gambling, vice, alcohol and tobacco consumption; and contributes to general social harmony. In the past, the problem has been that these savings rarely pay back before the next election. What is needed now is the will and the vision to make those investments. Failure to do so depreciates and even strip-mines our human capital, the people of this province. Mr McGuinty has said that we cannot hang our hopes on the future if our future is hanging out at the mall. The first step is to ensure that our future invests in our students and the educational system to ensure that they stay in school.

Therefore, to summarize, CAPE recommends the following specific actions of your committee:

(1) Revise the funding formula to be truly needs-based, recognizing the specific needs of both students and their community.

(2) Fund the formula fully to end the sweat tax on parents.

(3) Put special emphasis on the adequacy of special education and second-language instruction to ensure that all students have equal access to the opportunities afforded by the education system.

(4) Ensure that boards are fully funded for the labour contracts they sign.

(5) Make specific allocations for maintenance and administration to ensure the health and safety of both the staff and students in the system.

The funding formula states the government of Ontario's vision of what it considers an adequate education in today's challenging and competitive environment. A flawed formula demonstrates a flawed vision. An effective formula is a key element for your ongoing credibility. If it is clearly based on actual needs, it will justify the legislative measures required to make it happen. Left unaddressed, the current funding formula will condemn Ontario's public education system to irreparable mediocrity and continued decline, and we will continue to be Mississippi with snow.

Public education is expensive because it is the best start we can give to a new generation who must venture into the unknown without us. Further competition for a grossly inadequate ration of funds will not solve the system's problems, for everyone succumbs to starvation in the end. If the goal in education is excellence, as our Premier says, then we have to pay for it, and 55% compliance with Dr Rozanski's inadequate recommendations is not enough; it is barely a start.

**The Chair:** Continuing in the rotation, the questioning will go to the official opposition.

**Mr Barrett:** Thank you for your spirited presentation on behalf of the Citizen Advocates for Public Education. As you indicated, the Liberal Party did make a promise in the last election to reinvest in education, a promise to revise the funding formula and to implement, certainly, key recommendations of the Rozanski task force.

This will be the second budget of the present government. Apart from testifying here, does your group feel that it is having an impact? Are you plugged into other organizations across the province to try to make your points and to get things across?

**Mr Meredith:** I can only answer that by saying that we've been in operation as a current organization for seven weeks. Many of the people involved in our organization have been involved in other, different education advocacy groups. In that respect, we are very well connected with different organizations across the province. You will probably see further advocacy efforts from us as we move forward to the budget.

**Mr Barrett:** We've had a number of delegations from various teacher unions. This morning, one of our presenters indicated that they had attended a Keep Your Promises rally at Queen's Park. As we get closer to the

budget, or perhaps as we get closer to warm weather, I don't know whether there are any other initiatives like that being planned. It's fine to testify before this committee. We have a number of people in the audience; sometimes two or three and sometimes half a dozen. I just wonder if there are any other tactics or strategies that you're looking at, bearing in mind that you've been in existence for seven weeks.

**Mr Meredith:** I would only say to that that a core principle of our philosophy is to work constructively with the government, whomever that government may be. We'll be looking at a number of different options. I can't speak for the board at this point in time because we have not necessarily bridged all of that discussion yet of what we want to do.

**Mr Barrett:** As you've indicated in your recommendations, much of the cost of education is the human resource component. That's the bulk of the budget. As with hospitals, as we've heard earlier, boards in Ottawa are constrained by the amount of resources they have. Have you had time to do any investigation with respect to streamlining or allocation of money elsewhere from a board? Is there a better way? You said governance was another important area that you've been working on; you didn't address that. Do you see any new role there in restructuring or a better way of doing business?

**Mr Meredith:** It's not really that we can find any more money within—and I can only speak of the OCDSB, of which I have a lot of intimate knowledge. We have a finite number of resources that we're provided by the province. In the past, the OCDSB has made a great effort—and I'm not trying to speak for them—to try to increase user fees and to look at secondary sources of income that it can bring in to supplement the \$12-million disparity that currently exists for this fiscal year between what we receive for labour costs and what we are actually paying out.

If you're not aware of the history of the OCDSB, the board has been in a very untenable position in the past, having to deal with cutting back programs in many other areas to make up these huge costs. If you look at the city of Ottawa, for example, it spends 82% of its budget on labour costs. Statistics Canada reports that the average business spends about 60% on labour costs. We're spending 82%. That's totally untenable. It's not a question of reallocating resources, because ultimately that money is coming out of the classroom and it's hurting education excellence. So we just need more money. We need to fully fund Rozanski. That's the first step.

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

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OTTAWA COMMUNITY  
IMMIGRANT SERVICES ORGANIZATION

**The Chair:** I would call on the Ottawa-Carleton immigrant services organization to please come forward. Good afternoon. You have 10 minutes for your presen-

tation. There may be up to five minutes of questioning following that. I would ask you to identify yourselves for the purposes of Hansard, and then you may begin.

**Ms Luz Maria Alvarez-Wilson:** My name is Luz Maria Alvarez-Wilson. I am a new immigrant and director of OCISO.

**Ms Jennifer McKenzie:** My name is Jennifer McKenzie. I'm co-chair of CAPE, the previous presenter, and I am here as well as a member of OCISO to present with Luz Maria.

**Ms Alvarez-Wilson:** Canadian columnist Jeffrey Simpson recently wrote: "Immigrants are quite literally tomorrow's Canada. In the global world of tomorrow, the winning countries will be those that put their policies and money into human capital development." It is good that Mr Simpson took on the issue of immigration, since hardly anyone is advocating for the rights of this important sector of our population, particularly when it comes to policy planning.

There are many areas affecting new immigrants, but perhaps the key one is education. Jennifer McKenzie and I will discuss with you some of the issues related to education and immigration in the city of Ottawa and present you with some recommendations that were drawn from the discussions we had with the different organizations we represent today.

According to a publication of December 2004 from the Social Planning Council of Ottawa, entitled *Immigrants in Ottawa*, during the last decade immigration to Ottawa almost tripled from previous decades. It went from 11,890 in 1981-90 to 32,355 in 1991-2000. Presently there are more than 168,000 immigrants living in Ottawa. In previous decades, significant numbers of immigrants came from the UK and the US, compared to today's top five countries of origin for more than 50% of immigrants: China, Somalia, Lebanon, Caribbean states and the former Yugoslavia. These numbers and data mark a fundamental change in the demographics of our city and the services they need, particularly in language training.

According to the same publication, there are 12,375 immigrant children aged zero to 14 years in Ottawa; 11,360 are recent immigrants, and a substantial number of them require ESL training.

Ottawa features by far the largest share of refugees among its newcomers. The average annual share of refugees among those intending to settle in Ottawa has been 29% over the 1997-2002 period, compared to 11% in Toronto, 10% in Vancouver and 19% in Montreal.

The family reception centre of the Ottawa-Carleton District School Board assesses over 1,000 recently arrived school-aged children each year for enrolment in ESL classes. There are 9,000 elementary students identified by their schools as in need of second-language learning, including non-recently-arrived immigrants, but only 2,581 qualify for funding. This represents almost 20% of the approximately 46,000 elementary-age students in the Ottawa-Carleton District School Board. At the high school level, 650 have been identified,

although this may be underrepresented because they are not counted after they have completed their ESL courses.

Despite there being almost 10,000 students identified as requiring language training, the provincial government provides funding on the basis of fewer than 3,900 ESL students. Even so, it is not mandatory that this funding be used for ESL.

At the high school level, only nine of 27 high schools offer ESL programming, so students are not always offered ESL classes in their home school and must travel to other schools, creating another burden on the family. There are only 15.5 full-time teacher equivalents for ESL board-wide, plus two more provided by the international students program. This means that often courses are not available when students need them and they are being made to wait, sometimes delaying their schooling by up to a year.

The government of Ontario recently increased to four years from three the eligibility of ESL to students, but this is still nowhere near sufficient when most Canadian and international studies conclude that in order to have proficiency in a language, a minimum of seven years of full immersion is required.

According to the Ministry of Education guidelines for instruction of ESL in Ontario published on the ministry's Web site: "Second-language learners need access to their first language as a tool for learning and thinking, at least until they are sufficiently proficient in the second language to use it for a wide range of academic purposes. The first language is the foundation upon which English proficiency is built."

Clearly, these guidelines are far from being met. ESL students in Ottawa not only do not have an introduction to English in their own language, but they also lack a variety of instructional resources such as visual materials, simplified texts, bilingual dictionaries etc to help them succeed in language training.

Unable to help their own children achieve a satisfactory academic development in literacy, many members of ethnic communities are forced to look for alternatives outside of the school. Private tutoring agencies are springing up for new immigrant children to learn how to read and write, in detriment of their family budgets.

Additionally, teachers increasingly report the presence of Canadian-born students whose language at home is other than English—allophones—and who need to be identified or classified as students with special needs because of their inability to read or write well in English but who are not eligible for ESL support. This creates a difficult situation for teachers who cannot deliver the services that these students need and for parents who do not want their kids to be labelled as students with special needs.

Because youth is more vulnerable to drop out of school if academic development is not achieved, not only could they become an economic burden to society, but it also increases the risk of violence in our communities. Programs such as literacy and math tutoring,

mentorship/leadership, counselling, peer mediation and conflict resolution, and cross-cultural education become essential in our schools.

I'm going to pass it on to Jennifer.

**Ms McKenzie:** I'm going to outline our recommendations.

The first one is to address the needs of language-needs children. Similar to special-needs children, the rights of language-needs children should be protected. Because the needs of each immigrant community are complex and variable, coordination and control over delivery of language instruction should be provided locally, using existing expertise and close ties with the communities. The needs of immigrant, allophone and other groups at risk of not meeting their education potential because of linguistic barriers must be addressed. Appropriate instruction and follow-on development must be given, as well as providing continual assessment until linguistic barriers have been successfully removed.

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Research is also needed to measure the performance of ESL students and the effectiveness of language program delivery. The province-wide EQAO assessments in our schools clearly indicate an important gap in achieving standard levels of education, with most low-scoring boards attributing the results to the higher proportion of ESL students in their schools; even though parents of immigrant children have a higher average education level than the average Canadian. How are other cities handling education for new immigrants? Is there a system for sharing data and best practices?

Recommendation 2: sufficient, flexible and dedicated funds. Additional funds destined for ESL programming must be provided and must meet the intended destination and not be permitted to be diverted to other priorities. They must be sufficient to meet all the needs of all the students facing linguistic barriers, with enough flexibility so that local solutions can be implemented to meet the specific needs of students and their communities.

Because the immigrant population arrival count has approximately tripled in the last decade, because the nature of the immigrants arriving has changed, because language has become even more of an issue and because funding for ESL has been slashed in the same decade, we're expecting that funding for ESL in Ottawa should be at least tripled—probably more.

Recommendation 3: provincial, federal, municipal and board level co-operation, not finger pointing. The Ontario government should negotiate with the federal government to increase funds made for settlement services through Citizenship and Immigration Canada, and it should negotiate that part of this allocation be made available for ESL education and support. It is ironic that the federal government currently supports language training for adult immigrants but not for their children.

Currently in Ontario, the per-arrival settlement budget is approximately \$800, compared to \$4,000 in Québec. When the Ministry of Citizenship and Immigration appeared before our committee in May 2003, it indicated

that immigration settlement costs approximately \$3,000 per individual.

**Recommendation 4:** increased staff training. All teachers, principals and other front-line staff should be given mandatory training in ESL and other immigration issues, bearing in mind that 9,000 elementary children identified as second-language learners by schools comprise close to 20% of the elementary school population in the OCDSB. We recommend the reinstatement of a fully funded multicultural liaison program tailored to meet specific needs of individual ethnic communities and to better meet the Ministry of Education's own guidelines.

**Recommendation 5:** reinstatement of ESL summer programs and youth programs. The OCISO Rainbow Skills Development for Newcomer Youth summer ESL program aspires to help refugee and immigrant youth. The Ministry of Education must additionally provide ESL summer and after-school programs for the school boards and community organizations such as OCISO across Ontario so that thousands of newcomer students can continue to learn English during the summer time.

Thank you. There is much more to be said, but I'm trying to keep it to our 10 minutes.

**The Chair:** You did very well. Thank you for the presentation. This round of questioning will go to the NDP.

**Mr Prue:** A number of questions: When you talk about refugees on page 2, are you talking about refugee claimants or people who have been found to be refugees, recognizing that there's a fundamental difference?

**Ms Alvarez-Wilson:** This is actually data that was given to us by OCISO. At this point, we cannot clarify on the status that the refugees have.

**Mr Prue:** Can you outline to me why the number of refugees coming to Ottawa is much higher than to other cities?

**Ms Alvarez-Wilson:** We were trying to speculate on that. There's no specific information regarding that, except for the fact that maybe they think that, being in the capital city, the processing of the documents will be faster.

**Mr Prue:** But that's not in fact the case.

**Ms Alvarez-Wilson:** We don't know. We don't know the facts. We asked that question to OCISO, but they didn't have any specific information. It's just a fact that they are here.

**Mr Prue:** All right. You went on to discuss on later pages that the immigrant population arrival count has tripled in the past decade and that the immigrants in fact are changing. There's no question about that, because the family-class application, the old assisted relatives, is gone. Now it's people based on points, if they are in fact immigrants and not refugees.

Is there some other reason that the number of people coming to Ottawa has tripled? In Toronto, where I come from, we take more immigrants than any other place, by far and away. Although the numbers are fairly static, 60% of all the immigrants who come to Canada come to Ontario, and more than half of those come to the GTA. Is

there some reason? Are they coming here for employment opportunities?

**Ms Alvarez-Wilson:** Again, I'm going to be talking on a personal basis, because I am a new immigrant myself, and I know from several people who have asked me about their interest in coming to Canada. They think that Ottawa is the perfect city to live in. Part of it is the marketing that Ottawa has been doing, declaring itself the best city in world, as declared by the UN. So it's the marketing of Ottawa, I believe.

**Mr Prue:** On that same page, under recommendation 3, you talk about the settlement budget being \$800, compared to \$4,000 in Quebec. In large part, that's due to the fact that Ontario is the only place that has never signed an immigration accord. Quebec has its own grid for picking its own immigrants. They have their own visa officers stationed abroad, and they spend infinitely more money making people acculturated and teaching them in schools and things, especially in the French language. Are you advocating that Ontario follow a similar pattern to get the \$4,000; that is, setting up visa offices and all the things Quebec does to get that amount of money?

**Ms Alvarez-Wilson:** That's right; that is the point. It already costs \$3,000 per immigrant, according to the federal Minister of Immigration. We can only imagine that those funds need to be managed and given to the immigrants.

There were some other statistics that we didn't mention in our report as to the amount that the federal government is collecting from each immigrant compared to the amount that they spend federally, giving it to the provinces. It is only fair to go for federal-provincial negotiations in this regard.

**Mr Prue:** You want Ontario to get into the same thing that every other province has done and to get its fair share of money, even if that includes doing everything that Quebec does.

*Interjection.*

**Mr Prue:** I know, but Quebec does it, and that's why they get \$4,000. No, you can't ask for \$4,000 without doing that.

*Interjection.*

**The Chair:** Order.

**Ms Alvarez-Wilson:** We're asking to have an increase to at least \$3,000. Whether negotiations come about or not, obviously we are volunteer parents. We are volunteers in the organizations we represent. We definitely don't have the authority to speak on these matters, but our opinion is that it is misfunded and we need to allocate more funds if we are to have a vision for tomorrow for Canada.

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

ONTARIO MUNICIPAL  
SOCIAL SERVICES ASSOCIATION

**The Chair:** I call on the Ontario Municipal Social Services Association to come forward, please.

Good afternoon. You have 10 minutes for your presentation. There may be five minutes of questions following that. I would ask you to identify yourself for the purposes of Hansard.

**Mr Dick Stewart:** My name is Dick Stewart, and I'm a past president of the Ontario Municipal Social Services Association. On behalf of that association, I want to thank you for the opportunity to present to this committee this afternoon.

OMSSA firmly believes that the first order of business as the government proceeds in the process of developing a budget would be to address the social condition. There is sound evidence, both internationally and nationally, that a sound social policy and social investments drive prosperity. They drive economic health, and in fact these are investments that pay off.

We are pleased, actually, with some of the latest initiatives that the government has taken with respect to social investment. Particularly, I want to address the holistic approach that's been taken to children's services, child care and to the beginning of changing some of the crazy rules in the Ontario Works program, the social assistance program of Ontario.

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Investments in people are investments that are long-lasting and make profound changes in people's lives that last for generations. Investing means there's more work to be done—even though I've been complimentary to the government—and investing here means investing in children's services, in housing and homelessness, and in income security.

I want to start first of all by addressing, what is OMSSA? The Ontario Municipal Social Services Association is the collective voice of the staff of social and community services departments across Ontario at the municipal level. By statute, municipalities are referred to as consolidated municipal service managers, or CMSMs.

Now I want to get back to our specific asks. The overarching theme that OMSSA presents this afternoon is that investing in a strong social infrastructure and reliable services addresses that most fundamental of issues this government faces, and that is the social determinants of health. We recognize that health care is consuming an inordinate amount of the economic capacity of this province, and we believe that social investments over time will help to address those costs.

We ask the government to keep in mind a few key points as they proceed in their budget development:

First, it's important to recognize that addressing social infrastructure requires a coordinated, multi-faceted and integrated public policy approach. One-offs in this kind of work do not work well.

We would ask the government to also recognize that poverty reduction—real poverty reduction—is the foundation to addressing those social determinants of health. Simply put, without being too melodramatic, poverty kills. Addressing poverty will deal with the social determinants of health.

Finally, in terms of overarching concepts, a strong, vibrant society, both economically and socially, must be

predicated on a level of investment that ensures that children across this province have the very best start they can have through early learning and child care opportunities.

To the specifics: In terms of early learning and child care, OMSSA does congratulate the government, as I've said, but there's further work to be done. We support the government's intent to follow through with what's referred to as the QUAD principles in the development of the new child care program. Those principles are quality, universally inclusive, accessible and developmental.

We encourage the government to ensure that the new dollars being put into this program are used to directly support programs, rather than funding individual families through such measures as tax credits.

Now, there's a delicate point here; that is, in order to access the new federal dollars that are available, the CMSMs we represent are being asked to contribute \$80 million in this fiscal year. Those CMSMs, through OMSSA, are asking that the provincial government put an equal share of new money on the table to support the development of this most essential service. Furthermore, we ask that the CMSMs be consulted on a critical issue with respect to child care, and that is that some of these new dollars must go to stabilize the existing child care system. It is in tatters and needs to be restored and stabilized. There are some pressure areas, and every one of those pressure areas has been identified in the child care service plans that have been produced by every CMSM, according to statute.

Secondly, we want to think about increased economic security; that's our second ask. Income security is ensuring that every individual in the province has the resources necessary to fully participate in this society. We have three main recommendations here:

We would ask the government to consider the introduction of transitional benefits to remove the disincentive to leave social assistance or to provide an incentive not to return. Recidivism in the social assistance program is a real issue and one that no government actually has caught up with, or to deal with. We're asking that some consideration be given to that.

These measures, these transitional benefits, would include a menu of supports tailored to the individual needs of certain ex-clients. We believe it could cover such things as health benefits, drugs, dental and vision care to low-income earners, and assistance with transportation or child care or special clothing and others.

Next, we believe that the earning exemptions policy of the current Ontario Works program needs to be changed, and changed quite dramatically. It is currently at a very high tax-back rate and it is very complicated. We are recommending that the government consider moving to a flat 50% rate of exemption, with no time limit, to support people and encourage them to return to work.

The third ask in this area is the largest: We're asking the government to begin immediately to propose a phase-out of the NCBS clawback, the national child benefit supplement clawback. You all know that that's being

clawed back from social assistance families, and what this really does is entrench child poverty. So we're asking that the government consult with both AMO and OMSSA in order to ensure that this phase-out can start and, at the same time, that the community reinvestment program that is being funded through the clawback be sustained in some manner.

The third area I wish to speak to is improvement and solutions to dealing with homelessness and social housing—an increased investment. OMSSA would like to see more funds dedicated to ongoing social housing and initiatives to address and support needs of homeless people. We are asking for the government to live up to its promise to match the federal contribution of \$25,000 per door for new housing stock.

We are also asking the government to consider the introduction of an annual cost-of-living adjustment to the rent supplement program. We are pleased that the government has seen fit in the last budget to create an annual amount for rent supplements and to guarantee that amount to the year 2023. Inflation does march on, and the buying power of those rent supplements, that amount of money over time, will dissipate. It needs a COLA clause. In fact, we need more rent supplements with a COLA clause.

It costs between \$90,000 and \$100,000 per door to create a social housing unit. So with the federal government's \$25,000, with the provincial government's \$25,000—we hope—it leaves the CMSMs with the requirement to raise an equivalent of \$50,000 of capital, or thereabouts. To create truly affordable social housing units, we will need the rent supplement program with a COLA in order to proceed with this most important of social programs.

Finally, with respect to housing, we would like the provincial government to consider the creation of a capital reserve endowment fund. We would like the government to consider putting an initial \$10 million into this fund in this fiscal year. This fund would be intended to maintain the capital investment required to maintain the existing housing stock across Ontario. We believe that this \$10 million and an amount every year thereafter can be found in the annual operating surplus from the provincial or federal flow-through monies that are available in the housing program. It should not require new taxation to do this.

A fund like this would recognize the need to reinvest in existing stock and be a major signal to the municipalities to get on with it and to sustain that stock, which is now their responsibility. We would like the CMSMs to be consulted on this matter because a fund like that can address local needs that have been identified.

We want to thank you for the opportunity to come before you, and I am here to answer questions.

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

**Mr Wilkinson:** Thanks so much for coming in today, on behalf of all of us here. Your membership represents the people; it's where the rubber meets the road. You're

the people who actually have to deal with it. We're up here allocating, getting money in and sending it out, but you're actually dealing with the people on the front line. I think all of us here on the committee appreciate the work that your members do, and I want you to take that back to them.

**Mr Stewart:** Thank you.

**Mr Wilkinson:** I appreciate your last recommendation about how OMSSA would like to have a closer working relationship with the government. I think we would all say that in our job, people come to us with problems all the time, but the people who go to the front of the line are the people who come with solutions, because that's what we're desperate for: solutions that make sense.

Are you aware of the work that the parliamentary assistant to the minister, Deb Matthews, did, and her report? I'm assuming you think it's probably going in the right direction.

**Mr Stewart:** Yes, we do.

**Mr Wilkinson:** Specifically about that issue of people bouncing back, the recidivism, where you have a disincentive to get off because you lose your drug and dental and all those supports and how do you have a system that supports people as they transition back, if they can, and not have a disincentive, but not set up a situation where someone could abuse that in the sense that if there were always those supports available someone would say, "I should go on for a couple of months and then I'd be in a preferred line that would always allow me to keep these benefits that my neighbour couldn't," and then there would be an injustice.

Do you have any suggestions about how to come up with an equitable way to bridge that gap?

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**Mr Stewart:** Just on the first comment you made about OMSSA working with the government and its staff, there are lots of working groups with community and social services right now that OMSSA is participating with, specifically on implementing some of the parliamentary assistant's recommendations. So that's actually going on.

With respect to your specific question about ensuring that there's integrity, if I can use that terminology, I think that the Ontario Works program with its current rules and even those proposed amendments is a program where there is an incredible amount of integrity. One has to actually demonstrate impoverishment to be eligible. There aren't going to be very many people able to do that simply for the reason of staying on for a couple of months so they can drag some transitional benefits into a job. That's not likely to happen in any large numbers, because the kind of interrogation that goes on, if I can use that term, to become eligible for assistance will, even with Ms Matthews's recommendations, remain vigorous and ensure integrity in that program. So I'm not concerned about that, but I do think that you've raised an interesting point.

**The Chair:** We have two minutes left.

**Mr Wilkinson:** One of the things the minister asked us to do is to focus on trying to have a relationship with

the federal government. In my own riding, we're struggling with the question of social housing, the federal money and our inability at the moment fiscally to pick up that difference and get to the point—the promised land—where we need to be. Even you have explained how that's not sufficient. Particularly rural communities—my neighbour the member from Huron-Bruce and I both deal with that—have geographic issues of distance in trying to get the numbers right to have social housing, to build new stock.

I'm interested that you're saying you think there's money available in the transfer payments to create this capital reserve endowment fund and it wouldn't cost us any money—which, of course, is a wonderful idea. Could you please help us so we can be very clear with the minister about your recommendation?

**Mr Stewart:** Well, I'll preface my comments by saying I'm not a housing expert, and particularly not a housing finance expert. But my understanding is that in the past few years, because of the very beneficial mortgage rates etc, there have been surplus dollars in the housing programs that have been managed by municipalities in the provincial flow-through dollars and indeed the federal dollars that flow for the federal housing stock. Our evidence, based on the advice we receive from housing experts, people who know how this works, is that there would be sufficient funds to endow that fund. This is a proposal that's also being put forth by the social housing services board. They believe, conceptually, in the same model.

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

#### DISABLED AND PROUD

**The Chair:** I now call on Disabled and Proud to come forward, please.

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 yourself for the purposes of Hansard. You can begin.

**Mr Charles Matthews:** Charles Matthews, president of an organization called Disabled and Proud, located in Ottawa.

I thank you, first of all, for hearing from me today. From what I understand, there are many organizations that wanted to speak but unfortunately, due to time constraints and everything, certain people were selected. So I take it as a great honour to be selected to speak today.

I have one disadvantage: I'm following a person who, in the city of Ottawa, has been an icon and was told, when he retired, that his would be the toughest shoes to fit, if they can ever be fit, and that was Dick Stewart. So I take the honour of applying after that.

I also want to thank Dick for helping me out on a couple of issues. First of all, my speech was going to be about 20 minutes, and I didn't know how I was going to fit it in. But he covered quite a few of the aspects of

Ontario Works. I'll be talking about the Ontario disability support program. In regard to that, it basically echoes most of the items that Dick already brought up for Ontario Works.

Who we are: Disabled and Proud is an organization that deals with all three levels of government to work at making life fully inclusive for all those people with disabilities and accessibility issues. We've done a lot of work with the municipal level. We're also doing a lot of work at the federal level. We filed, in May 2002, a framework for a Canadians with disabilities act. We're hoping we get some progress on that at the present time.

At the provincial level—how can I say this?—we're basically the voice of David Lepofsky but in the Ottawa area. David Lepofsky is doing a great job in Toronto, and everything that he's done we basically echo. In our publication, which you have before you, we even put a lot of his excerpts in regard to this. He's doing a great job. The only difference we have is that we take it one step further and actually implement some of the decisions that have been made.

I take great pride in actually being one of the first groups to actually apply the ODA, 2001, in a court case. It was in regard to the school board for inclusion, with the Zachary Bonnah case. Zachary's now back in school, doing better than he ever anticipated in life. Just on one note, as an example: If Albert Einstein was born today, in our society, he'd be put in a place like Clifford Bowey school, because he was deemed to be unteachable.

With the federal government, we had the pride of reshaping Parliament Hill in 2001. They tore up sidewalks, put in new curbs, put in new sidewalks and made it a lot more accessible. We were supposed to do the inside of the buildings, and September 11 came along. Unfortunately, everything was put on hold. In 2002, we started the interior of the buildings on all aspects, but we were asked to keep it for visitors. What happened at that point was, we had just had a recent federal election, and I got a call the next morning from the property manager at Parliament Hill who said, "We've got to get the House of Commons in shape." So we're the group that reshaped the House of Commons and parliamentary procedures for Mr Steven Fletcher.

At the municipal level, we've worked with redesigning sidewalks, with the OC Para Transpo contract. We accessed the "free for wheelchairs, scooters and walkers" on buses. We worked with bringing accessible taxis into town; the CCAC review; and the Ottawa Community Housing Corporation, formerly City Living and Ottawa housing. We helped set up, with Madeleine Meilleur at the time, the accessibility advisory committee.

What I'm about to address you on today are three different issues, and unfortunately, one of them, I was hoping, with all the school boards presenting, they would have covered. I'm the only member who is not part of the school board who sits on the accessibility planning committee for the Ottawa-Carleton District School Board—I sit on seven different boards. On this one, in particular, there are a couple of things I'd like to address. In the

ODA, 2001, and in Bill 118, presently under second reading, on which I'll be giving a presentation on February 8, money should be set aside in reserve in this budget for the upcoming ODA, 2004. There also should be money set up in regard to being in compliance with the ODA.

**1500**

I'd like to use the example of "free for wheelchairs, scooters and walkers" on the buses. The reason I'd like to use this example—I know that it's municipal, but it's going to provide input on what we're looking at here provincially. The city of Ottawa always had a tendency to take a look at what fares they were going to lose; in other words, the ticket or the cash fare of \$2.50 for those people who would be taking the low-floor buses free of charge. What they didn't take a look at was the whole picture. The actual cost of providing a trip on Para Transpo is \$25, using the city's own figures. Minus the \$2.50 in lost revenue, the saving to the city was actually \$22.50 per trip. So by implementing this program, the city is now enjoying approximately \$1.5 million a year in savings from these people who are opting to take the low-floor buses over Para Transpo.

I'd like to take this instance to touch on the ODSP issue. Right now, people on ODSP get a grand total of \$414 for rent, and, coming up in the next couple of months, a 3% increase of \$12, so a maximum of \$426. There's no possible way in any part of the province, let alone Ottawa, that you're going to find rent for a single person at those amounts. As a matter of fact, here in the city of Ottawa it's \$728.

What you have to take a look at is the whole picture. In 1993, hardly anybody on ODSP used social housing. They didn't need subsidized rents. The rent was somewhat comparable to market rent. Today, you have no choice but to live in subsidized housing. There's no way you can get rent for less than \$414. What this has caused is that a lot of people who are on disability have to live in subsidized housing or go on the waiting list. Those who, unfortunately, are not on subsidized housing have to spend almost their whole cheques on just their rent, never mind anything else.

What we'd like you to take a look at is the whole picture. Who subsidizes the landlords for the rents? The province. We're asking you to take a look at the whole picture: What are your actual costs in the end? Wouldn't it be a lot easier to just make one payment, to a maximum of \$748, and let people have a choice in where they live and how they can live? Then you wouldn't even have to deal with that. Just imagine how the waiting list of 12,000 people in this city would be diminished. There will be hardly anybody left on those waiting lists—another headache gone. There would be a lot of improvements. That's just with the rental portion. Dick has already talked to you about the other portions: the cost-of-living areas, the drugs and other benefits.

My last point: For the ODA, very basically, we want to see reserves set up. In 2001, there was no money put behind it in any way, shape or form. What you'll find is

that 99% of all the things the disabled are asking for—if you take a look at organizations like ours and others, they'll show you that it actually doesn't cost the province a cent to implement almost anything the disabilities act is asking for. There are always ways of getting the funding or showing a way that it doesn't cost anything. Once the ODA is put together, what you'll find is that most businesses will be thanking you for actually saving them a lot of money; we already have that. As an example, there's one Quebec storeowner who didn't realize that by putting in a ramp—when he gets his beer deliveries, which we don't have in Ontario yet, it's now a lot easier. You just wheel them in.

Take a look at the hotel here. I was sitting outside—I have a bad habit; I still smoke—and as I looked inside the hotel, there's a ramp right in the main lobby. Almost every person who had luggage on wheels was using that ramp. It's a lot easier than using the stairs. And guess what? It costs you a lot less to put that ramp in than it does to put in the stairs to start with.

I thank you for your time. I'm going to wrap up. Very basically, please take these things into consideration when considering the next budget.

**The Chair:** Thank you for your presentation. I was going to give you a 30-second warning. The next round of questions will go to the official opposition.

**Mr O'Toole:** Thank you very much, Charles, for your presentation and for your dutiful vigilance of all the levels of government. It sounds like you're the eyes and ears of the federal, provincial and municipal levels of government.

There have been initiatives, as you said, by the government, following up on the work done under Bill 125 by Cam Jackson. I know you were part of that process.

I just want to get down to specifics, not with respect to the hearings that will take place on the current Ontario disabilities act but dealing with the amount and the rents. That is a real, on-the-ground, everyday challenge, and you did offer what you thought was a straight flow-through, I understand.

How do people cope? I'm being quite genuine here. You were saying that the basic average rent is \$728 and you get \$426. You've got a shortfall of around \$300. How do people do that? I know it exists, but how do you deal with it? That's the issue.

**Mr Matthews:** You don't. Very basically, what you'll find most people doing—here's another example: What happens is you have to take all of your cheque, or a majority of it, and pay your rent. So if a person is receiving the maximum allowance of \$930 and the rent is \$830, they've got \$100 for everything else. Now, what this also does is put pressure everywhere else.

The number of people on disability who are now visiting the food banks is unprecedented. They have to rely on the food banks. They have to rely on all kinds of programs out there. It's snowballed to a point that it's almost non-existent. If a person is lucky enough to have subsidized rent—and I say "lucky" with a cold voice, because you don't have a choice of where you live.

You're in situations sometimes that you should never be in, because you can't work or you can't subsidize your income. It's just deplorable.

The quick answer to your question is you can't really cope, and this is where more and more people are having a lot more problems, because almost all their money has to go for their rent. There's a famous saying among all the different groups around here: Either pay the rent or feed the kids. Well, in this case, we don't even get to feed ourselves properly.

**Mr O'Toole:** Some of the points you make have been made by, as you said, Mr Stewart, the previous presenter, who made similar arguments of the determinants of health, whether it's physical or mental. I don't differentiate because a lot of it is income-driven or economic-security-driven. I guess all of them have mentioned the importance of shelter—that's why I asked that question—having the stability of a place that's your own, a place to go. Do you feel confident that the current government is addressing it adequately? I think they've given a small increase in pay. What advice would you give this committee specifically that the government should take action on?

**Mr Matthews:** I believe the 3% cost-of-living increase is adequate, provided that you go back and fix the base. In other words, go back, fix the base to what we need and then add 3% per year for following years. That's already been in one of our past publications, and it's all out there for everybody to see.

The thing is, though, we have asked for a cost-of-living increase for eight years. I've got to give the current government a pat on the back for saying we at least have that. We've hadn't had a cost-of-living increase since 1993, and now we are starting to get one. We need more help. There you go.

**The Chair:** Thank you.

**Mr O'Toole:** I'd just conclude by saying that we've heard from the government that there's more coming, and I'd expect that's a positive—

*Interjections.*

**The Chair:** Thank you. Thank you. We appreciate your presentation this afternoon.

*Interjections.*

**The Chair:** Order, please. It's my understanding that the next presenter is not present.

*Interjection.*

**The Chair:** Order, Mr Colle. It's my understanding that the 3:15 appointment is not here, but our next presenter after that, Family Services Ottawa, is present, if they would come forward.

1510

**Mr O'Toole:** In the meantime, Mr Chair, I have a very small administrative matter. I would like to request, further to the discussion we had yesterday, I believe, on the delegation from AMO, that we also add to the optional list of where they could present the city of Whitby, which I believe is the last day of hearings.

**The Chair:** You're asking for unanimous consent?

**Mr O'Toole:** Unanimous consent.

**The Chair:** Do we have consent? Carried.

**Mr Prue:** And there's a space? We're not displacing anyone?

**The Chair:** No. We would not displace anyone.

**Mr O'Toole:** Thank you, members of the committee.

## FAMILY SERVICES À LA FAMILLE OTTAWA

**The Chair:** Good afternoon. I appreciate your waiting to allow us to do a little bit of housekeeping business here. You have 10 minutes for your presentation. There could be up to five minutes of questions after that. I would ask you to identify yourselves for the purposes of Hansard, and you may begin.

**Ms Christina Marchant:** I'm Christina Marchant, the director of community programs at Family Services à la famille Ottawa, and this is the chair of our social justice committee, Sheila McIntyre.

**Ms Sheila McIntyre:** What we're going to do in our presentation is, first, set some context based on our experience, and Christina and I will share the presentation. Following that, we'll make some specific recommendations from our experience.

To begin, what do language barriers, wheelchairs, four children to feed and three part-time jobs all have in common? They are all part of the daily challenges faced by Ottawa's families. For almost 90 years—we have been around for a while—Family Services à la famille Ottawa has been helping individuals and families at risk or in distress. We help them to attain greater health and well-being. We help improve their coping skills to achieve their potential. We do this by providing counselling, education and advocacy services.

In recent years, some of the other challenges we have observed among Ottawa's families include parents who are burdened by multiple demands of work, child care, and elder care; they are struggling to balance it all. Specifically, we have same-sex families and single-parent families that face exclusion from family policies that have been designed with a more traditional family paradigm. We have immigrant parents who feel isolated by Canadian mores that challenge their traditional roles in the family. We have elders who are a growing group of Ottawans who face loneliness, sickness, poverty and uncertainty of care in their older years. As a volunteer board member, I can tell you that my own family experiences some of these things. Despite being upper-middle-class and avant-garde and supportive, these things still happen, and we need to be aware of them. And yet in October 2004, Family Services à la Famille Ottawa was forced to announce the cancellation of the only senior peer counselling program in the entire city due to lack of funding. We know that 23% of children and youth in Ottawa live in poverty.

It is in this context that Ontario is deliberating another very important budget. Changes to provincially offered and supported services must consider the impact on all families, but especially those who are most vulnerable.

Over the past few years, our citizens have seen a steady and dangerous increase in levels of stress. Isolation, hopelessness, a shrinking social safety net, unhealthy environments, insecure work environments and poverty are all acting to diminish the capacity of the family.

We recently had a presentation at one of our board meetings by our intake officer at Family Services. It left all of the board members shocked and, frankly, depressed, because we hear of these issues generically, but we got to hear about 15 very specific stories of the types of desperate situations people call in. We know that we are not always capable of responding, simply because of the huge waiting lists that we have to live with. We do our best.

The impact on the citizens of any cuts in spending, or in some cases failures to increase spending, will be felt most by those who are already least able to cope: the poor, the marginalized, those already in distress. Economic policies that improve the individual's abilities to cope are doubly needed at such times and constitute an investment in the human capital of this city over the long term.

**Ms Marchant:** I'm going to take about 24 seconds to just give a little picture of what Ottawa families are specifically facing now, but as I do it I also want to acknowledge that in the first year, the Liberal government has already made some financial changes that have improved the situation of families. I just want to acknowledge that as I go into my 24 seconds of doom and gloom.

In September, parents of children in Ottawa schools paid up to \$150 per student for fees to help their kids go to school. In some cases, kids weren't allowed to have their timetables until the fees were paid. You can imagine the exclusion created for poor children when that kind of thing happened.

I'm sure you've heard lots about poverty already, but in 2004, 40% of the people using the Ottawa Food Bank were children, and those children are in poor families.

Children's mental health services are becoming a larger and larger concern in this city. We're hearing that over 10% of children between the ages of four and 11 are exhibiting indications of mental and emotional challenges: hyperactivity, ADHD, bed-wetting, all sorts of stuff that isn't actually a mental illness but more an example of the responses to stress that families are living under. Yet children in Ottawa are also having a terrible time accessing the mental health services they need to deal with those because of cuts to things like CHEO and our hospitals and other social service levels. Again, there have been investments, but the investments aren't necessarily helping the children who aren't officially mentally ill.

Sheila has already mentioned the challenges of seniors that we've seen. Indeed, at least one seniors' services program in this city was cut despite the increasing number of seniors and needs of seniors in this city, and I'm extrapolating to the province.

Child poverty rates in Ontario have increased for the first time in six years. That's frightening. Some 87% of poor children are actually living in families where the parents work, so poverty isn't just about social assistance and welfare. I heard the previous speaker talking earlier about the challenges of living on social assistance and disability cheques, so I won't go into that, but it's certainly a concern that Family Services wants to put out to you as well.

I'll turn this back to Sheila now to start on what we ask you to do.

**Ms McIntyre:** What we'd ask you to do is consider developing and maintaining a longer-term sustainable plan to tackle children's mental health, including continued core funding to community-based agencies that provide counselling and mental health services. These are the services on which people depend in a crisis. I want to emphasize the issue of community-based, because we know there is quite a separation. Although there is collaboration, there are quite different functions performed in a community by medical institutions dealing with mental health and community-based ones. Our focus is on the community-based counselling approach. We consider it to be extremely important in providing a transition service between medical and community functioning.

We ask that you provide core funding to support parents as well. Research shows that parents who successfully complete a counselling experience have fewer behavioural problems and their children have much more school success. Counselling teaches parents to be more involved with their children. Research shows that a positive relationship with an involved parent can mediate the stress of poverty on a child's educational achievement. You can appreciate that these are points we want to underscore tremendously, because it is often very difficult to prove the importance and significance of counselling. We believe in it fundamentally, and we absolutely believe it's an investment in children and in their parents.

We ask you to invest in the program Families and Schools Together as a best-practice, best-start program. F&ST—"fast"—is a prevention strategy for children aged zero to nine and their families. It addresses the causal factors that contribute to things like delinquency, violence, drug and alcohol abuse, and early school failure. In addition, it promotes the positive development of children by supporting and empowering the parents to be agents of prevention and change. Again, we are family services and we do look at the family system, and we think it's incredibly important that parents and children be looked at as a unit.

F&ST programs demonstrate outcomes that improve child development. They have a results-based orientation for the child, the family and the community. These programs are rooted in formal, collaborative partnerships between the school, community organizations and volunteers, and they are based on evidence-based best practices.

In Ontario, 11 family service agencies provide F&ST in 60 different sites. With their positive demonstrated success, these programs should be a key component of any effective community investment strategy that supports the healthy development of children aged zero to nine.

**1520**

We ask you to reinvest in seniors. Acknowledge the needs and also the strengths of this growing demographic group. Invest in proven programs that support frail and isolated seniors in ways that work for them, like the successful senior peer counselling program we mentioned, which was cut by the Ministry of Health in 2004. That was also fairly significantly volunteer-based as well, so it had a community development component as well as a seniors support component.

We ask you to fulfill your 2004 election promise to stop the clawback of the national child benefit supplement from families living on social assistance or disability. Minister Papatello has indicated that it would cost the province \$250 million to stop the clawback and that doing so would put programs that are currently funded out of clawed-back dollars at risk. We agree that many of the reinvestment programs are important and need to be funded, but not by taking money away from the poorest families.

In October 2004 the federal government reported a \$9-billion surplus, and in November, Canadians learned that there is a \$46-billion surplus in the EI coffers. Clearly, funds are available. Where better to spend a portion of them than in helping the poorest of the poor to get a good start in life?

**The Chair:** I'll remind you that you have about a minute left in your presentation.

**Ms Marchant:** I'll zip through the last of our recommendations.

Again, we acknowledge that the Liberal government has increased the minimum wage and has followed through on that election promise. We'd encourage you to accelerate your plans to increase the minimum wage, moving from the current target of \$8 in 2007 to \$10 an hour in 2007.

We'd encourage you to move immediately on your commitment to provide \$100 million in shelter allowances to working families who are paying more than 50% of their incomes on rent.

We would encourage you to maintain momentum on improving social service benefits and again congratulate you on your decision to raise them somewhat last year.

Don't hesitate, please, to use a small tax increase to shore up public services, like reinstating OHIP coverage of services like eye examinations and physiotherapy.

Also, please don't hesitate to use a small tax increase to shore up support to cities and municipalities. We've certainly seen a lot of challenges as formerly provincially funded programs have fallen to the city to take care of. Ottawa has been dealt some hard blows because of that over the last several years.

In summary, we're proud to live in Ontario and we want to continue to support families at all levels of economic success to thrive in this province. We really encourage you folks to take some of our suggestions and incorporate them into your financial decisions over the next year. We thank you very much for your time.

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

**Mr Prue:** I come to this table probably agreeing with everything you have to say here, but I'm sitting on the opposition side. The Minister of Finance has said there will be no tax increases this year and that the budget will increase by only some \$500 million. What are your priorities? What can you tell these guys across the table from me that the priorities should be? If you could only do one or two things out of your whole list, what would you do?

**Ms Marchant:** She's looking at me.

**Ms McIntyre:** I think because both of us have discussed this subject as—

**Mr Prue:** Personally, I'd end the child clawback. What would you say?

**Ms McIntyre:** I think child poverty is a very significant priority, so I think any initiative that deals with child poverty is incredibly important.

**Ms Marchant:** And you can end child poverty using economic measures like ending the clawback and by using more education and prevention measures by empowering families. I hate being asked to make a choice, so I would probably split it between the two: supporting those families and schools together—the family empowerment programs to help people gain skills and ending the clawback.

**Mr Prue:** You are not satisfied with the minimum wage. They campaigned on going from \$7.15 an hour to \$8 over five years, which is basically leaving the minimum wage where it is after you factor in inflation. Nothing much really will change. Is that sufficient? Can anybody on minimum wage—I can't imagine a person living on minimum wage in this province. I can't imagine how they even do it.

**Ms Marchant:** We say in our brief that minimum wage workers who work 35 hours a week bring home a little under \$1,100 before taxes. If you're a single mother raising a child, paying for a \$900 apartment, obviously you can't live on minimum wage. You can barely live well on \$10 an hour. That's why we're asking you to accelerate the plan to increase the minimum wage so that fewer and fewer people are having to choose between paying their rent and feeding their children.

**Mr Prue:** The question has to be asked, and I guess the government is going to have to answer this: It costs them nothing to raise the minimum wage. Mostly, that's paid for by private sector people, who in turn have to pay—McDonald's will have to pay. You'll have to pay an extra nickel for the hamburger or whatever. There is some talk that that could result in job loss. Do you believe that raising the minimum wage to \$10 will result in appreciable job loss or people who are at the lower end

actually losing their jobs? That's what I'm going to hear from them; I know it.

**Ms Marchant:** I don't know.

**Mr Prue:** OK. That's pretty blunt.

You are talking about seniors. You didn't include seniors when I asked you about the most important—I can understand that. They do not seem to be in the same terrible situation that we're seeing many young families and especially children in. We're starting to see a spate of violence in Toronto. We're starting to see despair from some of the teenagers, the social programs being cut and a whole plethora of horrible things. I don't want to leave the seniors out, but are you prepared, if they can only do that much, to wait, knowing full well we'll all be seniors some day?

**Mr Colle:** Speak for yourself.

**Mr Prue:** I might not make it; you're right.

**Ms McIntyre:** When you put a box around it that says, "No tax increases," and then you say, "Which of the social programs should be funded?" it becomes an impossible situation. No, I don't think seniors should be left out either. We're talking about creating healthy, sustainable communities. When you look at whether or not the minimum wage should be raised, all of it fits together in terms of creating a socially and economically sustainable community, and in a socially sustainable community, its businesses can probably cope with an increase in minimum wage, because you have the kind of social will and understanding that will enable it.

I'm an idealist. I believe that Ontarians truly do want to live in healthy, sustainable communities, and the kinds of things we're talking about, we think, are absolutely essential to getting there. The kinds of results that we see from isolated seniors and disaffected youth and parents who are incapable of coping are the kinds of results that make our communities difficult to live in. We do not want to have the kinds of communities that we see in other countries, where the rich have to wall themselves in to isolate themselves from either seeing what they don't want to see or coping with the results thereof. I'm an idealist. I really think these things are absolutely important to the entire picture of this province. It starts here.

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

#### OTTAWA CHILD CARE ASSOCIATION

**The Chair:** I would call on the Ottawa Child Care Association to please come forward.

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

**Ms Elaine Bisson:** I'm Elaine Bisson.

**Ms Karen Cole:** I'm Karen Cole.

**Ms Bisson:** I guess it's a long day, and this is near the end; one more presentation after myself. I'll keep it brief—the best for second-last.

Thank you for giving me this opportunity to speak with you today. As I said, my name is Elaine, and I'm president of the Ottawa Child Care Association, which is a voluntary organization of licensed, non-profit child care agencies who have purchase-of-service agreements with the city of Ottawa and who are accountable to a board of directors. The OCCA represents the mutual concerns of its agencies, the boards, their staff, their children and their parents.

As well as acting as president of the OCCA, I am also the program coordinator of the child care program at the Youville Centre. I'm not sure if people know what the Youville Centre is. It's an alternative high school for teen parents: mothers who are completing their high school education on-site and acquiring parenting skills at the same time. There's on-site child care, and it's available for 55 children: infants and toddlers two months to three years of age. It's a critical service if these at-risk youth are to achieve their educational goals.

**1530**

I thought I would just share a story with you. I know that my colleague came a little earlier and she probably brought tons of stats and everything, so I didn't want to go there.

Recently a meeting was arranged with one of the teen moms—she's 16—with me and the child care educator in the room where the mother's eight-month-old baby is cared for. The mother was complaining to the other student mothers that the educators in the daycare program didn't know how to provide the proper care for her child. Some of the things she was upset about were that her child had to be fed three tablespoons of puréed fruit, and it had to be heated for 10 seconds, no more, no less; there had to be one eight-ounce bottle of formula given to the baby at one o'clock—it didn't matter if the baby was hungry at 11 o'clock or whatever, the baby had to be fed at that time—and there were other things like that.

During the meeting, I found it interesting because the mother would often question the qualifications of the educator: "How could she possibly know how to provide the proper care for this infant if she herself isn't a mother?" After that meeting, the mother went upstairs to the third floor to attend her grade 9 class in parenting.

For better or worse, after the meeting I found myself making some comparisons between the daycare program that we offer and the high school program on-site. The early childhood educator in question who attended the meeting has two diplomas: one in developmental services and one in early childhood education. So she has four years of specialized training and education. She has worked for over five years with young children at the Youville Centre. She also works as part of a team of educators with a combined total of 12 years of education and training and 20 years of experience.

It struck me: Why are my early childhood educator's qualifications questioned, yet the qualifications of the high school teachers never are, and then in my mind, why is she is paid only half or one third the amount that educators in elementary and high schools are paid? Why

must she work longer hours every day and enjoy fewer holidays than her colleagues in the school system? Why is it that the province respects the care and education of some children but not others?

The early childhood educator at the Youville Centre is actually making an impact on two generations by providing a quality child care program for an at-risk child, therefore making it possible for a teen mother to obtain her high school education. She's not unlike any early childhood educator inside or outside of the regular school program in the province who provides quality child care in order for parents to work or attend school.

I've been involved in the child care profession for 30 years now. In the early 1970s, it was exciting to be part of the profession. I saw purpose-built buildings erected to meet the overwhelming demand for more child care spaces. But since then I've heard only promises for a better system from the provincial and federal governments. I've seen students from early childhood education programs move directly to the school system because they want to be positively recognized for their commitment to children. I see others work as educators for a short time and then move on to jobs where they'll make a decent wage and access sound benefits. I think we should be ashamed that jobs as grocery clerks can pay more than early childhood educators.

I've also seen parents struggle to pay daycare fees because they know the early years are the most important years for their children, and others who must place their children in unregulated situations because they just can't afford the 55 bucks a day or more in daycare fees, or they can't even find regulated, non-profit centres if they want them.

I have to say we're really lucky to be living in the city of Ottawa, which is committed to children, and we recognize that they have had to make tough decisions on whether or not they should fund roads, sewers, police or children. This year, the city of Ottawa is thinking of giving us a small increase to our budgets, and they say it should go to wages and benefits because they know how dismal our wages and benefits are. But they also recognize that there are some uncontrollable costs such as skyrocketing hydro bills, insurance costs and snow removal. I'm going to ask you where you think this money is going to go. As I left my building today, they were fixing our boiler system.

What I want to know today is why in this province municipalities must make decisions about child care and education? Why is this not the responsibility of the province? Why is it that four- and five-year-olds' education is fully funded inside the school system but not outside, in child care centres? I just want to know if there is something magical about the age of six. Why is it that when children enter formal, full-time schooling, they become more special and more deserving of attention by the province?

I don't have to remind this committee of how many working parents there are in Ontario—and I'm sure some of you were—or how many children under six years of

age continue to be in unregulated and potentially unsafe child care arrangements. I don't have to let you know that there are some really good people providing care to the most vulnerable population, and these people are really poorly paid. You already know that.

I'm here just to remind this committee that we need a system that is publicly funded, fairly funded and sustainable, one that guarantees standards and principles, one that is accountable to the public and tied to concrete provincial plans, and one that is for children, not for profit. I think it is within our reach, and it's time for our province to make it happen.

I have not included all the facts and figures because, like I said, my colleague probably already has, and I know there have been other committees. I'd be happy, though, to forward any information.

**The Chair:** The questioning in this rotation will go to the government.

**Mr Patten:** It's good to see you again.

**Ms Bisson:** Yes. We've met before.

**Mr Patten:** By the way, I must commend the Youville Centre. I have known it for many years. Its previous location was in my riding. It no longer is, which is somewhat unfortunate, but it is in a great facility. I have absolute respect for its operation and the credibility and quality of what it does. It's so heartwarming when you see the graduation ceremonies that I can't go any more. I defy anybody to go and not have a tear in their eye. It's a very beautiful thing.

I would say we are on the verge of trying to align and negotiate, as I think you well know, new money, new funds, new supports for the early years. The previous government provided a very helpful service, and that was the funding of the Early Years, the Mustard and McCain study, which was excellent. We support that very much. We know the importance of those years. We know also that we have to support the system that is in place and build upon it. We made an election commitment to that, and it will happen.

Our dilemma, as you well know, is that we are still faced with an enormous debt, and while we face that and deal with that, we have to make some allocations, but not as many as we would like. We did make commitments over a period of years; I will say to you that the commitment is still there. You will see some evidence of that. I don't draft the budget, so I don't know what's going to happen in this budget, but I think you will slowly see that happen. It won't happen in one year. There was some evidence this year; I think there will be some next year and in subsequent years. There's no doubt that the payoff will be good, quality support.

The questions you raise—you have a three-and-a-half-year-old. My wife teaches junior kindergarten. You have that funded in the morning, and then the child goes to the child care support system in the afternoon, and of course that hasn't got the same degree of funding. So there are some discrepancies. But I would say to you, do not lose faith.

**Ms Bisson:** I've been waiting 30 years. I don't know if I have 30 years left.

**Mr Patten:** You're a patient person.

Let me ask you this. One of the reasons you can't move totally in one system or another is that you don't have a completely universal system throughout the province. There are some areas where you don't have the regulated child care system and you have families that might—that's all you may have in remote areas. But in urban areas, and in Ottawa, what's the best model that you would see: child care centres in schools, where possible? This was our particular position. Do you agree with that?

1540

**Ms Bisson:** I do, because I think schools used to be a community, and I would hope they would continue to be or can go back to where they are a community. So, yes, that would be a good place, especially for rural. It's a centralized place. It's not duplication of services, especially if you're going to have maintenance, things like that.

Also, there's nothing wrong with home care. Because I did it myself, I realize that it can be a good alternative, as long as there are some regulations and some monitoring as well, because I really believe there have to be some options for parents. I do think it is going to be difficult, but just because it's going to be difficult doesn't mean we shouldn't move forward.

I did give a speech at my OCCA meeting a few months ago. It was "Universal Child Care: Let the Fight Begin," because there are so many different people with different opinions, and people are still living in the past about parents staying at home or something like this, as if that's an option for some families.

Thank you for giving us this opportunity.

**The Chair:** Thank you for appearing before the committee.

#### CANADIAN NATURAL GAS VEHICLE ALLIANCE

**The Chair:** I would now call on the Canadian Natural Gas Vehicle Alliance to please come forward.

Good afternoon, gentlemen. You have 10 minutes for your presentation. There could be up to five minutes of questioning after that. I would ask you to identify yourselves for the purposes of Hansard, and you can begin.

**Mr Howard Mains:** Howard Mains, government relations adviser to the Canadian Natural Gas Vehicle Alliance.

**Mr Rick Thomas:** My name is Rick Thomas, and I'm the new president of the Canadian Natural Gas Vehicle Alliance. I'm now on my third day on the job. Hopefully, this will be more than my 10 minutes of fame. I understand that we are the last ones this afternoon, so I can understand if you kick under the table to get me going along here. I'll go as quickly as I can.

We're handing out three documents. One is the presentation, one is some information on natural gas vehicles and one is a two-pager on natural gas buses. With that,

hopefully I haven't taken a minute; that's only been about 18 seconds.

Thank you, Mr Hoy and committee members, for allowing me to appear before your committee. By way of introduction, the Canadian Natural Gas Vehicle Alliance is the umbrella organization representing an innovative, growing high-tech industry dedicated to reducing greenhouse gases and smog-causing emissions in Canada and around the world. Please allow me to provide a brief synopsis of the technology.

Natural gas burns significantly cleaner than gasoline or diesel fuel and, as such, produces fewer smog-causing emissions. In addition, light- and medium-duty natural gas vehicles provide a 20% reduction in greenhouse gas emissions.

Who operates natural gas vehicles? High-mileage fleet owners are the largest buyers of light-duty vehicles. In Toronto, for example, approximately 10% of the taxi fleet is natural-gas-powered. By fuelling with natural gas, each vehicle produces, on average, seven fewer tonnes of greenhouse gas emissions. Other uses include transit buses and refuse trucks, to name but two important applications.

The alliance is pleased to offer our pre-budget recommendations, which are as follows:

(1) Support our six-part plan for the federal climate change agenda—that's identified as one of the appendices;

(2) Recommend inclusion of our particular proposals today into the provincial budget—that's what we're here for; and

(3) Follow the leadership of California and other North American jurisdictions by implementing policies that require municipalities and government agencies to—and this is quite important—"Deploy the cleanest, proven, commercially available technologies as early as possible to reduce emissions from diesel engines."

The NGV industry has been encouraged by the announcement in May of last year by the federal government that NGVs—natural gas vehicles—have been included in the climate change plan for Canada. The federal incentive program of \$3,000 per vehicle is now assisting fleet owners—such as the Toronto Hydro-Electric Commission, which recently purchased five natural-gas-powered light-duty trucks—to do their share in reducing harmful emissions. The transportation sector is recognized as a significant contributor to air quality problems, contributing to approximately 25% of all of Canada's greenhouse gas emissions.

Ontario has set a record number of smog alerts over the past several years, and a recent Toronto Board of Health report indicated that Toronto ranks fourth among 37 international cities with respect to NO<sub>x</sub> levels. Numerous studies have linked premature deaths and health care costs to air quality. Natural gas, as the cleanest-burning alternative transportation fuel, can assist Canada in meeting its obligations to reduce greenhouse gases, provide improvement to Ontario air quality and reduce the impact on public health. But targets and a

timetable must be set by Ontario to make even partial progress relative to the ambitious but attainable goals already set out by other jurisdictions. For example, achieving a goal of 5% market penetration for natural gas vehicles in Ontario by 2015 is possible simply by following the leadership of California and the European Union.

You may have seen the Tuesday edition of the *Globe and Mail* and the article concerning the challenges facing Canada in meeting our Kyoto obligations. The member companies of the alliance have been engaged with other industry participants in preparing a comprehensive natural gas vehicle strategy for the federal government. A detailed description of this \$160-million six-part plan is provided in the attachment. We encourage you to call upon your federal counterparts to implement this plan.

You may have noticed the news media reports that next week federal Environment Minister Stéphane Dion and Transport Minister Jean Lapierre will be leaving snowbound Ottawa—ice pellets, crystals, freezing rain Ottawa—for the warmer climes of California to see first-hand the approach that that state—

*Interjection.*

**Mr Thomas:** —the deluge is about to begin—is taking to reduce greenhouse gas emissions and air pollutants from cars, trucks and buses.

On Monday morning, the Canadian delegation will be meeting with officials at the South Coast Air Quality Management District, an area with a population of some 16 million people in the Los Angeles region. South Coast has set a very clear public policy objective: “Deploy the cleanest proven, commercially available technologies as early as possible to reduce emissions from diesel engines.”

To do this, the regulator has implemented seven rules that require all public agencies—including the federal, state and local governments—which operate fleets of 15 or more vehicles to purchase the cleanest commercially available technology. The rules cover the procurement of light- and medium-duty public fleet vehicles, transit buses, refuse collection vehicles, commercial airport ground access vehicles like taxicabs and shuttles, school buses, heavy-duty vehicles and street sweepers. Natural-gas-powered vehicles employing Canadian technology are a major part of the solution in achieving this public policy objective. In fact, just before Christmas, South Coast announced an award of \$1.9 million to further develop Canadian technology. Many of the buses being used down there are Canadian, and they use a technology that has been developed in Canada.

In 2002, the final report from the Ontario provincial select committee on alternative fuel sources recognized the benefits of using natural gas vehicles and other alternative fuels by recommending, among other things, increasing the sales tax rebate to \$2,000 and supporting their use in Ontario public fleets. One of the recommendations of the select committee was to allow alternative fuel vehicles to use high-occupancy vehicle lanes. California and other states are enacting legislation to

allow such vehicles in high-occupancy vehicle lanes with just a single occupant.

Fuelling appliances such as the *Phill*, which was developed by FuelMaker Corp of Etobicoke, allow motorists to refuel their natural gas vehicle at home, thereby greatly improving access to a clean fuel. In September, FuelMaker and Honda US announced a strategic alliance to jointly market *Phill*, along with the natural-gas-powered Civic GX, a car that the US Environmental Protection Agency has labelled the cleanest internal-combustion-engine-powered vehicle ever tested.

So what’s our budget request? We’re here to ask for a renewal of the all-party commitment to improve the quality of the air we breathe and the health of Ontarians through the following budget measures:

(1) Tie the procurement of alternative fuel vehicles in municipalities to provincial funding programs, cost-sharing arrangements and grants. Specifically, require that any transportation funding, whether through a continuation of the transit incentive for alternative fuel transit buses or a rebate of the gasoline fuel tax, require the use of the cleanest proven, commercially available technologies.

**1550**

(2) Continue the transit incentive for alternative fuelled transit buses, begun in 2003.

(3) Increase the PST rebate from \$1,000 to \$2,000 for natural gas vehicles and hydrogen vehicles.

(4) Establish programs to utilize alternative fuels for school buses, airport vehicles, all municipal heavy vehicles—sweepers, garbage trucks, fire engines etc—all other municipal cars and light trucks, and high-mileage province of Ontario cars and trucks.

(5) Develop rate-base friendly Ontario Energy Board initiatives for NGVs.

(6) Allow access to high-occupancy vehicle lanes for NGVs and hydrogen vehicles.

(7) No-charge vehicle registration for NGVs and hydrogen vehicles.

(8) Free entry to Ontario’s parks and recreational areas for NGVs and hydrogen vehicles.

The alliance applauds the Ontario government in its endeavours to reduce greenhouse gas emissions. While recognition of the pollution reduction benefits of natural gas and hydrogen for vehicles is important, to be competitive in the Canadian marketplace, we must implement public policies that will allow the industry to supply these environmentally beneficial vehicle fuels in an affordable way. The proposals presented today strive to achieve these public policy objectives.

I’d like to thank the committee members for listening and allowing me to make this presentation to you this afternoon. I hope I’m within the 10 minutes.

**The Chair:** You did very, very well. I wouldn’t cut someone off on their third day, anyway. The questioning now will go to the official opposition.

**Mr O’Toole:** Mr Barrett and I both have a question. Thank you very much for your presentation. I happen to

be the energy critic, so I watch these issues—the price of natural gas is becoming somewhat prohibitive.

In my riding of Durham, there is a company, Canadian Hydrogen Energy, which I have no association with directly, but Steve Gilchrist has brought it to my attention. They have got a new product where they are using a small vessel to crack distilled water with about an 18-volt charge, creating small amounts of hydrogen, which is then used as a catalyst in a normal combustion engine—diesel or gas-powered—to provide higher efficiencies. Are you familiar with that product? Actually, they've just equipped the transit system in the municipality of Clarington and Oshawa with this product, and they're going to be introducing it. It's compliant with vehicle manufacturers' specifications, and it's quite new. I don't know whether the company itself is commercialized. Are you familiar with that product?

**Mr Thomas:** No, I am not familiar with it, but it does sound very interesting.

**Mr O'Toole:** Yes, Canadian Hydrogen Energy. You might just want to look into it. Mr Barrett has a question as well.

**Mr Barrett:** I should know this—I'm making an assumption. Are natural gas vehicles exempt from Drive Clean testing, or do they still go through that process?

**Mr Thomas:** I don't know the answer to that. We can look into that and find out.

**Mr Barrett:** That would be seen as an advantage in many quarters.

**Mr Thomas:** Yes, that's a very good point.

**Mr Barrett:** Again, when you look at other evolving technologies—and I notice, in one of your documents, you talk about natural gas as a pathway to the hydrogen vehicle, a substitute for diesel. What about biodiesel? I think of diesel as polluting, if it's not set up properly. What about biodiesel, if that will be receiving government subsidy and encouragement? Do we know if biodiesel is going to be a problem? Will you fill a niche, or is it going to be—

**Mr Thomas:** Well, it certainly is not an area of my expertise, but I think one of the ideas behind biodiesel is that you're using renewable resources to generate that. However, whether or not there will be any problems with it, I couldn't answer that.

**Mr Barrett:** The same goes for ethanol. It looks as though you haven't been doing much in the last three days to get up to speed.

**Mr Thomas:** This is day three. That's two days.

**Mr Barrett:** One other thing. I know the alternate fuel committee raised the issue of allowing motorists to refuel

natural gas vehicles at home. I know, on occasion, I do that because I have a farm. Sometimes it's more convenient, though, just to roll into a gas station. Do you have any idea if homeowners, say, in a city are going to really buy into that? I wonder how popular that would be. We can do that now with gas and diesel, but where do you put the tanks, unless you have a farm or have an area?

**Mr Thomas:** I think there are two parts to that. Just looking at myself, we all have barbecues outside, and many of them have natural gas barbecues. You just hook them up outside. Others go and purchase propane.

My understanding is that FuelMaker actually has two types of appliances that can be used: One is the low-pressure that goes overnight. So you plug that into your car at home and it may take five or six hours just to fill the tank. The other one is the high-pressure system that's used for more commercial applications.

I think that it's probably just going to take some time for people to become used to and familiar with it, just like, I would think, with natural gas barbecues or propane barbecues.

**Mr Barrett:** As long as it's convenient. A lot of people don't like to take the trouble to pump their own gas or pump their own diesel, or to purchase the electric motor to pump it.

**Mr Thomas:** I see what you're saying.

**Mr O'Toole:** Just quickly, if I may. Is there still a discount for vehicles that are equipped with natural gas? There used to be a subsidy.

**Mr Mains:** The PST rebate is \$1,000 right now. The federal government, for fleets, contributes \$3,000. Then, depending on the utility, some of the utilities—when I say that, that would be Enbridge, for example—also provide a rebate. So there is a ladder rebate system in place, and our proposal had asked that we—

**Mr O'Toole:** I encourage that. I think it's a direct compliance incentive, if you will, to meet some emission targets. We know that the real cause—to meet all these emission standards, they always state the coal plants. Actually, the largest polluter is the combustion engine, the vehicles. It's the biggest polluter. The Ministry of the Environment wrote a report in 1996, I believe, that demonstrated that 65% of the air pollution is from vehicles.

**The Chair:** Thank you very much for your presentation this afternoon.

That concludes the business of the committee. We are adjourned.

*The committee adjourned at 1557.*



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